MURRAY COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2010

Murray County, Georgia
Annual Financial Report
For The Year Ended December 31, 2010

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Commissioner
of Murray County
Chatsworth, Georgia

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Murray County, Georgia as of and for the year ended December 31, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Murray 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 Hospital Authority and the Department of Public Health, which represent 99% of the assets, net assets, and revenues of the discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as is relates to the amounts included for the Hospital Authority and the Department of Public Health is based 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Murray County, Georgia, as of December 31, 2010, and the respective changes in financial position, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 3, 2011, on our consideration of Murray 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the Employees' Retirement Plan-Schedule of Funding Progress on pages 3 through 10, and 40, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Murray County, Georgia's financial statements as a whole. The combining and individual major and nonmajor fund financial statements and budgetary comparison schedules, and schedule of expenditures of special purpose local option sales tax are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual major and nonmajor fund financial statements and budgetary comparison schedules, and schedule of expenditures of special purpose local option sales tax are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the reports of other auditors, the information is fairly stated in all material respects in relation to the financial statements as a whole.

R. M. Dobbs & Company

Calhoun, Georgia
August 3, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the comprehensive annual financial report for Murray County (the County), the County's management is pleased to provide this narrative discussion and analysis of the financial activities of the County for the calendar year ended December 31, 2009. The County's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

2010 FINANCIAL HIGHLIGHTS

- The County's assets exceeded its liabilities by $58,945,977 (total net assets) as of December 31, 2010.
- Total net assets are comprised of the following:
  (1) Capital assets, net of related debt, of $51,945,128 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
  (2) Net assets of $3,572,941 are restricted by constraints imposed from outside the County such as debt covenants, grantors, laws, or regulations.
  (3) Unrestricted net assets of $3,427,908 represent the portion available to maintain the County's continuing obligations to citizens and creditors.
- The County's governmental funds reported total ending fund balance of $8,776,695 at December 31, 2010. This compares to the prior year ending fund balance of $9,825,942, showing a decrease of $1,049,247 during the current year. Unreserved fund balance of $5,491,242 at December 31, 2010 shows a $1,578,137 decrease from the prior year amount at December 31, 2009.
- At the end of the current calendar year, the unreserved undesignated fund balance for the General Fund was $5,377,124, or 35.7% of total General Fund expenditures.
- The failing economy has played havoc with many of the County's 2010 revenue streams.
- Overall, the County continues to maintain a strong financial position.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management Discussion and Analysis document introduces the County's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The County also includes in this report additional information to supplement the basic financial statements. Comparative data is presented to allow comparison to the prior calendar year.

Government-wide Financial Statements

The County's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the County's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Assets.* This is the government-wide statement of position presenting information that includes all of the County's assets and liabilities, with the difference reported as *net assets.* Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County as a whole is improving or deteriorating. Evaluation of the overall health of the County would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of County infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the County's net assets changed during the current calendar year. All current year revenues and expenses are included regardless of when cash is received or paid.

An important purpose of the design of the statement of activities is to show the financial reliance of the County's distinct activities or functions on revenues provided by the County's taxpayers.

Governmental activities include general government, judicial, public safety, public works, culture and recreation, health and welfare and housing and development.

The government-wide financial statements are presented on pages 11 & 12 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The County uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the County's most significant funds rather than the County as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for nonmajor funds is provided in the form of combining statements in a later section of this report.

The County has two kinds of funds:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the County's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 13 to 17 of this report.

Individual fund information for nonmajor governmental funds is found in combining statements in a later section of this report.

Fiduciary funds (i.e., the agency funds) are reported in the fiduciary fund financial statements, but are excluded from the government-wide reporting. Fiduciary fund financial statements report resources that are not available to fund County programs. These funds are used primarily by the County's constitutional officers.

The basic fiduciary fund financial statement is presented on page 20 of this report.

Notes to the Basic Financial Statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin on page 21 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's budget presentations. Required supplementary information can be found on page 40 of this report.

Supplementary Information

As discussed, the County reports major funds in the basic financial statements. Comparative information for major funds and combining and individual statements and budgetary comparison schedules for nonmajor funds are presented in a supplementary information section of this report beginning on page 48.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

The County's net assets at calendar year-end are $58,945,977. The following table provides a summary of the County's net assets:

Summary of Net Assets

	Governmental Activities	
	2010	2009
Assets:		
Current assets	$ 10,347,135	$ 11,163,687
Noncurrent assets:		
Other non-capital assets	200,732	233,098
Capital assets	58,664,105	62,429,334
Total assets	69,211,972	73,826,119
Liabilities:		
Current liabilities	2,988,031	2,434,368
Long-term liabilities	7,277,964	9,671,311
Total liabilities	10,265,995	12,105,679
Net assets:		
Investment in capital assets, net of related debt	51,945,128	53,949,334
Restricted	3,572,941	2,627,258
Unrestricted	3,427,908	5,143,848
Total net assets	$ 58,945,977	$ 61,720,440

Current assets in governmental activities decreased in calendar year December 31, 2010. Cash decreased $1.1 million, which relates to the spending of the General Fund's fund balance.

The County continues to maintain high current ratios. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 3.5 to 1 as compared to 4.6 to 1 at December 31, 2009.

The County reported positive balances in net assets for governmental activities. During 2010, net assets decreased $2,774,463 for governmental activities. However, the County remains in a strong financial position, in spite of a depressed economy.

Note that approximately 84.8% of the governmental activities' total assets are tied up in capital assets. The County uses these capital assets to provide services to its citizens

The following table provides a summary of the County's changes in net assets at December 31, 2010 and 2009:

Summary of Changes in Net Assets

	Governmental Activities	
	2010	2009
Revenues:		
Program:		
Charges for services and fines	$ 2,093,088	$ 2,172,019
Operating grants	689,492	417,854
Capital grants and contributions	341,185	363,004
General:		
Property taxes	6,244,335	5,942,222
Sales taxes	7,602,632	6,901,586
Other taxes	2,013,863	2,044,221
Other	89,229	130,196
Total revenues	19,073,824	17,971,102
Program Expenses:		
General government	7,444,513	6,338,167
Judicial	1,448,871	1,513,670
Public safety	5,627,713	4,966,989
Public works	5,417,978	5,209,713
Health and welfare	609,859	680,342
Culture and recreation	566,431	587,285
Housing and development	450,839	555,547
Interest	282,083	339,776
Total expenses	21,848,287	20,191,489
Revenues under expenses	(2,774,463)	(2,220,387)
Beginning net assets	61,720,440	63,940,827
Ending net assets	$ 58,945,977	$ 61,720,440

Governmental Activity Revenues

The County is heavily reliant on both property taxes and sales taxes to support governmental operations. Property taxes provided 32.7% of the County's total revenues as compared to 33.1% in calendar year 2009. Sales and use taxes provided 39.9% of the County's total revenues as compared 38.4% in calendar year 2009. The County earned $51,804 in unrestricted investment earnings to support governmental activities as compared to $99,276 in fiscal year 2009. This substantial decrease relates to lower interest rates and less resources available for investment, primarily due to the spending down of the special purpose local option sales taxes.

Note that program revenues covered just 14.3% of governmental operating expenditures as compared to 14.6% in calendar year 2009. This means that the government's taxpayers and the County's other general revenues normally fund 85.7% of the governmental activities, primarily from property and sales taxes. This percentage is higher than the norm. As a result, the general economy and the success of local businesses have a major impact on the County's revenue streams.

Governmental Activity Expenses

The following table presents the cost of each of the County's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the County's taxpayers by each of these functions.

	Governmental Activities			
	Total Cost of Services	Percentage of Total	Net Cost of Services	Percentage of Total
General government	$ 7,444,513	34.1%	$ 7,250,767	38.7%
Judicial	1,448,871	6.6%	1,398,288	7.5%
Public safety	5,627,713	25.8%	3,739,915	20.0%
Public works	5,417,978	24.8%	4,835,620	25.8%
Health and welfare	609,859	2.8%	391,180	2.1%
Culture and recreation	566,431	2.6%	460,123	2.5%
Housing and development	450,839	2.1%	366,546	2.0%
Interest	282,083	1.2%	282,083	1.4%
Total	$ 21,848,287	100.0%	$ 18,724,522	100.0%

The public works expenditures, both gross and net of program revenues, total over 24% of costs. As noted, total cost and net costs do not differ substantially by percentage for each function, because of minimal program revenues.

FUND ANALYSIS

Governmental Funds

Governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of $8,776,695 compared to $9,825,942 in 2009. The bulk of this decrease relates to general fund spending. The General Fund decreased its fund balance by $1,591,194 in this year.

Of this year-end total, 100% is unreserved indicating availability for continuing County service delivery requirements.

Legally restricted fund balances (i.e., the reserved fund balances) include approximately $3.3 million set aside for SPLOST projects). In addition, there is approximately $5.5 million, which is available for general appropriation.

The total ending fund balances of governmental funds show a decrease of $1,049,247 or 10.7% from the prior year.

Major Governmental Funds

General Fund - The General Fund is the County's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance decreased by $1,591,194 or 22.8% as compared to a $645,444 decrease in 2009. The ending unreserved undesignated fund balance is considered adequate, although not excessive, representing the equivalent of 35% of annual expenditures. This percentage compares to the 48.3% at December 31, 2009.

General property taxes decreased $509,807 or 9.2%. This decrease relates to the 2009 amount, which was higher than usual, due to the application of the 60-day available period rule in 2008. In other words, the 2009 amount was higher than normal, due to the receipt of taxes during the 60-day available.

Local option sales taxes revenue was $324,803 or 10.3% above the 2009 amount, due primarily to a slightly improving economy. Under intergovernmental revenue, the federal payment in lieu of taxes was down $59,584 or 32.5% below the 2009 amount. The reimbursement formulas for both the Chattahoochee National Forest and the Tennessee Valley Authority have been changed, resulting in less revenue.

Transit fees were $131,492 or 37.6% below the 2009 amount. This reduction results from a weak economy, which means we have less ridership and state and federal participation is down because it is based upon local purchase of service and fare box revenues. In total, tax revenues were $239,015 or 2.1% below those of 2009.

Total General Fund expenditures increased $664,137 or 4.6% from 2009. The most significant changes from calendar year 2009 are described below.

Total general government expenditures increased $1,087,124 or 18.8% from 2009 to 2010. The general administration costs increased $1,074,471 from 2010. The causes of this increase relates primarily to health insurance costs, which were charged to this function, rather than being allocated to each of the departments.

In total, the judicial system expenditures decreased $85,442 or 5.7%.

The largest cost center, public safety, decreased $282,529 or 6.7%. The fire department's expenditures decreased $110,973 or 11%. Much of these decreases relates to not allocating the health insurance costs to the department. The public works administration costs increased $171,558 or 14%. This increase relates to the increased costs of repair and maintenance of existing roads.

2007 SPLOST Capital Expenditures Fund - This fund is utilized to account for the proceeds of a 1% special purpose local option sales tax approved in for funding various capital outlay projects including road and bridge projects, the detention center expansion, fire safety equipment and recreation facilities. The County also provides funds to the cities located within the County for certain capital projects, pursuant to intergovernmental agreements of $3.3 million.

This fund is being spent down, consistent with the approved projects. In this year, this fund received approximately $4.1 million of sales tax collections and investment earnings of $1,653.

Approximately $998,904 was expended on capital projects and $2,075,287 on debt service. The County paid $453,438 to cities within the County for their share. At December 31, 2010, the fund balance is $3,250,136 as compared to $2,592,022 at December 31, 2009.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund's revenue budget was not amended in 2010.

The general property taxes were $421,603 or 7.7% below budget. As explained above, the 2009 actual amount was higher than usual due to the application of the 60-day available period rule. As a result, the 2010 budget was based on an inflated 2009 actual amount, in error. Local option sales taxes were $76,529 or 2.2% below the budget. This difference relates to continuing poor economy.

DOT road grants were $73,013 or 31.1% below the budget since the budget is approved before the DOT has authorized funding selected projects. This process results in difficulty in setting our DOT revenue budget. Charges for transit services were $71,321 or 24.6% below the budget, as explained above. Fines for superior court $102,167 or 26.2% below the budget, because of our poor economy, offenders are choosing to spend time in jail, rather than pay their fines.

Most other revenues were within budget. In total, the County recognized only 93.2% of the final revenue budget.

The General Fund's expenditure budget was increased by $849,200. No functions are departments were over expended.

In total, the County under spent the final expenditure budget by $345,417 or 2.2%. Because of the shrinking economy, all departments attempted to minimize their spending to help offset with reducing revenues.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The County's investment in capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2010, was $58,664,105, decreasing $3,765,229 or 6%. See Note 3-D for additional information about changes in capital assets during the calendar year and outstanding at the end of the year.

The following table provides a summary of capital asset activity:

Capital Assets

	Governmental Activities	
	2010	2009
Non-depreciable assets:		
Land	$ 1,430,309	$ 1,430,309
Construction in progress	4,553,272	16,206,134
Total non-depreciable	5,983,581	17,636,443
Depreciable assets:		
Buildings and improvements	25,195,070	13,670,144
Machinery, equipment and furniture	12,362,695	11,797,071
Infrastructure	118,450,030	117,925,815
Total depreciable assets	156,007,795	143,393,030
Less accumulated depreciation	103,327,271	98,600,139
Book value - depreciable assets	52,680,524	44,792,891
Percentage depreciated	66%	69%
Total Assets	$ 58,664,105	$ 62,429,334

At December 31, 2010, the depreciable capital assets for governmental activities were 66% depreciated. This compares to approximately the same rate of the December 31, 2009 percentage. This comparison indicates that the County is replacing its assets at almost the same rate as they are depreciating which is a positive indicator. However, the percentage depreciation total is above the norm. The total 2010 depreciation expense was $4,727,132 of which $3,864,424 or 81.7% relates to the public works function.

During 2010, the County completed the construction on the "jail expanding/detention center" project, resulting in the significant change in values from the construction in progress account to the buildings and improvements account. The balance in the construction in progress account relates to the various SPLOST funded projects. The $524,215 increase in infrastructure relates to the Dill Creek bridge replacement project.

Long-term Debt

During fiscal year 2010, the County retired $1.8 million or 21.2% of outstanding general obligation bonds.

The following table reports debt balances at December 31, 2010 and 2009:

Outstanding Borrowings

	Governmental Activities	
	2010	2009
General obligation bonds	$ 6,684,000	$ 8,480,000
Capital lease	38,977	-
Total	$ 6,722,977	$ 8,480,000

The bonds' balance of $6,684,000 is scheduled to be repaid over a period ending in 2013.

In 2010, the County entered into a capital lease to purchase a skid steer loader totaling $61,109.

See Note 3-G for additional information about the County's long-term debt.

A SUMMARY OF THE ECONOMIC CONDITIONS AFFECTING THE COUNTY

The County is located in North Georgia, on the Tennessee/Georgia boundary. For the past ten years, the County has experienced population growth. This population growth has resulted in an increase for services, particularly in public safety, judicial and public works.

The December 2010 unemployment rate was 12.5% as compared to the State of Georgia's 10.2% and the Federal government's rate was 9.4%. The County's 2009 population was 40,621 up by 2/10^{ths} of 1% over 2008. The per capita income for 2009 was $24,883 as compared to the State of Georgia's $34,129 or 72.9% of the State's average.

The primary revenue streams for the County are property taxes and sales taxes. This is a good revenue mix as property taxes are classified as "inelastic" and sales taxes are classified as "elastic." Sales tax revenue is highly sensitive to fluctuations in the economy. The current economic downturn has definitely affected the County's 2010 revenue streams and the 2010 budget is a no-frills operational budget with departmental belt tightening and very few capital projects. We are hopeful the economy will recover by mid-year and we will constantly monitor our economic condition to make the necessary adjustments.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the County's finances, comply with finance-related laws and regulations, and demonstrate the County's commitment to public accountability. If you have questions concerning any of the information provided in this report or would like to request additional information, contact:

Murray County Finance Department
P.O. Box 1129
Chatsworth, Georgia 30705
Telephone 706-517-1400 ext 367

Murray County, Georgia
Statement of Net Assets
December 31, 2010

	Primary Government Governmental Activities	Component Units
Assets		
Current Assets		
Cash and cash equivalents	$ 5,539,675	$ 774,140
Investments	2,210,336	907,606
Receivables:		
Accounts	232,484	202,933
Property taxes	1,643,817	-
Sales taxes	539,643	-
Intergovernmental	132,297	-
Inventory	-	2,030
Prepaid items	-	3,431
Restricted assets	48,883	674,597
Total Current Assets	10,347,135	2,564,737
Noncurrent Assets		
Unamortized bond issuance costs	99,245	107,670
Net pension assets	101,487	-
Capital assets		
Nondepreciable	5,983,581	106,000
Depreciable, net	52,680,524	7,846,508
Noncurrent Assets	58,864,837	8,060,178
Total Assets	69,211,972	10,624,915
Liabilities		
Current Liabilities		
Accounts payable	354,767	27,093
Accrued expenses	142,529	26,207
Accrued interest payable	55,168	108,396
Funds held in escrow	48,883	-
Compensated absences payable	253,060	-
Capital lease payable	33,624	-
General obligation bonds payable	2,100,000	-
Revenue certificates payable	-	302,250
Current Liabilities	2,988,031	463,946
Long-Term Liabilities (net of current portion):		
Landfill closure and post-closure care	2,608,258	-
Compensated absences payable	84,353	32,844
Capital lease payable	5,353	-
General obligation bonds payable	4,580,000	-
Revenue certificates payable	-	6,765,298
Total Long-Term Liabilities	7,277,964	6,798,142
Total Liabilities	10,265,995	7,262,088
Net Assets		
Invested in capital assets, net of related debt	51,945,128	2,357,741
Restricted for:		
Debt service	2,210,336	566,201
Capital projects	1,309,540	-
Judicial purposes	9,176	-
Public safety purposes	43,889	-
Unrestricted	3,427,908	438,885
Total Net Assets	$ 58,945,977	$ 3,362,827

See accompanying notes to the basic financial statements

Murray County, Georgia
Statement of Activities
For the Year Ended December 31, 2010

Function/Program	Expenses	Program Revenues: Charges for Services and Sales and Fines	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Revenue (Expense) and Changes in Net Assets: Primary Government	Net Revenue (Expense) and Changes in Net Assets: Component Unit
Primary Government						
Governmental Activities						
General government	$ 7,444,513	$ 48,440	$ 145,306	$ -	$ (7,250,767)	$ -
Judicial	1,448,871	50,583	-	-	(1,398,288)	-
Public safety	5,627,713	1,540,099	347,699	-	(3,739,915)	-
Public works	5,417,978	44,686	196,487	341,185	(4,835,620)	-
Health and welfare	609,859	218,679	-	-	(391,180)	-
Culture and recreation	566,431	106,308	-	-	(460,123)	-
Housing and development	450,839	84,293	-	-	(366,546)	-
Interest	282,083	-	-	-	(282,083)	-
Total Governmental Activities	$ 21,848,287	$ 2,093,088	$ 689,492	$ 341,185	(18,724,522)	-
Component Units						
Recreation Commission	$ 25,137	$ 11,939	$ -	$ -	-	(13,198)
Department of Public Health	908,226	169,284	577,703	-	-	(161,239)
Hospital Authority	1,018,966	649,978	-	-	-	(368,988)
Total Component Units	$ 1,952,329	$ 831,201	$ 577,703	$ -	-	(543,425)
General Revenues						
Property taxes levied for general government purposes					6,244,335	-
Sales taxes					7,602,632	-
Insurance premium taxes					1,556,554	-
Other taxes					457,309	-
Investment earnings					51,804	13,664
Miscellaneous					37,425	151
Total General Revenues					15,950,059	13,815
Change in Net Assets					(2,774,463)	(529,610)
Net Assets Beginning of Year					61,720,440	3,892,437
Net Assets End of Year					$ 58,945,977	$ 3,362,827

See accompanying notes to the basic financial statements

Murray County, Georgia
Balance Sheet
Governmental Funds
December 31, 2010

	General	SPLOST 2007	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 4,675,564	$ 812,710	$ 51,401	$ 5,539,675
Restricted cash	48,883	-	-	48,883
Investments	-	2,210,336	-	2,210,336
Receivables:				
Accounts	107,932	-	124,552	232,484
Property taxes	1,643,817	-	-	1,643,817
Sales taxes	247,156	292,487	-	539,643
Intergovernmental	82,706	-	49,591	132,297
Interfund	-	-	4,028	4,028
Total Assets	$ 6,806,058	$ 3,315,533	$ 229,572	$ 10,351,163
Liabilities and Fund Balances				
Liabilities				
Accounts payable	$ 253,725	$ 65,397	$ 35,645	$ 354,767
Accrued expenditures	130,552	-	11,977	142,529
Interfund payable	4,028	-	-	4,028
Deferred revenue	991,746	-	32,515	1,024,261
Funds held in escrow	48,883	-	-	48,883
Total Liabilities	1,428,934	65,397	80,137	1,574,468
Fund Balances				
Reserved for:				
Capital projects	-	3,250,136	-	3,250,136
Program purposes	-	-	35,317	35,317
Unreserved:				
Undesignated, reported in:				
General fund	5,377,124	-	-	5,377,124
Special revenue funds	-	-	114,033	114,033
Capital projects funds	-	-	85	85
Total Fund Balances	5,377,124	3,250,136	149,435	8,776,695
Total Liabilities and Fund Balances	$ 6,806,058	$ 3,315,533	$ 229,572	$ 10,351,163

See accompanying notes to the basic financial statements

Murray County, Georgia
Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
December 31, 2010

Total Governmental Fund Balances			$ 8,776,695
Amounts reported for governmental activities in the statement of net assets are different because:			
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds (exclusive of internal service funds' capital assets).			
Cost of capital assets	$ 161,991,376		
Less accumulated depreciation	(103,327,271)		58,664,105
Other long-term assets (i.e., property taxes receivable) are not available to pay for current-period expenditures and therefore are deferred in the funds.			1,024,261
Bond issuance costs are reported as expenditures in the governmental fund financial statements but capitalized on the government-wide statement of net assets.			99,245
Pension net assets are not current financial resources and are not recognized at the fund financial reporting level but are reported on the government-wide statement of net assets.			101,487
Interfund receivables and payables between governmental funds are reported on the governmental fund's balance sheet but eliminated on the government-wide statement of net assets.			
Interfund receivables	$ (4,028)		
Interfund payables	4,028		-
Liabilities not due and payable in the current period and therefore are not reported in the governmental fund balance sheets but are reported on the government-wide statement of net assets.			
General obligation bonds payable	$ (6,680,000)		
Capital lease payable	(38,977)		
Accrued interest payable	(55,168)		
Landfill closure and post closure care payable	(2,608,258)		
Compensated absences payable	(337,413)		(9,719,816)
Net Assets of Governmental Activities			$ 58,945,977

See accompanying notes to the basic financial statements

Murray County, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2010

	General	SPLOST 2007	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	$ 11,415,244	$ 4,122,161	$ 72,889	$ 15,610,294
Licenses and permits	84,293	-	-	84,293
Intergovernmental	625,439	-	382,199	1,007,638
Charges for services	635,111	-	604,557	1,239,668
Fines and forfeitures	689,230	-	68,608	757,838
Investment earnings	51,615	1,653	189	53,457
Contributions	21,386	-	-	21,386
Miscellaneous	48,713	-	-	48,713
Total Revenues	13,571,031	4,123,814	1,128,442	18,823,287
Expenditures				
Current:				
General government	6,882,118	-	-	6,882,118
Judicial	1,413,666	-	10,833	1,424,499
Public safety	3,953,434	-	1,227,670	5,181,104
Public works	1,590,439	-	-	1,590,439
Culture and recreation	518,594	-	-	518,594
Health and welfare	381,377	-	-	381,377
Housing and development	321,299	-	107,404	428,703
Intergovernmental	-	453,438	-	453,438
Capital Outlay	-	998,084	-	998,084
Debt Service:				
Principal retirement	-	1,822,132	-	1,822,132
Interest and fiscal charges	-	253,155	-	253,155
Total Expenditures	15,060,927	3,526,809	1,345,907	19,933,643
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,489,896)	597,005	(217,465)	(1,110,356)
Other Financing Sources (Uses)				
Inception of capital lease	-	61,109	-	61,109
Transfers in	-	-	101,298	101,298
Transfers out	(101,298)	-	-	(101,298)
Total Other Financing Sources (Uses)	(101,298)	61,109	101,298	61,109
Net Change in Fund Balances	(1,591,194)	658,114	(116,167)	(1,049,247)
Fund Balances Beginning of Year, As Restated	6,968,318	2,592,022	265,602	9,825,942
Fund Balances End of Year	$ 5,377,124	$ 3,250,136	$ 149,435	$ 8,776,695

See accompanying notes to the basic financial statements

Murray County, Georgia
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2010

Net Changes In Fund Balances - Total Governmental Funds			$ (1,049,247)
Amounts reported for governmental activities in the statement of activities are different because			
Governmental funds report capital outlays as expenditures on the governmental fund type operating statement. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay exceeded depreciation expense in the current period.			
	Depreciation expense	$ (4,727,132)	
	Capital outlay	961,903	(3,765,229)
The increase in pension assets are reported on the government-wide statement of activities but not in the governmental fund's operating statement.			
	Balance @ 12/31/10	$ 101,487	
	Balance @ 12/31/09	(89,745)	11,742
Property tax revenues reported in the statement of activities that do not provide current financial resources are not reported as revenues at the fund financial reporting level.			
	Deferred @ 12/31/10	$ 1,024,261	
	Deferred @ 12/31/09	(773,725)	250,536
Elimination of transfers between governmental funds:			
	Transfers in	$ (101,298)	
	Transfers out	101,298	-
Deferred bond issue related costs are reported in the governmental fund's operating statement because these transactions require the use of current financial resources but are not capitalized on the government-wide statement of net assets.			
	Balance @ 12/31/09	$ (143,353)	
	Balance @ 12/31/10	99,245	(44,108)
The inception of a capital lease is reported as an other financing source at the fund financial reporting level but reclassified as a liability at the government-wide financial reporting level.			(61,109)
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the government-wide statement of net assets.			1,822,132
Landfill closure and postclosure care liabilities reported in the government-wide statement of activities, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.			
	Liability @ 12/31/10	$ (2,608,258)	
	Liability @ 12/31/09	2,657,695	49,437
Accrued interest is reported in the government-wide statement of activities, but does not require the use of financial resources and therefore are not reported as reported as expenditures in governmental funds.			
	Liability @ 12/31/10	$ (55,168)	
	Liability @ 12/31/09	70,348	15,180
Compensated absences reported in the government-wide statement of activities, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.			
	Liability @ 12/31/10	$ (337,413)	
	Liability @ 12/31/09	333,616	(3,797)
Change In Net Assets of Governmental Activities			$ (2,774,463)

See accompanying notes to the basic financial statements

Murray County, Georgia
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes	$ 11,930,854	$ 11,930,854	$ 11,415,244	$ (515,610)
Licenses and permits	91,000	91,000	84,293	(6,707)
Intergovernmental	725,000	725,000	625,439	(99,561)
Charges for services	774,600	774,600	635,111	(139,489)
Fines and forfeitures	898,500	898,500	689,230	(209,270)
Investment earnings	80,100	80,100	51,615	(28,485)
Contributions	10,000	10,000	21,386	11,386
Miscellaneous	44,090	44,090	48,713	4,623
Total Revenues	14,554,144	14,554,144	13,571,031	(983,113)
Expenditures				
Current:				
General government	6,006,341	6,961,941	6,882,118	79,823
Judicial	1,519,617	1,519,617	1,413,666	105,951
Public safety	4,063,071	4,042,171	3,953,434	88,737
Public works	1,640,400	1,610,400	1,590,439	19,961
Culture and recreation	620,000	530,000	518,594	11,406
Health and welfare	358,225	388,225	381,377	6,848
Housing and development	349,490	353,990	321,299	32,691
Total Expenditures	14,557,144	15,406,344	15,060,927	345,417
(Deficieny) of Revenues (Under) Expenditures	(3,000)	(852,200)	(1,489,896)	(1,328,530)
Other Financing (Uses)				
Transfers out	-	(105,000)	(101,298)	3,702
Net Change in Fund Balances	$ (3,000)	$ (957,200)	(1,591,194)	$ (1,324,828)
Fund Balances Beginning of Year - As Restated			6,968,318	
Fund Balances End of Year			$ 5,377,124	

Murray County, Georgia
Combining Statement of Net Assets
Component Units
December 31, 2010

	Hospital Authority	Department of Public Health	Recreation Commission	Total
Assets				
Current Assets				
Cash and cash equivalents	$ 374,768	$ 395,372	$ 4,000	$ 774,140
Investments	907,606	-	-	907,606
Receivables:				
Accounts	156,489	46,444	-	202,933
Prepaid items	3,431	-	-	3,431
Inventory	-	2,030	-	2,030
Restricted assets	674,597	-	-	674,597
Total Current Assets	2,116,891	443,846	4,000	2,564,737
Noncurrent Assets:				
Deferred charges	107,670	-	-	107,670
Capital assets:				
Nondepreciable	106,000	-	-	106,000
Depreciable, net	7,831,247	15,261	-	7,846,508
Total Noncurrent Assets	8,044,917	15,261	-	8,060,178
Total Assets	10,161,808	459,107	4,000	10,624,915
Liabilities				
Current Liabilities:				
Accounts payable	3,444	23,649	-	27,093
Accrued expenses	-	26,207	-	26,207
Total Current Liabilities	3,444	49,856	-	53,300
Current Liabilities Payable From Restricted Assets				
Accrued interest payable	108,396	-	-	108,396
Revenue certificates payable	302,250	-	-	302,250
Total Current Liabilities Payable From Restricted Assets	410,646	-	-	410,646
Long-term Liabilities (net of current portion):				
Revenue certificates payable	6,765,298	-	-	6,765,298
Compensated absences	-	32,844	-	32,844
Total Long-term Liabilities	6,765,298	32,844	-	6,798,142
Total Liabilities	7,179,388	82,700	-	7,262,088
Net Assets				
Invested in capital assets, net of related debt	2,342,480	15,261	-	2,357,741
Restricted for debt service	566,201	-	-	566,201
Unrestricted	73,739	361,146	4,000	438,885
Total Net Assets	$ 2,982,420	$ 376,407	$ 4,000	$ 3,362,827

See accompanying notes to the basic financial statements

Murray County, Georgia
Combining Statement of Activities
Component Units
For the Calendar Year Ended December 31, 2010

	Recreation Commission	Department of Public Health	Hospital Authority	Total
Expenses:				
General government	$ -	$ -	$ 1,018,966	$ 1,018,966
Public health	-	908,226	-	908,226
Culture and recreation	25,137	-	-	25,137
Total Expenses	25,137	908,226	1,018,966	1,952,329
Revenues:				
Program:				
Charges for services	11,939	169,284	649,978	831,201
Operating grants and contributions	-	577,703	-	577,703
Total Program Revenues	11,939	746,987	649,978	1,408,904
Net Program (Expense)	(13,198)	(161,239)	(368,988)	(543,425)
General Revenues:				
Miscellaneous	-	-	151	151
Investment earnings	-	-	13,664	13,664
Total General Revenues:	-	-	13,815	13,815
Change in Net Assets	(13,198)	(161,239)	(355,173)	(529,610)
Net Assets Beginning of Year	17,198	537,646	3,337,593	3,892,437
Net Assets End of Year	$ 4,000	$ 376,407	$ 2,982,420	$ 3,362,827

See accompanying notes to the basic financial statements

Murray County, Georgia
Comparative Statements of Fiduciary Assets and Liabilities
Fiduciary Funds
December 31, 2010 and 2009

	2010	2009
Assets		
Cash and cash equivalents	$ 612,716	$ 613,217
Liabilities		
Due to others	$ 612,716	$ 613,217

See accompanying notes to the basic financial statements

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Murray County, Georgia (the County) is a political subdivision of the State of Georgia and was created by a legislative act in 1832. The County operates under a Commission-Administrator form of government and is governed by an elected sole county commissioner, governed by state statutes and regulations. There are certain elected officials whose operations are wholly included within the financial records and financial statements of the County. These elected officials include the Sheriff, Tax Commissioner, Probate Court Judge, Magistrate Court Judge, Juvenile Court Judge, Superior Court Judge and Clerk of the Superior Court. The County's major services include general government, courts, public safety, public works, health and welfare, parks, recreation and culture and planning and community development.

Note 1 - Summary of Significant Accounting Policies

The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. The County also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental activities at the government-wide financial reporting level provided they do not conflict with or contradict GASB pronouncements. The County follows subsequent private-sector guidance provided it does not conflict with or contradict GASB pronouncements.

The most significant of the County's accounting policies are described below.

1-A. Reporting Entity

The reporting entity is comprised of the primary government, component unit and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the County consists of all funds, departments, boards and agencies that are not legally separate from the County.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organizations; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the County in that the County approves the budget, levies their taxes or issues their debt.

The component unit columns included on the government-wide financial statements identify the financial data of the County's discretely presented component units, reported separately to emphasize that the component units are legally separate from the County.

A brief description of the discretely presented component units are as follows:

Murray County Health Department – (Health Department) – The Health Department works to promote and preserve the health of the citizens of the County. The Health Department's Board consists of seven members, four of these members are appointed by the County Commission. Although the County does not have the authority to approve or modify the Health Department's budgets, it does have the ability to control the amount of funding it provides to the Health Department and such funding is significant to the overall operations of the Health Department. The Health Department is reported on a June 30, 2010 fiscal year. Complete financial statements for the Health Department may be obtained from its administrative office at:

Northwest Health District 1 Unit 1
111 Bryant Crossing, Suite AA
Dalton, Georgia 30720

Note 1 - Summary of Significant Accounting Policies (Continued)

Murray County Recreation Commission – The Murray County Recreation Commission (the "Parks and Recreation Commission") manages and maintains park and recreation facilities for the benefit of Murray County citizens. The County appoints all of the Commission's board members and the County has a significant financial relationship with the Parks and Recreation Commission. Financial information related to the Parks and Recreation Commission may be obtained from the Parks and Recreation clerk of Murray County.

Murray County Hospital Authority – The Murray County Hospital Authority owns the general hospital building which is leased to and known as Murray Medical Center, Inc. and managed by Hamilton Health Care System, Inc. The general hospital provides health, surgical and recovery services to the citizens of Murray County and surrounding areas. The Hospital Authority has outstanding bonds payable which are guaranteed by the County. Complete financial statements for the year ended December 31, 2010 can be obtained directly from their administrative offices as follows:

Murray County Hospital Authority
707 Old Dalton Ellijay Road
Chatsworth, Georgia 30705

1-B. Basis of Presentation

The County's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements - The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the County as a whole. The primary government and the discretely presented component units are presented separately within these financial statements with the focus on the primary government. Fiduciary funds are not presented in the government-wide financial statements.

The statement of net assets presents the financial position of the governmental activities of the County and it's discretely presented component units at year-end.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The County does not allocate indirect expenses to functions in the statement of activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the County's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which function the revenues are *restricted.*

Other revenue sources not properly included with program revenues are reported as general revenues of the County. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the County.

Fund Financial Statements - During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. Fund financial statements are provided for governmental and fiduciary funds.

Note 1 - Summary of Significant Accounting Policies (Continued)

Major individual governmental funds are reported in separate columns.

Fund Accounting - The County uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The County uses two categories of funds: governmental and fiduciary.

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The County reports the difference between governmental fund assets and liabilities as fund balance. The following are the County's major governmental funds:

The General Fund – The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund's fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of the State of Georgia.

2007 Special Purpose Local Option Sales Tax Capital Projects Fund – This fund is utilized to account for the proceeds of a 1 percent special purpose local option sales tax beginning January 1, 2007 for funding various capital outlay projects including road and bridge projects, expansion of the detention center expansion, fire safety equipment and recreation facilities.

Fiduciary Funds - Fiduciary fund reporting focuses on net assets. The County's fiduciary funds include agency funds. The County's fiduciary funds are agency funds for use by the County's constitutional officers comprised of the Tax Commissioner, Clerk of Superior Court, Sheriff, Judge of Probate Court and Magistrate Court..

1-C. Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the County are included on the statement of net assets. The statement of activities reports revenues and expenses.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared.

Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

1-D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, the governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Fiduciary funds are reported on the accrual basis.

Note 1 - Summary of Significant Accounting Policies (Continued)

Revenues – Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the calendar year in which the resources are measurable and become available. Available means that the resources will be collected within the current calendar year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current calendar year. For the County, the phrase "available for exchange transactions" means expected to be received within 60 days of year-end.

Revenues - Non-exchange Transactions - Non-exchange transactions in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the calendar year for which the taxes are levied (Note 3-C). Revenue from grants and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes, charges for services and federal and state grants.

Deferred/Unearned Revenue - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

On governmental fund financial statements (i.e., on the modified accrual basis), receivables that will not be collected within the available period have been reported as deferred revenue (i.e., they are measurable but not available) rather than as revenue.

Grants and entitlements received before the eligibility requirements are met (e.g., cash advances) also are recorded as deferred revenue.

Deferred revenue is reclassified as "*unearned revenue*" on the government-wide statement of net assets.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

1-E. Assets, Liabilities and Fund Equity

1-E-1 Cash, Cash Equivalents, and Investments

Cash and cash equivalents include cash on hand, demand deposits, certificates of deposits and deposits with the Georgia Fund I (i.e., the local government investment pool) as well as short-term investments with a maturity date within three months of the date acquired by the County.

Currently the County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Investments are stated at fair value based on quoted market prices.

Note 1 - Summary of Significant Accounting Policies (Continued)

Georgia law authorizes the County to invest in the following type of obligations:

- Obligations of the State of Georgia or of any other states
- Obligations of the United States Government
- Obligations fully insured or guaranteed by the United States Government or United States Government Agency
- Obligations of any corporation of the United States Government
- Prime bankers' acceptances
- The State of Georgia local government investment pool (i.e., Georgia Fund I)
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

1-E-2 Receivables

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable.

1-E-3 Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." Long-term interfund receivables and payables are classified as advances. These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances.

1-E-4 Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2010, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reserved, as this amount is not available for general appropriation.

1-E-5 Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The County reports these assets in the governmental activities column of the government-wide statement of net assets but does not report these assets in the government funds balance sheet.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The County maintains a capitalization threshold of $5,000 and an estimated useful life of two years or more (excluding infrastructure). All infrastructure is capitalized with a cost of $50,000 and an estimated life of two years or more. The County's infrastructure consists of roads and bridges. The County's entire infrastructure has been reported regardless of acquisition date. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacement.

Note 1 - Summary of Significant Accounting Policies (Continued)

Depreciation is computed using the straight-line method over the following useful lives:

Asset Class	Governmental Activities
Land improvements	25- 50 Years
Site improvements	50 Years
Infrastructure	15-30 Years
Buildings	25-50 Years
Machinery and equipment	6-15 Years
Office equipment	5 Years
Furniture and fixtures	20 Years
Intangibles - software	5 Years
Vehicles	6-15 Years

At the inception of capital leases at the governmental fund reporting level, expenditures and an "other financing source" of an equal amount are reported at the net present value of future minimum lease payments.

1-E-6 Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. (Note 3-G)

All compensated absence liabilities include salary-related payments, where applicable.

The total compensated absence liability is reported on the government-wide financial statements. Governmental funds report the compensated absence liability at the fund reporting level only "*when due.*"

1-E-7 Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of these funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are "due for payment" during the current year. Certificates of participation, bonds and capital leases are recognized as a liability in the governmental fund financial statements when due.

1-E-8 Fund Equity

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

Fund Balance – Generally, fund balance represents the difference between the current assets and the current liabilities. The County reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available, spendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund balance that is available for appropriation in future periods. Designations are management's intent to set aside these resources for specific services.

Note 1 - Summary of Significant Accounting Policies (Continued)

Net Assets - Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. This net asset amount also is adjusted by any deferred bond premiums, discounts or refunding amounts. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net assets are reported as unrestricted.

The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

1-E-9 Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses section in the proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted).

Transfers between funds reported in the governmental activities column are eliminated from the government-wide statement of activities.

1-E-10 Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

1-E-11 Comparative Data

Comparative total data for the prior year have been presented only for individual funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified to be consistent with the current year's presentation.

Note 2 – Stewardship, Compliance and Accountability

2-A. Budgetary Information – The applicable statutes of the State of Georgia require the County to operate under an annual balanced budget adopted by resolution. The County adopts an annual operating budget for all governmental funds except the capital projects funds, which have an adopted project budget. The budget resolution reflects the total of each department's appropriation in each fund.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the department level within each individual fund. Any change in total to a fund or changes between department appropriations within a fund requires approval of the County Commissioner.

The budget is adopted on a basis consistent with generally accepted accounting principles, and on the same basis of accounting used by each fund to which the budget applies. The County Commissioner must also approve budget transfers within departments.

The original 2011 budget was amended during the year. All unencumbered annual appropriations lapse at year-end. Encumbered appropriations are carried forward to the subsequent year automatically.

Note 3 - Detailed Notes on All Funds

3-A. Deposits and Investments

Deposits – All of the bank balances are insured or collateralized with securities held by the County or by its agent in the County's name or with securities held by the pledging financial institution's trust department or agent in the County's name.

State statutes require banks holding public funds to secure these funds by FDIC insurance, securities pledged at par value, and surety bonds at face value in combined aggregate totaling not less than 110 percent of the public funds held.

Investments – The fair value of investments of the Primary Government is as follows at December 31, 2010:

		Maturity
Money market funds	$ 2,210,336	current to one year

Investments reported by the Health Department, a discretely presented component unit, represent excess cash in the Local Government Investment Pool of the State of Georgia (Georgia Fund 1). Funds included in the State Treasurer's Investment Pool are not required to be collateralized. The pool is regulated by the oversight of the Office of State Treasurer. The fair value of the Health Department's position in the pool approximates the value of the Health Department's pool shares.

Primary government cash and cash equivalents reconciliation:

	Cash and Cash Equivalents
Primary Government - Fund Reporting Level:	
Governmental Funds - Balance Sheet-unrestricted	$ 5,539,675
Governmental Funds - Balance Sheet-restricted	48,883
Statement of Fiduciary Assets and Liablilities	612,716
Total	$ 6,201,274

3-B. Receivables

Receivables at December 31, 2010, consisted of taxes, interest, accounts (billings for user charges) and intergovernmental receivables arising from grants.

Receivables and payables are recorded on the County's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectibility.

3-C. Property Taxes

The Board of Commissioners levied property taxes on July 29, 2010. Property taxes attach as an enforceable lien on property as of January 1. Property taxes were billed on September 17, 2010 and are due upon receipt, however, the actual due date was November 17, 2010. The County bills and collects its own property taxes and also collects property taxes for the County Board of Education and the State of Georgia. The County also collects vehicle and mobile home taxes for the cities located in the County and the State of Georgia. Collection of the County's taxes and for the other governmental agencies is the responsibility of the Tax Commissioner's Office, which is accounted for in an agency fund.

Note 3 - Detailed Notes on All Funds (Continued)

3-D. Capital Assets

Governmental fund activities capital asset activity for the year ended December 31, 2010, was as follows:

	Balance 1/1/2010	Additions	Deductions	Balance 12/31/2010
Nondepreciable capital assets:				
Land	$ 1,430,309	$ -	$ -	$ 1,430,309
Construction in progress	16,206,134	38,715	11,691,577	4,553,272
Total nondepreciable capital assets	17,636,443	38,715	11,691,577	5,983,581
Depreciable capital assets:				
Land improvements	804,342	-	-	804,342
Site improvements	1,429,147	-	-	1,429,147
Infrastructure	117,925,815	524,215	-	118,450,030
Buildings	11,436,655	11,524,926	-	22,961,581
Machinery and equipment	5,805,473	234,593	-	6,040,066
Office equipment	244,520	36,525	-	281,045
Furniture and fixtures	74,664	71,105	-	145,769
Intangible - software	50,093	16,500	-	66,593
Vehicles	5,622,321	206,901	-	5,829,222
Total depreciable capital assets	143,393,030	12,614,765	-	156,007,795
Total capital assets	161,029,473	12,653,480	11,691,577	161,991,376
Accumulated depreciation:				
Land improvements	304,945	42,837	-	347,782
Site improvements	584,041	54,702	-	638,743
Infrastructure	86,659,968	3,306,612	-	89,966,580
Buildings	2,797,209	503,451	-	3,300,660
Machinery and equipment	4,029,701	301,138	-	4,330,839
Office equipment	248,616	19,267	-	267,883
Furniture and fixtures	22,816	9,381	-	32,197
Software	19,411	16,521	-	35,932
Vehicles	3,933,432	473,223	-	4,406,655
Total accumulated depreciation	98,600,139	4,727,132	-	103,327,271
Governmental activities capital assets, net	$ 62,429,334	$ 7,926,348	$ 11,691,577	$ 58,664,105

Note 3 - Detailed Notes on All Funds (Continued)

Governmental activities depreciation expense

General government	$ 110,735
Judicial	21,493
Public safety	427,745
Public works	3,864,424
Health and welfare	90,994
Culture and recreation	189,467
Housing and development	22,274
Total governmental activities depreciation expense	$ 4,727,132

3-E. Interfund Balances and Transfers

Interfund Balances - Interfund balances at December 31, 2010, consisted of the following amounts and represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made.

	Payable from:
Payable to:	General fund
Nonmajor governmental funds	$ 4,028

Interfund Transfers - Interfund transfers for the year ended December 31, 2010, consisted of the following:

	Transfers from
Transfers to	General fund
Nonmajor governmental funds	$ 101,298

Transfers are utilized to report revenues in the fund required by statute or budget to collect such revenue, or to expend such revenue. Transfers are also utilized to account for revenues collected in the General Fund which are to be used by other funds in accordance with budgetary authorizations or anticipated capital projects. All County transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer.

3-F. Landfill Closure and Post-closure Care Costs

State and Federal laws and regulations require that the County place a final cover on its landfill when officially closed as well as perform certain maintenance and monitoring functions at the landfill site for a period of thirty years after such closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and post closure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and post closure care costs is based on the amount of the landfill capacity used during the year.

Note 3 - Detailed Notes on All Funds (Continued)

Murray County owns two landfill sites. Site 1 was operated by the County until 1997 when it reached capacity and stopped accepting waste. Site 2, leased and operated by Santek, is operated on a cell basis; that is, only a portion or cell of the landfill is used at a time. The term of the lease agreement shall be the operational life of the landfill as determined by remaining capacity from time to time, which is currently estimated to end in 2011.

The County has met all of its closure obligations for Site 1; therefore, there is no further liability for closure costs. Closure certificates were obtained in late 2003 and early 2004. The post-closure period for this location is estimated to end in 2033. Under the existing lease agreement, Santek shall be responsible for post-closure care during the term of the agreement.

Under the existing lease contract, Santek is also responsible for the construction, maintenance, and closure costs of each cell of Site 2 it operates. Santek shall also be responsible for the post-closure care of those sites while the lease agreement remains in effect. Following the termination of this lease, the County immediately assumes full responsibility for the post-closure costs for the balance of the 30-year period. Based on the use of 9% of the estimated capacity of the landfill, the County has recognized a liability for post closure costs accrued to date of $2,608,258, and has not recognized related closure costs of $2,029,885 to be provided by Santek under the lease agreement.

The remaining estimated costs of closure and post-closure in the amount of $8,833,399 will be recognized as the remaining capacity is used, with the County responsible for $2,759,016 of post closure costs, and Santek responsible for $6,074,383 of closure costs. This liability is based upon estimated remaining waste capacity of 12,099,022 cubic yards and 151 years for Site 2. These amounts are based on what it would cost to perform all closure and post closure care in 2010. Any changes to the lease term as well as additional bonds or letters of credit provided by Santek could change these assumptions. Actual costs may also vary due to inflation or deflation, changes in technology or changes in laws and regulations.

3-G. Long-Term Debt

The following is a summary of the outstanding debt issues at December 31, 2010.

Governmental Activities Debt - The County reports two outstanding debt issues at December 31, 2010.

Series 2007 General Obligation Sales Tax Bonds – In 2007, the County issued $8.5 million general obligation sales tax bonds to finance capital projects with an interest rate of 3.79% per annum. Payments are due semi-annually on April 1 and October 1 with principal due on April 1. Interest costs during 2011 were $147,895.

Annual debt service requirements to amortize this debt, as of December 31, 2010 follow:

Year	Principal	Interest	Total
2011	$ 1,100,000	$ 109,152	$ 1,209,152
2012	1,150,000	66,515	1,216,515
2013	1,180,000	22,361	1,202,361
Total	$ 3,430,000	$ 198,028	$ 3,628,028

Series 2008 General Obligation Sales Tax Bonds – In 2008, the County issued $4.5 million general obligation sales tax bonds to finance capital projects with an interest rate of 2.79% per annum. Payments are due semi-annually on April 1 and October 1 with principal due on April 1. Interest costs during 2011 were $101,137.

Note 3 - Detailed Notes on All Funds (Continued)

Annual debt service requirements to amortize this debt, as of December 31, 2010 follow:

Year	Principal	Interest	Total
2011	$ 1,000,000	$ 76,725	$ 1,076,725
2012	1,100,000	47,430	1,147,430
2013	1,150,000	16,043	1,166,043
Total	$ 3,250,000	$ 140,198	$ 3,390,198

2010 GE Capital Solutions Capital Lease - On February 28, 2010 the County entered into a capital lease agreement at an interest rate of 5.516% with GC Capital Solutions to acquire a skid steer loader. The lease obligation is effective during the period February 28, 2010 through February 29, 2012. Monthly payments of principal and interest began on March 31, 2010. Total payments for the project are $64,681 (principal of $61,109 and interest of $3,572). The equipment acquired by the lease is included in governmental activities general capital assets in the amount of $58,054 (cost of $61,109 less accumulated depreciation of $3,055). This lease is being retired from the SPLOST 2007 fund. Interest costs during 2011 were $2,123.

Annual debt service requirements for this capital lease payable as of December 31, 2010 follow:

Fiscal Year Ended December 31,	Principal	Interest	Total
2011	$ 33,624	$ 3,536	$ 37,160
2012	5,353	37	5,390
Total	$ 38,977	$ 3,573	$ 42,550

Changes in Long-term Debt - Changes in the County's long-term obligations consisted of the following for the year ended December 31, 2010:

Governmental Activities	Outstanding 1/1/2010	Additions	Reductions	Outstanding 12/31/2010	Amounts Due in One Year
Capital leases	$ -	$ 61,109	$ 22,132	$ 38,977	$ 33,624
2007 general obligation bonds	4,480,000	-	1,050,000	3,430,000	1,100,000
2008 general obligation bonds	4,000,000	-	750,000	3,250,000	1,000,000
Total bonded debt	8,480,000	61,109	1,822,132	6,718,977	2,133,624
Landfill post-closure costs	2,657,695	-	49,437	2,608,258	-
Compensated absences	333,616	254,009	250,212	337,413	253,060
Total Governmental Activities	$ 11,471,311	$ 315,118	$ 2,121,781	$ 9,664,648	$ 2,386,684

The general obligation bonds and the capital lease are being retired by the 2007 SPLOST fund. The landfill postclosure costs are being retired by the general fund. The governmental activities compensated absences liability will be paid from the fund from which the employees' salaries are paid, generally the general fund and the E-911 fund.

Note 3 - Detailed Notes on All Funds (Continued)

3-H. Pensions

Plan Description – The Murray County Board of Commissioners Defined Benefit Pension Plan and Trust, (the "Plan"), is affiliated with the Association of County Commissioners of Georgia Defined Benefit Plan (ACCG), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating counties in Georgia. The authority for the Plan, benefits, vesting and contributions are established by the Board of Commissioners. The Plan is administered by the Government Employee Benefits Corporation of Georgia (GEB Corp). GEB Corp issues a publicly available financial report that includes financial statements and required supplementary information for ACCG.

The Plan is a defined benefit pension plan that provides retirement, disability and death benefits to Plan members and beneficiaries. All full-time employees, defined as those providing at least 1,000 hours of service to the County per Plan year, are eligible for participation in the Plan. Any eligible employee who has both completed one year of service and has attained the age of 21 may participate in the Plan. Employees become vested after five years of service to the County.

All full-time eligible employees participate in the ACCG Plan (Plan) immediately upon employment.

The County sponsors the Plan. The Plan provides retirement, disability, and death benefits to plan participants. The plan assets shall be used only for the payment of benefits to the members of the plan, in accordance with the terms of the plan.

All full time employees and employees receiving county supplements participate in the plan. Benefits vest after 5 years. Participants may retire at normal retirement, which is the later of age 65, or 5 years of vesting service. Early retirement eligibility is the later of age 55 or 10 years of vesting service. The benefit is as follows:

- 1.25% of average annual compensation times past service (i.e., service prior to January 1, 2006) less the accumulated benefit amount of other Murray County retirement benefits.
- 2.5% of average annual compensation times future service (i.e., service after December 31, 2005),
- .25% of average annual compensation times "buy-back" units at buy back age.

Compensation is defined as the highest five years of base wages during employment with the County.

The following is the plan membership at December 31, 2010:

Membership	
Active plan participants	172
Retirees and beneficiaries currently receiving benefits	38
Active plan participants or terminated plan participants entitled to, but not yet receiving benefits	80
Total	290

A copy of the plan's financial report may be obtained from:

Government Employee Benefits Corporation of Georgia
1100 Circle 74 Parkway, Suite 300
Atlanta, Georgia 30339

Note 3 - Detailed Notes on All Funds (Continued)

Funding Policy – The County is required to contribute an actuarially determined amount annually to the Plan's trust. The contribution amount is determined using actuarial methods and assumptions approved by the ACCG Board of Trustees, and must satisfy the minimum contribution requirement contained in the State of Georgia statutes.

Annual Pension Cost – The County's annual pension costs for the last three years are as follows:

Schedule of Employer Contributions

Fiscal Year Ended	Annual Pension Cost	Employer Contribution	Percentage Contributed	Net Pension Obligation
12/31/2007	$ 406,828	$ 414,814	102.0%	$ (82,952)
12/31/2008	449,809	448,616	99.7%	(90,938)
12/31/2009	522,875	534,617	102.2%	(89,745)

Net Pension Assets – The County's derivation of the net pension obligation (asset) at January 1, 2010 (i.e., the most recent actuarial valuation) is as follows:

Derivation of the Net Pension Obligation (Asset):	January 1, 2010	January 1, 2009
Annual pension cost	$ 522,875	$ 449,809
Contributions made	534,617	448,616
Increase (decrease) in net pension obligation (asset)	(11,742)	1,193
Net pension obligation (asset), beginning of year	(89,745)	(90,938)
Net pension obligation (asset), end of year	$ (101,487)	$ (89,745)

Note 3 - Detailed Notes on All Funds (Continued)

Plan Funded Status – The County's funding status based upon the most recent actuarial valuation follows:

Schedule of Funding Progress

Measurement Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1)/(2)	(4) Unfunded AAL/(UAAL) (2)-(1)	(5) Annual Covered Payroll	(6) UAAL as a Percentage of Covered Payroll
12/31/2009	$ 5,587,000	$ 6,901,543	81.0%	$ 1,314,543	$ 5,453,778	24.1%
12/31/2008	4,991,173 *	6,132,137	81.4%	1,140,964	5,138,894	22.2%
12/31/2007	4,787,297	5,616,749	85.2%	829,452	4,520,336	18.3%
12/31/2006	4,200,427	5,144,959	81.6%	944,532	4,523,473	20.9%
12/31/2005	3,585,269	4,822,421	74.3%	1,237,152	4,483,058	27.6%
12/31/2004	3,092,716	4,393,143	70.4%	1,300,427	4,000,377	32.5%

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

Actuarial Valuation Information – The County's actuarial valuation information is as follows:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Percentage of Pay, Closed
Remaining Amortization Period *	9
Actuarial Value of Assets	Market Value
Actuarial Assumptions:	
Investment Rate of Return	7.75%
Projected Salary Increases	5.0 % - 7.5%
Expected Annual Inflation	3.00%

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

3-I. Invested in Capital Assets, Net of Related Debt

Net assets on the government-wide statement of net assets as of December 31, 2010 are as follows:

Invested in capital assets, net of related debt:	Governmental Activities
Cost of capital assets	$ 161,991,376
Less accumulated depreciation	103,327,271
Book value	58,664,105
Less capital related debt	6,718,977
Investments in capital assets, net of related debt	$ 51,945,128

Note 4 - Other Notes

4-A. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which, except as described in the following paragraph, the County carries commercial insurance in amounts deemed prudent by County management.

The County participated in the Georgia Inter-local Risk Management Agency Property and Liability Insurance and (GIRMA) and the Association of County Commissioners of Georgia Group Self-Insurance Workers Compensation Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

As part of these risk pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pools' agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss.

The County maintains a group health insurance plan through American National that carries a specific employee plan deductible of $50,000 individually and $90,000 County-wide. Claims up to that amount are paid by the County through the Murray County Benefits account, a self-insurance fund. The third party administrator reviews and approves all claims on behalf of the County.

4-B. Contingent Liabilities

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the County believes such disallowances, if any, will be immaterial.

The County was a defendant in several lawsuits at December 31, 2010. In the opinion of County management, the outcome of these contingencies will not have a material effect on the financial position of the County.

4-C. Joint Ventures

North Georgia Regional Development Center (RDC) – The County, in conjunction with cities and counties in the thirteen-county northwest Georgia area are members of the North Georgia Regional Development Center (RDC). Membership in an RDC is automatic for each municipality and county in the state. The official Code of Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the RDC's. Each county and municipality in the state is required by law to pay minimum annual dues to the RDC. The RDC Board membership includes the chief elected official of each county and the chief elected official of each municipality. The County board members and municipal board members from the same county elect one member of the Board who is a resident (but not an elected or appointed official or employee of the County or municipality) to serve as the non-public Board member from a County. The Georgia Planning Act of 1989 (O.C.G.A. 50-8-34) defines RDC's as "public agencies" and instrumentalities of their members.

Georgia laws also provide that the member governments are liable for any debts or obligations of an RDC beyond its resources (O.C.G.A. 50-8-39.1).

Separately issued financial statements are available at the RDC's administrative office.

4-D. Hotel/Motel Lodging Tax

Pursuant to an ordinance approved on June 27, 2005, the County levies a 3% lodging tax in accordance with O.C.G.A. 48-13-51 and expends 100% of the hotel/motel tax collections for the purpose of promoting tourism.

A summary of the transactions for the year ended December 31, 2011 follows:

	Amounts	Percentage
Lodging tax receipts	$ 72,889	100%
Disbursements to:		
Murray County Chamber of Commerce	$ 72,889	100%

4-E. Prior Period Adjustment

At June 30, 2009, the County originally reported an interfund loan between from the E-911 fund to the general fund in the amount of $230,366. Subsequent to year-end, it was determined that all the fund balance in the E-911 fund should be used for E-911 purposes, therefore, the interfund balance between the E-911 fund and the general fund is eliminated.

This change requires a restatement of the December 31, 2009 E-911 fund and general funds' fund balances:

	General Fund	E-911 Fund
Fund balance as previously reported at December 31, 2009	$ 7,198,684	$ -
Delete interfund between E-911 fund and general fund	(230,366)	230,366
Fund balance, as restated at December 31, 2009	$ 6,968,318	$ 230,366

Murray County, Georgia
Required Supplementary Information
Employees' ACCG Retirement Plan
December 31, 2010

Schedule of Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Assets		(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1)/(2)	(4) Unfunded AAL/(UAAL) (2)-(1)	(5) Annual Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4)/(5)
12/31/2004	$ 3,092,716	*	$ 4,393,143	70.4%	$ 1,300,427	$ 4,000,377	32.5%
12/31/2005	3,585,269		4,822,421	74.3%	1,237,152	4,483,058	27.6%
12/31/2006	4,200,427		5,144,959	81.6%	944,532	4,523,473	20.9%
12/31/2007	4,787,297		5,616,749	85.2%	829,452	4,520,336	18.3%
12/31/2008	4,991,173		6,132,137	81.4%	1,140,964	5,138,894	22.2%
12/31/2009	5,587,000		6,901,543	81.0%	1,314,543	5,453,778	24.1%

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

Schedule of Employer Contributions

Fiscal Year Ended	Annual Pension Cost	Employer Contribution	Percentage Contributed	Net Pension Obligation
12/31/2005	$ 396,947	$ 426,125	107.4%	$ (37,604)
12/31/2006	409,955	426,125	103.9%	(66,782)
12/31/2007	406,828	414,814	102.0%	(82,952)
12/31/2008	449,809	448,616	99.7%	(90,938)
12/31/2009	522,875	534,617	102.2%	(89,745)
12/31/2010	546,595	N/A	N/A	(101,487)

Murray County, Georgia
Combining Balance Sheet
Nonmajor Governmental Funds - By Fund Type
December 31, 2010

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets			
Cash and cash equivalents	$ 51,316	$ 85	$ 51,401
Receivables:			
Accounts	124,552	-	124,552
Intergovernmental	49,591		49,591
Interfund	4,028	-	4,028
Total Assets	$ 229,487	$ 85	$ 229,572
Liabilities and Fund Balances			
Liabilities			
Accounts payable	$ 35,645	$ -	$ 35,645
Accrued expenditures	11,977	-	11,977
Deferred revenue	32,515	-	32,515
Total Liabilities	80,137	-	80,137
Fund Balances			
Reserved for:			
Program purposes	35,317	-	35,317
Unreserved, undesignated, reported in:			
Special revenue funds	114,033	-	114,033
Capital projects funds	-	85	85
Total Fund Balances	149,350	85	149,435
Total Liabilities and Fund Balances	$ 229,487	$ 85	$ 229,572

Murray County, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds - By Fund Type
For the Year Ended December 31, 2010

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues			
Taxes	$ 72,889	$ -	$ 72,889
Intergovernmental	347,699	34,500	382,199
Charges for services	604,557	-	604,557
Fines and forfeitures	68,608	-	68,608
Investment earnings	189	-	189
Total Revenues	1,093,942	34,500	1,128,442
Expenditures			
Current:			
Judicial	10,833	-	10,833
Public safety	1,227,670	-	1,227,670
Housing and development	72,889	34,515	107,404
Total Expenditures	1,311,392	34,515	1,345,907
(Deficiency) of Revenues (Under) Expenditures	(217,450)	(15)	(217,465)
Other Financing Sources			
Transfers in	101,298	-	101,298
Net Change in Fund Balances	(116,152)	(15)	(116,167)
Fund Balances Beginning of Year, As Restated	265,502	100	265,602
Fund Balances End of Year	$ 149,350	$ 85	$ 149,435

Murray County, Georgia
General Fund
Comparative Balance Sheets
December 31, 2010 and 2009

	2010	Restated 2009
Assets		
Cash and cash equivalents	$ 4,675,564	$ 6,095,460
Restricted cash	48,883	58,638
Receivables:		
Accounts	107,932	115,610
Property taxes	1,643,817	1,309,970
Sales taxes	247,156	297,771
Intergovernmental	82,706	269,470
Interfund	-	4,791
Prepaid items	-	13,057
Total Assets	$ 6,806,058	$ 8,164,767
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 253,725	$ 242,654
Accrued expenditures	130,552	121,432
Interfund payable	4,028	-
Deferred revenue	991,746	773,725
Funds held in escrow	48,883	58,638
Total Liabilities	1,428,934	1,196,449
Fund Balances		
Reserved for prepaid items	-	13,057
Unreserved		
Undesignated	5,377,124	6,955,261
Total Fund Balances	5,377,124	6,968,318
Total Liabilities and Fund Balances	$ 6,806,058	$ 8,164,767

Murray County, Georgia
General Fund
Schedule of Revenues and Other Financing Sources - Budget and Actual
For the Year Ended December 31, 2010
(With Comparative Actual Amounts for the Year Ended December 31, 2009)

	2010				
	Original Budget	Final Budget	Actual	Variance With Final Budget	2009 Actual
Revenues					
Taxes					
General property tax	$ 5,460,354	$ 5,460,354	$ 5,038,751	$ (421,603)	$ 5,548,558
Timber tax	5,000	5,000	8,441	3,441	5,427
Motor vehicle	604,500	604,500	580,263	(24,237)	591,741
Mobile home	110,000	110,000	80,612	(29,388)	114,305
Recording intangibles tax	120,000	120,000	86,936	(33,064)	100,277
Railroad equipment tax	7,000	7,000	6,822	(178)	19,084
Real estate transfer tax	8,000	8,000	60,689	52,689	13,664
Insurance premium tax	1,565,000	1,565,000	1,556,554	(8,446)	1,600,451
Local option sales tax	3,557,000	3,557,000	3,480,471	(76,529)	3,155,668
Alcoholic beverage tax	162,000	162,000	165,244	3,244	161,831
Financial institutions tax	30,000	30,000	26,858	(3,142)	30,808
Franchise tax	180,000	180,000	192,318	12,318	184,611
Penalties and interest on delinquent taxes	122,000	122,000	131,285	9,285	127,834
Total Taxes	11,930,854	11,930,854	11,415,244	(515,610)	11,654,259
Licenses and Permits					
Zoning	6,000	6,000	2,734	(3,266)	5,367
Building permits	85,000	85,000	81,559	(3,441)	82,835
Total Licenses and Permits	91,000	91,000	84,293	(6,707)	88,202
Intergovernmental					
Tennessee Valley Authority	320,000	320,000	339,532	19,532	363,004
Federal payment in lieu of taxes	170,000	170,000	123,920	(46,080)	183,504
DOT road grants	235,000	235,000	161,987	(73,013)	105,603
Total Intergovernmental	725,000	725,000	625,439	(99,561)	652,111
Charges for Services					
Probation fees	46,000	46,000	36,998	(9,002)	44,887
Indigent & Public Defense	-	-	8,184	8,184	-
Printing and copies	7,500	7,500	5,306	(2,194)	7,249
Sheriff	27,000	27,000	27,560	560	21,919
Jail	178,000	178,000	129,699	(48,301)	83,997
Culture and recreation	108,500	108,500	106,308	(2,192)	111,410
Bonding fees	25,000	25,000	25,845	845	24,791
Transit	290,000	290,000	218,679	(71,321)	350,171
Landfill fees	70,000	70,000	28,095	(41,905)	63,633
Proceeds from sale of recycled materials	10,100	10,100	25,229	15,129	8,000
Paving and Equipment	-	-	8,417	8,417	-
Abatement	-	-	8,174	8,174	-
Other	12,500	12,500	6,617	(5,883)	11,550
Total Charges for Services	774,600	774,600	635,111	(139,489)	727,607
Totals Carried Forward	$ 13,521,454	$ 13,521,454	$ 12,760,087	$ (761,367)	$ 13,122,179

Murray County, Georgia
General Fund
Schedule of Revenues and Other Financing Sources- Budget and Actual
For the Year Ended December 31, 2010
(With Comparative Actual Amounts for the Year Ended December 31, 2009)

	2010				
	Original Budget	Final Budget	Actual	Variance With Final Budget	2009 Actual
Totals Brought Forward	$ 13,521,454	$ 13,521,454	$ 12,760,087	$ (761,367)	$ 13,122,179
Fines and Forfeitures:					
Superior court	390,000	390,000	287,833	(102,167)	327,578
Probate court	260,000	260,000	199,360	(60,640)	245,441
Magistrate court	135,000	135,000	110,444	(24,556)	126,272
Penalty - jail	75,000	75,000	55,818	(19,182)	68,009
Juvenile	1,800	1,800	1,608	(192)	2,334
Restitution	5,000	5,000	7,596	2,596	8,479
Victim assistance	31,700	31,700	26,571	(5,129)	31,633
Total Fines and Forfeitures	898,500	898,500	689,230	(209,270)	809,746
Investment Earnings	80,100	80,100	51,615	(28,485)	85,723
Miscellaneous					
Contributions	10,000	10,000	21,386	11,386	8,467
Rents	7,900	7,900	11,288	3,388	10,270
Miscellaneous	36,190	36,190	37,425	1,235	25,229
Total Miscellaneous	54,090	54,090	70,099	16,009	43,966
Total Revenues	14,554,144	14,554,144	13,571,031	(983,113)	14,061,614
Other Financing Sources:					
Proceeds from the sale of capital assets	3,000	3,000	-	(3,000)	5,691
Transfers in	-	-	-	-	10,873
Total Other Financing Sources:	3,000	3,000	-	(3,000)	16,564
Total Revenues and Other Financing Sources	$ 14,557,144	$ 14,557,144	$ 13,571,031	$ (986,113)	$ 14,078,178

Murray County, Georgia
General Fund
Schedule of Expenditures and Other Financing Uses - Budget and Actual
For the Year Ended December 31, 2010
(With Comparative Actual Amounts for the Year Ended December 31, 2009)

	2010				
	Original Budget	Final Budget	Actual	Variance With Final Budget	2009 Actual
General Government					
County commissioners	$ 331,350	$ 331,350	$ 320,789	$ 10,561	$ 343,718
Board of elections	146,938	146,938	145,734	1,204	111,902
General administration	3,258,368	4,098,468	4,091,899	6,569	3,017,428
Tax commissioner	381,575	381,575	348,108	33,467	390,229
Tax assessor	332,400	332,400	311,050	21,350	371,276
Risk management	885,000	920,500	920,226	274	852,341
General government buildings	670,710	750,710	744,312	6,398	708,100
Total General Government	6,006,341	6,961,941	6,882,118	79,823	5,794,994
Judicial					
Superior court	222,042	222,042	196,156	25,886	191,539
Clerk of the superior court	304,150	304,150	281,362	22,788	315,128
District attorney	306,950	306,950	297,301	9,649	300,296
Magistrate court	236,570	236,570	228,037	8,533	247,213
Probate court	222,275	222,275	217,820	4,455	239,312
Juvenile court	177,640	177,640	144,024	33,616	151,275
Marshall's office	49,990	49,990	48,966	1,024	54,345
Total Judicial	1,519,617	1,519,617	1,413,666	105,951	1,499,108
Public Safety					
Sheriff	1,325,850	1,304,950	1,290,551	14,399	1,377,770
Jail	1,593,800	1,593,800	1,574,055	19,745	1,617,302
Fire department	928,300	928,300	895,705	32,595	1,006,678
Coroner	33,596	33,596	29,388	4,208	35,621
Animal control	158,925	158,925	147,402	11,523	167,432
Emergency management agency	22,600	22,600	16,333	6,267	31,160
Total Public Safety	4,063,071	4,042,171	3,953,434	88,737	4,235,963
Public Works					
Administration	1,434,550	1,404,550	1,400,018	4,532	1,228,460
Solid waste and recycling administration	205,850	205,850	190,421	15,429	216,536
Total Public Works	1,640,400	1,610,400	1,590,439	19,961	1,444,996
Totals carried forward	$ 13,229,429	$ 14,134,129	$ 13,839,657	$ 294,472	$ 12,975,061

(continued)

Murray County, Georgia
General Fund
Schedule of Expenditures and Other Financing Uses - Budget and Actual
For the Year Ended December 31, 2010
(With Comparative Actual Amounts for the Year Ended December 31, 2009)

	2010				
	Original Budget	Final Budget	Actual	Variance With Final Budget	2009 Actual
Totals brought forward	$ 13,229,429	$ 14,134,129	$ 13,839,657	$ 294,472	$ 12,975,061
Health and Welfare					
Senior citizen's center	109,050	109,050	107,526	1,524	112,640
Transportation services	249,175	279,175	273,851	5,324	292,559
Total Health and Welfare	358,225	388,225	381,377	6,848	405,199
Culture and Recreation					
Recreation	620,000	530,000	518,594	11,406	596,931
Housing and Development					
Agricultural resources	74,105	74,105	49,125	24,980	73,281
Forest resources	2,600	7,100	6,664	436	2,701
Code enforcement	88,240	88,240	81,778	6,462	91,890
Building inspections	45,645	45,645	45,181	464	101,971
Land and use development	138,900	138,900	138,551	349	149,756
Total Housing and Development	349,490	353,990	321,299	32,691	419,599
Total Expenditures	14,557,144	15,406,344	15,060,927	345,417	14,396,790
Other Financing Uses					
Transfers out	-	105,000	101,298	3,702	326,832
Total Expenditures and Other Financing Uses	$ 14,557,144	$ 15,511,344	$ 15,162,225	$ 349,119	$ 14,723,622

Murray County, Georgia
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2010

	Law Library	Confiscated Assets	E-911	Multi-grant	Substance Abuse	Hotel Motel	Total Nonmajor Special Revenue Funds
Assets							
Cash and cash equivalents	$ 9,176	$ 35,317	$ -	$ -	$ 6,823	$ -	$ 51,316
Receivables:							
Accounts	-	-	118,106	-	1,749	4,697	124,552
Intergovernmental	-	-	-	49,591	-	-	49,591
Interfund	-	-	-	-	-	4,028	4,028
Total Assets	$ 9,176	$ 35,317	$ 118,106	$ 49,591	$ 8,572	$ 8,725	$ 229,487
Liabilities and Fund Balances							
Liabilities							
Accounts payable	$ -	$ -	$ 9,844	$ 17,076	$ -	$ 8,725	$ 35,645
Accrued expenditures	-	-	11,977	-	-	-	11,977
Deferred revenue	-	-	-	32,515	-	-	32,515
Total Liabilities	-	-	21,821	49,591	-	8,725	80,137
Fund Balances							
Reserved for:							
Program purposes	-	35,317	-	-	-	-	35,317
Unreserved	9,176	-	96,285	-	8,572	-	114,033
Total Fund Balances	9,176	35,317	96,285	-	8,572	-	149,350
Total Liabilities and Fund Balances	$ 9,176	$ 35,317	$ 118,106	$ 49,591	$ 8,572	$ 8,725	$ 229,487

Murray County, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2010

	Law Library	Confiscated Assets	E-911	Multi-grant	Substance Abuse	Hotel Motel	Nonmajor Special Revenue Funds
Revenues							
Taxes	$ -	$ -	$ -	$ -	$ -	$ 72,889	$ 72,889
Intergovernmental	-	22,000	-	325,699	-	-	347,699
Charges for services	-	-	604,557	-	-	-	604,557
Fines and forfeitures	5,401	28,497	-	-	34,710	-	68,608
Investment earnings	26	1	140	-	22	-	189
Total Revenues	5,427	50,498	604,697	325,699	34,732	72,889	1,093,942
Expenditures							
Current:							
Judicial	10,833	-	-	-	-	-	10,833
Public safety	-	22,189	840,076	325,699	39,706	-	1,227,670
Housing and development	-	-	-	-	-	72,889	72,889
Total Expenditures	10,833	22,189	840,076	325,699	39,706	72,889	1,311,392
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,406)	28,309	(235,379)	-	(4,974)	-	(217,450)
Other Financing Sources							
Transfers in	-	-	101,298	-	-	-	101,298
Net Change in Fund Balances	(5,406)	28,309	(134,081)	-	(4,974)	-	(116,152)
Fund Balances Beginning of Year, As Restated	14,582	7,008	230,366	-	13,546	-	265,502
Fund Balances End of Year	$ 9,176	$ 35,317	$ 96,285	$ -	$ 8,572	$ -	$ 149,350

Murray County, Georgia
Law Library Fund
Comparative Balance Sheets
December 31, 2010 and 2009

	2010	2009
Assets		
Cash and cash equivalents	$ 9,176	$ 14,582
Fund Balances		
Unreserved - undesignated	$ 9,176	$ 14,582

Murray County, Georgia
Law Library Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010
(With Comparative Actual Amounts for the Year Ended December 31, 2009)

	2010				2009
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Fines and forfeitures	$ 10,000	$ 10,800	$ 5,401	$ (5,399)	$ 7,035
Investment earnings	100	100	26	(74)	88
Total Revenues	10,100	10,900	5,427	(5,473)	7,123
Expenditures					
Current:					
General government		-	-	-	48
Judicial	10,100	10,900	10,833	67	9,772
Total Expenditures	10,100	10,900	10,833	67	9,820
(Deficiency of Revenues (Under) Expenditures	$ -	$ -	(5,406)	$ (5,406)	(2,697)
Fund Balances Beginning of Year			14,582		17,279
Fund Balances End of Year			$ 9,176		$ 14,582

Murray County, Georgia
Confiscated Assets Fund
Comparative Balance Sheets
December 31, 2010 and 2009

	2010	2009
Assets		
Cash and cash equivalents	$ 35,317	$ 7,008
Fund Balances		
Reserved for program purposes	$ 35,317	$ 7,008

Murray County, Georgia
Confiscated Assets Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010
(With Comparative Actual Amounts for the Year Ended December 31, 2009)

	2010				2009
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Fines and forfeitures	$ 40,000	$ 40,000	$ 28,497	$ (11,503)	$ 17,761
Intergovernmental	-	-	22,000	22,000	16,897
Investment earnings	-	-	1	1	-
Total Revenues	40,000	40,000	50,498	10,498	34,658
Expenditures					
Current:					
Public safety	40,000	40,000	22,189	17,811	40,136
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	$ -	28,309	$ 28,309	(5,478)
Fund Balances Beginning of Year			7,008		12,486
Fund Balances End of Year			$ 35,317		$ 7,008

Murray County, Georgia
E-911 Fund
Comparative Balance Sheets
December 31, 2010 and 2009

	2010	Restated 2009
Assets		
Cash and cash equivalents	$ -	$ 173,390
Accounts receivable	118,106	67,285
Total Assets	$ 118,106	$ 240,675
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 9,844	$ 6,559
Accrued expenditures	11,977	3,750
Total Liabilities	21,821	10,309
Fund Balances		
Unreserved	96,285	230,366
Total Liabilities and Fund Balances	$ 118,106	$ 240,675

Murray County, Georgia
E-911 Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010
(With Comparative Actual Amounts for the Year Ended December 31, 2009)

	2010				2009
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Charges for services	$ 1,142,850	$ 735,900	$ 604,557	$ (131,343)	$ 475,436
Investment earnings	100	100	140	40	161
Total Revenues	1,142,950	736,000	604,697	(131,303)	475,597
Expenditures					
Current:					
Public safety	1,153,950	841,000	840,076	924	682,892
Total Expenditures	1,153,950	841,000	840,076	924	682,892
(Deficiency) of Revenues (Under) Expenditures	(11,000)	(105,000)	(235,379)	(130,379)	(207,295)
Other Financing Sources					
Transfers in	11,000	105,000	101,298	(3,702)	229,350
Net Change in Fund Balances	$ -	$ -	(134,081)	$ (134,081)	22,055
Fund Balances Beginning of Year, as Restated			230,366		208,311
Fund Balances End of Year			$ 96,285		$ 230,366

Murray County, Georgia
Multi-grant Fund
Comparative Balance Sheets
December 31, 2010 and 2009

	2010	2009
Assets		
Intergovernmental receivable	$ 49,591	$ 61,989
Liabilities		
Accounts payable	$ 17,076	$ 56,681
Deferred revenue	32,515	5,308
Total Liabilities	$ 49,591	$ 61,989

Murray County, Georgia
Multi-grant Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010
(With Comparative Actual Amounts for the Year Ended December 31, 2009)

	2010				2009
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Intergovernmental	$ 210,000	$ 326,000	$ 325,699	$ (301)	$ 67,633
Expenditures					
Current:					
Public safety	210,000	326,000	325,699	301	67,947
(Deficiency) of Revenues (Under) Expenditures	-	-	-	-	(314)
Other Financing Sources					
Transfers in	-	-	-	-	314
Net Change in Fund Balances	$ -	$ -	-	$ -	-
Fund Balances Beginning of Year			-		-
Fund Balances End of Year			$ -		$ -

Murray County, Georgia
Substance Abuse Fund
Comparative Balance Sheets
December 31, 2010 and 2009

	2010	2009
Assets		
Cash and cash equivalents	$ 6,823	$ 11,468
Accounts receivable	1,749	2,078
Total Assets	$ 8,572	$ 13,546
Fund Balances		
Unreserved - undesignated	$ 8,572	$ 13,546

Murray County, Georgia
Substance Abuse Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010
(With Comparative Actual Amounts for the Year Ended December 31, 2009)

	2010				2009
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Fines and forfeitures	$ 27,000	$ 39,900	$ 34,710	$ (5,190)	$ 35,962
Investment earnings	100	100	22	(78)	20
Total Revenues	27,100	40,000	34,732	(5,268)	35,982
Expenditures					
Current:					
Public safety	27,100	40,000	39,706	294	33,395
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	$ -	(4,974)	$ (4,974)	2,587
Fund Balances Beginning of Year			13,546		10,959
Fund Balances End of Year			$ 8,572		$ 13,546

Murray County, Georgia
Hotel Motel Fund
Comparative Balance Sheets
December 31, 2010 and 2009

	2010	2009
Assets		
Receivables:		
Accounts	$ 4,697	$ 4,791
Interfund	4,028	-
Total Assets	$ 8,725	$ 4,791
Liabilities		
Accounts payable	$ 8,725	$ 4,791

Murray County, Georgia
Hotel Motel Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010
(With Comparative Actual Amounts for the Year Ended December 31, 2009)

	2010				2009
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Hotel motel taxes	$ 70,000	$ 73,000	$ 72,889	$ (111)	$ 66,520
Expenditures					
Current:					
Housing and development	70,000	73,000	72,889	111	66,520
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Other Financing (Uses)					
Transfers out	-	-	-	-	(10,873)
Net Change in Fund Balances	$ -	$ -	-	$ -	(10,873)
Fund Balances Beginning of Year			-		10,873
Fund Balances End of Year			$ -		$ -

Murray County, Georgia
2007 SPLOST Fund
Comparative Balance Sheets
December 31, 2010 and 2009

	2010	2009
Assets		
Cash and cash equivalents	$ 812,710	$ 367,856
Investments	2,210,336	1,940,696
Sales taxes receivable	292,487	352,468
Total Assets	$ 3,315,533	$ 2,661,020
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 65,397	$ 68,998
Fund Balances		
Reserved for:		
Capital projects	3,250,136	651,326
Debt service	-	1,940,696
Total Fund Balances	3,250,136	2,592,022
Total Liabilities and Fund Balances	$ 3,315,533	$ 2,661,020

Murray County, Georgia
2007 SPLOST Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2010 and 2009

	2010	2009
Revenues		
Sales taxes	$ 4,122,161	$ 3,745,918
Investment earnings	1,653	13,284
Total Revenues	4,123,814	3,759,202
Expenditures		
Intergovernmental	453,438	412,051
Capital Outlay	998,084	4,345,435
Debt Service:		
Principal	1,822,132	1,500,000
Interest	253,155	307,317
Bond issuance costs	-	1,313
Total Expenditures	3,526,809	6,566,116
Excess (Deficiency) of Revenues Over (Under) Expenditures	597,005	(2,806,914)
Other Financing Sources		
Inception of capital lease	61,109	-
Net Change in Fund Balances	658,114	(2,806,914)
Fund Balances Beginning of Year	2,592,022	5,398,936
Fund Balances End of Year	$ 3,250,136	$ 2,592,022

Murray County, Georgia
Chip 2007 Fund
Comparative Balance Sheets
December 31, 2010 and 2009

	2010	2009
Assets		
Cash	$ 85	$ 100
Fund Balances		
Reserved for capital projects	$ 85	$ 100

Murray County, Georgia
Chip 2007 Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2010 and 2009

	2010	2009
Revenues		
Intergovernmental	$ 34,500	$ 35,750
Expenditures		
Current:		
Housing and development	34,515	46,697
(Deficiency) of Revenues (Under) Expenditures	(15)	(10,947)
Fund Balances Beginning of Year	100	11,047
Fund Balances End of Year	$ 85	$ 100

Murray County, Georgia
2002 SPLOST Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2010 and 2009

	2010	2009
Revenues		
Sales taxes	$ -	$ -
Investment earnings	-	-
Total Revenues	-	-
Expenditures		
Capital Outlay	-	-
(Deficiency) of Revenues (Under) Expenditures	-	-
Other Financing Sources		
Transfers in	-	97,168
Net Change in Fund Balances	-	97,168
Fund Balances Beginning of Year	-	(97,168)
Fund Balances End of Year	$ -	$ -

Murray County, Georgia
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For The Year Ended December 31, 2010

Tax Commissioner Fund	Balance January 1, 2010	Additions	Deductions	Reclassify Cash and Interfund Payable	Balance December 31, 2010
Assets					
Cash and cash equivalents	$ 225,854	$ 20,312,970	$ 20,261,577	$ 62,685	$ 214,562
Liabilities					
Interfund payable	$ -	$ 6,672,646	$ 6,609,961	$ 62,685	$ -
Due to others	225,854	13,640,324	13,651,616	-	214,562
Total Liabilities	$ 225,854	$ 20,312,970	$ 20,261,577	$ 62,685	$ 214,562

Clerk of Superior Court Fund	Balance January 1, 2010	Additions	Deductions	Reclassify Cash and Interfund Payable	Balance December 31, 2010
Assets					
Cash and cash equivalents	$ 247,244	$ 761,085	$ 792,368	$ 24,914	$ 191,047
Liabilities					
Interfund payable	$ -	$ 436,138	$ 411,224	$ 24,914	$ -
Due to others	247,244	324,947	381,144	-	191,047
Total Liabilities	$ 247,244	$ 761,085	$ 792,368	$ 24,914	$ 191,047

Sheriff Fund	Balance January 1, 2010	Additions	Deductions	Reclassify Cash and Interfund Payable	Balance December 31, 2010
Assets					
Cash and cash equivalents	$ 13,760	$ 245,090	$ 236,677	$ -	$ 22,173
Liabilities					
Interfund payable	$ -	$ 152,979	$ 152,979	$ -	$ -
Due to others	13,760	92,111	83,698	-	22,173
Total Liabilities	$ 13,760	$ 245,090	$ 236,677	$ -	$ 22,173

(Continued)

Murray County, Georgia
Combining Statement of Changes in Assets and Liabilities (Continued)
Agency Funds
For The Year Ended December 31, 2010

(Continued)

Probate Court Fund	Balance January 1, 2010	Additions	Deductions	Reclassify Cash and Interfund Payable	Balance December 31, 2010
Assets					
Cash and cash equivalents	$ 8,200	$ 403,283	$ 361,586	$ 34,027	$ 15,870
Liabilities					
Interfund payable	$ -	$ 298,611	$ 264,584	$ 34,027	$ -
Due to others	8,200	104,672	97,002	-	15,870
Total Liabilities	$ 8,200	$ 403,283	$ 361,586	$ 34,027	$ 15,870

Magistrate Court Fund	Balance January 1, 2010	Additions	Deductions	Reclassify Cash and Interfund Payable	Balance December 31, 2010
Assets					
Cash and cash equivalents	$ 118,159	$ 620,630	$ 555,547	$ 14,179	$ 169,063
Liabilities					
Interfund payable	$ -	$ 121,368	$ 107,189	$ 14,179	$ -
Due to others	118,159	499,262	448,358	-	169,063
Total Liabilities	$ 118,159	$ 620,630	$ 555,547	$ 14,179	$ 169,063

Total	Balance January 1, 2010	Additions	Deductions	Reclassify Cash and Interfund Payable	Balance December 31, 2010
Assets					
Cash and cash equivalents	$ 613,217	$ 22,343,059	$ 22,207,755	$ 135,805	$ 612,716
Liabilities					
Interfund payable	$ -	$ 7,681,742	$ 7,545,937	$ 135,805	$ -
Due to others	613,217	14,661,317	14,661,818	-	612,716
Total Liabilities	$ 613,217	$ 22,343,059	$ 22,207,755	$ 135,805	$ 612,716

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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 Honorable Commissioner
of Murray County
Chatsworth, Georgia

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Murray County, Georgia, as of and for the year ended December 31, 2010, which collectively comprise the Murray County, Georgia's basic financial statements and have issued our report thereon dated August 3, 2011. Our report includes a reference to 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. Other auditors audited the financial statements of the Hospital Authority and the Department of Public Health, as described in our report on Murray County, Georgia's financial statements. This report does not include the results of the other auditors' testing on internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Murray 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 Murray County, Georgia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Murray County, Georgia's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 Murray 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, County Commissioner, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

R. M. Dobbs & Company

Calhoun, Georgia
August 3, 2011

R.M. DOBBS & COMPANY

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Commissioner
of Murray County
Chatsworth, Georgia

We have audited the accompanying Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds for Murray County, Georgia as of December 31, 2010. This Schedule of Expenditures is the responsibility of Murray County, Georgia's management. Our responsibility is to express an opinion on the Schedule of Expenditures based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance that the Schedule of Expenditures is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement. 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 Expenditures. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds was prepared to present each identified project and information required by Section 48-8-121 OCGA and is not intended to be a complete presentation of the Murray County, Georgia's assets and liabilities.

In our opinion, the accompanying Schedule of Expenditures present fairly, in all material respects, the original estimated cost of each project, expenditures incurred and the estimated percentage of completion of each project as of December 31, 2010, in conformity with accounting principles generally accepted in the United States of America.

This report is intended solely for the information and use of the management, 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.

R. M. Dobbs & Company

Calhoun, Georgia
August 3, 2011

Murray County, Georgia
Schedule of Expenditures of Special Purpose
Local Option Sales Tax
From Inception and for the Year Ended December 31, 2010

SPLOST Projects	Expenditures					
	Original	Current	Prior Years	Current Year	Total	Estimated % of Completion
SPLOST 2007						
Roads & Bridges:						
Infrastructure	$ 7,850,000	$ 7,850,000	$ 498,636	$ 489,295	$ 987,931	13%
Road construction equipment/vehicles	610,000	610,000	2,800	95,981	98,781	16%
Total Road & Bridges, Water & Sewer	8,460,000	8,460,000	501,436	585,276	1,086,712	
Other Projects:						
Recreation Facilities	2,400,000	2,400,000	3,023,989	38,715	3,062,704	128%
Waste collection sites (improvements/acquisition)	200,000	200,000	-	600	600	0%
Fire safety improvements and equipment	2,500,000	2,500,000	949,130	74,644	1,023,774	41%
Detention Center expansion	9,850,000	9,850,000	11,676,922	34,709	11,711,631	119%
Jail & Sheriff improvements & equipment	1,275,000	1,275,000	52,293	203,093	255,386	20%
Library expansion	350,000	350,000	319,735	-	319,735	91%
Elections facility	480,000	480,000	-	-	-	0%
Senior center expansion	250,000	250,000	326,107	8,700	334,807	134%
County building improvements	350,000	350,000	21,545	42,186	63,731	18%
Hospital equipment	475,000	475,000	392,160	7,816	399,976	84%
Buildings' record storage capacity	42,000	42,000	-	-	-	0%
Rescue equipment and facility enhanced	50,000	50,000	-	2,345	2,345	5%
911 Center Communication Equipment	18,000	18,000	1,517	-	1,517	8%
Debt Service	-	-	5,142,819	2,075,288	7,218,107	n/a
Total Other Projects	18,240,000	18,240,000	21,906,217	2,488,095	24,394,312	
Contractual Payments:						
City of Chatsworth	3,000,030	3,000,030	1,321,185	412,216	1,733,401	58%
City of Eton	299,970	299,970	132,119	41,222	173,341	58%
	3,300,000	3,300,000	1,453,304	453,438	1,906,742	
	$ 30,000,000	$ 30,000,000	$ 23,860,957	$3,526,809	$ 27,387,766	

Prior Years' Expenditures, as previously stated	$ 22,419,427
2008 Expenditures Omitted on Prior Year's report	1,441,530
Prior Years' Expenditures, as restated	$ 23,860,957