MURRAY COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2011

Murray County, Georgia
Annual Financial Report
For The Year Ended December 31, 2012

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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, 2011, 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 percent of the assets, net assets, and revenues of the discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Hospital Authority and the Department of Public Health is based on the report of the other auditors.

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

In our opinion, based on our audit and the report 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, 2011, 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 December 28, 2012, 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 Employee's Retirement Plan-Schedule of Funding Progress on pages 3 through 10 and 39, 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 and the other auditors 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 Murray County, Georgia's financial statements as a whole. The introductory section, combining and individual 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 report 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
December 28, 2012

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, 2011. The County's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

2011 FINANCIAL HIGHLIGHTS

- The County's assets exceeded its liabilities by $57,073,900 (total net assets) as of December 31, 2011.
- Total net assets are comprised of the following:
  (1) Capital assets, net of related debt, of $51,094,037 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 $3,962,011 are restricted by constraints imposed from outside the County such as debt covenants, grantors, laws, or regulations.
  (3) Unrestricted net assets of $2,017,852 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 $8,009,250 at December 31, 2011. This compares to the prior year ending fund balance of $8,776,695, showing a decrease of $767,445 during the current year. Unassigned fund balance of $4,047,239 at December 31, 2011 shows a $1,329,885 decrease from the prior year amount at December 31, 2010.
- At the end of the current calendar year, the unassigned fund balance for the General Fund was $4,047,239, or 26.2% of total General Fund expenditures.
- The failing economy has played havoc with many of the County's 2011 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. Primarily the County's constitutional officers use these funds.

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 39 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 40.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

The County's net assets at calendar year-end are $57,815,658. The following table provides a summary of the County's net assets:

Summary of Net Assets

	Governmental Activities	
	2011	2010
Assets:		
Current assets	$ 9,570,357	$ 10,347,135
Noncurrent assets:		
Other non-capital assets	160,746	200,732
Capital assets	55,679,390	58,664,105
Total assets	65,410,493	69,211,972
Liabilities:		
Current liabilities	2,812,695	2,988,031
Long-term liabilities	5,523,898	7,277,964
Total liabilities	8,336,593	10,265,995
Net assets:		
Investment in capital assets, net of related debt	51,094,037	51,945,128
Restricted	3,962,011	3,572,941
Unrestricted	2,017,852	3,427,908
Total net assets	$ 57,073,900	$ 58,945,977

Current assets in governmental activities decreased in calendar year December 31, 2011. Cash decreased $914,571, which relates to the spending down 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 3.4 to 1 as compared to 3.5 to 1 at December 31, 2010.

The County reported positive balances in net assets for governmental activities. During 2011, net assets decreased $1,872,077 for governmental activities. However, the County remains in a strong financial position, in spite of a depressed economy.

Note that approximately 85.1% 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, 2011 and 2010:

Summary of Changes in Net Assets

	Governmental Activities	
	2011	**2010**
Revenues:		
Program:		
Charges for services and fines	$ 2,220,357	$ 2,093,088
Operating grants	738,539	689,492
Capital grants and contributions	285,684	341,185
General:		
Property taxes	6,083,475	6,244,335
Sales taxes	8,300,097	7,602,632
Other taxes	1,925,909	2,013,863
Other	77,553	89,229
Total revenues	19,631,614	19,073,824
Program Expenses:		
General government	7,257,201	7,444,513
Judicial	1,606,640	1,448,871
Public safety	5,603,236	5,627,713
Public works	5,341,605	5,417,978
Health and welfare	703,022	609,859
Culture and recreation	383,404	566,431
Housing and development	407,400	450,839
Interest	201,183	282,083
Total expenses	21,503,691	21,848,287
Revenues over expenses	(1,872,077)	(2,774,463)
Beginning net assets	58,945,977	61,720,440
Ending net assets	$ 57,073,900	$ 58,945,977

Governmental Activity Revenues

The County is heavily reliant on both property taxes and sales taxes to support governmental operations. Property taxes provided 31% of the County's total revenues as compared to 32.7% in calendar year 2010. Sales and use taxes provided 42.3% of the County's total revenues as compared 39.9% in calendar year 2010. The County earned $18,857 in unrestricted investment earnings to support governmental activities as compared to $51,804 in fiscal year 2010. 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 15.1% of governmental operating expenditures as compared to 14.3% in calendar year 2010. This means that the government's taxpayers and the County's other general revenues normally fund 84.9% 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	$ 7,257,201	33.7%	$ 6,963,909	38.1%
Judicial	1,606,640	7.5%	1,563,100	8.6%
Public safety	5,603,236	26.1%	3,895,326	21.3%
Public works	5,341,605	24.8%	4,729,635	25.9%
Health and welfare	703,022	3.3%	326,158	1.8%
Culture and recreation	383,404	1.8%	257,421	1.4%
Housing and development	407,400	1.9%	322,379	1.8%
Interest	201,183	0.9%	201,183	1.1%
Total	$ 21,503,691	100.0%	$ 18,259,111	100.0%

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 $8,009,250 compared to $ 8,776,695 in 2010. The bulk of this decrease relates to general fund spending. The General Fund decreased its fund balance by $1,329,885 in this year. The 2007 SPLOST fund had revenues exceeding expenditures of $572,775.

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

Legally restricted fund balances include approximately $3.8 million set aside for SPLOST projects and related debt service. In addition, there is approximately $4 million, which is available for general appropriation.

The total ending fund balances of governmental funds show a decrease of $767,445 or 8.7% 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 $1,329,885 or 24.7% as compared to a $1,591,194 decrease in 2010. The ending unassigned fund balance is considered adequate, although not excessive, representing the equivalent of 26.2% of annual expenditures. This percentage compares to the 35% at December 31, 2010.

General property taxes decreased $36,307 or .7%. Local option sales taxes revenue was $326,159 or 9.4% above the 2010 amount, due primarily to a slightly improving economy. The insurance premium tax was $116,923 or 7.5% less than the 2010 year. This tax is distributed by the State of Georgia to Georgia local governments, based upon population. With the 2010 census, the County's proportionate amount was less. In total, tax revenues were $271,027 or 2.3% above those of 2010.

Under intergovernmental revenue, the federal payment in lieu of taxes was up $105,639 or 85.2% above the 2010 amount. These amounts can vary from year to year. DOT road grants increased $135,242 or 83.5% because the County received an $184,000 grant for road signage and striping that was not available in 2010.

Transit fees were $158,185 or 72.3% above the 2010 amount. This increase results from the Georgia Department of Human Services grants for the aging program. There we no charges for services for the sheriff's department as compared to 2010 since in 2010 the County provided space for Gilmer County prisoners for a short period.

Total General Fund expenditures increased $165,104 or 1.1% from 2010. The most significant changes from calendar year 2010 are described below.

The general administration costs decreased $198,121 or 4.8% from 2010. In 2010, the County budgeted $400,000 for contingencies into this account and most of it was used, however, in 2011 only $1,000 was budgeted.

In total, the judicial system expenditures increased $155,482 or 11%. The majority of this increase relates to the district attorney's costs, which increased $131,584 or 44.3%. Three new positions were added in 2011, one was funded by a Violence Against Women grant, and the others were funded by the Greenhouse (child advocacy) reimbursement. The costs of the Marshall's office increased $42,227 or 86.2% over 2010 since a code enforcement officer was transferred to the Marshall's office. The largest cost center, public safety, increased by $362,233 or 9.2%. The sheriff's costs increased $275,259 or 21.3% due to the furloughing of employees in 2010, but no furloughs initiated in 2011. The costs of animal control increased $33,189 or 22.5% due to contributions received in 2011 totaling over $30,000.

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 $4.5 million of sales tax collections. Approximately $1,120,941 was expended on capital projects and $2.3 million on debt service. The County paid $494,798 to cities within the County for their share. At December 31, 2011, the fund balance is $3,822,911 as compared to $ 3,250,136 at December 31, 2010.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund's revenue budget was not amended in 2011.

The general property taxes were $457,910 or 8.3% below budget. Local option sales taxes were $249,630 or 7% above the budget. This increase relates to an improving economy.

Charges for transit services were $86,864 or 30% above the budget, as explained above. Landfill charges for services were $52,443 or 74.9% below the budget because of less refuge entering the landfill from outside counties.

Fines from the superior court of $94,139 and the probate court of $63,223, both were below the budget because many offenders are serving their sentences, rather than paying fines, because of the poor economy.

Most other revenues were within budget. In total, the County recognized 97.4% of the final revenue budget.

The General Fund's expenditure budget was increased by $849,200. The District Attorney's budget was overspent by $121,935, or 39.7%. This overage relates to the additional employee as explained above. The Sheriff's budget was overspent by $260,860 or 20% because of less employees being furloughed and contracted services exceeding the budget.

In total, the County over spent the final expenditure budget by $20,146 or just .1%. 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, 2011, was $55,679,390, decreasing $2,984,715 or 5.1%. 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	
	2011	**2010**
Non-depreciable assets:		
Land	$ 1,498,194	$ 1,430,309
Construction in progress	4,795,105	4,553,272
Total non-depreciable	6,293,299	5,983,581
Depreciable assets:		
Buildings and improvements	25,276,813	25,195,070
Machinery, equipment and furniture	12,713,232	12,362,695
Infrastructure	119,141,558	118,450,030
Total depreciable assets	157,131,603	156,007,795
Less accumulated depreciation	107,745,512	103,327,271
Book value - depreciable assets	49,386,091	52,680,524
Percentage depreciated	69%	66%
Total Assets	$ 55,679,390	$ 58,664,105

At December 31, 2011, the depreciable capital assets for governmental activities were 69% depreciated. This compares to 66% at December 31, 2010. 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 2011 depreciation expense was $4,418,241 of which $3,611,906 or 81.7% relates to the public works function.

The balance in the construction in progress account relates to the Recreation Center Phase II at Hyden-Tyler Road, relocation of fire station #3, and additional projects for jail expansion, elections facility, and a new waste collection site. The $691,528 increase in infrastructure relates to a new bridge on Old Federal Rd. at CSX crossing and road resurfacing projects.

Long-term Debt

During fiscal year 2011, the County retired $2.1 million or 31.4% of outstanding general obligation bonds.

The following table reports debt balances at December 31, 2011 and 2010:

Outstanding Borrowings

	Governmental Activities	
	2011	2010
General obligation bonds	$ 4,580,000	$ 6,680,000
Capital lease	5,353	38,977
Total	$ 4,585,353	$ 6,718,977

The bonds' balance of $4,580,000 is scheduled to be repaid over a period ending in 2013.

In 2011, 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 2011 unemployment rate was 11.5% as compared to the State of Georgia's 9.3% and the Federal government's rate was 8.2%. 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 revenue streams; however, sales increased approximately $327,000 over 2010. The 2011 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, 2011

	Primary Government Governmental Activities	Component Units
Assets		
Current Assets		
Cash and cash equivalents	$ 4,625,104	$ 279,276
Investments	2,325,541	727,818
Receivables:		
Accounts	202,675	25,475
Property taxes	1,446,559	-
Sales taxes	643,318	-
Intergovernmental	285,310	-
Inventory	-	482
Prepaid items	-	3,431
Restricted assets	41,850	674,747
Total Current Assets	9,570,357	1,711,229
Noncurrent Assets		
Unamortized bond issuance costs	55,137	95,622
Net pension assets	105,609	-
Capital assets		
Nondepreciable	6,293,299	106,000
Depreciable, net	49,386,091	7,716,421
Noncurrent Assets	55,840,136	7,918,043
Total Assets	65,410,493	9,629,272
Liabilities		
Current Liabilities		
Accounts payable	259,494	35,624
Accrued expenses	177,069	54,797
Accrued interest payable	37,771	-
Funds held in escrow	41,850	-
Compensated absences payable	41,158	-
Capital lease payable	5,353	-
General obligation bonds payable	2,250,000	-
Payable from restricted assets:		
Accrued interest payable	-	103,766
Revenue certificates payable	-	315,250
Current Liabilities	2,812,695	509,437
Long-Term Liabilities (net of current portion):		
Landfill closure and post-closure care	2,895,169	-
Compensated absences payable	298,729	37,209
General obligation bonds payable	2,330,000	-
Revenue certificates payable	-	6,455,548
Total Long-Term Liabilities	5,523,898	6,492,757
Total Liabilities	8,336,593	7,002,194
Net Assets		
Invested in capital assets, net of related debt	51,094,037	2,435,406
Restricted for:		
Debt service	2,325,541	567,980
Capital projects	1,497,440	-
Judicial purposes	1,104	-
Public safety purposes	137,926	-
Unrestricted	2,017,852	(376,308)
Total Net Assets	$ 57,073,900	$ 2,627,078

See accompanying notes to the basic financial statements

Murray County, Georgia
Statement of Activities
For the Year Ended December 31, 2011

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	$ 7,257,201	$ 28,967	$ 264,325	$ -	$ (6,963,909)	$ -
Judicial	1,606,640	43,540	-	-	(1,563,100)	-
Public safety	5,603,236	1,542,425	165,485	-	(3,895,326)	-
Public works	5,341,605	17,557	308,729	285,684	(4,729,635)	-
Health and welfare	703,022	376,864	-	-	(326,158)	-
Culture and recreation	383,404	125,983	-	-	(257,421)	-
Housing and development	407,400	85,021	-	-	(322,379)	-
Interest	201,183	-	-	-	(201,183)	-
Total Governmental Activities	$ 21,503,691	$ 2,220,357	$ 738,539	$ 285,684	(18,259,111)	-
Component Units						
Recreation Commission	$ 25,137	$ 11,939	$ -	$ -	-	(13,198)
Department of Public Health	964,744	238,066	443,987	-	-	(282,691)
Hospital Authority	1,140,818	595,814	-	-	-	(545,004)
Total Component Units	$ 2,130,699	$ 845,819	$ 443,987	$ -	-	(840,893)
		General Revenues				
		Property taxes levied for general government purposes			6,083,475	-
		Sales taxes			8,300,097	-
		Insurance premium taxes			1,439,631	-
		Other taxes			486,278	-
		Investment earnings			18,857	10,208
		Miscellaneous			58,696	81,738
		Total General Revenues			16,387,034	91,946
		Change in Net Assets			(1,872,077)	(748,947)
		Net Assets Beginning of Year			58,945,977	3,376,025
		Net Assets End of Year			$ 57,073,900	$ 2,627,078

See accompanying notes to the basic financial statements

Murray County, Georgia
Balance Sheet
Governmental Funds
December 31, 2011

	General	SPLOST 2007	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	$ 3,381,372	$ 1,192,437	$ 51,295	$ 4,625,104
Restricted cash	41,850	-	-	41,850
Investments	-	2,325,541	-	2,325,541
Receivables:				
Accounts	84,782	-	117,893	202,675
Property taxes	1,446,559	-	-	1,446,559
Sales taxes	294,603	348,715	-	643,318
Intergovernmental	167,420	-	117,890	285,310
Total Assets	$ 5,416,586	$ 3,866,693	$ 287,078	$ 9,570,357
Liabilities and Fund Balances				
Liabilities				
Accounts payable	$ 164,517	$ 43,782	$ 51,195	$ 259,494
Accrued expenditures	163,924	-	13,145	177,069
Deferred revenue	999,056	-	83,638	1,082,694
Funds held in escrow	41,850	-	-	41,850
Total Liabilities	1,369,347	43,782	147,978	1,561,107
Fund Balances				
Restricted	-	3,822,911	139,100	3,962,011
Unassigned	4,047,239	-	-	4,047,239
Total Fund Balances	4,047,239	3,822,911	139,100	8,009,250
Total Liabilities and Fund Balances	$ 5,416,586	$ 3,866,693	$ 287,078	$ 9,570,357

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, 2011

Total Governmental Fund Balances		$ 8,009,250
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	$ 163,424,902	
Less accumulated depreciation	(107,745,512)	55,679,390
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.		1,082,694
Bond issuance costs are reported as expenditures in the governmental fund financial statements but capitalized on the government-wide statement of net assets.		55,137
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.		105,609
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	$ (4,580,000)	
Capital lease payable	(5,353)	
Accrued interest payable	(37,771)	
Landfill closure and post closure care payable	(2,895,169)	
Compensated absences payable	(339,887)	(7,858,180)
Net Assets of Governmental Activities		$ 57,073,900

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, 2011

	General	SPLOST 2007	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	$ 11,686,271	$ 4,493,467	$ 71,310	$ 16,251,048
Licenses and permits	85,021	-	-	85,021
Intergovernmental	809,329	-	176,985	986,314
Charges for services	778,106	-	578,407	1,356,513
Fines and forfeitures	707,357	-	67,536	774,893
Investment earnings	18,837	3,143	20	22,000
Contributions	34,766	-	-	34,766
Miscellaneous	51,714	-	-	51,714
Total Revenues	14,171,401	4,496,610	894,258	19,562,269
Expenditures				
Current:				
General government	6,654,719	-	-	6,654,719
Judicial	1,569,148	-	13,756	1,582,904
Public safety	4,315,667	-	893,720	5,209,387
Public works	1,619,606	-	-	1,619,606
Culture and recreation	533,374	-	-	533,374
Health and welfare	428,482	-	-	428,482
Housing and development	305,494	-	82,825	388,319
Intergovernmental	-	494,798	-	494,798
Capital Outlay	-	1,120,941	-	1,120,941
Debt Service:				
Principal retirement	-	2,133,624	-	2,133,624
Interest and fiscal charges	-	174,472	-	174,472
Total Expenditures	15,426,490	3,923,835	990,301	20,340,626
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,255,089)	572,775	(96,043)	(778,357)
Other Financing Sources (Uses)				
Proceeds from the sale of capital assets	10,912	-	-	10,912
Transfers in	-	-	85,708	85,708
Transfers out	(85,708)	-	-	(85,708)
Total Other Financing Sources (Uses)	(74,796)	-	85,708	10,912
Net Change in Fund Balances	(1,329,885)	572,775	(10,335)	(767,445)
Fund Balances Beginning of Year	5,377,124	3,250,136	149,435	8,776,695
Fund Balances End of Year	$ 4,047,239	$ 3,822,911	$ 139,100	$ 8,009,250

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, 2011

Net Changes In Fund Balances - Total Governmental Funds			$ (767,445)
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	$ (4,418,241)	
	Capital outlay	1,433,526	(2,984,715)
The increase in pension assets are reported on the government-wide statement of activities but not in the governmental fund's operating statement.			
	Balance @ 12/31/11	$ 105,609	
	Balance @ 12/31/10	(101,487)	4,122
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 @ 12/31/11	$ 1,082,694	
	Deferred @ 12/31/10	(1,024,261)	58,433
Elimination of transfers between governmental funds:			
	Transfers in	$ (85,708)	
	Transfers out	85,708	-
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 @ 12/31/10	$ (99,245)	
	Balance @ 12/31/11	55,137	(44,108)
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.			2,133,624
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 @ 12/31/11	$ (2,895,169)	
	Liability @ 12/31/10	2,608,258	(286,911)
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 @ 12/31/11	$ (37,771)	
	Liability @ 12/31/10	55,168	17,397
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 @ 12/31/11	$ (339,887)	
	Liability @ 12/31/10	337,413	(2,474)
Change In Net Assets of Governmental Activities			$ (1,872,077)

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, 2011

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes	$ 12,366,974	$ 12,366,974	$ 11,686,271	$ (680,703)
Licenses and permits	90,200	90,200	85,021	(5,179)
Intergovernmental	934,492	934,492	809,329	(125,163)
Charges for services	741,700	741,600	778,106	36,506
Fines and forfeitures	777,290	777,290	707,357	(69,933)
Investment earnings	60,100	60,100	18,837	(41,263)
Contributions	15,000	15,000	34,766	19,766
Miscellaneous	41,590	41,590	51,714	10,124
Total Revenues	15,027,346	15,027,246	14,171,401	(855,845)
Expenditures				
Current:				
General government	6,379,449	6,663,449	6,654,719	8,730
Judicial	1,615,992	1,575,739	1,569,148	6,591
Public safety	4,300,496	4,327,032	4,315,667	11,365
Public works	1,699,575	1,699,575	1,619,606	79,969
Culture and recreation	562,500	534,500	533,374	1,126
Health and welfare	422,745	429,045	428,482	563
Housing and development	329,695	310,745	305,494	5,251
Total Expenditures	15,310,452	15,540,085	15,426,490	113,595
(Deficieny) of Revenues (Under) Expenditures	(283,106)	(512,839)	(1,255,089)	(742,250)
Other Financing Sources (Uses)				
Proceeds from the sale of capital assets	3,000	3,000	10,912	7,912
Transfers out	(100,000)	(100,000)	(85,708)	14,292
Net Change in Fund Balances	$ -	$ (609,839)	(1,329,885)	$ (720,046)
Fund Balances Beginning of Year			5,377,124	
Fund Balances End of Year			$ 4,047,239	

Murray County, Georgia
Combining Statement of Net Assets
Component Units
December 31, 2011

	Hospital Authority	Department of Public Health	Recreation Commission	Total
Assets				
Current Assets				
Cash and cash equivalents	$ 83,722	$ 191,554	$ 4,000	$ 279,276
Investments	727,818	-	-	727,818
Receivables:				
Accounts	1,288	24,187	-	25,475
Prepaid items	3,431	-	-	3,431
Inventory	-	482	-	482
Restricted assets	674,747	-	-	674,747
Total Current Assets	1,491,006	216,223	4,000	1,711,229
Noncurrent Assets:				
Deferred charges	95,622	-	-	95,622
Capital assets:				
Nondepreciable	106,000	-	-	106,000
Depreciable, net	7,703,558	12,863	-	7,716,421
Total Noncurrent Assets	7,905,180	12,863	-	7,918,043
Total Assets	9,396,186	229,086	4,000	9,629,272
Liabilities				
Current Liabilities:				
Accounts payable	30,187	5,437	-	35,624
Accrued expenses	43,746	11,051	-	54,797
Total Current Liabilities	73,933	16,488	-	90,421
Current Liabilities Payable From Restricted Assets				
Accrued interest payable	103,766	-	-	103,766
Revenue certificates payable	315,250	-	-	315,250
Total Current Liabilities Payable From Restricted Assets	419,016	-	-	419,016
Long-term Liabilities (net of current portion):				
Revenue certificates payable	6,455,548	-	-	6,455,548
Compensated absences	-	37,209	-	37,209
Total Long-term Liabilities	6,455,548	37,209	-	6,492,757
Total Liabilities	6,948,497	53,697	-	7,002,194
Net Assets				
Invested in capital assets, net of related debt	2,422,543	12,863	-	2,435,406
Restricted for debt service	567,980	-	-	567,980
Unrestricted	(542,834)	162,526	4,000	(376,308)
Total Net Assets	$ 2,447,689	$ 175,389	$ 4,000	$ 2,627,078

See accompanying notes to the basic financial statements

Murray County, Georgia
Combining Statement of Activities
Component Units
For the Calendar Year Ended December 31, 2011

	Recreation Commission	Department of Public Health	Hospital Authority	Total
Expenses:				
General government	$ -	$ -	$ 1,140,818	$ 1,140,818
Public health	-	964,744	-	964,744
Culture and recreation	25,137	-	-	25,137
Total Expenses	25,137	964,744	1,140,818	2,130,699
Revenues:				
Program:				
Charges for services	11,939	238,066	595,814	845,819
Operating grants and contributions	-	443,987	-	443,987
Total Program Revenues	11,939	682,053	595,814	1,289,806
Net Program (Expense)	(13,198)	(282,691)	(545,004)	(840,893)
General Revenues:				
Miscellaneous	-	81,673	65	81,738
Investment earnings	-	-	10,208	10,208
Total General Revenues:	-	81,673	10,273	91,946
Change in Net Assets	(13,198)	(201,018)	(534,731)	(748,947)
Net Assets Beginning of Year	17,198	376,407	2,982,420	3,376,025
Net Assets End of Year	$ 4,000	$ 175,389	$ 2,447,689	$ 2,627,078

See accompanying notes to the basic financial statements

Murray County, Georgia
Comparative Statements of Fiduciary Assets and Liabilities
Fiduciary Funds
December 31, 2011 and 2010

	2011	2010
Assets		
Cash and cash equivalents	$ 551,077	$ 612,715
Liabilities		
Due to others	$ 551,077	$ 612,715

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, 2011 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, 2011 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, 2011, 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 (Note 3-L)

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 – Fund Balance – Generally, fund balance represents the difference between the current assets and current liabilities. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

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

Note 1 - Summary of Significant Accounting Policies (Continued)

- ***Restricted*** – Fund balances 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.

- ***Committed*** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the County Commission through the approval of a motion. Only, the County Commission also may modify or rescind the commitment.

- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the County Commission has authorized the County chairman or designee to assign fund balances.

- ***Unassigned*** - Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 Commission.

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 Commission must also approve budget transfers within departments.

The original 2012 budget was amended during the year. All unencumbered annual appropriations lapse at year-end. Encumbered appropriations are carried forward to the subsequent year automatically.

2-B. Excess of Expenditures Over Appropriations

There were no departments/functional areas that overspent the final 2011 annual budget.

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.

Note 3 - Detailed Notes on All Funds (Continued)

Investments – The fair value of investments of the Primary Government (the County) is as follows at December 31, 2011:

		Maturity
Money market funds	$ 2,325,541	current to one year

Credit Quality Risk – Credit quality risk is that an issuer or other counterparty to an investment will not fulfill its obligations. The money market funds are not rated.

Component Unit - 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 Treasury and Fiscal Services of the State of Georgia. 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	$ 4,625,104
Governmental Funds - Balance Sheet - restricted	41,850
Statement of Fiduciaty Assets and Liabilities	551,077
	$ 5,218,031

3-B. Receivables

Receivables at December 31, 2011, 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 during the month of May 2011. Property taxes attach as an enforceable lien on property as of January 1. Property taxes were billed on October 1, 2011 and are due upon receipt, however, the actual due date was December 1, 2011. 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.

(This page continued on the subsequent page)

Note 3 - Detailed Notes on All Funds (Continued)

3-D. Capital Assets

Governmental fund activities capital asset activity for the year ended December 31, 2011, was as follows:

	Balance 1/1/2010	Additions	Deductions	Balance 12/31/2010
Nondepreciable capital assets:				
Land	$ 1,430,309	$ 67,885	$ -	$ 1,498,194
Construction in progress	4,553,272	241,833	-	4,795,105
Total nondepreciable capital assets	5,983,581	309,718	-	6,293,299
Depreciable capital assets:				
Land improvements	804,342	10,280	-	814,622
Site improvements	1,429,147	42,932	-	1,472,079
Infrastructure	118,450,030	691,528	-	119,141,558
Buildings	22,961,581	28,531	-	22,990,112
Machinery and equipment	6,040,066	108,747	-	6,148,813
Office equipment	281,045	6,559	-	287,604
Furniture and fixtures	145,769	11,863	-	157,632
Software	66,593	5,000	-	71,593
Vehicles	5,829,222	218,368	-	6,047,590
Total depreciable capital assets	156,007,795	1,123,808	-	157,131,603
Total capital assets	161,991,376	1,433,526	-	163,424,902
Accumulated depreciation:				
Land improvements	347,782	42,934	-	390,716
Site improvements	638,743	54,845	-	693,588
Infrastructure	89,966,580	3,159,202	-	93,125,782
Buildings	3,300,660	492,207	-	3,792,867
Machinery and equipment	4,330,839	265,975	-	4,596,814
Office equipment	267,883	20,761	-	288,644
Furniture and fixtures	32,197	8,332	-	40,529
Software	35,932	17,840	-	53,772
Vehicles	4,406,655	356,145	-	4,762,800
Total accumulated depreciation	103,327,271	4,418,241	-	107,745,512
Governmental activities capital assets, net	$ 58,664,105	$ (2,984,715)	$ -	$ 55,679,390

Note 3 - Detailed Notes on All Funds (Continued)

Governmental activities depreciation expense

General government	$ 103,500
Judicial	20,089
Public safety	399,794
Public works	3,611,906
Health and welfare	85,048
Culture and recreation	177,086
Housing and development	20,818
Total governmental activities depreciation expense	$ 4,418,241

3-E. Interfund Transfers

Interfund Transfers - Interfund transfers for the year ended December 31, 2011, consisted of the following:

	Transfers from:
Transfers to:	General Fund
Nonmajor governmental funds	$ 85,708

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.

The 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 based on current waste density and tonnage currently estimated to end in 2237.

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.

Note 3 - Detailed Notes on All Funds (Continued)

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 10% of the estimated capacity of the landfill, the County has recognized a liability for post closure costs accrued to date of $2,895,169 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 $8,507,595 will be recognized as the remaining capacity is used, with the County responsible for $2,643,858 of such post closure costs, and Santek responsible for the remaining $5,863,737 of closure costs. This liability is based upon estimated remaining waste capacity of 13,404,390 cubic yards and 226 years for Site 2. These amounts are based on what it would cost to perform all closure and post closure care in 2011. 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, 2011.

Governmental Activities Debt - The County reports two outstanding debt issues at December 31, 2011.

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 $101,872.

Annual debt service requirements to amortize this debt, as of December 31, 2011 follow:

Year	Principal	Interest	Total
2012	$ 1,150,000	$ 66,515	$ 1,216,515
2013	1,180,000	22,361	1,202,361
Total	$ 2,330,000	$ 88,876	$ 2,418,876

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 $71,608.

Annual debt service requirements to amortize this debt, as of December 31, 2011 follow:

Year	Principal	Interest	Total
2012	$ 1,100,000	$ 47,430	$ 1,147,430
2013	1,150,000	16,043	1,166,043
Total	$ 2,250,000	$ 63,473	$ 2,313,473

Note 3 - Detailed Notes on All Funds (Continued)

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 $992.

Annual debt service requirements for this capital lease payable as of December 31, 2011 follow:

Fiscal Year Ended December 31,	Principal	Interest	Total
2012	$ 5,353	$ 37	$ 5,390

Changes in Long-term Debt - Changes in the County's long-term obligations consisted of the following for the year ended December 31, 2011:

Governmental Activities	Outstanding 1/1/2011	Additions	Reductions	Outstanding 12/31/2011	Amounts Due in One Year
Capital leases	$ 38,977	$ -	$ 33,624	$ 5,353	$ 5,353
2007 general obligation bonds	3,430,000	-	1,100,000	2,330,000	1,150,000
2008 general obligation bonds	3,250,000	-	1,000,000	2,250,000	1,100,000
Total bonded debt	6,718,977	-	2,133,624	4,585,353	2,255,353
Landfill post-closure costs	2,608,258	286,911	-	2,895,169	-
Compensated absences	337,413	40,860	38,386	339,887	41,158
Total Governmental Activities	$ 9,664,648	$ 327,771	$ 2,172,010	$ 7,820,409	$ 2,296,511

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.

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.

Note 3 - Detailed Notes on All Funds (Continued)

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, 2011:

Active plan participants	170
Retirees and beneficiaries currently receiving benefits	46
Active plan participants or terminated plan participants entitled to, but not yet receiving benefits	80
Total	296

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

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
12/31/2009	$ 449,809	$ 448,616	99.7%	$ (90,938)
12/31/2009	522,875	534,617	102.2%	(89,745)
12/31/2010	546,595	550,717	100.8%	(101,487)
12/31/2011	562,703	N/A	N/A	(105,609)

Note 3 - Detailed Notes on All Funds (Continued)

Net Pension Assets – The County's derivation of the net pension obligation (asset) at January 1, 2011 (i.e., the most recent actuarial valuation) is as follows:

	January 1, 2011	January 1, 2010
Derivation of the Net Pension Obligation (Asset):		
Annual pension cost	$ 546,595	$ 522,875
Contributions made	550,717	534,617
Increase (decrease) in net pension obligation (asset)	(4,122)	(11,742)
Net pension obligation (asset), beginning of year	(101,487)	(89,745)
Net pension obligation (asset), end of year	$ (105,609)	$ (101,487)

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
12/31/2010	$ 6,186,258	$ 7,418,348	83.4%	$ 1,232,090	$ 5,612,543	22.0%

*The actuarial value of plan assets is increasing over time relative to the actuarial accrued liability for benefits.

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

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

Current Valuation Date	January 1, 2011
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Percentage of Pay, Closed
Actuarial Value of Assets	Market Value
Actuarial Assumptions:	
Investment Rate of Return	7.75%
Projected Salary Increases	5.0 % - 7.5% - based on age
Expected Annual Inflation	3.00%

Note 3 - Detailed Notes on All Funds (Continued)

3-I. Fund Equity

Fund Balances – Fund balances are classified as follows:

- ***Restricted*** – The following fund balances are legally restricted to specified purposes:

Major Capital Projects 2007 SPLOST Fund:		
Capital outlay	$	1,497,370
Debt service		2,325,541
Total Major Capital Projects 2007 SPLOST Fund	$	3,822,911
Non-major Special Revenue Funds:		
Public safety	$	139,030
Non-major Capital Projects Fund:		
Capital outlay	$	70

Invested in Capital Assets, Net of Related Debt

Net assets on the government-wide statement of net assets as of December 31, 2011 are as follows:

Invested in capital assets, net of related debt:	Governmental Activities
Cost of capital assets	$ 163,424,902
Less accumulated depreciation	107,745,512
Book value	55,679,390
Less capital related debt	4,585,353
Investments in capital assets, net of related debt	$ 51,094,037

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.

Note 4 - Other Notes (Continued)

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, 2011. 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	$ 71,310	100%
Disbursements to:		
Murray County Chamber of Commerce	$ 71,310	100%
Total Disbursements	$ 71,310	100%

Murray County, Georgia
Required Supplementary Information
Employees' ACCG Retirement Plan
December 31, 2011

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)
12/31/2005	$ 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%
12/31/2010	6,186,258	7,418,348	83.4%	1,232,090	5,612,543	22.0%

Schedule of Employer Contributions

Fiscal Year Ended	Annual Pension Cost	Employer Contribution	Percentage Contributed	Net Pension Obligation
1/1/2006	$ 409,955	$ 426,125	103.9%	$ (66,782)
1/1/2007	406,828	414,814	102.0%	(82,952)
1/1/2008	449,809	448,616	99.7%	(90,938)
1/1/2009	522,875	534,617	102.2%	(89,745)
1/1/2010	546,595	550,717	100.8%	(101,487)
1/1/2011	562,703	N/A	N/A	(105,689)

See notes to the basic financial statements for actuarial assumptions used in the above calculations.

Murray County, Georgia
Combining Balance Sheet
Nonmajor Governmental Funds - By Fund Type
December 31, 2011

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets			
Cash and cash equivalents	$ 51,225	$ 70	$ 51,295
Receivables:			
Accounts	117,893	-	117,893
Intergovernmental	117,890	-	117,890
Total Assets	$ 287,008	$ 70	$ 287,078
Liabilities and Fund Balances			
Liabilities			
Accounts payable	$ 51,195	$ -	$ 51,195
Accrued expenditures	13,145	-	13,145
Deferred revenue	83,638	-	83,638
Total Liabilities	147,978	-	147,978
Fund Balances			
Restricted	139,030	70	139,100
Total Liabilities and Fund Balances	$ 287,008	$ 70	$ 287,078

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, 2011

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues			
Taxes	$ 71,310	$ -	$ 71,310
Intergovernmental	165,485	11,500	176,985
Charges for services	578,407	-	578,407
Fines and forfeitures	67,536	-	67,536
Investment earnings	20	-	20
Total Revenues	882,758	11,500	894,258
Expenditures			
Current:			
Judicial	13,756	-	13,756
Public safety	893,720	-	893,720
Housing and development	71,310	11,515	82,825
Total Expenditures	978,786	11,515	990,301
(Deficiency) of Revenues (Under) Expenditures	(96,028)	(15)	(96,043)
Other Financing Sources			
Transfers in	85,708	-	85,708
Net Change in Fund Balances	(10,320)	(15)	(10,335)
Fund Balances Beginning of Year	149,350	85	149,435
Fund Balances End of Year	$ 139,030	$ 70	$ 139,100

Murray County, Georgia
General Fund
Comparative Balance Sheets
December 31, 2011 and 2010

	2011	2010
Assets		
Cash and cash equivalents	$ 3,381,372	$ 4,675,564
Restricted cash	41,850	48,883
Receivables:		
Accounts	84,782	107,932
Property taxes	1,446,559	1,643,817
Sales taxes	294,603	247,156
Intergovernmental	167,420	82,706
Total Assets	$ 5,416,586	$ 6,806,058
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 164,517	$ 253,725
Accrued expenditures	163,924	130,552
Interfund payable	-	4,028
Deferred revenue	999,056	991,746
Funds held in escrow	41,850	48,883
Total Liabilities	1,369,347	1,428,934
Fund Balances		
Unassigned	4,047,239	5,377,124
Total Liabilities and Fund Balances	$ 5,416,586	$ 6,806,058

Murray County, Georgia
General Fund
Schedule of Revenues and Other Financing Sources - Budget and Actual
For the Year Ended December 31, 2011
(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	2011				
	Original Budget	Final Budget	Actual	Variance With Final Budget	2010 Actual
Revenues					
Taxes					
General property tax	$ 5,739,774	$ 5,739,774	$ 5,002,444	$ (737,330)	$ 5,038,751
Timber tax	5,000	5,000	4,945	(55)	8,441
Motor vehicle	604,500	604,500	592,098	(12,402)	580,263
Mobile home	110,000	110,000	88,356	(21,644)	80,612
Recording intangibles tax	120,000	120,000	124,028	4,028	86,936
Railroad equipment tax	7,000	7,000	6,858	(142)	6,822
Real estate transfer tax	8,000	8,000	60,961	52,961	60,689
Insurance premium tax	1,502,000	1,502,000	1,439,631	(62,369)	1,556,554
Local option sales tax	3,780,000	3,780,000	3,806,630	26,630	3,480,471
Alcoholic beverage tax	162,000	162,000	185,431	23,431	165,244
Financial institutions tax	26,000	26,000	41,892	15,892	26,858
Franchise tax	180,000	180,000	187,645	7,645	192,318
Penalties and interest on delinquent taxes	122,700	122,700	145,352	22,652	131,285
Total Taxes	12,366,974	12,366,974	11,686,271	(680,703)	11,415,244
Licenses and Permits					
Zoning	2,600	2,600	2,999	399	2,734
Building permits	87,600	87,600	82,022	(5,578)	81,559
Total Licenses and Permits	90,200	90,200	85,021	(5,179)	84,293
Intergovernmental					
Tennessee Valley Authority	330,000	330,000	282,541	(47,459)	339,532
Federal payment in lieu of taxes	255,492	255,492	229,559	(25,933)	123,920
DOT road grants	349,000	349,000	297,229	(51,771)	161,987
Total Intergovernmental	934,492	934,492	809,329	(125,163)	625,439
Charges for Services					
Probation fees	40,000	40,000	35,930	(4,070)	36,998
Indigent & Public Defense	-	-	1,926	1,926	8,184
Printing and copies	6,000	6,000	8,243	2,243	5,306
Sheriff	27,000	27,000	-	(27,000)	27,560
Jail	178,000	178,000	162,509	(15,491)	129,699
Culture and recreation	108,500	108,500	125,983	17,483	106,308
Bonding fees	25,000	25,000	32,300	7,300	25,845
Transit	290,000	290,000	376,864	86,864	218,679
Landfill fees	30,000	30,000	17,557	(12,443)	28,095
Proceeds from sale of recycled materials	10,100	10,100	11,857	1,757	25,229
Paving and Equipment	-	-	-	-	8,417
Abatement	100	-	-	-	8,174
Other	27,000	27,000	4,937	(22,063)	6,617
Total Charges for Services	741,700	741,600	778,106	36,506	635,111
Totals Carried Forward	$ 14,133,366	$ 14,133,266	$ 13,358,727	$ (774,539)	$ 12,760,087

(continued)

Murray County, Georgia
General Fund
Schedule of Revenues and Other Financing Sources- Budget and Actual
For the Year Ended December 31, 2011
(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	2011				
	Original Budget	Final Budget	Actual	Variance With Final Budget	2010 Actual
Totals Brought Forward	$ 14,133,366	$ 14,133,266	$ 13,358,727	$ (774,539)	$ 12,760,087
Fines and Forfeitures:					
Superior court	310,000	310,000	295,861	(14,139)	287,833
Probate court	230,000	230,000	196,777	(33,223)	199,360
Magistrate court	127,000	127,000	126,849	(151)	110,444
Penalty - jail	70,000	70,000	52,247	(17,753)	55,818
Juvenile	1,500	1,500	2,264	764	1,608
Restitution	9,490	9,490	8,476	(1,014)	7,596
Victim assistance	29,300	29,300	24,883	(4,417)	26,571
Total Fines and Forfeitures	777,290	777,290	707,357	(69,933)	689,230
Investment Earnings	60,100	60,100	18,837	(41,263)	51,615
Miscellaneous					
Contributions	15,000	15,000	34,766	19,766	21,386
Rents	5,400	5,400	3,930	(1,470)	11,288
Miscellaneous	36,190	36,190	47,784	11,594	37,425
Total Miscellaneous	56,590	56,590	86,480	29,890	70,099
Total Revenues	15,027,346	15,027,246	14,171,401	(855,845)	13,571,031
Other Financing Sources:					
Proceeds from the sale of capital assets	3,000	3,000	10,912	7,912	-
Total Revenues and Other Financing Sources	$ 15,030,346	$ 15,030,246	$ 14,182,313	$ (847,933)	$ 13,571,031

Murray County, Georgia
General Fund
Schedule of Expenditures and Other Financing Uses - Budget and Actual
For the Year Ended December 31, 2011
(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	2011				
	Original Budget	Final Budget	Actual	Variance With Final Budget	2010 Actual
General Government					
County commissioners	$ 329,360	$ 300,360	$ 299,655	$ 705	$ 320,789
Board of elections	88,991	105,991	105,300	691	145,734
General administration	3,688,873	3,894,873	3,893,778	1,095	4,091,899
Tax commissioner	366,875	360,875	360,303	572	348,108
Tax assessor	319,290	312,290	312,108	182	311,050
Risk management	925,000	920,000	915,746	4,254	920,226
General government buildings	661,060	769,060	767,829	1,231	744,312
Total General Government	6,379,449	6,663,449	6,654,719	8,730	6,882,118
Judicial					
Superior court	203,132	189,132	187,225	1,907	196,156
Clerk of the superior court	306,325	276,652	274,789	1,863	281,362
District attorney	414,597	429,597	428,885	712	297,301
Magistrate court	234,170	234,170	233,583	587	228,037
Probate court	221,450	221,450	220,999	451	217,820
Juvenile court	146,738	132,738	132,474	264	144,024
Marshall's office	89,580	92,000	91,193	807	48,966
Total Judicial	1,615,992	1,575,739	1,569,148	6,591	1,413,666
Public Safety					
Sheriff	1,534,500	1,566,758	1,565,810	948	1,290,551
Jail	1,629,550	1,602,550	1,600,529	2,021	1,574,055
Fire department	927,975	922,975	920,250	2,725	895,705
Coroner	31,796	31,796	28,855	2,941	29,388
Animal control	155,925	182,203	180,591	1,612	147,402
Emergency management agency	20,750	20,750	19,632	1,118	16,333
Total Public Safety	4,300,496	4,327,032	4,315,667	11,365	3,953,434
Public Works					
Administration	1,495,275	1,495,275	1,416,643	78,632	1,400,018
Solid waste and recycling administration	204,300	204,300	202,963	1,337	190,421
Total Public Works	1,699,575	1,699,575	1,619,606	79,969	1,590,439
Totals carried forward	$ 13,995,512	$ 14,265,795	$ 14,159,140	$ 106,655	$ 13,839,657

(continued)

Murray County, Georgia
General Fund
Schedule of Expenditures and Other Financing Uses - Budget and Actual
For the Year Ended December 31, 2011
(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	2011				
	Original Budget	Final Budget	Actual	Variance With Final Budget	2010 Actual
Totals brought forward	$ 13,995,512	$ 14,265,795	$ 14,159,140	$ 106,655	$ 13,839,657
Health and Welfare					
Senior citizen's center	144,370	145,370	144,870	500	112,640
Transportation services	278,375	283,675	283,612	63	292,559
Total Health and Welfare	422,745	429,045	428,482	563	405,199
Culture and Recreation					
Recreation	562,500	534,500	533,374	1,126	596,931
Housing and Development					
Agricultural resources	74,105	55,105	54,972	133	73,281
Forest resources	6,700	6,700	6,664	36	2,701
Code enforcement	48,990	52,990	50,943	2,047	91,890
Building inspections	47,400	50,400	49,987	413	101,971
Land and use development	152,500	145,550	142,928	2,622	149,756
Total Housing and Development	329,695	310,745	305,494	5,251	419,599
Total Expenditures	15,310,452	15,540,085	15,426,490	113,595	15,261,386
Other Financing Uses					
Transfers out	100,000	100,000	85,708	14,292	326,832
Total Expenditures and Other Financing Uses	$ 15,410,452	$ 15,640,085	$ 15,512,198	$ 127,887	$ 15,588,218

Murray County, Georgia
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2011

	Law Library	Confiscated Assets	E-911	Multi-grant	Substance Abuse	Hotel Motel	Total Nonmajor Special Revenue Funds
Assets							
Cash and cash equivalents	$ 1,104	$ 42,476	$ -	$ -	$ 7,645	$ -	$ 51,225
Receivables:							
Accounts	-	-	113,568	-	-	4,325	117,893
Intergovernmental	-	-	-	117,890	-	-	117,890
Total Assets	$ 1,104	$ 42,476	$ 113,568	$ 117,890	$ 7,645	$ 4,325	$ 287,008
Liabilities and Fund Balances							
Liabilities							
Accounts payable	$ -	$ -	$ 12,618	$ 34,252	$ -	$ 4,325	$ 51,195
Accrued expenditures	-	-	13,145	-	-	-	13,145
Deferred revenue	-	-	-	83,638	-	-	83,638
Total Liabilities	-	-	25,763	117,890	-	4,325	147,978
Fund Balances							
Restricted	1,104	42,476	87,805	-	7,645	-	139,030
Total Liabilities and Fund Balances	$ 1,104	$ 42,476	$ 113,568	$ 117,890	$ 7,645	$ 4,325	$ 287,008

Murray County, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2011

	Law Library	Confiscated Assets	E-911	Multi-grant	Substance Abuse	Hotel Motel	Nonmajor Special Revenue Funds
Revenues							
Taxes	$ -	$ -	$ -	$ -	$ -	$ 71,310	$ 71,310
Intergovernmental	-	6,069	-	159,416	-	-	165,485
Charges for services	-	-	578,407	-	-	-	578,407
Fines and forfeitures	5,684	22,657	-	-	39,195	-	67,536
Investment earnings	-	5	-	-	15	-	20
Total Revenues	5,684	28,731	578,407	159,416	39,210	71,310	882,758
Expenditures							
Current:							
Judicial	13,756	-	-	-	-	-	13,756
Public safety	-	21,572	672,595	159,416	40,137	-	893,720
Housing and development	-	-	-	-	-	71,310	71,310
Total Expenditures	13,756	21,572	672,595	159,416	40,137	71,310	978,786
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,072)	7,159	(94,188)	-	(927)	-	(96,028)
Other Financing Sources							
Transfers in	-	-	85,708	-	-	-	85,708
Net Change in Fund Balances	(8,072)	7,159	(8,480)	-	(927)	-	(10,320)
Fund Balances Beginning of Year	9,176	35,317	96,285	-	8,572	-	149,350
Fund Balances End of Year	$ 1,104	$ 42,476	$ 87,805	$ -	$ 7,645	$ -	$ 139,030

Murray County, Georgia
Law Library Fund
Comparative Balance Sheets
December 31, 2011 and 2010

	2011	2010
Assets		
Cash and cash equivalents	$ 1,104	$ 9,176
Fund Balances		
Restricted for law library	$ 1,104	$ 9,176

Murray County, Georgia
Law Library Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2011
(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	2010				2010
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Fines and forfeitures	$ 10,000	$ 10,800	$ 5,684	$ (5,116)	$ 5,401
Investment earnings	100	100	-	(100)	26
Total Revenues	10,100	10,900	5,684	(5,216)	5,427
Expenditures					
Current:					
Judicial	10,100	10,900	13,756	(2,856)	10,833
(Deficiency) of Revenues (Under) Expenditures	$ -	$ -	(8,072)	$ (2,360)	(5,406)
Fund Balances Beginning of Year			9,176		14,582
Fund Balances End of Year			$ 1,104		$ 9,176

Murray County, Georgia
Confiscated Assets Fund
Comparative Balance Sheets
December 31, 2011 and 2010

	2011	2010
Assets		
Cash and cash equivalents	$ 42,476	$ 35,317
Fund Balances		
Restricted for public safety	$ 42,476	$ 35,317

Murray County, Georgia
Confiscated Assets Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2011
(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	2011				2010
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Fines and forfeitures	$ 40,000	$ 40,000	$ 22,657	$ (17,343)	$ 28,497
Intergovernmental	-	-	6,069	6,069	22,000
Investment earnings	-	-	5	5	1
Total Revenues	40,000	40,000	28,731	(11,269)	50,498
Expenditures					
Current:					
Public safety	40,000	40,000	21,572	18,428	22,189
Excess of Revenues Over Expenditures	$ -	$ -	7,159	$ 7,159	28,309
Fund Balances Beginning of Year			35,317		7,008
Fund Balances End of Year			$ 42,476		$ 35,317

Murray County, Georgia
E-911 Fund
Comparative Balance Sheets
December 31, 2011 and 2010

	2011	2010
Assets		
Accounts receivable	$ 113,568	$ 118,106
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 12,618	$ 9,844
Accrued expenditures	13,145	11,977
Total Liabilities	25,763	21,821
Fund Balances		
Restricted for public safety	87,805	96,285
Total Liabilities and Fund Balances	$ 113,568	$ 118,106

Murray County, Georgia
E-911 Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2011
(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	2011				2010
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Charges for services	$ 611,100	$ 611,100	$ 578,407	$ (32,693)	$ 604,557
Investment earnings	100	100	-	(100)	140
Total Revenues	611,200	611,200	578,407	(32,793)	604,697
Expenditures					
Current:					
Public safety	711,200	711,200	672,595	38,605	840,076
Total Expenditures	711,200	711,200	672,595	38,605	840,076
Excess (Deficiency) of Revenues Over (Under) Expenditures	(100,000)	(100,000)	(94,188)	5,812	(235,379)
Other Financing Sources					
Transfers in	100,000	100,000	85,708	(14,292)	101,298
Net Change in Fund Balances	$ -	$ -	(8,480)	$ (8,480)	(134,081)
Fund Balances Beginning of Year			96,285		230,366
Fund Balances End of Year			$ 87,805		$ 96,285

Murray County, Georgia
Multi-grant Fund
Comparative Balance Sheets
December 31, 2011 and 2010

	2011	2010
Assets		
Intergovernmental receivable	$ 117,890	$ 49,591
Liabilities		
Accounts payable	$ 34,252	$ 17,076
Deferred revenue	83,638	32,515
Total Liabilities	$ 117,890	$ 49,591

Murray County, Georgia
Multi-grant Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2011
(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	2011				2010
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Intergovernmental	$ 291,776	$ 291,776	$ 159,416	$ (132,360)	$ 325,699
Expenditures					
Current:					
Public safety	291,776	291,776	159,416	132,360	325,699
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	$ -	-	$ -	-
Fund Balances Beginning of Year			-		-
Fund Balances End of Year			$ -		$ -

Murray County, Georgia
Substance Abuse Fund
Comparative Balance Sheets
December 31, 2011 and 2010

	2011	2010
Assets		
Cash and cash equivalents	$ 7,645	$ 6,823
Accounts receivable	-	1,749
Total Assets	$ 7,645	$ 8,572
Fund Balances		
Restricted for public safety	$ 7,645	$ 8,572

Murray County, Georgia
Substance Abuse Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2011
(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	2011				2010
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Fines and forfeitures	$ 26,900	$ 26,900	$ 39,195	$ 12,295	$ 34,710
Investment earnings	100	100	15	(85)	22
Total Revenues	27,000	27,000	39,210	12,210	34,732
Expenditures					
Current:					
Public safety	27,000	27,000	40,137	(13,137)	39,706
(Deficiency) or Revenues (Under) Expenditures	$ -	$ -	(927)	$ (927)	(4,974)
Fund Balances Beginning of Year			8,572		13,546
Fund Balances End of Year			$ 7,645		$ 8,572

Murray County, Georgia
Hotel Motel Fund
Comparative Balance Sheets
December 31, 2011 and 2010

	2011	2010
Assets		
Receivables:		
Accounts	$ 4,325	$ 4,697
Interfund	-	4,028
Total Assets	$ 4,325	$ 8,725
Liabilities		
Accounts payable	$ 4,325	$ 8,725

Murray County, Georgia
Hotel Motel Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2011
(With Comparative Actual Amounts for the Year Ended December 31, 2010)

	2011				2010
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Hotel motel taxes	$ 70,000	$ 70,000	$ 71,310	$ 1,310	$ 72,889
Expenditures					
Current:					
Housing and development	70,000	70,000	71,310	(1,310)	72,889
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	$ -	-	$ -	-
Fund Balances Beginning of Year			-		-
Fund Balances End of Year			$ -		$ -

Murray County, Georgia
2007 SPLOST Fund
Comparative Balance Sheets
December 31, 2011 and 2010

	2011	2010
Assets		
Cash and cash equivalents	$ 1,192,437	$ 812,710
Investments	2,325,541	2,210,336
Sales taxes receivable	348,715	292,487
Total Assets	$ 3,866,693	$ 3,315,533
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 43,782	$ 65,397
Fund Balances		
Restricted for:		
Capital projects	1,497,370	1,039,800
Debt service	2,325,541	2,210,336
Total Fund Balances	3,822,911	3,250,136
Total Liabilities and Fund Balances	$ 3,866,693	$ 3,315,533

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

	2011	2010
Revenues		
Sales taxes	$ 4,493,467	$ 4,122,161
Investment earnings	3,143	1,653
Total Revenues	4,496,610	4,123,814
Expenditures		
Intergovernmental	494,798	453,438
Capital Outlay	1,120,941	998,084
Debt Service:		
Principal	2,133,624	1,822,132
Interest	174,472	253,155
Total Expenditures	3,923,835	3,526,809
Excess of Revenues Over Expenditures	572,775	597,005
Other Financing Sources		
Inception of capital lease	-	61,109
Net Change in Fund Balances	572,775	658,114
Fund Balances Beginning of Year	3,250,136	2,592,022
Fund Balances End of Year	$ 3,822,911	$ 3,250,136

Murray County, Georgia
Chip 2007 Fund
Comparative Balance Sheets
December 31, 2011 and 2010

	2011	2010
Assets		
Cash and cash equivalents	$ 70	$ 85
Fund Balances		
Restricted for capital projects	$ 70	$ 85

Murray County, Georgia
Chip 2007 Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2011 and 2010

	2011	2010
Revenues		
Intergovernmental	$ 11,500	$ 34,500
Expenditures		
Current:		
Housing and development	11,515	34,515
(Deficiency) of Revenues (Under) Expenditures	(15)	(15)
Fund Balances Beginning of Year	85	100
Fund Balances End of Year	$ 70	$ 85

Murray County, Georgia
2002 SPLOST Fund
Comparative Statements of
Changes in Fund Balances
For the Years Ended December 31, 2011 and 2010

	2011	2010
Other Financing Sources		
Transfers in	$ -	$ 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, 2011

Tax Commissioner Fund	Balance January 1, 2011	Additions	Deductions	Reclassify Cash and Interfund Payable	Balance December 31, 2011
Assets					
Cash and cash equivalents	$ 214,562	$ 19,696,128	$ 19,727,495	$ 106,399	$ 76,796
Liabilities					
Interfund payable	$ -	$ 9,226,901	$ 9,120,502	$ 106,399	$ -
Due to others	214,562	10,469,227	10,606,993	-	76,796
Total Liabilities	$ 214,562	$ 19,696,128	$ 19,727,495	$ 106,399	$ 76,796

Clerk of Superior Court Fund	Balance January 1, 2011	Additions	Deductions	Reclassify Cash and Interfund Payable	Balance December 31, 2011
Assets					
Cash and cash equivalents	$ 191,047	$ 836,141	$ 768,054	$ 28,859	$ 230,275
Liabilities					
Interfund payable	$ -	$ 440,083	$ 411,224	$ 28,859	$ -
Due to others	191,047	396,058	356,830	-	230,275
Total Liabilities	$ 191,047	$ 836,141	$ 768,054	$ 28,859	$ 230,275

Sheriff Fund	Balance January 1, 2011	Additions	Deductions	Reclassify Cash and Interfund Payable	Balance December 31, 2011
Assets					
Cash and cash equivalents	$ 22,173	$ 266,774	$ 261,901	$ 14,904	$ 12,142
Liabilities					
Interfund payable	$ -	$ 129,732	$ 114,828	$ 14,904	$ -
Due to others	22,173	137,042	147,073	-	12,142
Total Liabilities	$ 22,173	$ 266,774	$ 261,901	$ 14,904	$ 12,142

(Continued)

Murray County, Georgia
Combining Statement of Changes in Assets and Liabilities (Continued)
Agency Funds
For The Year Ended December 31, 2011

(Continued)

Probate Court Fund	Balance January 1, 2011	Additions	Deductions	Reclassify Cash and Interfund Payable	Balance December 31, 2011
Assets					
Cash and cash equivalents	$ 15,870	$ 383,942	$ 350,118	$ 35,354	$ 14,340
Liabilities					
Interfund payable	$ -	$ 294,950	$ 259,596	$ 35,354	$ -
Due to others	15,870	88,992	90,522	-	14,340
Total Liabilities	$ 15,870	$ 383,942	$ 350,118	$ 35,354	$ 14,340

Magistrate Court Fund	Balance January 1, 2011	Additions	Deductions	Reclassify Cash and Interfund Payable	Balance December 31, 2011
Assets					
Cash and cash equivalents	$ 169,063	$ 516,137	$ 461,081	$ 6,595	$ 217,524
Liabilities					
Interfund payable	$ -	$ 139,220	$ 132,625	$ 6,595	$ -
Due to others	169,063	376,917	328,456	-	217,524
Total Liabilities	$ 169,063	$ 516,137	$ 461,081	$ 6,595	$ 217,524

Total	Balance January 1, 2011	Additions	Deductions	Reclassify Cash and Interfund Payable	Balance December 31, 2011
Assets					
Cash and cash equivalents	$ 612,715	$ 21,699,122	$ 21,568,649	$ 192,111	$ 551,077
Liabilities					
Interfund payable	$ -	$ 10,230,886	$ 10,038,775	$ 192,111	$ -
Due to others	612,715	11,468,236	11,529,874	-	551,077
Total Liabilities	$ 612,715	$ 21,699,122	$ 21,568,649	$ 192,111	$ 551,077

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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, 2011, which collectively comprise Murray County, Georgia's basic financial statements and have issued our report thereon dated December 28, 2012. 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 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.

P. M. Dobbs & Company

Calhoun, Georgia
December 28, 2012

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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, 2011. 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, 2011, 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
December 28, 2012

Murray County, Georgia
Schedule of Expenditures of Special Purpose
Local Option Sales Tax
From Inception and for the Year Ended December 31, 2011

SPLOST Projects	Budget		Actual Expenditures			Estimated % of Completion
	Original	Current	Prior Years	Current Year	Total	
SPLOST 2007						
Roads & Bridges:						
Infrastructure	$ 7,850,000	$ 7,850,000	$ 1,298,199	$ 310,268	$ 1,608,467	20%
Road construction equipment/vehicles	610,000	610,000	166,108	67,327	233,435	38%
Total Road & Bridges, Water & Sewer	8,460,000	8,460,000	1,464,307	377,595	1,841,902	
Other Projects:						
Recreation Facilities	2,400,000	2,400,000	3,307,059	244,355	3,551,414	148%
Waste collection sites (improvements/acquisition)	200,000	200,000	88,389	87,789	176,178	88%
Fire safety improvements and equipment	2,500,000	2,500,000	1,144,515	120,741	1,265,256	51%
Detention Center expansion	9,850,000	9,850,000	11,738,733	27,102	11,765,835	119%
Jail & Sheriff improvements & equipment	1,275,000	1,275,000	417,403	162,017	579,420	45%
Library expansion	350,000	350,000	324,648	4,913	329,561	94%
Elections facility	480,000	480,000	26,961	26,961	53,922	11%
Senior center expansion	250,000	250,000	334,807	-	334,807	134%
County building improvements	350,000	350,000	73,670	9,939	83,609	24%
Hospital equipment	475,000	475,000	411,051	11,075	422,126	89%
Buildings' record storage capacity	42,000	42,000	15,655	15,655	31,310	75%
Rescue equipment and facility enhanced	50,000	50,000	2,345	-	2,345	5%
911 Center Communication Equipment	18,000	18,000	34,316	32,799	67,115	373%
Debt Service	-	-	9,526,203	2,308,096	11,834,299	n/a
Total Other Projects	18,240,000	18,240,000	27,445,755	3,051,442	30,497,197	
Contractual Payments:						
City of Chatsworth	3,000,030	3,000,030	2,183,217	449,816	2,633,033	88%
City of Eton	299,970	299,970	218,323	44,982	263,305	88%
	3,300,000	3,300,000	2,401,540	494,798	2,896,338	
	$ 30,000,000	$ 30,000,000	$ 31,311,602	$ 3,923,835	$ 35,235,437	