# OGLETHORPE COUNTY, GEORGIA

## AUDIT REPORT

## FOR THE YEAR ENDED
## DECEMBER 31, 2009

OGLETHORPE COUNTY, GEORGIA

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# INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Oglethorpe County, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Oglethorpe County, Georgia as of and for the year ended December 31, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Oglethorpe County'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 Oglethorpe County Board of Health, a component unit. 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 Oglethorpe County Board of Health, is based solely on the report of the other auditors.

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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Oglethorpe County, Georgia as of December 31, 2009, and the respective changes in financial position and, where applicable, cash flows thereof and the respective 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 June 15, 2010, on our consideration of Oglethorpe County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



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The management's discussion and analysis and schedule of funding progress information on pages 3 through 8 and page 50, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Oglethorpe County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements, and the schedule of projects constructed with special sales tax proceeds are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, and the schedule of projects constructed with special sales tax proceeds have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Macon, Georgia
June 15, 2010

# MANAGEMENT'S DISCUSSION & ANALYSIS

As management of the County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the year ended December 31, 2009.

## FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities as of December 31, 2009, by $21,882,752 (net assets).
- As of December 31, 2009, total net assets consisted of $8,677,785 invested in capital equipment net of related debt, $2,486,847 restricted, and $10,718,120 unrestricted.
- As of December 31, 2009, the County's governmental funds reported ending fund balance of $12,487,055, an increase of $529,859 in comparison with the prior year.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

### Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the County's assets and liabilities, with the difference between the two 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 is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods, such as earned but unused vacation leave.

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through administrative fees and charges (business-type activities). The governmental activities of the County include general government, public safety, public works, health and welfare, culture and recreation and conservation of natural resources. The County currently has no business-type activities.

### Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of a government can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

*Governmental Funds*

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

For the year ended December 31, 2009, the County had the following governmental funds, the General Fund, six Special Revenue Funds and three Capital Projects Funds.

The County adopts an annual appropriated budget for the General Fund and Special Revenue Funds. A budgetary comparison statement has been provided to demonstrate compliance with this budget.

*Proprietary Funds*

The County maintains one proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County used the enterprise fund to account for the activities of the Landfill Fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

*Fiduciary Funds*

Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Individual fund data for the fiduciary funds is provided in the form of both combining statements and individual fund statements elsewhere in this report.

The basic fiduciary fund financial statement can be found on page 28 of this report.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by $21,882,752 at the close of the most recent year.

A significant portion of the County's net assets reflects its investment in capital assets, less any related debt outstanding. As of December 31, 2009, the investment consists of $13,185,983 in assets and accumulated depreciation of $4,508,198.

An additional portion of the County's net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets may be used to meet the government's ongoing obligations.

For the year ended December 31, 2009, capital assets increased $54,486. Long-term liabilities decreased $587,214 as of December 31, 2009, compared to 2008. The decrease is the result of the County paying down on a capital lease and landfill closure and post closure expenses.

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | Net Assets 2009 | Net Assets 2008 | Net Assets 2009 | Net Assets 2008 | Net Assets 2009 | Net Assets 2008 |
| Assets | | | | | | |
| Current and other assets | $ 13,290,136 | $ 14,482,261 | $ 2,195,437 | $ 429,448 | $ 15,485,573 | $ 14,911,709 |
| Capital assets | 8,342,602 | 8,267,311 | 335,183 | 355,988 | 8,677,785 | 8,623,299 |
| Noncurrent assets | (949) | (1,706,349) | | 1,705,400 | (949) | (949) |
| Total assets | 21,631,789 | 21,043,223 | 2,530,620 | 2,490,836 | 24,162,409 | 23,534,059 |
| Liabilities | | | | | | |
| Current and other liabilities | 501,135 | 542,420 | 4,054 | 105,854 | 505,189 | 648,274 |
| Long-term liabilities | 7,902 | - | 1,766,566 | 2,361,682 | 1,774,468 | 2,361,682 |
| Total liabilities | 509,037 | 542,420 | 1,770,620 | 2,467,536 | 2,279,657 | 3,009,956 |
| Net assets | | | | | | |
| Invested in capital assets, net of related debt | 8,342,602 | 8,266,322 | 335,183 | 255,456 | 8,677,785 | 8,521,778 |
| Restricted | 2,486,847 | 2,834,645 | - | - | 2,486,847 | 2,834,645 |
| Unrestricted | 10,293,303 | 9,399,836 | 424,817 | (232,156) | 10,718,120 | 9,167,680 |
| Total net assets | $ 21,122,752 | $ 20,500,803 | $ 760,000 | $ 23,300 | $ 21,882,752 | $ 20,524,103 |

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | Changes in Net Assets 2009 | Changes in Net Assets 2008 | Changes in Net Assets 2009 | Changes in Net Assets 2008 | Changes in Net Assets 2009 | Changes in Net Assets 2008 |
| Revenues | | | | | | |
| Program revenues | | | | | | |
| Charges for services | $ 1,562,547 | $ 1,317,580 | $ 333,918 | $ 507,853 | $ 1,896,465 | $ 1,825,433 |
| Operating grants and contributions | 113,666 | 64,277 | - | 21,603 | 113,666 | 85,880 |
| Capital grants and contributions | 24,748 | 24,080 | - | - | 24,748 | 24,080 |
| General revenues | | | | | | |
| Property taxes | 3,381,155 | 3,016,906 | - | - | 3,381,155 | 3,016,906 |
| Other taxes | 2,478,786 | 2,587,445 | - | - | 2,478,786 | 2,587,445 |
| Interest revenue | 244,242 | 376,957 | 7,105 | 6,052 | 251,347 | 383,009 |
| Other | 102,409 | 92,874 | - | - | 102,409 | 92,874 |
| Total Revenues | 7,907,553 | 7,480,119 | 341,023 | 535,508 | 8,248,576 | 8,015,627 |
| Expenses | | | | | | |
| General government | 1,638,936 | 1,690,773 | - | - | 1,638,936 | 1,690,773 |
| Public safety | 2,268,201 | 2,191,187 | - | - | 2,268,201 | 2,191,187 |
| Public works | 1,474,661 | 703,683 | - | - | 1,474,661 | 703,683 |
| Courts | 566,005 | 563,939 | - | - | 566,005 | 563,939 |
| Health and welfare | 1,017,190 | 874,191 | - | - | 1,017,190 | 874,191 |
| Culture and recreation | 297,303 | 264,982 | - | - | 297,303 | 264,982 |
| Intergovernmental | 23,308 | 24,437 | - | - | 23,308 | 24,437 |
| Landfill | - | - | 564,212 | 262,769 | 564,212 | 262,769 |
| Total Expenses | 7,285,604 | 6,313,192 | 564,212 | 262,769 | 7,849,816 | 6,575,961 |
| Increase (decrease) in net assets before transfers | 621,949 | 1,166,927 | (223,189) | 272,739 | 398,760 | 1,439,666 |
| Transfers | - | (2,206,310) | - | 2,206,310 | - | - |
| Increase (decrease) in net assets | 621,949 | (1,039,383) | (223,189) | 2,479,049 | 398,760 | 1,439,666 |
| Net assets beginning of year restated | 20,500,803 | 21,540,186 | 983,189 | (2,455,749) | 21,483,992 | 19,084,437 |
| Net assets ending | $ 21,122,752 | $ 20,500,803 | $ 760,000 | $ 23,300 | $ 21,882,752 | $ 20,524,103 |

## FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### Governmental Funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

As of December 31, 2009, the County's governmental funds reported ending fund balance of $12,487,055. Of this balance, $9,960,993 constitutes unreserved fund balance, which is available for spending at the government's discretion. There is a designation of $31,469. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed for restricted purposes.

The general fund is the operating fund of the County. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents 136 percent of total governmental fund expenditures.

The fund balance of the County's governmental funds increased $529,859 during the current year. The County adopts a budget for the general fund and special revenue funds each year and works diligently to stay within the annual budget.

### Proprietary Funds

The activities of the County that render services to the general public on a user charge basis are accounted for in the proprietary funds. The Proprietary Fund statements provide the same type of information found in the government-wide statements, but in more detail.

The Landfill fund accounts for the operation of the County's Landfill. The net assets for the proprietary funds decreased by $223,189, primarily due to the landfill closure and post closure expenses.

## GENERAL FUND BUDGETARY HIGHLIGHTS

The County transferred $118,244 from the General Fund to the E911 Fund and $66,329 to the Recreation Fund. The net assets increased from $9,122,551 to $9,992,462. Excess of revenues over expenditures were $865,162.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of December 31, 2009 amounts to $8,677,785 net of accumulated depreciation. The investment in capital assets consists

primarily of land, buildings, and machinery and equipment. For the current year, the investment in capital assets increased $54,486. The net change is primarily the result of capital acquisitions of $486,778 and depreciation expense of $432,292. See Note 8 in the Notes to the Financial Statements for more detail on capital assets.

| | Governmental Activities | Business-Type Activities | Total |
|---|---|---|---|
| Land | $ 718,790 | $ 231,160 | $ 949,950 |
| Building | 8,554,234 | - | 8,554,234 |
| Furniture and Fixtures | 388,781 | 17,293 | 406,074 |
| Machinery and equipment | 2,289,614 | 208,048 | 2,497,662 |
| Vehicles | 778,063 | - | 778,063 |
| Accumulated depreciation | (4,386,880) | (121,318) | (4,508,198) |
| Total | $ 8,342,602 | $ 335,183 | $ 8,677,785 |

**Long-Term Debt**

As of December 31, 2009, the County's long-term debt consisted of compensated absences and landfill closure. See Note 9 in the Notes to the Financial Statements for more detail on long-term liabilities.

## ECONOMIC FACTORS

During the year 2009, notable events were as follows:

Revenue sources have been reduced due to the downturn in the economy; Landfill tonnage, Local Option Sales Tax, motor vehicle revenue etc. has been reduced significantly.

The County, the City of Lexington, and the school board have collectively assisted the City of Crawford in securing a grant to expand sewerage lines to the schools, the City of Lexington and through the business corridor between Crawford and Lexington.

The county is pursuing a feasibility study to determine the marketing ability of attracting retirees to Oglethorpe County. If successful, retirement communities will have a significant positive economic impact on the county digest and local sales tax.

## REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances for anyone with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Ms. Shonda Peterman, County Clerk, P.O. Box 261, Lexington, Georgia 30648.

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# BASIC FINANCIAL STATEMENTS

OGLETHORPE COUNTY, GEORGIA

STATEMENT OF NET ASSETS
DECEMBER 31, 2009

| | Primary Government | | | Component Unit |
|---|---|---|---|---|
| | Governmental Activities | Business-type Activities | Total | Board of Health |
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash and cash equivalents | $ 10,111,535 | $ 516,891 | $ 10,628,426 | $ 126,637 |
| Certificates of deposit | 4,000,000 | - | 4,000,000 | - |
| Receivables, net of allowance | | | | |
| Taxes | 491,243 | - | 491,243 | - |
| Accounts | 112,344 | 23,769 | 136,113 | 18,817 |
| Accrued interest | 51,354 | - | 51,354 | - |
| Due from other governments | 170,691 | - | 170,691 | 6,787 |
| Interfund | (1,654,777) | 1,654,777 | - | - |
| Prepaid items | 7,746 | - | 7,746 | - |
| Total current assets | 13,290,136 | 2,195,437 | 15,485,573 | 152,241 |
| Noncurrent assets: | | | | |
| Investment in joint venture | (949) | - | (949) | - |
| Nondepreciable assets | 718,790 | 231,160 | 949,950 | - |
| Depreciable assets, net | 7,623,812 | 104,023 | 7,727,835 | - |
| Total noncurrent assets | 8,341,653 | 335,183 | 8,676,836 | - |
| Total Assets | 21,631,789 | 2,530,620 | 24,162,409 | 152,241 |
| LIABILITIES | | | | |
| Accounts payable | 401,200 | 1,465 | 402,665 | 800 |
| Accrued salaries and benefits | 50,382 | 1,579 | 51,961 | - |
| Unearned revenue | 4,773 | - | 4,773 | - |
| Noncurrent liabilities: | | | | |
| Due within one year | 44,780 | 1,010 | 45,790 | 3,974 |
| Due in more than one year | 7,902 | 1,766,566 | 1,774,468 | 12,605 |
| Total Liabilities | 509,037 | 1,770,620 | 2,279,657 | 17,379 |
| NET ASSETS | | | | |
| Invested in capital assets, net of related debt | 8,342,602 | 335,183 | 8,677,785 | - |
| Restricted for | | | | |
| Program purposes | 534,924 | - | 534,924 | 91,188 |
| Capital outlay | 1,951,923 | - | 1,951,923 | - |
| Unrestricted | 10,293,303 | 424,817 | 10,718,120 | 43,674 |
| Total Net Assets | $ 21,122,752 | $ 760,000 | $ 21,882,752 | $ 134,862 |

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

OGLETHORPE COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009

| Functions/Programs | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Program Revenues: Capital Grants and Contributions | Net (Expense) Revenue and Changes in Net Assets: Primary Government: Governmental Activities | Primary Government: Business-type Activities | Primary Government: Total | Component Unit: Board of Health |
|---|---|---|---|---|---|---|---|---|
| **Primary Government:** | | | | | | | | |
| Governmental Activities | | | | | | | | |
| General government | $ 1,638,936 | $ 606,280 | $ 11,066 | $ - | $ (1,021,590) | $ - | $ (1,021,590) | |
| Public safety | 2,268,201 | 616,846 | 102,600 | - | (1,548,755) | - | (1,548,755) | |
| Public works | 1,474,661 | 47,569 | - | - | (1,427,092) | - | (1,427,092) | |
| Courts | 566,005 | - | - | - | (566,005) | - | (566,005) | |
| Health and welfare | 1,017,190 | 152,204 | - | - | (864,986) | - | (864,986) | |
| Culture and recreation | 297,303 | 139,648 | - | 24,748 | (132,907) | - | (132,907) | |
| Intergovernmental | 23,308 | - | - | - | (23,308) | - | (23,308) | |
| Total governmental activities | 7,285,604 | 1,562,547 | 113,666 | 24,748 | (5,584,643) | - | (5,584,643) | |
| Business-type Activities | | | | | | | | |
| Landfill | 564,212 | 333,918 | - | - | - | (230,294) | (230,294) | |
| Total business-type activities | 564,212 | 333,918 | - | - | - | (230,294) | (230,294) | |
| Total Primary Government | $ 7,849,816 | $ 1,896,465 | $ 113,666 | $ 24,748 | (5,584,643) | (230,294) | (5,814,937) | |
| **Component Units:** | | | | | | | | |
| Board of Health | $ 301,759 | $ 94,322 | $ 219,723 | $ - | | | | $ 12,286 |
| Total Component Units | $ 301,759 | $ 94,322 | $ 219,723 | $ - | | | | 12,286 |
| General Revenues | | | | | | | | |
| Property tax | | | | | 3,381,155 | - | 3,381,155 | - |
| Sales tax | | | | | 1,403,961 | - | 1,403,961 | - |
| Other tax | | | | | 520,966 | - | 520,966 | - |
| Insurance premium tax | | | | | 542,387 | - | 542,387 | - |
| Real estate transfer tax | | | | | 11,472 | - | 11,472 | - |
| Interest revenue | | | | | 244,242 | 7,105 | 251,347 | 191 |
| Miscellaneous | | | | | 102,409 | - | 102,409 | - |
| Total General Revenues | | | | | 6,206,592 | 7,105 | 6,213,697 | 191 |
| Change in Net Assets | | | | | 621,949 | (223,189) | 398,760 | 12,477 |
| Net Assets - Beginning of Year - restated | | | | | 20,500,803 | 983,189 | 21,483,992 | 122,385 |
| Net Assets - End of Year | | | | | $ 21,122,752 | $ 760,000 | $ 21,882,752 | $ 134,862 |

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

OGLETHORPE COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2009

| | General Fund | 2002 SPLOST | 2007 SPLOST | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|
| ASSETS | | | | | |
| Cash and cash equivalents | $ 7,736,454 | $ 387,692 | $ 1,488,322 | $ 499,067 | $ 10,111,535 |
| Certificates of deposit | 4,000,000 | - | - | - | 4,000,000 |
| Receivables, net of allowance | | | | | |
| Taxes | 491,243 | - | - | - | 491,243 |
| Accounts | 85,640 | - | - | 26,704 | 112,344 |
| Accrued interest | 51,310 | - | - | 44 | 51,354 |
| Due from other governments | 94,782 | - | 75,909 | - | 170,691 |
| Due from other funds | - | - | - | 53,920 | 53,920 |
| Prepaid items | - | - | - | 7,746 | 7,746 |
| Total Assets | $ 12,459,429 | $ 387,692 | $ 1,564,231 | $ 587,481 | $ 14,998,833 |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts payable | $ 397,863 | $ - | $ - | $ 3,337 | $ 401,200 |
| Accrued payroll deductions | 45,458 | - | - | 4,924 | 50,382 |
| Due to other funds | 1,672,147 | - | - | 36,550 | 1,708,697 |
| Deferred revenues | | | | | |
| Taxes | 346,726 | - | - | - | 346,726 |
| Other | 4,773 | - | - | - | 4,773 |
| Total Liabilities | 2,466,967 | - | - | 44,811 | 2,511,778 |
| Fund Balances: | | | | | |
| Reserved | | | | | |
| Prepaids | - | - | - | 7,746 | 7,746 |
| Capital outlay | - | 387,692 | 1,564,231 | - | 1,951,923 |
| Program purposes | - | - | - | 534,924 | 534,924 |
| Unreserved, reported in | | | | | |
| General Fund | | | | | |
| Designated for recreation | 31,469 | - | - | - | 31,469 |
| Undesignated | 9,960,993 | - | - | - | 9,960,993 |
| Total Fund Balances | 9,992,462 | 387,692 | 1,564,231 | 542,670 | 12,487,055 |
| Total Liabilities and Fund Balances | $ 12,459,429 | $ 387,692 | $ 1,564,231 | $ 587,481 | $ 14,998,833 |

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

OGLETHORPE COUNTY, GEORGIA

RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET ASSETS
DECEMBER 31, 2009

| | |
|---|---|
| Total Fund Equity per Balance Sheet of Governmental Funds | $ 12,487,055 |
| Amounts reported for governmental activities in the Statement of Net Assets differ from amounts reported in the Balance Sheet of Governmental Funds due to the following: | |
| Capital Assets | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | |
| Cost of the assets | 12,729,482 |
| Accumulated depreciation | (4,386,880) |
| Investment in joint venture | (949) |
| Revenues | |
| Some of the government's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds. | 346,726 |
| Long-term Liabilities | |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities both current and long-term are reported in the Statement of Net Assets. Long-term liabilities at year-end consist of the following: | |
| Compensated absences | (52,682) |
| Total Net Assets of Governmental Activities | $ 21,122,752 |

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

OGLETHORPE COUNTY, GEORGIA

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

| | General Fund | 2002 SPLOST | 2007 SPLOST | Other Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|
| Revenues: | | | | | |
| Taxes | $ 4,862,117 | $ - | $ 747,942 | $ - | $ 5,610,059 |
| License and permits | 56,367 | - | - | - | 56,367 |
| Intergovernmental revenue | 22,538 | - | 97,600 | 24,748 | 144,886 |
| Charges for services | 838,352 | - | - | 299,954 | 1,138,306 |
| Fines and forfeitures | 549,318 | - | - | 33,735 | 583,053 |
| Interest income | 216,643 | 13,933 | 9,575 | 4,091 | 244,242 |
| Other revenues | 101,531 | 728 | - | 150 | 102,409 |
| Total Revenues | 6,646,866 | 14,661 | 855,117 | 362,678 | 7,879,322 |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | 1,634,075 | - | - | 3,128 | 1,637,203 |
| Courts | 554,242 | - | 15,049 | - | 569,291 |
| Public safety | 1,720,523 | - | 103,297 | 322,056 | 2,145,876 |
| Public works | 582,644 | 1,053,151 | 22,996 | - | 1,658,791 |
| Health and welfare | 1,000,714 | - | - | - | 1,000,714 |
| Culture and recreation | 74,073 | - | 24,117 | 177,849 | 276,039 |
| Intergovernmental | 23,308 | - | - | - | 23,308 |
| Debt Service | | | | | |
| Principal | 2,803 | - | - | - | 2,803 |
| Capital Outlay | - | - | - | 35,438 | 35,438 |
| Total Expenditures | 5,592,382 | 1,053,151 | 165,459 | 538,471 | 7,349,463 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 1,054,484 | (1,038,490) | 689,658 | (175,793) | 529,859 |
| Other Financing Sources (Uses): | | | | | |
| Transfers from other funds | - | - | - | 184,573 | 184,573 |
| Transfers to other funds | (184,573) | - | - | - | (184,573) |
| Total other financing sources (uses) | (184,573) | - | - | 184,573 | - |
| Net change in fund balances | 869,911 | (1,038,490) | 689,658 | 8,780 | 529,859 |
| Fund Balance, beginning of year | 9,122,551 | 1,426,182 | 874,573 | 533,890 | 11,957,196 |
| Fund Balance, end of year | $ 9,992,462 | $ 387,692 | $ 1,564,231 | $ 542,670 | $ 12,487,055 |

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

OGLETHORPE 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, 2009

| | | |
|---|---|---|
| Net Change in Fund Balances - Governmental Funds | $ | 529,859 |

Amounts reported for governmental activities in the Statement of Activities differ from amounts reported in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances due to the following:

Capital Assets

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense.

| | |
|---|---|
| Total capital outlays | 486,778 |
| Total depreciation | (411,487) |

Long-term Debt

The issuance of bonds and similar long-term debt provides current financial resources to governmental funds and thus contributes to the change in fund balance. In the Statement of Net Assets, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability in the Statement of Net Assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The amounts of the items that make up these differences in the treatment of long-term debt and related items are as follows:

| | |
|---|---|
| Principal repayments: | |
| Paid by governmental funds | 989 |

Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The adjustments for these items are as follows:

| | |
|---|---|
| Compensated absences | (12,421) |

Revenues

Because some revenues will not be collected for several months after the government's fiscal year end, they are not considered available revenues and are deferred in the governmental funds. Deferred revenues increased by this amount during the fiscal year. 28,231

| | | |
|---|---|---|
| Change in Net Assets of Governmental Activities | $ | 621,949 |

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

OGLETHORPE COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009

| | Budget | | Actual Revenue | Variance with Final Budget Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | | |
| Taxes: | | | | |
| General property taxes | $ 2,970,030 | $ 2,970,030 | $ 2,986,645 | $ 16,615 |
| Local option sales tax | 725,000 | 725,000 | 656,019 | (68,981) |
| Other taxes: | | | | |
| Recording intangibles | 70,000 | 70,000 | 56,595 | (13,405) |
| Timber taxes | 30,000 | 30,000 | 23,107 | (6,893) |
| Motor vehicle taxes | 325,000 | 325,000 | 321,132 | (3,868) |
| Mobile home taxes | 38,000 | 38,000 | 49,777 | 11,777 |
| Franchise taxes | 4,000 | 4,000 | 3,372 | (628) |
| Insurance premium taxes | 525,000 | 525,000 | 542,387 | 17,387 |
| Alcoholic beverage taxes | 60,000 | 60,000 | 66,983 | 6,983 |
| Penalties and interest | - | - | 156,100 | 156,100 |
| Total Taxes | 4,747,030 | 4,747,030 | 4,862,117 | 115,087 |
| Licenses and Permits: | | | | |
| Alcohol beverage license | 2,500 | 2,500 | 2,755 | 255 |
| Business licenses | 20,000 | 20,000 | 25,862 | 5,862 |
| Building permits | 70,000 | 70,000 | 27,750 | (42,250) |
| Total Licenses and Permits | 92,500 | 92,500 | 56,367 | (36,133) |
| Intergovernmental Revenues: | | | | |
| State grants: | | | | |
| Forestry commission payment in lieu of tax | 9,300 | 9,300 | 9,587 | 287 |
| Juvenile Judge Grant | 38,000 | 38,000 | 1,479 | (36,521) |
| Real estate transfer tax | 25,000 | 25,000 | 11,472 | (13,528) |
| Total Intergovernmental Revenue | $ 72,300 | $ 72,300 | $ 22,538 | $ (49,762) |

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

OGLETHORPE COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

| | Budget | | Actual Revenue | Variance with Final Budget Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | | |
| Charges for Services: | | | | |
| Ambulance services | $ 325,000 | $ 325,000 | $ 386,292 | $ 61,292 |
| Jail-housing Prisoners State | 7,000 | 7,000 | 12,166 | 5,166 |
| Senior citizens client fees | 140,000 | 140,000 | 152,204 | 12,204 |
| Recycling | 32,000 | 32,000 | 47,569 | 15,569 |
| Civil defense | 5,000 | 5,000 | 5,000 | - |
| Planning and zoning | 35,000 | 35,000 | 24,347 | (10,653) |
| Tax Commissioner - commissions | - | - | 210,179 | 210,179 |
| Subdivision fees | 250 | 250 | 560 | 310 |
| Other | 30 | 30 | 35 | 5 |
| Total Charges for Services | 544,280 | 544,280 | 838,352 | 294,072 |
| Fines and Forfeits: | | | | |
| Superior Court | 135,000 | 135,000 | 143,911 | 8,911 |
| Probate Court | 140,000 | 140,000 | 150,387 | 10,387 |
| Magistrate Court | 30,000 | 30,000 | 36,179 | 6,179 |
| Sheriff Cost and fees | 170,000 | 170,000 | 218,841 | 48,841 |
| Total Fines and Forfeits | 475,000 | 475,000 | 549,318 | 74,318 |
| Miscellaneous: | | | | |
| Interest | 270,000 | 270,000 | 216,643 | (53,357) |
| Other revenues | 288,198 | 288,198 | 101,531 | (186,667) |
| Total Miscellaneous | 558,198 | 558,198 | 318,174 | (240,024) |
| Total Revenues | $ 6,489,308 | $ 6,489,308 | $ 6,646,866 | $ 157,558 |

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

OGLETHORPE COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

| | Budget | | Actual Expenditures | Variance with Final Budget Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | | |
| General Government: | | | | |
| General Administration: | | | | |
| Group insurance | $ 400,000 | $ 400,000 | $ 324,176 | $ 75,824 |
| Bonds and insurance | 150,000 | 150,000 | 122,438 | 27,562 |
| Workman's compensation | 80,000 | 80,000 | 83,737 | (3,737) |
| Retirement | 370,000 | 370,000 | 343,514 | 26,486 |
| Unemployment | 10,000 | 10,000 | 22,696 | (12,696) |
| Contingency | 100,000 | 70,157 | - | 70,157 |
| Total General Administration | 1,110,000 | 1,080,157 | 896,561 | 183,596 |
| Board of Commissioners: | | | | |
| Personnel | 142,753 | 142,753 | 130,263 | 12,490 |
| Other | 55,500 | 55,500 | 47,427 | 8,073 |
| Information Technology | 15,000 | 15,000 | 14,898 | 102 |
| Total Board of Commissioners | 213,253 | 213,253 | 192,588 | 20,665 |
| Tax Commissioner's Office: | | | | |
| Personnel | 153,175 | 153,175 | 151,778 | 1,397 |
| Other | 55,600 | 55,600 | 54,498 | 1,102 |
| Total Tax Commissioner's Office | 208,775 | 208,775 | 206,276 | 2,499 |
| Tax Assessors: | | | | |
| Personnel | 21,921 | 21,921 | 21,616 | 305 |
| Other | 38,100 | 38,100 | 28,260 | 9,840 |
| Total Tax Assessors | 60,021 | 60,021 | 49,876 | 10,145 |
| Tax Equalization Office: | $ 4,200 | $ 4,200 | $ 1,828 | $ 2,372 |

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

OGLETHORPE COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

| | Budget | | Actual Expenditures | Variance with Final Budget Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | | |
| General Government (Continued): | | | | |
| Tax Appraiser: | | | | |
| Personnel | $ 76,355 | $ 76,355 | $ 66,957 | $ 9,398 |
| Other | 3,000 | 3,000 | 1,933 | 1,067 |
| Total Tax Appraiser | 79,355 | 79,355 | 68,890 | 10,465 |
| Coroner: | | | | |
| Personnel | 10,953 | 10,953 | 10,890 | 63 |
| Other | 10,900 | 10,900 | 5,625 | 5,275 |
| Total Coroner | 21,853 | 21,853 | 16,515 | 5,338 |
| County Attorney | 35,000 | 35,000 | 13,110 | 21,890 |
| Elections | 10,895 | 12,987 | 12,987 | - |
| Voter Registrar: | | | | |
| Personnel | 12,918 | 12,918 | 8,737 | 4,181 |
| Other | 7,105 | 7,105 | 3,327 | 3,778 |
| Total Voter Registrar | 20,023 | 20,023 | 12,064 | 7,959 |
| Public Buildings: | | | | |
| Personnel | 26,913 | 26,913 | 15,915 | 10,998 |
| Other | 62,500 | 101,920 | 103,418 | (1,498) |
| Capital Outlay | - | - | 9,500 | (9,500) |
| Total Public Buildings | $ 89,413 | $ 128,833 | $ 128,833 | $ - |

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

OGLETHORPE COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

| | Budget | | Actual Expenditures | Variance with Final Budget Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | | |
| General Government (Continued): | | | | |
| Cooperative Extension Service: | | | | |
| Personnel | $ 27,847 | $ 27,847 | $ 27,732 | $ 115 |
| Other | 7,938 | 7,938 | 6,815 | 1,123 |
| Total Cooperative Extension Service | 35,785 | 35,785 | 34,547 | 1,238 |
| Total General Government | 1,888,573 | 1,900,242 | 1,634,075 | 266,167 |
| Courts: | | | | |
| Superior Court: | | | | |
| Personnel | 84,417 | 84,417 | 82,518 | 1,899 |
| Other | 19,400 | 20,171 | 22,070 | (1,899) |
| Total Superior Court | 103,817 | 104,588 | 104,588 | - |
| Probate Court: | | | | |
| Personnel | 130,376 | 131,214 | 132,154 | (940) |
| Other | 11,100 | 11,100 | 10,160 | 940 |
| Total Probate Court | 141,476 | 142,314 | 142,314 | - |
| Magistrate Court: | | | | |
| Personnel | 126,347 | 126,347 | 119,151 | 7,196 |
| Other | 22,500 | 22,500 | 18,756 | 3,744 |
| Total Magistrate Court | 148,847 | 148,847 | 137,907 | 10,940 |
| Other Judicial: | | | | |
| Personnel | 78,585 | 78,585 | 34,384 | 44,201 |
| Courthouse security | 25,000 | 25,000 | 13,146 | 11,854 |
| Other | 120,200 | 120,200 | 121,903 | (1,703) |
| Total Other Judicial | 223,785 | 223,785 | 169,433 | 54,352 |
| Total Courts | $ 617,925 | $ 619,534 | $ 554,242 | $ 65,292 |

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

OGLETHORPE COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

| | Budget | | Actual Expenditures | Variance with Final Budget Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | | |
| Public Safety: | | | | |
| Sheriff's Office: | | | | |
| Personnel | $ 635,956 | $ 635,956 | $ 632,329 | $ 3,627 |
| Other | 176,500 | 176,500 | 136,080 | 40,420 |
| Capital Outlay | 48,000 | 48,000 | 44,989 | 3,011 |
| Total Sheriff's Office | 860,456 | 860,456 | 813,398 | 47,058 |
| Jail: | | | | |
| Personnel | 545,272 | 545,272 | 529,553 | 15,719 |
| Prisoner | 1,000 | 1,000 | - | 1,000 |
| Medical | 70,000 | 70,000 | 51,360 | 18,640 |
| Other | 214,500 | 214,500 | 150,814 | 63,686 |
| Total Jail | 830,772 | 830,772 | 731,727 | 99,045 |
| Rescue Unit / Civil Defense: | | | | |
| Personnel | 9,796 | 9,796 | 10,216 | (420) |
| Other | 5,400 | 10,618 | 10,198 | 420 |
| Total Rescue Unit / Civil Defense | 15,196 | 20,414 | 20,414 | - |
| Local Fire Departments: | | | | |
| Insurance | 63,000 | 63,000 | 67,531 | (4,531) |
| County Part | 61,500 | 61,500 | 49,429 | 12,071 |
| Capital Outlay | - | - | 24 | (24) |
| Total Local Fire Departments | 124,500 | 124,500 | 116,984 | 7,516 |
| Animal Shelter | 38,000 | 38,000 | 38,000 | - |
| Total Public Safety | 1,868,924 | 1,874,142 | 1,720,523 | 153,619 |
| Public Works: | | | | |
| Public Work Camp: | | | | |
| Personnel | 275,483 | 275,483 | 254,288 | 21,195 |
| Other | 216,500 | 216,500 | 176,219 | 40,281 |
| Capital Outlay | 10,000 | 10,000 | 642 | 9,358 |
| Total Public Work Camp | $ 501,983 | $ 501,983 | $ 431,149 | $ 70,834 |

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

OGLETHORPE COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

| | Budget | | Actual Expenditures | Variance with Final Budget Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | | |
| Code Enforcement Center | | | | |
| Personnel | $ 32,597 | $ 32,597 | $ 31,744 | $ 853 |
| Other | 6,850 | 6,850 | 3,035 | 3,815 |
| Total Code Enforcement Center | 39,447 | 39,447 | 34,779 | 4,668 |
| Recycling | | | | |
| Personnel | 21,530 | 21,530 | 19,965 | 1,565 |
| Other | 15,650 | 15,677 | 17,242 | (1,565) |
| Total Recycling | 37,180 | 37,207 | 37,207 | - |
| Planning and Zoning | | | | |
| Personnel | 87,385 | 87,385 | 73,957 | 13,428 |
| Other | 21,000 | 21,000 | 5,552 | 15,448 |
| Total Land Use and Development | 108,385 | 108,385 | 79,509 | 28,876 |
| Total Public Works | 686,995 | 687,022 | 582,644 | 104,378 |
| Health and Welfare: | | | | |
| Ambulance Service: | | | | |
| Personnel | 725,704 | 677,940 | 566,462 | 111,478 |
| Other | 92,200 | 92,200 | 94,760 | (2,560) |
| Capital Outlay | 5,000 | 5,000 | 7,058 | (2,058) |
| Total Ambulance Service | $ 822,904 | $ 775,140 | $ 668,280 | $ 106,860 |

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

OGLETHORPE COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

| | Budget | | Actual Expenditures | Variance with Final Budget Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | | |
| Senior Center: | | | | |
| Personnel | $ 121,944 | $ 121,944 | $ 122,785 | $ (841) |
| Other | 94,850 | 98,803 | 97,962 | 841 |
| Total Senior Center | 216,794 | 220,747 | 220,747 | - |
| Other Health and Welfare: | | | | |
| Dept of Family and Children Services | 8,000 | 8,000 | 6,632 | 1,368 |
| Mental Health | 1,940 | 1,940 | 1,940 | - |
| Retardation Center | 600 | 600 | 600 | - |
| Child Development Center | 2,050 | 2,196 | 2,196 | - |
| Development Authority | 1,000 | 25,350 | 18,058 | 7,292 |
| Board of Health | 84,000 | 84,000 | 82,261 | 1,739 |
| Total Other Health and Welfare | 97,590 | 122,086 | 111,687 | 10,399 |
| Total Health and Welfare | 1,137,288 | 1,117,973 | 1,000,714 | 117,259 |
| Culture and Beautification: | | | | |
| Library: | | | | |
| Personnel | 55,281 | 55,281 | 55,281 | - |
| Other | 18,000 | 18,792 | 18,792 | - |
| Total Library | 73,281 | 74,073 | 74,073 | - |
| Total Culture and Beautification | $ 73,281 | $ 74,073 | $ 74,073 | $ - |

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

OGLETHORPE COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

| | Budget | | Actual Expenditures | Variance with Final Budget Positive (Negative) |
|---|---|---|---|---|
| | Original | Final | | |
| Payments to Other Government Agencies: | | | | |
| State Forestry Commission | $ 9,000 | $ 9,000 | $ 9,225 | $ (225) |
| Northeast Georgia Regional Dev. Center | 14,000 | 14,000 | 13,809 | 191 |
| Northeast Georgia Solid Waste Authority | 1,000 | 1,000 | 274 | 726 |
| Total Payments to Other Government Agencies | 24,000 | 24,000 | 23,308 | 692 |
| Total Current Expenditures | 6,296,986 | 6,296,986 | 5,589,579 | 707,407 |
| Debt Service | | | | |
| Principal | 3,000 | 3,000 | 2,803 | 197 |
| Total Debt Service | 3,000 | 3,000 | 2,803 | 197 |
| Total Expenditures | 6,299,986 | 6,299,986 | 5,592,382 | 707,604 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 189,322 | 189,322 | 1,054,484 | 865,162 |
| Other Financing Sources (Uses): | | | | |
| Transfers from Landfill | 61,933 | 61,933 | - | (61,933) |
| Transfers to E911 Fund | (137,764) | (137,764) | (118,244) | 19,520 |
| Transfers to Recreation Fund | (113,491) | (113,491) | (66,329) | 47,162 |
| Total Other Financing Uses | (189,322) | (189,322) | (184,573) | 4,749 |
| Net Change in fund balance | $ - | $ - | 869,911 | $ 869,911 |
| Fund Balance, beginning of year | | | 9,122,551 | |
| Fund Balance, end of year | | | $ 9,992,462 | |

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

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OGLETHORPE COUNTY, GEORGIA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2009

| | Business-type Activities - Enterprise Funds |
|---|---|
| | Landfill Fund |
| ASSETS | |
| Current assets: | |
| Cash and cash equivalents | $ 516,891 |
| Accounts receivable (net of allowance for uncollectibles) | 23,769 |
| Due from other funds | 1,654,777 |
| Total current assets | 2,195,437 |
| Noncurrent assets: | |
| Capital assets: | |
| Nondepreciable | 231,160 |
| Depreciable, net | 104,023 |
| Total capital assets | 335,183 |
| Total noncurrent assets | 335,183 |
| Total assets | 2,530,620 |
| LIABILITIES | |
| Current liabilities: | |
| Accounts payable | 1,465 |
| Accrued liabilities | 1,579 |
| Compensated absences | 1,188 |
| Total current liabilities | 4,232 |
| Noncurrent liabilities | |
| Post-closure costs | 1,766,388 |
| Total noncurrent liabilities | 1,766,388 |
| Total liabilities | 1,770,620 |
| NET ASSETS | |
| Invested in capital assets, net of related debt | 335,183 |
| Unrestricted | 424,817 |
| Total net assets | $ 760,000 |

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

OGLETHORPE COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

| | Business-type Activities - Enterprise Funds |
|---|---|
| | Landfill Fund |
| Operating Revenues: | |
| Charges for services | $ 333,918 |
| Total operating revenues | 333,918 |
| Operating Expenses: | |
| Personal services | 87,261 |
| Purchased services | 50,655 |
| Landfill closure and postclosure | 374,074 |
| Materials and supplies | 30,692 |
| Depreciation | 20,805 |
| Total Operating Expenses | 563,487 |
| Operating Income (Loss) | (229,569) |
| Non-Operating Revenues (Expenses): | |
| Interest revenue | 7,105 |
| Interest expense | (725) |
| Total Non-Operating Revenues (Expenses) | 6,380 |
| Net Income (Loss) before Contributions and Transfers | (223,189) |
| Transfers out | - |
| Change in net assets | (223,189) |
| Net assets - beginning of year - restated | 983,189 |
| Net assets - end of year | $ 760,000 |

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

OGLETHORPE COUNTY, GEORGIA

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

| | Business-type Activities - Enterprise Funds |
|---|---|
| | Landfill Fund |
| Cash Flows from Operating Activities: | |
| Cash received from customers | $ 400,847 |
| Cash paid to suppliers for good and services | (92,581) |
| Cash paid to employees | (86,596) |
| Net Cash Provided by (Used for) Operating Activities | 221,670 |
| Cash Flows from Noncapital Financing Activities: | |
| Transfer from General Fund | - |
| Net Cash Provided by (Used for) Noncapital Financing Activities | - |
| Cash Flows from Capital and Related Financing Activities: | |
| Principal paid on capital lease | (100,532) |
| Interest paid on capital lease | (725) |
| Net Cash Provided by (Used for) Capital and Related Financing Activities | (101,257) |
| Cash Flows from Investing Activities: | |
| Interest received | 7,105 |
| Net Cash Provided by (Used for) Investing Activities | 7,105 |
| Net Increase (Decrease) in Cash and Cash Equivalents | 127,518 |
| Cash and Cash Equivalents - Beginning of Year | 389,373 |
| Cash and Cash Equivalents - End of Year | $ 516,891 |

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

OGLETHORPE COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

| | Business-type Activities - Enterprise Funds Landfill Fund |
|---|---|
| Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities: | |
| Operating Income (Loss) | $ (229,569) |
| Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities: | |
| Depreciation | 20,805 |
| Changes in Assets and Liabilities: | |
| (Increase) decrease in accounts receivables | 16,306 |
| (Increase) decrease in due from other funds | 50,623 |
| Increase (decrease) in accounts payable | (1,755) |
| Increase (decrease) in accrued liabilities | (54) |
| Increase (decrease) in compensated absences | 719 |
| Increase (decrease) in postclosure costs | 364,595 |
| Total adjustments | 451,239 |
| Net Cash Provided by (Used for) Operating Activities | $ 221,670 |

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

OGLETHORPE COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
DECEMBER 31, 2009

| | Agency Funds |
|---|---|
| ASSETS | |
| Cash and cash equivalents | $ 1,403,947 |
| Total Assets | $ 1,403,947 |
| LIABILITIES | |
| Due to other governments | $ 1,365,940 |
| Funds held in escrow | 40,488 |
| Due to others | (2,482) |
| Total Liabilities | $ 1,403,947 |

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

# NOTES TO THE FINANCIAL STATEMENTS

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Accounting Policies

Oglethorpe County was established under the provisions of an Act of the General Assembly of Georgia. The County operates under a county commissioner form of government, and provides the following services as authorized by state law, general administrative services, public safety, roads and bridges, courts and health and welfare.

The accounting policies of Oglethorpe County, Georgia conform to generally accepted accounting principles as applicable to governments. The following is a summary of the County's more significant policies applied in the preparation of the accompanying financial statements.

### A. Reporting Entity

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of Oglethorpe County (the primary government) and any component units. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The component unit discussed below is included in the County's reporting entity because of the significance of its operational and financial relationships with the County. In conformity with generally accepted accounting principles, as set forth in Statement of Governmental Accounting Standards No. 14, *The Financial Reporting Entity*, which was adopted by the County as of October 1, 1995, the financial statements of the component unit have been included as a discretely presented component unit. The component unit column in the combined financial statements includes the financial data for the County's component unit, as reflected in their most recent audited financial statements for June 30, 2008. This audit is reported in a column separate from the County's financial information to emphasize that it is legally separate from the County.

Oglethorpe County Board of Health

The governing board of the Board of Health consists of members appointed by the County Commissioners. The County, by virtue of its appointments, controls a majority of the governing body positions. The Board submits all operating budgets to the County each year. The County provides significant funding to the Board, based upon the approved budgets. The Board operates on a fiscal year ending June 30th.

Complete financial statements of the individual component unit can be obtained from the Oglethorpe County clerk.

Oglethorpe County, Georgia
P.O. Box 261
Lexington, Georgia 30648

A joint venture has the following characteristics:

- It is a legal entity that results from a contractual agreement
- It is owned, operated or governed by two or more participants as a separate and specific activity subject to joint control
- Participants retain an ongoing financial interest or an ongoing financial responsibility

The following agency is a joint venture with four other counties: Elbert, Franklin, Hart, and Madison.

Office of the Public Defender – Northern Judicial Circuit – The office is responsible for providing legal representation to indigent citizens. Oglethorpe County provides 12% of the budget; each of the other four counties provides 22%. The office submits annual budget requests to the counties. Total equity interest in the net assets of the joint venture as of June 30, 2009, was ($949).

Complete financial statements can be obtained from the Franklin County Clerk:

Franklin County, Georgia
P.O. Box 151
Carnesville, GA 30521

Under Georgia law, the County, in conjunction with other cities and counties in the eight county west central Georgia area, is a member of the Northeast Georgia Regional Development Center (RDC) and is required to pay annual dues thereto. During its year ended December 31, 2009, the county paid $13,609 in such dues. Membership in an RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RDC in Georgia. The RDC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RDC. Separate financial statements may be obtained from:

Northeast Georgia Regional Development Center
305 Research Drive
Athens, Georgia 30605-2795

## B. Government-Wide and Fund Financial Statements

The government-wide financial statements (Statement of Net Assets and Statement of Change in Net Assets) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

## C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

### Government-Wide Financial Statements

The government-wide financial statements are reported using the flow of economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, are generally followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided; 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues.

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

**Fund Financial Statements**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt services expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, local option sales taxes, other taxes, intergovernmental revenues, interest, and charges for services associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues are considered to be measurable and available only when cash is received by the government.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the County's enterprise funds is charges to customers for sales and services. Operating expenses for enterprise funds include the costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The fund financial statements provide more detailed information about the government's most significant funds, not the government as a whole. The activities of the government are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The government reports the following major governmental funds:

General Fund – The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

2002 Special Purpose Local Option Sales Tax – is used to account for the Oglethorpe County Roads Program.

2007 Special Purpose Local Option Sales Tax – is used to account for the various budgeted roads, streets and bridges projects, public safety projects and infrastructure projects.

The government reports the following major proprietary fund:

Landfill Fund – is used to account for the revenues and expenses associated with operating the County landfill.

Additionally, the government reports the following fund types:

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

Capital Project Funds – Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds.

Agency Funds – Agency Funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, and other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

## D. Deposits and Investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Investments are reported at fair value, which is determined using selected bases. Short-term investments are reported at cost, which approximates fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates, and investments that do not have an established market are reported at estimated fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

## E. Receivables

Receivables and Due from Other Governments represent funds to be received from other local governments, state grant-in-aid, state contracts, or federal funds. No allowance is deemed necessary for these receivables.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" or "advances to/from other funds." All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables, have been reduced to their estimated net realizable value, and are shown net of an allowance for doubtful accounts. Estimated uncollectible amounts are based upon historical experience rates.

**F. Inventories**

Inventories of expendable supplies held for consumption are not considered material and are recorded as expenditures, or expenses, as appropriate, when purchased. Inventory in the General Fund consists of fuel, which is priced at cost using the First-In-First-Out method.

**G. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items in both government-wide and fund financial statements.

**H. Capital Assets**

Capital assets, which include property, plant; equipment and infrastructure assets (e.g. roads, bridges, sidewalks and similar items acquired subsequent to January 1, 2003) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000, and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred by the County during the current fiscal year was $0. Of this amount, none was applicable to construction of capital assets.

Property, plant and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

| | |
|---|---|
| Building | 39 years |
| Equipment | 5-25 years |
| Infrastructure | 50 years |
| Furniture | 5 years |
| Vehicles | 5 years |

**I. Compensated Absences**

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from

service with the government. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

## J. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net assets.

## K. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

## L. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; and errors or omissions. The County purchases commercial insurance for most types of risk. For these risks, settlements have not exceeded coverage's for each of the past three fiscal years. The County had no significant reduction in insurance coverage from coverage in the prior year.

The County has joined together with other municipalities in the state as part of the ACCG Group Self Insurance Workers' Compensation Self Insurance Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments. The Fund is to defend, in the name of and on behalf of the members, any suits or other proceedings, which may at any time be instituted against them on account of injuries or death within the preview of the Workers' Compensation Law of Georgia, or on the basis of employer's liability. The Fund is to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense. For the year ending December 31, 2009, the County's total contribution was $0 for the Workers Compensation Fund.

The County is a member of the ACCG Interlocal Risk Management Agency (ACCG-IRMA). This agency functions as a risk sharing arrangement among Georgia County governments and is administered by the Association of County Commissioners of Georgia (ACCG). The purpose of ACCG-IRMA is to establish and administer one or more group self-insurance funds; to establish and administer a risk management service; and to prevent or lessen the incidence or severity of casualty and property losses. Each member pays an annual contribution established by the Board of ACCG-IRMA. For the period December 1, 2008 - December 1, 2009, the County's total contribution was $122,438. ACCG-IRMA may develop and issue such self-insurance coverage

descriptions, as it deems necessary. The current coverage provides a $3,000,000 general liability limit with a $1,000 per occurrence deductible.

As part of these risk pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pools' agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the pools' agents and attorneys to represent the Government in investigation, settlement discussions and all levels of litigation arising out of any claim made against the Government within the scope of loss protection furnished by the funds.

## NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING

### A. Budget Process

The annual budget document is the financial plan for the operation of Oglethorpe County. The budget process exists for the purpose of providing a professional management approach to the establishment of priorities and the implementation of work programs while providing an orderly means for control and evaluation of the financial posture of the County.

The County prepares a separately issued budget report. An annual operating budget is prepared for the General and Special Revenue funds. Prior to year end the Clerk of the County Commissioners submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. The Board of Commissioners holds a public hearing on the budget, giving notice thereof at least ten days in advance by publication in the official organ of Oglethorpe County. The budget is then revised and adopted or amended by the Board of Commissioners at a regular meeting before the year to which it applies. The budget so adopted may be revised during the year only by formal action of the Board of Commissioners in a regular meeting and no increase shall be made therein without provision also being made for financing same. The legal level of control is at the department level.

Formal budgetary integration is employed as a management control device during the year. The budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The General Fund is subject to budgetary control on a departmental basis, while the Special Revenue funds are subject to budgetary control on an individual fund basis. Budgets are prepared for the Capital Projects Funds on a project basis, which usually covers two or more fiscal years. Budgeted amounts are as originally adopted, or as amended by the Board of Commissioners. Individual amendments are not material in relation to the original appropriations.

**B. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to serve that portion of the applicable appropriation, is not employed by the County. Budget to Generally Accepted Accounting Principal Basis reconciliations are not required.

## NOTE 3 – DEPOSITS AND INVESTMENTS

**Custodial Credit Risk - Deposits**

The custodial credit risk of deposits is the risk that in the event of the failure of a bank, the government will not be able to recover deposits. The County's bank balances of deposits as of December 31, 2009 are entirely insured or collateralized with securities held by the County's 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.

At June 30, 2009, the carrying amount of deposits for the Oglethorpe County Board of Health, a discretely presented component unit, was $126,637, and the bank balance was $133,914. All of the bank balance was covered by federal depository insurance or by collateral held.

## NOTE 4 – PROPERTY TAXES

State law requires that property taxes be based on assessed value, which is 40% of market value. All real and personal property (including motor vehicles) is valued as of January 1 of each year and must be returned for tax purposes by March 1. With the exception of motor vehicles and the property of public utilities, which are valued by the State Revenue Department, all assessments are made by the Board of Tax Assessors of Oglethorpe County.

Exemptions are permitted for certain inventories. A homestead exemption is allowed for each taxpayer that is a homeowner and resides in the household as of January 1. There are other exemptions provided by state and local laws.

Upon completion of all assessments and tax returns, the information is turned over to the County Tax Commissioner for compilation of the tax digest. The completed tax digest must be submitted to the State Revenue Commissioner for approval. The State Revenue Commissioner must ascertain that real property on the tax digest has been assessed at the state mandated forty percent (40%) of fair market value. The Commissioner has the option to withhold certain state funding if the mandated 40% level is not reached.

The Oglethorpe County Tax Commissioner distributes tax notices and collects tax payments. Motor vehicle taxes are due based upon the birthday of the owner. The 2009 property taxes were mailed (levied) as of October 20 with a due date of December 20.

Property taxes receivable have been reduced to their estimated net realizable value. Estimated uncollectible amounts are based upon historical experience rates and result in a direct reduction of the related revenue amount at the end of the period.

## NOTE 5 – OTHER RECEIVABLES

Receivables at December 31, 2009, consist of the following:

| | General Fund | Non-major Governmental Funds | Landfill Fund | Total |
|---|---|---|---|---|
| Receivables: | | | | |
| Taxes | $ 610,490 | $ - | $ - | $ 610,490 |
| Landfill | - | - | 43,175 | 43,175 |
| Accounts | 437,786 | 26,704 | - | 464,490 |
| Other | 62,662 | 44 | - | 62,706 |
| Gross Receivables | 1,110,938 | 26,748 | 43,175 | 1,180,861 |
| Less: Allowance for uncollectibles | (482,745) | - | (19,406) | (502,151) |
| Net Total Receivables | $ 628,193 | $ 26,748 | $ 23,769 | $ 678,710 |

## NOTE 6 – DUE FROM OTHER GOVERNMENTS

Amounts due from other governments at December 31, 2009, are as follows:

| | Federal | State | Total |
|---|---|---|---|
| Fund: | | | |
| General | $ 23,285 | $ 71,497 | $ 94,782 |
| SPLOST | - | 75,909 | 75,909 |
| Total | $ 23,285 | $ 147,406 | $ 170,691 |

The amounts due from other government are primarily for sales tax and grant funds.

## NOTE 7 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2009, were as follows:

Due to/from other funds:

| Receivable Fund | Payable Fund | Amount |
|---|---|---|
| Landfill Fund | General Fund | $ 1,654,777 |
| Nonmajor governmental fund | General Fund | 17,370 |
| Nonmajor governmental fund | Nonmajor governmental fund | 36,550 |
| Total | | $ 1,708,697 |

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers:

| | Nonmajor Governmental | Total |
|---|---|---|
| Transfer out: | | |
| General fund | $ 184,573 | $ 184,573 |
| Total | $ 184,573 | $ 184,573 |

Transfers are used to move unrestricted revenue to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching fund for various grant programs.

## NOTE 8 – CAPITAL ASSETS

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

| | Beginning Balance | Increase | Decrease | Transfers | Ending Balance |
|---|---|---|---|---|---|
| **Governmental activities:** | | | | | |
| Capital assets, not being depreciated: | | | | | |
| Land | $ 718,790 | $ - | $ - | $ - | $ 718,790 |
| Total capital assets, not being depreciated | 718,790 | - | - | - | 718,790 |
| Capital assets, being depreciated: | | | | | |
| Buildings | 8,510,405 | 43,829 | - | - | 8,554,234 |
| Furniture and Fixtures | 383,681 | 5,100 | - | - | 388,781 |
| Machinery and equipment | 2,010,905 | 278,709 | - | - | 2,289,614 |
| Vehicles | 618,923 | 159,140 | - | - | 778,063 |
| Total capital assets being depreciated | 11,523,914 | 486,778 | - | - | 12,010,692 |
| Less accumulated depreciation for: | | | | | |
| Buildings | (1,608,972) | (191,583) | - | - | (1,800,555) |
| Furniture and Fixtures | (170,059) | (49,224) | - | - | (219,283) |
| Machinery and equipment | (1,762,070) | (98,747) | - | - | (1,860,817) |
| Vehicles | (434,292) | (71,933) | - | - | (506,225) |
| Total accumulated depreciation | (3,975,393) | (411,487) | - | - | (4,386,880) |
| Total capital assets, being depreciated, net | 7,548,521 | 75,291 | - | - | 7,623,812 |
| Governmental activities capital assets, net | $ 8,267,311 | $ 75,291 | $ - | $ - | $ 8,342,602 |

Depreciation expense was charged to functions / programs of the primary government as follows:

| | |
|---|---|
| Governmental activities: | |
| General government | $ 20,412 |
| Public safety | 257,075 |
| Public works | 98,608 |
| Health and welfare | 16,476 |
| Recreation | 18,916 |
| Total depreciation expense - governmental activities | $ 411,487 |

| | Beginning Balance | Increase | Decrease | Transfers | Ending Balance |
|---|---|---|---|---|---|
| **Business-type activities:** | | | | | |
| Capital assets, not being depreciated: | | | | | |
| Land | $ 231,160 | $ - | $ - | $ - | $ 231,160 |
| Total capital assets, not being depreciated | 231,160 | - | - | - | 231,160 |
| Capital assets, being depreciated: | | | | | |
| Furniture and Fixtures | 17,293 | - | - | - | 17,293 |
| Machinery and equipment | 208,048 | - | - | - | 208,048 |
| Total capital assets being depreciated | 225,341 | - | - | - | 225,341 |
| Less accumulated depreciation for: | | | | | |
| Furniture and Fixtures | (17,293) | - | - | - | (17,293) |
| Machinery and equipment | (83,220) | (20,805) | - | - | (104,025) |
| Total accumulated depreciation | (100,513) | (20,805) | - | - | (121,318) |
| Total capital assets, being depreciated, net | 124,828 | (20,805) | - | - | 104,023 |
| Business-type activities capital assets, net | $ 355,988 | $ (20,805) | $ - | $ - | $ 335,183 |

Depreciation expense was charged to functions / programs of the primary government as follows:

| | |
|---|---|
| Business-type activities: | |
| Landfill | $ 20,805 |
| Total depreciation expense - business-type activities | $ 20,805 |

| | Beginning Balance | Increase | Decrease | Ending Balance |
|---|---|---|---|---|
| **Component Unit activities:** | | | | |
| Capital assets, being depreciated: | | | | |
| Equipment | $ 15,576 | $ - | $ - | $ 15,576 |
| Total capital assets being depreciated | 15,576 | - | - | 15,576 |
| Less accumulated depreciation for: | | | | |
| Equipment | (15,576) | - | - | (15,576) |
| Total accumulated depreciation | (15,576) | - | - | (15,576) |
| Total capital assets, being depreciated, net | - | - | - | - |
| Component Unit activities capital assets, net | $ - | $ - | $ - | $ - |

## NOTE 9 – LONG-TERM DEBT

### Changes in Long-term Liability

Long-term liability activity for the year ended December 31, 2009, was as follows:

| | Restated Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| Governmental activities: | | | | | |
| Compensated absences | $ 40,261 | $ 12,421 | $ - | $ 52,682 | $ 44,780 |
| Capital leases | 989 | - | (989) | - | - |
| Governmental activity Long-term liabilities | $ 41,250 | $ 12,421 | $ (989) | $ 52,682 | $ 44,780 |

For the governmental activities, compensated absences and landfill postclosure liabilities are generally liquidated by the general fund.

| | Restated Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| Business-type activities: | | | | | |
| Capital lease | $ 100,532 | $ - | $ (100,532) | $ - | $ - |
| Compensated absences | 469 | 719 | - | 1,188 | 1,010 |
| Landfill closure | 1,401,793 | 364,595 | - | 1,766,388 | - |
| Business-type activity Long-term liabilities | $ 1,502,794 | $ 365,314 | $ (100,532) | $ 1,767,576 | $ 1,010 |

The assets acquired through capital leases are as follows:

| Asset: | Governmental Activities |
|---|---|
| Machinery and equipment | $ 213,988 |
| Less: Accumulated depreciation | (108,183) |
| Total | $ 105,805 |

## NOTE 10 – COMMITMENTS

The County is leasing office space on a month-to-month basis.

Landfill Closure Costs

Under state and federal laws and regulations, the County was required to place a final cover upon closing the landfill from receiving solid waste and to continue to perform various maintenance and monitoring functions at the landfill site for a period of 25 years after closure. This is in addition to the normal operating expenses related to the current activities of the landfill.

The current County landfill activities are to receive inert material and construction/demolition debris. The current operation of the landfill is to fulfill an agreement with Athens-Clarke County in which the County is allowed to transport solid waste materials from Oglethorpe County to the Athens-Clark County landfill. County management is of the opinion that the only additional costs to be associated with final landfill closure will be monitoring and maintenance of solid waste materials. The County has estimated the closure and post closure costs associated with the landfill to be $2,567,403. The County has no responsibility for closure costs associated with Athens-Clarke County landfill. The percentage of landfill capacity used as of December 31, 2009, is 40%, and the estimated remaining landfill life is 15 years. As of December 31, 2009, the County had recorded a liability for closure and post closure costs totaling $1,766,388.

The County is of the opinion that costs associated with the landfill closure can be provided from General Fund revenues without impairing County operations. Management estimates are based on the assumption that costs associated with solid waste closures have been incurred and that closure costs associated with solid operations are nominal. However, actual costs may vary due to inflation or deflation, changes in technology, or changes in landfill laws and regulations. Theses costs may have to be covered by increased landfill fees, additional taxes or both.

## NOTE 11 – EMPLOYEE RETIREMENT PLANS

### A. ACCG Defined Benefit Plan

Plan Description:

The County contributes to the Association County Commissioners of Georgia ("ACCG") Defined Benefit Plan ("Plan"), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating counties in Georgia.

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

Government Employee Benefits Corporation of Georgia
3625 Cumberland Boulevard, Suite 825
Atlanta, Georgia 30339

Participation:

All full-time County employees are eligible to participate in the Plan after completing three years of service.

Retirement Benefits:

Benefits vest after five years of service. Participants become eligible to retire at age 65 with 3 years in the Plan. Upon eligibility to retire, participants are entitled to an annual benefit in the amount of 0.5% of average annual compensation up to $6,600 plus 1.0% of average annual compensation in excess of $6,600 plus $36 for each year of service payable as a life annuity. Service is limited to 35 years. Compensation is averaged over a five-year period prior to retirement or termination. The Plan also provides benefits in the event of death or disability. These benefit provisions were established by an adoption agreement executed by the County Board of Commissioners.

Funded Status and Funding Progress:

The funded status of the plan as of December 31, 2008, the most recent actuarial valuation date, is as follows:

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) Entry Age (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll ( c ) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|---|---|---|---|---|---|---|
| 12/31/08 | $1,611,275 | $1,858,174 | $ 246,899 | 86.7% | $1,395,117 | 17.7% |

The schedule of funding progress, presented as RSI 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 for benefits.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of December 31, 2009.

Actuarial Assumptions:

1. Rate of return on the investment of present and future assets of 8% per year.
2. Projected salary increases of 4.5% to 6.0% per year.
3. Life expectancies before and after retirement based on the 1983 Group Annuity Mortality Table, with a two-year age set back.
4. Postretirement benefit increases - none.
5. Inflation rate assumption of 3.0% per year.
6. Actuarial Value of assets – Market Value.

There were no current year changes in actuarial assumptions or benefit provisions.

Contributions Required and Contributions Made:

County employees are not required to contribute to the Plan. The County contributes the entire cost of the Plan, using the actuarial basis described in the annual valuation report. Contributions were made in accordance with actuarially determined contribution requirements. Contributions made during a particular year are attributable to the prior Plan year.

ACCG Plan funding policy provides for making required actuarially determined periodic contributions under the "Projected Unit Credit" actuarial cost method. This cost method determines plan liabilities consistent with the standardized measure of pension obligation described by Statement No. 5 of the Governmental Accounting Standards Board (GASB #5). In addition, this cost method determines contributions at rates that, for individual employees, increase gradually as an employee gets older, and enables sufficient assets to accumulate when benefits become due. The unfunded actuarial accrued liability is being amortized as a level dollar amount on a closed basis. The weighted average remaining amortization period as of January 1, 2009, was 20 years.

The significant actuarial assumptions used to compute the actuarially determined contribution requirements are the same as those used to compute the pension benefit obligation.

Contributions totaling $143,514, ($143,514 employer and $-0- employee), were made in accordance with actuarially determined contribution requirements determined by an actuarial valuation performed as of January 1, 2009.

The Georgia Constitution enables the governing authority of the County, the Board of Commissioners, to establish and amend from time to time, the contribution rates for the County and its plan participants.

Actuarial Reports:

The County's practice is to have an actuarial valuation performed every year on the pension plan, and to base the succeeding year's contributions on the result of the valuation. The actuarial valuation is performed as of January 1 every year. This recent valuation was performed as of January 1, 2009, based upon employee data as of January 1, 2009, and based upon available pension assets as of December 31, 2008.

Current Plan Membership and Payroll:

Employee membership data related to the plan membership as of January 1, 2009, is as follows:

| | |
|---|---|
| Retirees and beneficiaries currently receiving benefits | 18 |
| Terminated employees entitled to benefits but not yet receiving them | 34 |
| Disabled in pay status | 1 |
| Current active employees | 42 |
| Total Membership in the plan | 95 |

The County's covered payroll as of January 1, 2009, (the most recent actuarial valuation date) was $1,395,117. Total payroll was $3,089,803.

Summary of Plan Asset Matters and Accounting Policies:

The Plan's financial statements are prepared on an accrual basis, modified to include unrealized gains or losses on marketable securities owned by the Plan and increments in the cash value of death benefits.

Investments in securities are valued at current market prices. The trust fund is invested, approximately, in 45% equities and 55% fixed income securities.

Plan assets do not include any loans, notes, bonds or other instruments or securities of the County or related parties.

Annual Pension Cost and Net Pension Obligation:

| Current Year Annual Pension Cost and Net Pension Obligation: | |
|---|---|
| Annual required contribution | $ - |
| Annual pension cost | 148,949 |
| Contributions made | (355,278) |
| Increase in net pension obligation | (206,329) |
| Net pension obligation, beginning of year | (273,997) |
| Net pension obligation, end of year | $ (480,326) |

Historical Trend Information:

Historical trend information is designed to provide information about a public employee retirement system's progress made in accumulating sufficient assets to pay benefits when due. More detailed information regarding the plan is available in Oglethorpe County, Georgia Retirement Plan's actuarial report for the plan year beginning January 1, 2009, which can be obtained from the plan administrator, the Association County Commissioners of Georgia.

Net Pension Obligation:

| Fiscal Year Beginning | Annual Pension Cost (APC) | Annual County Contribution | Percentage of APC Contributed | Net Pension Obligation |
|---|---|---|---|---|
| 2009 | $ 142,265 | $ 143,514 | 101% | $ (480,326) |
| 2008 | 148,949 | 355,278 | 239% | (273,997) |
| 2007 | 154,085 | 366,916 | 238% | (61,166) |

## B. Other Retirement Plans

Other employees are covered under the following retirement plans that are not under the direct control of the County.

Probate Judges' Retirement Fund of Georgia:

The Probate Judge is covered under a pension plan, which requires that certain sums from marriage licenses and fines or bond forfeitures be remitted to the pension plan before the payment of any costs of other claims.

Clerk of Superior Court Retirement Fund:

The Clerk of Superior Court is covered under a pension plan, which requires that certain sums of fees and fines or bond forfeitures be remitted to the pension plan before payment of any costs or other claims.

Sheriff's Retirement Fund/Peace Officer's Annuity and Benefit Fund:

The Sheriff and his deputies are covered under separate pension plans which require that certain sums from fines or bond forfeitures be remitted by the Probate Court, Magistrate Court or Clerk of Superior Court to the pension plan before the payment of any costs of other claims.

## C. Extension Service Employee Retirement Fund

Employees of Oglethorpe County Agriculture Extension Service are covered under the Teachers Retirement System of Georgia. A contribution is made by the General Fund.

## NOTE 12 – POST-EMPLOYMENT BENEFITS

The County does not provide supplemental life or health insurance coverage to retirees.

## NOTE 13 – INVESTMENTS IN CAPITAL ASSETS, NET OF RELATED DEBT

Investments in capital assets, net of related debt on the Government-wide Statement of Net Assets as of December 31, 2009 are as follows:

| Investment in capital assets, net of related debt: | Governmental Activities | Business-type Activities | Component Unit |
|---|---|---|---|
| Cost of capital assets | $ 12,729,482 | $ 456,501 | $ 15,576 |
| Less accumulated depreciation | (4,386,880) | (121,318) | (15,576) |
| Book Value | 8,342,602 | 335,183 | - |
| Less capital related debt | - | - | - |
| Investments in capital assets, net of related debt | $ 8,342,602 | $ 335,183 | $ - |

## NOTE 14 – CONTINGENT LIABILITIES

### A. Litigation

During the course of normal operations of the County, various claims and lawsuits arise. The County attorney has advised that there are no potential liabilities that will impair the position as of the date of this audit report.

### B. Federal Grants

The County participates in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives, and the audits of these programs for or including the year ended December 31, 2009, have not yet been conducted. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

### C. GEFA Loan

The County has entered into an agreement with the City of Crawford whereby the County has guaranteed the payment of a $750,000 GEFA loan. The County is liable to cover any shortfall in the loan payments made by the City.

## NOTE 15 – PRIOR PERIOD ADJUSTMENT

The County has determined that a restatement of the Landfill Fund is necessary to correct the beginning balances for the Post-closure care cost liability. The effect of this adjustment is as follows:

| | Landfill Fund | Government Wide |
|---|---|---|
| Net assets at December 31, 2008 as previously reported | $ 23,300 | $ 23,300 |
| Reduce post-closure care cost liability | 959,889 | 959,889 |
| Net assets at December 31, 2008 as restated | $ 983,189 | $ 983,189 |

# REQUIRED SUPPLEMENTARY INFORMATION

OGLETHORPE COUNTY, GEORGIA

SCHEDULE OF FUNDING PROGRESS
DECEMBER 31, 2009
(UNAUDITED)

| Measurement Date | Actuarial Value of Assets (a) | | Actuarial Accrued Liability (b) | Funded/ (Assets in Excess of) AAL (b-a) | Funded Ratio (a/b) | Covered Payroll ( c ) | Unfunded (Assets in Excess of) AAL as a Percentage of Covered Payroll {(b-a)/c} |
|---|---|---|---|---|---|---|---|
| 12/31/2008 | $ 1,611,275 | * | $ 1,858,174 | $ 246,899 | 86.7% | $ 1,395,117 | 17.7% |
| 12/31/2007 | 1,321,172 | | 1,778,422 | 457,250 | 74.3% | 1,501,179 | 30.5% |
| 12/31/2006 | 956,021 | | 1,641,464 | 685,443 | 58.2% | 1,280,012 | 53.5% |
| 12/31/2005 | 787,090 | | 1,531,856 | 744,766 | 51.4% | 1,004,011 | 74.2% |
| 12/31/2004 | 698,990 | | 1,452,754 | 753,764 | 48.1% | 990,629 | 76.1% |
| 12/31/2003 | 596,298 | | 1,278,579 | 682,281 | 46.6% | 777,767 | 87.7% |

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

SCHEDULE OF EMPLOYER CONTRIBUTIONS

| Year Ended 12/31 | Annual Required Contribution | Percentage Contributed |
|---|---|---|
| 2009 | $ 139,660 | 103% |
| 2008 | 147,742 | 240% |
| 2007 | 166,916 | 220% |

# SUPPLEMENTARY INFORMATION

OGLETHORPE COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2009

| | Special Revenue Funds | | | | | | Capital Projects | Total |
|---|---|---|---|---|---|---|---|---|
| | Drug Enforcement | Jail | Law Library | E911 | Drug Seizure | Recreation | TE Grant Crawford Depot | Nonmajor Governmental Funds |
| ASSETS | | | | | | | | |
| Cash and cash equivalents | $ 58,046 | $ 103,454 | $ 22,993 | $ 270,441 | $ 4,664 | $ 39,469 | $ - | $ 499,067 |
| Receivables, net of allowance | | | | | | | | |
| Accounts | - | - | - | 26,704 | - | - | - | 26,704 |
| Accrued interest | - | - | 44 | - | - | - | - | 44 |
| Due from other funds | - | 1,258 | - | 52,662 | - | - | - | 53,920 |
| Prepaid expenses | - | - | - | 7,746 | - | - | - | 7,746 |
| Total Assets | $ 58,046 | $ 104,712 | $ 23,037 | $ 357,553 | $ 4,664 | $ 39,469 | $ - | $ 587,481 |
| LIABILITIES AND FUND BALANCES | | | | | | | | |
| Liabilities: | | | | | | | | |
| Accounts payable | $ - | $ - | $ - | $ 429 | $ - | $ 2,908 | $ - | $ 3,337 |
| Accrued expenses | - | - | - | 3,608 | - | 1,316 | - | 4,924 |
| Due to other funds | 47 | - | - | 1,258 | - | 35,245 | - | 36,550 |
| Total Liabilities | 47 | - | - | 5,295 | - | 39,469 | - | 44,811 |
| Fund Balances: | | | | | | | | |
| Reserved: | | | | | | | | |
| Prepaids | - | - | - | 7,746 | - | | | 7,746 |
| Program purposes | 57,999 | 104,712 | 23,037 | 344,512 | 4,664 | - | - | 534,924 |
| Total Fund Balances | 57,999 | 104,712 | 23,037 | 352,258 | 4,664 | - | - | 542,670 |
| Total Liabilities and Fund Balances | $ 58,046 | $ 104,712 | $ 23,037 | $ 357,553 | $ 4,664 | $ 39,469 | $ - | $ 587,481 |

OGLETHORPE COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009

| | Special Revenue Funds | | | | | | Capital Projects | Total |
|---|---|---|---|---|---|---|---|---|
| | Drug Enforcement | Jail | Law Library | E911 | Drug Seizure | Recreation | TE Grant Crawford Depot | Nonmajor Governmental Funds |
| Revenues: | | | | | | | | |
| Charges for services | $ - | $ - | $ - | $ 189,049 | $ - | $ 110,905 | $ - | $ 299,954 |
| Fines | 3,204 | 19,760 | 4,396 | - | 6,375 | - | - | 33,735 |
| Intergovernmental | - | - | - | - | - | - | 24,748 | 24,748 |
| Investment earnings | 627 | 524 | 292 | 2,183 | - | 465 | - | 4,091 |
| Miscellaneous | - | - | - | - | - | 150 | - | 150 |
| Total Revenues | 3,831 | 20,284 | 4,688 | 191,232 | 6,375 | 111,520 | 24,748 | 362,678 |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| General government | - | - | 3,128 | - | - | - | - | 3,128 |
| Public safety | 297 | 18,242 | - | 298,786 | 4,731 | - | - | 322,056 |
| Culture and recreation | - | - | - | - | - | 177,849 | - | 177,849 |
| Capital Outlay | - | - | - | 10,690 | - | - | 24,748 | 35,438 |
| Total Expenditures | 297 | 18,242 | 3,128 | 309,476 | 4,731 | 177,849 | 24,748 | 538,471 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 3,534 | 2,042 | 1,560 | (118,244) | 1,644 | (66,329) | - | (175,793) |
| Other Financing Sources (Uses): | | | | | | | | |
| Transfer from other funds | - | - | - | 118,244 | - | 66,329 | - | 184,573 |
| Total other financing sources (uses) | - | - | - | 118,244 | - | 66,329 | - | 184,573 |
| Net change in fund balances | 3,534 | 2,042 | 1,560 | - | 1,644 | - | - | 8,780 |
| Fund Balance, beginning of year | 54,465 | 102,670 | 21,477 | 352,258 | 3,020 | - | - | 533,890 |
| Fund Balance, end of year | $ 57,999 | $ 104,712 | $ 23,037 | $ 352,258 | $ 4,664 | $ - | $ - | $ 542,670 |

OGLETHORPE COUNTY, GEORGIA

SPECIAL REVENUE FUNDS
DRUG ENFORCEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|---|---|---|
| Revenue: | | | |
| Fines and forfeitures | $ 6,000 | $ 3,204 | $ (2,796) |
| Interest income | - | 627 | 627 |
| Total Revenues | 6,000 | 3,831 | (2,169) |
| Expenditures: | | | |
| Current: | | | |
| Public Safety | 4,000 | 297 | 3,703 |
| Total Expenditures | 4,000 | 297 | 3,703 |
| Net change in fund balance | $ 2,000 | 3,534 | $ 1,534 |
| Fund Balance - Beginning of Year | | 54,465 | |
| Fund Balance - End of Year | | $ 57,999 | |

OGLETHORPE COUNTY, GEORGIA

SPECIAL REVENUE FUNDS
JAIL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|---|---|---|
| Revenue: | | | |
| Fines and forfeitures | $ 15,000 | $ 19,760 | $ 4,760 |
| Interest income | - | 524 | 524 |
| Total Revenues | 15,000 | 20,284 | 5,284 |
| Expenditures: | | | |
| Current: | | | |
| Public Safety | 50,000 | 18,242 | 31,758 |
| Total Expenditures | 50,000 | 18,242 | 31,758 |
| Net change in fund balance | $ (35,000) | 2,042 | $ 37,042 |
| Fund Balance - Beginning of Year | | 102,670 | |
| Fund Balance - End of Year | | $ 104,712 | |

OGLETHORPE COUNTY, GEORGIA

SPECIAL REVENUE FUNDS
LAW LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|---|---|---|
| Revenue: | | | |
| Fines and forfeitures | $ 14,000 | $ 4,396 | $ (9,604) |
| Interest income | - | 292 | 292 |
| Total Revenues | 14,000 | 4,688 | (9,312) |
| Expenditures: | | | |
| Current: | | | |
| General government | 8,400 | 3,128 | 5,272 |
| Total Expenditures | 8,400 | 3,128 | 5,272 |
| Net change in fund balance | $ 5,600 | 1,560 | $ (4,040) |
| Fund Balance - Beginning of Year | | 21,477 | |
| Fund Balance - End of Year | | $ 23,037 | |

OGLETHORPE COUNTY, GEORGIA

SPECIAL REVENUE FUNDS
EMERGENCY 911 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|---|---|---|
| Revenue: | | | |
| Subscriber fees | $ 173,400 | $ 189,049 | $ 15,649 |
| Interest income | 3,000 | 2,183 | (817) |
| Total Revenues | 176,400 | 191,232 | 14,832 |
| Expenditures: | | | |
| Current: | | | |
| Public safety | 303,474 | 298,786 | 4,688 |
| Capital outlay | 10,690 | 10,690 | - |
| Total Expenditures | 314,164 | 309,476 | 4,688 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (137,764) | (118,244) | 19,520 |
| Other Financing Sources (Uses): | | | |
| Transfers from General Fund | 137,764 | 118,244 | (19,520) |
| Total Other Financing Sources (Uses) | 137,764 | 118,244 | (19,520) |
| Net change in fund balance | $ - | - | $ - |
| Fund Balance - Beginning of Year | | 352,258 | |
| Fund Balance - End of Year | | $ 352,258 | |

OGLETHORPE COUNTY, GEORGIA

SPECIAL REVENUE FUNDS
DRUG SEIZURES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|---|---|---|
| Revenue: | | | |
| Confiscated funds | $ 4,731 | $ 6,375 | $ 1,644 |
| Total Revenues | 4,731 | 6,375 | 1,644 |
| Expenditures: | | | |
| Current: | | | |
| Public Safety | 4,731 | 4,731 | - |
| Total Expenditures | 4,731 | 4,731 | - |
| Net change in fund balance | $ - | 1,644 | 1,644 |
| Fund Balance - Beginning of Year | | 3,020 | |
| Fund Balance - End of Year | | $ 4,664 | |

OGLETHORPE COUNTY, GEORGIA

SPECIAL REVENUE FUNDS
RECREATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009

| | Final Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|---|---|---|
| Revenue: | | | |
| Activity Fees | $ 64,358 | $ 110,905 | $ 46,547 |
| Interest income | - | 465 | 465 |
| Miscellaneous | - | 150 | 150 |
| Total Revenues | 64,358 | 111,520 | 47,162 |
| Expenditures: | | | |
| Current: | | | |
| Recreation | 177,849 | 177,849 | - |
| Total Expenditures | 177,849 | 177,849 | - |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (113,491) | (66,329) | 47,162 |
| Other Financing Sources (Uses): | | | |
| Transfers from General Fund | 113,491 | 66,329 | (47,162) |
| Total Other Financing Sources (Uses) | 113,491 | 66,329 | (47,162) |
| Net change in fund balance | $ - | - | $ - |
| Fund Balance - Beginning of Year | | - | |
| Fund Balance - End of Year | | $ - | |

OGLETHORPE COUNTY, GEORGIA

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED DECEMBER 31, 2009

| | Balance January 1, 2009 | Additions | Deletions | Balance December 31, 2009 |
|---|---|---|---|---|
| Total - All Agency Funds | | | | |
| Assets | | | | |
| Cash and cash equivalents | $ 1,474,706 | $ 9,211,391 | $ 9,282,151 | $ 1,403,947 |
| Total Assets | $ 1,474,706 | $ 9,211,391 | $ 9,282,151 | $ 1,403,947 |
| Liabilities | | | | |
| Due to State of Georgia | $ 53,864 | $ 562,091 | $ 559,776 | $ 56,178 |
| Due to Board of Education | 1,369,976 | 8,010,513 | 8,070,978 | 1,309,511 |
| Due to Other Governments | 304 | 5,368 | 5,421 | 251 |
| Funds held in escrow | 47,971 | 63,572 | 71,055 | 40,488 |
| Due to others | 2,591 | 569,847 | 574,920 | (2,482) |
| Total Liabilities | $ 1,474,706 | $ 9,211,391 | $ 9,282,151 | $ 1,403,947 |

OGLETHORPE COUNTY, GEORGIA

AGENCY FUNDS
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES BY DEPARTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

| | Balance January 1, 2009 | Additions | Deletions | Balance December 31, 2009 |
|---|---|---|---|---|
| Superior Court | | | | |
| Assets | | | | |
| Cash and cash equivalents | $ 39,259 | $ 207,372 | $ 214,079 | $ 32,552 |
| Total Assets | $ 39,259 | $ 207,372 | $ 214,079 | $ 32,552 |
| Liabilities | | | | |
| Funds held in escrow | $ 38,071 | $ 63,572 | $ 71,055 | $ 30,588 |
| Due to others | 1,188 | 143,800 | 143,024 | 1,964 |
| Total Liabilities | $ 39,259 | $ 207,372 | $ 214,079 | $ 32,552 |
| Magistrate Court | | | | |
| Assets | | | | |
| Cash and cash equivalents | $ (844) | $ 130,044 | $ 128,101 | $ 1,099 |
| Total Assets | $ (844) | $ 130,044 | $ 128,101 | $ 1,099 |
| Liabilities | | | | |
| Due to others | $ (844) | $ 130,044 | $ 128,101 | $ 1,099 |
| Total Liabilities | $ (844) | $ 130,044 | $ 128,101 | $ 1,099 |

OGLETHORPE COUNTY, GEORGIA

AGENCY FUNDS
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES BY DEPARTMENTS
FOR THE YEAR ENDED DECEMBER 31,2009
(CONTINUED)

| | Balance January 1, 2009 | Additions | Deletions | Balance December 31, 2009 |
|---|---|---|---|---|
| Probate Court | | | | |
| Assets | | | | |
| Cash and cash equivalents | $ 17,875 | $ 82,468 | $ 88,297 | $ 12,046 |
| Total Assets | $ 17,875 | $ 82,468 | $ 88,297 | $ 12,046 |
| Liabilities | | | | |
| Funds held in escrow | $ 1,334 | $ - | $ - | $ 1,334 |
| Due to others | 16,541 | 82,468 | 88,297 | 10,712 |
| Total Liabilities | $ 17,875 | $ 82,468 | $ 88,297 | $ 12,046 |
| Sheriff's Department | | | | |
| Assets | | | | |
| Cash and cash equivalents | $ 7,648 | $ 79,139 | $ 73,924 | $ 12,863 |
| Total Assets | $ 7,648 | $ 79,139 | $ 73,924 | $ 12,863 |
| Liabilities | | | | |
| Other | $ 7,648 | $ 79,139 | $ 73,924 | $ 12,863 |
| Total Liabilities | $ 7,648 | $ 79,139 | $ 73,924 | $ 12,863 |

OGLETHORPE COUNTY, GEORGIA

AGENCY FUNDS
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES BY DEPARTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009
(CONTINUED)

| | Balance January 1, 2009 | Additions | Deletions | Balance December 31, 2009 |
|---|---|---|---|---|
| Tax Commissioner's Office | | | | |
| Assets | | | | |
| Cash and cash equivalents | $ 282,855 | $ 8,712,368 | $ 8,777,750 | $ 217,473 |
| Total Assets | $ 282,855 | $ 8,712,368 | $ 8,777,750 | $ 217,473 |
| Liabilities | | | | |
| Due to State of Georgia | $ 52,801 | $ 562,091 | $ 559,776 | $ 55,115 |
| Due to Board of Education | 220,871 | 8,010,513 | 8,070,978 | 160,406 |
| Due to Other Governments | 360 | 5,368 | 5,420 | 308 |
| Other | 8,823 | 134,396 | 141,576 | 1,644 |
| Total Liabilities | $ 282,855 | $ 8,712,368 | $ 8,777,750 | $ 217,473 |

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# GOVERNMENTAL AUDIT INFORMATION

OGLETHORPE COUNTY, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
YEAR ENDED DECEMBER 31, 2009

| Project | Original Estimated Cost | Revisions | Revised Estimated Cost | Expenditures Prior Year(s) | Expenditures Current Year | Expenditures Total | Estimated Percentage of Completion |
|---|---|---|---|---|---|---|---|
| **2002 SPLOST** | | | | | | | |
| Various county road Improvements | $ 2,000,000 | $ 300,000 | $2,300,000 | $ 3,771,284 | $ 1,053,151 | $4,824,435 | 209.76% |
| County facilities: | | | | | | | |
| Recreation | 1,361,600 | (537,619) | 823,981 | 57,539 | - | 57,539 | 6.98% |
| Public buildings | - | - | - | 76,837 | - | 76,837 | N/A |
| EMS building | - | - | - | 165,294 | - | 165,294 | N/A |
| Water System | - | - | - | 7,171 | - | 7,171 | N/A |
| Public Works | - | - | - | 233,427 | - | 233,427 | N/A |
| Public Safety: | | | | | | | |
| New jail | - | 537,619 | 537,619 | 2,117,619 | - | 2,117,619 | 393.89% |
| Sheriff vehicles | - | 100,000 | 100,000 | 66,313 | - | 66,313 | 66.31% |
| Ambulance | - | - | - | 98,724 | - | 98,724 | N/A |
| Landfill | 147,622 | - | 147,622 | 312,003 | - | 312,003 | 211.35% |
| Courthouse renovations | 90,778 | - | 90,778 | 90,778 | - | 90,778 | 100.00% |
| Totals | $ 3,600,000 | $ 400,000 | $4,000,000 | $ 6,996,989 | $ 1,053,151 | $8,050,140 | |
| **2007 SPLOST** | | | | | | | |
| Roads and bridges | $ 4,655,000 | $ - | $4,655,000 | $ - | $ 22,996 | $ 22,996 | 0.49% |
| Public Safety: | | | | | | | |
| Sheriff Vehicles | 330,000 | - | 330,000 | - | 9,950 | 9,950 | 3.02% |
| Ambulance | 165,000 | - | 165,000 | 38,183 | 90,990 | 129,173 | 78.29% |
| EMS Building | 750,000 | - | 750,000 | - | - | - | 0.00% |
| Emergency Services | 600,000 | - | 600,000 | 15,670 | 2,357 | 18,027 | 3.00% |
| 911 Upgrade | 200,000 | - | 200,000 | - | - | - | 0.00% |
| Infrastructure: | | | | | | | |
| Water Reservoir | 500,000 | - | 500,000 | - | - | - | 0.00% |
| Courthouse | 250,000 | - | 250,000 | 14,694 | 15,049 | 29,743 | 11.90% |
| Sewage startup | 200,000 | - | 200,000 | - | - | - | 0.00% |
| Computer update | 100,000 | - | 100,000 | - | - | - | 0.00% |
| Recreation | 250,000 | - | 250,000 | 509 | 24,117 | 24,626 | 9.85% |
| Totals | $ 8,000,000 | $ - | $8,000,000 | $ 69,056 | $ 165,459 | $ 234,515 | |

CLH&P

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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 Board of Commissioners
of Oglethorpe County, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Oglethorpe County, Georgia (the "County") as of and for the year ended December 31, 2009, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 15, 2010. We did not audit the financial statements of the Oglethorpe County Board of Health, a major component unit. The financial statements of the Oglethorpe County Board of Health were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Oglethorpe County Board of 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.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in their 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 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. We consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses. 2006-01, 2009-01, and 2009-02.



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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County'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*.

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

This report is intended solely for the information and use of the audit committee, management, and County Commissioners and is not intended to be and should not be used by anyone other than these specified parties.

Macon, Georgia
June 15, 2010

OGLETHORPE COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2009

## FINANCIAL STATEMENT FINDINGS

Findings noted on the 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*:

**2006-01** **Accounting Expertise ( Preparation of Financial Statements)**
**Reiteration of Prior Year**

*CRITERIA*
Statement on Auditing Standards No. 112 describes examples of circumstances that are considered to be a significant deficiency and a strong indicator of a material weakness in internal control. Deficiencies in the design of controls exist when employees or management lack the qualifications and training to prepare year-end financial statements in accordance with generally accepted accounting principles.

*CONDITION*
The County did not have an employee with adequate qualifications and training to prepare the year-end financial statements. The County is a small local government where material audit adjustments by the external auditor are required to correct financial activity.

*EFFECT*
The independent auditor has prepared financial statements from the records of the County. The County personnel are unable to evaluate the adequacy and completeness of the information presented.

*CAUSE*
The material weakness is the result of the County not having employees with adequate training and expertise in generally accepted accounting principles and governmental accounting standards to prepare or adequately review and evaluate the financial statements which were prepared by the independent auditor.

*RECOMMENDATION*
The County should evaluate the cost/benefit implications of improving internal control with the preparation of year-end financial statements.

*VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTION*
The County concurs with the finding. The Chairman will be evaluating the cost/benefit implications of internally preparing the financial statements and/or explore contracting this service to an outside party. The Chairman will continue to provide educational opportunities to our staff that keeps the County's financial records.

**2009-01 EMS Billing**

*CRITERIA*
Subsidiary records from Emergency Management Service (EMS) fees should be reconciled to the general ledger on a timely basis.

*CONDITION*
The County contracted out with a third-party agency for most of 2009 to handle the billing and collections of the County's Emergency Management Services fees. The service company did not provide timely and adequate reports to the County summarizing the activity processed by the service company. No documentation was provided to support specific adjustments to customer accounts. The County took over the billing and collections of the EMS fees as of December 1, 2009 using an outside consultant to assist the County staff with the continuing billing and collection of the EMS fees.

*EFFECT*
The lack of internal controls increased the risk that mistakes, material misstatements, or misappropriation of funds could occur and go undetected by County staff during the normal course of their duties.

*CAUSE*
The service company which provided billing and collection services to the County for most of 2009 did not provide adequate reporting to the County.

*RECOMMENDATION*
We recommend that management establish policies and procedures for the billing, collection and accounting for EMS fees. In addition, we recommend that employees assigned to billing and collection duties are provided adequate training to carry out those duties.

*VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTION*
The County concurs with the finding. The County took over the billing and collections of the EMS fees and will continue to get proper training for this individual.

**2009-02 Landfill Receipts**

*CRITERIA*
Internal controls should be designed to reconcile the subsidiary ledger accounts with the general ledger control accounts and any differences discovered should be resolved on a timely basis.

*CONDITION*
A manual general ledger accounting system is being used by the County. Proper controls are not in place to safeguard cash receipts prior to deposit. In addition, no reconciliation is performed between the receipt books, bank deposit, or final general ledger posting.

*EFFECT*
Failure to adequately monitor and reconcile activity could increase the likelihood of misappropriation of funds. In addition, interim financial reports, which are used by management for fiscal-related decisions, could have been relied upon in error.

*CAUSE*
The material weakness is the result of the County not establishing adequate controls over the collection and reconciliation of landfill receipts.

*RECOMMENDATION*
The County should redesign the internal control system and consider obtaining computer software that would allow for adequate monitoring and reporting. In addition, the County should consider additional training of current personnel.

*VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTION*
The County concurs with the finding. The County is working on getting the proper controls in place to safeguard cash receipts prior to deposit.

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