



Dawson County, Georgia
Where Quality of Life Matters

**Comprehensive Annual
Financial Report
Fiscal Year Ended
December 31, 2008**

Prepared By:
Dawson County
Finance Department
Lowyane Craig, Director

**DAWSON COUNTY, GEORGIA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED December 31, 2008**

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June 15, 2009

Citizens
Chairman and
Members of the Board of Commissioners
Dawson County, Georgia:

We are pleased to submit to you the 2008 Comprehensive Annual Financial Report for Dawson County, Georgia, (the "County") for the fiscal year ended December 31, 2008. The report is prepared in accordance with Section 2-18 of the Dawson County, Georgia Enabling Legislation, Senate Bill Number 176, Act No. 73 as approved in March of 1995 and meets the requirements of the Act providing uniform standards for audits of municipalities and counties within the State of Georgia, approved April 21, 1967 (Ga. Laws 1967, p. 883).

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the County. To the best of our knowledge and belief, the enclosed information is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the various funds of the government. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

The Finance Director, with the County Manager, is responsible for establishing and maintaining internal controls to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Independent Audit. The State of Georgia and the Dawson enabling legislation requires an annual audit by independent certified public accountants. This requirement has been met for the fiscal year ended December 31, 2008 and the report of the independent auditors (Bates, Carter & Co., LLP – appointed by the

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Board of Commissioners after competitive selection) has been included in the financial section of this report.

The financial report is presented in accordance with Governmental Accounting Standards Board (GASB) Statement 34. The governmental and auditing principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). Dawson County's MD&A can be found immediately following the independent auditors' report located on pages viii and ix of the Financial Section. An organizational chart of the County is included as well as a list of government officials.

The County is a growing rural county, located in the foothills of the north Georgia Mountains and celebrated its 150th anniversary in 2007. There is one incorporated city in the County, the City of Dawsonville, Georgia. While growth has slowed temporarily due to the downturn in the economy, it remains a primary concern for the future of the County as the movement from metro Atlanta continues to make its way northward via the 400 Corridor.

County Organization. The governing authority of the County consists of a five-person Board of Commissioners, including a part-time Chairman and four District Commissioners elected at large. The County operates under the County Manager form of management with 12 operating departments, the Courts, Sheriff Department, Tax Commissioner, Tax Assessor, and Registrar. The County Manager reports directly to the Board of Commissioners and oversees the activities of the operating departments, as well as serving as a liaison for the Board with those departments headed by elected officials. Since the County commission also serves as the oversight body of the Dawson County Health Department, Dawson County Development Authority and the Dawson County Industrial Building Authority, these entities are included in this report.

Dawson County provides a range of services including public safety (sheriff-law enforcement; emergency services-fire, ambulance, and civil defense; coroner), judicial, health and social services, recycling services, public works/road/traffic department, Geographic Information System (GIS), inspections, and cultural and recreational programs.

Formal budgetary integration is employed as a management control device during the year. A triennial (three year budget) process was implemented during 2006 for 2007-2009 and continued on a rolling basis in 2008 for 2009-2011. All departments submit their budget requests for each year of the next three years. Conferences are conducted with each department as well as constitutional officers to review the requests. A tentative budget (Chairman's Proposed Budget) is

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submitted to the commissioners and the public. Public hearings are held to obtain taxpayer comments with the final budget adopted and the millage rate set. Budget changes at the department level within fund are approved by the County Manager and/or Finance Director as outlined in the Budget Resolution. The Board of Commissioners must approve all other changes. Budget to actual comparisons are presented in this report for each individual fund for which an annual budget has been adopted. For the general fund the comparisons are included in the required supplemental section. The other funds with legally adopted annual budgets are included in the combining statement and schedule section. Dawson County follows the laws of Georgia regarding the control, adoption and amendment of the budget during each fiscal year.

Local Economy. Dawson's growth slowed during 2008 along with the slowing in the economy, especially in the housing industry. The population of approximately 22,006 reflects a 37.5% growth since the 2000 census (15,999), thus impacting all levels of service needs in the County. The annual demographic characteristics: 1) Per capita income for 2008 was an estimated \$33,580; 2) Approximately 93.4% of the County's population resides in the unincorporated portion of the County with the remaining 6.6% residing in the one municipality, the City of Dawsonville; 3) In the period from 2007 to 2008, the population has increased by 2.4%. Given this rate of growth, the County's estimated population will be approximately 23,000 by year 2010; 4) The County's unemployment level has averaged 4.3% over the past five years, which is below the State's average of 5.1% at December 31, 2008; as of the date of this letter in 2009, the County's unemployment rate is 9.7%; 5) The 2008 private sector employment distribution continues to be predominately serviced-oriented, with retail trade exceeding 36%; 6) North Georgia Premium Outlet Mall is the County's largest employer, with the Dawson County Board of Education and Wal-Mart coming in second and third, respectively; and 7) The number of building permits decreased from 621 in 2007 to 389 in 2008, a decrease of 37.4%.

Goals and Objectives. Management's goals and objectives are to provide infrastructure for future growth and sound fiscal management of county resources while maintaining the quality of life we enjoy here in Dawson County. Financing these goals is a great concern for the County especially with the current economic decline. While new business is desired and needed to level the tax base between residential, commercial and industrial, funding the infrastructure is costly. The County implemented impact fees during 2006 and is looking at many other options in financing improvements, including developer fee increases, sales tax referendum, revenue bonds with the Etowah Water and Sewer Authority, and other options. Due to the challenges of the slowed economy, however, the County has recently suspended the impact fees for approximately two years in an effort to stimulate the local economy. The County citizens voted approval of the

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next Special Purpose Local Option Sales Tax (SPLOST V) in September of 2007. This will allow the County to continue to collect the one percent sales tax when the current SPLOST (IV) is complete in 2009. The new SPLOST anticipated funding a new courthouse, renovation of the existing courthouse for an administration facility, refunding of existing debt to general fund, road improvements, a new library in the 400 corridor, emergency services improvements, recreation improvements and many other projects over a six-year period. Now, with the current economy, the SPLOST V referendum may only produce sufficient funds to build a new courthouse facility under a reduced budget. Bonds were issued to finance the prefunded project as approved by the voters. The SPLOST V referendum was projected in anticipation of growth continuing as experienced during the past five or more years. An intergovernmental agreement with the City of Dawsonville for approximately \$4 million of City improvements during the SPLOST V period was approved. However, the slow down in the economy may preclude any funds being available for the City projects or any other County projects. Decisions must be based upon the collection rates of the referendum in regard to additional projects. The current SPLOST IV, with collections ending in 2009, continues to fund road improvements, and a fire station. The site has been purchased for Station 2 with the construction planned in 2009. The County is implementing budget reductions to adjust to the current economic conditions as collections have declined. During 2008, taxes were held at the millage rate from the prior year to enable the County to maintain services due to decreases in other revenues. Financing road improvements will be a major challenge if the economy does not recover soon.

Examples of County goals and objectives are as follows:

- Complete collections and projects for SPLOST IV:
 - Road planned projects; and
 - Fire Station #2 construction;
- Implement SPLOST V as approved by citizens to continue the 1% tax for capital projects. As mentioned above, only one project will be completed unless the economy recovers, the Courthouse and Administrative Facility project (prefunded with General Obligation Bonds backed by the SPLOST revenues). Funding alternatives must be addressed for the other projects;
- Continue to work with the Dawson and other counties joint water planning alliance to evaluate and plan for water needs in the five-county area;
- Provide enhanced data via the Dawson County web site to citizens in many areas with an evaluation and renovation planned for 2009;
- Expend the balance of Impact Fee collections from 2006 and 2007 under the budget adopted for 2009 to fund Emergency Services, Fire, Roads, Parks and Library improvements. Note that in May 2009, the County reduced the collection rate of Impact Fees to zero percent in efforts to

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stimulate the local economy. The collection rate will be reviewed as the economy recovers;

- Conduct another Citizens Academy to educate and inform citizens regarding the government process of the County;
- Plans include the following:
 - Develop a class for local high school students on government providing information to the students similar to the Citizens Academy;
 - Develop and implement a 311 number for citizens to call for government information;
 - Restructure the Marshal Office, from Sheriff's supervision to County Manager oversight and combine environmental control into the Marshal Office.
 - Develop and implement a new system to recycle comingled recyclables;
 - Implement a fuel station for County and other government use to reduce the cost of fuel through bulk purchase;
 - Implement an in-house Fleet Mechanic Shop to perform routine maintenance for County vehicles thus reducing cost; and
 - Adopt procedures to implement and fund a Vehicle Replacement Fund that will allow vehicle replacement at lower costs in the future. The implementation will be addressed in the annual budget process.

Cash Management. The County's funds are deposited into interest bearing accounts unless required to be a non-interest bearing account. The County is reviewing a financial policy to be adopted in phases. For example, the Investments Policy was adopted during 2008 supporting that investment decisions are made in accordance with all applicable laws, providing prudent decisions to safeguard public funds, minimize market and security risk and maximize utilization of funds with respect to liquidity and yield. The investment policy endorses investments in such instruments as obligations of the United States government or its agencies. Adopting a full fiscal policy will provide prudent decisions for other fiscal areas.

Risk Management. Risk management functions are performed by the Human Resources (HR) Division of Administration for Dawson County. This function includes risk management (general liability, property coverage, worker's compensation), safety, and employee benefits programs in addition to personnel and payroll in conjunction with Finance. HR continues to research provision of benefits to employees and how to fund those benefits given the rising cost of health care.

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Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Dawson County for its comprehensive annual financial report for the fiscal year ended December 31, 2007. This was the first year that the government achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments. The preparation of this report has been accomplished through the dedicated effort of the entire staff of the Department of Finance, the County Manager's office, and all other departments in conjunction with the external audit firm, Bates, Carter & Co., LLP. Additionally, we would like to thank the Board of Commissioners for their leadership and support in conducting the financial affairs of the County in a responsible manner.

Respectfully submitted,
Lowayne P. Craig
Lowayne P. Craig
Finance Director

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

Dawson County
Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

DAWSON COUNTY, GEORGIA
GOVERNMENT OFFICIALS
AS OF DECEMBER 31, 2008

Board of Commissioners

| | |
|--------------------------------|------------------|
| Chairman: | Mike Berg |
| Vice Chairman: | Julie Nix |
| District 1 Commissioner: | Gary Pichon |
| District 2 Commissioner: | Terri Tragressor |
| District 2 Commissioner Elect: | James Swafford |
| District 3 Commissioner: | Mike Connor |
| District 4 Commissioner: | Julie Nix |

Other Elected Officials

| | |
|-------------------------|------------------|
| Clerk of Court: | Becky McCord |
| Probate Judge: | Jennifer Burt |
| Magistrate Judge: | Johnny Holtzclaw |
| Magistrate Judge Elect: | Lisa Thurmond |
| Sheriff: | Billy Carlisle |
| Tax Commissioner: | Linda Townley |

Administration

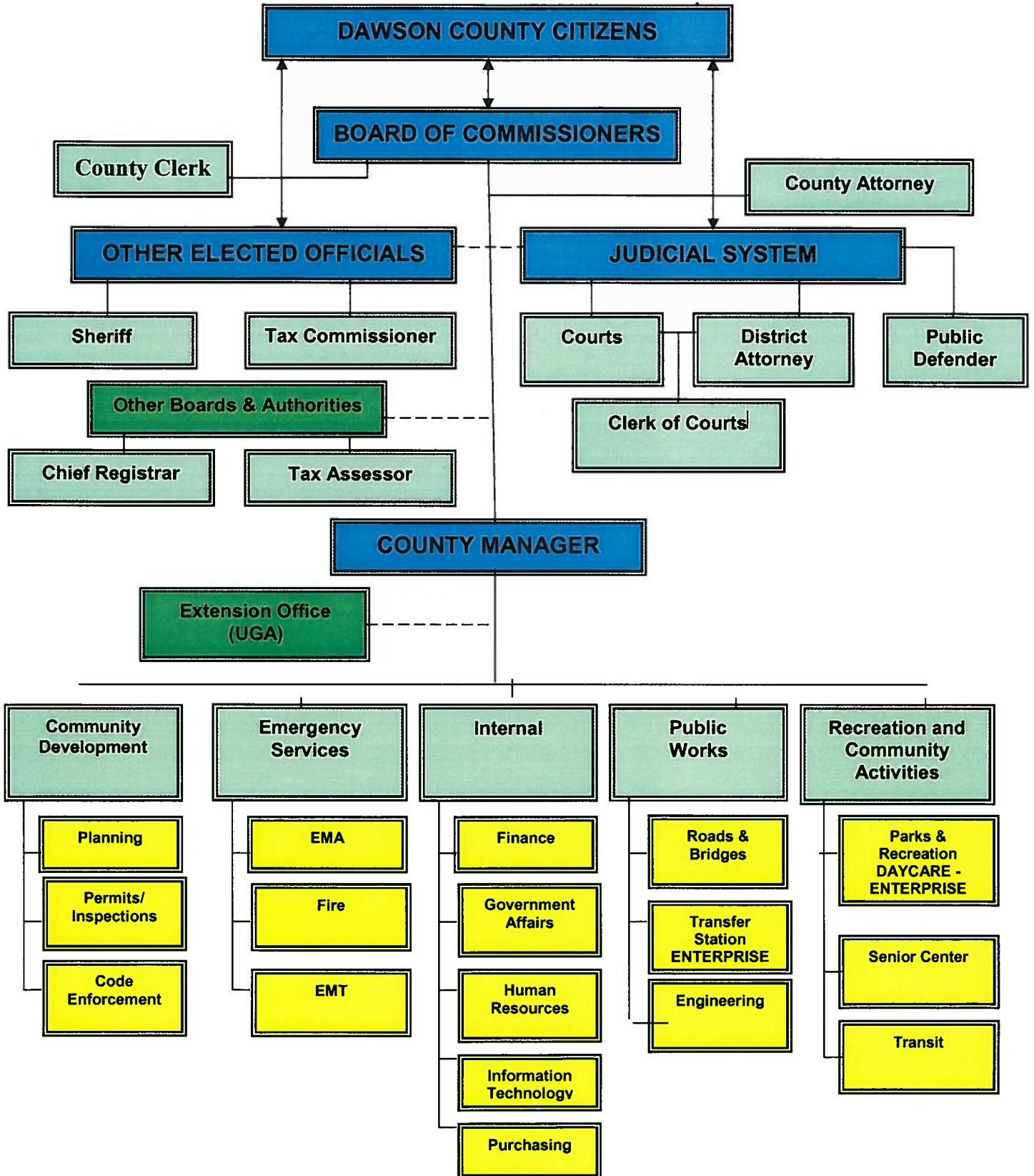
| | |
|----------------------|---------------|
| County Manager: | Kevin Tanner |
| Clerk of Commission: | David Simpson |
| Finance Director: | Lowayne Craig |

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DAWSON COUNTY, GEORGIA

ORGANIZATIONAL CHART



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INDEPENDENT AUDITORS' REPORT

June 15, 2009

Board of Commissioners
DAWSON COUNTY, GEORGIA
Dawsonville, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of DAWSON COUNTY, GEORGIA, as of, and for the year ended December 31, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Board of Commissioners of DAWSON COUNTY, GEORGIA. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the DAWSON COUNTY Health Department, a component unit of the County, as of and for the year then ended December 31, 2008, which statements reflect total assets of \$382,088 as of December 31, 2008, and total revenues of \$686,443, for the year then ended. Those financial statements were audited by other auditors whose report has been furnished to us and our opinion on the basic financial statements, insofar as it relates to the amounts included for the DAWSON COUNTY Health Department, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of DAWSON COUNTY, GEORGIA, as of December 31, 2008, and the respective changes in financial position, and where applicable, cash flows, thereof, 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 a report dated June 15, 2009, on our consideration of DAWSON COUNTY, GEORGIA's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulation, contracts, grants, agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis, Schedule of Pension Funding Progress, and Budgetary Comparison Schedule-General Fund 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 DAWSON COUNTY, GEORGIA's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, supplemental budgetary comparison schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not part of the basic financial statements of DAWSON COUNTY, GEORGIA. The combining and individual nonmajor fund financial statements, supplemental budgetary comparison schedules, and schedule of expenditures of federal awards 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. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The accompanying schedule of projects constructed with Special Sales Tax Proceeds is presented for purposes of additional analysis as required by Official Code of Georgia 48-8-121, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Bates, Carter + Co, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Dawson County, Georgia, (the "Government"), we offer readers of the Government's financial statements this narrative overview and analysis of the financial activities of Dawson County, Georgia for the year ended December 31, 2008. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Government's financial statements, which follow this narrative.

Financial Highlights

- The assets of the County exceeded its liabilities at the close of the fiscal year by \$96.6 million (net assets).
- The government's total net assets increased by \$6.2 million. This is, in part, attributable to the fact that impact fees were accumulated during 2008 for future expenditure, property tax revenues were levied to purchase capital assets in excess of depreciation of \$5.2 million and to pay principal on debt of \$3.8 million. These items are not expenses that reduce net assets at the entity-wide level.
- As of the close of the current fiscal year, the Government's governmental funds reported combined ending fund balances of \$56.9 million a decrease of \$3.2 million from the prior year due to planned spending for budgeted activities including impact fees expended for 2006-2007 collections. This amount includes the restricted Special Purpose Local Option Sales Tax and Capital Projects fund balances. Approximately 4.57% of this total amount or \$2.6 million is available for spending at the government's discretion.
- At the end of the current fiscal year, \$2.6 million of total general fund balance of \$3.3 million is designated as operating reserve and is 53.6% (\$3.0 million) short of the goal for reserving three month's operating funds for the General Fund (\$5.6 million). The reserve represents 11.7% of total general fund expenditures for the fiscal year. One month's operating cost is \$1.9 million, an increase over 2007 costs of \$1.8 million.
- The Government's total debt decreased by \$4.2 million during the current fiscal year, primarily due to debt reductions via scheduled payments on existing debt.
- In 2007, the Government increased from the "A" rating from Standards and Poor's Rating Group from the issuance of 2004 Certificates of Participation SPLOST General Obligation Bonds to an "A+" rating. Moody's Rating Group also gave Dawson County an "A1" rating in 2007 on the issuance of Special Purpose Local Option Sales Tax General Obligation Bonds to pre-fund the courthouse and renovation of the existing courthouse.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Government's basic financial statements. The Government's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the Government through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Government.

Basic Financial Statements

The first two statements (page 1 and 2) in the basic financial statements are the Government-wide Financial Statements. They provide both short and long-term information about the Government's financial status.

The next statements (pages 3 through 10) are Fund Financial Statements. These statements focus on the activities of the individual parts of Dawson County, Georgia's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the proprietary fund statements; and 3) the fiduciary fund statements.

The next section are the combining statements for the three component units. These provide more details than pages 1 and 2.

The next section of the basic financial statements is the Notes. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, supplemental information is provided to show details about the Government's non-major governmental funds, all of which are added together in one column on the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Government's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the Government's financial status as a whole.

The two government-wide statements report the Government's net assets and how they have changed. Net assets are the difference between the Government's total assets and total liabilities. Over time, the change in net assets is an indicator of the improvement (an increase) or deterioration (a decrease) in the county's financial condition.

The government wide statements are divided into three categories: 1) governmental activities; 2) business type activities; and 3) component units. The governmental activities include most of the Government's basic services such as general administration, public safety, court system, public works, culture and recreation, health and welfare, and community development. Property taxes, sales taxes, and state and federal grant funds finance most of these activities. The business type activities are those that the Government charges customers to provide. These include waste management, geographical information services and daycare services (now leasing to a private business). The final category is component units. The Dawson County Department of Health is a public health department. Although legally separate from the government, the Government owns the facility the Health Department is housed in as well as appointing a voting majority of the board for the Department of Health. Other component units are the Dawson County Development Authority and the Dawson County Industrial Building Authority. The Government appoints a voting majority of these Authorities.

Fund Financial Statements

The fund financial statements provide a more detailed look at the Government's most significant activities. 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 Government, like all other governmental entities in Georgia, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the County's budget resolution. All of the funds of the Government can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the Government's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash and the amount of funds left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*. This method also has a current financial resources focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are financial resources available to finance the Government's programs. The relationship between government activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

Budgetary comparison schedules have been provided for the general fund to demonstrate compliance with the annual appropriated budget. The budgetary comparison schedules use the budgetary basis of accounting (which is modified accrual). The schedules show four columns: 1) the original budget as adopted by the commission; 2) the final budget as amended by the commission; 3) the actual resources, charges to appropriations, and ending fund balances; and 4) the difference or variance between the final budget and the actual resources and charges. Budgetary comparison schedules for the Debt Service fund and all special revenue funds can be found in later sections of this report. These statements and schedules demonstrate compliance with the County's adopted and final revised budgets.

Proprietary Funds – The Government has one type of proprietary fund. Enterprise Funds are used to report the same functions presented as business type activities in the government wide financial statements. The Government uses enterprise funds to account for its Solid Waste Disposal Facility Fund, DCAR GIS, and the Child Development Center Fund. Internal Service Funds account for the financing of services provided by one department or agency to other departments or agencies of the Government on a cost reimbursement basis. At this time, the Government does not have an Internal Service Fund.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The Government has four fiduciary funds, all of which are agency funds.

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. The notes to the financial statements start on page 13 of this report.

Government-wide Financial Analysis

This report is presented in accordance with the mandates for financial statement reporting as dictated by

the Governmental Accounting Standards Board (GASB) in Statement 34. This year, comparison analysis is made from the year ended December 31, 2007 to the year ended December 31, 2008.

Comparative data for all facets of this report are available this year.

DAWSON COUNTY, GEORGIA'S NET ASSETS
DECEMBER 31, 2008
(\$ In thousands)

| | GOVERNMENTAL ACTIVITIES | | BUSINESS-TYPE ACTIVITIES | | TOTAL | |
|---|----------------------------|-------------------------|-----------------------------|------------------------|-------------------------|-------------------------|
| | 2008 | 2007 | 2008 | 2007 | 2008 | 2007 |
| Assets | | | | | | |
| Current and other assets | \$ 71,497 | \$ 73,504 | \$ 411 | \$ 251 | \$ 71,908 | \$ 73,755 |
| Capital assets (net of depreciation) | <u>96,274</u> | <u>90,485</u> | <u>2,255</u> | <u>1,989</u> | <u>98,529</u> | <u>92,474</u> |
| TOTAL ASSETS | <u>167,771</u> | <u>163,989</u> | <u>2,666</u> | <u>2,240</u> | <u>170,437</u> | <u>166,229</u> |
| Liabilities: | | | | | | |
| Long-term liabilities outstanding | 58,880 | 63,017 | 785 | 899 | 59,665 | 63,916 |
| Other liabilities | <u>14,181</u> | <u>11,916</u> | <u>26</u> | <u>13</u> | <u>14,207</u> | <u>11,929</u> |
| TOTAL LIABILITIES | <u>73,061</u> | <u>74,933</u> | <u>811</u> | <u>912</u> | <u>73,872</u> | <u>75,845</u> |
| Net assets: | | | | | | |
| Invested in capital assets, net of related debt | 78,191 | 51,347 | 2,255 | 1,989 | 80,446 | 53,336 |
| Restricted | 11,990 | 57,015 | 1 | - | 11,991 | 57,015 |
| Unrestricted | <u>4,529</u> | <u>(19,307)</u> | <u>(401)</u> | <u>(661)</u> | <u>4,128</u> | <u>(19,968)</u> |
| TOTAL NET ASSETS | <u>\$ 94,710</u> | <u>\$ 89,055</u> | <u>\$ 1,855</u> | <u>\$ 1,328</u> | <u>\$ 96,565</u> | <u>\$ 90,383</u> |

As noted earlier, net assets may serve over time as one useful indicator of a government's financial condition. The assets of the Government exceeded liabilities by \$96.6 as of December 31, 2008. The same comparison for 2007 indicates that the assets exceeded liabilities by \$90.4 million. This is an increase of \$6.2 million.

One of the largest portions of net assets, \$80.4 million (83.3%) reflects the Government's investment in capital assets (e.g. land, buildings, machinery, and equipment) less any related debt still outstanding that was issued to acquire those items. The Government uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Government's investment in its capital assets is reported net of the outstanding debt, the resources needed to repay the debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities.

An additional portion of the Government's net assets, \$12.0 million (12.4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets \$4.1 million may be used to meet the Government's ongoing obligations to citizens and creditors.

Several particular aspects of the Government's financial operations positively influenced the total unrestricted governmental net assets:

- Completion of a capital grant in 2008;
- Continued low cost of debt due to the County's bond rating and ability to finance at lower rates;
- Continued growth of the county tax digest;
- Continued diligence in the collection of property taxes.

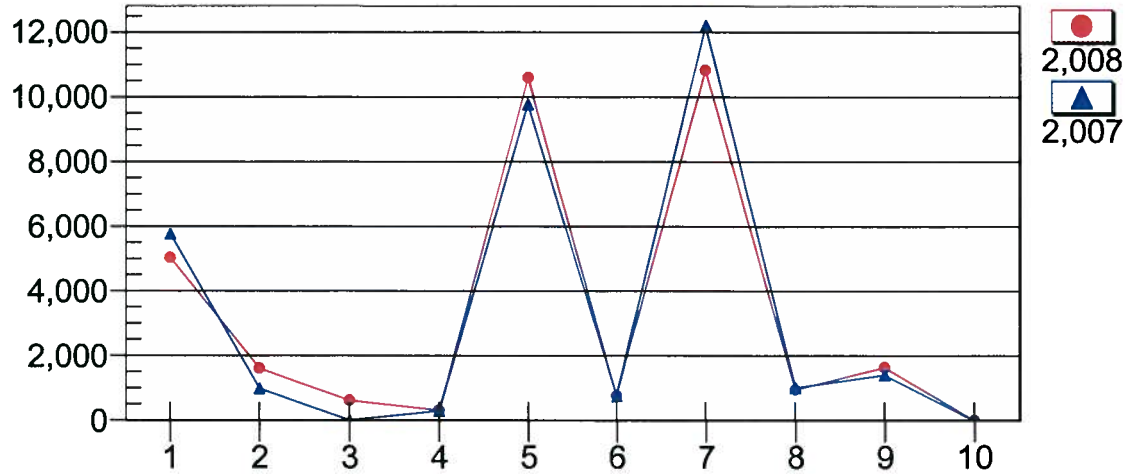
**DAWSON COUNTY, GEORGIA'S CHANGES IN NET ASSETS
DECEMBER 31, 2008**

(\$ In thousands)

| | GOVERNMENTAL ACTIVITIES | | BUSINESS-TYPE ACTIVITIES | | TOTAL | |
|--|----------------------------|-------------------------|-----------------------------|------------------------|-------------------------|-------------------------|
| REVENUES | | | | | | |
| Program revenues: | <u>2008</u> | <u>2007</u> | <u>2008</u> | <u>2007</u> | <u>2008</u> | <u>2007</u> |
| Charges for services | \$ 4,681 | \$ 5,288 | \$ 355 | \$ 478 | \$ 5,036 | \$ 5,766 |
| Operating grants and contributions | 1,613 | 986 | - | 21 | 1,613 | 986 |
| Capital grants and contributions | 618 | 3 | - | - | 618 | 3 |
| General Revenues: | | | | | | |
| Property taxes | 10,599 | 9,771 | - | - | 10,599 | 9,771 |
| Sales taxes | 10,832 | 12,207 | - | - | 10,832 | 12,207 |
| Insurance premium tax | 765 | 747 | - | - | 765 | 747 |
| Other taxes | 945 | 1,008 | - | - | 945 | 1,008 |
| Unrestricted investment earnings | 1,640 | 1,405 | - | - | 1,640 | 1,405 |
| Grants and contributions not restricted for a specific programs | 315 | 288 | - | - | 315 | 288 |
| Other | <u>3</u> | <u>-</u> | <u>6</u> | <u>-</u> | <u>9</u> | <u>-</u> |
| TOTAL REVENUES | <u>32,011</u> | <u>31,703</u> | <u>361</u> | <u>499</u> | <u>32,372</u> | <u>32,202</u> |
| EXPENSES | | | | | | |
| General Government | 5,007 | 4,872 | - | - | 5,007 | 4,872 |
| Judicial | 2,664 | 2,403 | - | - | 2,664 | 2,403 |
| Public safety | 10,778 | 10,205 | - | - | 10,778 | 10,205 |
| Public works | 1,472 | 1,858 | - | - | 1,472 | 1,858 |
| Health and welfare | 956 | 878 | - | - | 956 | 878 |
| Recreation and culture | 1,436 | 1,755 | - | - | 1,436 | 1,755 |
| Housing and development | 1,492 | 1,379 | - | - | 1,492 | 1,379 |
| Interest | 2,392 | 886 | - | - | 2,392 | 886 |
| Solid Waste Disposal Facility | - | - | 194 | 201 | 194 | 201 |
| Child Development Center | <u>-</u> | <u>-</u> | <u>1</u> | <u>238</u> | <u>1</u> | <u>238</u> |
| TOTAL EXPENSES | <u>26,197</u> | <u>24,236</u> | <u>195</u> | <u>439</u> | <u>26,392</u> | <u>24,675</u> |
| Increases in net assets before transfers | 5,814 | 7,467 | 166 | 60 | 5,980 | 7,527 |
| Transfers | <u>(159)</u> | <u>-</u> | <u>159</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Increase in net assets | 5,655 | 7,467 | 325 | 60 | 5,980 | 7,527 |
| Net assets, beginning of year | <u>89,055</u> | <u>81,588</u> | <u>1,328</u> | <u>1,269</u> | <u>90,383</u> | <u>82,857</u> |
| Net assets, end of year | <u>\$ 94,710</u> | <u>\$ 89,055</u> | <u>\$ 1,653</u> | <u>\$ 1,329</u> | <u>\$ 96,363</u> | <u>\$ 90,384</u> |

Government-Wide Revenues

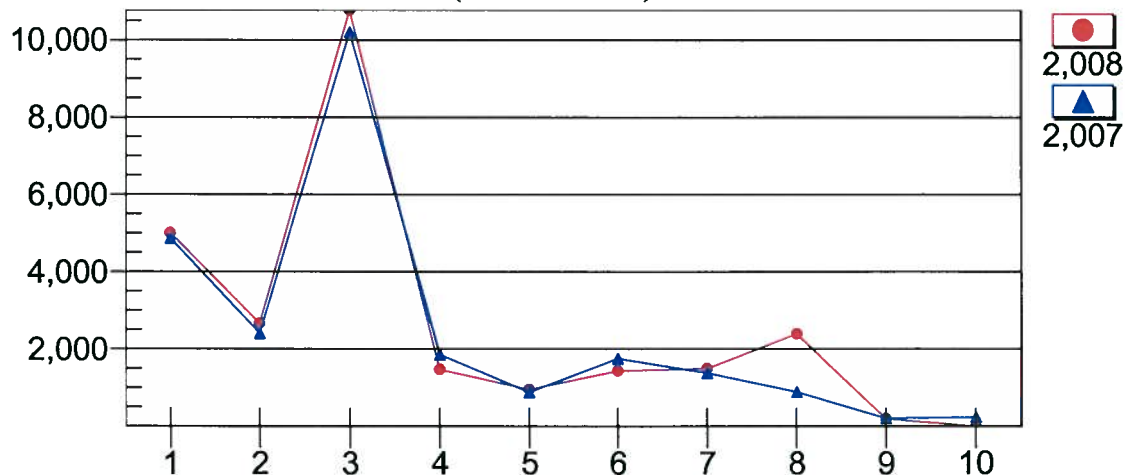
(in thousands \$)



- | | |
|--------------------------------------|-------------------------------------|
| 1. Charges for Services | 6. Insurance Premium Tax |
| 2. Operating Grants/Contributions | 7. Sales Tax |
| 3. Capital Grants/Contributions | 8. Other Taxes |
| 4. Unrestricted Grants/Contributions | 9. Unrestricted Investment Earnings |
| 5. Property Taxes | 10. Other |

Government-Wide Expenses

(in thousands \$)



- | | | |
|-----------------------|--------------------------|-----------------------|
| 1. General Government | 5. Health & Welfare | 9. Solid Waste |
| 2. Court System | 6. Culture & Recreation | 10. Child Development |
| 3. Public Safety | 7. Housing & Development | |
| 4. Public Works | 8. Interest & Fees | |

Governmental activities. Governmental activities increased the Government's net assets by \$5.7 million. Key elements of this increase are discussed on page x.:

Governmental Activities Revenues: Property taxes, insurance premium tax and other taxes (exclusive of Sales tax) continue as the main source of revenue of the Government amounting to 38.5% in 2008 which is a increase from 36.4% in 2007. The Sales tax revenue for 2008 was 33.8% of the revenue as compared to 38.5% in 2007.

Governmental Activities Functional Expenses: As reflected in Dawson County's Changes in Net Assets (above), the Government expended 51.3% of the total expenses for the judicial system and public safety, compared to 52.0% in 2007.

Business-type activities: Business-type activities increased the Government's net assets by \$526,288. Key elements of this increase are as follows:

- The Solid Waste Transfer activity reported a gain of \$168,489, which is an improvement from the \$121,076 gain in 2007. The improvement is primarily due to an increase in revenue received from Eagle Point Landfill.
- The DCAR GIS activity reported a gain of \$342,892 for the first year of operations. This is primarily due to the receipt of start-up capital.
- The Child Development Center reported a gain of \$14,907 in 2008, as compared to the \$61,618 loss in 2007. This was due to the decision to outsource the delivery of childcare services.

Financial Analysis of the Government's Funds

As noted earlier, the Government uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Government's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Government's financing requirements. Specifically, unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

At December 31, 2008, the governmental funds of the Government reported a combined fund balance of \$56.9 million. This is a decrease of \$3.3 million over the prior year fund balance of \$60.2 million

The general fund is the chief operating fund of the Government. As a measure of the general fund's liquidity, it may be useful to compare both undesignated and designated fund balance to total fund expenditures for the year. At the end of the current fiscal year, unreserved, designated fund balance of the General Fund operating reserve was \$2.6 million or 11.7% of total general fund expenditures for the fiscal year. This amount is designated for operating reserve. This is a decrease of \$(2.0) million from prior year.

The fund balance of the debt service fund increased by \$168.3 thousand during the current fiscal year in

anticipation of future principal payments. The debt service fund has an ending fund balance of \$3.1 million.

The fund balance of the County's capital projects fund decreased by \$(1.3) million during the current fiscal year. The decrease is primarily due to the payment of project start-up costs. The capital projects fund has an ending fund balance of \$39.5 million.

The fund balance of the County's SPLOST fund decreased by \$(85.7) thousand during the current fiscal year. This is primarily due to the timing of revenue collections versus the timing of construction costs. The SPLOST fund has an ending balance of \$9.8 million.

Proprietary Funds. The Government's proprietary fund statements provide the same type of information found in the government-wide statements but in more detail.

Capital Asset and Debt Administration

Capital assets. The Government's capital assets for its governmental and business-type activities as of December 31, 2008, totals \$98.5 million (net of accumulated depreciation). These assets include buildings, infrastructure, land, furniture, fixtures and equipment, vehicles and construction in progress.

Major capital asset transactions with increases of approximately \$6.0 million during the year include:

- Building Improvements \$81,073 primarily due to completion of the Adult Learning Center and canoe launch;
- Construction in progress totaling \$1,727,985 net of additions and transfers.
- Purchase of vehicles totaling \$500,025 (General Fund);
- Purchase of equipment totaling \$242,678 (General Fund and Solid Waste Transfer Station);
- Purchase of land totaling \$1,293,277 (SPLOST); and
- Purchase of infrastructure totaling \$740,188 (SPLOST and donated capital assets)

DAWSON COUNTY, GEORGIA'S CAPITAL ASSETS

(net of depreciation)

DECEMBER 31, 2008

(\$ In thousands)

| | Governmental Activities | Business-type Activities | Total |
|--------------------------------|----------------------------|-----------------------------|-----------|
| Land (not depreciated) | \$ 48,886 | \$ 1,147 | \$ 50,033 |
| Construction in progress | 1,655 | 270 | 1,925 |
| Buildings and Improvements | 24,993 | 704 | 25,697 |
| Vehicles, Machinery, Equipment | 7,304 | 135 | 7,439 |
| Infrastructure | 13,436 | - | 13,436 |
| Total | \$ 96,274 | \$ 2,256 | \$ 98,530 |

Additional information on the Government's capital assets can be found in Note 5 of the basic financial statements.

Long-term Debt. As of December 31, 2008, the Government had contracts payable outstanding in the amount of \$4,890,000 through an intergovernmental agreement with Etowah Water and Sewer Authority to pay \$5,680,000 of the total \$8,595,000 Authority's Series 2002 Revenue Bonds that is backed by the full faith and credit of the Government. The Government had total bonded debt outstanding of \$43,875,000 that is backed by the Special Purpose Local Option Sales Tax (SPLOST) Collections for 2005-2009. \$5,550,000 of the debt backed by SPLOST is from the \$12,200,000 original issue in 2004 to pre-fund the jail and the Multi-purpose Recreation facility and the remaining \$38,325,000 is from the \$38,325,000 original issue in 2007 to finance the costs of acquiring, constructing, remodeling, and equipping of the Courthouse and Administration Building. The 2004 SPLOST debt issuances was approved by the citizens of the County in March of 2004. The 2007 SPLOST debt issuance was approved by the citizens of the county in September of 2007. The \$5,415,000 jail loan was included in the 2007 SPLOST referendum to be paid from sales taxes. However, until the economy recovers, this debt will continue to be paid from the Government's operating budget (General Fund). The Government also had \$1,927,879 of capital lease debt, backed also by the full faith and credit of the Government and contributed funds from other agencies. The Government had no outstanding general obligation debt for 2008 other than the SPLOST debt mentioned above.

**DAWSON COUNTY, GEORGIA'S OUTSTANDING DEBT
DECEMBER 31, 2008**

(\$ In thousands)

| | Governmental Activities | | Business-type Activities | |
|--|-------------------------|------------------|--------------------------|---------------|
| | 2008 | 2007 | 2008 | 2007 |
| General Obligation Bonds | | | | |
| Special Purpose Local Option Sales Tax Bonds | \$ 43,875 | \$ 46,375 | \$ - | \$ - |
| Original issue premium | 2,465 | 2,880 | - | - |
| Contracts Payable: | | | | |
| Etowah Water and Sewer-Bond Agreement 2002 | 4,890 | 5,030 | - | - |
| Other Debt: | | | | |
| Agreement for sale payable-Jail | 5,415 | 5,755 | - | - |
| Solid Waste Post Closure Liability * | - | - | 784 | 898 |
| Capital Leases | 1,928 | 2,734 | - | - |
| Net Pension Obligation | 68 | - | - | - |
| Compensated Absences | 239 | 244 | 1 | 1 |
| Total Debt | <u>\$ 58,880</u> | <u>\$ 63,018</u> | <u>\$ 785</u> | <u>\$ 899</u> |

*This debt is to be paid over remaining period of 23 years.

The Government's total debt of \$59.7 million decreased by \$(4.3) million during the past year primarily due to scheduled payments of existing debt.

As mentioned in the financial highlights section of this document, the Government received in 2007 an upgraded "A+" bond rating from a previous "A" bond/certificate rating from Standard and Poor's Rating Group. Additionally, Moody's assigned an initial rate for the Government of "A1" in 2007. This increased bond rating clearly indicates a sound financial condition for the Government.

The State of Georgia limits the amount of general obligation debt that a unit of government can issue to 10 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt limit for the Government is \$169,447,000. (See page 89 in the Statistical Section).

The legal debt limit for the Government is \$169,447,000. (See page 89 in the Statistical Section).

Additional information regarding the Government's long-term debt can be found in Note 6 of the basic financial statements.

General Fund Budgetary Highlights: During the year ended 2008, the Government's financial picture reflected a weakening local economy and slower growth as experienced in the nation. The County approved to maintain the millage rate the same as 2007 without a rollback in order to provide the necessary resources for the delivery of public services. Without the full rollback in millage rate, this constituted a tax increase for the year, especially for those properties that had been reevaluated.

Generally, budget amendments fall into one of the following categories: 1) amendments made to adjust the estimates that are used to prepare the original budget resolution once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund decreased budgeted revenues by approximately 16.18% and decreased budgeted expenditures by 8.82%.

For the year, actual expenditures and other financing uses exceeded actual revenue and other financing sources to decrease fund balance from 2007 by \$(1,888,722) to \$3,338,442.

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect the growth and prosperity of the County.

- The County has an unemployment rate of 5.9%, which is lower than the state rate of 6.2% for the same time frame. At the time of this letter, the County's unemployment rate is 9.7%.
- The 2008 millage tax rate remained the same as same as 2007 at \$8.138 per \$1000 of valuation.
- Fund balance for the general fund decreased for the year ended December 31, 2008 by \$1,888,722 leaving a \$3,338,442 fund balance that still indicates a relatively strong financial position for the County.

Budget Highlights for the Fiscal Year Ending December 31, 2009

Governmental Activities: The 2008 tax digest showed an increase primarily due to reassessments of property values of \$12,198,989. The budget for 2009, adopted in July of 2008, anticipated an increase in sales tax revenues during 2008 based upon a 17% growth rate as experienced in 2006 and 2007. Due to the current economic decline, the FY2009 budget may require a reduction of 17% to match 2008 collections. This will depend upon the actual collection of sales tax as received for June through December of 2009. The FY2009 reduced budget for the general fund is currently estimated at the 2008 collection levels. The general economic climate for the County government for 2009 is beginning to show signs of slow recovery. Given the retail businesses located in the County such as the Outlet Mall, Wal-Mart, Home Depot, Chevrolet dealership, etc., Dawson's sales tax historically is more stable than surrounding counties. For example, in economic crisis, consumers look for the bargains, thus frequenting the Outlet Mall in lieu of retail stores in other locations. The shoppers at the Mall are approximately 85% nonresidents according to Outlet Mall Management. Rising fuel costs, though, can also negatively impact the economy. It is anticipated that 2009 use of fund balance will be minimal,

continue the Special Purpose Local Option Sales Tax referendum to fund capital projects critical to the Government's services such as a new courthouse, the elimination of general fund debt for the jail facility, the courthouse parking lot, road, streets and bridge improvements, a Public Works facility, emergency services improvements/equipment, 800 MHZ communication system, as well as many other projects. Sales tax general obligation bonds (\$38,325,000) were issued to prefund the courthouse construction and renovation of the existing courthouse in December of 2007. This project began in 2008. With the decline in the economy, the new sales tax referendum is projected to collect only enough funds to construct the courthouse at a reduced budget of approximately \$30 million. Other budgetary concerns for 2009 include the fuel cost as mentioned previously. The County is installing a fuel station projected to offset rising fuel costs by purchasing at bulk rates. Additionally, to reduce maintenance cost, the County is installing a maintenance facility to perform routine vehicle repairs in lieu of contracting out. The commercial and building permits issued for 2009 at midyear are down significantly from 2008. For example, housing permits are down 80% and commercial permits are down 20%. Management is closely monitoring revenue collection rates and expenditure rates.

Requests for Information

This report is designed to provide an overview of the Government's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Director, Dawson County, Georgia, 78 Howard Avenue East, Suite 100, Dawsonville, Georgia 30534.

DAWSON COUNTY, GEORGIA
STATEMENT OF NET ASSETS
December 31, 2008

| | <u>PRIMARY GOVERNMENT</u> | | | COMPONENT UNITS |
|---|-----------------------------|-----------------------------|-----------------------------|----------------------------|
| | GOVERNMENTAL ACTIVITIES | BUSINESS-TYPE ACTIVITIES | TOTAL | |
| ASSETS | | | | |
| Cash | \$ 18,657,542 | \$ - | \$ 18,657,542 | \$ 1,062,757 |
| Receivables (net of allowance for uncollectibles) | 7,033,309 | 255,906 | 7,289,215 | 22,338 |
| Internal balances | (154,300) | 154,300 | - | - |
| Inventories | 75,318 | - | 75,318 | - |
| Prepaid items | 192,947 | - | 192,947 | 375 |
| Restricted assets: | | | | |
| Cash | 26,862,734 | - | 26,862,734 | 39,002 |
| Investments | 17,671,498 | - | 17,671,498 | - |
| Receivables | 18,101 | - | 18,101 | - |
| Non-current assets: | | | | |
| Deferred charges | 637,723 | - | 637,723 | - |
| Prepaid capacity | 502,000 | - | 502,000 | - |
| Capital assets: | | | | |
| Capital assets not being depreciated | 50,541,806 | 1,416,589 | 51,958,395 | 44,592 |
| Capital assets being depreciated | 71,005,703 | 1,119,794 | 72,125,497 | 157,441 |
| Less: accumulated depreciation | (25,273,554) | (280,908) | (25,554,462) | (23,908) |
| Capital assets, net of depreciation | <u>96,273,955</u> | <u>2,255,475</u> | <u>98,529,430</u> | <u>178,125</u> |
| TOTAL ASSETS | <u>167,770,827</u> | <u>2,665,681</u> | <u>170,436,508</u> | <u>1,302,597</u> |
| LIABILITIES | | | | |
| Accounts payable | 738,645 | 26,437 | 765,082 | 52,336 |
| Accrued interest payable | 1,069,620 | - | 1,069,620 | - |
| Other accrued items | 776,434 | - | 776,434 | 1,333 |
| Unearned revenue | 11,463,934 | - | 11,463,934 | - |
| Amounts held in trust | 132,222 | - | 132,222 | 39,003 |
| Noncurrent liabilities: | | | | |
| Due within one year | | | | |
| Compensated absences payable | 238,778 | 1,099 | 239,877 | 30,000 |
| Accrued landfill closure / postclosure | - | 53,200 | 53,200 | - |
| Capital leases payable | 642,218 | - | 642,218 | - |
| General obligation bonds payable | 3,114,499 | - | 3,114,499 | - |
| Contracts payable | 155,000 | - | 155,000 | - |
| Agreement for sale | 355,000 | - | 355,000 | - |
| Due in more than one year | | | | |
| Net pension obligation | 68,202 | - | 68,202 | - |
| Compensated absences payable | - | - | - | 16,461 |
| Accrued landfill closure / postclosure | - | 730,400 | 730,400 | - |
| Capital leases payable | 1,285,661 | - | 1,285,661 | - |
| General obligation bonds payable | 43,225,806 | - | 43,225,806 | - |
| Contracts payable | 4,735,000 | - | 4,735,000 | - |
| Agreement for sale | 5,060,000 | - | 5,060,000 | - |
| TOTAL LIABILITIES | <u>73,061,019</u> | <u>811,136</u> | <u>73,872,155</u> | <u>139,133</u> |
| NET ASSETS | | | | |
| Invested in capital assets, net of related debt | 78,190,507 | 2,255,475 | 80,445,982 | 178,125 |
| Restricted for: | | | | |
| Debt service | 2,956,305 | - | 2,956,305 | - |
| Capital outlay projects | 8,733,257 | - | 8,733,257 | - |
| Public safety programs | 178,423 | - | 178,423 | - |
| Judicial programs | 72,568 | - | 72,568 | - |
| Recreation and Culture | 10,477 | - | 10,477 | - |
| Public health and welfare | 10,517 | - | 10,517 | - |
| Family Connection & Mentoring Programs | 29,097 | - | 29,097 | - |
| Unrestricted | 4,528,657 | (400,930) | 4,127,727 | 985,339 |
| TOTAL NET ASSETS | <u>\$ 94,709,808</u> | <u>\$ 1,854,545</u> | <u>\$ 96,564,353</u> | <u>\$ 1,163,464</u> |

The accompanying notes are an integral part of this statement.

DAWSON COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2008

| FUNCTIONS/PROGRAMS PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES | EXPENSES | CHARGES FOR SERVICES | PROGRAM REVENUES..... | | NET (EXPENSE) AND CHANGES IN NET ASSETS.... | | COMPONENT UNITS |
|---|---------------|-------------------------|--|--|---|-----------------------------|--------------------|
| | | | OPERATING GRANTS AND CONTRIBUTIONS | CAPITAL GRANTS AND CONTRIBUTIONS | GOVERNMENTAL ACTIVITIES | BUSINESS-TYPE ACTIVITIES | |
| General government | \$ 5,006,517 | \$ 924,756 | \$ - | \$ - | \$ (4,034,319) | \$ - | - |
| Judicial | 2,663,873 | 1,135,912 | - | - | (1,479,546) | (1,479,546) | - |
| Public safety | 10,778,294 | 1,641,271 | - | - | (8,609,250) | (8,609,250) | - |
| Public works | 1,471,728 | 300 | 593,301 | - | (858,042) | (858,042) | - |
| Public health and welfare | 956,095 | 15,468 | 206,562 | - | (709,687) | (709,687) | - |
| Recreation and culture | 1,436,182 | 205,785 | - | 24,378 | (1,195,508) | (1,195,508) | - |
| Housing and development | 1,491,947 | 757,877 | - | - | (5,821) | (5,821) | - |
| Interest | 2,392,306 | - | - | - | (2,392,306) | (2,392,306) | - |
| Total Governmental Activities | 26,196,942 | 4,681,369 | 617,679 | - | (19,284,479) | (19,284,479) | - |
| BUSINESS-TYPE ACTIVITIES | | | | | | | |
| Solid waste/recycling | 193,768 | 355,442 | 820 | - | 162,494 | 162,494 | - |
| DCAR GIS | 322 | 2,364 | - | 181,400 | 183,442 | 183,442 | - |
| Child development center | 838 | 15,705 | 40 | - | 14,907 | 14,907 | - |
| Total Business-Type Activities | 194,928 | 373,511 | 860 | 181,400 | 360,843 | 360,843 | - |
| TOTAL PRIMARY GOVERNMENT | \$ 26,391,870 | \$ 5,054,880 | \$ 799,079 | \$ - | (19,284,479) | (18,923,636) | - |
| COMPONENT UNITS | | | | | | | |
| Health Department | \$ 734,093 | \$ 305,009 | \$ - | \$ - | - | - | (47,650) |
| Development Authority | 206,951 | 6,571 | - | - | - | - | (1,802) |
| Industrial Building Authority | 71,819 | - | - | - | - | - | (71,819) |
| TOTAL COMPONENT UNITS | \$ 1,012,863 | \$ 311,580 | \$ - | \$ - | - | - | (121,271) |
| GENERAL REVENUES | | | | | | | |
| Property taxes | | | | | 10,598,622 | 10,598,622 | - |
| Sales taxes | | | | | 10,832,329 | 10,832,329 | - |
| Insurance premium taxes | | | | | 764,729 | 764,729 | - |
| Real estate recording taxes | | | | | 323,463 | 323,463 | - |
| Other taxes | | | | | 621,641 | 621,641 | - |
| Total taxes | | | | | 23,140,784 | 23,140,784 | - |
| Unrestricted investment earnings | | | | | 1,639,759 | 1,639,759 | 22,494 |
| Grants and contributions not restricted to a specific program | | | | | 315,265 | 315,265 | - |
| Gain on sale of capital assets | | | | | 2,723 | 2,723 | - |
| TRANSFERS | | | | | (159,450) | (159,450) | - |
| TOTAL GENERAL REVENUES AND TRANSFERS | | | | | 24,939,081 | 25,104,526 | 22,494 |
| CHANGES IN NET ASSETS | | | | | 5,654,602 | 6,180,890 | (98,777) |
| NET ASSETS, Beginning | | | | | 89,055,206 | 90,383,463 | 1,262,241 |
| NET ASSETS, Ending | | | | | 94,709,808 | 96,564,353 | 1,163,464 |

The accompanying notes are an integral part of this statement

DAWSON COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2008

| | GENERAL | DEBT SERVICE | SPLOST | CAPITAL PROJECTS | IMPACT FEES | OTHER NONMAJOR GOVERNMENTAL FUNDS | TOTAL GOVERNMENTAL FUNDS |
|---|----------------------|---------------------|----------------------|----------------------|-------------------|-----------------------------------|--------------------------|
| ASSETS | | | | | | | |
| Cash | \$ 12,556,284 | \$ - | \$ 4,847,398 | \$ 16,774 | \$ 895,139 | \$ 341,948 | \$ 18,657,543 |
| Receivables (net of allowance for uncollectibles) | 3,570,382 | - | 3,102,242 | 68,919 | - | 291,767 | 7,033,310 |
| Due from other funds | 343,177 | - | - | 2,134,473 | 18,463 | 71,436 | 2,567,549 |
| Prepaid items | 192,947 | - | - | - | - | - | 192,947 |
| Inventories | 75,318 | - | - | - | - | - | 75,318 |
| Restricted assets: | | | | | | | |
| Cash | - | 3,034,003 | 4,008,673 | 19,820,058 | - | - | 26,862,734 |
| Investments | - | - | - | 17,671,498 | - | - | 17,671,498 |
| Interest receivable | - | 18,101 | - | - | - | - | 18,101 |
| TOTAL ASSETS | \$ 16,738,108 | \$ 3,052,104 | \$ 11,958,313 | \$ 39,711,722 | \$ 913,602 | \$ 705,151 | \$ 73,079,000 |
| LIABILITIES AND FUND BALANCES | | | | | | | |
| Liabilities | | | | | | | |
| Accounts payable | \$ 382,844 | \$ - | \$ 4,222 | \$ 214,464 | \$ - | \$ 118,324 | \$ 719,854 |
| Other accrued items | 769,802 | - | - | - | - | 6,631 | 776,433 |
| Due to other governments | - | - | - | - | - | 600 | 600 |
| Due to other funds | 330,301 | - | 2,130,293 | 2,647 | 13,349 | 245,259 | 2,721,849 |
| Deferred revenue | 11,790,697 | - | - | - | - | 10,000 | 11,800,697 |
| Amounts held in trust | 126,022 | - | - | - | - | 6,199 | 132,221 |
| TOTAL LIABILITIES | 13,399,666 | - | 2,134,515 | 217,111 | 13,349 | 387,013 | 16,151,654 |
| FUND BALANCES | | | | | | | |
| Reserved: | | | | | | | |
| Prepaid expenditure | 192,947 | - | - | - | - | - | 192,947 |
| Public safety | 293 | - | - | - | - | 3,918 | 4,211 |
| Public health and welfare | 10,517 | - | - | - | - | - | 10,517 |
| Recreation and culture | 10,477 | - | - | - | - | - | 10,477 |
| Debt service | - | 3,052,103 | - | - | - | - | 3,052,103 |
| Capital outlay projects | - | - | 9,823,798 | 39,494,611 | - | - | 49,318,409 |
| Impact fee projects | - | - | - | - | 900,253 | - | 900,253 |
| Unreserved, designated: | | | | | | | |
| Capital outlay projects | 478,774 | - | - | - | - | - | 478,774 |
| Operating reserve | 2,645,434 | - | - | - | - | - | 2,645,434 |
| Wireless service upgrades | - | - | - | - | - | 38,342 | 38,342 |
| Unreserved, undesignated: | | | | | | | |
| Debt service funds | - | 1 | - | - | - | - | 1 |
| Special revenue funds | - | - | - | - | - | 275,878 | 275,878 |
| TOTAL FUND BALANCES | 3,338,442 | 3,052,104 | 9,823,798 | 39,494,611 | 900,253 | 318,138 | 56,927,346 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 16,738,108 | \$ 3,052,104 | \$ 11,958,313 | \$ 39,711,722 | \$ 913,602 | \$ 705,151 | \$ 73,079,000 |

The accompanying notes are an integral part of this statement

DAWSON COUNTY, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET ASSETS
For the Year Ended December 31, 2008

Total Fund Balances for Governmental Funds (page 3) \$ 56,927,346

Total net assets reported for governmental activities in the statement of net assets is different because:

Capital assets used in the governmental activities are not financial resources and therefore are not reported in the funds. 96,273,955

Prepaid sewer capacity paid for by governmental funds is not a financial resource and is therefore is not reported in the funds. 502,000

Some assets are not available in the current period and therefore are not reported in the funds.

| | | |
|-----------------------------------|---------|---------|
| Deferred charge for issuance cost | 637,723 | 637,723 |
|-----------------------------------|---------|---------|

Revenues in the statement of activities that do not provide current financial resources are reported as deferred revenues in the funds.

| | | |
|----------------|---------|---------|
| Property taxes | 161,094 | |
| Fines | 175,669 | 336,763 |

Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

| | | |
|---|--------------|--------------|
| General obligation bonds, net of premium and discounts | (46,340,305) | |
| Accrued interest | (1,069,620) | |
| Accrued interest on Etowah Water and Sewer Authority | | |
| Sprayfield lease (see Note 7), included in amounts due to other governments | (18,192) | |
| Compensated absences | (238,778) | |
| Capital leases | (1,927,879) | |
| Contracts payable | (4,890,000) | |
| Agreement for sale | (5,415,000) | |
| Net Pension obligation liability | (68,202) | (59,967,976) |

Rounding (3)

Total net assets of governmental activities (page 1) **\$ 94,709,808**

DAWSON COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2008

| | GENERAL | DEBT SERVICE | SPLOST | CAPITAL PROJECTS | IMPACT FEES | OTHER NONMAJOR GOVERNMENTAL FUNDS | TOTAL GOVERNMENTAL FUNDS |
|--|---------------------|---------------------|---------------------|----------------------|-------------------|-----------------------------------|--------------------------|
| REVENUES | | | | | | | |
| Taxes | \$ 17,053,398 | \$ - | \$ 5,816,447 | \$ - | \$ - | \$ 204,297 | \$ 23,074,142 |
| Licenses and permits | 462,523 | - | - | - | 490,524 | - | 953,047 |
| Intergovernmental | 731,035 | - | 20,085 | - | - | 1,036,654 | 1,787,774 |
| Fines and forfeitures | 784,989 | - | - | - | - | 182,651 | 967,640 |
| Charges for services | 2,266,376 | - | - | - | - | 339,826 | 2,606,202 |
| Contributions and donations | 60,108 | - | - | - | - | 105,176 | 165,284 |
| Interest income | 295,835 | 49,104 | 199,041 | 1,059,492 | 26,621 | 9,664 | 1,639,757 |
| Miscellaneous | 41,842 | - | - | - | - | 56,389 | 98,231 |
| TOTAL REVENUES | 21,696,106 | 49,104 | 6,035,573 | 1,059,492 | 517,145 | 1,934,657 | 31,292,077 |
| EXPENDITURES | | | | | | | |
| Current Expenditures | | | | | | | |
| General government | 4,100,745 | - | 3,375 | 116,313 | - | - | 4,220,433 |
| Judicial | 2,374,532 | - | - | - | - | 288,969 | 2,663,501 |
| Public safety | 9,581,104 | - | 967 | 15,828 | 10,000 | 1,088,989 | 10,696,888 |
| Public works | 1,381,532 | - | 5,052 | 3,056 | - | - | 1,389,640 |
| Public health and welfare | 387,189 | - | - | - | - | 565,682 | 952,871 |
| Recreation and culture | 1,414,344 | - | - | 211 | - | - | 1,414,555 |
| Housing and development | 1,100,742 | - | - | - | - | 395,157 | 1,495,899 |
| Intergovernmental | 293,624 | - | 222,000 | - | - | - | 515,624 |
| Capital outlay | 929,285 | - | 2,309,632 | 1,209,255 | 347,259 | 623,512 | 5,418,943 |
| Debt service | | | | | | | |
| Principal | 715,075 | 2,640,000 | 379,795 | 50,807 | - | - | 3,785,677 |
| Interest | 265,897 | 1,434,977 | 32,880 | 41,372 | - | - | 1,775,126 |
| Issuance costs | - | - | - | 44,347 | - | - | 44,347 |
| TOTAL EXPENDITURES | 22,544,069 | 4,074,977 | 2,953,701 | 1,481,189 | 357,259 | 2,962,309 | 34,373,504 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (847,963) | (4,025,873) | 3,081,872 | (421,697) | 159,886 | (1,027,652) | (3,081,427) |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Sale of county property | 11,239 | - | - | - | - | 6,129 | 17,368 |
| Transfers in | 128,584 | 4,194,138 | 75,335 | 117,161 | - | 1,055,438 | 5,570,656 |
| Transfers out | (1,180,582) | - | (3,242,884) | (951,254) | (217,265) | (138,121) | (5,730,106) |
| TOTAL OTHER FINANCING SOURCES (USES) | (1,040,759) | 4,194,138 | (3,167,549) | (834,093) | (217,265) | 923,446 | (142,082) |
| NET CHANGE IN FUND BALANCES | (1,888,722) | 168,265 | (85,677) | (1,255,790) | (57,379) | (104,206) | (3,223,509) |
| FUND BALANCES, Beginning of year | 5,227,164 | 2,883,839 | 9,909,475 | 40,750,401 | 957,632 | 422,344 | 60,150,855 |
| FUND BALANCES, End of year | \$ 3,338,442 | \$ 3,052,104 | \$ 9,823,798 | \$ 39,494,611 | \$ 900,253 | \$ 318,138 | \$ 56,927,346 |

The accompanying notes are an integral part of this statement

DAWSON 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, 2008

Net change in fund balances (page 5) \$ (3,223,509)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

| | | |
|----------------------|------------------|-----------|
| Capital outlays | 5,418,943 | |
| Depreciation expense | <u>(208,195)</u> | 5,210,748 |

In the statement of activities, only the gain/loss on the sale of various equipment is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the net book value of the equipment sold.

| | | |
|----------------------------------|-----------------|----------|
| Net book value of equipment sold | <u>(14,645)</u> | (14,645) |
|----------------------------------|-----------------|----------|

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

| | | |
|----------------|----------------|---------|
| Property taxes | 161,094 | |
| Donated assets | 593,301 | |
| Fines | <u>175,669</u> | 930,064 |

Revenues reported in the funds that relate to prior years are not reported as revenue in the statement of activities

| | | |
|----------------|------------------|-----------|
| Property taxes | (94,452) | |
| Fines | <u>(119,421)</u> | (213,873) |

Under the modified accrual basis of accounting used in the 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. 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. This adjustment combines the net change of two balances.

| | | |
|--|---------------|-----------|
| Principal payments on long-term debt | 3,785,677 | |
| Bond issuance costs | 44,347 | |
| Amortization of bond premium | 414,499 | |
| Amortization of bond issuance cost | (128,051) | |
| Accrued interest on bonds, current year | (1,069,620) | |
| Accrued interest on bonds, prior year | 165,991 | |
| Accrued interest on Etowah Water and Sewer Authority Sprayfield lease, included in amounts due to other governments, current year | (18,192) | |
| Accrued interest on Etowah Water and Sewer Authority Sprayfield lease, included in amounts due to other governments, prior year | <u>24,985</u> | 3,219,636 |

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

| | | |
|------------------------------------|----------------|-------|
| Compensated absences, current year | (238,778) | |
| Compensated absences, prior year | <u>243,579</u> | 4,801 |

Net pension obligation is not available during the current period and therefore is not reported in the funds.

| | | |
|-------------------|-----------------|-----------|
| Beginning of year | (190,417) | |
| End of year | <u>(68,202)</u> | (258,619) |

Rounding (1)

Changes in net assets of governmental activities (page 2) **\$ 5,654,602**

The accompanying notes are an integral part of this statement.

DAWSON COUNTY, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUND
December 31, 2008

BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS

| | SOLID WASTE DISPOSAL FACILITY | DCAR GIS FUND | CHILD DEVELOPMENT CENTER | TOTAL |
|---|--|--------------------------|---|---------------------|
| ASSETS | | | | |
| Current Assets | | | | |
| Receivables (net of allowance for uncollectibles) | \$ 96,706 | \$ 148,400 | \$ 10,800 | \$ 255,906 |
| Due from other funds | 224,094 | - | - | 224,094 |
| Total Current Assets | 320,800 | 148,400 | 10,800 | 480,000 |
| Noncurrent Assets | | | | |
| Capital assets | | | | |
| Capital assets not being depreciated | 1,146,543 | 270,046 | - | 1,416,589 |
| Capital assets being depreciated | 725,088 | - | 394,706 | 1,119,794 |
| Less: accumulated depreciation | (124,629) | - | (156,279) | (280,908) |
| Total capital assets (net of accumulated depreciation) | 1,747,002 | 270,046 | 238,427 | 2,255,475 |
| Total Noncurrent assets | 1,747,002 | 270,046 | 238,427 | 2,255,475 |
| TOTAL ASSETS | 2,067,802 | 418,446 | 249,227 | 2,735,475 |
| LIABILITIES | | | | |
| Current Liabilities | | | | |
| Accounts payable | 11,689 | 14,748 | - | 26,437 |
| Due to other funds | - | 60,806 | 8,988 | 69,794 |
| Compensated absences payable | 1,099 | - | - | 1,099 |
| Accrued landfill closure/postclosure | 53,200 | - | - | 53,200 |
| Total current liabilities | 65,988 | 75,554 | 8,988 | 150,530 |
| Noncurrent Liabilities | | | | |
| Accrued landfill closure/postclosure | 730,400 | - | - | 730,400 |
| Total noncurrent liabilities | 730,400 | - | - | 730,400 |
| TOTAL LIABILITIES | 796,388 | 75,554 | 8,988 | 880,930 |
| NET ASSETS | | | | |
| Invested in capital assets | 1,747,002 | 270,046 | 238,427 | 2,255,475 |
| Unrestricted | (475,588) | 72,846 | 1,812 | (400,930) |
| TOTAL NET ASSETS | \$ 1,271,414 | \$ 342,892 | \$ 240,239 | \$ 1,854,545 |

The accompanying notes are an integral part of this statement.

DAWSON COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended December 31, 2008

BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS

| | SOLID WASTE DISPOSAL FACILITY | DCAR GIS FUND | CHILD DEVELOPMENT CENTER | TOTAL |
|---|--|--------------------------|---|---------------------|
| OPERATING REVENUES | | | | |
| Charges for services-other | \$ 355,191 | \$ 2,364 | \$ 15,705 | \$ 373,260 |
| Miscellaneous Income | 251 | - | 40 | 291 |
| Total Operating Revenues | <u>355,442</u> | <u>2,364</u> | <u>15,745</u> | <u>373,551</u> |
| OPERATING EXPENSES | | | | |
| Salaries and benefits | 129,302 | - | - | 129,302 |
| Other expenses | 73,761 | 322 | - | 74,083 |
| Landfill closure/postclosure costs | (78,837) | - | - | (78,837) |
| Depreciation | 2,653 | - | 838 | 3,491 |
| Waste disposal fees | 37,622 | - | - | 37,622 |
| Repairs and maintenance | 29,267 | - | - | 29,267 |
| Total Operating Expenses | <u>193,768</u> | <u>322</u> | <u>838</u> | <u>194,928</u> |
| OPERATING INCOME (LOSS) | <u>161,674</u> | <u>2,042</u> | <u>14,907</u> | <u>178,623</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| Contributions and donations | 820 | - | - | 820 |
| Gain (loss) on sale of capital assets | 5,995 | - | - | 5,995 |
| Total Nonoperating Revenues (Expenses) | <u>6,815</u> | <u>-</u> | <u>-</u> | <u>6,815</u> |
| INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS | | | | |
| Capital grants | 168,489 | 2,042 | 14,907 | 185,438 |
| Transfer in | - | 181,400 | - | 181,400 |
| | - | 159,450 | - | 159,450 |
| CHANGE IN NET ASSETS | <u>168,489</u> | <u>342,892</u> | <u>14,907</u> | <u>526,288</u> |
| TOTAL NET ASSETS, Beginning of year | <u>1,102,925</u> | <u>-</u> | <u>225,332</u> | <u>1,328,257</u> |
| TOTAL NET ASSETS, End of year | <u>\$ 1,271,414</u> | <u>\$ 342,892</u> | <u>\$ 240,239</u> | <u>\$ 1,854,545</u> |

The accompanying notes are an integral part of this statement.

DAWSON COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2008

| BUSINESS-TYPE ACTIVITIES-ENTERPRISE FUNDS | | | | |
|--|--|--------------------------|---|-----------------|
| | SOLID WASTE DISPOSAL FACILITY | DCAR GIS FUND | CHILD DEVELOPMENT CENTER | TOTAL |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts from customers | \$ 355,709 | \$ 2,364 | \$ 4,945 | \$ 363,018 |
| Payments to suppliers | (226,888) | (322) | (5,007) | (232,217) |
| Payments to employees | (129,641) | - | - | (129,641) |
| | <u>(820)</u> | <u>2,042</u> | <u>(62)</u> | <u>1,160</u> |
| Net cash provided by (used in) operating activities | | | | |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES | | | | |
| Payments from other governments | 820 | - | - | 820 |
| | <u>820</u> | <u>-</u> | <u>-</u> | <u>820</u> |
| Net Cash provided (used) by non-capital financing activities | | | | |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Acquisition and construction of capital assets | - | (194,492) | - | (194,492) |
| Payments from other governments | - | 33,000 | - | 33,000 |
| Transfers in | - | 159,450 | - | 159,450 |
| | <u>-</u> | <u>(2,042)</u> | <u>-</u> | <u>(2,042)</u> |
| Net cash provided (used) by capital and related financing activities | | | | |
| Net increase (decrease) in cash and cash equivalents | - | - | (62) | (62) |
| CASH, Beginning of year | - | - | 62 | 62 |
| CASH, End of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | | | | |
| Operating income (loss) | \$ 161,674 | \$ 2,042 | \$ 14,907 | \$ 178,623 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities | | | | |
| Depreciation | 2,653 | - | 838 | 3,491 |
| Landfill closure/postclosure costs | (78,837) | - | - | (78,837) |
| (Increase) decrease in: | | | | |
| Accounts receivable | - | - | (10,800) | (10,800) |
| Due from other governments | 268 | - | - | 268 |
| Increase (decrease) in: | | | | |
| Accounts payable | (474) | - | - | (474) |
| Compensated absences | (298) | - | - | (298) |
| Accrued landfill costs | (35,501) | - | - | (35,501) |
| Other accrued items | (42) | - | - | (42) |
| Due to other funds | (50,263) | - | (5,007) | (55,270) |
| | <u>(50,263)</u> | <u>-</u> | <u>(5,007)</u> | <u>(55,270)</u> |
| Net cash provided by (used in) operating activities | <u>\$ (820)</u> | <u>\$ 2,042</u> | <u>\$ (62)</u> | <u>\$ 1,160</u> |

The accompanying notes are an integral part of this statement.

DAWSON COUNTY, GEORGIA
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
December 31, 2008

| | AGENCY FUNDS |
|--------------------------|----------------------------|
| ASSETS | |
| Cash | \$ <u>1,679,208</u> |
| TOTAL ASSETS | \$ <u><u>1,679,208</u></u> |
| LIABILITIES | |
| Amount held in trust | \$ <u>1,679,208</u> |
| TOTAL LIABILITIES | \$ <u><u>1,679,208</u></u> |

The accompanying notes are an integral part of this statement.

DAWSON COUNTY, GEORGIA
COMPONENT UNITS
COMBINING STATEMENT OF NET ASSETS
December 31, 2008

| | HEALTH DEPARTMENT | DEVELOPMENT AUTHORITY | INDUSTRIAL BUILDING AUTHORITY | TOTAL |
|---|------------------------------|----------------------------------|--|----------------------------|
| ASSETS | | | | |
| Cash | \$ 359,750 | \$ 147 | \$ 702,860 | \$ 1,062,757 |
| Receivables (net of allowance for uncollectibles) | 22,338 | - | - | 22,338 |
| Prepaid items | - | 375 | - | 375 |
| Restricted assets: | | | | |
| Cash | - | 39,002 | - | 39,002 |
| Capital assets: | | | | |
| Capital assets not being depreciated | - | - | 44,592 | 44,592 |
| Capital assets being depreciated | 14,758 | 13,943 | 128,740 | 157,441 |
| Less: accumulated depreciation | <u>(14,758)</u> | <u>(5,239)</u> | <u>(3,911)</u> | <u>(23,908)</u> |
| Capital assets, net of depreciation | <u>-</u> | <u>8,704</u> | <u>169,421</u> | <u>178,125</u> |
| TOTAL ASSETS | <u>382,088</u> | <u>48,228</u> | <u>872,281</u> | <u>1,302,597</u> |
| LIABILITIES | | | | |
| Accounts payable | 1,400 | 936 | - | 2,336 |
| Other accrued items | - | 1,333 | - | 1,333 |
| Due to other governments | - | - | 50,000 | 50,000 |
| Amounts held in trust | - | 39,003 | - | 39,003 |
| Noncurrent liabilities: | | | | |
| Due within one year | | | | |
| Compensated absences payable | 30,000 | - | - | 30,000 |
| Due in more than one year | | | | |
| Compensated absences payable | <u>16,461</u> | <u>-</u> | <u>-</u> | <u>16,461</u> |
| TOTAL LIABILITIES | <u>47,861</u> | <u>41,272</u> | <u>50,000</u> | <u>139,133</u> |
| NET ASSETS | | | | |
| Invested in capital assets, net of related debt | - | 8,704 | 169,421 | 178,125 |
| Unrestricted | <u>334,227</u> | <u>(1,748)</u> | <u>652,860</u> | <u>985,339</u> |
| TOTAL NET ASSETS | <u>\$ 334,227</u> | <u>\$ 6,956</u> | <u>\$ 822,281</u> | <u>\$ 1,163,464</u> |

The accompanying notes are an integral part of this statement.

DAWSON COUNTY, GEORGIA
COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2008

| FUNCTIONS/PROGRAMS COMPONENT UNITS |PROGRAM REVENUES..... | | | |NET (EXPENSE) AND CHANGES IN NET ASSETS.... | | | |
|---|----------------------------|----------------------------|--|--|---|--------------------------|-------------------------------------|---------------------|
| | EXPENSES | CHARGES FOR SERVICES | OPERATING GRANTS AND CONTRIBUTIONS | CAPITAL GRANTS AND CONTRIBUTIONS | HEALTH DEPARTMENT | DEVELOPMENT AUTHORITY | INDUSTRIAL BUILDING AUTHORITY | TOTAL |
| GOVERNMENTAL ACTIVITIES | \$ 734,093 | \$ 305,009 | \$ 381,434 | \$ - | \$ (47,650) | \$ - | \$ - | \$ (47,650) |
| Health Department | 206,951 | 6,571 | 198,578 | - | - | - | - | (1,802) |
| BUSINESS-TYPE ACTIVITIES | 71,819 | - | - | - | - | (71,819) | - | (71,819) |
| Development Authority | | | | | | | | |
| Industrial Building Authority | | | | | | | | |
| TOTAL COMPONENT UNITS | \$ 1,012,863 | \$ 311,580 | \$ 580,012 | \$ - | \$ (47,650) | \$ (71,819) | \$ (71,819) | \$ (121,271) |
| GENERAL REVENUES | | | | | | | | |
| Unrestricted investment earnings | | | | | | 294 | 22,200 | 22,494 |
| TOTAL GENERAL REVENUES AND TRANSFERS | | | | | | 294 | 22,200 | 22,494 |
| CHANGES IN NET ASSETS | | | | | (47,650) | (1,508) | (49,619) | (98,777) |
| NET ASSETS, Beginning | | | | | 381,877 | 8,464 | 871,900 | 1,262,241 |
| NET ASSETS, Ending | | | | | \$ 334,227 | \$ 6,956 | \$ 822,281 | \$ 1,163,464 |

The accompanying notes are an integral part of this statement
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DAWSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(A) REPORTING ENTITY

The government is a political subdivision of the State of Georgia governed by a commission-manager form of government under which a five member Board of County Commissioners is elected to serve as the legislative body for the county. The commission chairman and four commissioners are elected at-large. The four commissioners must reside in the geographical districts which they represent. Elections for the district seats are staggered four year terms, so as to provide some continuity on the Board of Commissioners. In addition, there are four Constitutional Officers: the Tax Commissioner, Probate Court Judge, Sheriff, and Clerk of Superior Court. The Constitutional Officers are elected county wide. Other elected officials include the Magistrate Court Judge, Superior Court Judges, District Attorney, Coroner, and Surveyor. The Board of County Commissioners budgets and approves all funding used by the Constitutional Officers and other elected officials. As required by generally accepted accounting principles, these financial statements present the government and its component units. The component units discussed below are included in the county's reporting entity because of the significance of their operational or financial relationships with the county.

The component unit columns in the combined financial statements include the financial data of the county's component units, which meet the criteria established by Governmental Accounting Standards Board Statement No. 14, The Financial Reporting Entity. They are reported in separate columns to emphasize that they are legally separate from the county.

Brief descriptions of discretely presented component units follow:

DAWSON COUNTY INDUSTRIAL BUILDING AUTHORITY: The Dawson County Industrial Building Authority (Building Authority) is a legally separate entity. The Board of Commissioners of Dawson County appoints the five-member board. There is the potential for financial benefit to the primary government. The purpose of the Building Authority is to acquire and develop property in an industrial park. The Building Authority's fiscal year end is December 31.

DAWSON COUNTY DEVELOPMENT AUTHORITY: The Dawson County Development Authority (Development Authority) is a legally separate entity. The seven-member board is appointed by the Board of Commissioners of Dawson County. There is the potential for financial benefit or burden to the primary government. The Development Authority's purpose is to encourage economic development in Dawson County. During fiscal year 2008, the Development

DAWSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

Authority received \$178,578 from the County Board of Commissioners to subsidize annual operations. The Development Authority's fiscal year end is December 31.

DAWSON COUNTY HEALTH DEPARTMENT (health department): The health department is charged with determining the health needs and resources of its jurisdiction, developing programs, activities, and facilities responsive to those needs, and enforcing all laws related to health matters unless they fall under the jurisdiction of other agencies. The Dawson County Board of Health (board) governs the health department. The county appoints the voting majority of the board. Additionally, the health department is fiscally dependent on the county since it must have its budget approved by the county. During fiscal year 2008, the Health Department received \$241,756 from the County Board of Commissioners to subsidize annual operations. The Health Department's fiscal year end is June 30.

Complete financial statements may be obtained from the administrative offices at the following locations:

Dawson County Health Department
54 Highway 53 East
Dawsonville, Georgia 30534

Dawson County Development Authority
135 Prominence Court, Suite 170
Dawsonville, Georgia 30534

Dawson County Industrial Building Authority
135 Prominence Court, Suite 170
Dawsonville, Georgia 30534

(B) GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. 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. In addition, the government-wide statements of activities reflect depreciation expenses on the County's capital assets.

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.

DAWSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statement. Agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. For example, the County's 2008 levy is to fund 2009's expenditures. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and 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 government considers property taxes as available if they are collected by the end of the current fiscal year. Fines are considered available if they are collected within 60 days of the end of the current fiscal period for which they are levied. Other revenues susceptible to accrual are considered available if they are collected within 90 days of the end of the current fiscal period for which they are imposed. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The government reports the following major governmental funds:

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.

The *Debt Service Fund* accounts for the servicing of general long-term debt not being financed by other funds.

DAWSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

The *SPLOST Capital Projects Fund* accounts for funds received from the imposition of a local 1% voter approved sales tax reserved for construction of capital projects in the areas of water and sewerage improvements; roads, streets, bridges and sidewalks; parks and recreation; and public safety facilities for fire departments.

The *Capital Projects Fund* accounts for financial resources to be used for the acquisition of construction of major capital facilities.

The *Impact Fee Capital Projects Fund* accounts for impact fees restricted for the acquisition or construction of specific capital projects.

The government reports the following major proprietary funds:

The *Solid Waste Disposal Facility Enterprise Fund* accounts for the activities of the County's solid waste transfer station.

The *DCAR GIS Enterprise Fund* accounts for activities related to geographical data related to Dawson County as well as Etowah Water & Sewer Authority.

The *Child Development Center Enterprise Fund* accounts for the activities related the lease of a facility to a private enterprise which provides child care services.

Additionally, the government reports the following fund types:

The *Agency Funds* are custodial in nature and do not represent results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the County holds for the State, the City of Dawsonville, and others in an agency capacity.

DAWSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the 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 the 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. Exceptions to this rule are interfund services provided and used are not eliminated in the process of consolidation. Elimination of these charges would distort the direct costs and program revenues for the various functions concerned.

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. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues for the Solid Waste Disposal Facility enterprise fund and the Child Development Center enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost 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.

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

(D) ASSETS, LIABILITIES AND NET ASSETS OR EQUITY

1. *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 recorded as fair value based on quoted market prices as of the balance sheet date. Increases or decreases in fair value during the year are recognized as part of investment income.

2. *Receivables and Payables*

DAWSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

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" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). 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."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance of uncollectibles.

Property taxes attach as an enforceable lien on property as of January 1. Taxes are normally levied by December 1 of each year. The 2008 property taxes were levied October 1, 2008, and were due on December 1, 2008. Interest and penalties are assessed on taxes not paid by this date. The taxes are subject to penalty after March 1, 2009.

The County's property taxes were levied on the assessed values of all real and personal property including mobile homes and motor vehicles located in the County.

The County bills and collects its own property taxes and also those for the School Board and the State. Only the County's tax levy is recognized as revenue when levied and uncollected taxes are recorded as deferred revenue in the general fund.

3. *Inventories and Prepaid Items*

Inventories, consisting of expendable supplies, not held for resale are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

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.

4. *Restricted Assets*

Certain proceeds of the County's capital leases, bonds, and contracts payable are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable debt agreements.

DAWSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

5. Capital Assets

Capital assets, which include property, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, culverts, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of \$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 costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Roads, bridges, culverts and other infrastructure acquired prior to January 1, 2003 have been reported.

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 assets constructed. No interest was capitalized during 2008.

Property, equipment and infrastructure are depreciated using the straight line method over the following estimated useful lives:

| <u>Asset</u> | <u>Years</u> |
|----------------------------|--------------|
| Buildings | 40 |
| Computers and peripherals | 5 |
| Infrastructure | 20 |
| Machinery and equipment | 5-10 |
| Nonstructural improvements | 7-10 |
| Vehicles | 3-5 |

Prepaid sewer capacity: The Intergovernmental Agreement of December 1998 between Etowah Water & Sewerage Authority (EWSA) transferred 263 sewer taps of 250 gallons per day to the County. Those taps may be used for County projects or sold to developers. As the taps are used, they will be expensed at the fair value in 1998 of \$2,000 per tap. At December 31, 2008, the County had 251 taps with a remaining value of \$502,000.

DAWSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

6. *Compensated Absences*

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits in accordance with Section 3.2.5 of the Dawson County Handbook. The County pays unused sick pay benefits to vested employees upon termination unless termination is with cause. The County pays unused vacation benefits to employees who leave employment in good standing and provide proper notice upon resignation. In accordance with the provisions of Statement of Governmental Accounting Standards No. 16, "Accounting for Compensated Absences," a liability is reported for unpaid accumulated sick leave because the benefits are paid upon termination of the employee (if vested), and the amount of such payments can be reasonably estimated. All vacation pay is accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

7. *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, or proprietary fund type statement of net assets.

8. *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. The government-wide statement of net assets governmental activities reports \$11,990,644 of restricted net assets, none of which is restricted by enabling legislation.

DAWSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

9. *Management Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(E) FUND RECLASSIFICATION

The Mentor Program fund has been reclassified as a separate nonmajor special revenue fund. In prior years, it was reported as part of the restricted program special revenue fund.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

(A) BUDGETARY INFORMATION

Annual appropriated budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, Debt Service Fund, and all Special Revenue Funds. Project length budgets are adopted for the Capital Projects Funds. Annual operating budgets are prepared for each Enterprise Fund for planning, control, cost allocation and evaluation purposes. All annual appropriations lapse at fiscal year end.

The County follows these procedures in establishing the budgetary data reflected in the financial statements.

In the spring (May to June or earlier) of each year, all agencies of the government submit requests for appropriation to the Finance Director so that a budget may be prepared. The budget is prepared by fund, function and department, and line item, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. Before December 1, the proposed budget is presented to the government's Board of Commissioners for review and adoption. The government's Board of Commissioners holds public hearings and may add to, subtract from, or change appropriations. In 2008, the budget process will require requested amounts and information for three budget years, 2009, 2010, and 2011.

The Office of Financial Administration may amend the line item budget within a department's appropriation as long as the total appropriation for that department is not changed. However, expenditures may not legally exceed budgeted appropriations at the department level without a resolution of the Board of Commissioners. The legal level of budgetary control is at the department level within individual funds.

During the year, the Board of Commissioners authorized amendments to include appropriations and revenues that were not originally budgeted and to reclassify certain expenditures.

DAWSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

(B) EXCESS OF REVENUES AND EXPENDITURES OVER APPROPRIATIONS

There were no material excess of expenditures over appropriations at the department level (the legal level of control).

(C) DEFICIT FUND BALANCE

At December 31, 2008, the K-9 Seizure Special Revenue Fund had a fund balance deficit of \$(25,277), which resulted primarily from operations. This fund deficit will be eliminated by a transfer from the general fund.

NOTE 3 - DEPOSITS AND INVESTMENTS

Custodial credit risk - deposits. In case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned. The County's policy permits the County to exceed the FDIC insured limit in making deposits in commercial banks and savings and loans institutions if the funds are otherwise adequately secured. As of December 31, 2008, all deposits of the County were adequately insured or collateralized.

State statutes require collateral pledged in the amount of 110% of deposits. Depositories may secure deposits of public funds using the dedicated method or the pooled method as described below.

- Under the dedicated method, a depository shall secure the deposits of each of its public depositors separately.
- Under the pooled method, a depository shall secure deposits of public bodies which have deposits with it through a pool of collateral established by the depository with a custodian for the benefit of public bodies having deposits with such depository as set forth in code Section 45-8-13.1.

The County utilized the pooled method to secure deposits of public funds.

As of December 31, 2008, Dawson County had the following investments. All are included in cash equivalents:

| Investment Type | Fair Value | INVESTMENT MATURITIES (in Years) | | | | Rating (1) |
|---|----------------------|----------------------------------|-------------|-------------|--------------|------------|
| | | Less Than 1 | 1-5 | 6-10 | More Than 10 | |
| General, SPLOST and Capital Project Funds | | | | | | |
| GA Fund 1 | \$ 8,862,538 | \$ 8,862,538 | \$ - | \$ - | \$ - | AAA |
| Fidelity Treasury Port CI Select | 2,038,511 | 2,038,511 | - | - | - | AAA |
| Debt Service Fund | | | | | | |
| Fidelity Treasury Port CI Select | 1,499 | 1,499 | - | - | - | AAA |
| Federated Treasury Obligations | 228,254 | 228,254 | - | - | - | AAA |
| Total Debt Securities | \$ 11,130,802 | \$ 11,130,802 | \$ - | \$ - | \$ - | |
| Maximum Investment | | 100.00 % | 0.00 % | 0.00 % | 0.00 % | |

1. Standard & Poor's

DAWSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

| | |
|--|----------------------|
| Cash per financial statements | |
| Cash | \$ 18,657,542 |
| Restricted cash | 26,862,734 |
| less cash equivalents that are investments | (11,130,802) |
| Investments that are deposits | 17,671,498 |
| Deposits | <u>\$ 52,060,972</u> |
| | |
| Investments per financial statements | |
| Restricted investments | \$ 17,671,498 |
| Investments included in cash equivalents | 11,130,802 |
| less investments that are deposits | (17,671,498) |
| Investments as listed above | <u>\$ 11,130,802</u> |

The goal of Dawson County in investing is to obtain a reasonable return on investments with a minimum exposure to potential loss of capital due to market fluctuations.

The Local Government Investment Pool, "Georgia Fund 1", created by OCGA 36-83-8, is a stable net asset value investment pool which follows Standard and Poor's criteria for AAAM rated money market funds. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is managed by the Office of Treasury and Fiscal Services. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on \$1.00 per share. Investments are carried at fair value. Unrealized gains are recognized as income.

Interest rate risk. Interest rate risk is the risk that changes in interest rates may adversely affect an investment's fair value. Since the price of a bond fluctuates with market interest rates, the risk that an investor faces is that the price of a bond held in a portfolio will decline if market interest rates rise. Dawson County has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates as follows:

| | | | |
|----------------|-------------|---------------|--------------|
| under 30 days | 10% minimum | under 1 year | 75% minimum |
| under 90 days | 25% minimum | under 2 years | 100% minimum |
| under 180 days | 50% minimum | | |

DAWSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

Credit Risk. State statutes authorize the government to invest in obligations of the U.S. Treasury (100%) and of its agencies and instrumentalities (80%); bonds or certificates of indebtedness of this state and of its agencies and instrumentalities (25%); certificates of deposits of banks insured by FDIC (75%); prime bankers' acceptances (10%); the State of Georgia Local Government Investment Pool (100%); repurchase agreements (25%); bonds, debentures, notes or other evidence of indebtedness of any solvent corporation subject to certain conditions (0%). Dawson County has an investment policy that prohibits the use of derivatives as an investment. They limit the amount that may be invested in certain types of investments. The percentages are shown above. The ratings of Dawson County's investments at December 31, 2008, are shown above.

Concentration of credit risk. Dawson County places limits on the amount it may invest in any one issuer as follows. Repurchase agreements - 10%; certificates of deposit - 35%; prime bankers acceptances - 10%.

Custodial credit risk - investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

NOTE 4 - RECEIVABLES

Receivables as of year-end for the County's individual major funds and nonmajor governmental and Internal Service Funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

| | General Fund | SPLOST | Capital Projects | Nonmajor Governmental | Solid Waste | DCAR GIS | Child Development Center |
|---------------------------------------|---------------------|---------------------|---------------------|--------------------------|------------------|-------------------|--------------------------------|
| Receivables: | | | | | | | |
| Property Taxes | \$ 1,618,985 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accounts | 2,009,486 | 10,485 | 68,169 | 52,105 | - | - | 10,800 |
| Intergovernmental | <u>1,494,710</u> | <u>3,091,757</u> | <u>750</u> | <u>239,662</u> | <u>96,706</u> | <u>148,400</u> | <u>-</u> |
| Total Gross Receivables | 5,123,181 | 3,102,242 | 68,919 | 291,767 | 96,706 | 148,400 | 10,800 |
| Less: Allowance for Uncollectibles | <u>(1,552,799)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Net Receivables | <u>\$ 3,570,382</u> | <u>\$ 3,102,242</u> | <u>\$ 68,919</u> | <u>\$ 291,767</u> | <u>\$ 96,706</u> | <u>\$ 148,400</u> | <u>\$ 10,800</u> |

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

DAWSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

| | <u>Unavailable</u> | <u>Unearned</u> |
|--|--------------------|---------------------|
| Property taxes (General Fund) | \$ 161,094 | \$11,126,555 |
| Homeowners Tax Relief Grant prior to meeting eligibility requirements (General Fund) | - | 327,379 |
| Probation Fines (General Fund) | 175,669 | - |
| Grant draw downs prior to meeting all eligibility requirements (Nonmajor Funds) | - | 10,000 |
| | <u>\$ 336,763</u> | <u>\$11,463,934</u> |

Property taxes receivable at December 31, 2008, consist of the following:

| <u>DIGEST</u> <u>YEAR</u> | <u>GENERAL</u> <u>FUND</u> |
|------------------------------|-------------------------------|
| 2008 | \$ 1,400,962 |
| 2007 | 168,011 |
| 2006 | 34,492 |
| 2005 | 7,218 |
| 2004 | 2,898 |
| 2003 | 1,861 |
| 2002 | 985 |
| 2001 and prior | 2,558 |
| Total | \$ 1,618,985 |

| | <u>Health</u> <u>Department</u> |
|------------------------------------|------------------------------------|
| Receivables: | |
| Accounts | \$ - |
| Intergovernmental | 22,338 |
| Total Gross Receivables | 22,338 |
| Less: Allowance for Uncollectibles | - |
| Total Net Receivables | \$ 22,338 |

DAWSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2008, was as follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Retirements</u> | <u>Transfers</u> | <u>Ending Balance</u> |
|---|------------------------------|---------------------|--------------------|--------------------|---------------------------|
| Governmental Activities: | | | | | |
| Non-Depreciable Assets: | | | | | |
| Land and improvements | \$ 47,340,380 | \$ 1,293,277 | \$ - | \$ 252,842 | \$ 48,886,499 |
| Construction in progress | 197,368 | 3,155,001 | - | (1,697,063) | 1,655,307 |
| Total non-depreciable capital assets | <u>47,537,748</u> | <u>4,448,278</u> | <u>-</u> | <u>(1,444,221)</u> | <u>50,541,806</u> |
| Depreciable Assets: | | | | | |
| Buildings and improvements | 27,786,664 | 81,073 | - | 782,294 | 28,650,031 |
| Machinery and equipment | 6,381,938 | 242,678 | (78,905) | 71,324 | 6,617,035 |
| Vehicles | 5,326,311 | 500,025 | (44,761) | - | 5,781,575 |
| Infrastructure | 28,626,271 | 740,188 | - | 590,603 | 29,957,062 |
| Total depreciable capital assets | <u>68,121,184</u> | <u>1,563,964</u> | <u>(123,666)</u> | <u>1,444,221</u> | <u>71,005,703</u> |
| Less Accumulated Depreciation for: | | | | | |
| Buildings and improvements | (3,610,802) | (64,441) | - | 17,760 | (3,657,483) |
| Machinery and equipment | (2,247,115) | (43,304) | 78,905 | (17,760) | (2,229,274) |
| Vehicles | (2,855,433) | (40,263) | 30,116 | - | (2,865,580) |
| Infrastructure | (16,461,029) | (60,187) | - | (1) | (16,521,217) |
| Total accumulated depreciation | <u>(25,174,379)</u> | <u>(208,195)</u> | <u>109,021</u> | <u>(1)</u> | <u>(25,273,554)</u> |
| Total depreciable capital assets, net | <u>42,946,805</u> | <u>1,355,769</u> | <u>(14,645)</u> | <u>1,444,220</u> | <u>45,732,149</u> |
| Governmental activities capital assets, net | <u>\$ 90,484,553</u> | <u>\$ 5,804,047</u> | <u>\$ (14,645)</u> | <u>\$ (1)</u> | <u>\$ 96,273,955</u> |

Additions to governmental activities capital assets for fiscal year ending December 31, 2008, consist of the following:

| | |
|--|---------------------|
| Capital Outlay | \$ 5,418,943 |
| Donated land | 66,000 |
| Donated infrastructure | 457,327 |
| Donated buildings and site improvements | 59,075 |
| Donated vehicles | 10,898 |
| Rounding | (1) |
| Total | <u>\$ 6,012,242</u> |
| | |
| Non-depreciable capital assets additions | \$ 4,448,278 |
| Depreciable capital assets additions | 1,563,964 |
| Total | <u>\$ 6,012,242</u> |

DAWSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

| | Beginning <u>Balance</u> | Additions | <u>Retirements</u> | <u>Transfers</u> | Ending <u>Balance</u> |
|--|-----------------------------|-------------------|--------------------|------------------|--------------------------|
| Business-type Activities: | | | | | |
| Non-Depreciable Assets: | | | | | |
| Land and improvements | \$ 1,146,543 | \$ - | \$ - | \$ - | \$ 1,146,543 |
| Construction in progress | - | 270,046 | - | - | 270,046 |
| Total non-depreciable capital assets | <u>1,146,543</u> | <u>270,046</u> | <u>-</u> | <u>-</u> | <u>1,416,589</u> |
| Depreciable Assets: | | | | | |
| Buildings and improvements | 959,950 | - | - | (1) | 959,949 |
| Machinery and equipment | 146,695 | - | (27,300) | - | 119,395 |
| Vehicles | 40,450 | - | - | - | 40,450 |
| Total depreciable capital assets | <u>1,147,095</u> | <u>-</u> | <u>(27,300)</u> | <u>(1)</u> | <u>1,119,794</u> |
| Less Accumulated Depreciation for: | | | | | |
| Land improvements | (722) | (18) | - | - | (740) |
| Buildings | (253,176) | (2,055) | - | - | (255,231) |
| Machinery and equipment | (48,883) | (1,109) | 27,300 | (1) | (22,693) |
| Vehicles | (1,936) | (309) | - | 1 | (2,244) |
| Total accumulated depreciation | <u>(304,717)</u> | <u>(3,491)</u> | <u>27,300</u> | <u>-</u> | <u>(280,908)</u> |
| Total depreciable capital assets, net | <u>842,378</u> | <u>(3,491)</u> | <u>-</u> | <u>(1)</u> | <u>838,886</u> |
| Business-type activities capital assets, net | <u>\$ 1,988,921</u> | <u>\$ 266,555</u> | <u>\$ -</u> | <u>\$ (1)</u> | <u>\$ 2,255,475</u> |

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

| | |
|---|-------------------|
| Governmental Activities: | |
| General Government | \$ 27,770 |
| Judicial | 491 |
| Public Safety | 93,267 |
| Public Works | 58,484 |
| Public Health and Welfare | 4,055 |
| Recreation and Culture | 22,624 |
| Housing and Development | 1,504 |
| Total depreciation expense-governmental activities | <u>\$ 208,195</u> |
| Business-type Activities: | |
| Solid Waste | \$ 2,653 |
| Child Development Center | 838 |
| Total depreciation expense-business-type activities | <u>\$ 3,491</u> |

DAWSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

The County has authorized construction projects. The remaining costs are split between the portion of the contracts that have been entered into for which the work had not been done prior to December 31, 2008, and the remainder of the authorized project expenditure for which contracts have not been entered into as of year end. The source of financing for the remaining project cost is noted below:

| | <u>Project Authorization</u> | <u>Expended To Date</u> | <u>Contracts in Progress</u> | <u>Authorized Not Obligated</u> | <u>Source</u> |
|---------------------------------|----------------------------------|-----------------------------|----------------------------------|-------------------------------------|--------------------------------|
| Governmental Activities: | | | | | |
| Road Projects | \$ 2,266,213 | \$ 216,468 | \$ - | \$ 2,049,745 | SPLOST |
| Courthouse | 40,552,752 | 243,622 | 1,742,984 | 38,566,146 | Series 2007 Revenue Notes |
| Black Mill Sewer Projects | 1,932,407 | 134,700 | 154,440 | 1,643,267 | Series 2002 EWSA Revenue Notes |
| Fire Stations | 2,407,221 | 968,065 | 76,143 | 1,363,013 | SPLOST |
| Fire Vehicles | 700,352 | 22,752 | 677,600 | - | SPLOST |
| Burt Creek Project | 200,000 | 69,700 | 117,005 | 13,295 | Series 2002 EWSA Revenue Notes |
| | <u>\$ 48,058,945</u> | <u>\$ 1,655,307</u> | <u>\$ 2,768,172</u> | <u>\$ 43,635,466</u> | |
| Business-type Activities | | | | | |
| GIS system | 338,450 | 270,046 | 68,404 | - | |
| | <u>\$ 338,450</u> | <u>\$ 270,046</u> | <u>\$ 68,404</u> | <u>\$ -</u> | |

Discretely Presented Component Units

Activity for the discretely component units for the year ended are as follows:

| Health Department | <u>Beginning Balance</u> | <u>Additions</u> | <u>Retirements</u> | <u>Ending Balance</u> |
|--|------------------------------|------------------|---------------------|---------------------------|
| Governmental Activities: | | | | |
| Depreciable Assets: | | | | |
| Furniture and equipment | \$ 14,758 | \$ - | \$ - | \$ 14,758 |
| Less Accumulated Depreciation | (14,758) | - | - | (14,758) |
| Capital Assets, net | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| | | | | |
| Development Authority | <u>Beginning Balance</u> | <u>Additions</u> | <u>Retirements</u> | <u>Ending Balance</u> |
| Business-type Activities: | | | | |
| Non-Depreciable Assets: | | | | |
| Land | \$ 258,671 | \$ - | \$ (258,671) | \$ - |
| Depreciable Assets: | | | | |
| Machinery and equipment | 13,943 | 4,157 | (4,157) | 13,943 |
| Less Accumulated Depreciation for: | | | | |
| Machinery and equipment | (2,839) | (2,382) | (18) | (5,239) |
| Total depreciable capital assets, net | <u>11,104</u> | <u>1,775</u> | <u>(4,175)</u> | <u>8,704</u> |
| Business-type activities capital assets, net | <u>\$ 269,775</u> | <u>\$ 1,775</u> | <u>\$ (262,846)</u> | <u>\$ 8,704</u> |

DAWSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

| Industrial Building Authority | <u>Beginning Balance</u> | <u>Additions</u> | <u>Retirements</u> | <u>Ending Balance</u> |
|--|------------------------------|-------------------|--------------------|---------------------------|
| Business-type Activities: | | | | |
| Non-Depreciable Assets: | | | | |
| Infrastructure land and land improvements | \$ 24,592 | \$ - | \$ 20,000 | \$ 44,592 |
| Depreciable Assets: | | | | |
| Buildings | - | 124,701 | - | 124,701 |
| Infrastructure | 4,039 | - | - | 4,039 |
| Total depreciable assets | <u>4,039</u> | <u>124,701</u> | <u>-</u> | <u>128,740</u> |
| Less Accumulated Depreciation for: | | | | |
| Buildings | - | (1,039) | - | (1,039) |
| Infrastructure | (2,603) | (270) | 1 | (2,872) |
| Total accumulated depreciation | <u>(2,603)</u> | <u>(1,309)</u> | <u>1</u> | <u>(3,911)</u> |
| Total depreciable capital assets, net | <u>1,436</u> | <u>123,392</u> | <u>1</u> | <u>124,829</u> |
| Business-type activities capital assets, net | <u>\$ 26,028</u> | <u>\$ 123,392</u> | <u>\$ 20,001</u> | <u>\$ 169,421</u> |

NOTE 6 - LONG-TERM DEBT

Long-term liability activity for the year ended December 31, 2008, was as follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> | <u>Due After One Year</u> |
|--|------------------------------|-------------------|-----------------------|---------------------------|--------------------------------|-------------------------------|
| Governmental Activities: | | | | | | |
| Bonds payable | \$ 46,375,000 | \$ - | \$ (2,500,000) | \$ 43,875,000 | \$ 2,700,000 | \$ 41,175,000 |
| Plus: original issue premium | 2,879,805 | - | (414,499) | 2,465,305 | 414,499 | 2,050,806 |
| Subtotal bonds payable | 49,254,805 | - | (2,914,499) | 46,340,305 | 3,114,499 | 43,225,806 |
| Contracts payable - EWSA | 5,030,000 | - | (140,000) | 4,890,000 | 155,000 | 4,735,000 |
| Agreement for sale - Jail | 5,755,000 | - | (340,000) | 5,415,000 | 355,000 | 5,060,000 |
| Capital leases | 2,733,557 | - | (805,678) | 1,927,879 | 642,218 | 1,285,661 |
| Net pension obligation | - | 117,595 | (49,393) | 68,202 | - | 68,202 |
| Compensated absences | 243,579 | 409,521 | (414,322) | 238,778 | 238,778 | - |
| Governmental activities long-term liabilities | <u>\$ 63,016,941</u> | <u>\$ 527,116</u> | <u>\$ (4,663,892)</u> | <u>\$ 58,880,164</u> | <u>\$ 4,505,495</u> | <u>\$ 54,374,669</u> |
| Business-type Activities: | | | | | | |
| Landfill closure/postclosure | \$ 897,938 | \$ - | \$ (114,338) | \$ 783,600 | \$ 53,200 | \$ 730,400 |
| Compensated absences | 1,397 | 805 | (1,103) | 1,099 | 1,099 | - |
| Business-type activities long-term liabilities | <u>\$ 899,335</u> | <u>\$ 805</u> | <u>\$ (115,441)</u> | <u>\$ 784,699</u> | <u>\$ 54,299</u> | <u>\$ 730,400</u> |

Compensated absences are generally liquidated by the general fund.

DAWSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

A summary of payments on all debt for governmental activities, excluding original issue premiums and compensated absences is presented below. Details of individual debts are provided following that.

SUMMARY OF ALL DEBT - GOVERNMENTAL ACTIVITIES

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------|---------------------|---------------------|---------------------|
| 2009 | \$ 3,852,218 | \$ 2,557,095 | \$ 6,409,313 |
| 2010 | 7,376,326 | 2,409,776 | 9,786,102 |
| 2011 | 6,602,638 | 2,174,608 | 8,777,246 |
| 2012 | 6,930,114 | 1,849,472 | 8,779,586 |
| 2013 | 7,667,699 | 1,507,687 | 9,175,386 |
| 2014 - 2018 | 19,286,264 | 2,723,867 | 22,010,131 |
| 2019 - 2023 | 2,682,620 | 724,064 | 3,406,684 |
| 2024 - 2028 | 1,710,000 | 239,726 | 1,949,726 |
| | <u>\$56,107,879</u> | <u>\$14,186,295</u> | <u>\$70,294,174</u> |

CAPITAL LEASES

The County leases certain land, facilities, equipment and vehicles under non-cancelable leases with interest rates from 2.93% to 5.85%. Ownership of the related assets will be transferred to the County at the end of the lease terms. The assets acquired through capital leases are as follows:

| | |
|-------------------------------|----------------------------|
| | Governmental Activities |
| Land | \$ 1,828,365 |
| Buildings and improvements | 969,363 |
| Machinery and equipment | 418,392 |
| Vehicles | <u>749,735</u> |
| Total assets | 3,965,855 |
| Less accumulated depreciation | <u>(488,895)</u> |
| | <u>\$ 3,476,960</u> |

DAWSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

Minimum future lease obligations for these leases, as of December 31, 2008, are as follows:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------|---------------------|-------------------|---------------------|
| 2009 | \$ 642,218 | \$ 71,012 | \$ 713,230 |
| 2010 | 496,326 | 48,950 | 545,276 |
| 2011 | 57,638 | 32,940 | 90,578 |
| 2012 | 60,114 | 30,465 | 90,579 |
| 2013 | 62,696 | 27,883 | 90,579 |
| 2014 - 2018 | 356,264 | 96,632 | 452,896 |
| 2019 - 2023 | 252,623 | 19,118 | 271,741 |
| | <u>\$ 1,927,879</u> | <u>\$ 327,000</u> | <u>\$ 2,254,879</u> |

CONTRACTS PAYABLE

Etowah Water and Sewer Authority Revenue Bonds, Series 2002. The County entered into an intergovernmental agreement with the Etowah Water and Sewer Authority (EWSA) to pay for the \$5,630,000 of the total \$8,595,000 in Etowah Water and Sewer Authority Revenue Bonds, Series 2002. The County agreed to pay \$5,630,000 of the total bond issue, and Etowah Water and Sewer Authority agreed to pay the remaining \$2,965,000. The County also agreed to pay to the Authority amounts sufficient to enable the Authority to pay the debt service on the Series 2002 Bonds in the event that the Authority's net revenues are insufficient to pay debt service on the Series 2002 bonds.

The bonds are issued as a combination of serial and term bonds with interest rates from 2% to 5.375% maturing from March 1, 2003 through March 1, 2028. The purpose of the bonds is to finance the improvements to the water and sewer system and refunding the outstanding bonds of the Authority. As of December 31, the County's portion of the Series 2002 bonds had an outstanding balance of \$4,890,000. The outstanding balance of the Authority's liability, for which the County will be liable if the Authority defaults, was \$2,215,000 at December 31, 2008.

The annual requirements to amortize contracts payable as of December 31, 2008, are as follows:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------|---------------------|---------------------|---------------------|
| 2009 | \$ 155,000 | \$ 232,463 | \$ 387,463 |
| 2010 | 160,000 | 226,614 | 386,614 |
| 2011 | 160,000 | 220,454 | 380,454 |
| 2012 | 165,000 | 214,033 | 379,033 |
| 2013 | 175,000 | 207,124 | 382,124 |
| 2014 - 2018 | 1,035,000 | 909,539 | 1,944,539 |
| 2019 - 2023 | 1,330,000 | 634,064 | 1,964,064 |
| 2024 - 2028 | 1,710,000 | 239,726 | 1,949,726 |
| | <u>\$ 4,890,000</u> | <u>\$ 2,884,017</u> | <u>\$ 7,774,017</u> |

DAWSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

Etowah Water and Sewer Authority Sprayfield Lease. The County entered into an intergovernmental agreement with EWSA to pay the interest on a bank note used to acquire 1,236 acres of land. The note was modified on October 30, 2007, to extend the maturity date from October 30, 2007, to October 30, 2009. The balance at December 31, 2008, was \$2,911,394, and bears interest at 60% of prime. The interest rate on December 31, 2008, was 0.26%. The amount of interest paid in 2008 was \$143,069. The County made payments of principal of \$150,555 from the sale of wetland credits on that land, but is not directly liable for the debt.

BONDS PAYABLE

General Obligation Sales Tax Bonds, Series 2004. The County issued general obligation bonds in the amount of \$12,200,000. The bonds are issued as term bonds with interest rates from 3% to 4% maturing June 1, 2010. The purpose of the bonds is to finance the construction of the detention center, a facility for 911 emergency services and animal control. The bonds will also be used for the acquisition, construction and equipping a recreational complex. The bonds are secured by a 1% local option sales tax approved by the voters on March 2, 2004 and then from the levy of an ad valorem tax. As of December 31, 2008, the bonds had an outstanding balance of \$5,550,000.

The annual requirements to amortize bonds payable as of December 31, 2008, are as follows:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------|---------------------|-------------------|---------------------|
| 2009 | \$ 2,700,000 | \$ 161,250 | \$ 2,861,250 |
| 2010 | 2,850,000 | 57,000 | 2,907,000 |
| | <u>\$ 5,550,000</u> | <u>\$ 218,250</u> | <u>\$ 5,768,250</u> |

General Obligation Sales Tax Bonds, Series 2007. In 2007, the County issued general obligation bonds in the amount of \$38,325,000. The bonds are issued as term bonds with interest rates from 4% to 5% maturing June 1, 2015. The purpose of the bonds is to finance the costs of acquiring, constructing, remodeling, and equipping of the Courthouse and Administration Building and the Sheriff's Office. The bonds are secured by a 1% local option sales tax approved by the voters on November 6, 2007 and then from the levy of an ad valorem tax. As of December 31, 2008, the bonds had an outstanding balance of \$38,325,000.

DAWSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

The annual requirements to amortize bonds payable as of December 31, 2008, are as follows:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------|----------------------|---------------------|----------------------|
| 2009 | \$ - | \$ 1,861,150 | \$ 1,861,150 |
| 2010 | 3,500,000 | 1,861,150 | 5,361,150 |
| 2011 | 6,000,000 | 1,721,150 | 7,721,150 |
| 2012 | 6,300,000 | 1,421,150 | 7,721,150 |
| 2013 | 7,010,000 | 1,106,150 | 8,116,150 |
| 2014 - 2015 | 15,515,000 | 1,169,000 | 16,684,000 |
| | <u>\$ 38,325,000</u> | <u>\$ 9,139,750</u> | <u>\$ 47,464,750</u> |

AGREEMENT FOR SALE PAYABLE

Jail Construction. On April 1, 2006, the County entered into a variable rate installment sale agreement in the amount of \$6,080,000 with the Association of County Commissioners of Georgia through the Bank of America. In addition, in order to manage its interest rate risk, the County determined that it should enter into an interest rate swap agreement with the Bank. The purpose of the agreement is to complete the financing for the construction of the new jail which is being partially funded through the 2004 SPLOST proceeds.

Objective of the Interest Rate Swap. The County's asset/liability strategy is to have a mixture of fixed-and variable-rate debt to take advantage of market fluctuations. Because the County anticipated that interest rates might decline, it decided to synthetically create variable-rate debt by entering into a derivative.

Terms. The County entered into a pay-variable, receive-fixed interest rate swap for the term of its \$6,080,000, 4.27% Agreement for Sale. The notional value of the swap is \$5,415,000. Under the terms of the swap, entered into March 28, 2006 and scheduled to end December 1, 2020, the County pays a fixed rate of 4.27%, and receives a variable-rate equivalent to one month London Interbank Offered Rate (LIBOR) less 63 basis points, which totaled 1.94% at December 31, 2008.

Fair Value. As of December 31, 2008, the swap had a fair value of \$4,977,006, calculated using the par-value method: the fixed rate on the swap was compared with the current fixed rates that could be achieved in the marketplace should the swap be unwound. The fixed-rate bond component was valued by discounting the fixed-rate cash flows using the current yield to maturity of a comparable bond. The variable-rate component was assumed to be at par value because the interest rate resets to the market rate at every reset date. The fair value was then calculated by subtracting the established market value of the fixed component from the established market value of the variable component (the par value of the bond).

Credit Risk. The swap's fair value represented the County's credit exposure to the counterparty as of December 31, 2008. Should the counterparty to this transaction fail to perform according to

DAWSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

the terms of the swap contract, the County faces a maximum possible loss equivalent to the fixed interest amount.

Interest Rate Risk. The swap increases the County's exposure to interest rate risk. As LIBOR plus decreases, the County's net payment on the swap increases.

Swap Payments and Associated Debt. Using interest rates as of December 31, 2008, principal and interest requirements of the debt and net swap payments for the term of the swap and the debt are as follows. As rates vary, net swap payments will vary.

| <u>Year</u> | Governmental Activities | | | |
|-------------|-------------------------|--------------|---------------|--------------|
| | Fixed Rate Bonds | | Interest Rate | Total |
| | Principal | Interest | Swaps, Net | |
| 2009 | \$ 355,000 | \$ 231,220 | \$ 126,170 | \$ 712,390 |
| 2010 | 370,000 | 216,062 | 117,898 | 703,960 |
| 2011 | 385,000 | 200,064 | 109,277 | 694,341 |
| 2012 | 405,000 | 183,824 | 100,307 | 689,131 |
| 2013 | 420,000 | 166,530 | 90,870 | 677,400 |
| 2014 - 2018 | 2,380,000 | 548,696 | 299,406 | 3,228,102 |
| 2019 - 2020 | 1,100,000 | 70,882 | 38,678 | 1,209,560 |
| | \$ 5,415,000 | \$ 1,617,278 | \$ 882,606 | \$ 7,914,884 |

PLEDGED REVENUE

Dawson County has pledged SPLOST revenues to repay its contract payable related its 2004 General Obligation Sales Tax Bonds with an original debt of \$12.2 million. In the event that the County's SPLOST revenues are insufficient to cover the principal and interest payments, the County has agreed to pledge its property tax revenue. The contract payable is payable through 2010. The total principal and interest remaining to be paid is \$5.8 million. For the current year, the principal and interest paid and SPLOST revenues recognized by the County were \$2.7 million and \$5.8 million, respectively. Current year principal and interest payments are approximately 47% of net revenues.

Dawson County has pledged SPLOST revenues to repay its contract payable related to its 2007 General Obligation Sales Tax Bonds with an original debt of \$38.3 million. In the event that the County's SPLOST revenues are insufficient to cover the principal and interest payments, the County has agreed to pledge its property tax revenue. The contract payable is payable through 2015. The total principal and interest remaining to be paid is \$47.5 million. For the current year, interest paid and SPLOST revenues recognized by the County were \$950,971 and \$5.8 million, respectively. No principal payments were made during the year. Current year principal and interest payments are approximately 16.4% of net revenues.

DAWSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

COMPONENT UNITS

Long-term liability activity for the Health Department for the year ended June 30, 2008, was as follows:

| Governmental activities | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> | <u>Due After One Year</u> |
|--------------------------------|------------------------------|------------------|--------------------|---------------------------|--------------------------------|-------------------------------|
| Compensated absences | \$ <u>40,625</u> | \$ <u>39,880</u> | \$ <u>(34,044)</u> | \$ <u>46,461</u> | \$ <u>30,000</u> | \$ <u>16,461</u> |

DAWSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

NOTE 7 – INTERFUND BALANCES AND ACTIVITY

Balances due to/from other funds at December 31, 2008, consist of the following:

| | | |
|----|---------------------|---|
| \$ | 39,364 | Due to the Capital Projects Fund from General Fund to reimburse expenses. |
| | 18,463 | Due to the Impact Fee Fund from General Fund for revenues collected but cash not yet transferred. |
| | 224,094 | Due to the Solid Waste Fund from the General Fund for revenues collected but cash not yet transferred. |
| | 18,338 | Due to Restricted Programs Nonmajor Fund from General Fund for cash pooled within General Fund bank account. |
| | <u>30,042</u> | Due to various nonmajor governmental funds from General Fund for cash not yet transferred. |
| | <u>330,301</u> | <i>Subtotal - due to other funds from the General Fund</i> |
| | 48,533 | Due to General Fund from the SPLOST Fund to reimburse expenses. |
| | <u>2,081,760</u> | Due to Capital Projects Fund from the SPLOST Fund for cash temporarily advanced. |
| | <u>2,130,293</u> | <i>Subtotal - due to other funds from the SPLOST Fund</i> |
| | <u>2,647</u> | Due to the General Fund from the Capital Projects Fund to reimburse expenses. |
| | <u>2,647</u> | <i>Subtotal - due to other funds from the Capital Projects Fund</i> |
| | <u>13,349</u> | Due to the Capital Projects Fund from the Impact Fee Fund to reimburse expenses. |
| | <u>13,349</u> | <i>Subtotal - due to other funds from the Impact Fee Fund</i> |
| | 23,056 | Due to the Multiple Grants Fund from the K-9 Seizure Fund for matching funds for which cash has not been transferred. |
| | <u>222,203</u> | Due to the General Fund from other nonmajor governmental funds to reimburse expenses. |
| | <u>245,259</u> | <i>Subtotal - due to other funds from the nonmajor governmental funds</i> |
| | 8,988 | Due to the General Fund from Child Development Center to reimburse expenses. |
| | <u>60,806</u> | Due to the General Fund from DCAR GIS Fund to reimburse expenses. |
| | <u>69,794</u> | <i>Subtotal - due to other funds from the proprietary funds</i> |
| | <u>\$ 2,791,643</u> | Total due to other funds |

Summary of balances due from other funds reported in fund financial statements:

| | | |
|----|---------------------|--|
| \$ | 2,567,549 | Due from other funds, Balance Sheet-Governmental Funds. |
| | <u>224,094</u> | Due from other funds, Statement of Net Assets-Proprietary Funds. |
| | <u>\$ 2,791,643</u> | Total due from other funds |

DAWSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

Transfers to/from other funds at December 31, 2008, consists of the following:

| | |
|---------------------|---|
| \$ 518,167 | From General fund to the E911 Fund to supplement the operating budget. |
| 23,584 | From General fund to the Restricted Programs Nonmajor Fund to establish the new fund and supplement the budget. |
| 88,008 | From General fund to Capital Projects Fund to pay for fiscal year construction projects. |
| 391,373 | From the General fund to the Multiple Grants Fund for the County' s matching portion on federal and state grants. |
| <u>159,450</u> | From the General fund to the DCAR GIS Enterprise Fund for capital outlay and operations. |
| <u>1,180,582</u> | <i>Subtotal - transfers from the General Fund</i> |
| | |
| <u>3,242,884</u> | From the SPLOST fund to pay debt service payments in the Debt Service fund. |
| <u>3,242,884</u> | <i>Subtotal - transfers from the SPLOST Fund</i> |
| | |
| <u>951,254</u> | From the Capital Projects Fund to the Debt Service Fund to reimburse expenses. |
| <u>951,254</u> | <i>Subtotal - transfers from the Capital Projects Fund</i> |
| | |
| 80,000 | From the Impact Fee Fund to the General Fund to repay for the construction of parks. |
| 48,584 | From the Impact Fee Fund to the General Fund for administrative fees. |
| 13,349 | From the Impact Fee Fund to the Capital Projects Fund to help fund the purchase of a library site. |
| <u>75,332</u> | From the Impact Fee Fund to the SPLOST Fund to help fund the purchase of a library site. |
| <u>217,265</u> | <i>Subtotal - transfers from the Impact Fee Fund</i> |
| | |
| 10,806 | From the Restricted Programs Nonmajor Fund to other nonmajor funds to reimburse expenses. |
| 15,804 | From the Jail Fund to the Capital Projects Fund to help fund the construction of the new Jail. |
| 3 | From the Jail Fund to the SPLOST Fund to help fund the construction of the new Jail. |
| 111,508 | From the Drug Education and Abuse Treatment Nonmajor Fund to the Multiple Grants Fund for matching portion on grants. |
| <u>138,121</u> | <i>Subtotal - transfers from nonmajor governmental funds</i> |
| | |
| <u>\$ 5,730,106</u> | Total transfers |

Summary of transfers out to other funds reported in fund financial statements:

| | |
|---------------------|--|
| \$ 5,570,656 | Transfers In, Statement of Revenues, Expenditures, and Changes in Fund Balances-Governmental Funds |
| <u>159,450</u> | Transfers In, Statement of Revenues, Expenses, and Changes in Fund Net Assets-Proprietary Funds |
| <u>\$ 5,730,106</u> | Total |

NOTE 8 - RETIREMENT PLANS

DEFINED BENEFIT PENSION PLAN

(A) PLAN DESCRIPTION

The County contributes to the Association of County Commissioners of Georgia Restated Pension Plan for Dawson County Employees (The Plan), a defined benefit pension plan, an agent multiple-employer public employee retirement system. The Plan issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by writing to Dawson County Board of Commissioners, 76

DAWSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

Howard Ave. E., Suite 120 Dawsonville, Georgia 30534.

The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. The Plan, through execution of an adoption agreement, is affiliated with the Association County Commissioners of Georgia Second Restated Defined Benefit Plan (The ACCG Plan), an agent multiple-employer pension plan administered by the Government Employee's Benefit Corporation (GEBCorp). The ACCG, in its role as Plan Sponsor, has the sole authority to amend the provisions of the ACCG Plan, as provided in Section 19.03 of The ACCG Plan document. The County has the authority by resolution to amend the adoption agreement, which defines the specific benefit provisions of The Plan, as provided in Section 19.02 of the ACCG Plan document.

Any full-time County employee meeting the provisions as set out in the adoption agreement are eligible to participate in the Plan after completing three years of service. Benefits vest at 100% after 5 years of service. Participants become eligible to retire at the earlier of: a) age 65 or b) the third anniversary of the first day of the Plan Year in which the participant commenced participation in the Plan.

Upon eligibility to retire, participants are entitled to an annual benefit in the amount of .50% of average annual compensation up to \$6,000 plus 1% of average compensation in excess of \$6,600 plus \$36 multiplied by years of service. Compensation is averaged over a five year period prior to retirement or termination. The Plan also provides benefits in the event of death before retirement. These benefit provisions were established by an adoption agreement executed by the County Board of Commissioners.

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. The County's covered payroll for employees participating in the Plan as of January 1, 2008, (the most recent actuarial valuation date) was \$5,301,419 (based on covered earnings for the preceding year).

B. FUNDING POLICY

Contributions totaling \$49,393 (\$49,393 employer and \$0 employee) were made in accordance with actuarially determined contribution requirements determined by an actuarial valuation performed as of January 1, 2008. The County is required to contribute an actuarially determined amount annually to the Plan's trust. The contribution amount is determined using actuarial methods and assumptions approved by the ACCG Plan of trustees and must satisfy the minimum contribution requirement contained in the State of Georgia Statutes.

C. ANNUAL PENSION COST

The administrative expenses set by contract between the ACCG and GEBCorp and are in addition to the state-required annual funding requirement.

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

DAWSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

its plan participants.

The County's contributions to the Plan for the years ended December 31, 2008, 2007, and 2006 were \$49,393, \$273,377, and \$336,928, respectively, and were equal to the required contribution for each year.

Schedule I included in the required supplementary information 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. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations. The data for the most current year are as follows:

| <u>Actuarial Date of January 1</u> | <u>Actuarial Value of Assets</u> (a) | <u>Actuarial Accrued Liability (AAL) - Projected Unit Credit</u> (b) | <u>Unfunded AAL (UAAL)</u> (b-a) | <u>Funded Ratio</u> (a/b) | <u>Covered Payroll</u> (c) | <u>UAAL as a Percent of Covered Payroll</u> [(b-a)/c] |
|--|---|---|---|----------------------------------|-----------------------------------|--|
| 2008 | \$ 2,510,476 | \$ 2,808,569 | \$ 298,093 | 89.4% | \$5,301,419 | 5.6 % |

The annual required contribution and percentage contributed for the current year and prior years are as follows:

| <u>Fiscal Year December 31</u> | <u>Annual Pension Cost</u> | <u>Actual County Contribution</u> | <u>Percentage of APC Contributed</u> | <u>Net Pension Obligation</u> |
|------------------------------------|--------------------------------|---------------------------------------|--|-----------------------------------|
| 2008 | \$ 308,012 | \$ 49,393 | 16.0 % | \$ 68,202 |
| 2007 | 286,082 | 273,377 | 95.6 % | (190,417) |
| 2006 | \$ 319,480 | \$ 336,928 | 105.5 % | \$ (203,122) |

The information was determined as part of the actuarial valuation as of January 1, 2008. Additional information as of the latest actuarial valuation follows:

| | |
|-----------------------------------|-------------------------------|
| Valuation date | January 1, 2008 |
| Actuarial cost method | Projected Unit Credit |
| Amortization method | Level Percent of Pay (closed) |
| Asset valuation method | Market Value |
| Actuarial assumptions: | |
| Assumed Rate of Return on Assets | 8.0 % |
| Expected Future Salary Increases | 6.0 % |
| Expected Inflation | 3.0 % |
| Cost-of-living adjustments | N/A |
| Post-retirement benefit increases | N/A |

DAWSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

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

| Derivation of annual pension cost: | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|---|-------------------------|----------------------------|----------------------------|
| Annual required contribution | \$ 307,106 | \$ 285,187 | \$ 318,662 |
| Interest on net pension obligation | (16,450) | (16,250) | (14,854) |
| Amortization of net pension obligation | <u>17,356</u> | <u>17,145</u> | <u>15,672</u> |
| Annual pension cost | 308,012 | 286,082 | 319,480 |
| Contributions made with interest | <u>(49,393)</u> | <u>(273,377)</u> | <u>(336,928)</u> |
| Increase (decrease) in net pension obligation | 258,619 | 12,705 | (17,448) |
| Net pension obligation, Beginning of year | <u>(190,417)</u> | <u>(203,122)</u> | <u>(185,674)</u> |
| Net pension obligation, End of year | <u><u>\$ 68,202</u></u> | <u><u>\$ (190,417)</u></u> | <u><u>\$ (203,122)</u></u> |

401(a) RETIREMENT PLAN

Effective January 1, 2007, the County, by resolution, adopted the ACCG 401(a) Defined Contribution Plan for employees of Dawson County. This plan is administered by GEBCorp. Employees are immediately vested in the plan once contributions are made. The County matches 100% of employee voluntary contributions up to 4% of salary. The County may change the contribution requirements by resolution.

The employee contributions for 2008 were \$248,124 and the County matching contribution was \$118,289.

OTHER PLANS

In addition to the above pension plans, the following pension plans cover County employees but the County is not legally responsible for contributions to the pension plans. Other governmental entities are legally responsible for these contributions as well as required disclosures.

- (A.) **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 or other claims.

- (B.) **CLERK OF SUPERIOR COURT RETIREMENT FUND**
The Clerk of Superior Court is covered under a pension plan which requires that certain sums from fees and fines or bond forfeitures be remitted to the pension plan before the payment of any costs or other claims.

DAWSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

(C.) **SHERIFF'S RETIREMENT FUND/PEACE OFFICER'S ANNUITY AND BENEFIT FUND**

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

(D.) **GEORGIA STATE EMPLOYEES' RETIREMENT SYSTEM**

The Health Department's eligible employees participate in the Georgia State Employees' Retirement System (ERS), a statewide multiple-employer public employee retirement system covering employees of local boards of health and various agencies and departments of the State of Georgia. ERS is funded through employer and employee contributions and the Health Department has no legal obligation for paying benefits.

(E.) **TEACHER RETIREMENT SYSTEM OF GEORGIA (TRS)**

Dawson County's Extension agent and staff are covered by the Teachers Retirement System of Georgia (TRS), which is a cost-sharing multiple employer public employee retirement system (PERS) funded by employee and employer contributions.

(F.) **GEORGIA FIREFIGHTERS' PENSION FUND**

Dawson County's firefighters are covered by the Georgia Firefighters' Pension Fund, which is a cost-sharing multiple employer defined benefit pension plan. The plan is funded by a combination of member contributions and a tax imposed on gross insurance premiums written by insurance companies, corporations or associations for fire, inland marine and allied lines, lightning extended coverage, and windstorm policies covering property within the State of Georgia.

NOTE 9 – RISK MANAGEMENT

The County is exposed to various risks in terms of losses related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has not decreased any of its insurance coverage from the prior year, and there have been no claims in excess of insurance coverage over the past three years.

GROUP HEALTH INSURANCE

The government carries commercial insurance for its employees through a fully-insured plan with Association County Commissioners of Georgia/Blue Cross Blue Shield of Georgia (ACCG/BCBS).

DAWSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

OTHER

The County is a member of the Association of County Commissioners of Georgia Interlocal Risk Management Agency (IRMA). IRMA is a group self-insurance fund covering general liability, automobile damage and theft, fire damage, and employee dishonesty for Georgia County governments. IRMA pays losses up to \$10,000 per individual claim or \$1,000,000 for all claims. However, excess losses, if any, are covered by reinsurance and would be paid by the reinsurer.

The members of IRMA are assessable if the losses that IRMA must pay exceed the assets of the pool. At December 31, 2008, there was no need for such an assessment.

WORKERS' COMPENSATION

The County participates in the Association County Commissioners of Georgia (ACCG) Group Self-Insurance Workers' Compensation Fund (GSIWCF), a self-insured pool cooperative arrangement among its members to finance workers' compensation coverage. The fund is owned by its members and is managed by a seven member Board of Trustees made up of representatives from participating counties. Losses are paid by the Fund.

Excess losses, if any, are covered by reinsurance and would be paid by the reinsurer. The members of the Fund are assessable if the losses that the Fund must pay exceed the assets of the pool. At December 31, 2008, there was no need for such an assessment. Therefore, no liability for this has been included in these financial statements.

As part of these risk pools (IRMA & GSIWCF), the County is obligated to pay all contributions and assessments 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 that could require the funds to pay any type of loss. The County is also to allow all the pools' agents and attorneys to represent the county in investigations, settlement discussions, and all levels of litigation arising out of any claim made against the county.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the worker's compensation law of Georgia. The funds are to pay all costs assessed 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.

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

DAWSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

NOTE 10 - COMMITMENTS AND CONTINGENCIES

The County is involved in several civil lawsuits filed in the normal course of its activities. The majority of these claims are considered minimal with a favorable outcome expected. The County's position is to vigorously defend its position or seek an out of court settlement. These particular cases are covered by the County's liability insurance less the applicable deductible amount of \$10,000 for each case.

In September of 2006, the County accepted a Community Development Block Grant from the Department of Community Affairs in the amount of \$500,000 for construction of a new Adult Learning Center. As a condition of the grant, the County must agree to use the facility for the approved purpose throughout the life of the facility. Should the facility be converted to an ineligible use, the Department of Community Affairs will require repayment of the grant. The repayment will be based on 20-year straight-line depreciation, except 100% repayment of grant funds will be required to be repaid during the first 5 years after the grant closeout date which had not occurred as of December 31, 2008.

NOTE 11 - NORTHEAST GEORGIA REGIONAL DEVELOPMENT CENTER

Dawson County, in conjunction with other cities and counties in the area, are members of the Northeast Georgia Regional Development Center (RDC). Membership in the RDC is automatic for each municipality and county in the state. The official Code of Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the RDCs. Each county and municipality in the state is required by law to pay minimum annual dues to the RDC.

The county paid annual dues in the amount of \$11,454 to the RDC for the year ended December 31, 2008. The RDC Board membership includes the chief elected official of each county and the chief elected official of each municipality. The County board members and municipal board members from the same county elect one member of the Board who is a resident (but not an elected or appointed official or employee of the County or municipality) to serve as the nonpublic Board member from a County.

The Georgia Planning Act of 1989 (O.C.G.A. 50-8-34) defines RDC's as public agencies and instrumentalities of their members. Georgia laws also provide that the member governments are liable for any debts or obligations of an RDC beyond its resources. (O.C.G.A. 50-8-39.1)

Separate financial statements for the RDC may be obtained from: Georgia Mountain Regional Development Center, 1310 Ridge Road, Gainesville, Georgia 30501.

NOTE 12 – HOTEL/MOTEL TAX

During the year ended December 31, 2008, the County collected \$204,297 of which \$130,522 was required to be spent to promote tourism, conventions, and trade shows. The County actually spent \$204,297. This was 157% of the tax receipts to be expended for these purposes under OCGA 48-13-51. The County complied with the requirements of this law.

DAWSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

NOTE 13 - LANDFILL CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require the County to place a final cover on a landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for up to thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports an estimated portion of these closure and postclosure care costs as a current operating expenditure in each period based on landfill capacity used as of each balance sheet date. The estimated costs are subject to adjustment due to changes in inflation or deflation, technology, or applicable laws or regulations. There was no amortization cost of the landfill liability in 2008. The current amount of postclosure care costs remaining as of December 31, 2008, is \$783,600. The landfill was officially closed February 7, 2002.

The County is also required to demonstrate financial assurance that the closure and postclosure care cost can be paid in the future. The County has fulfilled this requirement for the period ended December 31, 2008, using the applicable financial ratio tests.

NOTE 14 - CERTAIN SIGNIFICANT ESTIMATES

As discussed in NOTE 1, estimates are used in the preparation of these financial statements. Four of the estimates qualified as significant, in that it is reasonably possible that the estimate will change in the near term due to one or more future confirming events and this change will have a material effect on the financial statements.

The estimate for the closure/postclosure costs of the County's landfill qualifies as a significant estimate.

The estimate for allowance for doubtful accounts relating to Dawson County Emergency Medical Services accounts receivable qualifies as a significant estimate. The estimate is calculated based on the previous year's collection percentage of accounts greater than 120 days old.

The estimate for allowance for doubtful accounts related to fines receivable qualifies as a significant estimate. The estimate is calculated based on prior years' collection experience.

The estimate for accumulated depreciation on capital assets qualifies as a significant estimate. This estimate is based on the original or estimated cost of the assets, depreciated over the estimated useful lives using the straight-line method.

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DAWSON COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION FUNDING PROGRESS
For the Year Ended December 31, 2008
"Unaudited"

| Actuarial Valuation Date | (1) Actuarial Value of Assets | (2) Actuarial Liability (AAL) | (3) Funded Ratio (1) / (2) | (4) Unfunded AAL (UAAL) (2) - (1) | (5) Annual Covered Payroll (prior year) | (6) UAAL as a Percentage of Covered Payroll (4) / (5) |
|--------------------------|----------------------------------|----------------------------------|-------------------------------|--------------------------------------|--|--|
| 2000 (1/1) | \$ 572,930 | \$ 640,446 | 89.46 % | \$ 67,516 | \$ 974,421 | 6.93 % |
| 2001 | 623,320 | 710,926 | 87.68 % | 87,606 | 1,799,488 | 4.87 % |
| 2002 | 661,151 | 914,628 | 72.29 % | 253,477 | 2,665,114 | 9.51 % |
| 2003 | 732,099 | 1,122,573 | 65.22 % | 390,474 | 3,307,905 | 11.80 % |
| 2004 | 998,609 | 1,735,613 | 57.54 % | 737,004 | 3,956,023 | 18.63 % |
| 2005 | 1,367,759 | 2,026,500 | 67.49 % | 658,741 | 4,884,806 | 13.49 % |
| 2006 | 1,722,072 | 2,494,416 | 69.04 % | 772,344 | 5,009,337 | 15.42 % |
| 2007 | 2,144,481 | 2,758,215 | 77.75 % | 613,734 | 4,984,636 | 12.31 % |
| 2008 | \$ 2,510,476 | \$ 2,808,569 | 89.39 % | \$ 298,093 | \$ 5,301,419 | 5.62 % |

Analysis of the dollar amounts of actuarial value of assets available for benefits, actuarial accrued liability, and unfunded actuarial accrued liability in isolation can be misleading. Expressing the actuarial value of assets available for benefits as a percentage of the actuarial accrued liability provides one indication of funding status on a going concern basis. Analysis of this percentage over time indicates whether the system is becoming financial stronger or weaker. Generally, the greater this percentage, the stronger the Plan.

Trends in unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the Plan's progress in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the Plan.

DAWSON COUNTY, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2008
(Required Supplementary Information)

| | BUDGET AMOUNTS | | ACTUAL | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---|-------------------|-------------------|-------------------|---|
| | ORIGINAL | FINAL | | |
| FUND BALANCE, Beginning of year | \$ 5,227,164 | \$ 5,227,164 | \$ 5,227,164 | \$ - |
| RESOURCES (INFLOWS) | | | | |
| Taxes | 20,243,470 | 17,053,398 | 17,053,398 | - |
| Licenses and permits | 862,672 | 462,523 | 462,523 | - |
| Intergovernmental | 765,160 | 731,035 | 731,035 | - |
| Fines and forfeitures | 832,564 | 784,989 | 784,989 | - |
| Charges for services | 2,452,792 | 2,266,376 | 2,266,376 | - |
| Contributions and donations | - | 60,108 | 60,108 | - |
| Investment income | 400,806 | 295,835 | 295,835 | - |
| Miscellaneous | 63,707 | 41,845 | 41,845 | - |
| Sale of county property | - | 11,239 | 11,239 | - |
| Capital lease proceeds | 203,000 | - | - | - |
| Transfers in | 225,720 | 128,584 | 128,584 | - |
| Total Resources (Inflows) | <u>26,049,891</u> | <u>21,835,932</u> | <u>21,835,932</u> | <u>-</u> |
| AMOUNTS AVAILABLE FOR APPROPRIATION | <u>31,277,055</u> | <u>27,063,096</u> | <u>27,063,096</u> | <u>-</u> |
| CHARGES TO APPROPRIATIONS (OUTFLOWS) | | | | |
| Current Expenditures | | | | |
| General Government | | | | |
| Legislative | 337,967 | 304,716 | 304,715 | 1 |
| Executive | 417,468 | 393,399 | 393,398 | 1 |
| Elections | 263,877 | 265,355 | 265,352 | 3 |
| Financial administration | 545,024 | 501,101 | 501,094 | 7 |
| Purchasing | 112,350 | 119,712 | 119,710 | 2 |
| Data processing/MIS | 238,289 | 273,465 | 273,463 | 2 |
| Human resources | 190,606 | 168,500 | 168,499 | 1 |
| Tax commissioner | 479,273 | 429,454 | 429,452 | 2 |
| Tax assessor | 428,165 | 377,253 | 377,252 | 1 |
| Risk management | 372,250 | 252,112 | 252,112 | - |
| Buildings | 820,562 | 980,760 | 980,756 | 4 |
| Board of Equalization | 14,100 | 11,680 | 11,680 | - |
| Other general government | 1,498,493 | 447,892 | 445,436 | 2,456 |
| Total General Government | <u>5,718,424</u> | <u>4,525,399</u> | <u>4,522,919</u> | <u>2,480</u> |
| Judicial | | | | |
| Superior court | 534,437 | 486,584 | 486,581 | 3 |
| Clerk of superior court | 617,189 | 586,859 | 586,856 | 3 |
| District attorney | 532,929 | 536,794 | 536,783 | 11 |
| Magistrate court | 236,459 | 226,573 | 226,572 | 1 |
| Probate court | 234,268 | 217,003 | 216,998 | 5 |
| Juvenile court | 76,475 | 83,720 | 83,716 | 4 |
| Public defender | 245,343 | 246,387 | 246,382 | 5 |
| Total Judicial | <u>2,477,100</u> | <u>2,383,920</u> | <u>2,383,888</u> | <u>32</u> |
| Public Safety | | | | |
| Sheriff | 3,181,026 | 3,189,183 | 3,189,177 | 6 |
| Detention center | 3,670,737 | 3,531,890 | 3,531,883 | 7 |
| Fire | 1,250,054 | 1,211,017 | 1,211,016 | 1 |
| Emergency medical services | 1,886,709 | 1,794,132 | 1,794,128 | 4 |
| Emergency services administration | 289,278 | 258,071 | 258,069 | 2 |
| Coroner | 61,120 | 46,013 | 46,013 | - |
| Animal shelter | - | 110,880 | 110,880 | - |
| School resource officers | 276,841 | 216,480 | 216,480 | - |
| Special response team | 423 | - | - | - |
| Marshall | 73,456 | 29,873 | 29,873 | - |
| Junior police academy | 905 | 1,662 | 1,662 | - |
| Emergency management | 40,292 | 16,391 | 16,391 | - |
| Animal control | 142,488 | 172,522 | 172,520 | 2 |
| Total Public Safety | <u>10,873,329</u> | <u>10,578,114</u> | <u>10,578,092</u> | <u>22</u> |
| Public Works | | | | |
| Public works administration | - | 203,564 | 203,533 | 31 |
| Road department | 2,095,958 | 1,813,039 | 1,813,039 | - |
| Total Public Works | <u>2,095,958</u> | <u>2,016,603</u> | <u>2,016,572</u> | <u>31</u> |

DAWSON COUNTY, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2008
(Required Supplementary Information)

| CONTINUED..... | BUDGET AMOUNTS | | ACTUAL | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|---------------------------------|---------------------|---------------------|---------------------|---|
| | ORIGINAL | FINAL | | |
| Public Health and Welfare | | | | |
| Health department | 246,756 | 218,104 | 218,104 | - |
| Public welfare | 76,870 | 57,807 | 57,807 | - |
| Indigent welfare | 5,000 | 3,500 | 3,500 | - |
| Senior citizens center | 126,188 | 123,334 | 123,331 | 3 |
| Senior services donation | - | 19,886 | 19,886 | - |
| C.A.S.A. | 7,200 | 7,200 | 7,200 | - |
| Noah's Ark | 3,000 | 3,000 | 3,000 | - |
| Total Public Health and Welfare | <u>465,014</u> | <u>432,831</u> | <u>432,828</u> | <u>3</u> |
| Recreation and Culture | | | | |
| Park | 1,300,577 | 816,617 | 816,612 | 5 |
| Park and Recreation | - | 29,252 | 27,404 | 1,848 |
| Park - Women's Club Donations | - | 8,585 | 8,585 | - |
| Park - Pool | 13,995 | 29,117 | 29,116 | 1 |
| Park - Camping | - | 1,279 | 1,279 | - |
| Library | 439,439 | 439,440 | 439,439 | 1 |
| Historical society | - | 119,614 | 119,614 | - |
| Total Recreation and Culture | <u>1,754,011</u> | <u>1,443,904</u> | <u>1,442,049</u> | <u>1,855</u> |
| Housing and development | | | | |
| Conservation | 700 | 674 | 674 | - |
| Forestry | 3,256 | 3,011 | 3,011 | - |
| Planning and zoning | 1,177,367 | 909,128 | 909,123 | 5 |
| County agent | 90,182 | 75,619 | 75,618 | 1 |
| Development Authority | 188,978 | 178,578 | 178,578 | - |
| Family connection | 750 | 720 | 720 | - |
| Total Housing and Development | <u>1,461,233</u> | <u>1,167,730</u> | <u>1,167,724</u> | <u>6</u> |
| Transfers out | <u>1,179,822</u> | <u>1,180,582</u> | <u>1,180,582</u> | <u>-</u> |
| TOTAL CHARGES TO APPROPRIATIONS | <u>26,024,891</u> | <u>23,729,083</u> | <u>23,724,654</u> | <u>4,429</u> |
| CHANGE IN FUND BALANCE | <u>25,000</u> | <u>(1,893,151)</u> | <u>(1,888,722)</u> | <u>4,429</u> |
| FUND BALANCE, End of year | <u>\$ 5,252,164</u> | <u>\$ 3,334,013</u> | <u>\$ 3,338,442</u> | <u>\$ 4,429</u> |

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted for specific purposes. The following special revenue funds are maintained by the County:

Emergency 911 Fund - to account for the monthly "911" charge to help fund the cost of providing the service as provided in title 46, Chapter 5 of the Official Code of Georgia Annotated.

Multiple Grants Fund - to account for all reimbursement grants from state, federal, and local grantors.

Mentor Program – to account for grant funds and private contributions used to provide mentoring services to the County.

Restricted Program Fund - to account for funds received from donations and other funds restricted to specific programs.

Jail Fund - to account for funds collected from fines and forfeitures and other revenues to be used for the operation of the County jail.

Hotel/Motel Tax Fund - to account for taxes charged on rental of hotel/motel rooms as provided in title 48m Chapter 13 of the Official Code of Georgia Annotated. These funds are used for the promotion of tourism, conventions and trade shows in the County.

Law Library Fund - to account for funds collected from fines and forfeitures to be used to maintain the Law Library as provided in title 36, chapter 15 of the Official Code of Georgia Annotated.

Victims Rights and Assistance Fund - to account for funds collected from fines and forfeitures that are used to assist victims of crime.

Drug Abuse Treatment and Education Fund - to account for funds collected from fines & forfeitures to be used to create and maintain a Drug Education Fund as provided in title 15, chapter 21 of the Official Code of Georgia Annotated.

District Attorney Seizure Fund – to account for funds collected from 10% of all funds subject to forfeiture laws as specified in the Sheriff's Condemnation Fund. These funds may be used to supplement victims'-witness assistance programs.

Sheriff Seizure Fund – to account for funds seized in acts of violation of specific forfeiture laws such as controlled substance violations. Up to 33 1/3% of the amount of local funds appropriated may be spent for law enforcement purposes with the exception of salaries or rewards to law enforcement personnel at the discretion of the chief officer of the local law enforcement agency or may be used to fund victims'-witness assistance programs.

K-9 Seizure Fund – to account for funds seized by the K-9 unit. These funds are held in trust until the court orders these funds to be distributed.

Inmate Stores and Welfare Fund – to account for funds collected from sale of goods and services to inmates.

DAWSON COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2008

| | SPECIAL REVENUE FUNDS | | | | | | | | | |
|---|--|-------------------------|-------------------|--------------------------------|-----------------|--------------------|----------------|-----------------------------------|------------------|-------------------|
| | EMERGENCY 911 TELEPHONE SERVICES | MULTIPLE GRANTS FUND | MENTOR PROGRAM | RESTRICTED PROGRAMS FUND | JAIL FUND | HOTEL MOTEL TAX | LAW LIBRARY | VICTIMS RIGHTS & ASSISTANCE | | |
| ASSETS | | | | | | | | | | |
| Cash | \$ - | \$ 12 | \$ 300 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Receivables (net of allowance for uncollectibles) | 44,801 | 229,345 | - | 18,338 | - | 17,621 | - | - | 85,276 | 104,590 |
| Due from other funds | 12,485 | 23,056 | 17,346 | - | - | - | - | - | - | - |
| TOTAL ASSETS | \$ 57,286 | \$ 252,413 | \$ 17,646 | \$ 18,338 | \$ 9,754 | \$ 17,621 | \$ - | \$ - | \$ 85,276 | \$ 104,590 |
| LIABILITIES AND FUND BALANCES | | | | | | | | | | |
| Liabilities | | | | | | | | | | |
| Accounts payable | \$ 2,168 | \$ 85,728 | \$ 296 | \$ 2,161 | \$ 9,551 | \$ 17,621 | \$ - | \$ - | \$ - | \$ 565 |
| Other accrued items | 2,659 | 3,680 | - | 292 | - | - | - | - | - | - |
| Due to other governments | - | 600 | - | - | - | - | - | - | - | - |
| Due to other funds | - | 152,405 | - | 219 | - | - | - | - | 12,708 | 50,101 |
| Deferred revenue | - | 10,000 | - | - | - | - | - | - | - | - |
| Amounts held in trust | - | - | - | - | - | - | - | - | - | - |
| TOTAL LIABILITIES | \$ 4,827 | \$ 252,413 | \$ 296 | \$ 2,672 | \$ 9,551 | \$ 17,621 | \$ - | \$ - | \$ 12,708 | \$ 50,666 |
| FUND BALANCES | | | | | | | | | | |
| Public safety projects | - | - | - | 3,918 | - | - | - | - | - | - |
| Wireless service upgrades | 38,342 | - | - | - | - | - | - | - | - | - |
| Unreserved, undesignated: | | | | | | | | | | |
| Special Revenue Funds | 14,117 | - | 17,350 | 11,748 | 203 | - | - | - | 72,568 | 53,924 |
| TOTAL FUND BALANCES | \$ 52,459 | \$ - | \$ 17,350 | \$ 15,666 | \$ 203 | \$ - | \$ - | \$ - | \$ 72,568 | \$ 53,924 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 57,286 | \$ 252,413 | \$ 17,646 | \$ 18,338 | \$ 9,754 | \$ 17,621 | \$ - | \$ 85,276 | \$ - | \$ 104,590 |

DAWSON COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2008

| | SPECIAL REVENUE FUNDS | | | | | | | TOTAL NONMAJOR GOVERNMENTAL FUNDS |
|---|--|---|------------------------------|---------------------------|---------------------|--|----------------|--|
| | DRUG ABUSE TREATMENT & EDUCATION | DISTRICT ATTORNEY SEIZURE FUND | SHERIFF'S SEIZURE FUND | INMATE WELFARE FUND | K-9 SEIZURE FUND | INMATE STORE AND WELFARE FUND | TOTAL | |
| ASSETS | | | | | | | | |
| Cash | 65,401 | 9,518 | 33,045 | 23,559 | 4,066 | 6,638 | 341,948 | |
| Receivables (net of allowance for uncollectibles) | - | - | - | - | - | - | 291,767 | |
| Due from other funds | - | - | - | - | - | - | 71,436 | |
| TOTAL ASSETS | 65,401 | 9,518 | 33,045 | 23,559 | 4,066 | 6,638 | 705,151 | |
| LIABILITIES AND FUND BALANCES | | | | | | | | |
| Liabilities | | | | | | | | |
| Accounts payable | - | 234 | - | - | - | - | 118,324 | |
| Other accrued items | - | - | - | - | - | - | 6,631 | |
| Due to other governments | - | - | - | - | - | - | 600 | |
| Due to other funds | 169 | - | 314 | - | 29,343 | - | 245,259 | |
| Deferred revenue | - | - | - | - | - | - | 10,000 | |
| Amounts held in trust | - | - | - | - | - | 6,199 | 6,199 | |
| TOTAL LIABILITIES | 169 | 234 | 314 | - | 29,343 | 6,199 | 387,013 | |
| FUND BALANCES | | | | | | | | |
| Public safety projects | - | - | - | - | - | - | 3,918 | |
| Wireless service upgrades | - | - | - | - | - | - | 38,342 | |
| Unreserved, undesignated: | | | | | | | | |
| Special Revenue Funds | 65,232 | 9,284 | 32,731 | 23,559 | (25,277) | 439 | 275,878 | |
| TOTAL FUND BALANCES | 65,232 | 9,284 | 32,731 | 23,559 | (25,277) | 439 | 318,138 | |
| TOTAL LIABILITIES AND FUND BALANCES | 65,401 | 9,518 | 33,045 | 23,559 | 4,066 | 6,638 | 705,151 | |

DAWSON COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2008

| | SPECIAL REVENUE FUNDS | | | | | | |
|--|---------------------------------------|----------------------------|-------------------|--------------------------------|----------------|------------------------|----------------|
| | EMERGENCY 911 TELEPHONE SERVICE | MULTIPLE GRANTS FUND | MENTOR PROGRAM | RESTRICTED PROGRAMS FUND | JAIL FUND | HOTEL/ MOTEL TAX | LAW LIBRARY |
| REVENUES | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 204,297 | \$ - |
| Taxes | - | - | - | - | - | - | - |
| Intergovernmental | - | 1,036,654 | - | - | - | - | - |
| Fines and forfeitures | - | - | - | - | 71,722 | - | 30,542 |
| Charges for services | 325,692 | 63,529 | - | - | - | - | - |
| Contributions and donations | - | 34,699 | 28,035 | 42,442 | - | - | - |
| Interest income | - | - | - | - | 456 | - | 2,030 |
| Miscellaneous | - | - | 170 | 7,666 | - | - | - |
| TOTAL REVENUES | 325,692 | 1,134,882 | 28,205 | 50,108 | 72,178 | 204,297 | 32,572 |
| EXPENDITURES | - | - | - | - | - | - | - |
| Current Expenditures | - | - | - | - | - | - | - |
| Judicial | - | 216,941 | - | - | - | - | 23,258 |
| Public safety | 751,129 | 208,089 | - | 15,973 | 64,292 | - | - |
| Public health and welfare | - | 565,682 | - | - | - | - | - |
| Housing and development | - | 101,080 | 21,831 | 67,949 | - | 204,297 | - |
| Capital outlay | - | 551,787 | - | - | - | - | - |
| Debt service | - | - | - | - | - | - | - |
| TOTAL EXPENDITURES | 751,129 | 1,643,579 | 21,831 | 83,922 | 64,292 | 204,297 | 23,258 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (425,437) | (508,697) | 6,374 | (33,814) | 7,886 | - | 9,314 |
| OTHER FINANCING SOURCES (USES) | - | - | - | - | - | - | - |
| Sale of county property | 518,167 | 508,697 | - | 28,574 | - | - | - |
| Transfers in | - | - | - | (10,806) | (15,807) | - | - |
| Transfers out | (518,167) | (508,697) | - | 17,768 | (15,807) | - | - |
| TOTAL OTHER FINANCING SOURCES (USES) | 92,730 | - | 6,374 | (16,046) | (7,921) | - | 9,314 |
| NET CHANGE IN FUND BALANCES | (40,271) | - | 10,976 | 31,712 | 8,124 | - | 63,254 |
| FUND BALANCES, Beginning of year | \$ 52,459 | \$ - | \$ 17,350 | \$ 15,666 | \$ 203 | \$ - | \$ 72,568 |
| FUND BALANCES, End of year | \$ 12,188 | \$ - | \$ 28,326 | \$ 47,378 | \$ 211 | \$ - | \$ 135,822 |

DAWSON COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2008

| | SPECIAL REVENUE FUNDS | | | | | | | |
|---|-----------------------------|----------------------------------|--------------------------------|------------------------|---------------------|------------------|------------------------|-----------------------------------|
| | VICTIMS RIGHTS & ASSISTANCE | DRUG ABUSE TREATMENT & EDUCATION | DISTRICT ATTORNEY SEIZURE FUND | SHERIFF'S SEIZURE FUND | INMATE WELFARE FUND | K-9 SEIZURE FUND | INMATE STORE & WELFARE | TOTAL NONMAJOR GOVERNMENTAL FUNDS |
| REVENUES | | | | | | | | |
| Taxes | | | | | | | | |
| Intergovernmental | | | | | | | | 204,297 |
| Fines and forfeitures | 30,315 | 24,386 | 4,288 | 21,398 | - | - | - | 1,036,654 |
| Charges for services | - | - | - | - | 23,823 | - | (73,218) | 182,651 |
| Contributions and donations | - | - | - | - | - | - | - | 339,826 |
| Interest income | 2,255 | 3,752 | 195 | 865 | 111 | - | - | 105,176 |
| Miscellaneous | - | - | - | 11,422 | - | - | - | 9,664 |
| TOTAL REVENUES | 32,570 | 28,138 | 4,483 | 33,685 | 23,934 | - | 37,131 | 56,389 |
| EXPENDITURES | | | | | | | | |
| Current Expenditures | | | | | | | | |
| Judicial | 47,058 | 25 | 1,687 | - | - | - | - | 288,969 |
| Public safety | - | - | - | 9,977 | 375 | 39,154 | - | 1,088,989 |
| Public health and welfare | - | - | - | - | - | - | - | 565,682 |
| Housing and development | - | - | - | - | - | - | - | 395,157 |
| Capital outlay | - | - | - | 22,018 | - | 49,707 | - | 623,512 |
| Debt service | - | - | - | - | - | - | - | - |
| TOTAL EXPENDITURES | 47,058 | 25 | 1,687 | 31,995 | 375 | 88,861 | - | 2,962,309 |
| EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES | (14,488) | 28,113 | 2,796 | 1,690 | 23,559 | (88,861) | (36,087) | (1,027,652) |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Sale of county property | - | - | - | - | - | 6,129 | - | 6,129 |
| Transfers in | - | (111,508) | - | - | - | - | - | 1,055,438 |
| Transfers out | - | (111,508) | - | - | - | - | - | (138,121) |
| TOTAL OTHER FINANCING SOURCES (USES) | - | (83,395) | 2,796 | 1,690 | 23,559 | (82,732) | (36,087) | (104,206) |
| NET CHANGE IN FUND BALANCES | 68,412 | 148,627 | 6,488 | 31,041 | - | 57,455 | 36,526 | 422,344 |
| FUND BALANCES, Beginning of year | | | | | | | | |
| FUND BALANCES, End of year | \$ 53,924 | \$ 65,232 | \$ 9,284 | \$ 32,731 | \$ 23,559 | \$ (25,277) | \$ 439 | \$ 318,138 |

DAWSON COUNTY, GEORGIA
2002 BOND SERIES DEBT SERVICE SUB FUND
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2008

| | BUDGET AMOUNTS | | ACTUAL | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------------------------|-------------------|-------------------|-------------------|---|
| | ORIGINAL | FINAL | | |
| FUND BALANCE, Beginning of year | \$ 214,672 | \$ 214,672 | \$ 214,672 | \$ - |
| RESOURCES (INFLOWS) | | | | |
| Investment income | 3,000 | 2,715 | 2,715 | - |
| Transfer in | 380,173 | 388,589 | 388,589 | - |
| Total Resources (Inflows) | <u>383,173</u> | <u>391,304</u> | <u>391,304</u> | <u>-</u> |
| AMOUNTS AVAILABLE FOR APPROPRIATION | <u>597,845</u> | <u>605,976</u> | <u>605,976</u> | <u>-</u> |
| CHARGES TO APPROPRIATIONS (OUTFLOWS) | | | | |
| Current Expenditures | | | | |
| Debt service | | | | |
| Principal | 145,450 | 140,000 | 140,000 | - |
| Interest | 237,723 | 237,723 | 237,722 | 1 |
| TOTAL CHARGES TO APPROPRIATIONS | <u>383,173</u> | <u>377,723</u> | <u>377,722</u> | <u>1</u> |
| CHANGE IN FUND BALANCE | <u>-</u> | <u>13,581</u> | <u>13,582</u> | <u>1</u> |
| FUND BALANCE, End of year | <u>\$ 214,672</u> | <u>\$ 228,253</u> | <u>\$ 228,254</u> | <u>\$ 1</u> |

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

DAWSON COUNTY, GEORGIA
1999 AND 2004 BOND SERIES DEBT SERVICE SUB FUND
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2008

| | BUDGET AMOUNTS | | ACTUAL | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------------------------|---------------------|---------------------|---------------------|---|
| | ORIGINAL | FINAL | | |
| FUND BALANCE, Beginning of year | \$ 2,669,167 | \$ 2,669,167 | \$ 2,669,167 | \$ - |
| RESOURCES (INFLOWS) | | | | |
| Investment income | 100,000 | 46,389 | 46,388 | (1) |
| Transfer in | 2,746,000 | 2,854,295 | 2,854,295 | - |
| Total Resources (Inflows) | <u>2,846,000</u> | <u>2,900,684</u> | <u>2,900,683</u> | <u>(1)</u> |
| AMOUNTS AVAILABLE FOR APPROPRIATION | <u>5,515,167</u> | <u>5,569,851</u> | <u>5,569,850</u> | <u>(1)</u> |
| CHARGES TO APPROPRIATIONS (OUTFLOWS) | | | | |
| Current Expenditures | | | | |
| Debt service | | | | |
| Principal | 2,500,000 | 2,500,000 | 2,500,000 | - |
| Interest | 246,000 | 246,000 | 246,000 | - |
| TOTAL CHARGES TO APPROPRIATIONS | <u>2,746,000</u> | <u>2,746,000</u> | <u>2,746,000</u> | <u>-</u> |
| CHANGE IN FUND BALANCE | <u>100,000</u> | <u>154,684</u> | <u>154,683</u> | <u>(1)</u> |
| FUND BALANCE, End of year | <u>\$ 2,769,167</u> | <u>\$ 2,823,851</u> | <u>\$ 2,823,850</u> | <u>\$ (1)</u> |

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

DAWSON COUNTY, GEORGIA
EMERGENCY E911 TELEPHONE SYSTEM SPECIAL REVENUE FUND
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2008

| | BUDGET AMOUNTS | | ACTUAL | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------------------------|--------------------|--------------------|------------------|---|
| | ORIGINAL | FINAL | | |
| FUND BALANCE, Beginning of year | \$ (40,271) | \$ (40,271) | \$ (40,271) | \$ - |
| RESOURCES (INFLOWS) | | | | |
| Charges for services | 190,000 | 325,692 | 325,692 | - |
| Transfer in | 586,086 | 518,167 | 518,167 | - |
| Total Resources (Inflows) | <u>776,086</u> | <u>843,859</u> | <u>843,859</u> | <u>-</u> |
| AMOUNTS AVAILABLE FOR APPROPRIATION | <u>735,815</u> | <u>803,588</u> | <u>803,588</u> | <u>-</u> |
| CHARGES TO APPROPRIATIONS (OUTFLOWS) | | | | |
| Current Expenditures | | | | |
| Public safety | 776,086 | 843,859 | 751,129 | 92,730 |
| TOTAL CHARGES TO APPROPRIATIONS | <u>776,086</u> | <u>843,859</u> | <u>751,129</u> | <u>92,730</u> |
| CHANGE IN FUND BALANCE | <u>-</u> | <u>-</u> | <u>92,730</u> | <u>92,730</u> |
| FUND BALANCE, End of year | <u>\$ (40,271)</u> | <u>\$ (40,271)</u> | <u>\$ 52,459</u> | <u>\$ 92,730</u> |

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

DAWSON COUNTY, GEORGIA
MULTIPLE GRANTS SPECIAL REVENUE FUND
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2008

| | BUDGET AMOUNTS | | ACTUAL | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------------------------|------------------|------------------|------------------|---|
| | ORIGINAL | FINAL | | |
| FUND BALANCE, Beginning of year | \$ - | \$ - | \$ - | \$ - |
| RESOURCES (INFLOWS) | | | | |
| Intergovernmental | 868,293 | 1,222,083 | 1,036,654 | (185,429) |
| Charges for services | 76,203 | 84,848 | 63,529 | (21,319) |
| Contributions and donations | 50,750 | 124,556 | 34,699 | (89,857) |
| Transfer in | 941,907 | 718,593 | 508,697 | (209,896) |
| Total Resources (Inflows) | <u>1,937,153</u> | <u>2,150,080</u> | <u>1,643,579</u> | <u>(506,501)</u> |
| AMOUNTS AVAILABLE FOR APPROPRIATION | <u>1,937,153</u> | <u>2,150,080</u> | <u>1,643,579</u> | <u>(506,501)</u> |
| CHARGES TO APPROPRIATIONS (OUTFLOWS) | | | | |
| Current Expenditures | | | | |
| Judicial | 439,282 | 244,955 | 216,941 | 28,014 |
| Public safety | 230,271 | 277,293 | 208,089 | 69,204 |
| Public health and welfare | 793,213 | 812,783 | 565,682 | 247,101 |
| Housing and development | 474,387 | 815,049 | 652,867 | 162,182 |
| TOTAL CHARGES TO APPROPRIATIONS | <u>1,937,153</u> | <u>2,150,080</u> | <u>1,643,579</u> | <u>506,501</u> |
| CHANGE IN FUND BALANCE | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| FUND BALANCE, End of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

DAWSON COUNTY, GEORGIA
MENTOR PROGRAM SPECIAL REVENUE FUND
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2008

| | BUDGET AMOUNTS | | ACTUAL | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------------------------|------------------|------------------|------------------|---|
| | ORIGINAL | FINAL | | |
| FUND BALANCE, Beginning of year | \$ 10,976 | \$ 10,976 | \$ 10,976 | \$ - |
| RESOURCES (INFLOWS) | | | | |
| Contributions and donations | - | 28,035 | 28,035 | - |
| Miscellaneous | - | 170 | 170 | - |
| Total Resources (Inflows) | - | 28,205 | 28,205 | - |
| AMOUNTS AVAILABLE FOR APPROPRIATION | <u>10,976</u> | <u>39,181</u> | <u>39,181</u> | <u>-</u> |
| CHARGES TO APPROPRIATIONS (OUTFLOWS) | | | | |
| Current Expenditures | | | | |
| Housing and development | - | 28,205 | 21,831 | 6,374 |
| TOTAL CHARGES TO APPROPRIATIONS | <u>-</u> | <u>28,205</u> | <u>21,831</u> | <u>6,374</u> |
| CHANGE IN FUND BALANCE | <u>-</u> | <u>-</u> | <u>6,374</u> | <u>6,374</u> |
| FUND BALANCE, End of year | <u>\$ 10,976</u> | <u>\$ 10,976</u> | <u>\$ 17,350</u> | <u>\$ 6,374</u> |

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

DAWSON COUNTY, GEORGIA
RESTRICTED PROGRAMS SPECIAL REVENUE FUND
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2008

| | BUDGET AMOUNTS | | ACTUAL | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------------------------|------------------|------------------|------------------|---|
| | ORIGINAL | FINAL | | |
| FUND BALANCE, Beginning of year | \$ 31,712 | \$ 31,712 | \$ 31,712 | \$ - |
| RESOURCES (INFLOWS) | | | | |
| Contributions and donations | 25 | 42,790 | 42,442 | (348) |
| Miscellaneous | - | 9,526 | 7,666 | (1,860) |
| Transfer in | 20,885 | 27,691 | 28,574 | 883 |
| Total Resources (Inflows) | <u>20,910</u> | <u>80,007</u> | <u>78,682</u> | <u>(1,325)</u> |
| AMOUNTS AVAILABLE FOR APPROPRIATION | <u>52,622</u> | <u>111,719</u> | <u>110,394</u> | <u>(1,325)</u> |
| CHARGES TO APPROPRIATIONS (OUTFLOWS) | | | | |
| Current Expenditures | | | | |
| Public safety | - | 15,974 | 15,973 | 1 |
| Housing and development | 20,910 | 67,949 | 67,949 | - |
| Transfers out | - | 10,806 | 10,806 | - |
| TOTAL CHARGES TO APPROPRIATIONS | <u>20,910</u> | <u>94,729</u> | <u>94,728</u> | <u>1</u> |
| CHANGE IN FUND BALANCE | <u>-</u> | <u>(14,722)</u> | <u>(16,046)</u> | <u>(1,324)</u> |
| FUND BALANCE, End of year | <u>\$ 31,712</u> | <u>\$ 16,990</u> | <u>\$ 15,666</u> | <u>\$ (1,324)</u> |

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

**DAWSON COUNTY, GEORGIA
JAIL SPECIAL REVENUE FUND
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2008**

| | BUDGET AMOUNTS | | ACTUAL | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------------------------|-----------------|----------------|----------------|---|
| | ORIGINAL | FINAL | | |
| FUND BALANCE, Beginning of year | \$ 8,124 | \$ 8,124 | \$ 8,124 | \$ - |
| RESOURCES (INFLOWS) | | | | |
| Fines and forfeitures | 75,147 | 71,722 | 71,722 | - |
| Investment income | 8,853 | 489 | 456 | (33) |
| Total Resources (Inflows) | <u>84,000</u> | <u>72,211</u> | <u>72,178</u> | <u>(33)</u> |
| AMOUNTS AVAILABLE FOR APPROPRIATION | <u>92,124</u> | <u>80,335</u> | <u>80,302</u> | <u>(33)</u> |
| CHARGES TO APPROPRIATIONS (OUTFLOWS) | | | | |
| Current Expenditures | | | | |
| Public safety | 60 | 64,291 | 64,292 | (1) |
| Transfers out | 83,940 | 15,807 | 15,807 | - |
| TOTAL CHARGES TO APPROPRIATIONS | <u>84,000</u> | <u>80,098</u> | <u>80,099</u> | <u>(1)</u> |
| CHANGE IN FUND BALANCE | <u>-</u> | <u>(7,887)</u> | <u>(7,921)</u> | <u>(34)</u> |
| FUND BALANCE, End of year | <u>\$ 8,124</u> | <u>\$ 237</u> | <u>\$ 203</u> | <u>\$ (34)</u> |

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

DAWSON COUNTY, GEORGIA
HOTEL / MOTEL TAX SPECIAL REVENUE FUND
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2008

| | BUDGET AMOUNTS | | ACTUAL | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------------------------|----------------|----------------|----------------|---|
| | ORIGINAL | FINAL | | |
| FUND BALANCE, Beginning of year | \$ - | \$ - | \$ - | \$ - |
| RESOURCES (INFLOWS) | | | | |
| Taxes | 235,835 | 204,297 | 204,297 | - |
| Total Resources (Inflows) | <u>235,835</u> | <u>204,297</u> | <u>204,297</u> | <u>-</u> |
| AMOUNTS AVAILABLE FOR APPROPRIATION | <u>235,835</u> | <u>204,297</u> | <u>204,297</u> | <u>-</u> |
| CHARGES TO APPROPRIATIONS (OUTFLOWS) | | | | |
| Current Expenditures | | | | |
| Housing and development | 235,835 | 204,297 | 204,297 | - |
| TOTAL CHARGES TO APPROPRIATIONS | <u>235,835</u> | <u>204,297</u> | <u>204,297</u> | <u>-</u> |
| CHANGE IN FUND BALANCE | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| FUND BALANCE, End of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

DAWSON COUNTY, GEORGIA
LAW LIBRARY SPECIAL REVENUE FUND
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2008

| | BUDGET AMOUNTS | | ACTUAL | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------------------------|------------------|------------------|------------------|---|
| | ORIGINAL | FINAL | | |
| FUND BALANCE, Beginning of year | \$ 63,254 | \$ 63,254 | \$ 63,254 | \$ - |
| RESOURCES (INFLOWS) | | | | |
| Fines and forfeitures | 28,217 | 26,427 | 30,542 | 4,115 |
| Investment income | 800 | 2,030 | 2,030 | - |
| Total Resources (Inflows) | <u>29,017</u> | <u>28,457</u> | <u>32,572</u> | <u>4,115</u> |
| AMOUNTS AVAILABLE FOR APPROPRIATION | <u>92,271</u> | <u>91,711</u> | <u>95,826</u> | <u>4,115</u> |
| CHARGES TO APPROPRIATIONS (OUTFLOWS) | | | | |
| Current Expenditures | | | | |
| Judicial | 29,017 | 28,457 | 23,258 | 5,199 |
| TOTAL CHARGES TO APPROPRIATIONS | <u>29,017</u> | <u>28,457</u> | <u>23,258</u> | <u>5,199</u> |
| CHANGE IN FUND BALANCE | <u>-</u> | <u>-</u> | <u>9,314</u> | <u>9,314</u> |
| FUND BALANCE, End of year | <u>\$ 63,254</u> | <u>\$ 63,254</u> | <u>\$ 72,568</u> | <u>\$ 9,314</u> |

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

DAWSON COUNTY, GEORGIA
VICTIMS RIGHTS & ASSISTANCE SPECIAL REVENUE FUND
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2008

| | BUDGET AMOUNTS | | ACTUAL | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------------------------|------------------|------------------|------------------|---|
| | ORIGINAL | FINAL | | |
| FUND BALANCE, Beginning of year | \$ 68,412 | \$ 68,412 | \$ 68,412 | \$ - |
| RESOURCES (INFLOWS) | | | | |
| Fines and forfeitures | 24,900 | 30,315 | 30,315 | - |
| Investment income | 3,400 | 2,255 | 2,255 | - |
| Total Resources (Inflows) | <u>28,300</u> | <u>32,570</u> | <u>32,570</u> | <u>-</u> |
| AMOUNTS AVAILABLE FOR APPROPRIATION | <u>96,712</u> | <u>100,982</u> | <u>100,982</u> | <u>-</u> |
| CHARGES TO APPROPRIATIONS (OUTFLOWS) | | | | |
| Current Expenditures | | | | |
| Judicial | 28,300 | 47,058 | 47,058 | - |
| TOTAL CHARGES TO APPROPRIATIONS | <u>28,300</u> | <u>47,058</u> | <u>47,058</u> | <u>-</u> |
| CHANGE IN FUND BALANCE | <u>-</u> | <u>(14,488)</u> | <u>(14,488)</u> | <u>-</u> |
| FUND BALANCE, End of year | <u>\$ 68,412</u> | <u>\$ 53,924</u> | <u>\$ 53,924</u> | <u>\$ -</u> |

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

DAWSON COUNTY, GEORGIA
DRUG ABUSE TREATMENT & EDUCATION SPECIAL REVENUE FUND
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2008

| | BUDGET AMOUNTS | | ACTUAL | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------------------------|------------------|------------------|------------------|---|
| | ORIGINAL | FINAL | | |
| FUND BALANCE, Beginning of year | \$ 148,627 | \$ 148,627 | \$ 148,627 | \$ - |
| RESOURCES (INFLOWS) | | | | |
| Fines and forfeitures | 15,000 | 24,386 | 24,386 | - |
| Investment income | 10,000 | 3,752 | 3,752 | - |
| Total Resources (Inflows) | <u>25,000</u> | <u>28,138</u> | <u>28,138</u> | <u>-</u> |
| AMOUNTS AVAILABLE FOR APPROPRIATION | <u>173,627</u> | <u>176,765</u> | <u>176,765</u> | <u>-</u> |
| CHARGES TO APPROPRIATIONS (OUTFLOWS) | | | | |
| Current Expenditures | | | | |
| Judicial | 25,000 | 25 | 25 | - |
| Transfers out | 109,000 | 111,508 | 111,508 | - |
| TOTAL CHARGES TO APPROPRIATIONS | <u>134,000</u> | <u>111,533</u> | <u>111,533</u> | <u>-</u> |
| CHANGE IN FUND BALANCE | <u>(109,000)</u> | <u>(83,395)</u> | <u>(83,395)</u> | <u>-</u> |
| FUND BALANCE, End of year | <u>\$ 39,627</u> | <u>\$ 65,232</u> | <u>\$ 65,232</u> | <u>\$ -</u> |

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

DAWSON COUNTY, GEORGIA
DISTRICT ATTORNEY SEIZURE SPECIAL REVENUE FUND
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2008

| | BUDGET AMOUNTS | | ACTUAL | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------------------------|-----------------|-----------------|-----------------|---|
| | ORIGINAL | FINAL | | |
| FUND BALANCE, Beginning of year | \$ 6,488 | \$ 6,488 | \$ 6,488 | \$ - |
| RESOURCES (INFLOWS) | | | | |
| Fines and forfeitures | 964 | 4,288 | 4,288 | - |
| Investment income | 336 | 195 | 195 | - |
| Total Resources (Inflows) | <u>1,300</u> | <u>4,483</u> | <u>4,483</u> | <u>-</u> |
| AMOUNTS AVAILABLE FOR APPROPRIATION | <u>7,788</u> | <u>10,971</u> | <u>10,971</u> | <u>-</u> |
| CHARGES TO APPROPRIATIONS (OUTFLOWS) | | | | |
| Current Expenditures | | | | |
| Judicial | 1,300 | 4,484 | 1,687 | 2,797 |
| TOTAL CHARGES TO APPROPRIATIONS | <u>1,300</u> | <u>4,484</u> | <u>1,687</u> | <u>2,797</u> |
| CHANGE IN FUND BALANCE | <u>-</u> | <u>(1)</u> | <u>2,796</u> | <u>2,797</u> |
| FUND BALANCE, End of year | <u>\$ 6,488</u> | <u>\$ 6,487</u> | <u>\$ 9,284</u> | <u>\$ 2,797</u> |

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

DAWSON COUNTY, GEORGIA
SHERIFF'S SEIZURE SPECIAL REVENUE FUND
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2008

| | BUDGET AMOUNTS | | ACTUAL | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------------------------|------------------|------------------|------------------|---|
| | ORIGINAL | FINAL | | |
| FUND BALANCE, Beginning of year | \$ 31,041 | \$ 31,041 | \$ 31,041 | \$ - |
| RESOURCES (INFLOWS) | | | | |
| Fines and forfeitures | 98,550 | 21,398 | 21,398 | - |
| Investment income | 1,450 | 865 | 865 | - |
| Miscellaneous | - | - | 11,422 | 11,422 |
| Sale of county property | - | 11,421 | - | (11,421) |
| Total Resources (Inflows) | <u>100,000</u> | <u>33,684</u> | <u>33,685</u> | <u>1</u> |
| AMOUNTS AVAILABLE FOR APPROPRIATION | <u>131,041</u> | <u>64,725</u> | <u>64,726</u> | <u>1</u> |
| CHARGES TO APPROPRIATIONS (OUTFLOWS) | | | | |
| Current Expenditures | | | | |
| Public safety | 100,000 | 33,684 | 31,995 | 1,689 |
| TOTAL CHARGES TO APPROPRIATIONS | <u>100,000</u> | <u>33,684</u> | <u>31,995</u> | <u>1,689</u> |
| CHANGE IN FUND BALANCE | <u>-</u> | <u>-</u> | <u>1,690</u> | <u>1,690</u> |
| FUND BALANCE, End of year | <u>\$ 31,041</u> | <u>\$ 31,041</u> | <u>\$ 32,731</u> | <u>\$ 1,690</u> |

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

DAWSON COUNTY, GEORGIA
INMATE WELFARE SPECIAL REVENUE FUND
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2008

| | BUDGET AMOUNTS | | ACTUAL | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------------------------|----------------|--------|-----------|---|
| | ORIGINAL | FINAL | | |
| FUND BALANCE, Beginning of year | \$ - | \$ - | \$ - | \$ - |
| RESOURCES (INFLOWS) | | | | |
| Charges for services | - | 23,823 | 23,823 | - |
| Investment income | - | 110 | 111 | 1 |
| Total Resources (Inflows) | - | 23,933 | 23,934 | 1 |
| AMOUNTS AVAILABLE FOR APPROPRIATION | - | 23,933 | 23,934 | 1 |
| CHARGES TO APPROPRIATIONS (OUTFLOWS) | | | | |
| Current Expenditures | | | | |
| Public safety | - | 23,934 | 375 | 23,559 |
| TOTAL CHARGES TO APPROPRIATIONS | - | 23,934 | 375 | 23,559 |
| CHANGE IN FUND BALANCE | - | (1) | 23,559 | 23,560 |
| FUND BALANCE, End of year | \$ - | \$ (1) | \$ 23,559 | \$ 23,560 |

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

DAWSON COUNTY, GEORGIA
K-9 SEIZURE SPECIAL REVENUE FUND
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2008

| | BUDGET AMOUNTS | | ACTUAL | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------------------------|------------------|------------------|--------------------|---|
| | ORIGINAL | FINAL | | |
| FUND BALANCE, Beginning of year | \$ 57,455 | \$ 57,455 | \$ 57,455 | \$ - |
| RESOURCES (INFLOWS) | | | | |
| Fines and forfeitures | - | 88,862 | - | (88,862) |
| Sale of county property | - | - | 6,129 | 6,129 |
| Total Resources (Inflows) | <u>-</u> | <u>88,862</u> | <u>6,129</u> | <u>(82,733)</u> |
| AMOUNTS AVAILABLE FOR APPROPRIATION | <u>57,455</u> | <u>146,317</u> | <u>63,584</u> | <u>(82,733)</u> |
| CHARGES TO APPROPRIATIONS (OUTFLOWS) | | | | |
| Current Expenditures | | | | |
| Public safety | - | 88,861 | 88,861 | - |
| TOTAL CHARGES TO APPROPRIATIONS | <u>-</u> | <u>88,861</u> | <u>88,861</u> | <u>-</u> |
| CHANGE IN FUND BALANCE | <u>-</u> | <u>1</u> | <u>(82,732)</u> | <u>(82,733)</u> |
| FUND BALANCE, End of year | <u>\$ 57,455</u> | <u>\$ 57,456</u> | <u>\$ (25,277)</u> | <u>\$ (82,733)</u> |

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

DAWSON COUNTY, GEORGIA
INMATE STORE AND WELFARE SPECIAL REVENUE FUND
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2008

| | BUDGET AMOUNTS | | ACTUAL | VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE) |
|--------------------------------------|------------------|------------------|-----------------|---|
| | ORIGINAL | FINAL | | |
| FUND BALANCE, Beginning of year | \$ 36,526 | \$ 36,526 | \$ 36,526 | \$ - |
| RESOURCES (INFLOWS) | | | | |
| Charges for services | (73,000) | 3,000 | (73,218) | (76,218) |
| Miscellaneous | 76,000 | - | 37,131 | 37,131 |
| Total Resources (Inflows) | <u>3,000</u> | <u>3,000</u> | <u>(36,087)</u> | <u>(39,087)</u> |
| AMOUNTS AVAILABLE FOR APPROPRIATION | <u>39,526</u> | <u>39,526</u> | <u>439</u> | <u>(39,087)</u> |
| CHARGES TO APPROPRIATIONS (OUTFLOWS) | | | | |
| Current Expenditures | | | | |
| Public safety | 3,000 | 3,000 | - | 3,000 |
| TOTAL CHARGES TO APPROPRIATIONS | <u>3,000</u> | <u>3,000</u> | <u>-</u> | <u>3,000</u> |
| CHANGE IN FUND BALANCE | <u>-</u> | <u>-</u> | <u>(36,087)</u> | <u>(36,087)</u> |
| FUND BALANCE, End of year | <u>\$ 36,526</u> | <u>\$ 36,526</u> | <u>\$ 439</u> | <u>\$ (36,087)</u> |

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

I. The budgetary basis of accounting used in this schedule is the same as GAAP.

DAWSON COUNTY, GEORGIA
BALANCE SHEET - MENTOR PROGRAM SPECIAL REVENUE FUND
December 31, 2008

| | |
|-------------------------------------|------------------|
| ASSETS | |
| Cash | \$ 300 |
| Due from the General Fund | <u>17,346</u> |
| TOTAL ASSETS | <u>\$ 17,646</u> |
| | |
| LIABILITIES AND FUND BALANCES | |
| Liabilities | |
| Accounts payable | \$ <u>296</u> |
| TOTAL LIABILITIES | <u>296</u> |
| FUND BALANCES | |
| Unreserved, undesignated: | |
| Special Revenue Funds | <u>17,350</u> |
| TOTAL FUND BALANCES | <u>17,350</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 17,646</u> |

DAWSON COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
MENTOR PROGRAM SPECIAL REVENUE FUND
For the Year Ended December 31, 2008

| | |
|--|------------------|
| REVENUES | |
| Contributions - United Way of Dawson County | \$ 7,300 |
| Contributions - Big Canoe | 5,500 |
| Contributions - Dawson County Board of Education | 6,000 |
| Contributions - Resource Interaction | 1,000 |
| Contributions - Riverview Middle School | 534 |
| Private contributions and donations | 7,701 |
| Miscellaneous | <u>170</u> |
| TOTAL REVENUES | <u>28,205</u> |
| EXPENDITURES | |
| Salaries and wages | 4,314 |
| Education and training | 6,947 |
| General supplies | 4,442 |
| Food | 1,723 |
| Books and periodicals | 1,815 |
| Technical and professional | 630 |
| Liability insurance | 833 |
| Advertising | 561 |
| Other | <u>566</u> |
| TOTAL EXPENDITURES | <u>21,831</u> |
| NET CHANGE IN FUND BALANCES | <u>6,374</u> |
| FUND BALANCES, Beginning of year | <u>10,976</u> |
| FUND BALANCES, End of year | <u>\$ 17,350</u> |

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FIDUCIARY FUNDS

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds maintained by the County are as follows:

Tax Commissioner - to account for the collection of property taxes, motor vehicle tag and title fees and mobile home fees, etc. which are disbursed to various taxing units.

Clerk of Superior Court - to account for the collection of various fines, forfeitures, jury fund receipts, real estate transfer taxes, recording of intangibles, fees, civil awards, etc. which are disbursed to other parties.

Probate Court - to account for the collection of fees for probate of wills, administration of estates, issuance of marriage licenses, maintenance of other vital records, and traffic fines which are disbursed to other parties.

Magistrate Court - to account for the collection of fees in jurisdiction of small claims courts, which are disbursed to other parties.

Inmate Escrow – to account for the collection and disbursements of cash for inmates incarcerated at the Dawson County Detention Center.

DAWSON COUNTY, GEORGIA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
December 31, 2008

| | TAX COMMISSIONER | CLERK OF SUPERIOR COURT | PROBATE COURT | MAGISTRATE COURT | INMATE ESCROW FUND | TOTAL |
|-----------------------|---------------------|-------------------------------|------------------|---------------------|-----------------------|---------------------|
| ASSETS | | | | | | |
| Cash | \$ 154,756 | \$ 1,451,808 | \$ 45,044 | \$ 11,707 | \$ 15,893 | \$ 1,679,208 |
| TOTAL ASSETS | <u>154,756</u> | <u>1,451,808</u> | <u>45,044</u> | <u>11,707</u> | <u>15,893</u> | <u>1,679,208</u> |
| LIABILITIES | | | | | | |
| Amounts held in trust | 154,756 | 1,451,808 | 45,044 | 11,707 | 15,893 | 1,679,208 |
| TOTAL LIABILITIES | <u>\$ 154,756</u> | <u>\$ 1,451,808</u> | <u>\$ 45,044</u> | <u>\$ 11,707</u> | <u>\$ 15,893</u> | <u>\$ 1,679,208</u> |

DAWSON COUNTY, GEORGIA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS

For the Year Ended December 31, 2008

| | TAX COMMISSIONER | CLERK OF SUPERIOR COURT | PROBATE COURT | MAGISTRATE COURT | INMATE ESCROW FUND | TOTAL |
|----------------------------|---------------------|-------------------------------|------------------|---------------------|-----------------------|---------------------|
| ASSETS | | | | | | |
| Cash | | | | | | |
| Balance, January 1, 2008 | \$ 155,571 | \$ 601,018 | \$ 41,013 | \$ 9,172 | \$ - | \$ 806,774 |
| Additions | 32,622,424 | 2,469,787 | 470,561 | 97,515 | 66,913 | 35,727,200 |
| Deductions | (32,623,239) | (1,618,997) | (466,530) | (94,980) | (51,020) | (34,854,766) |
| Balance, December 31, 2008 | 154,756 | 1,451,808 | 45,044 | 11,707 | 15,893 | 1,679,208 |
| TOTAL ASSETS | <u>\$ 154,756</u> | <u>\$ 1,451,808</u> | <u>\$ 45,044</u> | <u>\$ 11,707</u> | <u>\$ 15,893</u> | <u>\$ 1,679,208</u> |
| LIABILITIES | | | | | | |
| Due to County | | | | | | |
| Balance, January 1, 2008 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Additions | 12,039,160 | 1,242,633 | 356,736 | 41,562 | 66,913 | 13,747,004 |
| Deductions | (12,039,160) | (1,242,633) | (356,736) | (41,562) | (66,913) | (13,747,004) |
| Balance, December 31, 2008 | - | - | - | - | - | - |
| Amounts held in trust | | | | | | |
| Balance, January 1, 2008 | 155,571 | 601,018 | 41,013 | 9,172 | - | 806,774 |
| Additions | 20,583,264 | 1,227,154 | 113,825 | 55,953 | - | 21,980,196 |
| Deductions | (20,584,079) | (376,364) | (109,794) | (53,418) | 15,893 | (21,107,762) |
| Balance, December 31, 2008 | 154,756 | 1,451,808 | 45,044 | 11,707 | 15,893 | 1,679,208 |
| Total Liabilities | | | | | | |
| Balance, January 1, 2008 | 155,571 | 601,018 | 41,013 | 9,172 | - | 806,774 |
| Additions | 32,622,424 | 2,469,787 | 470,561 | 97,515 | 66,913 | 35,727,200 |
| Deductions | (32,623,239) | (1,618,997) | (466,530) | (94,980) | (51,020) | (34,854,766) |
| TOTAL LIABILITIES | <u>\$ 154,756</u> | <u>\$ 1,451,808</u> | <u>\$ 45,044</u> | <u>\$ 11,707</u> | <u>\$ 15,893</u> | <u>\$ 1,679,208</u> |

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STATISTICAL SECTION

This part of the county's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents

Table Page

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

DAWSON COUNTY, GEORGIA
NET ASSETS BY COMPONENT
Last Six Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

| | Fiscal Year | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
| GOVERNMENTAL ACTIVITIES | | | | | | |
| Invested in capital assets, net of related debt | \$ 5,166 | \$ 17,409 | \$ 16,049 | \$ 20,272 | \$ 71,619 | \$ 78,191 |
| Restricted: | | | | | | |
| Capital outlay | 5,189 | 963 | 4,122 | 6,015 | 8,735 | 8,733 |
| Debt service | - | - | 2,400 | 3,166 | 2,780 | 2,956 |
| Public Health and Welfare | - | - | - | - | 45 | 50 |
| Law Enforcement and Jail | - | - | 503 | 542 | - | - |
| Law Library | - | - | 34 | 54 | 63 | 73 |
| Prepaid Items | 271 | 251 | - | - | - | - |
| Special Revenue & Grant Funds | 315 | 379 | - | - | - | - |
| Recreation and Culture | - | - | - | - | 12 | 12 |
| Public Safety | - | - | - | - | 348 | 348 |
| Unrestricted: | 900 | 3,211 | 4,457 | 6,507 | 5,453 | 5,453 |
| Total governmental activities net assets | <u>\$ 11,841</u> | <u>\$ 22,213</u> | <u>\$ 27,565</u> | <u>\$ 36,556</u> | <u>\$ 89,055</u> | <u>\$ 95,816</u> |
| BUSINESS-TYPE ACTIVITIES | | | | | | |
| Invested in capital assets, net of related debt | \$ 997 | \$ 1,074 | \$ 1,974 | \$ 1,934 | \$ 1,989 | \$ 2,255 |
| Restricted | - | - | - | - | - | - |
| Unrestricted | 200 | 207 | (652) | (665) | (661) | (401) |
| Total business-type activities net assets | <u>\$ 1,197</u> | <u>\$ 1,281</u> | <u>\$ 1,322</u> | <u>\$ 1,269</u> | <u>\$ 1,328</u> | <u>\$ 1,855</u> |
| PRIMARY GOVERNMENT | | | | | | |
| Invested in capital assets, net of related debt | \$ 6,163 | \$ 18,483 | \$ 18,023 | \$ 22,206 | \$ 73,608 | \$ 80,446 |
| Restricted | 5,775 | 1,593 | 7,059 | 9,777 | 11,983 | 11,991 |
| Unrestricted | 1,100 | 3,418 | 3,805 | 5,842 | 4,791 | 3,601 |
| Total primary government net assets | <u>\$ 13,038</u> | <u>\$ 23,494</u> | <u>\$ 28,887</u> | <u>\$ 37,824</u> | <u>\$ 90,383</u> | <u>\$ 96,564</u> |

Note: The County adopted GASB 34 in 2003. Data for years prior to this are not available.
Some items in the table may not add due to rounding.

DAWSON COUNTY, GEORGIA
CHANGES IN NET ASSETS
Last Six Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| EXPENSES | | | | | | |
| Governmental activities: | | | | | | |
| General government | \$ 3,148 | \$ 3,398 | \$ 3,517 | \$ 3,810 | \$ 4,871 | \$ 5,007 |
| Public safety | 6,871 | 7,409 | 8,822 | 8,609 | 10,205 | 10,778 |
| Court system | 1,365 | 1,546 | 2,005 | 2,251 | 2,403 | 2,664 |
| Public works | 806 | 968 | 1,564 | 1,415 | 1,858 | 1,472 |
| Health and welfare | 931 | 910 | 832 | 853 | 878 | 956 |
| Recreation and culture | 1,524 | 1,509 | 1,653 | 1,621 | 1,755 | 1,436 |
| Housing and development | 288 | 155 | 981 | 1,323 | 1,379 | 1,492 |
| Interest on long-term debt | 841 | 670 | 796 | 930 | 886 | 2,392 |
| Total governmental activities expenses | <u>15,774</u> | <u>16,565</u> | <u>20,170</u> | <u>20,812</u> | <u>24,235</u> | <u>26,197</u> |
| Business-type activities: | | | | | | |
| Solid waste | 448 | 242 | 259 | 345 | 201 | 194 |
| Child Development Center | 355 | 343 | 316 | 349 | 238 | 1 |
| DCAR GIS | - | - | - | - | - | - |
| Total business-type activities expenses | <u>803</u> | <u>585</u> | <u>575</u> | <u>694</u> | <u>440</u> | <u>196</u> |
| Total primary government expenses | <u>\$ 16,577</u> | <u>\$ 17,150</u> | <u>\$ 20,745</u> | <u>\$ 21,505</u> | <u>\$ 24,675</u> | <u>\$ 26,392</u> |
| PROGRAM REVENUES | | | | | | |
| Governmental activities: | | | | | | |
| Charges for services: | | | | | | |
| General government | \$ 1,121 | \$ 1,232 | \$ 959 | \$ 950 | \$ 1,434 | \$ 925 |
| Public safety | 845 | 749 | 1,065 | 860 | 1,397 | 1,641 |
| Court system | 717 | 1,004 | 863 | 1,133 | 904 | 1,136 |
| Public works | - | - | - | 33 | 5 | - |
| Health and welfare | 43 | 18 | 6 | 13 | 18 | 15 |
| Recreation and culture | 137 | 155 | 214 | 296 | 224 | 206 |
| Housing and development | 122 | 155 | 714 | 739 | 1,305 | 758 |
| Total charges for services | <u>2,985</u> | <u>3,313</u> | <u>3,821</u> | <u>4,025</u> | <u>5,288</u> | <u>4,681</u> |
| Operating grants and contributions | 876 | 879 | 1,710 | 1,431 | 986 | 1,613 |
| Capital grants and contributions | 193 | 139 | 141 | 1,436 | 3 | 618 |
| Total governmental activities program revenues | <u>4,054</u> | <u>4,331</u> | <u>5,672</u> | <u>6,892</u> | <u>6,276</u> | <u>6,912</u> |
| Business-type activities: | | | | | | |
| Charges for services: | | | | | | |
| Solid waste | 113 | 96 | 79 | 304 | 322 | 355 |
| Child Development Center | 287 | 308 | 296 | 283 | 156 | 16 |
| DCAR GIS | - | - | - | - | - | 2 |
| Total charges for services | <u>400</u> | <u>404</u> | <u>375</u> | <u>587</u> | <u>478</u> | <u>374</u> |
| Operating grants and contributions | 265 | 227 | 75 | 52 | 21 | 1 |
| Capital grants and contributions | - | 29 | - | - | - | 181 |
| Total business-type activities program revenues | <u>665</u> | <u>660</u> | <u>450</u> | <u>639</u> | <u>499</u> | <u>556</u> |
| Total primary government program revenues | <u>\$ 4,719</u> | <u>\$ 4,991</u> | <u>\$ 6,122</u> | <u>\$ 7,531</u> | <u>\$ 6,776</u> | <u>\$ 7,286</u> |

DAWSON COUNTY, GEORGIA
CHANGES IN NET ASSETS
Last Six Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|--------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Net (expense)/revenue | | | | | | |
| Governmental activities | \$ (11,720) | \$ (12,234) | \$ (14,498) | \$ (13,920) | \$ (17,959) | \$ (19,284) |
| Business-type activities | (138) | 75 | (125) | (55) | 59 | 360 |
| Total primary government net expense | <u>\$ (11,858)</u> | <u>\$ (12,159)</u> | <u>\$ (14,623)</u> | <u>\$ (13,975)</u> | <u>\$ (17,900)</u> | <u>\$ (18,923)</u> |
| GENERAL REVENUES AND OTHER | | | | | | |
| CHANGES IN NET ASSETS | | | | | | |
| Governmental activities: | | | | | | |
| Taxes | | | | | | |
| Property Taxes | \$ 7,232 | \$ 7,319 | \$ 8,044 | \$ 8,710 | \$ 9,771 | \$ 10,599 |
| Sales Taxes | 6,654 | 7,658 | 9,028 | 11,173 | 12,207 | 10,832 |
| Insurance premium tax | 586 | 634 | 677 | 710 | 747 | 765 |
| Real estate and recording taxes | - | - | - | 568 | 470 | 323 |
| Other taxes | 439 | 515 | 996 | 533 | 538 | 622 |
| Total taxes | <u>14,911</u> | <u>16,126</u> | <u>18,745</u> | <u>21,693</u> | <u>23,733</u> | <u>23,141</u> |
| Sale of Wetland Credits | 168 | 161 | - | - | - | - |
| Homeowner Tax Relief Grant | - | - | - | - | 288 | 315 |
| Investment earnings | 108 | 253 | 676 | 1,218 | 1,405 | 1,640 |
| Gain on sale of capital assets | - | - | - | - | - | 3 |
| Miscellaneous | 565 | 384 | - | - | - | - |
| Transfers | (997) | - | (164) | - | - | (159) |
| Total governmental activities | <u>14,755</u> | <u>16,924</u> | <u>19,257</u> | <u>22,911</u> | <u>25,426</u> | <u>24,940</u> |
| Business-type activities: | | | | | | |
| Investment earnings | 1 | 1 | 3 | 2 | - | - |
| Gain on sale of capital assets | - | - | - | - | - | 6 |
| Miscellaneous | - | 8 | - | - | - | - |
| Transfers | 997 | - | 164 | - | - | 159 |
| Total business-type activities | <u>998</u> | <u>9</u> | <u>167</u> | <u>2</u> | <u>-</u> | <u>165</u> |
| Total primary government | <u>\$ 15,753</u> | <u>\$ 16,933</u> | <u>\$ 19,424</u> | <u>\$ 22,913</u> | <u>\$ 25,426</u> | <u>\$ 25,255</u> |
| CHANGE IN NET ASSETS | | | | | | |
| Governmental activities | \$ 3,035 | \$ 4,690 | \$ 4,759 | \$ 8,991 | 7,467 | 5,656 |
| Business-type activities | 860 | 84 | 42 | (53) | 59 | 525 |
| Total primary government | <u>\$ 3,895</u> | <u>\$ 4,774</u> | <u>\$ 4,801</u> | <u>\$ 8,938</u> | <u>\$ 7,526</u> | <u>\$ 6,182</u> |

Note: The County adopted GASB 34 in 2003. Data for years prior to this are not available.
Some items in the table may not add due to rounding.

DAWSON COUNTY, GEORGIA
FUND BALANCES OF GOVERNMENTAL FUNDS
 Last Ten Fiscal Years

(modified accrual basis of accounting)
 (amounts expressed in thousands)

| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|--|-----------|-----------|-----------|----------|----------|-----------|-----------|-----------|-----------|-----------|
| General fund | | | | | | | | | | |
| Reserved | | | | | | | | | | |
| Capital projects | \$ 418 | \$ - | \$ 121 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 219 | \$ - |
| Prepaid items | 147 | 79 | 79 | 223 | 271 | 251 | 311 | 166 | 197 | 193 |
| Operating Reserve | - | - | - | - | 1,082 | - | - | - | - | - |
| Encumbrances | - | - | - | - | - | - | - | - | 30 | - |
| Other programs | 5,096 | 3,775 | 4,574 | 64 | - | - | - | - | 20 | 21 |
| Total reserved | 5,661 | 3,854 | 4,774 | 287 | 1,353 | 251 | 311 | 166 | 467 | 215 |
| Unreserved | 717 | 1,410 | 109 | 72 | - | 2,374 | 3,990 | 5,821 | 4,761 | 479 |
| Total general fund | \$ 6,378 | \$ 5,264 | \$ 4,883 | \$ 359 | \$ 1,353 | \$ 2,625 | \$ 4,301 | \$ 5,987 | \$ 5,228 | \$ 694 |
| All other governmental funds | | | | | | | | | | |
| Reserved: | | | | | | | | | | |
| Capital projects | \$ 5,009 | \$ 11,894 | \$ 5,225 | \$ 3,900 | \$ - | \$ - | \$ - | \$ 9,299 | \$ 51,617 | \$ 40,395 |
| Debt service | - | - | - | - | 4,354 | 3,347 | - | - | 2,884 | 3,052 |
| Prepaid items | - | - | - | 1,059 | 206 | 1 | 2 | - | - | - |
| Other programs | 175 | 253 | 260 | - | 605 | 14,360 | - | - | - | 4 |
| Total reserved | 5,184 | 12,147 | 5,485 | 4,959 | 5,165 | 17,708 | 2 | 9,299 | 54,501 | 43,451 |
| Unreserved, designated for: | | | | | | | | | | |
| Capital asset purchases | - | - | - | - | 339 | - | - | - | - | - |
| Debt retirement | - | - | - | - | - | - | - | - | - | - |
| Wireless service upgrades | - | - | - | - | - | - | - | - | - | 38 |
| Unreserved, undesignated, reported in: | | | | | | | | | | |
| Special revenue funds | - | - | - | - | - | - | 445 | 541 | 422 | - |
| Capital projects funds | - | - | - | - | - | 200 | 15,546 | 8,912 | - | - |
| Debt service funds | - | - | - | - | - | - | 2,517 | 3,277 | - | - |
| Total unreserved | - | - | - | - | 339 | 200 | 18,508 | 12,729 | 422 | 38 |
| Total all other governmental funds | \$ 5,184 | \$ 12,147 | \$ 5,485 | \$ 4,959 | \$ 5,504 | \$ 17,907 | \$ 18,510 | \$ 22,028 | \$ 54,923 | \$ 43,488 |
| Total reserved | \$ 10,845 | \$ 16,001 | \$ 10,259 | \$ 5,246 | \$ 6,518 | \$ 17,959 | \$ 313 | \$ 9,465 | \$ 54,968 | \$ 43,665 |
| Total unreserved | \$ 717 | \$ 1,410 | \$ 109 | \$ 72 | \$ 339 | \$ 2,574 | \$ 22,497 | \$ 18,550 | \$ 5,183 | \$ 517 |
| Total all funds | \$ 11,562 | \$ 17,411 | \$ 10,368 | \$ 5,318 | \$ 6,856 | \$ 20,532 | \$ 22,810 | \$ 28,015 | \$ 60,151 | \$ 44,182 |

Note: Some items in the table may not add due to rounding.

DAWSON COUNTY, GA
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
(modified accrual basis of accounting)
(amounts expressed in thousands)

| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|--|-----------------|-----------------|-------------------|-------------------|-----------------|------------------|-----------------|-----------------|------------------|-------------------|
| REVENUES | | | | | | | | | | |
| Taxes (see table 5) | \$ 10,651 | \$ 12,001 | \$ 12,564 | \$ 12,474 | \$ 15,522 | \$ 16,609 | \$ 18,718 | \$ 21,693 | \$ 23,683 | \$ 23,074 |
| Licenses and permits | 465 | 351 | 437 | 669 | 706 | 751 | 825 | 833 | 1,569 | 953 |
| Fines and forfeitures | 554 | 601 | 439 | 701 | 820 | 959 | 937 | 1,135 | 1,094 | 968 |
| Charges for services | 815 | 720 | 1,402 | 1,097 | 1,049 | 1,246 | 1,739 | 1,864 | 2,585 | 2,539 |
| Investment earnings | - | - | 434 | 89 | 76 | 253 | 676 | 1,218 | 1,405 | 1,640 |
| Intergovernmental | 461 | 1,391 | 1,385 | 1,082 | 1,239 | 1,102 | 1,739 | 2,028 | 1,153 | 1,788 |
| Miscellaneous | 908 | 1,339 | 135 | 830 | 166 | 103 | 140 | 228 | 216 | 264 |
| Total revenues | 13,854 | 16,403 | 16,795 | 16,943 | 19,578 | 21,022 | 24,773 | 28,999 | 31,705 | 31,226 |
| EXPENDITURES | | | | | | | | | | |
| General government | 1,302 | 1,427 | 1,562 | 1,856 | 3,083 | 3,772 | 2,417 | 3,176 | 3,604 | 4,220 |
| Public safety | 3,882 | 5,000 | 5,088 | 5,665 | 6,596 | 6,886 | 7,538 | 8,189 | 9,691 | 10,630 |
| Court system | 869 | 930 | 1,132 | 1,244 | 1,352 | 1,532 | 1,969 | 2,227 | 2,434 | 2,664 |
| Public works | 636 | 484 | 921 | 948 | 780 | 910 | 960 | 1,263 | 1,321 | 1,390 |
| Health and welfare | 201 | 319 | 308 | 329 | 948 | 891 | 761 | 814 | 837 | 953 |
| Recreation and culture | - | - | 784 | 972 | 1,278 | 1,303 | 1,345 | 1,381 | 1,511 | 1,415 |
| Housing and development | - | - | - | - | 267 | 155 | 938 | 1,220 | 1,361 | 1,496 |
| Intergovernmental | - | - | - | - | - | - | 687 | 422 | 1,052 | 516 |
| Capital Outlay | 1,521 | 5,195 | 12,161 | 6,256 | 1,710 | 3,106 | 4,686 | 9,066 | 14,055 | 5,419 |
| Miscellaneous | 2,995 | 4,989 | 2,073 | 2,592 | - | - | - | - | - | - |
| Principal on long-term debt | - | - | - | - | - | - | 3,123 | 2,966 | 3,646 | 3,786 |
| Interest on long-term debt | - | - | - | - | - | - | 807 | 863 | 925 | 1,775 |
| Other debt service payments | - | - | - | - | 2,320 | 3,359 | - | 76 | 550 | 44 |
| Total expenditures | 11,406 | 18,344 | 24,029 | 19,863 | 18,334 | 21,914 | 25,231 | 31,663 | 40,989 | 34,308 |
| Excess of revenues over (under) expenditures | 2,448 | (1,941) | (7,234) | (2,920) | 1,244 | (893) | (458) | (2,664) | (9,283) | (3,081) |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | |
| Proceeds from COPS | - | 7,790 | 191 | 140 | - | - | - | - | - | - |
| Proceeds from financing | - | - | - | 1,200 | - | 14,081 | - | 7,834 | 41,416 | - |
| Capital Lease issuance | - | - | - | - | 239 | 334 | 418 | - | - | - |
| Board of Ed funding for road improvements | - | - | - | - | 67 | - | - | - | - | - |
| Proceeds from sales of wetland credits | - | - | - | - | 168 | 161 | - | - | - | - |
| Debt issuance costs | - | - | - | - | - | - | - | - | - | - |
| Sale of capital assets | - | - | - | - | 11 | - | 9 | 48 | 3 | 17 |
| Transfers in | - | - | 188 | - | - | - | 15,482 | 4,598 | 4,938 | 5,571 |
| Transfers out | - | - | (188) | - | (190) | (8) | (15,645) | (4,598) | (4,938) | (5,730) |
| Total other financing sources (uses) | - | 7,790 | 191 | 1,340 | 295 | 14,568 | 264 | 7,882 | 41,419 | (142) |
| Net change in fund balances | \$ 2,448 | \$ 5,849 | \$ (7,043) | \$ (1,580) | \$ 1,538 | \$ 13,676 | \$ (194) | \$ 5,218 | \$ 32,136 | \$ (3,223) |
| Debt service as a percentage of noncapital expenditures | 0.00% | 0.00% | 0.00% | 0.00% | 13.96% | 17.86% | 3.93% | 17.28% | 19.01% | 19.40% |

In adopting the DCA Uniform Chart of Accounts in 2003, some activities were reclassified to different functions than had been reported in the financial statements. Those functions have been reclassified above so that comparisons can be made between years.

Note: Some items in the table may not add due to rounding.

DAWSON COUNTY, GEORGIA
General Fund History
Statement of Revenues, Expenditures and Changes in Fund Balances
Last Five Fiscal Years

| | 2004 | 2005 | 2006 | 2007 | 2008 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| REVENUES | | | | | |
| Taxes | \$ 12,346,100 | \$ 13,694,266 | \$ 15,477,966 | \$ 16,913,787 | \$ 17,053,398 |
| Licenses and permits | 751,140 | 824,525 | 833,283 | 739,903 | 462,523 |
| Intergovernmental | 596,166 | 878,645 | 1,284,592 | 708,554 | 731,035 |
| Fines and forfeitures | 782,208 | 760,239 | 944,166 | 824,068 | 784,989 |
| Charges for services | 1,228,129 | 1,530,512 | 1,409,509 | 2,350,553 | 2,266,376 |
| Contributions and donations | 23,153 | 84,808 | 155,533 | 75,848 | 60,108 |
| Interest income | 63,473 | 217,083 | 400,778 | 571,547 | 295,835 |
| Miscellaneous | 53,759 | 50,128 | 71,953 | 69,939 | 41,842 |
| TOTAL REVENUES | 15,844,128 | 18,040,206 | 20,577,780 | 22,254,199 | 21,696,106 |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General government | 3,575,864 | 2,360,839 | 3,175,725 | 3,479,935 | 4,100,744 |
| Judicial | 1,466,433 | 1,918,125 | 2,093,794 | 2,229,691 | 2,374,532 |
| Public safety | 6,642,947 | 6,691,527 | 7,142,510 | 8,703,674 | 9,581,104 |
| Public works | 732,225 | 946,887 | 1,012,841 | 1,248,712 | 1,381,532 |
| Health and welfare | 554,516 | 479,543 | 514,930 | 439,088 | 387,189 |
| Recreation and culture | 1,303,238 | 1,297,509 | 1,374,295 | 1,500,197 | 1,414,344 |
| Housing and development | - | 669,522 | 939,744 | 989,837 | 1,100,742 |
| Intergovernmental | - | 414,526 | 421,615 | 750,149 | 293,624 |
| Capital Outlay | 225,126 | 496,829 | 1,516,170 | 933,018 | 929,285 |
| Debt Service | 258,944 | 579,421 | 754,997 | 1,122,151 | 980,972 |
| TOTAL EXPENDITURES | 14,759,293 | 15,854,728 | 18,946,621 | 21,396,450 | 22,544,068 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 1,084,835 | 2,185,478 | 1,631,159 | 857,749 | (847,962) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in/(out) | (307,261) | (822,478) | (699,697) | (1,940,875) | (1,051,999) |
| Proceeds from borrowings | 333,664 | 303,667 | 754,088 | 320,331 | - |
| Board of Education funding for roads | - | - | - | - | - |
| Sale of capital assets or wetlands credits | 160,930 | 9,313 | 804 | 2,811 | 11,239 |
| TOTAL OTHER FINANCING SOURCES (USES) | 187,333 | (509,498) | 55,195 | (1,617,733) | (1,040,760) |
| NET CHANGE IN FUND BALANCES | 1,272,168 | 1,675,980 | 1,686,354 | (759,984) | (1,888,722) |
| FUND BALANCES, JANUARY 1 | 1,352,646 | 2,624,814 | 4,300,794 | 5,987,148 | 5,227,164 |
| FUND BALANCES, DECEMBER 31 | \$ 2,624,814 | \$ 4,300,794 | \$ 5,987,148 | \$ 5,227,164 | \$ 3,338,442 |

Note: Some items in the table may not add due to rounding.

DAWSON COUNTY, GEORGIA
General Fund Budget
(unaudited)
Fiscal Year Ending December 31, 2009

| | |
|---|----------------------------|
| REVENUES | |
| Taxes | \$ 21,691,475 |
| Licenses and permits | 828,654 |
| Intergovernmental | 748,721 |
| Fines and forfeitures | 894,500 |
| Charges for services | 2,184,069 |
| Interest & other income | 1,456,005 |
| TOTAL REVENUES | <u>27,803,424</u> |
| EXPENDITURES | |
| Current | |
| General government | 5,943,211 |
| Judicial | 2,649,720 |
| Public Safety | 11,838,835 |
| Public Works | 2,593,128 |
| Health and Welfare | 494,206 |
| Recreation and Culture | 1,109,294 |
| Housing and Development | 1,788,725 |
| TOTAL EXPENDITURES | <u>26,417,119</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>1,386,305</u> |
| OTHER FINANCING SOURCES (USES) | |
| Transfers in | - |
| Transfers out | (1,386,305) |
| Proceeds from borrowing | - |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>(1,386,305)</u> |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES | - |
| FUND BALANCE, December 31, 2008 | <u>3,344,437</u> |
| FUND BALANCES, December 31, 2009 | <u><u>\$ 3,344,437</u></u> |

DAWSON COUNTY, GEORGIA
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

| Fiscal Year | Property Taxes | Sales Taxes | Insurance Premium Tax | Real Estate Transfer Tax | Other Taxes | Total |
|--------------------|-----------------------|--------------------|------------------------------|---------------------------------|--------------------|--------------|
| 1999 | \$ 3,969 | \$ 5,731 | \$ 331 | \$ 47 | \$ 572 | \$ 10,651 |
| 2000 | 3,995 | 6,814 | 349 | 67 | 775 | 12,001 |
| 2001 | 4,817 | 6,470 | 495 | 62 | 719 | 12,564 |
| 2002 | 4,224 | 6,946 | 547 | 355 | 403 | 12,474 |
| 2003 | 7,209 | 6,654 | 586 | - | 1,072 | 15,522 |
| 2004 | 7,284 | 7,658 | 634 | - | 1,032 | 16,609 |
| 2005 | 8,044 | 9,028 | 677 | - | 968 | 18,718 |
| 2006 | 8,710 | 11,173 | 710 | 568 | 533 | 21,693 |
| 2007 | 9,721 | 12,207 | 747 | 470 | 538 | 23,683 |
| 2008 | \$10,532 | \$10,832 | \$765 | \$323 | \$622 | \$23,074 |

DAWSON COUNTY, GEORGIA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

(modified accrual basis of accounting)
(amounts expressed in thousands)

| Year | Real Property | | | | Personal Property | | | | Less Exemptions: | | Total Taxable Assessed Value | Total Direct Tax Rate | Estimated Actual Taxable Value (3) | Assessed Value as a Percentage of Actual Value |
|------|------------------------------|--|--|------------------|---------------------------|----------------|--------------|-----------|------------------|-------------------|------------------------------|-----------------------|------------------------------------|--|
| | Tax Residential Property (1) | Commercial Property (1) & Industrial Utilities | Agricultural Property (1) & Industrial Utilities | Public Utilities | Inventory & Equipment (4) | Motor Vehicles | Mobile Homes | Other (2) | Real Property | Personal Property | | | | |
| 1999 | \$ 324,613 | \$ 148,076 | \$ 65,534 | \$ 14,058 | \$ 30,228 | \$ 60,281 | \$ 1,411 | \$ 7,219 | \$ 42,620 | \$ 4,602 | \$ 604,198 | 6.240 | \$ 1,510,496 | 40.00% |
| 2000 | 365,039 | 146,645 | 78,565 | 14,058 | 37,128 | 71,754 | 3,574 | 6,866 | 50,257 | 1,961 | 671,411 | 6.212 | 1,678,528 | 40.00% |
| 2001 | 400,768 | 145,654 | 81,306 | 15,209 | 48,089 | 90,372 | 2,220 | 6,494 | 48,759 | 4,812 | 736,540 | 6.164 | 1,841,351 | 40.00% |
| 2002 | 476,391 | 148,019 | 97,181 | 16,482 | 45,271 | 93,019 | 2,576 | 6,685 | 51,507 | 3,268 | 830,849 | 9.139 | 2,077,122 | 40.00% |
| 2003 | 519,915 | 146,841 | 100,154 | 16,589 | 44,289 | 60,963 | 1,917 | 3,551 | 52,079 | 2,383 | 839,756 | 9.138 | 2,099,391 | 40.00% |
| 2004 | 635,604 | 226,733 | 112,615 | 17,825 | 46,563 | 61,277 | 1,607 | 4,111 | 94,573 | 343 | 1,011,419 | 8.138 | 2,528,546 | 40.00% |
| 2005 | 687,209 | 222,669 | 129,447 | 18,262 | 50,801 | 61,185 | 1,532 | 5,193 | 105,236 | 2,934 | 1,068,128 | 8.138 | 2,670,320 | 40.00% |
| 2006 | 813,833 | 220,688 | 134,058 | 19,417 | 57,304 | 61,338 | 1,401 | 6,701 | 107,360 | 5,843 | 1,201,538 | 8.138 | 3,003,845 | 40.00% |
| 2007 | 868,203 | 224,652 | 161,599 | 21,784 | 60,667 | 66,589 | 1,403 | 7,564 | 110,749 | 5,316 | 1,296,397 | 8.138 | 3,240,993 | 40.00% |
| 2008 | \$ 979,011 | \$ 371,464 | \$ 176,874 | \$ 21,373 | \$ 65,035 | \$ 72,839 | \$ 1,397 | \$ 6,479 | \$ 195,659 | \$ 5,633 | \$ 1,493,181 | 8.138 | \$ 3,732,952 | 40.00% |

Source: Georgia Department of Revenue

- (1) Includes conservation use and preferential property.
- (2) Includes aircraft, boats, miscellaneous personal property, timber and heavy equipment.
- (3) Property that is exempt from taxation has not been included. That is typically property owned by governments and not-for-profit organizations like churches.
- (4) Includes furniture and fixtures. In Table 6A, this is included with Commercial & Industrial property.
- (5) In table 6A, "Other" includes motor vehicle, mobile homes, and other above.

DAWSON COUNTY
SUMMARY OF ASSESSED VALUES BY PROPERTY TYPE
 (based on Table 6)

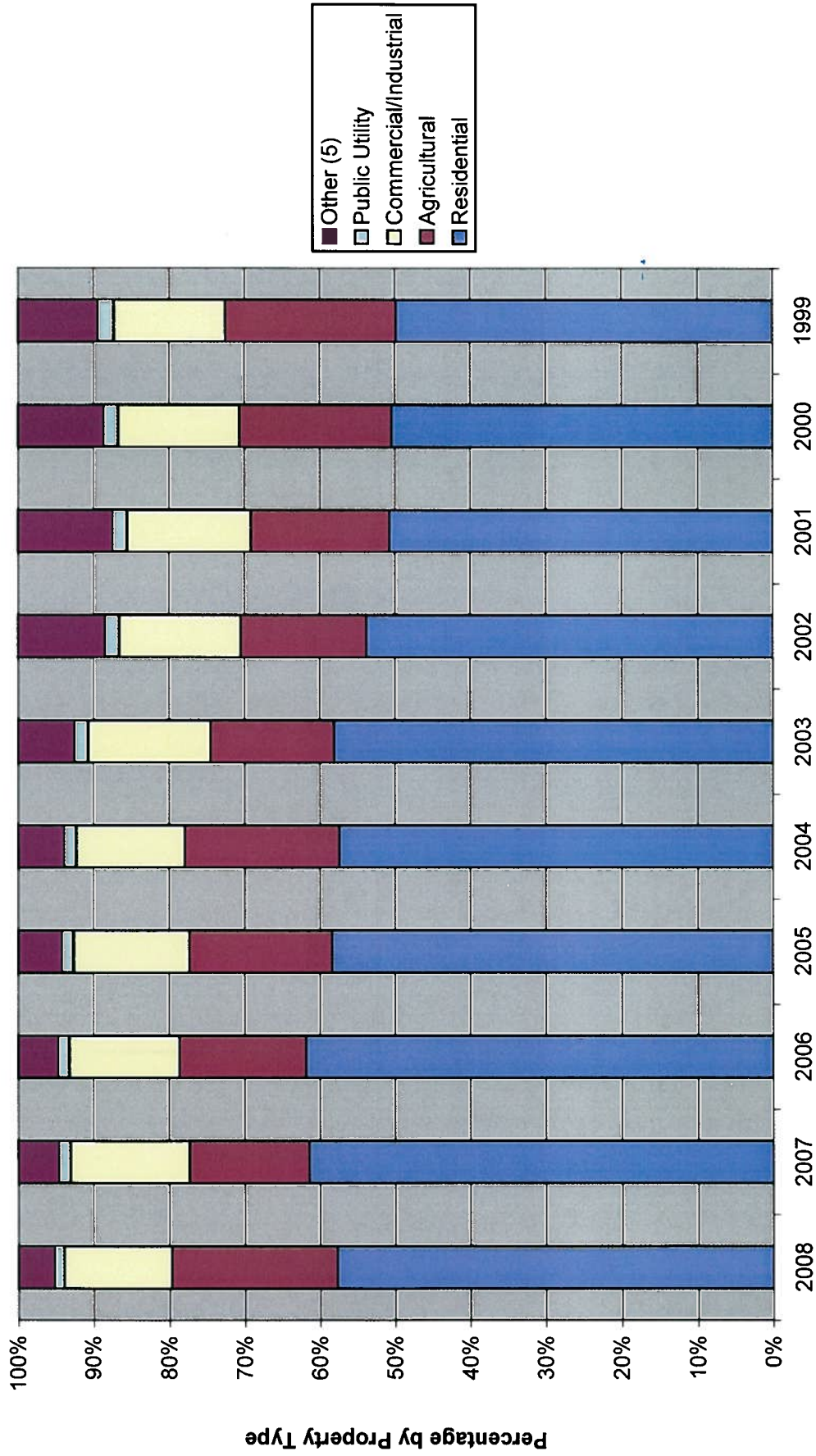


Table 6A

DAWSON COUNTY, GEORGIA
Direct and Overlapping Property Tax Rate - Mills
Last Ten Fiscal Years
(Mills - rate per \$1,000 of taxable assessed value)

| <i>Tax Year</i> | <i>1999</i> | <i>2000</i> | <i>2001</i> | <i>2002</i> | <i>2003</i> | <i>2004</i> | <i>2005</i> | <i>2006</i> | <i>2007</i> | <i>2008</i> |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <i>Fiscal Year</i> | <i>2000</i> | <i>2001</i> | <i>2002</i> | <i>2003</i> | <i>2004</i> | <i>2005</i> | <i>2006</i> | <i>2007</i> | <i>2008</i> | <i>2009</i> |
| County - Incorporated | 6.240 | 6.212 | 6.164 | 9.139 | 9.138 | 8.138 | 8.138 | 8.138 | 8.138 | 8.138 |
| County - Unincorporated (1) | 6.240 | 6.212 | 6.164 | 9.139 | 9.138 | 8.138 | 8.138 | 8.138 | 8.138 | 8.138 |
| School Operations | 12.00 | 11.95 | 12.75 | 13.646 | 13.646 | 13.646 | 13.646 | 13.646 | 13.646 | 13.646 |
| School Debt Service | 0.700 | 0.700 | 0.400 | 0.400 | 0.400 | 0.400 | 0.400 | 0.400 | 0.400 | 0.400 |
| State of Georgia | 0.250 | 0.250 | 0.250 | 0.250 | 0.250 | 0.250 | 0.250 | 0.250 | 0.250 | 0.250 |
| Total Incorporated | 6.490 | 6.462 | 6.414 | 9.389 | 9.388 | 8.388 | 8.388 | 8.388 | 8.388 | 8.388 |
| Total Unincorporated | 19.190 | 19.108 | 19.561 | 23.435 | 23.434 | 22.434 | 22.434 | 22.434 | 22.434 | 22.434 |
| <i>Municipalities</i> | | | | | | | | | | |
| Dawsonville | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |

Source: Georgia Department of Revenue

Overlapping rates are those of local and county governments that apply to property owners within the County. Not all overlapping rates apply to all County property owners (e.g., the rates for special districts apply only to the proportion of the government's districts that are within the city limits of municipalities that do not levy a city tax are considered with the unincorporated areas in computing the maximum rates.

(1) For purposes of this schedule and table 6, the County unincorporated rate is considered the total direct rate.

DAWSON COUNTY, GEORGIA
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago (See Note)
(amounts expressed in thousands)

| | | <u>2008</u> | | | | <u>1999</u> | | | |
|-----------------------------|-------------------------|------------------|-------|-------|--------------------------------------|------------------|-------|-------|--------------------------------------|
| Taxpayer | Type of Business | Taxable Assessed | | Rank | Percentage of Total Taxable Assessed | Taxable Assessed | | Rank | Percentage of Total Taxable Assessed |
| | | Value | Value | Value | Value | Value | Value | Value | Value |
| Chelsea GCA Realty | Outlet Mall | \$ 17,051 | | 1 | 1.42% | \$ 13,593 | | 1 | 3.75% |
| City of Atlanta | Municipality | 12,765 | | 2 | 1.06% | 6,792 | | 2 | 1.87% |
| Forestar (GA) Real Estate | Residential Development | 11,183 | | 3 | 0.93% | | | | |
| Dawson Fee LLC | Real Estate Development | 8,490 | | 4 | 0.71% | | | | |
| Wal-Mart Real Estate | Shopping Center | 6,514 | | 5 | 0.54% | | | | |
| Chestatee Development | Residential Development | 6,030 | | 6 | 0.50% | 4,593 | | 4 | 1.27% |
| Dawson Cherokee Capital LLC | Residential Development | 5,949 | | 7 | 0.50% | | | | |
| Big Canoe LLC | Residential Development | 5,858 | | 8 | 0.49% | | | | |
| Georgia Power Company | Utility | 5,245 | | 9 | 0.44% | | | | |
| Lumpkin Campground Road LLC | Real Estate Development | 5,104 | | 10 | 0.42% | | | | |
| Inland Container Corp | Paper Company | | | | | 5,864 | | 3 | 1.62% |
| J&M Laboratories | Manufacturer | | | | | 4,479 | | 5 | 1.23% |
| Edems & Avant Financing | Retail | | | | | 3,336 | | 6 | 0.92% |
| Dawson 400 Associates LP | Real Estate Development | | | | | 3,157 | | 7 | 0.87% |
| Georgia 400 Associates | Shopping Center | | | | | 3,000 | | 8 | 0.83% |
| Standard Telephone | Utility | | | | | 2,990 | | 9 | 0.82% |
| Ingles Market Inc | Retail | | | | | 2,836 | | 10 | 0.78% |
| Totals | | <u>\$ 84,189</u> | | | <u>7.01%</u> | <u>\$ 50,640</u> | | | <u>13.96%</u> |

Source: Dawson County Tax Commissioner

Rank is based on the amount of County maintenance & operations taxes billed since exemptions that reduce the assessed value can vary by entity.

DAWSON COUNTY, GEORGIA
PROPERTY TAX LEVIES AND COLLECTIONS
 Last Ten Fiscal Years
 (amounts expressed in thousands)

| Fiscal Year | Tax Due Date | Taxes Levied for the Tax Year (Original Levy) | Adjustments | Interest, Costs, & Penalties | Total Adjusted Levy | Collected within Fiscal year of the Levy | | Collections in Subsequent Years | Total Collections to Date | | Uncollected Balance |
|-------------|--------------|---|-------------|------------------------------|---------------------|--|-----------------------------|---------------------------------|---------------------------|-----------------------------|---------------------|
| | | | | | | Amount | Percentage of Original Levy | | Amount | Percentage of Adjusted Levy | |
| 2003 | 2002 | 01/20/03 | \$ 6,903 | \$ 177 | \$ 7,213 | \$ 2,348 | 34.01% ⁽¹⁾ | \$ 4,865 | \$ 7,213 | 100.00% | \$ - |
| 2004 | 2003 | 12/20/03 | 7,395 | 382 | 7,935 | 6,124 | 82.81% | 1,810 | 7,934 | 99.99% | 1 |
| 2005 | 2004 | 12/20/04 | 7,963 | (44) | 8,090 | 6,814 | 85.57% | 1,273 | 8,087 | 99.96% | 3 |
| 2006 | 2005 | 12/20/05 | 8,415 | (1) | 8,659 | 7,187 | 85.41% | 1,466 | 8,653 | 99.93% | 6 |
| 2007 | 2006 | 12/20/06 | 9,583 | (26) | 9,779 | 8,219 | 85.77% | 1,533 | 9,752 | 99.72% | 27 |
| 2008 | 2007 | 12/01/07 | 10,281 | 3 | 10,502 | 9,399 | 91.42% | 954 | 10,353 | 98.58% | 149 |
| 2009 | 2008 | 12/01/08 | \$ 11,753 | 8 | \$ 11,806 | \$ 10,405 | 88.53% | \$ - | \$ 10,405 | 88.13% | \$ 1,401 |

Note: Information for 1999-2001 is not available.

⁽¹⁾ Taxes due January 20, 2003; therefore, lower collection percentage for original collection.

Taxes levied during the calendar year 2008 are recorded as revenues in the financial statements in 2009 since they are levied to finance that year's expenditures.

Taxes levied include real and personal property, motor vehicle, mobile home, timber, and heavy equipment taxes.

Adjustments reflect changes, i.e., Not on Digest entries (NODS), Appeal settlement adjustments, error corrections, if any.

DAWSON COUNTY, GEORGIA
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
(amounts expressed in thousands)

| Fiscal Year | Governmental Activities | | | | | Business-Type Activities | | | Total Primary Government | Percentage of Personal Income (1) | Per Capita (1) |
|-------------|-------------------------|----------------------------|-------------------|------------------------------|--------------------|--------------------------|------|------|--------------------------|-----------------------------------|----------------|
| | Capital Leases | Agreement for sale Payable | Contracts Payable | General Obligation Bonds (2) | GEFA Notes Payable | Capital Leases | | | | | |
| 1999 | \$ 7,154 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 7,154 | 1.84% | \$ 471 |
| 2000 | 14,174 | - | - | - | - | - | - | - | 14,174 | 3.33% | 886 |
| 2001 | 13,025 | - | - | - | - | - | - | - | 13,025 | 2.78% | 770 |
| 2002 | 12,334 | - | 5,680 | - | - | - | - | - | 18,014 | 3.68% | 1,022 |
| 2003 | 5,381 | - | 5,560 | - | - | - | - | - | 10,941 | 0.00% | 590 |
| 2004 | 5,100 | - | 5,430 | 12,200 | - | - | - | - | 22,730 | 4.16% | 1,194 |
| 2005 | 2,526 | - | 5,300 | 12,200 | - | - | - | - | 20,026 | 3.44% | 1,015 |
| 2006 | 3,350 | 6,080 | 5,165 | 10,300 | - | - | - | - | 24,895 | 4.03% | 1,206 |
| 2007 | 2,734 | 5,755 | 5,030 | 46,375 | - | - | - | - | 59,894 | 8.11% | 2,722 |
| 2008 | \$ 1,928 | \$ 5,415 | \$ 4,890 | \$ 43,875 | \$ - | \$ - | \$ - | \$ - | \$ 56,108 | 7.59% | \$ 2,550 |

Note: Details regarding the County's outstanding debt can be found in the Note 6 of the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics on Table 15 for personal income and population data.

(2) Premiums and discounts are not included in the General Obligation Bonds outstanding.

DAWSON COUNTY, GEORGIA
OTHER LONG-TERM LIABILITIES
Last Ten Fiscal Years
(amounts expressed in thousands)

| Fiscal Year | Governmental Activities | | | Business-Type Activities | | | Total Primary Government | Percentage of Personal Income (1) | Per Capita (1) |
|-------------|---------------------------------------|----------------------|----------|-----------------------------------|----------------------|--------|--------------------------|-----------------------------------|----------------|
| | Landfill Closure/ Post-closure (2) | Compensated Absences | Total | Landfill Closure/ Post-closure | Compensated Absences | Total | | | |
| 1999 | \$ 1,242 | \$ - | \$ 1,242 | \$ - | \$ - | \$ - | \$ 1,242 | 0.32% | \$ 82 |
| 2000 | 406 | - | 406 | - | - | - | 406 | 0.10% | 25 |
| 2001 | 869 | - | 869 | - | - | - | 869 | 0.19% | 51 |
| 2002 | 837 | - | 837 | - | - | - | 837 | 0.17% | 48 |
| 2003 | - | 287 | 287 | 934 | 11 | 945 | 1,232 | 0.00% | 66 |
| 2004 | - | 302 | 302 | 902 | 11 | 913 | 1,215 | 0.22% | 64 |
| 2005 | - | 401 | 401 | 886 | 12 | 898 | 1,298 | 0.22% | 66 |
| 2006 | - | 395 | 395 | 927 | 1 | 928 | 1,323 | 0.21% | 64 |
| 2007 | - | 244 | 244 | 898 | 1 | 899 | 1,143 | 0.15% | 52 |
| 2008 | \$ - | \$ 239 | \$ 239 | \$ 784 | \$ 1 | \$ 785 | \$ 1,024 | 0.14% | \$ 47 |

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics on Table 15 for personal income and population data.

(2) Landfill closure/postclosure costs were moved from the General fund to the Solid Waste Enterprise fund in 2004.

DAWSON COUNTY, GEORGIA
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years
(amounts expressed in thousands)

| Fiscal Year | General Obligation Bonds | Less: Amounts Restricted to Repaying Principal | Total | Percentage of Estimated Actual Taxable Value of Property (1) | Per Capita (2) |
|--------------------|---------------------------------|---|--------------|---|-----------------------|
| 1999 | \$ - | \$ - | \$ - | 0.00% | \$ - |
| 2000 | - | - | - | 0.00% | - |
| 2001 | - | - | - | 0.00% | - |
| 2002 | - | - | - | 0.00% | - |
| 2003 | - | - | - | 0.00% | - |
| 2004 | 12,200 | - | 12,200 | 0.48% | 641 |
| 2005 | 12,200 | 2,282 | 9,918 | 0.37% | 503 |
| 2006 | 10,300 | 3,042 | 7,258 | 0.24% | 352 |
| 2007 | 46,375 | 2,637 | 43,738 | 1.35% | 1,988 |
| 2008 | \$ 43,875 | \$ 2,956 | \$ 40,919 | 1.10% | \$ 1,859 |

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) See Table 6 for property value data.

(2) See Table 15 for population data.

DAWSON COUNTY, GEORGIA
Computation of Direct and Overlapping Bonded Debt
General Obligation and Revenue Bonds
December 31, 2008
(amounts expressed in thousands)

| <u><i>Jurisdiction</i></u> | <u><i>Debt Outstanding</i></u> | <u><i>Percentage Applicable to Government</i></u> | <u><i>Amount Applicable to Government</i></u> |
|---|------------------------------------|---|---|
| Direct Debt | | | |
| General Obligation Debt | \$ 43,875 | 100.00% | \$ 43,875 |
| Capital Leases | 1,928 | 100.00% | 1,928 |
| Agreement for Sale - Jail | 5,415 | 100.00% | 5,415 |
| Contract Payable - EWSA | 4,890 | 100.00% | 4,890 |
| Total Direct | <u>56,108</u> | | <u>56,108</u> |
| Overlapping General Obligation Debt: | | | |
| Dawson County School System | 20,175 | 100.00% | 20,175 |
| City of Dawsonville | 3,679 | 100.00% | 3,679 |
| Total Overlapping General Obligation Debt | <u>23,854</u> | | <u>23,854</u> |
| Total | <u>\$ 79,962</u> | | <u>\$ 79,962</u> |

Sources: Assessed value data used to estimate applicable percentages provided by the State Department of Revenue. Debt outstanding provided by the County. See Table 10.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the county. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the county. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident.

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

DAWSON COUNTY, GEORGIA
LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

(amounts expressed in thousands)

| | Fiscal Year | | | | | | | | | |
|---|-------------|------------|------------|------------|------------|--------------|--------------|--------------|--------------|--------------|
| | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
| Assessed value of property | \$ 651,420 | \$ 723,629 | \$ 790,112 | \$ 885,625 | \$ 894,218 | \$ 1,106,334 | \$ 1,176,299 | \$ 1,314,741 | \$ 1,412,462 | \$ 1,694,473 |
| Debt limit (10% of total assessed value) | 65,142 | 72,363 | 79,011 | 88,562 | 89,422 | 110,633 | 117,630 | 131,474 | 141,246 | 169,447 |
| Amount of Debt applicable to limit: | | | | | | | | | | |
| General obligation bonds | - | - | - | 5,680 | 5,560 | 17,630 | 17,699 | 15,619 | 54,285 | 51,230 |
| Less: Resources restricted to paying principal | - | - | - | - | - | - | (2,282) | (3,042) | (2,637) | (2,956) |
| Total net debt applicable to limit | - | - | - | 5,680 | 5,560 | 17,630 | 15,417 | 12,577 | 51,648 | 48,274 |
| Legal debt margin | \$ 65,142 | \$ 72,363 | \$ 79,011 | \$ 82,882 | \$ 83,862 | \$ 93,003 | \$ 102,213 | \$ 118,897 | \$ 89,598 | \$ 121,173 |
| Total net debt applicable to the limit as a percentage of debt limit | 0.00% | 0.00% | 0.00% | 6.41% | 6.22% | 15.94% | 13.11% | 9.57% | 36.57% | 28.49% |

DAWSON COUNTY, GEORGIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

| Fiscal Year | Population (1) | Personal Income (2) | Per Capita Personal Income (3) | Unemployment Rate (4) |
|------------------------|---------------------------|------------------------------------|---|--------------------------------------|
| 1999 | 15,203 | \$ 389,440 | \$ 25,616 | 2.7% |
| 2000 | 15,999 | 425,093 | 26,570 | 2.1% |
| 2001 | 16,916 | 468,928 | 27,721 | 2.5% |
| 2002 | 17,620 | 488,937 | 27,749 | 4.0% |
| 2003 | 18,559 | 506,271 | 27,279 | 3.0% |
| 2004 | 19,041 | 546,610 | 28,707 | 4.2% |
| 2005 | 19,731 | 581,630 | 29,478 | 3.6% |
| 2006 | 20,643 | 617,948 | 29,935 | 3.5% |
| 2007 | 21,484 | 696,877 | 32,437 | 3.6% |
| 2008 | 22,006 | \$ 738,961 | \$ 33,580 | 5.9% |

Data sources:

- (1) US Bureau of the Census
- (2) Amount expressed in thousands
- (3) Federal Bureau of Economic Analysis (2008 not available, estimated based on Compound Annual Growth Rate for the period 2003 through 2007)
- (4) State Department of Labor

DAWSON COUNTY, GEORGIA
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago (See Note)

| Employer | 2008 | | | 2003 | | |
|---|---------------|------|---------------------------------------|---------------|------|---------------------------------------|
| | Employees | Rank | Percentage of Total County Employment | Employees | Rank | Percentage of Total County Employment |
| North Georgia Premium Outlets | 1,100 | 1 | 10.64% | 1,100 | 1 | 9.88% |
| Dawson County Board of Education | 410 | 2 | 3.97% | 415 | 2 | 3.73% |
| Wal-Mart #3874 | 350 | 3 | 3.39% | | | n/a |
| Gold Creek Foods LLC | 300 | 4 | 2.90% | | | n/a |
| Dawson County | 286 | 5 | 2.77% | 200 | 4 | 1.80% |
| Nordson Corporation | 150 | 6 | 1.45% | 233 | 3 | 2.09% |
| Kroger | 126 | 7 | 1.22% | 116 | 5 | 1.04% |
| Impulse Manufacturing, Inc. | 100 | 10 | 0.97% | | | n/a |
| World Wide Manufacturing Co. | 100 | 10 | 0.97% | 107 | 6 | 0.96% |
| Amicalola Falls State Park Lodge | 100 | 10 | 0.97% | | | n/a |
| Ingles Market | | | 0.00% | 90 | 7 | 0.81% |
| Gold Creek Golf Club / Resort Conference Center | | | 0.00% | 90 | 8 | 0.81% |
| SleeveCo, Inc | | | 0.00% | 80 | 9 | 0.72% |
| Chestatee State Bank | | | 0.00% | 80 | 10 | 0.72% |
| All other employers | 7,314 | | 70.76% | 8,622 | | 77.45% |
| Total | <u>10,336</u> | | <u>100.00%</u> | <u>11,133</u> | | <u>100.00%</u> |

Source: Dawson County Chamber of Commerce

Note: Data for nine years ago (1999) is not available, used oldest available (2003).

DAWSON COUNTY, GEORGIA
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
Last Ten Fiscal Years

| Function | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General government | - | - | - | - | - | 48 | 49 | 51 | 67 | 74 |
| Public safety | | | | | | | | | | |
| Sheriff | | | | | | | | | | |
| Officers | - | - | - | - | - | 63 | 71 | 82 | 92 | 83 |
| Civilians | - | - | - | - | - | 11 | 13 | 18 | 18 | 26 |
| Fire | | | | | | | | | | |
| Firefighters and officers | - | - | - | - | - | 35 | 35 | 41 | 44 | 43 |
| Civilians | - | - | - | - | - | 1 | 1 | 1 | 1 | 3 |
| Court system | - | - | - | - | - | 20 | 24 | 26 | 30 | 30 |
| Public works | - | - | - | - | - | 16 | 14 | 14 | 17 | 17 |
| Health and welfare | - | - | - | - | - | - | - | - | - | - |
| Recreation and culture | - | - | - | - | - | 8 | 8 | 9 | 10 | 10 |
| Housing and development | - | - | - | - | - | - | - | - | - | - |
| Solid Waste | - | - | - | - | - | - | - | - | - | - |
| Water & Sewer | - | - | - | - | - | - | - | - | 1 | - |
| Total | - | - | - | - | - | 202 | 215 | 242 | 280 | 286 |

Source: Dawson County Human Resources

Notes: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave). Full-time-equivalent employment is calculated by dividing total labor hours by 2,080.

Note: Information for 1999-2003 is not available.

DAWSON COUNTY, GEORGIA
OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

| Function | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Sheriff | | | | | | | | | | |
| Citations | - | - | - | - | - | - | 2,115 | 2,694 | 2,323 | 2,809 |
| Traffic Stops | - | - | - | - | - | - | 7,057 | 8,738 | 9,254 | 14,708 |
| Arrests | - | - | - | - | - | - | 824 | 898 | 2,273 | 2,848 |
| Emergency Services | | | | | | | | | | |
| Fire calls answered | - | - | - | 1,455 | 1,597 | 1,641 | 1,993 | 1,707 | 1,880 | 2,019 |
| Fire Inspections | - | - | - | - | - | - | 385 | 605 | 663 | 548 |
| EMS Calls | - | - | - | 1,634 | 1,727 | 1,778 | 2,043 | 1,959 | 2,103 | 2,279 |
| Highways and streets | | | | | | | | | | |
| Paved resurfacing (miles) | - | - | - | - | - | - | 10.5 | 10.4 | 22.8 | 11.5 |
| Transfer Station | | | | | | | | | | |
| Refuse collected (tons/month) | - | - | - | - | - | - | 216 | N/A | 108 | 150 |
| Planning and Development | | | | | | | | | | |
| Building permits | - | 562 | 654 | 745 | 579 | 591 | 643 | 680 | 621 | 389 |
| Recreation and Culture | | | | | | | | | | |
| Spring sports participants (1) | - | - | - | 713 | 688 | 809 | 1,096 | 1,170 | 1,039 | 1,208 |
| Total sports participants (1) | - | - | - | - | - | - | - | 2,011 | 2,299 | 2,597 |
| Facility usage | - | - | - | - | - | - | - | 475 | 592 | 2,858 |

Sources: Various County departments

Note: Information is not available for many years.

(1) Sports programs such as football and basketball were added during 2006 with the availability of additional facilities.

DAWSON COUNTY, GEORGIA
CAPITAL ASSET STATISTICS BY FUNCTION
Last Ten Fiscal Years

| Function | 2006 | 2007 | 2008 |
|--|-----------------------|-----------------------|-----------------------|
| General government | | | |
| Undeveloped Land | 1 parcel, 77.67 acres | 1 parcel, 77.67 acres | 1 parcel, 77.67 acres |
| Buildings | 2 | 3 | 4 |
| Vehicles | 3 | 3 | 6 |
| Public safety | | | |
| Buildings | | | |
| Sheriff Department | 3 | 2 | 2 |
| Emergency Services | 5 | 5 | 6 |
| Vehicles | | | |
| Fire/Pumper Trucks | 10 | 10 | 10 |
| Other Fire Dept. Vehicles | 15 | 15 | 16 |
| Ambulance/Rescue | 10 | 10 | 12 |
| Sheriffs Vehicles | 57 | 60 | 72 |
| Marshall's Vehicles | | | 3 |
| Equipment (1) | 1 | 1 | 1 |
| Court system | | | |
| Buildings | 2 | 2 | 2 |
| Vehicles | - | 3 | 1 |
| Public works | | | |
| Buildings | | | |
| Road Department | 1 | 1 | 1 |
| Facilities Management | 1 | 1 | 1 |
| Transfer Station | 2 | 2 | 2 |
| Vehicles | | | |
| Road Department | 14 | 15 | 15 |
| Facilities Management | 2 | 2 | 2 |
| Heavy Equipment | | | |
| Road Department | 16 | 17 | 17 |
| Transfer Station | 1 | - | - |
| Roads | | | |
| Total Miles Paved Roads | 200 | 200 | 201 |
| Total Miles Unpaved Roads | 90 | 90 | 89 |
| Health and welfare | | | |
| Buildings | 1 | 1 | 1 |
| Vehicles | 2 | 2 | 2 |
| Recreation and Community Services | | | |
| Park and Recreation | | | |
| Buildings | 14 | 14 | 14 |
| Vehicles | 5 | 6 | 5 |
| Equipment | 1 | 1 | 1 |
| Senior Center | | | |
| Buildings | 1 | 1 | 1 |
| Vehicles | 8 | 8 | 7 |
| Child Care Center | | | |
| Buildings | 1 | 1 | 1 |

Sources: Various county departments

No data is available prior to 2006

(1) Fire Safety House (Mobile Trailer)

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DAWSON COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For Year Ended December 31, 2008

| <u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE</u> | <u>FEDERAL CFDA NUMBER</u> | <u>GRANT / CONTRACT NUMBER</u> | <u>PROGRAM OR AWARD AMOUNT</u> | <u>EXPENDITURES</u> |
|--|------------------------------------|--|--|---------------------|
| <u>U.S DEPARTMENT OF JUSTICE</u> | | | | |
| Passed through the Council of Juvenile Court Judges | | | | |
| Purchase of Services for Juvenile Offenders (07-08) | 16.523 | 05B-ST-0001 | \$ 6,401 | \$ 6,401 |
| Purchase of Services for Juvenile Offenders (08-09) | 16.523 | 06B-ST-0001 | 5,000 | 2,718 |
| | | | <u>11,401</u> | <u>9,119</u> |
| Passed through the Criminal Justice Coordinating Council | | | | |
| Regional K-9 Initiative | | | | |
| 2006 Edward Byrne Memorial Justice Assistance Grant | 16.579 | B06-8-046 | 64,236 | 64,236 |
| 2007 Byrne Memorial Justice Assistance Grant | 16.579 | B07-8-050 | 80,207 | 42,264 |
| | | | <u>144,443</u> | <u>106,500</u> |
| Violence Against Women Act Grant | 16.588 | W07-8-009 | 30,669 | 30,669 |
| LLEBG Bullet Proof Vest Program 2008 | 16.607 | 1121-0235 | 3,925 | 3,925 |
| Total U.S. Department of Justice | | | <u>190,438</u> | <u>150,213</u> |
| <u>U.S DEPARTMENT OF TRANSPORTATION</u> | | | | |
| Passed through the Georgia Department of Transportation | | | | |
| Transit Operating Assistance Grant | 20.509 | GA-18-9028/MTG00-0139-00-121 | 34,097 | 30,912 |
| Transit Operating Assistance Grant | 20.509 | GA-18-4029/MTG00-0143-00-052 | 92,505 | 55,816 |
| | | | <u>126,602</u> | <u>86,728</u> |
| Total U.S. Department of Transportation | | | <u>126,602</u> | <u>86,728</u> |
| <u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u> | | | | |
| Passed through Georgia Department of Human Resources and Legacy Link, Inc. | | | | |
| Special Programs for the Aging, Title III, B | 93.044 | 427-93-08080754-99 | 28,958 | 28,958 |
| Special Programs for the Aging, Title III, C1 | 93.045 | 427-93-08080167-99 | 12,673 | 12,673 |
| Special Programs for the Aging, NSIP | 93.053 | 427-93-08080167-99 | 1,500 | 1,500 |
| Special Programs for the Aging, Title III, B | 93.044 | 427-93-09090236-99 | 49,706 | 23,661 |
| Special Programs for the Aging, Title III, C1 | 93.045 | 427-93-09090165-99 | 43,744 | 38,189 |
| Special Programs for the Aging, NSIP | 93.053 | 427-93-09090165-99 | 14,457 | 14,457 |
| | | Aging Cluster | <u>151,038</u> | <u>119,438</u> |
| Passed through Georgia Department of Human Resources | | | | |
| DHR - Family Connection / OPS Grant | 84.186 | 427-93-08080792-99 | 30,987 | 30,987 |
| DHR - Family Connection / OPS Grant | 84.186 | 427-93-08080792-99 | 35,060 | 10,412 |
| | | | <u>66,047</u> | <u>41,399</u> |
| Total U.S. Department of Health and Human Services | | | <u>217,085</u> | <u>160,837</u> |
| <u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u> | | | | |
| Passed-through the Georgia Department of Community Affairs | | | | |
| Community Development Block Grant | 14.219 | 06P-Z-042-1-3203 | 464,422 | 464,422 |
| Total U.S. Department of Housing and Urban Development | | | <u>464,422</u> | <u>464,422</u> |
| GRAND TOTAL | | | <u>\$ 998,547</u> | <u>\$ 862,200</u> |

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
1 This schedule is prepared on the modified accrual basis of accounting.

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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

June 15, 2009

Board of Commissioners
Dawson County, Georgia
Dawsonville, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of DAWSON COUNTY, GEORGIA, as of and for the year ended December 31, 2008, which collectively comprise DAWSON COUNTY, GEORGIA's basic financial statements and have issued our report thereon dated June 15, 2009. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the DAWSON COUNTY HEALTH DEPARTMENT, as described in our report on DAWSON COUNTY, GEORGIA's basic financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered DAWSON COUNTY, GEORGIA's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of DAWSON COUNTY, GEORGIA'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 would not necessarily identify all deficiencies in internal over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency 08-01 described in the accompanying schedule of findings and questioned costs to be a significant deficiency in internal control over financial reporting.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as described in the accompanying schedule of findings and questioned costs.

Compliance and Other Matters

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

DAWSON COUNTY, GEORGIA's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit DAWSON COUNTY, GEORGIA's response and, accordingly, we express no opinion on it.

In addition, we noted other matters involving the internal control and its operation that we have

reported to the management of DAWSON COUNTY, GEORGIA, in a separate letter dated June 15, 2009.

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

Bates, Carter + Co, LLP

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REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

June 15, 2009

Board of Commissioners
Dawson County, Georgia
Jefferson, Georgia

Compliance

We have audited the compliance of DAWSON COUNTY, GEORGIA, with the types of compliance requirements e described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2008. DAWSON COUNTY, GEORGIA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of DAWSON COUNTY, GEORGIA's management. Our responsibility is to express an opinion on DAWSON COUNTY, GEORGIA's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about DAWSON COUNTY, GEORGIA's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of DAWSON COUNTY, GEORGIA's compliance with those requirements.

In our opinion, DAWSON COUNTY, GEORGIA, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2008.

Internal Control Over Compliance

The management of DAWSON COUNTY, GEORGIA, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered DAWSON COUNTY, GEORGIA's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of DAWSON COUNTY, GEORGIA's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

Bates, Gentry & Co, LLP

DAWSON COUNTY, GEORGIA
AUDITORS' SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2008

I SUMMARY OF AUDITORS' RESULTS:

1. Report issued on Financial Statements - Unqualified opinion
2. Internal Control (financial statements) – One significant deficiency
3. Compliance (financial statements) – None reported
4. Compliance (major programs) - Unqualified opinion, no instances of noncompliance.
5. Internal control (major programs) – No material weaknesses noted.
6. Audit findings required to be reported under A133 Section 510(a)
 - i) Significant deficiencies in internal controls over major programs – None reported
 - ii) Material noncompliance related to major programs – None reported
 - iii) Known questioned costs greater than \$10,000 for major programs – None reported
 - iv) Known questioned costs greater than \$10,000 for a program not audited as major – None reported
 - v) Circumstances if report on compliance is other than unqualified - N/A
 - vi) Known fraud - N/A
 - vii) Misrepresentation in schedule of prior audit findings - None reported
7. Major programs for the year: CFDA 14.219 Community Development Block Grant (passed-through the Georgia Department of Community Affairs).
8. Dollar threshold used to distinguish between Type A and Type B programs - \$300,000.
9. Does the auditee qualify as a low risk auditee under A133 Section 530 - No.

II AUDIT FINDINGS - GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS

**SIGNIFICANT DEFICIENCIES
INTERNAL CONTROLS
CLERK OF COURT**

- 08-01 Statement of Condition:** When receipts for deeds or liens are entered into the system, the book and page numbers are not referenced to the receipt and the filing does not reference a receipt number.
- Criteria:** When receipts are entered and filings recorded, there should be a way to trace the receipt to its related filing.
- Effect of Condition:** Although the issue has not had a material effect on the financial statements, the court should reference its civil filing receipts to the related book and page of the filing.
- Cause of Condition:** Unknown.
- Recommendation:** We recommend that the Court reference the book and page numbers on the receipts when entered into the system.
- Response:** Procedures will be developed to capture the book and page number on receipts and filings or case numbers, as appropriate. The current system, however, does not allow for the entry of this data. The Clerk is reviewing a new system for cash receipts that could possibly address this deficiency.

III FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

There were no findings or questioned cost relating to Federal awards reported for the year ended December 31, 2008.