

**DOUGHERTY COUNTY, GEORGIA**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**JUNE 30, 2009**

## **INTRODUCTORY SECTION**

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# DOUGHERTY COUNTY, GEORGIA

## FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2009

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# DOUGHERTY COUNTY, GEORGIA

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# DOUGHERTY COUNTY BOARD OF COMMISSIONERS

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Jeff Sinyard, Chairman

Jack Stone, Vice Chairman

Muarlean Cain Edwards

John Hayes

Lamar Hudgins

Dr. Charles Lingle

Gloria Gaines

Art Searles

## **COUNTY ADMINISTRATOR**

Richard Crowdis

## **FINANCE DIRECTOR**

Karen Goff

## **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

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**Board of Commissioners  
of Dougherty County, Georgia  
Albany, Georgia**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of **Dougherty County, Georgia**, as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Dougherty County, Georgia's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Dougherty County Board of Health, which statements reflect total assets of \$3,235,025 as of June 30, 2009, and total revenues of \$14,093,061 for the year ended June 30, 2009. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion on the basic financial statements, insofar as it relates to the amounts included for the Dougherty County Board of Health in the component unit column is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 reports of the other auditors provide a reasonable basis for our opinions.

In our opinion and based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Dougherty County, Georgia as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2009, on our consideration of Dougherty County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 (on pages 3 through 13) and the Required Supplementary Information on pages 59 and 60 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 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 Dougherty County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of Dougherty County, Georgia. The schedule of expenditures of special purpose local option sales tax proceeds is presented for purposes of additional analysis as required by the Official Code of Georgia Annotated 48-8-121, and is not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of special purpose local option sales tax proceeds have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Mauldin & Jenkins, LLC*

Macon, Georgia  
December 29, 2009



# DOUGHERTY COUNTY, GEORGIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2009

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As management of Dougherty County, Georgia, (the County) we offer readers of the County's financial statements this overview and analysis of the County's financial activities for the fiscal year ended June 30, 2009. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements and the notes to the financial statements.

### Financial Highlights

- The County's statement of net assets (page 14) reflected a decrease of \$1,788,160. This statement is a combined view of all the County's financial activities including SPLOST funds which naturally decrease as projects are completed.
- The statement of net activities (page 16) reflects revenue collected through service charges and grants to provide services are 24% of total revenue needed. The balance of revenue comes from property and sales taxes.
- The 2008 county-wide tax digest residential values increased 0.34%, conservation use values increased 22.7%, commercial property values increased 1.16%, and industrial property value decreased 6.16%.
- The General Fund (the operating fund) fund balance (unreserved and reserved) decreased \$2,611,821. The Board of Commissioners budgeted re-appropriation of fund balance of \$3.9 million in order hold the millage rate at the same level as last year and prevent a tax increase to the citizens of Dougherty County.
- The Special Tax District Fund records services to the unincorporated area of the county. The 2008 millage rate decreased to 7.275 mills from 7.775. The fund balance decreased \$23,614. For this fiscal year, this fund is categorized as a non-major governmental fund.
- The Solid Waste Fund (the only enterprise fund) experienced an increase in net assets of \$1,234,303. This increase is discussed later in this document. The actual operating income was \$1,157,399.
- 2005 One Percent Sales Tax Fund sales tax revenues totaled \$15,081,557 (64% or \$9,675,998 distributed to the City of Albany through an inter-governmental agreement for capital projects). Sales tax collections were down 18.9% for the same time frame last year.

### Overview of the Financial Statements

This Management Discussion and Analysis document introduces the County's basic financial statements. The basic financial statements include: (1) *government-wide financial statements*, (2) *fund financial statements*, and (3) *notes* to the basic financial statements.

(1) The *government-wide financial statements* include two statements, the Statement of Net assets and the Statement of Activities (pages 14-17). These statements provide information about the activities of the County as a whole and present both long-term and short-term views of the County's financial status.

In the Statement of Net Assets and the Statement of Activities, we divide the County into three kinds of activities:

- **Governmental Activities** – Most of the County's basic services are reported here, including courts, public works and public safety. The majority of these activities are financed through property taxes, fees and fines. Dougherty County receives very little State and Federal funds for its governmental activities.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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- Business-Type Activities – Dougherty County charges a fee to customers to cover the cost of operations for its enterprise fund. No tax dollars are used to operate the landfill. The Solid Waste Landfill is the only enterprise fund that the County maintains. Tipping fees are set to sufficiently operate facility.
- Component Units – Dougherty County includes the Dougherty County Health Department as a Component Unit. The Health Department legally is a separate entity but the County is required by GAAP to include its financial statements.

(2) *Fund financial statements* begin on page 18. A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. Fund financial statements focus on individual sections of the County, reporting the County's operations in more detail than the panoramic picture presented by the government-wide statements. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending.

(3) The *Notes* section of the basic financial statements explains some of the information contained in the financial statements in greater detail. This section begins on page 31.

### Government Wide Statement Analysis

One of the most important questions asked about the County's finances is, "Is the County, as a whole, better off or worse off as a result of this year's activities?" The Statement of Net Assets and Statement of Activities report information about the County as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenditures are taken into account regardless of when cash is received or paid.

These two statements report the County's net assets and changes in them. You can think of the County's net assets – the difference between assets and liabilities – as one way to measure the County's financial health or financial position. Over time, increases or decreases in the County's net assets are one indicator of whether its financial health is improving or deteriorating. Other non-financial factors that must be considered include changes in the County's property tax base and the conditions of the County's infrastructure, to assess the overall health of the County.

The net assets for Governmental Activities decreased between fiscal years 2008 and 2009. Business-Type Activities net assets increased between fiscal years 2008 and 2009. Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the County's governmental and business-type activities.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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**Table 1**  
**Net Assets**  
**(in Millions)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>	
	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>
Current and other assets	\$ 63.1	\$ 53.6	\$ 6.1	\$ 6.6
Capital assets	148.2	147.9	10.6	10.0
Total Assets	211.3	201.5	16.7	16.6
Current liabilities	\$ 6.5	\$ 5.9	\$ 0.1	\$ 0.1
Long-term liabilities	14.2	17.6	5.2	3.9
Total Liabilities	20.7	23.5	5.3	4.0
Net assets:				
Invested in capital assets, net of debt	138.3	138.9	10.6	10.0
Restricted	27.9	29.1	-	-
Unrestricted	24.4	10.0	0.8	2.6
Total Net Assets	\$ 190.6	\$ 178.0	\$ 11.4	\$ 12.6

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**Table 2**  
**Changes in Net Assets**  
**(In Millions)**

	Governmental Activities		Business-Type Activities	
	2008	2009	2008	2009
<b>Revenues</b>				
Program revenues:				
Charges for services	\$ 12.2	\$ 13.6	\$ 2.8	\$ 2.7
Operating grants and contributions	0.5	0.7	-	-
Capital grants and contributions	0.9	0.7	-	-
General revenues:				
Property taxes	31.5	31.8	-	-
Sales tax	26.1	22.3	-	-
Other taxes	1.9	2.1	-	-
Investment income	2.0	0.6	0.2	0.1
Gain on sale of assets	-	-	-	0.0
Total revenues	<u>75.1</u>	<u>71.8</u>	<u>3.0</u>	<u>2.8</u>
<b>Program Expenses</b>				
General government	8.5	11.8	-	-
Judicial	7.4	7.7	-	-
Public safety	30.9	30.3	-	-
Public works	10.6	9.7	-	-
Health and welfare	4.3	4.1	-	-
Culture and recreation	8.5	6.6	-	-
Economic Development	4.2	4.0	-	-
Interest on long-term debt	0.7	0.6	-	-
Solid waste operating expenses	-	-	3.3	1.6
Intergovernmental	-	-	-	-
Total expenses	<u>75.1</u>	<u>74.7</u>	<u>3.3</u>	<u>1.6</u>
Excess (deficiency) of revenues over (under) expenses before transfers	<u>-</u>	<u>(2.8)</u>	<u>(0.3)</u>	<u>1.2</u>
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net assets	<u>-</u>	<u>(2.8)</u>	<u>(0.3)</u>	<u>1.2</u>
Net assets, beginning of year, restated	190.6	181.0	11.6	11.4
Net assets, end of year	<u>\$ 190.6</u>	<u>\$ 178.1</u>	<u>\$ 11.4</u>	<u>\$ 12.6</u>

In years prior to 2007, intergovernmental expenses included non-county capital outlay for assets that will not be owned by the County. This includes capital projects completed by the City of Albany and funded by the County's Special Local Option Sales Tax. This reporting year the expenditures were allocated to the applicable function. The County and City have several agreements that allow sharing of SPLOST proceeds. During the current year, the County reported the gross revenue of SPLOST received and the expenditures to the City.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## Governmental Activities

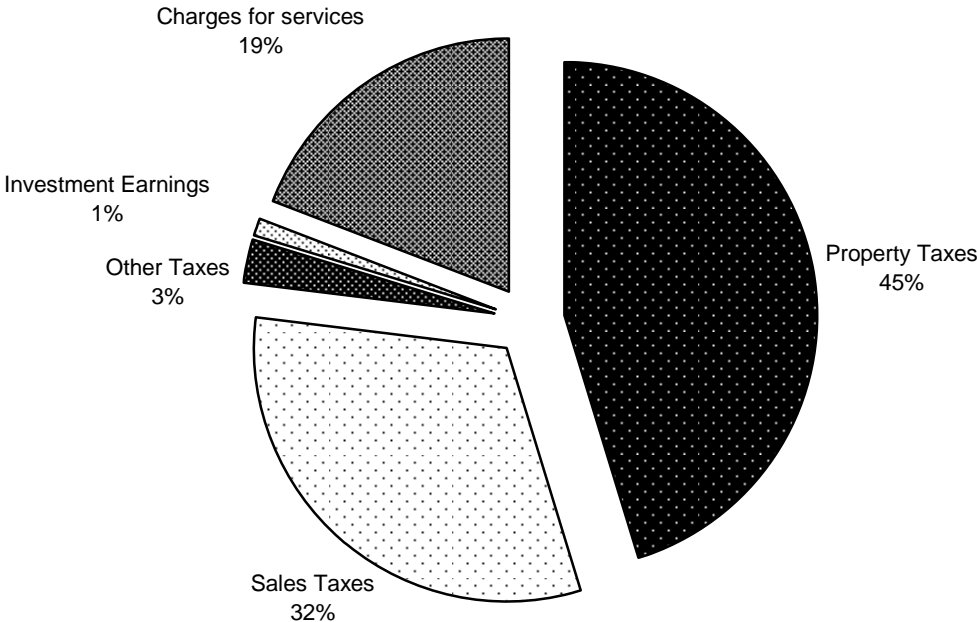
Total revenues decreased 4.5% (\$3.4 million) from FY 2008. Total expenses decreased 0.5% (\$0.4 million) from FY 2008.

The County is heavily reliant on property taxes and sales taxes to support governmental operations. Property taxes provided \$31.8 million in revenue or 44.5% of the County's total governmental revenues as compared to 41.9 % in 2008. The county-wide millage rate applied to the 2008 Tax Digest remained at 11.894 mils. The special services district millage rate applied to the 2008 Tax Digest decreased from 7.275 to 7.272 mils.

Local Option Sales Tax and Special Local Option Sales Tax revenue provided \$22.3 million in revenue or 31.5% of the County's total governmental revenues in FY 2009 as compared to \$26.1 million or 34.8 % of the County's total governmental revenues in FY 2008. Sales tax revenue decreased 14.7% between 2008 and 2009.

Also notable, investment earnings continued to decrease due to low interest rates.

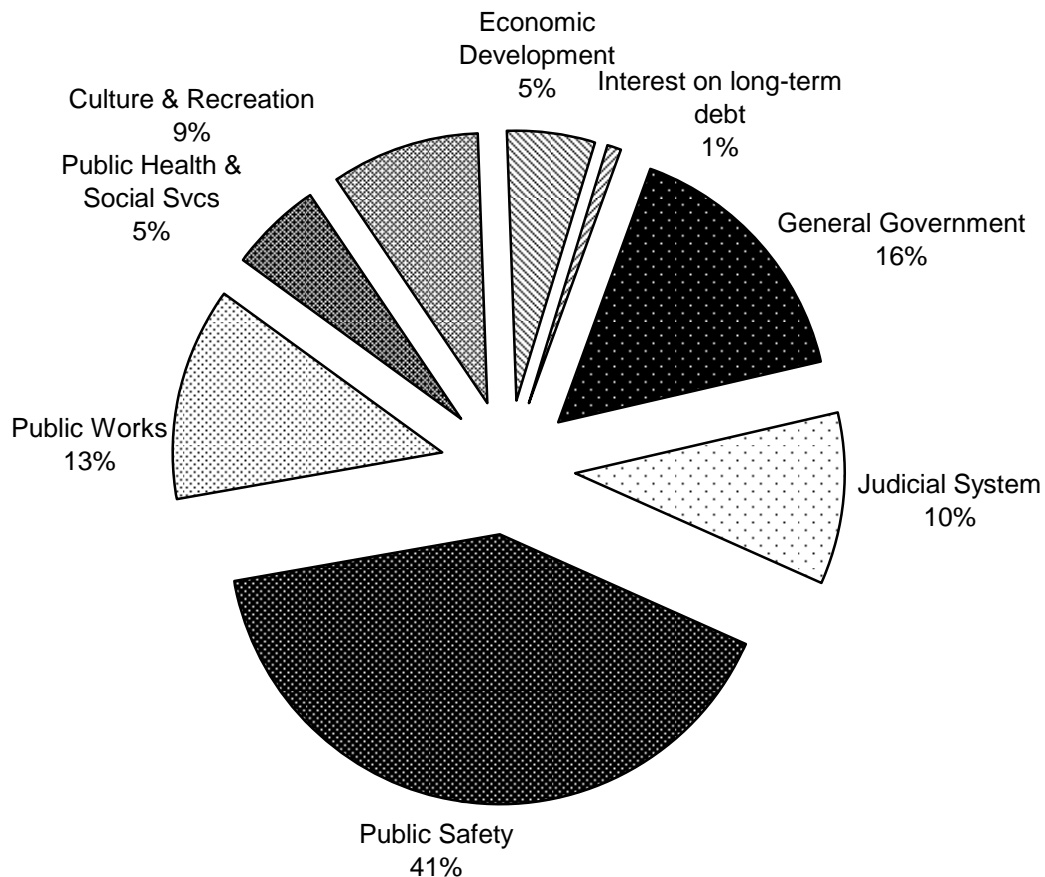
### Governmental Activities Revenues



## MANAGEMENT'S DISCUSSION AND ANALYSIS

Total expenses show a decrease of \$0.4 million. Expenses decreased from \$75 million in 2008 to \$74.7 million in 2009. Governmental activities include the functions of general government, judicial system, public safety, public works, health and welfare, culture and recreation and economic development operating expenses as well as SPLOST capital projects. The chart below shows the percentages of expenses by function or service.

### Governmental Activities Expenses



The Public Safety activities make up approximately 41% of the total governmental activities expenses. General Government activities, which include Facilities Management, Tax and Tag Collections and County Administration/Finance, make up approximately 16%. The Judicial System activities, which included Superior, State, Magistrate and Probate Court, make up approximately 10%. Public Works activities cost approximately 13%.

Table 3 presents the cost of services by category as well as the net cost (total cost less revenues generated by that activity). The Net Cost of Services shows the financial burden that is placed on the County's taxpayers through taxes by function or service provided. Of course, Public Safety, which includes the Jail Facility and Dougherty County Police, generates only a small fraction of the revenue needed to operate.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**Table 3**  
**Governmental Activities**  
**(In Millions)**

	Total Cost of Services		Net Cost of Services	
	2008	2009	2008	2009
	General government	\$ 8.5	\$ 11.8	\$ (4.8)
Judicial	7.4	7.6	(7.2)	(6.9)
Public safety	30.9	30.3	(23.2)	(22.3)
Public works	10.6	9.7	(9.8)	(9.4)
Health and welfare	4.3	4.1	(4.3)	(4.1)
Culture and recreation	8.5	6.6	(7.9)	(6.1)
Housing and development	4.2	4.0	(3.6)	(3.3)
Interest on long-term debt	0.7	0.6	(0.7)	(0.6)
Intergovernmental	-	-	-	-
Total Governmental Activities	\$ 75.1	\$ 74.7	\$ (61.5)	\$ (59.7)

### **Business-type Activities**

The Dougherty County Solid Waste Landfill is the County's only business-type activity. This enterprise is primarily funded through tipping fees. Each year liabilities and expenses are recorded for estimated closure and post-closure care as required by law. No revenue is received from taxes for this activity. The Solid Waste net assets increased \$1,234,303 primarily because of an adjustment in closure and post closure accrued expense due to the issuance of a vertical expansion permit which increases the capacity and life of the Landfill. More discussion on this topic can be found in the analysis of proprietary funds in the next section. Charges for services revenue was 3.6% lower than last year and expenditures were 51.5 lower (affected by the reduction in closure and post-closure accrued expense).

### **Analysis of the Fund Level Statements**

The fund financial statements begin on page 18 and provide detailed information about the County's most significant funds. The establishment of some funds is required by State law; however, the County Commission establishes many other funds to help control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes or grants. The County's *governmental and proprietary funds* use different accounting approaches.

### **Governmental funds**

Most of the County's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the remaining, spending balances. The County Governmental Funds include the General Fund, Special Tax District Fund, DHR Building Lease Fund, the Confiscated Assets Fund, the Grant Fund, the Lease Commercial Property Fund, the Law Library Fund, the 2005 One Percent Sales Tax Fund. The 1995 One Percent Sales Tax Fund, the One Percent Sales Tax – Road Projects Fund, the 1990 One Percent Sales Tax Fund, the 2000 One Percent Sales Tax Fund and the Capital Improvement Program Fund. This reporting year the

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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General Fund, DHR Building Lease Fund, 2005 One Percent Sales Tax Fund, and Capital Improvements Fund (CIP), are categorized as major funds. The County's governmental funds reported combined fund balances of \$46.9 million, a decrease of 2.8%.

The General Fund fund balance decreased by \$2.6 million. In consideration to the taxpayers of the County, the County Commission budgeted to use \$3.9 million from reserves. Due to controlled, efficient monitoring of budgets by department managers, a lesser amount of reserves were required. Actual expenses of \$46.4 million were less than budgeted expenses by \$1.1 million. Employees received 2.8% merit salary increase with satisfactory performance evaluations but no cost-of-living adjustment. Five (5) new positions were approved out of the 12 requested. The required pension plan contribution was higher due to less than anticipated market returns. Two new options for employee health insurance increased the County's share of premiums by 15%. The Commission voted to provide funding for another year to the Flint RiverQuarium in the amount of \$250,000 an effort to keep the recreational facility open as it is a main component of downtown revitalization. An interfund transfer to the Special Tax District was established to align the revenue generated by traffic fines with the expenses of County Police traffic enforcement.

The DHR Building Lease Fund was established to record the lease transactions between the State of Georgia, acting by and through the Georgia Department of Human Resources, and Dougherty County, the leasing agent for a building located at 200 West Oglethorpe Boulevard, Albany, Georgia. The DHR Building houses the Department of Family & Children Services (DFACS). The lease agreement went into effect December, 2000. A bond for \$14.7 million was sold in 1999 through Albany-Dougherty Inner City Authority to facilitate the construction of the building. Bond and interest payments due by the County are secured by the full faith and credit of the State of Georgia. This is the first reporting year that this fund was categorized as a major governmental fund.

In the 2005 One Percent Sales Tax Fund (SPLOST V) total sales tax revenues received were \$15.1 million of which the City of Albany received \$9.4 million (64%). Actual sales tax revenue received for County projects was \$5.7 million. Actual expenditures for County projects were \$4.2 million. Current projects include Judicial Building renovations for Juvenile Court relocation, Northwest Library relocation and renovations, Radium Springs improvements and upgrades to computer technology.

### **Proprietary funds**

The County's Solid Waste Landfill is reported as an enterprise fund. The level of fees charged for services at the Landfill is based on the operational cost of running the Landfill. Proprietary funds are reported in the same way all other activities are reported in the Statement of Net Assets and the Statement of Activities. The County's enterprise fund (proprietary fund) reporting (pages 26-28) is the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows. The net assets of the fund increased by \$1.2 million. The tipping fee rates charged for Landfill services were unchanged from 2008. Revenues from tipping fees were 2% lower attributable to the decreased tonnage received. An anomaly this fiscal year is the vertical expansion permit issued by the State DNR for cells 7-12 of the municipal solid waste (MSW) area of the Landfill and the construction/demolition area. This expansion adds capacity and life to the Landfill. Since closure and post-closure costs are calculated on used and remaining capacity, the estimated costs for one year is reduced by \$1.2 million.



## MANAGEMENT'S DISCUSSION AND ANALYSIS

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This year the County established a new internal service fund to capture the activities of the Dougherty County Employees Group Health Plan. This a self-insurance health care plan. Previously, the County participated in a pooled plan with the City of Albany. The County employs the services of an insurance broker to advise on cost containment and negotiate service and coverage contracts.

### **Fiduciary Funds**

Dougherty County is the trustee for its employees' pension fund. The Dougherty County Pension Fund is overseen by an appointed Board which chooses a third-party investment manager through an RFP process. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The funds are in a protected trust fund. The County reviews, reconciles and records the statements from the investment manager on a quarterly basis. The total net assets decreased \$4,979,332 from last year. This decrease is directly tied to the stock market performance and return on investment. The County's required annual contribution increased by 12.7% to \$2,163,585. From the actuarial valuation report, the plan's funded ratio is 81.0%.

### **General Fund Budgetary Highlights**

The General Fund Budget is developed to cover the costs of services and the tax millage is set to generate enough revenue to cover costs. Budget figures are not calculated on the modified-accrual basis whereas the actual expenditures listed on page 23 are on the modified-accrual basis. As can be seen in Note 3 on page 41, only two departments exceeded their budgets, but under expending in other departments compensated. Revenues were budgeted at \$47.8 million and actually received \$44.1 million, a difference \$3.7 million. The budgeted use of fund balance was partially realized. \$3.98 million was budgeted from reserves and only \$2.6 million was used. No major amendments to this budget were passed.

### **Capital Assets and Debt Administration**

#### **Capital Assets**

At the end of FY 2009, the County's governmental activities had invested \$147.9 million net capital assets (costs less accumulated depreciation) invested in a broad range of capital assets, including police and fire equipment, public works heavy equipment, buildings, roads, and bridges. This is a decrease of \$0.3 million from last year. The Business-type activity (Solid Waste Landfill) has \$10 million net capital assets (costs less accumulated depreciation), a decrease of \$0.6 million. Table 4 is summary data of capital assets. More details can be found on pages 44-45, Note 6 of the financial statements.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**Table 4**  
**Capital Assets at Year-end**  
**(Net of Depreciation, in Millions)**

	Governmental Activities		Business-type Activities	
	2008	2009	2008	2009
Land	\$ 35.0	\$ 35.7	\$ 2.1	\$ 2.1
Construction in Progress	2.1	4.4	0.2	0.2
Building & Improvements	71.7	70.3	6.4	6.3
Infrastructure	33.2	31.7	-	-
Vehicles	5.0	4.8	-	-
Equipment	1.2	1.1	1.9	1.4
Totals	\$ 148.2	\$ 147.9	\$ 10.6	\$ 10.0

### **Debt**

At year-end the County had no outstanding debt for bonds or notes payable. The capital lease payable listed on page 46 of the financial statements is a bond issued through the Albany-Dougherty Intercity Authority (ADICA) for the purpose of building construction of a building on 200 Oglethorpe Boulevard. The bond principal and interest payments are funded through a lease agreement with the State of Georgia, acting by and through the Georgia Department of Human Resources, and the County, the leasing agent for a building which houses the Department of Family & Children Services. The County is obligated until 2016.

This is the third year the certificates of participation were included in the debt section of the financial statements. This reflects the lease pool agreement with the Georgia Municipal Association (GMA). The purpose of the pool is to finance capital purchases. The County currently does not have any outstanding principal due before the end of the bond period. The County's capacity to drawdown funds from the pool decreased this year to \$3.0 million due to the aging of unused funds. The County retains the capacity to use these funds for capital purchases approved by the bond insurer if so desired. Readers can find more details on page 47.

The business-type activity that the County operates is the Landfill. The County has been able to maintain and run a state of the art landfill without ever having to borrow money for capital projects or maintenance. The County is required by law to set aside funding for the closure and post-closure of the landfill. These costs include a final cover over the landfill and maintenance and monitoring for 30 years after closure. These laws ensure against negative environmental impact from garbage gases and leachate. Calculations are made each year to estimate these costs. See page 48.

None of the County's debt payments are currently funded through ad valorem taxes.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

**Table 5**  
**Outstanding Debt at Year-end**  
**(in millions)**

	Activities		Activities	
	2008	2009	2008	2009
Capital leases	\$ 9.9	\$ 9.0	\$ -	\$ -
Certificates of participation	3.1	3.0	-	-
Compensated absences	3.1	3.1	0.1	-
Landfill closure/postclosure	-	-	5.1	3.9
Totals	\$ 16.1	\$ 15.1	\$ 5.2	\$ 3.9

### Economic Factors and Next Year's Budgets and Rates

The County is impacted by the same economic conditions impacting the State of Georgia and the nation as a whole. Economic conditions were taken into account in developing the County's 2010 budget. Some of the issues impacting the County's future are:

- Enhanced operations at the Marine Corp Logistics Base located in Dougherty County
- Slight rebound in building and related permits issued
- Development of a new industrial park with railroad access
- County-wide 2007 property revaluation; 2007 Tax Digest was approved by Department of Revenue for collection, but is in pending litigation.
- Elimination by the State of Georgia of the Homeowner Tax Relief Grant.
- The economic down turn and closing of small businesses and employment layoffs.
- GASB's other post-employment benefits (OPEB) reporting requirement and possible increased funding
- Minimal increase in the county-wide tax digest growth
- Reduced household spending resulting in lower sales tax collections
- State of Georgia budgetary constraints, shifting operating costs to the County (i.e., Tax collection costs)
- Increase in healthcare costs affecting the County's self-insured health care plan

### Contacting the County's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Finance Office at 222 Pine Avenue, Suite 430, Albany, Georgia 31702.

Complete financial statements for the Dougherty County Health Department (a component unit) may be requested from its administrative office at (229) 430-6324.

# DOUGHERTY COUNTY, GEORGIA

## STATEMENT OF NET ASSETS JUNE 30, 2009

ASSETS	Primary Government		
	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 4,703,854	\$ 824,026	\$ 5,527,880
Investments	43,124,939	5,446,442	48,571,381
Taxes receivable	3,183,995	-	3,183,995
Accounts receivable	1,300,101	341,427	1,641,528
Internal balances	52,776	(52,776)	-
Due from other governments	1,098,580	-	1,098,580
Inventories	152,653	2,431	155,084
Capital assets, non-depreciable	40,037,441	2,309,661	42,347,102
Capital assets, depreciable, net of accumulated depreciation	107,856,337	7,698,803	115,555,140
Total assets	201,510,676	16,570,014	218,080,690
<b>LIABILITIES</b>			
Accounts payable	1,699,857	-	1,699,857
Accrued liabilities	1,713,885	-	1,713,885
Due to other governments	2,511,204	-	2,511,204
Unearned revenues	56,927	-	56,927
Other liabilities	2,480,241	-	2,480,241
Capital leases due within one year	1,015,000	-	1,015,000
Capital leases due in more than one year	7,945,000	-	7,945,000
Compensated absences due within one year	928,296	30,560	958,856
Compensated absences due in more than one year	2,161,000	63,763	2,224,763
Closure and postclosure care cost	-	3,877,526	3,877,526
Certificates of participation due in more than one year	3,051,000	-	3,051,000
Total liabilities	23,562,410	3,971,849	27,534,259
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	138,933,778	10,008,464	148,942,242
Restricted for:			
Capital projects	25,438,511	-	25,438,511
Special use	-	-	-
Unrestricted	13,575,977	2,589,701	16,165,678
Total net assets	\$ 177,948,266	\$ 12,598,165	\$ 190,546,431

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

<b>Component Unit</b>	
<b>Board of Health</b>	
\$	2,167,231
	-
	-
	1,025,382
	-
	-
	-
	42,412
	<u>3,235,025</u>
	720,122
	406
	-
	-
	-
	-
	57,301
	515,710
	-
	-
	<u>1,293,539</u>
	42,412
	-
	1,329,124
	<u>569,950</u>
\$	<u><u>1,941,486</u></u>

# DOUGHERTY COUNTY, GEORGIA

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2009

<b>Functions/Programs</b>	<b>Program Revenues</b>			
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 11,870,595	\$ 4,844,132	\$ -	\$ -
Judicial	7,690,137	172,858	581,494	-
Public safety	30,253,470	7,840,367	86,302	-
Public works	9,659,174	223,711	13,683	17,099
Health and welfare	4,100,316	-	14,756	-
Culture and recreation	6,612,067	488,156	7,567	3,583
Housing and development	4,011,583	4,575	-	721,805
Interest on long-term debt	584,843	-	-	-
Total governmental activities	74,782,185	13,573,799	703,802	742,487
Business-type activities:				
Solid waste	1,576,709	2,734,108	-	-
Total business-type activities	1,576,709	2,734,108	-	-
Total primary government	\$ 76,358,894	\$ 16,307,907	\$ 703,802	\$ 742,487
<b>Component unit:</b>				
Board of Health	\$ 14,095,051	\$ 3,124,359	\$ 10,968,702	\$ -
Total component unit	\$ 14,095,051	\$ 3,124,359	\$ 10,968,702	\$ -
General revenues:				
Property taxes				
Sales taxes				
Other taxes				
Unrestricted investment earnings				
Gain on sale of assets				
Total general revenues				
Change in net assets				
Net assets, beginning of year, as restated				
Net assets, end of year				

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

**Net (Expense) Revenue and  
Changes in Net Assets**

			<u>Component Unit</u>
<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>Board of Health</u>
\$ (7,026,463)	\$ -	\$ (7,026,463)	\$ -
(6,935,785)	-	(6,935,785)	-
(22,326,801)	-	(22,326,801)	-
(9,404,681)	-	(9,404,681)	-
(4,085,560)	-	(4,085,560)	-
(6,112,761)	-	(6,112,761)	-
(3,285,203)	-	(3,285,203)	-
(584,843)	-	(584,843)	-
<u>(59,762,097)</u>	<u>-</u>	<u>(59,762,097)</u>	<u>-</u>
-	1,157,399	1,157,399	-
-	1,157,399	1,157,399	-
<u>\$ (59,762,097)</u>	<u>\$ 1,157,399</u>	<u>\$ (58,604,698)</u>	<u>\$ -</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,990)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,990)</u>
31,764,337	-	31,764,337	-
22,270,986	-	22,270,986	-
2,099,112	-	2,099,112	-
605,199	73,236	678,435	-
-	3,668	3,668	-
<u>56,739,634</u>	<u>76,904</u>	<u>56,816,538</u>	<u>-</u>
(3,022,463)	1,234,303	(1,788,160)	(1,990)
180,970,729	11,363,862	192,334,591	1,943,476
<u>\$ 177,948,266</u>	<u>\$ 12,598,165</u>	<u>\$ 190,546,431</u>	<u>\$ 1,941,486</u>

# DOUGHERTY COUNTY, GEORGIA

## BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2009

ASSETS	General	DHR Building Lease Fund	2005 One Percent Sales Tax	Capital Improvement
Cash and cash equivalents	\$ 2,337,938	\$ 186,655	\$ 46,487	\$ 609,263
Investments	10,848,417	815,058	16,918,207	6,067,423
Taxes receivable	859,992	-	2,248,651	-
Accounts receivable	1,300,101	-	-	-
Notes receivable	-	8,627,838	-	-
Due from other funds	1,283,564	-	-	-
Due from other governments	1,021,007	-	-	-
Inventory	152,653	-	-	-
<b>Total assets</b>	<b>\$ 17,803,672</b>	<b>\$ 9,629,551</b>	<b>\$ 19,213,345</b>	<b>\$ 6,676,686</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 1,221,096	\$ -	\$ 333,845	\$ -
Accrued expenses	624,920	-	-	-
Due to other funds	41,570	4,124	538,590	75,340
Due to other governments	218,733	-	2,290,452	-
Deferred revenue	870,299	8,627,838	524,892	-
<b>Total liabilities</b>	<b>2,976,618</b>	<b>8,631,962</b>	<b>3,687,779</b>	<b>75,340</b>
<b>FUND BALANCES</b>				
Fund balances:				
Reserved for:				
Capital projects	-	-	-	2,969,197
Drug treatment education	57,975	-	-	-
Victim witness program	66,897	-	-	-
Unreserved, undesignated reported in:				
General fund	14,702,182	-	-	-
Special revenue funds	-	-	-	-
Capital projects funds	-	997,589	15,525,566	3,632,149
<b>Total fund balances</b>	<b>14,827,054</b>	<b>997,589</b>	<b>15,525,566</b>	<b>6,601,346</b>
<b>Total liabilities and fund balances</b>	<b>\$ 17,803,672</b>	<b>\$ 9,629,551</b>	<b>\$ 19,213,345</b>	<b>\$ 6,676,686</b>

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

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

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities.

The net pension and OPEB obligations are not due and payable in the current period and therefore are not reported in governmental funds.

Net assets of governmental activities

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



<b>Other Governmental Funds</b>	<b>Total</b>
\$ 1,275,618	\$ 4,455,961
7,900,871	42,549,976
75,352	3,183,995
-	1,300,101
-	8,627,838
99,739	1,383,303
77,573	1,098,580
-	152,653
<u>\$ 9,429,153</u>	<u>\$ 62,752,407</u>

\$ 8,690	\$ 1,563,631
-	624,920
426,605	1,086,229
2,019	2,511,204
28,327	10,051,356
<u>465,641</u>	<u>15,837,340</u>

-	2,969,197
-	57,975
-	66,897

-	14,702,182
2,019,764	2,019,764
6,943,748	27,099,052
<u>8,963,512</u>	<u>46,915,067</u>

\$ 9,429,153

147,893,778
1,366,591
(15,120,855)
(626,074)
<u>(2,480,241)</u>
<u>\$ 177,948,266</u>

# DOUGHERTY COUNTY, GEORGIA

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2009

	General	DHR Building Lease Fund	2005 One Percent Sales Tax	Capital Improvement
<b>Revenues:</b>				
Property taxes	\$ 26,277,815	\$ -	\$ -	\$ 1,104,876
Sales taxes	6,032,795	-	15,081,557	-
Other taxes	594,223	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	721,805	-
Charges for services	9,627,758	52,548	-	-
Fines and forfeitures	1,284,135	-	-	-
Interest	110,413	13,127	204,994	137,842
Other revenues	164,250	1,508,113	-	300,632
Total revenues	44,091,389	1,573,788	16,008,356	1,543,350
<b>Expenditures:</b>				
Current:				
General government	7,145,000	62,074	-	-
Judicial	6,607,886	-	-	-
Public safety	22,634,634	-	-	-
Public works	2,663,210	-	-	-
Health and welfare	3,710,683	-	-	-
Culture and recreation	2,652,261	-	-	-
Housing and development	1,012,101	-	-	-
Intergovernmental payments	-	-	9,675,998	-
Capital outlay	-	-	4,199,204	1,050,689
Debt service:				
Principal	-	940,000	-	-
Interest	-	791,636	-	66,138
Total expenditures	46,425,775	1,793,710	13,875,202	1,116,827
Excess (deficiency) of revenues over (under) expenditures	(2,334,386)	(219,922)	2,133,154	426,523
<b>Other financing sources (uses):</b>				
Proceeds from sale of assets	9,136	-	-	158,691
Transfers in	13,429	-	-	-
Transfers out	(300,000)	-	-	-
Total other financing sources (uses)	(277,435)	-	-	158,691
Net change in fund balances	(2,611,821)	(219,922)	2,133,154	585,214
<b>Fund balances, beginning of year</b>	17,438,875	1,217,511	13,392,412	6,016,132
<b>Fund balances, end of year</b>	\$ 14,827,054	\$ 997,589	\$ 15,525,566	\$ 6,601,346

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

<b>Other Governmental Funds</b>	<b>Total</b>
\$ 4,743,553	\$ 32,126,244
-	21,114,352
1,504,889	2,099,112
315,735	315,735
707,385	1,429,190
9,727	9,690,033
218,949	1,503,084
138,823	605,199
91,952	2,064,947
<u>7,731,013</u>	<u>70,947,896</u>
112,624	7,319,698
675,467	7,283,353
6,216,387	28,851,021
129,958	2,793,168
-	3,710,683
198,307	2,850,568
495,799	1,507,900
1,423,344	11,099,342
-	5,249,893
-	940,000
-	857,774
<u>9,251,886</u>	<u>72,463,400</u>
<u>(1,520,873)</u>	<u>(1,515,504)</u>
1,773	169,600
300,000	313,429
<u>(13,429)</u>	<u>(313,429)</u>
<u>288,344</u>	<u>169,600</u>
(1,232,529)	(1,345,904)
<u>10,196,041</u>	<u>48,260,971</u>
<u>\$ 8,963,512</u>	<u>\$ 46,915,067</u>

# DOUGHERTY 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 JUNE 30, 2009

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

Net change in fund balances - total governmental funds	\$ (1,345,904)
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 difference between depreciation expense and capital outlay in the current period.	(132,636)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.	(191,292)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Deferred revenues decreased during the year by this amount.	794,727
In governmental funds, debt service payments are considered a use of funds, but in the statement of net assets, the payments are a reduction of a liability.	940,000
The internal service fund is used by management to charge the cost of workers' compensation insurance to individual funds. The net revenue of the internal service fund is reported with governmental activities.	(901,880)
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.	<u>(2,185,478)</u>
	<u>\$ (3,022,463)</u>

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

# DOUGHERTY COUNTY, GEORGIA

## GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property taxes	\$ 25,216,793	\$ 25,216,793	\$ 26,277,815	\$ 1,061,022
Sales taxes	6,850,000	6,850,000	6,032,795	(817,205)
Other taxes	475,000	475,000	594,223	119,223
Charges for services	9,137,400	9,137,400	9,627,758	490,358
Fines and forfeitures	1,447,500	1,447,500	1,284,135	(163,365)
Interest income	550,000	550,000	110,413	(439,587)
Miscellaneous	4,158,611	4,158,611	164,250	(3,994,361)
Total revenues	<u>47,835,304</u>	<u>47,835,304</u>	<u>44,091,389</u>	<u>(3,743,915)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government:				
Administrative and legislative	944,250	944,250	850,261	93,989
Auditing	61,000	61,000	59,367	1,633
Computer information	640,000	640,000	541,653	98,347
Contingency	150,000	150,000	111,538	38,462
Facilities management	2,379,545	2,379,545	2,290,258	89,287
Human resources	494,800	494,800	464,202	30,598
Legal services	221,800	221,800	190,901	30,899
Mail and security system	246,700	246,700	240,948	5,752
Purchasing	111,216	111,216	111,216	-
Registration and elections	468,850	468,850	412,974	55,876
Tax and tag collections	1,948,530	1,948,530	1,871,682	76,848
Total general government	<u>7,666,691</u>	<u>7,666,691</u>	<u>7,145,000</u>	<u>521,691</u>
Judicial:				
Clerk of courts	943,750	943,750	869,124	74,626
District attorney	1,719,712	1,719,712	1,700,007	19,705
Juvenile court	837,400	837,400	792,050	45,350
Magistrate court	853,800	853,800	829,308	24,492
Probate court	368,805	368,805	345,839	22,966
Public defender	1,079,709	1,079,709	880,282	199,427
State court	506,175	506,175	488,251	17,924
Superior court	839,690	839,690	703,025	136,665
Total judicial	<u>7,149,041</u>	<u>7,149,041</u>	<u>6,607,886</u>	<u>541,155</u>

(Continued)

# DOUGHERTY COUNTY, GEORGIA

## GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2009

Expenditures: (Continued)	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Current: (Continued)</b>				
Public safety:				
Coroner	\$ 137,300	\$ 137,300	\$ 131,838	\$ 5,462
Drug squad	886,150	890,726	834,000	56,726
Emergency management	75,885	75,885	63,388	12,497
Emergency medical services	4,461,450	4,461,450	4,251,525	209,925
Environmental control	635,300	635,300	593,421	41,879
Jail	13,788,237	13,638,669	13,623,285	15,384
Sheriff's department	2,918,035	3,063,027	3,137,177	(74,150)
Total public safety	22,902,357	22,902,357	22,634,634	267,723
Public works:				
Engineering	349,000	349,000	345,437	3,563
Public works	2,025,325	2,025,325	1,991,872	33,453
Vehicle maintenance	360,050	360,050	325,901	34,149
Total public works	2,734,375	2,734,375	2,663,210	71,165
Health and welfare:				
Department of Family and Children Services	124,860	124,860	99,484	25,376
Health services	2,985,619	2,985,619	3,611,199	(625,580)
Total health and welfare	3,110,479	3,110,479	3,710,683	(600,204)
Culture and recreation:				
Library	2,857,350	2,857,350	2,652,261	205,089
Total culture and recreation	2,857,350	2,857,350	2,652,261	205,089
Housing and development:				
Agricultural services	119,025	119,025	80,265	38,760
Community development	674,286	674,286	642,955	31,331
Natural resources	24,300	24,300	15,348	8,952
Small and disadvantaged business	297,400	297,400	273,533	23,867
Total housing and development	1,115,011	1,115,011	1,012,101	102,910
Total expenditures	47,535,304	47,535,304	46,425,775	1,109,529
Excess (deficiency) of revenues over (under) expenditures	300,000	300,000	(2,334,386)	(2,634,386)

(Continued)

**DOUGHERTY COUNTY, GEORGIA**

**GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Other financing sources (uses):</b>				
Proceeds from sale of assets	\$ -	\$ -	\$ 9,136	\$ 9,136
Transfers in	-	-	13,429	13,429
Transfers out	(300,000)	(300,000)	(300,000)	-
Total other financing sources (uses)	<u>(300,000)</u>	<u>(300,000)</u>	<u>(277,435)</u>	<u>22,565</u>
Net change in fund balances	-	-	(2,611,821)	(2,611,821)
<b>Fund balance, beginning of year</b>	<u>17,438,875</u>	<u>17,438,875</u>	<u>17,438,875</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 17,438,875</u>	<u>\$ 17,438,875</u>	<u>\$ 14,827,054</u>	<u>\$ (2,611,821)</u>

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

# DOUGHERTY COUNTY, GEORGIA

## STATEMENT OF NET ASSETS PROPRIETARY FUNDS

JUNE 30, 2009

ASSETS	Major	Internal Service Funds	
	Enterprise	Workers'	Self
	Fund	Compensation	Insurance
	Solid Waste	Fund	Fund
Fund	Fund	Fund	Fund
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 824,026	\$ 244,720	\$ 3,173
Investments	5,446,442	574,963	-
Accounts receivable, net of allowances	341,427	-	-
Inventories	2,431	-	-
Total current assets	6,614,326	819,683	3,173
<b>NONCURRENT ASSETS</b>			
Capital assets:			
Nondepreciable	2,309,661	-	-
Depreciable, net of accumulated depreciation	7,698,803	-	-
Total noncurrent assets	10,008,464	-	-
Total assets	16,622,790	819,683	3,173
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	-	-	136,226
Accrued expenses	-	513,406	555,000
Due to other funds	52,776	135,689	108,609
Current portion - compensated absences	30,560	-	-
Total current liabilities	83,336	649,095	799,835
<b>LONG-TERM LIABILITIES</b>			
Compensated absences, net of current portion	63,763	-	-
Accrued landfill closure/postclosure care costs	3,877,526	-	-
Total long-term liabilities	3,941,289	-	-
Total liabilities	4,024,625	649,095	799,835
<b>NET ASSETS (DEFICIT)</b>			
Invested in capital assets	10,008,464	-	-
Unrestricted	2,589,701	170,588	(796,662)
Total net assets	\$ 12,598,165	\$ 170,588	\$ (796,662)

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



# DOUGHERTY COUNTY, GEORGIA

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2009

	Major	Internal Service Funds	
	Enterprise	Workers'	Self
	Fund	Compensation	Insurance
	Solid Waste	Fund	Fund
	Fund		
<b>OPERATING REVENUES</b>			
Charges for services	\$ 2,700,202	\$ 600,000	\$ 4,467,705
Miscellaneous	33,906	119,110	-
Total operating revenues	2,734,108	719,110	4,467,705
<b>OPERATING EXPENSES</b>			
Salaries and benefits	860,287	-	-
Cost of sales and services	598,029	260,850	4,510
Supplies	390,618	-	-
Claims	-	504,622	4,280,334
Insurance	-	65,801	979,523
Closure/Post-closure care cost	(1,240,132)	-	-
Depreciation	967,907	-	-
Total operating expenses	1,576,709	831,273	5,264,367
Operating income (loss)	1,157,399	(112,163)	(796,662)
<b>NONOPERATING INCOME</b>			
Interest income	73,236	6,945	-
Gain on sale of assets	3,668	-	-
Total nonoperating income	76,904	6,945	-
Change in net assets	1,234,303	(105,218)	(796,662)
<b>NET ASSETS, beginning of year</b>	11,363,862	275,806	-
<b>NET ASSETS (DEFICIT), end of year</b>	\$ 12,598,165	\$ 170,588	\$ (796,662)

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

# DOUGHERTY COUNTY, GEORGIA

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Major	Internal Service Funds	
	Enterprise	Workers'	Self
	Fund	Compensation	Insurance
	Solid Waste	Fund	Fund
	Fund	Fund	Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 2,772,470	\$ 854,799	\$ 4,576,314
Payments to suppliers	(1,071,782)	(326,651)	(847,807)
Payments for insurance claims	-	(281,254)	(3,725,334)
Payments to employees	(877,521)	-	-
Net cash provided by operating activities	823,167	246,894	3,173
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and construction of capital assets	(417,722)	-	-
Proceeds from sale of capital assets	3,668	-	-
Net cash used in capital and related financing activities	(414,054)	-	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of investments	(325,830)	(117,013)	-
Interest on investments	73,236	6,945	-
Net cash used in investing activities	(252,594)	(110,068)	-
Net increase in cash and cash equivalents	156,519	136,826	3,173
<b>Cash and cash equivalents:</b>			
Beginning of year	667,507	107,894	-
End of year	\$ 824,026	\$ 244,720	\$ 3,173
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>			
Operating income (loss)	\$ 1,157,399	\$ (112,163)	\$ (796,662)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation expense	967,907	-	-
Landfill closure/postclosure care expense	(1,240,131)	-	-
Increase in accounts receivable	(4,035)	-	-
Decrease in inventory	12,613	-	-
Increase (decrease) in accounts payable	(95,749)	-	136,226
Increase (decrease) in accrued expenses	(13,105)	223,368	555,000
Decrease in due to other funds	42,397	135,689	108,609
Decrease in compensated absences	(4,129)	-	-
Net cash provided by operating activities	\$ 823,167	\$ 246,894	\$ 3,173

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

**DOUGHERTY COUNTY, GEORGIA**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2009**

<b>ASSETS</b>	<b>Agency Funds</b>	<b>Employee Retirement Plan</b>
Cash	\$ 2,131,506	\$ 2,091,418
Investments, at fair value:		
U.S. Government securities	-	3,621,685
Corporate bonds	-	1,522,263
Common stock	-	15,281,900
Mutual funds	-	5,146,022
Accounts receivable	-	4,869
Accrued dividends	-	586
Taxes receivable	3,751,044	-
Prepaid expenses	-	33,641
	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 5,882,550</u>	<u>\$ 27,702,384</u>
<b>LIABILITIES</b>		
Due to others	\$ 2,131,506	\$ -
Uncollected taxes	3,751,044	-
	<u>                    </u>	<u>                    </u>
Total liabilities	<u>5,882,550</u>	<u>-</u>
<b>NET ASSETS</b>		
Held in trust for pension benefits (a schedule of funding progress is presented as required supplementary information on page 59)	<u>\$ -</u>	<u>\$ 27,702,384</u>

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

**DOUGHERTY COUNTY, GEORGIA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

<b>ADDITIONS</b>	<b>Employee Retirement Plan</b>
Contributions:	
Employer	\$ 2,103,475
Other receipts	12,147
Total contributions	<u>2,115,622</u>
Investment earnings	
Dividend income	20,835
Net decrease in fair value of investments	(5,261,049)
Less investment expenses	<u>(177,576)</u>
Net investment earnings	<u>(5,417,790)</u>
Total additions	<u>(3,302,168)</u>
 <b>DEDUCTIONS</b>	
Benefits	1,612,159
Administrative expenses	<u>65,005</u>
Total deductions	<u>1,677,164</u>
Change in net assets	(4,979,332)
<b>NET ASSETS, beginning of year</b>	<u>32,681,716</u>
<b>NET ASSETS, end of year</b>	<u><u>\$ 27,702,384</u></u>

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

**DOUGHERTY COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2009**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Dougherty County, Georgia (the "County") have been prepared in conformity with accounting principles generally accepted in the United States of America (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 County's accounting policies are described below.

**A. Reporting Entity**

Dougherty County was incorporated in 1853 under the laws of the State of Georgia. The County operates under a commission-administrator form of government, and provides the following services: public safety (police and fire), highways and streets, landfill, courts and sheriff's department, health and social services, public improvements, planning and zoning, and general administrative services.

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of Dougherty County, Georgia (the "primary government") and its component unit. The component unit discussed below is included in the County's reporting entity because of the significance of its operational or financial relationship with the County. In conformity with accounting principles generally accepted in the United States of America, as set forth in Governmental Accounting Standards Board Statement No. 14, "The Financial Reporting Entity", the financial statements of the component unit are discretely presented in the government-wide financial statements.

**Discretely Presented Component Units**

The Dougherty County Board of Health (the "Board of Health") is governed by a seven-member board consisting of four members appointed by the County Commissioners. The County has the authority to modify and approve the Board of Health's budget and the ability to approve environmental health service fees. The Board of Health has a June 30<sup>th</sup> year-end.

The Board of Health's financial statements can be obtained by writing to the Dougherty County Board of Health, P.O. Box 3048, Albany, Georgia 31706.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 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 non-fiduciary 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.

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

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

#### C. Measurement Focus, Basis of Accounting and Basis of 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 the fiduciary fund financial statements, although the agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

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 County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, intergovernmental income, licenses, and investment income 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 County.

The County reports the following major governmental funds:

The **General Fund** is the County'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 **DHR Building Lease Fund** is a capital projects fund used to account for the receipt of rental funds from the Georgia Department of Human Resources (DHR) that are used to amortize debt incurred in the construction of a DHR building in Albany, Georgia.

The **Capital Improvement Fund** is a capital projects fund used to account for the receipt of property taxes and other funds to be used for capital projects of the County.

The **2005 One Percent Sales Tax Fund** is a capital projects fund used to account for the County's receipt and expenditure of special purpose sales tax from the 2005 sales tax referendum.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### C. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

The County reports the following major proprietary fund:

The ***Solid Waste Fund*** is used to account for the operation, maintenance, and development of the County landfill and disposal sites.

Additionally, the County reports the following fund types:

The ***special revenue funds*** account for specific revenues that are legally restricted to expenditure for particular purposes.

The ***internal service fund*** accounts for a self-insured program for health insurance and workers' compensation. These Funds were created to accommodate the payment of claims and administrative expenses for the self-insured programs.

The ***employee retirement plan trust fund*** accounts for all activities of the County's defined benefit pension plan.

The ***agency funds*** are used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals, such as cash bonds, traffic fines, support payments and ad valorem and property taxes.

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 this same limitation. The County 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 general rule are charges between the County's solid waste function and various other functions of the County. Elimination of these charges would distort the direct costs and program revenues reported 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.



## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### C. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

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 of the enterprise funds are charges to customers for sales and services provided. Operating expenses for the enterprise funds and internal service 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 County's policy to use restricted resources first, then unrestricted resources as they are needed.

#### D. Deposits and Investments

The County considers highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

State statutes authorize the County to invest in obligations of the State of Georgia or other states, obligations issued by the U.S. Government, obligations fully insured or guaranteed by the U.S. Government or by a government agency of the United States, prime bankers' acceptances, the local government investment pool established by state law, repurchase agreements, and obligations of other political subdivisions of the State of Georgia. The Defined Benefit Pension Plan may also invest in equities, corporate bonds and U.S. government securities.

Cash in excess of current requirements is invested in the State of Georgia's Local Government Investment Pool (Georgia Fund 1). Georgia Fund 1, created by OCGA 36-83-8, is a stable net asset value investment pool which follows Standard & Poor's criteria for AAAm rated money market funds and is regulated by the Georgia Office of Treasury and Fiscal Services. 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 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 participants' shares sold and redeemed based on \$1.00 per share.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### E. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. For the most part, the effect of interfund activity has been removed from the government-wide statement of net assets. Any residual balances outstanding between the governmental and business-type activities are reported in the government-wide statement of net assets as "internal balances." In the major fund balance sheets, these receivables and payables are classified as "due from other funds" and "due to other funds."

#### F. Inventories

Inventories consist of supplies. Inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. The consumption method is used to account for inventories. Under the consumption method, inventory items are recognized as expenditures when used.

#### G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. In accordance with GASB 34, infrastructure assets acquired after June 30, 1980 have been capitalized. 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 one year. 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 useful lives are expensed as incurred.

Capital assets are depreciated using the straight line method over the following useful lives:

<u>Asset Category</u>	<u>Years</u>
Infrastructure	30
Buildings	50
Building improvements	20
Vehicles	2 - 15
Equipment	3 - 15

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### H. Compensated Absences

County employees are entitled to certain compensated absences based on their length of employment. It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Only employees with 15 or more years of service may be paid for sick leave benefits. All compensated absences are accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

#### I. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line method, which is not materially different from the effective interest method.

Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### J. 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.

#### K. Use of Estimates

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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

#### A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$15,120,855 difference are as follows:

Capital leases	\$ (8,960,000)
Accrued interest	(20,559)
Certificates of participation	(3,051,000)
Compensated absences	<u>(3,089,296)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net assets - governmental activities</i>	<u><u>\$ (15,120,855)</u></u>

#### B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense.” The details of this \$132,636 difference are as follows:

Capital outlay	\$ 4,188,498
Depreciation expense	<u>(4,321,134)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u><u>\$ (132,636)</u></u>

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

#### B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities (Continued)

Another element of the reconciliation states that “The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.” The details of this \$191,292 difference are as follows:

Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	\$ 17,099
In the statement of activities, only the gain or loss on the sale of capital assets is reported. However, 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 capital assets sold.	<u>(208,391)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ (191,292)</u>

Another element of that reconciliation explains that “Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.” The details of this \$794,727 difference are as follows:

Deferred property tax revenue	\$ (361,907)
Deferred sales tax revenue	<u>1,156,634</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 794,727</u>

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

#### B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities (Continued)

Another element of that reconciliation explains that "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." The details of this \$2,185,478 difference are as follows:

Compensated absences	\$ (32,969)
Net pension obligation	(63,817)
Net OPEB obligation	(2,361,623)
Accrued interest	<u>272,931</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u><u>\$ (2,185,478)</u></u>

### NOTE 3. BUDGETS AND BUDGETARY ACCOUNTING

#### Budget Policies

Formal budgetary accounting is employed as a management control device for all funds of the County. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required for all governmental funds. The GAAP basis of accounting is used in preparing the budgets of all budgeted funds. The GAAP basis of accounting is used to reflect actual revenues and expenditures/expenses recognized which is not consistent with accounting principles generally accepted in the United States of America. Budgets for Capital Project Funds are adopted on a project basis, spanning more than one fiscal year. Budgetary control is exercised at the departmental level or by projects.

#### Budget Process

The County distributes budget forms to all department managers for their preparation and the requests are submitted to the Finance Director. The department budgets are formed during the various work sessions that include the department managers, elected officials, the Finance Director, and the County Administrator. The budget is next presented to the Finance Committee of the County Commission and work sessions are held where a formal budget is prepared. The formal budget is presented to the County Commission and a public hearing is conducted. One week after the public hearing, the final budget is adopted by the County Commission.

All annual budget appropriations, except project budgets, lapse at the end of the year.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3. BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)

#### Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by Dougherty County.

#### Excess of Expenditures over Appropriations

For the year ended June 30, 2009, expenditures exceeded budget, as follows:

Department	Excess
General Fund:	
Sheriff's department	74,150
Health services	625,580

These overexpenditures were funded by greater than anticipated revenues and underexpenditures in other departments of the General Fund.

### NOTE 4. DEPOSITS AND INVESTMENTS

At June 30, 2009, the County had the following investments

Investment Type	Fair Value	Investment Maturities (in Years)									Rating
		Less than 1	1 - 5	6 - 10	11 - 15	16-20	21-25	26-30	31-35	36-40	
Government bonds	\$ 3,621,685	\$ -	\$ 44,862	\$ 617,501	\$ 453,212	\$ 45,587	\$ 606,532	\$ 1,853,991	\$ -	\$ -	AAA
Common stock	15,281,900	N/A	-	-	-	-	-	-	-	-	N/A
Mutual funds	5,146,022	N/A	-	-	-	-	-	-	-	-	N/A
Corporate bonds	614,871	7,329	103,219	113,666	64,339	31,901	89,426	172,073	32,918	-	AAA
Corporate bonds	17,768	-	17,768	-	-	-	-	-	-	-	AA+
Corporate bonds	135,405	-	21,300	67,255	18,392	-	644	26,777	1,037	-	AA
Corporate bonds	108,717	3,649	27,250	17,782	-	-	5,750	54,286	-	-	AA-
Corporate bonds	80,731	-	34,106	41,750	-	-	-	2,781	-	2,094	A+
Corporate bonds	78,009	-	29,639	36,101	-	3,640	-	5,614	3,015	-	A
Corporate bonds	79,469	-	25,327	32,288	-	-	2,084	19,770	-	-	A-
Corporate bonds	137,334	7,831	84,780	21,925	-	-	975	21,823	-	-	BBB+
Corporate bonds	97,926	-	58,792	29,136	-	-	6,822	3,176	-	-	BBB
Corporate bonds	42,190	-	5,443	29,634	-	-	-	7,113	-	-	BBB-
Corporate bonds	1,879	-	-	1,879	-	-	-	-	-	-	BB+
Corporate bonds	21,629	-	18,059	3,570	-	-	-	-	-	-	BB
Corporate bonds	80,421	-	-	-	-	-	-	54,384	18,777	7,260	B+
Corporate bonds	21,122	-	-	-	-	-	804	3,864	16,454	-	B
Corporate bonds	4,792	-	-	-	4,792	-	-	-	-	-	CC
Certificates of deposit	230,703	230,703	-	-	-	-	-	-	-	-	N/A
Guar. Inv. Contract	2,969,197	-	-	-	-	2,969,197	-	-	-	-	AA-
Georgia Fund 1	45,371,481	45,371,481	-	-	-	-	-	-	-	-	AAAm
<b>Total fair value</b>	<b>\$ 74,143,251</b>	<b>\$ 45,620,993</b>	<b>\$ 470,545</b>	<b>\$ 1,012,487</b>	<b>\$ 540,735</b>	<b>\$ 3,050,325</b>	<b>\$ 713,037</b>	<b>\$ 2,225,652</b>	<b>\$ 72,201</b>	<b>\$ 9,354</b>	

Of the investments listed above, the certificates of deposit, guaranteed investment contract and Georgia Fund 1, which total \$48,593,470 are included as investments on the Statement of Activities. All other investments are included in the Employee Retirement Plan Fund.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

**Interest Rate Risk.** The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk.** State statutes authorize the County to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia.

**Custodial Credit Risk – Deposits.** Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the County will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2009, the County had no uncollateralized deposits.

**Custodial Credit Risk – Investments.** Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require all investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities.

**Interest Rate Risk – Dougherty County Health Department.** The Health Department does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Custodial Credit Risk – Deposits – Dougherty County Health Department.** Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Health Department will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2009, the Health Department did not have any balances exposed to custodial credit risk as uninsured and uncollateralized as defined by GASB pronouncements.



## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. RECEIVABLES

Receivables at June 30, 2009, for the County's individual major and nonmajor funds in the aggregate are as follows:

	<b>General</b>	<b>DHR Building Lease Fund</b>	<b>2005 Sales Tax</b>
Receivables:			
Taxes	\$ 1,283,570	\$ -	\$ 2,248,651
Accounts	3,329,123	-	-
Notes	-	8,627,838	-
Gross receivables	4,612,693	8,627,838	2,248,651
Less allowance for uncollectibles	(2,452,600)	-	-
Net receivables	\$ 2,160,093	\$ 8,627,838	\$ 2,248,651
	<b>Nonmajor and Other Funds</b>	<b>Solid Waste</b>	<b>Total</b>
Receivables:			
Taxes	\$ 75,352	\$ -	\$ 3,607,573
Accounts	-	449,264	3,778,387
Notes	-	-	8,627,838
Gross receivables	75,352	449,264	16,013,798
Less allowance for uncollectibles	-	(107,837)	(2,560,437)
Net receivables	\$ 75,352	\$ 341,427	\$ 13,453,361

Property taxes were levied on July 21, 2008. Bills are payable on or before December 20, 2008, after which the applicable property is subject to lien and penalties and interest as assessed. The County bills and collects its own property taxes. Property taxes levied for 2008 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during the year ended June 30, 2009, and collected by August 31, 2009, are recognized as revenues in the year ended June 30, 2009. Net receivables estimated to be collected subsequent to August 31, 2009 are recorded as revenue when received. Prior year levies were recorded using substantially the same principles, and remaining receivables are reevaluated annually. Property taxes attached as an enforceable lien on property as of January 1, 2009.

Notes receivable of \$8,627,838 represent the amount due from the Georgia Department of Human Resources (DHR) for the lease of the Albany Department of Human Resources building. Rental payments received are used to repay the County's debt obligation for this building.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. CAPITAL ASSETS

#### A. Primary Government

Capital asset activity for the year ended June 30, 2009, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>					
Capital assets, not being depreciated:					
Land and improvements	\$ 34,950,635	\$ 736,733	\$ -	\$ -	\$ 35,687,368
Construction in progress	2,121,775	2,228,298	-	-	4,350,073
Total capital assets, not being depreciated	<u>37,072,410</u>	<u>2,965,031</u>	<u>-</u>	<u>-</u>	<u>40,037,441</u>
Capital assets, being depreciated:					
Buildings	86,630,208	-	-	-	86,630,208
Infrastructure	77,703,894	-	-	-	77,703,894
Vehicles	8,935,785	603,692	(1,076,274)	367,216	8,830,419
Equipment	3,664,104	636,874	(5,911)	(445,099)	3,849,968
Total capital assets, being depreciated	<u>176,933,991</u>	<u>1,240,566</u>	<u>(1,082,185)</u>	<u>(77,883)</u>	<u>177,014,489</u>
Less accumulated depreciation for:					
Buildings	(14,863,375)	(1,496,017)	-	-	(16,359,392)
Infrastructure	(44,525,090)	(1,524,836)	-	-	(46,049,926)
Vehicles	(3,886,423)	(791,176)	521,940	165,008	(3,990,651)
Equipment	(2,513,807)	(509,105)	351,854	(87,125)	(2,758,183)
Total accumulated depreciation	<u>(65,788,695)</u>	<u>(4,321,134)</u>	<u>873,794</u>	<u>77,883</u>	<u>(69,158,152)</u>
Total capital assets, being depreciated, net	<u>111,145,296</u>	<u>(3,080,568)</u>	<u>(208,391)</u>	<u>-</u>	<u>107,856,337</u>
Governmental activities capital assets, net	<u>\$ 148,217,706</u>	<u>\$ (115,537)</u>	<u>\$ (208,391)</u>	<u>\$ -</u>	<u>\$ 147,893,778</u>

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

Governmental activities:	
General government	\$ 470,540
Judicial	939,589
Public safety	13,390
Public works	385,383
Health and welfare	164,264
Culture and recreation	1,107,608
Housing and development	1,240,360
Total depreciation expense - governmental activities	<u>\$ 4,321,134</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. CAPITAL ASSETS (CONTINUED)

#### A. Primary Government (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Business-type Activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 2,064,045	\$ -	\$ -	\$ -	\$ 2,064,045
Construction in progress	196,904	112,356	-	(63,644)	245,616
Total capital assets, not being depreciated	<u>2,260,949</u>	<u>112,356</u>	<u>-</u>	<u>(63,644)</u>	<u>2,309,661</u>
Capital assets, being depreciated:					
Building and improvements	11,211,354	174,397	-	63,644	11,449,395
Equipment and vehicles	4,619,047	130,969	(26,443)	77,893	4,801,466
Total	<u>15,830,401</u>	<u>305,366</u>	<u>(26,443)</u>	<u>141,537</u>	<u>16,250,861</u>
Less accumulated depreciation for:					
Building and improvements	(4,847,160)	(349,920)	-	-	(5,197,080)
Equipment and vehicles	(2,685,541)	(617,987)	26,443	(77,893)	(3,354,978)
Total	<u>(7,532,701)</u>	<u>(967,907)</u>	<u>26,443</u>	<u>(77,893)</u>	<u>(8,552,058)</u>
Total capital assets, being depreciated, net	<u>8,297,700</u>	<u>(662,541)</u>	<u>-</u>	<u>63,644</u>	<u>7,698,803</u>
Business-type activities capital assets, net	<u>\$ 10,558,649</u>	<u>\$ (550,185)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,008,464</u>

#### B. Discretely Presented Component Unit – Department of Public Health

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, being depreciated:				
Machinery and equipment	\$ 364,145	\$ -	\$ -	\$ 364,145
Total capital assets, being depreciated	<u>364,145</u>	<u>-</u>	<u>-</u>	<u>364,145</u>
Less accumulated depreciation for:				
Machinery and equipment	(305,871)	(15,862)	-	(321,733)
Total accumulated depreciation	<u>(305,871)</u>	<u>(15,862)</u>	<u>-</u>	<u>(321,733)</u>
Total capital assets, net	<u>\$ 58,274</u>	<u>\$ (15,862)</u>	<u>\$ -</u>	<u>\$ 42,412</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. LONG-TERM DEBT

The following is a summary of long-term debt activity for the year ended June 30, 2009:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Capital leases payable	\$ 9,900,000	\$ -	\$ (940,000)	\$ 8,960,000	\$ 1,015,000
Certificates of participation	3,051,000	-	-	3,051,000	-
Compensated absences	3,056,327	2,259,870	(2,226,901)	3,089,296	928,296
Governmental activities long-term liabilities	<u>\$ 16,007,327</u>	<u>\$ 2,259,870</u>	<u>\$ (3,166,901)</u>	<u>\$ 15,100,296</u>	<u>\$ 1,943,296</u>
<b>Business-type activities:</b>					
Landfill closure/ postclosure cost	\$ 5,117,657	\$ -	\$ (1,240,131)	\$ 3,877,526	\$ -
Compensated absences	98,452	65,380	(69,509)	94,323	30,560
Business-type activities long-term liabilities	<u>\$ 5,216,109</u>	<u>\$ 65,380</u>	<u>\$ (1,309,640)</u>	<u>\$ 3,971,849</u>	<u>\$ 30,560</u>

For governmental funds, compensated absences are liquidated by the General Fund. The capital lease debt is normally paid by the Building Fund and the Capital Projects Fund.

**Capital Leases.** The County has entered into a lease agreement as lessee for a building with a purchase price of \$14,720,000. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments as of the inception date.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2009, were as follows:

<u>Year ending June 30,</u>	<u>Governmental Activities</u>
2010	\$ 1,482,028
2011	1,516,355
2012	1,539,942
2013	1,566,672
2014	1,596,438
2015-2016	3,141,640
Total minimum lease payments	<u>10,843,075</u>
Less: amount representing interest	<u>(1,883,075)</u>
Present value minimum lease payments	<u>\$ 8,960,000</u>

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 7. LONG-TERM DEBT (CONTINUED)

**Certificates of participation.** In June 1998, the County entered into a lease pool agreement with the Georgia Municipal Association (the "Association"). The funding of the lease pool was provided by the issuance of \$150,126,000 Certificates of Participation by the Association. The Association passed the net proceeds through to the participating governments with the County participation totaling \$4,333,000. The lease pool agreement with the Association provides that the County owns their portion of the assets invested by the pool and is responsible for the payment of their portion of the principal and interest of the Certificates of Participation. During the fiscal year ended June 30, 2008 the County repaid \$1,282,000 of its original commitment. The principal of \$3,051,000 is due in a lump sum payment on June 1, 2028. Interest is payable at a rate of 4.75% each year. The County draws from the investment to lease equipment from the Association. The lease pool agreement requires the County to make lease payments back into its investment account to fund the principal and interest requirements of the 1998 GMA Certificates of Participation.

As part of the issuance of the certificates of participation, the County entered into an interest rate swap agreement. Under the Swap Agreement, the County is required to pay (1) a semi-annual (and beginning July 1, 2003, a monthly) floating rate of interest based on the TBMA Municipal Swap Index (plus a spread) to, or on behalf of, the Swap Counterparty (the "Swap Payment"); and the Swap Counterparty will pay to, or on behalf of, the County a semi-annual payment based on a rate equal to the fixed rate on the Contract times a notional amount specified in the Swap Agreement, but generally equal to the outstanding unpaid principal portion of such Contract, less the amount originally deposited in the Reserve Fund relating to the Contract, and (ii) a one-time Swap Premium to be paid on the effective date of the Swap Agreement. The semi-annual payments from the Swap Counterparty with respect to the County are structured, and expected, to be sufficient to make all interest payments due under the Contract, and related distributions of interest on the Certificates. Under the Swap Agreement, the County's obligation to pay floating payments to the Swap Counterparty in any calendar year may not exceed an amount equal to the TBMA Municipal Swap Index plus 5% to be determined on the first business day of December in the preceding year. This agreement matures on June 1, 2028.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. LONG-TERM DEBT (CONTINUED)

Annual debt service requirements are as follows:

	Principal	Interest	Total
Fiscal Year Ending June 30,			
2010	\$ -	\$ 144,923	\$ 144,923
2011	-	144,923	144,923
2012	-	144,923	144,923
2013	-	144,923	144,923
2014	-	144,923	144,923
2015-2019	-	724,615	724,615
2020-2024	-	724,615	724,615
2025-2028	3,051,000	579,692	3,630,692
Total capital assets, net	\$ 3,051,000	\$ 2,753,537	\$ 5,804,537

**Landfill closure and postclosure care costs.** State and federal laws and regulations require that Dougherty County, Georgia place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The amount of costs recognized in each period is based on the relative amount of waste received during the period, even though some of the closure and postclosure care costs will be paid after the landfill is closed. During the current year, the Dougherty County – Fleming/Gaissert Rd Municipal Solid Waste Landfill (047-014DSL) was approved for a major modification of the landfill which consisted of available vertical expansion to cells 7-12 and the Construction and Demolition (C&D) areas. The \$3,877,526 reported as an estimated liability for closure and postclosure care costs represents the estimated cost for landfill closure and postclosure care based upon the capacity of the landfill used to date. The amount of the remaining estimated cost for landfill closure and postclosure care of \$14,813,369 will be recognized on a pro rata basis as the remaining estimated capacity of 9,454,517 cubic yards of useable space is filled. Approximately 26% of the landfill's capacity has been used to date, and the County expects the landfill to close the Municipal Solid Waste area in 2053 and the Construction and Demolition area in 2043.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 7. LONG-TERM DEBT (CONTINUED)

#### Landfill closure and postclosure care costs (Continued)

All amounts recognized are based on what it would cost to perform all closure and postclosure care in 2009. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. It is anticipated that future inflation costs will be in part financed from earnings on investments. The remaining portion of anticipated future inflation costs (including inadequate earning on investments, if any) and additional costs that might arise from changes in postclosure requirements (due to changes in technology or more rigorous environmental regulations, for example), may need to be covered by charges to future landfill users, taxpayers, or both. The financial assurance requirements are being met through the proper maintenance of cash balances and financial ratios.

### NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2009, is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	2005 One Percent Sales Tax Fund	\$ 480,421
General Fund	Solid Waste Fund	52,776
General Fund	Capital Improvement Fund	75,340
General Fund	DHR Building Fund	4,124
General Fund	Nonmajor Governmental Funds	426,605
General Fund	Internal Service Fund - Workers' Compensation	135,689
General Fund	Internal Service Fund - Self Insurance	108,609
Nonmajor Governmental	2005 One Percent Sales Tax Fund	58,169
Nonmajor Governmental	General Fund	41,570
		<u>\$ 1,383,303</u>

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

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund transfers:

Transfers In	Transfers Out		Total
	General Fund	Nonmajor Governmental Funds	
General Fund	\$ -	\$ 13,429	\$ 13,429
Nonmajor Governmental Funds	300,000	-	300,000
Total	\$ 300,000	\$ 13,429	\$ 313,429

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

### NOTE 9. DEFINED BENEFIT PENSION PLAN

#### Plan Description

The Dougherty County Retirement Plan (the DCRP) is a single employer defined benefit pension plan administered by Silverstone Group, Inc. Pension assets are invested in A.G. Edwards Trust Collective Funds. The DCRP provides retirement, disability, and death benefits to plan members and beneficiaries.

Section 9.01 of the DCRP adopted by the Dougherty County Board of Commissioners gives the Board the right to amend the provisions of the plan. The DCRP's obligations to funding are provided within the Georgia State Code. Separate publicly available financial statements are not issued for the DCRP.



## NOTES TO FINANCIAL STATEMENTS

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### NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

All employees who are employed on a basis to work 1,000 hours or more per year, and who, as of the plan anniversary date have been employed for six months or longer, are eligible to participate in the plan. Participants' normal retirement date is the first day of the month coinciding with or following the later of attainment of age 65 or completion of five years of plan participation. Early retirement can be elected by participants on the first day of the month coinciding with or next following age 55 with 15 years of service. Special early retirement is available to participants on the first day of the month coinciding with or next following age 55 with 25 years of service. A participant who retires under the normal retirement criteria will receive a monthly annuity equal to one-twelfth of the participant's years of benefit accrual service multiplied by 1.5% of average compensation, plus .25% of average compensation for each year of service prior to January 1, 1985. A participant that elects to retire under the early retirement criteria will receive a monthly annuity equal to the accrued benefit reduced by 5/12 of 1% per month for each of the first 120 months by which the early retirement date precedes the normal retirement date. Under the special early retirement criteria, the participant will receive a monthly annuity equal to the unreduced accrued benefit on the special early retirement date.

The financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. The County's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. All plan investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price on the County's balance sheet date. Securities without an established market value are reported at estimated fair value. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitation, if applicable

#### Participant Data

At July 1, 2009, the date of the most recent actuarial valuation, there were 867 participants as follows:

Active participants	605
Retirees and beneficiaries	152
Vested terminated	107
Disabled	3
	<u>867</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

#### Funding Policy

The County is required to contribute an actuarially determined amount annually to the DCRP. The current contribution rate is 5.4% of annual covered payroll. The contribution requirements are established and may be amended by the Dougherty County Board of Commissioners. Plan participants are not required to contribute to the plan.

#### Annual Pension Cost and Net Pension Obligation

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

	<b>June 30, 2008</b>	<b>June 30, 2009</b>
<b><u>Derivation of Annual Pension Cost</u></b>		
Annual Required Contribution	\$ 1,919,838	\$ 2,165,728
Interest on Net Pension Obligation	(668)	4,657
Amortization of Net Pension Obligation	975	(6,800)
Annual Pension Cost	\$ 1,920,145	\$ 2,163,585
 <b><u>Derivation of Net Pension Obligation</u></b>		
Annual Pension Cost for Fiscal Year		\$ 2,163,585
Actual Contributions to Plan for Fiscal Year		2,096,768
Increase (Decrease) in Net Pension Obligation		66,817
Net Pension Obligation (Asset) as of June 30, 2008		51,801
Net Pension Obligation (Asset) as of June 30, 2009		\$ 118,618

The annual required contribution for the current year was determined as part of the July 1, 2008 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions include the following:

Annual Return on Invested Plan Assets	8.0%
Projected Annual Salary Increases	4.0%
Expected Annual Inflation	3.5%
Actuarial Value of Assets	Market Value
Actuarial Funding Method	Entry Age Normal
Amortization Method	Level Dollar Amount
Remaining Amortization Period	15

## NOTES TO FINANCIAL STATEMENTS

### NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Three year trend information for the Dougherty County Retirement Plan is as follows:

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
06/30/06	\$ 2,005,392	104 %	\$ (84,196)
06/30/07	2,336,743	97	(11,446)
06/30/08	1,919,838	97	54,801
06/30/09	2,163,585	97	118,618

An analysis of funding progress for the fiscal year ending June 30, 2009 is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
7/1/2009	\$ 34,585,554	\$ 42,714,485	\$ 8,128,931	80.97 %	\$ 22,347,826	36.37 %

### NOTE 10. DEFINED CONTRIBUTION PLAN

The County's defined contribution plans include the (1) Nationwide Retirement Solutions, Inc. Plan, administered by Nationwide, and (2) the ACCG Deferred Compensation Program, administered by the Government Employee Benefits Corporation of Georgia. Both plans are 457 deferred compensation agreements. The Plans were adopted by the Dougherty County Board of Commissioner's passing of resolutions. Amendments to the Plans are also under the control of the Board of Commissioners. Employer contributions are established by the County Commissioners and the allowable employee contributions are established by the Internal Revenue Service limits. The County contributes 5% of the gross wages to a 457 plan for all department managers. All employees may contribute amounts up to the annual ceiling established by the Internal Revenue Service. All contributions vest at the time they are made. All employees are eligible to participate in the Plans. The fiscal year contributions made under the Plans were as follows:

457 Plan Name	Employer	Employee
Nationwide Retirement Solutions	\$ 26,872	\$ 431,167
ACCG Deferred Compensation Program	18,200	280,751

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 11. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. The General Fund is used to account for the employee life, health, property and liability, unemployment and disability insurance programs of the County. The County retains the risk of loss for workers' compensation up to the reinsurance amount of \$325,000, and maintains an internal service fund (the Workers' Compensation Fund) to account for these activities.

There have been no significant reductions of insurance coverage from coverage in the prior year, and settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

The County records an estimated liability for indemnity workers' compensation claims against the County. Claim liabilities are based on estimates of the ultimate cost of reported claims (including future claim adjustment expenses). Claims liabilities include specific, incremental claim adjustment expenses and allocated loss adjustment expenses. Because all workers' compensation claims are expected to be settled within one year, the related unpaid claims liability is not discounted.

Changes in the balances of claims liabilities during the last two years ended June 30, are as follows:

	<u>June 30, 2009</u>	<u>June 30, 2008</u>
Unpaid claims, beginning of fiscal year	\$ 290,038	\$ 94,632
Incurred claims and changes in estimates	504,622	601,960
Claim payments	<u>(281,254)</u>	<u>(406,554)</u>
Unpaid claims, end of fiscal year	<u>\$ 513,406</u>	<u>\$ 290,038</u>

The County maintains a self-insured medical benefit plan for their employees. The plan is accounted for as an internal service fund of the County, is funded according to plan experience, and serves to reduce overall healthcare costs of the County and their employees. The County purchases specific and aggregate stop loss insurance coverage to protect itself in unusual circumstances. Claims payable at June 30, 2009 were estimated based on the loss analysis report provided by a third-party administrator and pending specific stop loss reimbursements.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 11. RISK MANAGEMENT (CONTINUED)

Changes in medical claims payable for the years ended June 30 are as follows:

	<b>June 30, 2009</b>	<b>June 30, 2008</b>
Unpaid claims, beginning of fiscal year	\$ -	\$ -
Incurred claims and changes in estimates	5,159,857	-
Claim payments	(4,604,857)	-
Unpaid claims, end of fiscal year	\$ 555,000	\$ -

### NOTE 12. COMMITMENTS AND CONTINGENCIES

#### **Litigation:**

The County is involved in several pending lawsuits. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the County.

#### **Grant Contingencies:**

The County has received Federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, County management believes such disallowances, if any, will not be significant.

#### **Construction:**

As of June 30, 2009, the County has the following commitments with respect to unfinished capital projects:

<b>Capital Project</b>	<b>Remaining Construction Commitment</b>	<b>Expected Date Of Completion</b>
Radium Springs Improvement Project Phase I	\$ 72,500	November 30, 2009
Radium Springs Botanical Garden	830,271	December 31, 2009
NW Library Renovations/Relocation	1,242,888	October 31, 2009
NW Library Renovations/Relocation	164,450	July 31, 2009
Public Works Building	51,060	January 31, 2011
	\$ 2,361,169	

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 13. JOINT VENTURES

Under Georgia law, the County, in conjunction with other cities and counties in the Southwest Georgia area, is a member of the Southwest Georgia Regional Development Center (RDC) and is required to pay annual dues thereto. During the year ended June 30, 2009, the County paid \$47,362 in such dues. Membership in the RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of regional development commissions in Georgia.

The RDC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a regional development commission. Separate financial statements may be obtained from Southwest Georgia Regional Development Center, 30 West Broad Street, Camilla, Georgia 31730.

### NOTE 14. OTHER POSTEMPLOYMENT BENEFITS

The County offers post employment benefits other than pension benefits as follows: (1) health insurance, (2) dental insurance, and (3) life insurance. Employee groups that are covered include:

- Classified – Employees that work a minimum of 40 hours per week
- Classified part-time – Employees that work a minimum of 29 hours per week
- Unclassified – Elected or appointed officials

An individual must be 55 with at least 15 years or 65 with at least five years of service in order to be eligible for these benefits. Employer and employee obligations to contribute are as follows:

	<u>Eligible Participants</u>	<u>County</u>	<u>Retiree</u>
Health insurance	67	50%	50%
Dental insurance	41	-	100%
Life insurance	101	75%	25%

The County Commissioners adopted, by resolution, a health plan document (known as the Dougherty County Group Health Plan). The dental and life insurance benefits are offered by motion of the Dougherty County Board of Commissioners. Funding for these benefits is annually appropriated in the County's budget.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 14. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

#### Annual OPEB Cost and Net OPEB Obligation

The County contributed \$166,877 and retirees contributed \$178,054 to the OPEB Plan in the year ended June 30, 2009. The annual required contribution amount is determined using actuarial methods and assumptions approved by the Commission. The Commission establishes and may amend the funding policy for the OPEB Plan.

Annual required contribution	\$ 2,706,554
Annual pension cost	2,706,554
Contributions for period ending June 30, 2009	344,931
Increase in net OPEB obligation	2,361,623
Net OPEB obligation beginning of year	-
Net OPEB obligation end of year	\$ 2,361,623

#### Trend Information

Fiscal Year Ending	Annual OPEB Cost (APC)	Percentage of APC Contributed	Net OPEB Obligation
6/30/2009	\$ 2,706,554	13%	\$ 2,361,623

As of the most recent valuation date, July 1, 2007, the funded status of the OPEB Plan is as follows:

#### Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of
7/1/2008	\$ -	\$ 27,627,658	\$ 27,627,658	0%	\$ 20,767,537	133%

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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 14. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

#### Actuarial Assumptions

Actuarial valuations involve estimates of the value of reported amount and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continued revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the plan in effect at July 1, 2007. The assumptions used in the July 1, 2007 actuarial valuation are as follows:

Valuation date	July 1, 2007
Actuarial cost method	Entry Age Normal
Amoritzation method	Level Percent of Pay
Amortization period	30 years
Asset valuation method	Market Value
Actuarial assumptions:	
Investment rate of return (includes inflation)	5.00%
Projected salary increases (includes inflation)	4.00%

### NOTE 15. PRIOR PERIOD ADJUSTMENT

The County has determined that a restatement of net assets is required to properly eliminate a notes receivable balance in accordance with FASB 13 in the June 30, 2008 financial report. The restatement is as follows:

#### Governmental Activities

Net assets as previously reported	\$ 190,579,913
Adjustment needed to properly eliminate a note receivable	<u>(9,609,184)</u>
Net assets as restated	<u><u>\$ 180,970,729</u></u>

### NOTE 16. DEFICIT FUND BALANCES / NET ASSETS

The Self Insurance reported a deficit net asset of \$696,662 for June 30, 2009. The Self Insurance deficit is intended to be eliminated through increased charges to other funds.



## REQUIRED SUPPLEMENTARY INFORMATION

### DEFINED BENEFIT RETIREMENT PLAN SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
7/1/2009	\$ 34,585,554	\$ 42,714,485	\$ 8,128,931	80.97 %	\$ 22,347,826	36.37 %
7/1/2008	35,042,809	39,846,752	4,803,943	87.94	22,259,800	21.58
7/1/2007	32,873,079	36,728,212	3,855,133	89.50	20,887,975	18.46
7/1/2006	25,472,059	34,288,994	8,816,935	74.29	19,994,407	44.10
7/1/2005	23,546,191	30,580,325	7,034,134	77.00	20,156,466	34.90
7/1/2004	22,316,874	28,060,084	5,743,210	79.53	20,763,379	27.66

### SCHEDULE OF EMPLOYER CONTRIBUTIONS

Plan Year	(1) Annual Required Contribution	(2) Total Employer Contribution	(3) Total Employee Contribution	(4) Total Contribution (2) + (3)	Percentage of ARC Contributed (4) / (1)
2008	\$ 2,163,585	\$ 2,096,768	\$ -	\$ 2,096,768	97 %
2007	1,919,838	1,853,591	-	1,853,591	97
2006	2,336,743	2,263,993	-	2,263,993	97
2005	2,005,392	2,089,588	58,348	2,147,936	107
2004	1,818,783	1,818,783	-	1,818,783	100
2003	1,700,005	1,700,005	-	1,700,005	100
2002	1,569,278	1,569,278	-	1,569,278	100
2001	1,286,654	1,286,654	-	1,286,654	100
2000	1,000,697	1,000,697	-	1,000,697	100

#### Notes to the Schedule of Employer Contributions

1. The cost method used to determine the Annual Required Contribution is the Entry Age Normal Cost Method.
2. Economic assumptions are as follows: Investments return – 8.0% per year; and Salary Scale – 4.0% per year.

**REQUIRED SUPPLEMENTARY INFORMATION**

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**OTHER POST-EMPLOYMENT BENEFIT PLAN  
SCHEDULE OF FUNDING PROGRESS**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability</b>	<b>Unfunded Actuarial Accrued Liability</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll</b>
7/1/2007	\$ -	\$ 27,627,658	\$ 27,627,658	- %	\$ 20,767,537	133.03 %

# NONMAJOR GOVERNMENTAL FUNDS

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## Special Revenue Funds

**Special Tax District Fund** is used to account for the receipts and expenditures of additional taxes from unincorporated areas to pay for police and fire protection.

**Confiscated Assets Fund** is used to account for confiscated assets awarded to the County to be spent on law enforcement at the discretion of the Sheriff.

**Grant Fund** is used to account for grant revenues and expenditures related to various short-term projects.

**Lease Commercial Property Fund** is used to account for receipt of rent revenues from the East and West parking decks and five tenant retail spaces. Revenues will be used for the upkeep and maintenance of both parking decks and tenant retail spaces as needed.

**Law Library Fund** is used to account for revenues generated through special filing charges in the County court system which are used to acquire and maintain library materials.

## Capital Projects Funds

**1995 One Percent Sales Tax Fund** is used to account for the County's receipt and expenditure of special purpose sales tax from the 1995 sales tax referendum.

**One Percent Sales Tax – Road Projects Fund** is used to account for road projects financed by a special purpose sales and use tax.

**1990 One Percent Sales Tax Fund** is used to account for the County's receipt and expenditure of special purpose sales tax from the 1990 sales tax referendum.

**2000 One Percent Sales Tax Fund** is used to account for the County's receipt and expenditure of special purpose sales tax from the 2000 sales tax referendum.

**DOUGHERTY COUNTY, GEORGIA**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2009**

	<u>Special Revenue</u>				
	<u>Special Tax District</u>	<u>Confiscated Assets</u>	<u>Grant</u>	<u>Lease Commercial Property</u>	<u>Law Library</u>
Cash and cash equivalents	\$ 255,737	\$ 394,308	\$ 106,896	\$ 152,892	\$ 129,005
Investments	908,145	-	-	-	230,703
Taxes receivable	75,352	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governments	-	-	73,406	4,167	-
<b>Total assets</b>	<b><u>\$ 1,239,234</u></b>	<b><u>\$ 394,308</u></b>	<b><u>\$ 180,302</u></b>	<b><u>\$ 157,059</u></b>	<b><u>\$ 359,708</u></b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ 2,000	\$ -	\$ 6,690
Due to other funds	79,051	14,457	147,956	23,964	6,383
Due to other governments	-	-	2,019	-	-
Deferred revenue	-	-	28,327	-	-
<b>Total liabilities</b>	<b><u>79,051</u></b>	<b><u>14,457</u></b>	<b><u>180,302</u></b>	<b><u>23,964</u></b>	<b><u>13,073</u></b>
<b>FUND BALANCES</b>					
Unreserved, undesignated	<u>1,160,183</u>	<u>379,851</u>	-	<u>133,095</u>	<u>346,635</u>
<b>Total fund balances</b>	<b><u>1,160,183</u></b>	<b><u>379,851</u></b>	<b><u>-</u></b>	<b><u>133,095</u></b>	<b><u>346,635</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 1,239,234</u></b>	<b><u>\$ 394,308</u></b>	<b><u>\$ 180,302</u></b>	<b><u>\$ 157,059</u></b>	<b><u>\$ 359,708</u></b>

**Capital Projects**

1995 One Percent Sales Tax	One Percent Sales Tax - Road Projects	1990 One Percent Sales Tax	2000 One Percent Sales Tax	Total
\$ 16,416	\$ 121,135	\$ 27,654	\$ 71,575	\$ 1,275,618
2,676,586	91,458	1,008,637	2,985,342	7,900,871
-	-	-	-	75,352
41,570	-	-	58,169	99,739
-	-	-	-	77,573
<u>\$ 2,734,572</u>	<u>\$ 212,593</u>	<u>\$ 1,036,291</u>	<u>\$ 3,115,086</u>	<u>\$ 9,429,153</u>

\$ -	\$ -	\$ -	\$ -	\$ 8,690
-	169	4,999	149,626	426,605
-	-	-	-	2,019
-	-	-	-	28,327
<u>-</u>	<u>169</u>	<u>4,999</u>	<u>149,626</u>	<u>465,641</u>

<u>2,734,572</u>	<u>212,424</u>	<u>1,031,292</u>	<u>2,965,460</u>	<u>8,963,512</u>
<u>2,734,572</u>	<u>212,424</u>	<u>1,031,292</u>	<u>2,965,460</u>	<u>8,963,512</u>
<u>\$ 2,734,572</u>	<u>\$ 212,593</u>	<u>\$ 1,036,291</u>	<u>\$ 3,115,086</u>	<u>\$ 9,429,153</u>

**DOUGHERTY COUNTY, GEORGIA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009**

	<b>Special Revenue</b>				
	<b>Special Tax District</b>	<b>Confiscated Assets</b>	<b>Grant</b>	<b>Lease Commercial Property</b>	<b>Law Library</b>
<b>Revenues:</b>					
Property taxes	\$ 4,743,553	\$ -	\$ -	\$ -	\$ -
Other taxes	1,504,889	-	-	-	-
Licenses and permits	315,735	-	-	-	-
Intergovernmental	-	-	707,385	-	-
Charges for services	9,727	-	-	-	-
Fines and forfeitures	-	54,170	-	-	164,779
Interest income	9,953	2,375	375	534	7,755
Other revenues	11,627	-	-	72,246	8,079
Total revenues	<u>6,595,484</u>	<u>56,545</u>	<u>707,760</u>	<u>72,780</u>	<u>180,613</u>
<b>Expenditures:</b>					
Current:					
General government	112,624	-	-	-	-
Judicial	-	-	490,326	-	185,141
Public safety	6,036,387	131,820	48,180	-	-
Public works	129,958	-	-	-	-
Culture and recreation	197,062	-	1,245	-	-
Housing and development	444,840	-	-	50,959	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>6,920,871</u>	<u>131,820</u>	<u>539,751</u>	<u>50,959</u>	<u>185,141</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(325,387)</u>	<u>(75,275)</u>	<u>168,009</u>	<u>21,821</u>	<u>(4,528)</u>
<b>Other financing sources (uses):</b>					
Proceeds from sale of assets	1,773	-	-	-	-
Transfers in	300,000	-	-	-	-
Transfers out	-	-	(13,429)	-	-
Total other financing sources (uses)	<u>301,773</u>	<u>-</u>	<u>(13,429)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(23,614)</u>	<u>(75,275)</u>	<u>154,580</u>	<u>21,821</u>	<u>(4,528)</u>
<b>Fund balances, beginning of year</b>	<u>1,183,797</u>	<u>455,126</u>	<u>(154,580)</u>	<u>111,274</u>	<u>351,163</u>
<b>Fund balances, end of year</b>	<u><u>\$ 1,160,183</u></u>	<u><u>\$ 379,851</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 133,095</u></u>	<u><u>\$ 346,635</u></u>

<u>1995</u> <u>One Percent</u> <u>Sales Tax</u>	<u>One Percent</u> <u>Sales Tax -</u> <u>Road Projects</u>	<u>1990</u> <u>One Percent</u> <u>Sales Tax</u>	<u>2000</u> <u>One Percent</u> <u>Sales Tax</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ 4,743,553
-	-	-	-	1,504,889
-	-	-	-	315,735
-	-	-	-	707,385
-	-	-	-	9,727
-	-	-	-	218,949
41,486	2,125	13,747	60,473	138,823
-	-	-	-	91,952
<u>41,486</u>	<u>2,125</u>	<u>13,747</u>	<u>60,473</u>	<u>7,731,013</u>
-	-	-	-	112,624
-	-	-	-	675,467
-	-	-	-	6,216,387
-	-	-	-	129,958
-	-	-	-	198,307
-	-	-	-	495,799
512,338	111,770	20,769	778,467	1,423,344
<u>512,338</u>	<u>111,770</u>	<u>20,769</u>	<u>778,467</u>	<u>9,251,886</u>
<u>(470,852)</u>	<u>(109,645)</u>	<u>(7,022)</u>	<u>(717,994)</u>	<u>(1,520,873)</u>
-	-	-	-	1,773
-	-	-	-	300,000
-	-	-	-	(13,429)
-	-	-	-	288,344
(470,852)	(109,645)	(7,022)	(717,994)	(1,232,529)
<u>3,205,424</u>	<u>322,069</u>	<u>1,038,314</u>	<u>3,683,454</u>	<u>10,196,041</u>
<u>\$ 2,734,572</u>	<u>\$ 212,424</u>	<u>\$ 1,031,292</u>	<u>\$ 2,965,460</u>	<u>\$ 8,963,512</u>

**DOUGHERTY COUNTY, GEORGIA**

**SCHEDULE OF EXPENDITURES OF  
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

Project Description	Original Costs	Estimated Costs	Expenditures		
			Prior Years	Current Year	Total
<b><u>1985 REFERENDUM</u></b>					
Road Projects	***	***	\$ 55,793,364	\$ 111,770	\$ 55,905,134
<b><u>1990 REFERENDUM</u></b>					
County Jail	\$ 31,379,437	\$ 31,285,885	\$ 31,264,850	\$ 4,169	\$ 31,269,019
County Mental Health	3,892,487	3,892,483	3,892,483	-	3,892,483
County Public Health	5,225,205	5,225,202	5,225,202	-	5,225,202
Industrial Parks	5,000,000	5,000,000	5,000,000	-	5,000,000
Central Square Building	3,750,530	3,750,530	3,750,530	-	3,750,530
Chehaw Park	6,000,000	6,000,000	6,000,000	-	6,000,000
Albany Street Lighting	2,500,000	2,500,000	1,577,552	16,600	1,594,152
Conference Center	4,700,000	5,157,565	5,155,391	-	5,155,391
Administrative	4,338,498	4,338,495	4,338,498	-	4,338,498
Totals	\$ 66,786,157	\$ 67,150,160	\$ 66,204,506	\$ 20,769	\$ 66,225,275
<b><u>1995 REFERENDUM</u></b>					
City Street & Road Projects	\$ 10,000,000	\$ 10,075,000	\$ 9,858,852	\$ -	\$ 9,858,852
County Street & Road Projects	5,000,000	5,652,343	5,652,343	-	5,652,343
Water & Sewer Extensions	8,000,000	10,698,078	10,679,969	-	10,679,969
Storm Drainage Improvements	15,200,000	15,123,948	13,556,247	505,424	14,061,671
Recycling Program	1,500,000	500,000	395,394	3	395,397
Geographic Information System	1,000,000	1,063,717	1,063,717	-	1,063,717
City Fire Stations & Equipment	2,500,000	2,500,000	2,499,876	-	2,499,876
County Fire Stations & Equipment	1,000,000	1,070,574	1,071,538	-	1,071,538
West EMS Station	1,000,000	980,439	980,439	-	980,439
Community Policing Centers	1,500,000	1,543,054	1,539,140	-	1,539,140
Courtroom Addition	3,500,000	4,101,338	4,108,858	(7,519) *	4,101,339
Emergency Operations Center	3,000,000	2,956,946	2,956,947	-	2,956,947
Downtown Improvements	2,500,000	8,213,104	7,867,895	14,430	7,882,325
Recreation Improvements	10,500,000	10,500,000	9,852,957	-	9,852,957
Agricultural Service Center	2,000,000	2,064,056	2,064,057	-	2,064,057
Industrial Speculative Building	750,000	750,000	350,313	-	350,313
Thronateeska Heritage Center	750,000	900,000	900,000	-	900,000
Third Floor Renovation	-	-	21,137	-	21,137
Mt. Zion Civil Rights Museum	750,000	793,839	793,839	-	793,839
Government Center Debt	3,500,000	4,088,662	4,088,662	-	4,088,662
Administration/Disparity Study	500,000	1,084,298	1,084,298	-	1,084,298
Contingency	-	2,333	-	-	-
Totals	\$ 74,450,000	\$ 84,661,729	\$ 81,386,478	\$ 512,338	\$ 81,898,816

\* Represents a refund received from project developer for prior year SPLOST expenditures.

\*\*\* Estimated costs are not budgeted by project or in total. Projects are approved according to need at least annually.



**DOUGHERTY COUNTY, GEORGIA**

**SCHEDULE OF EXPENDITURES OF  
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

<u>Project Description</u>	<u>Original Costs</u>	<u>Estimated Costs</u>	<u>Expenditures</u>		
			<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b><u>2000 REFERENDUM</u></b>					
Administrative	\$ 1,175,227	\$ 8,612,153	\$ 8,228,847	\$ 6,144	\$ 8,234,991
Albany River Walk	6,000,000	6,405,000	6,504,625	24	6,504,649
Chehaw Park Improvements	700,000	700,000	680,611	-	680,611
City Debt Retirement	8,611,094	7,023,979	7,023,979	-	7,023,979
City Street Improvements	6,500,000	6,525,000	6,474,677	-	6,474,677
City Traffic Safety	725,000	725,000	724,999	-	724,999
County Water Extensions	600,000	655,548	655,548	-	655,548
County EMS Station	500,000	514,811	514,811	-	514,811
Hugh Mills Stadium	1,170,000	1,204,434	1,204,434	-	1,204,434
Thronateeska Heritage	500,000	500,000	476,325	7,720	484,045
Central Square	15,300,000	15,306,177	15,306,178	-	15,306,178
Economic Development	8,013,679	6,463,679	4,975,118	187,803	5,162,921
County Animal Shelter	700,000	780,000	783,991	-	783,991
City Law Enforcement Center	14,500,000	14,500,000	14,299,387	9,847	14,309,234
Storm Drainage Improvements	11,000,000	4,187,173	3,719,633	22,166	3,741,799
County Road Improvements	2,000,000	4,800,000	3,567,131	534,847	4,101,978
Public Safety GSP Building	500,000	536,179	536,179	-	536,179
City Fire Station	2,000,000	2,000,000	1,990,632	9,790	2,000,422
County Fire Equipment	500,000	500,000	469,679	-	469,679
Recreation Improvements	9,130,000	3,285,000	3,272,959	126	3,273,085
Albany First Tee Program	875,000	988,540	988,471	-	988,471
County Debt Retirement	30,000,000	30,000,000	30,131,767	-	30,131,767
Contingency	-	31,544	(31,766)	-	(31,766)
<b>Totals</b>	<b>\$ 121,000,000</b>	<b>\$ 116,244,217</b>	<b>\$ 112,498,215</b>	<b>\$ 778,467</b>	<b>\$ 113,276,682</b>

**DOUGHERTY COUNTY, GEORGIA**

**SCHEDULE OF EXPENDITURES OF  
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

<u>Project Description</u>	<u>Original Costs</u>	<u>Estimated Costs</u>	<u>Expenditures</u>		
			<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<b><u>2005 REFERENDUM</u></b>					
Government Center Improvements	\$ 1,000,000	\$ 1,000,000	\$ 556,926	\$ 31,181	\$ 588,107
Judicial Building Improvements	2,000,000	2,000,000	230,571	221,480	452,051
Mental Health Building Improvements	1,400,000	1,400,000	189,843	762	190,605
Public Health Building Improvements	700,000	700,000	266,260	3,488	269,748
DOCO Jail Facility Improvements	3,825,000	3,825,000	2,185,572	16,432	2,202,004
EMS Headquarter Improvements	2,000,000	2,000,000	330,880	103,663	434,543
New Library and Library Improvements	6,000,000	6,000,000	2,622,704	1,138,840	3,761,544
County Police Building Improvements	140,000	140,000	105,174	-	105,174
County Fire Station Improvements	100,000	100,000	12,020	11,440	23,460
S.R. 133 Road Widening Project	400,000	400,000	-	-	-
County Roads, Streets and Bridges	1,186,800	1,186,800	-	-	-
County Sewer Extensions	1,000,000	1,000,000	-	-	-
New Public Works Facility	700,000	700,000	13,713	34,121	47,834
Election Equipment	100,000	100,000	74,564	27,139	101,703
Radium Springs Improvements	2,500,000	2,500,000	74,610	136,382	210,992
Tennis Court Facility	2,700,000	2,700,000	-	-	-
Gillionville Road Widening	1,800,000	1,800,000	34,498	84,573	119,071
Criminal Justice Information System	4,000,000	4,000,000	58,476	894,485	952,961
I.T. Equipment and Software	2,440,000	2,440,000	1,002,630	560,194	1,562,824
Greenspace Acquisition	535,000	535,000	384,723	(25,052) *	359,671
Mule Barn Presentation	500,000	500,000	74,868	1,132	76,000
Museum of Art Relocation	3,000,000	3,000,000	9,626	147	9,773
Flint Rivercenter	1,000,000	1,000,000	943,991	86,321	1,030,312
Albany-Dougherty Payroll Development	3,000,000	3,000,000	506,679	-	506,679
Riverfront Projects	100,000	100,000	-	100,000	100,000
Administrative	300,000	300,000	80,435	50,671	131,106
City of Albany Projects	<u>65,873,200</u>	<u>65,873,200</u>	<u>35,970,527</u>	<u>-</u>	<u>35,970,527</u>
Totals	<u>\$ 108,300,000</u>	<u>\$ 108,300,000</u>	<u>\$ 45,729,290</u>	<u>\$ 3,477,399</u>	<u>\$ 49,206,689</u>

\* Expense includes a reimbursement from the State of Georgia for the purchase of wetlands.

## AGENCY FUNDS

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**Tax Commissioner – Tax Department** – This fund is used to account for all property taxes collected and forwarded to the County and other government units.

**Tax Commissioner – Tag Department** – This fund is used to account for all personal property taxes collected and forwarded to the County and other government units.

The following agency funds are used to account for fines, fees and other moneys collected by the courts and remitted to other parties in accordance with court orders and state law:

**Clerk of Courts**  
**Probate Court**  
**Magistrate Court**  
**Juvenile Court**

**Sheriff** – This fund is used to account for collection of fees, proceeds from judicial sales, and cash bonds, which are disbursed to other agencies, the County, and individuals.

**Drug Squad Fund** – This fund is used to account for funds received from drug related arrests, which are disbursed to the County.

**Escrow Fund** – This fund is used to account for funds received on open cases. These funds will be disbursed as the cases are settled.

**DOUGHERTY COUNTY, GEORGIA**

**COMBINING BALANCE SHEET  
AGENCY FUNDS  
JUNE 30, 2009**

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<b><u>ASSETS</u></b>	<b>Tax Commissioner</b>		<b>Clerk of Courts</b>	<b>Probate Court</b>	<b>Magistrate Court</b>
	<b>Tax Department</b>	<b>Tag Department</b>			
Cash	\$ 577,352	\$ 59,211	\$ 808,665	\$ 6,952	\$ 129,453
Taxes receivable	3,751,044	-	-	-	-
Total assets	<b>\$ 4,328,396</b>	<b>\$ 59,211</b>	<b>\$ 808,665</b>	<b>\$ 6,952</b>	<b>\$ 129,453</b>
<b><u>LIABILITIES</u></b>					
Due to others	\$ 577,352	\$ 59,211	\$ 808,665	\$ 6,952	\$ 129,453
Uncollected taxes	3,751,044	-	-	-	-
Total liabilities	<b>\$ 4,328,396</b>	<b>\$ 59,211</b>	<b>\$ 808,665</b>	<b>\$ 6,952</b>	<b>\$ 129,453</b>

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<b>Juvenile Court</b>	<b>Sheriff</b>	<b>Drug Squad</b>	<b>Escrow</b>	<b>Total</b>
\$ 1,255	\$ 329,840	\$ 98,221	\$ 120,557	\$ 2,131,506
-	-	-	-	3,751,044
<u>\$ 1,255</u>	<u>\$ 329,840</u>	<u>\$ 98,221</u>	<u>\$ 120,557</u>	<u>\$ 5,882,550</u>
\$ 1,255	\$ 329,840	\$ 98,221	\$ 120,557	\$ 2,131,506
-	-	-	-	3,751,044
<u>\$ 1,255</u>	<u>\$ 329,840</u>	<u>\$ 98,221</u>	<u>\$ 120,557</u>	<u>\$ 5,882,550</u>

## **COMPLIANCE SECTION**

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**INDEPENDENT AUDITOR'S 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***

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**Board of Commissioners  
of Dougherty County, Georgia  
Albany, Georgia**

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Dougherty County, Georgia as of and for the year ended June 30, 2009, which collectively comprise Dougherty County, Georgia's basic financial statements, and have issued our report thereon dated December 29, 2009. We did not audit the financial statements of the Dougherty County Board of Health. Those financial statements were audited by other auditors whose reports have been furnished to us. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

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

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

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A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2009-1, 2009-3, and 2009-4 to be material weaknesses.

A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies in the accompanying schedule of findings as responses as items 2009-2, 2009-5, and 2009-6 to be significant deficiencies.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Dougherty 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 that is required to be reported under *Government Auditing Standards*.

We also noted certain additional matters that we reported to the management of Dougherty County, Georgia in a separate letter dated December 29, 2009.

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

This report is intended solely for the information and use of management and the Board of Commissioners of Dougherty County, Georgia, 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.

*Mauldin & Jenkins, LLC*

Macon, Georgia  
December 29, 2009



**DOUGHERTY COUNTY, GEORGIA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED JUNE 30, 2009**

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**SECTION I**  
**SUMMARY OF AUDIT RESULTS**

**Financial Statements**

Type of auditor's report issued	Unqualified
Internal control over financial reporting: Material weaknesses identified?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no
Significant deficiencies identified not considered to be material weaknesses?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> none reported
Noncompliance material to financial statements noted?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no

**Federal Awards**

There was not an audit of major federal award programs as of June 30, 2009 due to the total amount expended being less than \$500,000.

**SECTION II**  
**FINANCIAL STATEMENT FINDINGS AND RESPONSES**

**2009 - 1. Management of Due To / From (Interfund and Internal) Accounts**

**Criteria:** Generally accepted accounting principles require reporting of interfund activity expected to be repaid within a reasonable time as due to/from (interfund receivables and payables) accounts. As part of that process, the County should review the amounts that should be included in due to/from accounts in each fund to determine the proper amounts to be reported at any given time during the fiscal year.

**Condition:** We noted the County did not properly report the due to/from other funds accounts in the General Fund, Capital Improvement Fund, and Non-Major Funds.

**Context:** See above condition.

**Effect:** Adjustments to increase the due from other funds balance in the amount of \$707,672, increase revenues by \$16,647, and decrease expenditures by \$691,025 was required to be recorded in the General Fund. Adjustments to increase the due from other funds balance in the amount of \$9,329 and to decrease expenditures in the same amount was required to be recorded in the Capital Improvement Fund. An adjustment to increase the due from other funds balance in the amount of \$20,280, increase revenues by \$10,614, and to decrease expenditures by \$9,666 was required in the Non-Major Funds.

**Cause:** All due to/from activity between funds is not being properly recorded at the end of each financial reporting cycle.

**Recommendation:** We recommend the County implement procedures to properly record, reconcile and review all due to/from activity on a monthly basis.

**DOUGHERTY COUNTY, GEORGIA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED JUNE 30, 2009**

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**2009 - 1. Management of Due To / From (Interfund and Internal) Accounts (Continued)**

**Views of Responsible Officials and Planned Corrective Action:** We concur. We will work to record and reconcile all due to/from transactions at the end of each financial reporting cycle.

**2009 - 2. Taxes Receivable**

**Criteria:** Generally accepted accounting principles require revenue to be recognized in the accounting period in which it becomes both measurable and available to finance expenditures of the current period.

**Condition:** The County did not properly record the property taxes receivable in the General Fund and Non-Major Funds during the year ended June 30, 2009.

**Context:** We addressed this balance with County management, and they were able to determine the appropriate property tax receivable balance that should be recorded as of June 30, 2009.

**Effect:** An audit adjustment to increase taxes receivable by \$1,006,111, increase allowance for uncollectible taxes by \$332,017, increase deferred revenues by \$445,845 and increase tax revenues by \$228,249 was required to be recorded in the General Fund. An adjustment to increase taxes receivable by \$81,300, increase allowance for uncollectible taxes by \$28,829, and increase tax revenues by \$54,471 was required to be recorded in the Non-Major Funds as of June 30, 2009.

**Cause:** The County did not review all tax revenue transactions after year-end to determine reporting in the proper period.

**Recommendation:** We recommend the County begin recognizing and recording all necessary tax adjustments at the end of each financial reporting cycle.

**Views of Responsible Officials and Planned Corrective Action:** We concur with the finding. We will record all taxes receivable based on the above criteria.

**2009 - 3. Management of Accounts Receivable Accounts**

**Criteria:** Generally accepted accounting principles require revenues to be recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. As a part of these processes, the County should review all revenue transactions to determine reporting in the proper period.

**Condition:** The County did not properly record fees receivable in the General Fund and Solid Waste Fund as of June 30, 2009.

**Context:** See above condition.

**DOUGHERTY COUNTY, GEORGIA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED JUNE 30, 2009**

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**2009 - 3. Management of Accounts Receivable Accounts (Continued)**

**Effect:** An adjustment to decrease allowance for uncollectible accounts receivable in the amount of \$400,662 and to increase revenues in the same amount was required to be recorded in the General Fund. An adjustment to decrease accounts receivable in the amount of \$250,552, and to decrease revenues in the same amount was required to be recorded in the Solid Waste Fund.

**Cause:** The County did not review all revenue transactions after year-end to determine reporting in the proper period.

**Recommendation:** We recommend the County establish procedures to review all revenue transactions after year-end to determine reporting in the proper period.

**Views of Responsible Official and Planned Corrective Action:** We concur. We will establish procedures to review all revenue transactions after year-end to determine reporting in the proper period.

**2009 - 4. Management of Accounts Payable**

**Criteria:** Generally accepted accounting principles require reporting of all current liabilities whose liquidation is expected to require the use of current assets when the goods have been received or services have been performed.

**Condition:** The County did not properly address the above criteria as of June 30, 2009 as it relates to accounts payable within the 2005 SPLOST Fund and the Non-Major Funds.

**Context:** We addressed this matter with County officials and they were able to determine the amount of accounts payable that should be recorded in these funds as of June 30, 2009.

**Effect:** An adjustment to increase accounts payable by \$333,845 and increase expenditures in the same amount was required to be made in the 2005 SPLOST Fund. An adjustment to increase accounts payable by \$2,019, increase deferred revenues by \$27,299, decrease revenues by \$45,159, and increase transfers from other funds by \$15,841 was required to be recorded in the Non-Major Funds as of June 30, 2009.

**Cause:** Reconciliations of accounts payable are not being performed on a monthly basis.

**Recommendation:** We recommend the County implement procedures to reconcile all accounts subsidiary ledgers to the general ledger on a monthly basis.

**DOUGHERTY COUNTY, GEORGIA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED JUNE 30, 2009**

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**2009 - 4. Management of Accounts Payable (Continued)**

**Views of Responsible Officials and Planned Corrective Action:** We concur. We will establish procedures to reconcile subsidiary ledgers with the general ledger on a monthly basis.

**2009 - 5. Journal Entry Review Process**

**Criteria:** All standard and nonstandard journal entries should be reviewed by an appropriate level of management.

**Condition:** The County does not have policies or procedures in place for the initiation, approval, and recording of journal entries.

**Context:** See above condition.

**Effect:** By not having policies and procedures in place for the initiation, approval, and recording of journal entries, there is potential for misuse or misappropriation of funds.

**Recommendation:** The County should establish policies and procedures for initiating, approving, and recording all standard and nonstandard journal entries.

**Views of Responsible Officials and Planned Corrective Action:** We concur with the finding. The County will establish policies and procedures to properly initiate, approve, and record all journal entries.

**2009 - 6. Segregation of Duties**

**Criteria:** Internal controls should be in place which provide reasonable assurance that an individual cannot misappropriate funds without such actions being detected during the normal course of business.

**Condition:** For the fiscal year ending June 30, 2009, we noted a lack of proper segregation of duties within several areas of Dougherty County, Georgia's operations, including the Clerk of Court, Probate Court, Sheriff's Office, and County Finance Department. Examples of segregation of duties issues include:

- Cash receipts are handled by the same individual(s) who also opens the incoming mail, makes bank deposits, reconciles the bank accounts, and posts activity to the general ledger.
- Authorized check signers are not independent of voucher preparation and approval.
- NSF and similar cash items are investigated by employees that also maintain the chart of accounts, post journal entries, monitor suspense or clearing accounts, prepare deposits, and post receipts.
- Custody of checks after signature and before mailing is handled by an employee that is not independent of all payable, disbursing and receiving of cash, and other general ledger functions.

**DOUGHERTY COUNTY, GEORGIA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**FOR THE YEAR ENDED JUNE 30, 2009**

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**SECTION II**  
**FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)**

**2009 - 6. Segregation of Duties (Continued)**

- Reconciliations are not made by someone who is independent of the cash receipt and disbursement functions.
- The billing department is not completely separate from the accounts receivable and collection functions.
- There is not a clear separation of duties between all receivable ledger clerks and the cash/cashier function.
- Recording and approval of credit adjustments and refunds is performed by individuals not independent of the cash handling, and other accounts receivable bookkeeping functions.
- The payroll is not subject to final approval before payment by someone who is independent of the payroll preparation function.
- Unclaimed paychecks are not returned to an employee that is not associated with the payroll function.
- Personnel in the payable function are not independent from the general ledger function.

**Context:** Several instances of overlapping duties were noted during interviews regarding internal control procedures.

**Effect:** Failure to properly segregate duties between recording, distribution, and reconciliation of accounts can lead to misappropriation of funds that is not detected during the normal course of business.

**Recommendation:** The duties of recording, distribution, and reconciliation of accounts should be segregated between employees.

**Views of Responsible Officials and Planned Corrective Action:** We concur. We will work with staff to segregate duties and apply compensating controls to the extent possible.

**SECTION III**  
**FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

Not Applicable

# DOUGHERTY COUNTY, GEORGIA

## SCHEDULE OF PRIOR YEAR FINDINGS FOR THE YEAR ENDED JUNE 30, 2009

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### 2008 - 1. Fund Balance

**Criteria:** Internal controls should be in place to ensure that any prior year audit adjustments are posted and fund balance reconciles to the prior year's financial statements.

**Condition:** For the fiscal year ending June 30, 2008, the County did not reconcile its fund balances to the prior year's financial statements for the General Fund and Law Library Fund.

**Auditee Response/Status:** The above finding was corrected for the fiscal year ending June 30, 2009.

### 2008 - 2. Taxes Receivable

**Criteria:** Generally accepted accounting principles require revenue to be recognized in the accounting period in which it becomes both measurable and available to finance expenditures of the current period.

**Condition:** The County did not properly record the year end local option sales taxes receivable in the General Fund and the special local option sales tax receivable in the 2005 One Percent Sales Tax Fund during the year ended June 30, 2008.

**Auditee Response/Status:** No finding related to sales tax receivable was cited in the fiscal year ending June 30, 2009. However, see current year financial audit finding 2009-2 for finding related to property taxes receivable.

### 2008 - 3. Management of Accounts Receivable Accounts

**Criteria:** Generally accepted accounting principles require revenues to be recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. As a part of these processes, the County should review all revenue transactions to determine reporting in the proper period.

**Condition:** The County did not properly record fees receivable in the General Fund, Special Tax District Fund, Grant Fund, Law Library Fund, Capital Improvement Fund, 2000 SPLOST Fund, and Solid Waste Fund as of June 30, 2008.

**Auditee Response/Status:** Unresolved – See current year financial audit finding 2009-3.

### 2008 - 4. Management of Accounts Payable and Accrued Expense Liabilities

**Criteria:** Generally accepted accounting principles require reporting of all current liabilities whose liquidation is expected to require the use of current assets when the goods have been received or services have been performed.

# DOUGHERTY COUNTY, GEORGIA

## SCHEDULE OF PRIOR YEAR FINDINGS FOR THE YEAR ENDED JUNE 30, 2009

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### 2008 - 4. Management of Accounts Payable and Accrued Expense Liabilities (Continued)

**Condition:** The County did not properly address the above criteria as of June 30, 2008 as it relates to accounts payable within the Law Library and 2005 SPLOST Funds, and accrued expenses in the Solid Waste Fund.

**Auditee Response/Status:** Unresolved – See current year financial audit finding 2009-4.

### 2008 - 5. Closure and Postclosure Care Cost

**Criteria:** The Governmental Accounting Standards Board (GASB) issued *Statement No. 18, Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs* in August of 1993. This pronouncement applies to all governmental entities that are required by federal, state, or local laws or regulations to incur closure and postclosure care costs associated with the operation of a landfill. This pronouncement requires a governmental entity with landfill operations to calculate and accrue the closure and postclosure care costs incurred to date based on the total expected costs to fulfill such obligations prorated for the usage to date of the landfill against the expected total usage available of the landfill.

**Condition:** The County did not properly record the year end closure and postclosure care cost liability in the Solid Waste Fund for the year ended June 30, 2008.

**Auditee Response/Status:** The above finding was corrected for the fiscal year ending June 30, 2009.

### 2008 - 6. Journal Entry Review Process

**Criteria:** All standard and nonstandard journal entries should be reviewed by an appropriate level of management.

**Condition:** The County does not have policies or procedures in place for the initiation, approval, and recording of journal entries.

**Auditee Response/Status:** Unresolved – See current year financial audit finding 2009-5.

### 2008 - 7. Segregation of Duties

**Criteria:** Internal controls should be in place which provide reasonable assurance that an individual cannot misappropriate funds without such actions being detected during the normal course of business.

**Condition:** For the fiscal year ending June 30, 2008, we noted a lack of proper segregation of duties within several areas of Dougherty County, Georgia's operations, including the Clerk of Court, Probate Court, Sheriff's office, and County Finance Department. Examples of segregation of duties issues include:

# DOUGHERTY COUNTY, GEORGIA

## SCHEDULE OF PRIOR YEAR FINDINGS FOR THE YEAR ENDED JUNE 30, 2009

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### 2008 - 7. Segregation of Duties (Continued)

- ◆ Cash receipts are handled by the same individual(s) who also makes bank deposits, reconciles the bank accounts, and posts activity to the general ledger.
- ◆ Authorized check signers are not independent of voucher preparation and approval.
- ◆ NSF and similar items are investigated by employees that also prepare deposits and post receipts.
- ◆ Custody of checks after signature and before mailing is handled by an employee that is not independent of all payable, disbursing, cash, receiving and general ledger functions.
- ◆ Reconciliations are not made by someone who is independent of the cash receipt and disbursement functions.
- ◆ The billing department is not completely separate from the accounts receivable and collection functions.
- ◆ There is not a clear separation of duties between all receivable ledger clerks and the cash/cashier function.
- ◆ The payroll is not subject to final approval before payment by someone who is independent of the payroll preparation function.
- ◆ Unclaimed paychecks are not returned to an employee that is not associated with the payroll function.
- ◆ Personnel in the payable function are not independent from the general ledger function.

**Auditee Response/Status:** Unresolved – See current year financial audit finding 2009-6.

### 2008 - 8. Adoption of Budgets

**Criteria:** House Bill 1364 of the 1998 session of the Georgia General Assembly requires an annual balanced budget for the General Fund, each special revenue fund, and each debt service fund and requires a project length balanced budget for each capital projects fund.

**Condition:** For the fiscal year ending June 30, 2008 a budget was not adopted for the Law Library Fund, which is a special revenue fund, in accordance with the Official Code of Georgia (OCGA) Sections 36-81-2 through 36-81-6.

**Auditee Response/Status:** The above finding was corrected for the fiscal year ending June 30, 2009.



**INDEPENDENT ACCOUNTANT'S REPORT  
ON LOCAL ASSISTANCE GRANTS**

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**To the Dougherty County Board  
of Commissioners  
Albany, Georgia**

We have examined management's assertion included in the accompanying State of Georgia Grant Certification Form about Dougherty County, Georgia's compliance during the year ended June 30, 2009, with the requirement to use grant proceeds solely for the purpose or purposes for which the grant was made for Local Assistance Grants 02-C-L-755 and 08-C-L-152. Management is responsible for Dougherty County, Georgia's compliance with this requirement. Our responsibility is to express an opinion on management's assertion about Dougherty County, Georgia's compliance based on our examination.

Our examination was made in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting Dougherty County, Georgia's compliance with the above mentioned requirement and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Dougherty County, Georgia's compliance with the specified requirement.

In our opinion, management's assertion that Dougherty County, Georgia complied with the aforementioned requirement for the year ended June 30, 2009, is fairly stated, in all material respects.

This report is intended solely for the information and use of the Dougherty County, Georgia Board of Commissioners and the Georgia Department of Audits and Accounts, and is not intended to be and should not be used by anyone other than these specified parties.

*Mauldin & Jenkins, LLC*

Macon, Georgia  
December 29, 2009

**State of Georgia Grant Certification Form  
Local Government Recipient (with no subrecipient)**

LINE

A	Local Government	Dougherty County, Georgia
B	State Awarding Agency	Department of Community Affairs State of Georgia
C	Grant Identification Number	02-C-L-755
D	Grant Title	Parks at Chehaw
E	Grant Award Date	07/02/01
F	Grant Amount	\$50,000.00

	COLUMN 1 Current Year Activity	COLUMN 2 Cumulative Grant Activity
G	For the Year Ended: June 30, 2009	Through the Year Ended: June 30, 2009
H	Balance - Prior Year (Cash or Accrued or Deferred Revenue) \$1,028.00	
I	Grant Receipts or Revenue Recognized \$0.00	\$50,000.00
J	Grant Disbursements or Expenditures EXCLUDING AUDIT FEES \$0.00	\$48,972.00
K	Disbursements or Expenditures for Audit Fees \$0.00	\$0.00
L	Balance - Current Year (Cash or Accrued or Deferred Revenue) [Line H (col 1 only) + Line I - Line J - Line K] \$1,028.00	\$1,028.00

**Certification of Local Government Officials**

I have reviewed the information presented above and certify that it is accurate and correct. I further certify that the proceeds of the grant award identified above were used solely for the express purpose or purposes for which the grant was made.

Signature of Chief Elected Official \_\_\_\_\_ Date \_\_\_\_\_

Signature of Chief Financial Officer \_\_\_\_\_ Date \_\_\_\_\_

**State of Georgia Grant Certification Form  
Local Government Recipient (with no subrecipient)**

LINE

A	Local Government	Dougherty County, Georgia
B	State Awarding Agency	Department of Community Affairs State of Georgia
C	Grant Identification Number	08-C-L-152
D	Grant Title	Local Assistance Grant
E	Grant Award Date	04/22/08
F	Grant Amount	\$10,000.00

	COLUMN 1 Current Year Activity	COLUMN 2 Cumulative Grant Activity
G	For the Year Ended: June 30, 2009	Through the Year Ended: June 30, 2009
H	Balance - Prior Year (Cash or Accrued or Deferred Revenue) - <b>Due from DCA</b>	-\$2,500.00
I	Grant Receipts or Revenue Recognized	\$2,500.00
J	Grant Disbursements or Expenditures EXCLUDING AUDIT FEES	\$0.00
K	Disbursements or Expenditures for Audit Fees	\$0.00
L	Balance - Current Year (Cash or Accrued or Deferred Revenue) [Line H (col 1 only) + Line I - Line J - Line K]	\$0.00

**Certification of Local Government Officials**

I have reviewed the information presented above and certify that it is accurate and correct. I further certify that the proceeds of the grant award identified above were used solely for the express purpose or purposes for which the grant was made.

Signature of Chief Elected Official \_\_\_\_\_ Date \_\_\_\_\_

Signature of Chief Financial Officer \_\_\_\_\_ Date \_\_\_\_\_