

**DOOLY COUNTY
GEORGIA
FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2014
AND
INDEPENDENT AUDITOR'S REPORT**

**HERBERT E. ALLEN
CERTIFIED PUBLIC ACCOUNTANT
AMERICUS, GEORGIA**

**DOOLY COUNTY
GEORGIA
FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2014
AND
INDEPENDENT AUDITOR'S REPORT**

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DOOLY COUNTY, GEORGIA

ADMINISTRATION

STEPHEN C. SANDERS, COUNTY ADMINISTRATOR

LINDA C. WOODSON, COUNTY CLERK

COUNTY COMMISSIONERS

TERRELL HUDSON, CHAIRMAN

CHARLES ANDERSON, VICE COMMISSIONER

HARRY WARD, COMMISSIONER

DAVID BARRON, COMMISSIONER

EUGENE CASON, COMMISSIONER

HERBERT E. ALLEN

CERTIFIED PUBLIC ACCOUNTANT

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Member of the American Institute of
Certified Public Accountants

Member of the Georgia Society of
Certified Public Accountants

February 5, 2015

INDEPENDENT AUDITOR'S REPORT

Dooly County Board of Commissioners
Dooly County, Georgia
Vienna, Georgia 31092

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Dooly County, Georgia, as of and for the year ended September 30, 2014, which collectively comprise the County's financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Dooly County Board of Health, a component unit of Dooly County, Georgia, which statements reflect total assets of \$151,116 as of June 30, 2014, and total revenues of \$376,902 for the year then ended. Those financial statements were audited by other auditors whose report had been furnished to us, and our opinion, insofar as it related to the amounts included for the Dooly County Board of Health, is based on the report of the other auditors.

Management's Responsibility for the Financial Statements

Our responsibility is to express opinions on these financial statements based on our audit. 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. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgments, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of

significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of Dooly County, Georgia as of September 30, 2014, and the respective changes in financial position and cash flows, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplemental Information

In accordance with Government Auditing Standards, we have also issued a report dated February 5, 2015 on our consideration of Dooly County, Georgia internal control over financial reporting and on tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal controls over financial reporting on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be read in conjunction with the auditor's report on financial statements.

Accounting principles generally accepted in the United States of America require that they identify required supplementary information, analysis and budgetary comparison information on pages 33-72 is presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United State of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Our audit was made for the purpose of forming an opinion on the financial statements that collectively comprise the Dooly County, Georgia, financial statements. The combining and individual other fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements, and the procedures applied in the audit of the financial statements and, in our opinion, are fairly stated in all material respects in relation to the financial statements taken as a whole.


HERBERT E. ALLEN, CPA

DOOLY COUNTY, GEORGIA
GOVERNMENT-WIDE STATEMENT OF NET ASSETS
SEPTEMBER 30, 2014

	Governmental Activities	Component Units	
		Public Health	Industrial Dev. Authority
ASSETS			
Cash	\$ 2,085,608	\$ 151,116	\$ 183,827
Restricted Cash	594,626	-	123,559
Accounts Receivable	386,220	-	
Other	96,906		13,229
Capital Assets:		-	
Land	1,610,359	-	589,430
Infrastructure	2,287,311	-	
Building	13,109,518	-	1,515,305
Vehicles	3,712,972	-	
Heavy Equipment	3,303,593	-	
Furniture, Machinery & Equipment	1,090,928	-	
Capital Assets (Net) Component Unit		-	
Accumulated Depreciation	(9,139,777)	-	(89,406)
TOTAL ASSETS	\$ 19,138,264	\$ 151,116	\$ 2,335,944
LIABILITIES AND NET ASSETS			
LIABILITIES			
Accounts Payable and Accrued Expenses	\$ 369,861		
Time Warrants	1,000,000	-	
Other Payables	0	16,893	
Bond Payable- Current	305,000	-	
PNC Bank- Current	124,930	-	
Capital Leases Payable- Current	301,394	-	
Bond Payable- Long Term	2,719,988		
PNC Bank- Long Term	360,599		
Capital Leases Payable- Long Term	664,919		
Municipalities Payable	90,167	-	
Estimated Liability for Landfill Closure and Postclosure Care Costs	169,910	-	
TOTAL LIABILITIES	\$ 6,106,768	\$ 16,893	\$ -
NET ASSETS			
Invested in Capital Assets Net of Related Debt	\$ 11,498,074	\$ -	\$ 2,015,329
Restricted Cash-USDA, Housing Rehabilitation and CHIP Grants, Federal Drug and SPLOST Funds	594,626	-	123,559
Unrestricted	938,796	87,173	197,056
TOTAL NET ASSETS	\$ 13,031,496	\$ 134,223	\$ 2,335,944

The accompanying notes are an integral part of these statements.

DOOLY COUNTY, GEORGIA
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2014

	Program Revenues			Component Units		
	Expenses	Fees, Fines & Charges for Services	Operating Grants & Contributions	Governmental Activities	Public Health	Industrial Development Authority
General Government	\$ 5,101,179	\$ 22,847			\$ -	\$ -
Public Safety	5,706,419	3,634,464			-	-
Sanitation	811,005	852,981			-	-
Highways & Streets	2,314,542	488,474			-	-
Health	944,717	254,999			-	-
Welfare	301,698				-	-
Coroner	22,288				-	-
Culture & Recreation	362,027				-	-
Economic, Industrial & Community Development	258,882				-	-
Interest on long-term debt	218,355				-	-
Total Governmental Activities	\$ 16,041,112	\$ 5,253,765	\$ -	\$ -	\$ -	\$ -
Component Units						
Public Health	\$ 347,161	\$ 376,902	\$ -	\$ 29,741	\$ -	\$ -
Industrial Development Authority	85,940	134,219	-	-	-	48,271
General Revenues:						
Taxes:						
Property Tax				5,428,678		
SPLOST Taxes				1,348,687		
Transportation Inv. Act				800,391		
Local Option Taxes				745,283		
Alcohol Beverage Taxes				3,305		
Insurance Premium Taxes				266,716		
Business License Taxes				40,953		
Intergovernmental				940,388		
Interest Earned				1,400		
Sale of Equipment				2,500		
Miscellaneous and Other				878,295		
Total General Revenues				\$ 10,456,596	\$ -	\$ -
Change in Net Assets				\$ (330,751)	\$ 29,741	\$ 48,271
Net Assets at Beginning of Year				13,522,816	104,482	2,270,716
Prior Period Adjustment				(160,569)		
Net assets at End of Year				\$ 13,362,247	\$ 134,223	\$ 2,318,987

The accompanying notes are an integral part of these statements.

DOOLY COUNTY, GEORGIA
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2014

Major Governmental Funds

	General Fund	CHIP 04m-7-046-1-2902 Capital Project Fund	Georgia Trauma Care Network Commission	Sheriff Drug Fund	Sharing Drug Fund
ASSETS AND OTHER DEBITS ASSETS					
Cash	\$ 589,526	\$ -	\$ -	\$ 440,537	\$ 191,466
Restricted Cash	594,626	-	-	-	-
Receivable	386,220	-	-	-	-
Other	-	-	-	-	-
TOTAL ASSETS	\$ 1,570,372	\$ -	\$ -	\$ 440,537	\$ 191,466
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 207,877	\$ -	\$ -	\$ -	\$ -
Accrued Salaries	161,877	-	-	-	-
Other Payable	-	-	-	-	-
Time Warrants	1,000,000	-	-	-	-
USDA Note Payable	-	-	-	-	-
Municipalities Payable	-	-	-	-	-
TOTAL LIABILITIES	\$ 1,369,754	\$0	\$ -	\$ -	\$ -
FUND BALANCE					
-Restricted	\$ 63,529	\$ -	\$ -	\$ 440,537	\$ 191,466
-Unassigned	136,982	-	-	-	-
TOTAL FUND BALANCE	\$ 200,618	\$ -	\$ -	\$ 440,537	\$ 191,466
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,570,372	\$ -	\$ -	\$ 440,537	\$ 191,466

The accompanying notes are an integral part of this statement.

DOOLY COUNTY, GEORGIA
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2014

Major Governmental Funds

Special Local Option Sales Tax Fund 2002	Special Local Option Sales Tax Fund 2013	Transportation Investment Act (TIA) 2013	Health Promotion & Wellness Grant	Dooly County Transit System	Ttal Government Funds
\$ 539	\$ 467,088	\$ 394,952	\$ 1,500		\$ 2,085,608
					594,626
	-				386,220
-	96,906				96,906
\$ 539	\$ 563,994	\$ 394,952	\$ 1,500	\$ -	\$ 3,163,360
\$ -	\$ -	\$ -	\$ -		\$ 207,877
-					161,877
-					-
-					1,000,000
-	90,167				-
-					90,167
\$ -	\$ 90,167	\$ -	\$ -		\$ 1,459,921
\$ 539	\$ 473,827	\$ 394,952	\$ 1,500		\$ 1,566,350
-					136,982
\$ 539	\$ 473,827	\$ 394,952	\$ 1,500		\$ 1,703,439
\$ 539	\$ 563,994	\$ 394,952	\$ 1,500	\$ -	\$ 3,162,821

DOOLY COUNTY, GEORGIA
RECONCILIATION OF THE GOVERNMENT FUNDS BALANCE SHEET TO THE GOVERNMENT
WIDE STATEMENT OF NET ASSETS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

Total Fund Balances - Total Governmental Funds	\$	1,703,332
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Amounts reported for Governmental Activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not current in the Governmental Funds Balance Sheet		15,974,904
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Compensated Absences

Long-term liabilities are not due and payable in the current period and therefore they are not reported in the Governmental Funds Balance Sheet

Capital Lease Payable	966,313	
Bond	3,024,988	
Landfill Postclosure Liability	169,910	
PNC Bank	485,529	(4,646,740)
Adjustments		

Net assets of governmental activities	\$	13,031,496
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The accompanying notes are an integral part of these statements.

DOOLY COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	General Fund	Housing Rehabilitati on 07h-y- 046-1-3356 Capital Project	CHIP 04m-7- 046-1-2902 Capital Project Fund	Georgia Trauma Care Network Commission	Sharing Sheriff Fund
REVENUES					
Taxes and Special Assessments	\$ 6,543,590	\$ -	\$ -	\$ -	\$ -
License and Permits	40,953	-	-	-	-
Intergovernmental	719,478	-	-	-	-
Charges for Service	1,364,024	-	-	-	-
Fines and Forfeitures	3,289,917	-	-	-	-
Interest Earned	1,408	-	-	-	-
Miscellaneous and Other	1,028,690	-	-	-	-
Grants - Contributions	-	-	-	-	-
Intergovernmental Expenditures	-	-	-	4,774	165,252
TOTAL REVENUES	\$ 12,988,060	\$ -	\$ -	\$ 4,774	\$ 165,252
EXPENDITURES - CURRENT					
General Government	\$ 4,205,190	\$ -	\$ 184	\$ -	\$ -
Public Safety	5,143,286	-	-	-	96,931
Sanitation	766,528	-	-	-	-
Landfill	19,941	-	-	-	-
Highways & Streets	1,560,385	-	-	-	-
Health	942,717	-	-	-	-
Welfare	279,982	-	-	-	-
Coroner	22,288	-	-	-	-
Library and Recreation	362,027	-	-	-	-
Economic, Industrial and Community Development	227,469	-	-	-	-
Natural Res. Con. Svc	31,413	-	-	-	-
Other	434,110	-	-	-	-
Intergovernmental	-	-	-	-	-
Capital Outlay					
Capital Outlay - General	-	-	-	-	-
Capital Outlay - Public Safety/Fire De	-	-	-	-	-
Capital Outlay - Highways & Streets	-	-	-	-	-
Capital Outlay - Health EMS	-	-	-	4,774	-
Capital Outlay - Recreation	-	-	-	-	-
Capital Outlay - Infrastructure	-	-	-	-	-
Debt Service					
Capital Leases	-	-	-	-	-
Municipalities	-	-	-	-	-
Bond - Jail	-	-	-	-	-
TOTAL EXPENDITURES	\$ 13,995,336	\$ -	\$ 184	\$ 4,774	\$ 96,931
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (1,007,276)	\$ -	\$ (184)	\$ -	\$ 68,321
OTHER FINANCING SOURCES					
Capital Lease Addition	-	-	-	-	-
Sale of Equipment	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES	\$ -	\$ -	\$ -	\$ -	\$ -
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES	(1,007,276)	-	(184)	-	68,321
FUND BALANCE- BEGINNING PRIOR PERIOD ADJUSTMENT	1,207,787	-	184	-	123,145
FUND BALANCE ENDING	\$ 200,511	\$ -	\$ -	\$ -	\$ 191,466

The accompanying notes are an integral part of this statement.

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

FOR YEAR ENDED SEPTEMBER 30, 2014

Sheriff Drug Fund	Special Local Option Sales Tax	Special Local Option Sales Tax Fund 2007	Special Local Option Sales Tax Fund 2013	Transportation Investment Act (TIA)	Health Promotion & Wellenss Grant	Dooly County Transit System	Total Government Funds
\$ -	\$ -	\$ -	\$ -	\$ 800,391			\$ 7,343,981
-	-	-	-	-	-	-	40,953
-	-	-	-	-	-	-	719,478
-	-	-	-	-	-	-	1,364,024
-	-	-	-	-	-	-	3,289,917
-	-	-	-	-	-	-	1,408
-	-	-	-	-	-	-	1,028,690
179,295	-	-	1,348,687	-	3,000	220,902	1,921,910
\$ 179,295	\$ -	\$ -	\$ 1,348,687	\$ 800,391	\$ 3,000	\$ 220,902	\$ 15,710,361
\$ -	\$ -	\$ -	\$ 13,500			\$ 220,902	\$ 4,439,776
309,363	-	-	-	-	-	-	5,549,580
-	-	-	-	-	-	-	766,528
-	-	-	360,916	196,476	-	-	19,941
-	-	-	-	-	2,000	-	2,117,777
-	-	-	-	-	-	-	944,717
-	-	-	-	-	-	-	279,982
-	-	-	-	-	-	-	22,288
-	-	-	-	-	-	-	362,027
-	-	-	-	-	-	-	227,469
-	-	-	-	-	-	-	31,413
-	-	-	-	-	-	-	434,110
-	-	-	-	-	-	-	-
-	-	-	-	48,400	-	-	48,400
-	907	6,990	178,688	-	-	-	191,359
-	-	-	4,997	-	-	-	4,997
-	-	-	-	310,389	-	-	310,389
-	-	-	-	-	-	-	-
-	-	-	337,288	-	-	-	337,288
-	-	-	395,779	-	-	-	395,779
\$ 309,363	\$ 907	\$ 6,990	\$ 1,291,168	\$ 555,265	\$ 2,000	\$ 220,902	\$ 16,483,820
\$ (130,068)	\$ (907)	\$ (6,990)	\$ 57,519	\$ 245,126	\$ 1,000	\$ -	\$ (773,459)
-	-	-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(130,068)	(907)	(6,990)	57,519	245,126	1,000	-	(773,459)
570,605	1,446	6,990	416,308	149,826	500	-	2,476,791
-	-	0	0	-	-	-	-
\$ 440,537	\$ 539	\$ -	\$ 473,827	\$ 394,952	\$ 1,500	\$ -	\$ 1,703,332

The accompanying notes are an integral part of this statement.

**Reconciliation of the Government Funds -
Statement of Revenues, Expenditures and Changes in Fund
Balances to the Government-Wide Statement of Activities and
Changes in Net Assets
For the Fiscal Year Ended September 30, 2014**

Net change in fund balances - total government funds	\$ (777,459)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental Funds report capital outlay as expenditures. However, in the Government-Wide Statement of Activities and changes in Net Assets, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.	555,145
Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities and Changes in Net Assets, but they do not require the use of current financial resources. Therefore, depreciation expense on capital is not reported as expenditures in Government Funds.	(627,149)
Repayment of bond principal and Bank Loan is an expenditure in Government Funds, but the repayment reduces long-term liabilities in the Government-Wide Statement of Net Assets.	402,990
Compensated Absences are reported in the government-wide statement of activities but does not require the use of current financial recourses and are not reported as expenditures in governmental funds.	0
Decrease in Liability to Municipal Landfill are reduction to Expenditures in Government-Wide Statements	19,941
Capital Lease Additions	(653,929)
Capital Lease Payment (Net)	<u>601,172</u>
Prior Period Adjustment	<u>(102,198)</u>
Municipalities Payable	90,167
	<u><u>\$(491,320)</u></u>

The accompanying notes are an integral part of this statement.

DOOLY COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL GENERAL FUND TYPE
FOR THE YEAR ENDED SEPTEMBER 30, 2014

REVENUES	Budget	Final	Actual	Variance- Favorable (Unfavorable)
Taxes	\$ 6,571,401	\$ 6,571,401	\$ 6,543,590	\$ (27,811)
License and Permits	48,000	48,000	40,953	(7,047)
Intergovernmental	679,000	679,000	719,478	40,478
Charges for Services	1,733,380	1,733,380	1,364,024	(369,356)
Fines and Forfeitures	3,180,000	3,180,000	3,289,917	109,917
Sale of Equipment	10,000	10,000	2,500	(7,500)
Interest Earned	1,200	1,200	1,408	208
Equipment Buyback	127,000	127,000	-	(127,000)
Miscellaneous and Other	699,940	699,940	1,026,190	326,250
Grants - Contributions	-	-	-	-
TOTAL REVENUES	\$ 13,049,921	\$ 13,049,921	\$ 12,988,060	\$ (61,861)
EXPENDITURES				
General Government	\$ 3,905,449	\$ 3,905,449	\$ 4,205,190	\$ (299,741)
Public Safety	4,090,564	4,090,564	5,143,286	(1,052,722)
Sanitation	793,440	793,440	766,528	26,912
Landfill	15,125	15,125	19,941	(4,816)
Highways & Streets	1,854,538	1,854,538	1,560,385	294,153
Health	962,710	962,710	942,717	19,993
Welfare	376,520	376,520	279,982	96,538
Coroner	23,444	23,444	22,288	1,156
Library and Recreation	347,416	347,416	362,027	(14,611)
Economic, Industrial and Community Development	243,755	243,755	227,469	16,286
Natural Res. Con. Service	34,166	34,166	31,413	2,753
Grants	-	-	-	-
Other	402,794	402,794	434,110	(31,316)
TOTAL EXPENDITURES	\$ 13,049,921	\$ 13,049,921	\$ 13,995,336	\$ (945,415)
EXCESS OF REVENUES OVER EXPENDITURES	\$ -	\$ -	\$ (1,007,276)	\$ (1,007,276)
FUND BALANCE - BEGINNING			\$ 1,207,787	
PRIOR PERIOD ADJUSTMENT			\$ -	
FUND BALANCE AT SEPTEMBER 30, 2014			\$ 200,511	

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

**DOOLY COUNTY, GEORGIA
SHERIFF DRUG FUND
STATEMENT OF REVENUES - EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Budget	Actual	Variance - Favorable Unfavorable
<u>REVENUES</u>			
Federal Sharing	\$ -	\$ -	\$ -
Other Income	5,000	10,190	5,190
Equipment Sold	25,000	26,965	1,965
Interest	15,000	1,386	(13,614)
Confiscated Funds	18,000	140,754	(122,754)
	\$ 63,000	\$ 179,295	\$ (129,213)
<u>EXPENDITURES</u>			
Public Safety	225,000	309,363	(84,363)
Capital Outlay		-	
	\$ 225,000	\$ 309,363	\$ (84,363)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (162,000)	\$ (130,068)	\$ 393,251
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES		\$ (130,068)	
FUND BALANCE ENDING SEPTEMBER 30, 2013		570,605	
FUND BALANCE ENDING SEPTEMBER 30, 2014		\$ 440,537	

The accompanying notes are an integral part of this statement.

**DOOLY COUNTY, GEORGIA
SHERIFF SHARING FUND
STATEMENT OF REVENUES - EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Budget	Actual	Variance - Favorable Unfavorable
<u>REVENUES</u>			
Federal Sharing	\$ 225,000	\$ 165,252	\$ (59,748)
Other Income	-	-	-
Equipment Sold	-	-	-
Interest	-	-	-
Confiscated Funds	-	-	-
TOTAL REVENUES	\$ 225,000	\$ 165,252	\$ (59,748)
<u>EXPENDITURES</u>			
Public Safety	225,000	96,931	128,069
Capital Outlay	-	-	-
TOTAL EXPENDITURES	\$ 225,000	\$ 96,931	\$ 128,069
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ -	\$ 68,321	\$ 393,251
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES		\$ 68,321	
FUND BALANCE BEGINNING SEPTEMBER 30, 2013		<u>123,145</u>	
FUND BALANCE ENDING SEPTEMBER 30, 2014		<u><u>\$ 191,466</u></u>	

The accompanying notes are an integral part of this statement.

DOOLY COUNTY, GEORGIA
COMPARATIVE STATEMENT OF FIDUCIARY FUNDS
ASSETS AND LIABILITIES - AGENCY FUNDS
September 30, 2014

	2014	2013
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 2,214,617	\$ 595,052
Due from Others	-	-
TOTAL ASSETS	\$ 2,214,617	\$ 595,052
<u>LIABILITIES</u>		
Due to Others	\$ 2,214,617	\$ 595,052

The accompanying notes are an integral part of this statement.

**DOOLY COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

Summary of Significant Accounting Policies

A. REPORTING ENTITY

Dooly County, Georgia (hereinafter the County) a political subdivision of the State of Georgia, is governed by a five-member elected board of commissioners.

The accompanying financial statements report on the financial activity for Dooly County, Georgia for the year ended September 30, 2013. The financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units.

The reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading and incomplete.

For financial reporting purposes, in accordance with the criteria set forth in GASB 14, the County includes all funds over which the County exercises financial accountability. The criteria used to determine financial accountability is evidenced by the following:

1. Ability to impose will on an organization by being able to significantly influence the programs, projects or activities of, or the level of services performed or provided by, the organization.
2. Financial benefit to or burden on primary government including responsibility for financing debts, entitlements to surpluses and guarantees or moral responsibility for debt.
3. Fiscal dependency for matters including authority over funds and budgetary appropriations.
4. Ability of primary government to appoint a voting majority of an organization's governing body.

The Governmental Accounting Standards Board (GASB) has issued Statement No. 34. This Statement establishes new financial reporting requirements for state and local governments throughout the United States. Its implementation creates new information and restructures much of the information that governments have presented in the past.

The GASB's intent is to make annual reports more comprehensive and easier to understand.

GASB 34 takes effect for entities the size of Dooly County, Georgia during the fiscal year ending September 30, 2004. Some of the more significant changes in GASB Statement 34 incurred:

**DOOLY COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

Summary of Significant Accounting Policies (continued)

A. Reporting Entity (Continued)

1. The presentation of a government-wide statement of net assets that includes infrastructure (roads, bridges, etc.) and all debt.
2. The presentation of current and accumulated depreciation by activity.
3. The presentation of a government-wide statement of activities using full accrual accounting.
4. The presentation of the original adopted budget as well as the final amended budget in the budgetary comparison statements.

Legally separate entities, over which the County exercises financial accountability, whose operations are, in substance, part of the County's operations are blended or combined with the data from the County.

Entities, over which the County exercises financial accountability, whose operations are distinct from those of the County are discretely presented in a separate column in the government-wide financial statements.

Included for financial reporting purposes using these criteria are:

COMPONENT UNITS

In evaluating how to define the County for financial reporting purposes, management has considered all potential component units. The criteria set forth in GAAP and GASB number 14 are used to determine any potential component units. The basic, but not the only, criteria for including a potential component unit within the reporting entity is the governing body's ability to exercise financial accountability for the appointment of a voting majority of the component unit's board (simple accountability). Other criteria used to evaluate potential component units for including or exclusion from the reporting entity is ability to impose its will, the existence of financial benefit or burden, the fiscal dependency and designation of management.

In accordance with the above criteria the County has determined that the Dooly County Board of Health should be included as a discretely presented component unit. It is presented in a separate column to emphasize that it is legally separate from the County and has a fiscal year end of June 30, 2013. Separately audited basic financial statements may be obtained from the County Commissioners office or the Health Department.

In accordance with the above criteria the County has determined that the Dooly County Industrial Development Authority should be included as a discretely presented component unit. It is presented in a separate column to emphasize that it is legally separate from the County and has a fiscal year end of September 30, 2014. Separately audited basic financial statements may be obtained from the County Commissioners office or the Health Department.

Excluded from financial reporting using this criteria are:

1. The Middle Flint Regional Development Center, a joint venture described in Note T.
2. There are various other related organizations for which the County appoints board members but has no further accountability.

**DOOLY COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

Summary of Significant Accounting Policies (continued)

B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting related to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net assets and the operating statements present increases (revenues) and the decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The County considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for recognition of all other Governmental Fund revenues. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

The revenues susceptible to accrual are property taxes, franchise fees, licenses, charges for service, interest income and intergovernmental revenues. Sales taxes collected and held by the state at year end on behalf of the government are also recognized as revenue. All other governmental fund revenues are recognized when received.

C. BASIS OF PRESENTATION

The government-wide financial statements (i.e., the statement of net assets and statement of activities) display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. These statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other non exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

**DOOLY COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

Summary of Significant Accounting Policies (continued)

C. BASIS OF PRESENTATION (continued)

The fund financial statements reflect the activities of the County's individual funds. Funds are organized into three categories: governmental, capital projects, and special revenue. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the County (i.e., the general fund) or meets the following criteria:

- a. Total assets, liabilities, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County has elected to apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989 in the government-wide financial statements unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

As a general rule, the effects of internal activity have been eliminated from the government-wide statements. Exceptions to this general rule are administrative charges between the County's general fund and special revenue funds. Eliminations of these charges would distort the direct costs and program revenues for the various functions concerned.

Program revenues are derived directly from a particular program or from parties outside the County's taxpayers or citizenry. 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. All taxes are included in general revenues.

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.

**DOOLY COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

Summary of Significant Accounting Policies (continued)

C. Basis of Presentation (Continued)

Columnar Headings and Description of Funds

The County uses funds to report financial position and the results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

The County reports the following major governmental funds:

General Fund - The general fund is the County's primary operating fund and is always classified as a major fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Federal Drug Fund - to account for revenues derived from specific taxes, grants and other sources which are designated to finance particular activities of the County.

Capital Project Fund:

1. Capital Project Housing 07h-y-046-1-3356 - to account for revenues derived from specific taxes, grants and other sources which are designated to finance particular activities of the County.
2. Capital Project CHIP 04m-7-046-1-2902 - to account for revenues derived from specific taxes, grants and other sources which are designated to finance particular activities of the County.

Transportation Investment Act (TIA) -

Special Local Option Sales Tax Fund 2002, 2007, and 2013 - to account for revenues derived from specific taxes, grants and other sources which are designated to finance particular activities of the County. The Capital Project funds consist of the Special Use Local Option Tax Fund.

Additionally, the County reports the following fund type:

Fiduciary Funds - account for assets held, as an agent, for individuals, private organizations, other governments and other funds. These funds are accounted for on the accrual basis.

D. BUDGET LAW AND PRACTICE

The County Clerk submits an annual budget to the Commissioners prior to the beginning of each fiscal year. The Commissioners adopt annual fiscal year appropriated budgets for County operating funds. These include the General and Special Revenue Funds. Once approved, the Commissioners may amend the legally adopted budget when unexpected modifications are required in estimated revenues and appropriations.

The legal level of budgetary control is the department level. The budgets for the operating funds are prepared on the modified accrual basis. Revenues are budgeted in the year receipt is expected; and expenditures, which include accounts payable are budgeted in the year that the applicable purchase orders are expected to be issued. The budget and actual financial statements are reported on these bases.

**DOOLY COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

Summary of Significant Accounting Policies (continued)

D. Budget Law and Practice: (Continued)

BUDGETARY CONTROL

Each fund's appropriated budget is prepared on a detailed line item basis. Revenues and expenditures are budgeted by source. All budget revisions are subject to final review by the Commissioners.

The budget is incorporated into the accounting system, and used and compared to actual receipts and disbursements to insure fiscal responsibility.

Excess expenditures over budgeted appropriations before other financing sources in individual funds were as follows:

Federal Drug Fund
Special Use Local Option Tax Funds

The nature of these funds lends itself to budget variances. The excess expenditures were funded with prior year's cash.

There were several areas where expenditures were in excess of appropriated budgeted amounts. There are various reasons for this, all of which the County is aware of. The general fund expenditures came over budgeted amounts by \$. Financial Statements (page 9).

Commissioners are aware and have approved the variances; however, the budget was not formerly amended.

Material budget violations for the following departments:

Sanitation	\$ 299,741
Public Safety	1,052,722
Library and Recreation	14,611
Other	31,316
Total	<u>\$ 1,398,390</u>

E. ENCUMBRANCES

Encumbrance accounting is not used by Dooly County. At September 30, 2013 there were no material encumbrance type items outstanding.

**DOOLY COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

Summary of Significant Accounting Policies (continued)

F. INVENTORY AND PREPAID ITEMS

Expendable supplies are recorded as expenditures at the time items are purchased. The County does not record inventories of supplies on the books due to immateriality.

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

G. ACCOUNTS RECEIVABLE

These are amounts paid by Dooly County which are to be reimbursed during the next fiscal year. The amount is considered fully collectible.

Garbage fees are billed in advance and collected on a monthly basis. Accounts receivable are \$209,315 less allowance for bad debt of \$109,315 for a net total of \$100,000.

H. PROPERTY TAXES RECEIVABLE AND PROPERTY TAX CALENDAR

Property taxes receivable are uncollected property taxes from 2010 and prior years.

The County levies property taxes October 1 of each year and the taxes are due by December 20 of each year. All taxes not collected are shown as taxes receivable with a reserve for uncollectible. Lien dates for personal and real property taxes are June 20.

I. ACCUMULATED UNPAID VACATION, SICK PAY, AND OTHER EMPLOYEE BENEFIT AMOUNTS

Accumulated unpaid sick pay and other employee benefit amounts are not accrued in governmental funds (using the modified accrual basis of accounting. At September 30, 2014, unrecorded liabilities included approximately \$173,000.

J. ACCOUNTS PAYABLE AND ACCRUED EXPENSE

These are amounts due or accrued as of September 30, 2014.

K. TIME WARRANTS

Time warrants outstanding at September 30, 2014 was \$1,000.

L. CASH, INVESTMENTS AND DEPOSITS

At September 30, 2014, the bank account balances totaled \$2,680,234. Cash and time deposits include amounts in demand deposits, passbook savings as well as certificates of deposits. All cash is separately held and reflected in its respective fund. Cash equivalents are short term, highly liquid investments with a maturity date of three months or less that can be converted to known amounts of cash.

**DOOLY COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

Summary of Significant Accounting Policies (continued)

L. CASH, INVESTMENTS AND DEPOSITS (continued)

The County's deposit policy limits deposit choices to checking accounts, money market accounts and certificates of deposits with local banks. All deposits are to be secured as required by state statutes. The state statute requires the deposits to be secured at an amount equal to the total deposits less FDIC insurance, and then multiplied by 110 percent.

The County's investment policy limits investment choices to investments complying with state statutes. These investments are limited to obligations of 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, the local government investment pool established by state law and obligations of other political subdivisions of the State of Georgia.

Deposits:

Custodial Risk- Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County has a deposit policy for custodial credit risk.

M. CAPITAL ASSETS

Capital assets, which include property, plant, equipment and infrastructure assets (i.e., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities column in government-wide financial statements. Capital assets are defined by the County as assets with an initial cost of \$5,000 or more and an estimated life of more than one year. All capital assets (governmental and proprietary) are valued at historical cost or estimated historical cost if actual cost is not available. Donated capital assets are valued at their fair market value when donated. Interest costs on debt incurred for the construction of capital assets are capitalized net of interest earned on the invested proceeds of construction debt over the same period. Major improvements that extend the life of an asset are capitalized. Normal maintenance and repairs are charged to expense as incurred. Preliminary and interim costs incurred by governmental and proprietary funds for capital projects are reported as "construction in progress." Costs related to abandoned projects are expensed when the project is abandoned.

The County has recorded all infrastructure assets acquired subsequent to October 1, 2003 and is currently reviewing its infrastructure to ensure that all such assets are recorded before the phase-in date for retroactive general infrastructure reporting under Governmental Accounting Standards Board Statement.

Capital assets are depreciated over their estimated lives using the straight-line method as follows:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Furniture and Fixtures	5 to 7 Years
Machinery and Equipment	5 to 15 Years
Buildings	20 to 50 Years
Infrastructure	50 Years

**DOOLY COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

Summary of Significant Accounting Policies (continued)

M. CAPITAL ASSETS (Continued)

Capital asset activity for the year ended September 30, 2014 was as follows:

	Balance Oct 1	Additions/ Completions	Retirements/ Adjustments	Balance 9-30- 14
Governmental Activities:				
Capital Assets not being depreciated				
Land	\$ 1,610,359	\$ -	\$ -	\$ 1,610,359
Total Capital assets not being depreciated	<u>\$ 1,610,359</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,610,359</u>
Infrastructure	\$ 1,976,922	\$ 310,389	\$ -	\$ 2,287,311
Building	13,109,518	-	-	13,109,518
Vehicles	3,611,780	101,192	-	3,712,972
Heavy Equipment	3,165,026	138,567	-	3,303,593
Furniture, Fixtures and Equipment	1,085,931	4,997	-	1,090,928
Total Capital Assets being depreciated	<u>\$ 22,949,177</u>	<u>\$ 555,145</u>	<u>\$ -</u>	<u>\$ 23,504,322</u>
Less: Accumulated Depreciation for:				
Infrastructure	42,975	-	-	42,975
Building	3,073,077	-	-	3,073,077
Vehicles	2,470,927	55,744	-	2,526,671
Vehicles Heavy Equipment	2,030,602	556,160	-	2,586,762
Furniture, Fixtures and Equipment	854,448	55,844	-	910,292
Total Accumulated Depreciation	<u>\$ 8,472,029</u>	<u>\$ 667,748</u>	<u>\$ -</u>	<u>\$ 9,139,777</u>
Total Capital Assets being depreciated, net	<u>\$ 14,477,148</u>	<u>\$ (112,603)</u>	<u>\$ -</u>	<u>\$ 14,364,545</u>
Total Capital Assets	<u>\$ 16,087,507</u>	<u>\$ (112,603)</u>	<u>\$ -</u>	<u>\$ 15,974,904</u>

Depreciation expense was charged to Program/Functions of the Primary Government as follows:

Program Activities:	
General Government	\$ 227,293
Public Safety - Sheriff	67,634
Public Safety - Fire	89,205
Health and Welfare	21,716
Highway and Streets	196,765
Sanitation	24,536
	<u>\$ 627,149</u>

**DOOLY COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

Summary of Significant Accounting Policies (continued)

M. CAPITAL ASSETS (Continued)

The County made an inventory of its governmental activities capital assets at September 30, 2003. Capital assets were adjusted for this inventory and for a change in its capital asset policy. Because of the above, governmental activities capital assets at September 30, 2003 will not agree with the previously released financial statements for September 30, 2003

Capital Leases

The government has entered into a lease agreement as lessee for financing the acquisition of road equipment. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date.

N. GENERAL LONG TERM DEBT ACCOUNTS

These accounts are established to record the amount of unmatured long-term indebtedness which is backed by the full credit of the County and certain other assets pledged. Debt which is intended to be financed from tax revenues is reported on the Government-Wide Statement of Net Assets as time warrants and is to be repaid by December 31 of each year.

Schedule of Short Term Debt:

Balance	09-30-13	\$ 250,000
Received		1,750,000
Paid		<u>(1,000,000)</u>
Balance	09-30-14	<u>\$ 1,000,000</u>

The purpose of short term debt is to meet current expenditures.

The general long-term debt accounts represent a summary of the general obligation debt of the County all in the form of Capital Lease Purchase Agreements and one General Obligation Bond Issue. The leases carry various renewal and purchase options including some guaranteed buy back agreements and interest rates varying from 3.9 - 6.2%. The County carries the full amount of the lease as an obligation. Amounts are provided for the repayment of these debts by various budgeted revenues and when paid is charged to equipment rental expense or debt service.

The only general obligation bonds are the "Dooly County, Georgia General Obligation Jail Bonds, Series 1998" in the original amount of \$5,750,000. The bonds were issued to fund the cost of acquiring, constructing and equipping a new jail facility for Dooly County, Georgia. The interest rate on the bonds is at 4.55% per annum through 3-1-2005. At that time and at the end of each five year period the rate shall be at 62% of Prime as published by the Wall Street Journal, however, the rate shall not be less than 3.5% or greater than 6.25% per annum. In accordance with GASB guidance, the current rate of 5.3% per annum is used for purposes of minimum future payments.

The balance as of September 30, 2014 is:

Balance	9-30-13	\$3,347,854
Payments		<u>322,866</u>
Balance	9-30-14	<u>\$3,024,988</u>

