DOOLY COUNTY

GEORGIA

FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2013

AND

INDEPENDENT AUDITOR'S REPORT

HERBERT E. ALLEN
CERTIFIED PUBLIC ACCOUNTANT
AMERICUS, GEORGIA

DOOLY COUNTY

GEORGIA

FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2013

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, COMMISIONER

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 21, 2014

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, 2013, 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 $135,323 as of June 30, 2013, and total revenues of $336,989 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 Sates 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 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, 2013, 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 21, 2014 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 the 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

HERBERT E. ALLEN, CPA

DOOLY COUNTY, GEORGIA
GOVERNMENT-WIDE STATEMENT OF NET ASSETS
SEPTEMBER 30, 2013

	Governmental Activities	Component Units: Public Health	Component Units: Industrial Dev. Authority
ASSETS			
Cash	$ 2,431,754	$ 135,323	$ 194,746
Restricted Cash	63,917	-	79,817
Accounts Receivable	522,359	-	
Notes Receivable - USDA	-	-	
Other	-		65,184
Capital Assets:		-	
Land	1,610,359	-	500,024
Infrastructure	1,976,922	-	
Building	13,109,518	-	1,515,305
Vehicles	3,611,780	-	
Heavy Equipment	3,165,026	-	
Furniture, Machinery & Equipment	1,085,931	-	
Capital Assets (Net) Component Unit	-	-	
Accumulated Depreciation	(8,472,029)	-	(84,364)
TOTAL ASSETS	$ 19,105,537	$ 135,323	$ 2,270,712
LIABILITIES AND NET ASSETS			
LIABILITIES			
Accounts Payable and Accrued Expenses	$ 197,347		
Time Warrants	250,000	-	
Prepaid Rent	-	-	
Other Payables	0	30,841	
Bond Payable	3,347,854	-	
PNC Bank	589,847	-	
Capital Leases Payable	914,056	-	
Municipalities Payable	93,766	-	
Estimated Liability for Landfill Closure	-	-	
and Postclosure Care Costs	189,851	-	
TOTAL LIABILITIES	$ 5,582,721	$ 30,841	
NET ASSETS			
Invested in Capital Assets Net of Related Debt	$ 11,235,750	$ -	$ 1,930,965
Restricted Cash-USDA, Housing Rehabilitation and CHIP Grants, Federal Drug and SPLOST Funds	63,917	30,707 -	79,817
Unrestricted	2,223,149	73,775	259,931
TOTAL NET ASSETS	$ 13,522,816	$ 104,482	$ 2,270,713

The accompanying note are an integral part of these statements.

DOOLY COUNTY, GEORGIA
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2013

	Program Revenues				Component Un	
	Expenses	Fees, Fines & Charges for Services	Operating Grants & Contributions	Governmental Activities	Public Health	Indu Develo Autl
General Government	$ 4,682,208	$ 48,785	$ 896,578	$ (3,736,845)	$ -	$
Public Safety	6,136,910	4,393,518		(1,743,392)	-	
Sanitation	817,669	903,873		86,204	-	
Highways & Streets	1,934,990	741,784		(1,193,206)	-	
Health	844,255	276,563		(567,692)	-	
Welfare	354,105			(354,105)	-	
Coroner	18,467			(18,467)	-	
Culture & Recreation	334,465			(334,465)	-	
Economic, Industrial & Community Development	241,212			(241,212)	-	
Interest on long-term debt	271,718			(271,718)	-	
Total Governmental Activities	$ 15,635,999	$ 6,364,523	$ 896,578	$ (8,374,898)	$ -	$
Component Units						
Public Health					$ (34,607)	
Industrial Development Authority						(
General Revenues:						
Taxes:						
Property Tax				5,834,628		
SPLOST Taxes				1,490,898		
Tranportation Inv. Act				529,683		
Local Option Taxes				791,693		
Alcohol Beverage Taxes				2,436		
Insurance Premium Taxes				256,621		
Business License Taxes				28,196		
Intergovernmental				319,515		
Interest Earned				2,218		
Sale of Equiptment				17,889		
Miscellaneous and Other				269,854		
Total General Revenues				9,543,631	$ -	$
Change in Net Assets				$ 1,168,733	$ (34,607)	$
Net Assets at Beginning of Year				12,496,673	139,089	2,3
Prior Period Adjustment				(142,590)		
Net assets at End of Year				$ 13,522,816	$ 104,482	$ 2,2

DOOLY COUNTY, GEORGIA
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2013

Major Governmental Funds

	General Fund	Housing Rehabilitation 07h-y-046-1-3356 Capital Project Fund	CHIP 04m-7-046-1-2902 Capital Project Fund	Georgia Trauma Care Network Commission	CHIP 09m-y-046-1-6022 Capital Project Fund	Federal Drug Fund	
ASSETS AND OTHER DEBITS ASSETS							
Cash	$ 1,171,458	$ -	$ 184	$ -	$ -	$ 693,750	
Restricted Cash	63,791	-		-	126		
Receivable	419,885	-	-	-	-	-	
Other	-	-	-	-	-	-	
TOTAL ASSETS	$ 1,655,134	$ -	$ 184	$ -	$ 126	$ 693,750	
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts Payable	$ 197,347	$ -	$ -	$ -	$ -	$ -	
Accrued Salaries	-	-	-	-	-	-	
Other Payable	-	-	-	-	-	-	
Time Warrants	250,000	-	-	-	-	-	
USDA Note Payable	-	-	-	-	-	-	
Municipalities Payable	-	-	-	-	-	-	
		-	-	-	-	-	
TOTAL LIABILITIES	$ 447,347	$0	$0	$ -	$ -	$ -	
FUND BALANCE							
-Reserved	$ 63,791	$ -	$ 184	$ -	$ 126	$ 693,750	
-Unassigned	1,591,343	-	-	-	-	-	
TOTAL FUND BALANCI	$ 1,207,787	$ -	$ 184	$ -	$ 126	$ 693,750	
TOTAL LIABILITIES AND FUND BALANCE	$ 1,655,134	$ -	$ 184	$ -	$ 126	$ 693,750	$ -

The accompanying notes are an integral part of this statement.

DOOLY COUNTY, GEORGIA
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2013

Major Governmental Funds

Special Local Option Sales Tax Fund 2002	Special Local Option Sales Tax Fund 2007	Special Local Option Sales Tax Fund 2013	Transportation Investment Act (TIA) 2013	Health Promotion & Wellness Grant	Dooly County Transit System	Ttal Government Funds
$ 1,446	$ 6,990	$ 407,600	$ 149,826	$ 500		$ 2,431,754
						63,917
-		102,474				522,359
-	-					-
$ 1,446	$ 6,990	$ 510,074	$ 149,826	$ 500	$ -	$ 3,018,030
$ -	$ -	$ -	$ -	$ -		$ 197,347
-	-					-
-	-					-
-	-					250,000
-	-					-
-	-	93,766				93,766
-	-					-
	$ -	$ 93,766	$ -	$ -		$ 541,113
$ 1,446	$ 6,990	$ 416,308	$ 149,826	$ 500		$ 1,332,921
-	-					1,591,343
$ 1,446	$ 6,990	$ 416,308	$ 149,826	$ 500		$ 2,476,917
$ 1,446	$ 6,990	$ 416,308	$ 149,826	$ 500	$ -	$ 2,924,264

The accompanying notes are an integral part of this statement.

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, 2013

Total Fund Balances - Total Governmental Funds		$ 2,476,917
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		16,087,507
Compensated Absenses		
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	(914,056)	
Bond	(3,347,854)	
Landfill Postclosure Liability	(189,851)	
RBC Bank	(589,847)	(5,041,608)
Adjustments		
Net assets of governmental activities		$ 13,522,816

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, 2013

REVENUES										
Taxes and Special Assessments	$	6,608,082	$	-	$	-	$	-	$	-
License and Permits		52,160		-		-		-		-
Intergovernmental		976,252		-		-		-		-
Charges for Service		1,900,367		-		-		-		-
Fines and Forfeitures		3,218,557		-		-		-		-
Interest Earned		1,090		-		-		-		-
Miscellaneous and Other		-		-		-		-		-
Grants - Contributions		1,281,410		-		-		-		-
Intergovernmental Expenditures		-		-		-		74,286		30,268
TOTAL REVENUES	$	14,037,918	$	-	$	-	$	74,286	$	30,268
EXPENDITURES- CURRENT										
General Government	$	3,828,801	$	-	$	-	$	-	$	-
Public Safety		5,569,521				-		-		-
Sanitation		783,077		-		-		-		-
Landfill		10,056		-		-		-		-
Highways & Streets		1,245,326		-		-		-		-
Health		821,039		-		-		-		-
Welfare		354,105		-		-		-		-
Coroner		18,467		-		-		-		-
Library and Recreation		334,465		-		-		-		-
Economic, Industrial and				-		-		-		-
Community Development		210,612		-		-		-		30,600
Intergovernmental		413,153								
Capital Outlay				-		-		-		-
Capital Outlay - General		70,493		-		-		-		-
Capital Outlay - Public Safety/Fire Dept.		-		-		-		-		-
Capital Outlay - Highways & Streets		-		-		-		-		-
Capital Outlay - Health EMS		-		-		-		74,286		-
Debt Service				-		-		-		-
Infrastructure		-		-		-		-		-
Capital Leases		-		-		-		-		-
Municipalities										
Bond - Jail		-		-		-		-		-
TOTAL EXPENDITURES	$	13,659,115	$	-	$	-	$	74,286	$	30,600
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$	378,803	$	-	$	-	$	-	$	(332)
OTHER FINANCING SOURCES										
Capital Lease Addition		-		-		-		-		-
Sale of Equipment		17,889		-		-		-		-
TOTAL OTHER FINANCING SOURCES	$	17,889	$	-	$	-	$	-	$	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES		396,692		-		-		-		(332)
FUND BALANCE- BEGINNING		953,685		-		184		-		458
PRIOR PERIOD ADJUSTMENT		(142,590)		-		-		-		-
FUND BALANCE ENDING	$	1,207,787	$	-	$	184	$	-	$	126

The accompanying notes are an integral part of this statement.

DOOLY COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2013

Federal Drug Fund	Special Local Option Sales Tax Fund 2002	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	
$ -		$ 406,193	$ 1,084,705	$ 529,683			$ 8,628,6
-		-	-				52,1
-		-	-				976,2
-		-	-				1,900,3
76,060		-	-				3,294,6
990		-	138				2,2
716,473		-	-				716,4
-		-	-				1,281,4
-		-	-		2,000	212,961	319,5
$ 793,523		$ 406,193	$ 1,084,843	$ 529,683	$ 2,000	$ 212,961	$ 17,171,6
$ -	$ -	$ -	$ -			$ 212,961	$ 4,041,7
400,272	10,278	-	-				5,980,0
-		-	-				783,0
-		-	-				10,0
-	14,746	284,675	20,506	172,972			1,738,2
-		-	-		1,500		822,5
-		-	-				354,1
-		-	-				18,4
-		-	-				334,4
-		-	-				
-		-	-				241,2
							413,1
-		-	-				
-		-	295,439	151,141			517,0
-		-	-	-			
-		-	-				
-		-		55,744			130,0
-		-	-				
-		-	-				
-		-	-	-			
				-			
		133,853	232,658				366,5
-		274,633	119,932				394,5
$ 400,272	$ 25,024	$ 693,161	$ 668,535	$ 379,857	$ 1,500	$ 212,961	$ 16,145,3
$ 393,251	$ (25,024)	$ (286,968)	$ 416,308	$ 149,826	$ 500	$ -	$ 1,026,3
-		-	-				
-		-	-				17,8
$ -		$ -	$ -				$ 17,8
393,251	(25,024)	(286,968)	416,308	149,826	500	-	1,044,2
300,499	26,470	293,958	-				1,575,2
-		0	0				(142,5
$ 693,750	$ 1,446	$ 6,990	$ 416,308	$ 149,826	$ 500	$ -	$ 2,476,9

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, 2013

Net change in fund balances - total government funds	$	1,044,253
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.		667,748
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.		353,578
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		9,361
Capital Lease Additions		(644,990)
Capital Lease Payment (Net)		365,932
Prior Period Adjustment		
Municipalities Payable		
		$1,168,733

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, 2013

REVENUES	Budget	Final	Actual	Variance-Favorable (Unfavorable)
Taxes	$ 6,196,009	$ 6,196,009	$ 6,625,971	$ 429,962
License and Permits	38,500	38,500	52,160	13,660
Intergovernmental	520,000	520,000	976,252	456,252
Charges for Services	3,214,880	3,214,880	1,900,367	(1,314,513)
Fines and Forfeitures	3,101,995	3,101,995	3,218,557	116,562
Sale of Equipment	5,000	5,000	9,580	4,580
Interest Earned	1,000	1,000	1,090	90
Equipment Buyback	-	-	-	-
Miscellaneous and Other	413,940	413,940	1,271,830	857,890
Grants - Contributions	-	-	-	-
TOTAL REVENUES	$ 13,491,324	$ 13,491,324	$ 14,055,807	$ 564,483
EXPENDITURES				
General Government	$ 4,166,846	$ 4,166,846	$ 3,828,801	$ 338,045
Public Safety	5,102,834	5,102,834	5,569,521	(466,687)
Sanitation	737,074	737,074	783,077	(46,003)
Landfill	39,125	39,125	10,056	29,069
Highways & Streets	1,097,930	1,097,930	1,315,819	(217,889)
Health	837,698	837,698	821,039	16,659
Welfare	376,520	376,520	354,105	22,415
Coroner	23,244	23,244	18,467	4,777
Library and Recreation	339,087	339,087	334,465	4,622
Economic, Industrial and Community Development	214,387	214,387	210,612	3,775
Natural Res. Con. Service	33,864	33,864	25,404	8,460
Grants	-	-	-	-
Other	522,715	522,715	387,749	134,966
TOTAL EXPENDITURES	$ 13,491,324	$ 13,491,324	$ 13,659,115	$ (167,791)
EXCESS OF REVENUES OVER EXPENDITURES	$ -	$ -	$ 396,692	$ 353,124
FUND BALANCE - BEGINNING			$ 953,685	
PRIOR PERIOD ADJUSTMENT			$ (142,590)	
FUND BALANCE AT SEPTEMBER 30, 2013			$ 1,207,787	

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

DOOLY COUNTY, GEORGIA
FEDERAL DRUG FUND
STATEMENT OF REVENUES - EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Budget	Actual	Vartiance - Favorable Unfavorable
REVENUES			
Drug Enforcement Agency	$ 180,000	$ 76,060	$ (103,940)
Other Income	5,000	34,552	29,552
Equipment Sold	25,000	36,695	11,695
Interest	15,000	990	(14,010)
Confiscated Funds		645,226	645,226
TOTAL REVENUES	$ 225,000	$ 793,523	$ 568,523
EXPENDITURES			
Public Safety	225,000	400,272	(175,272)
Capital Outlay		-	
TOTAL EXPENDITURES	$ 225,000	$ 400,272	$ (175,272)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ -	$ 393,251	$ 393,251
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES		$ 393,251	
FUND BALANCE BEGINNING SEPTEMBER 30, 2011		300,499	
FUND BALANCE ENDING SEPTEMBER 30, 2012		$ 693,750	

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, 2013

	2013	2012
ASSETS		
Cash and Cash Equivalents	$ 592,052	$ 600,896
Due from Others	-	-
TOTAL ASSETS	$ 592,052	$ 600,896
LIABILITIES		
Due to Others	$ 592,052	$ 600,896

The accompanying notes are an integral part of this statement.

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:

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, 2013. 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.

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.

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.

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

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

Special Local Option Sales Tax Fund - 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.

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 $730,579. 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	$	46,003
Public Safety		466,687
Highways & Streets		217,889
Economic, Industrial and Community Dev.		-
Total	$	730,579

E. ENCUMBRANCES

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

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 $229,472 less allowance for bad debt of $92,108 for a net total of $137,364.

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, 2013, unrecorded liabilities included approximately $173,000.

J. ACCOUNTS PAYABLE AND ACCRUED EXPENSE

These are amounts due or accrued as of September 30, 2013.

K. TIME WARRANTS

Time warrants outstanding at September 30, 2013 was $250,000.

L. CASH, INVESTMENTS AND DEPOSITS

At September 30, 2013, the bank account balances totaled $2,525,672. 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.

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:

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

Summary of Significant Accounting Policies (continued)

M. CAPITAL ASSETS (Continued)

Capital asset activity for the year ended September 30, 2013 was as follows:

	Balance Oct 1	Additions/ Completions	Retirements/ Adjustments	Balance Sept 30
Governmental Activities:				
Capital Assets not being depreciated				
Land	$ 1,610,359	$ -	$ -	$ 1,610,359
Total Capital assets not being depreciated	$ 1,610,359	$ -	$ -	$ 1,610,359
Infrastructure	$ 1,976,922	$ -	$ -	$ 1,976,922
Building	13,109,518	-	-	13,109,518
Vehicles	3,556,036	55,744	-	3,611,780
Heavy Equipment	2,608,866	556,160	-	3,165,026
Furniture, Fixtures and Equipment	1,030,087	55,844	-	1,085,931
Total Capital Assets being depreciated	$ 22,281,429	$ 667,748	$ -	$ 22,949,177
Less: Accumulated Depreciation for:				
Infrastructure	34,325	8,650	-	42,975
Building	2,869,260	203,817	-	3,073,077
Vehicles	2,421,626	49,301		2,470,927
VehiclesHeavy Equipment	1,740,737	289,865	-	2,030,602
Furniture, Fixtures and Equipment	778,932	75,516	-	854,448
Total Accumulated Depreciation	$ 7,844,880	$ 627,149	$ -	$ 8,472,029
Total Capital Assets being depreciated, net	$ 14,436,549	$ 40,599	$ -	$ 14,477,148
Total Capital Assets	$ 16,046,908	$ 40,599	$ -	$ 16,087,507

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
	$ 627,149

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 indebtness 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	09-30-12	$ 0
Received		1,250,000
Paid		(1,000,000)
Balance	09-30-13	$ 250,000

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, 2013 is:

Balance	9-30-12	$3,579,988
Payments		232,134
Balance	9-30-13	$3,347,854

Summary of Significant Accounting Policies (continued)

N. General Long Term Debt Accounts (Continued)

Principal and Interest for the remaining years is as follows:

YEAR OF MATURITY	PRINCIPAL AMOUNT	INTEREST AMOUNT	TOTAL
9/30/2014	285,000	170,306	455,306
9/30/2015	305,000	154,524	459,524
9/30/2016	325,000	137,671	462,671
9/30/2017	340,000	119,883	459,883
9/30/2018	365,000	101,024	466,024
9/30/2019	385,000	80,865	465,865
9/30/2020	410,000	59,400	469,400
9/30/2021	435,000	36,585	471,585
9/30/2022	497,854	12,420	510,274
	$ 3,347,854	$ 872,678	$ 4,220,532

The County has entered into a number of Capital leases, which contain cancellation provisions and are special year to year leases. . All capital leases are for heavy equipment.

The balance as of September 30, 2013 is:

	GENERAL	SPLOST	TOTAL
Balance 9-30-12	$ 78,708	556,290	$ 634,998
Additions	∂ 88,830	556,160	644,990
Payments	(70,493)	(295,439)	(365,932)
Balance 9-30-13	$ 97,045	$ 817,011	$ 914,056

Principal and interest for the next four years is as follows:

YEAR OF MATURITY	PRINCIPAL	INTEREST	TOTAL
9/30/2014	$ 56,927		56,927
9/30/2015	38,519	-	38,519
9/30/2016	1,599	-	1,599
9/30/2017	$ 97,045	$ -	$ 97,045

YEAR OF MATURITY	PRINCIPAL	INTEREST	TOTAL
9/30/2014	470,728	16,720	487,448
9/30/2015	209,992	6,283	216,275
9/30/2016	127,167	1,675	128,841
9/30/2017	9,124	37	9,160
	817,011	24,714	841,725

Summary of Significant Accounting Policies (continued)

N. GENERAL LONG TERM DEBT ACCOUNTS (Continued)

Long-Term Debt

On November 1, 2001, Dooly County entered in an installment sale agreement with the Dooly County Industrial Development Authority in the amount of $1,500,000 (interest rate at 5.65% per annum) payable at $12,443 per month for total of 15 years. The purpose of the loan is to build a building to serve as a Department of Family and Children Services (DFACS) office. This note is held by PNC Bank.

The balance as of September 30, 2013 is:

Balance 9-30-12	$	711,291
Payments		121,444
Balance 9-30-13	$	589,847

Principal and interest for the remaining length of the loan is as follows:

YEAR OF MATURITY	PRINCIPAL AMOUNT	INTEREST AMOUNT	TOTAL
9/30/2014	117,990	31,329	149,319
9/30/2015	124,930	24,389	149,319
9/30/2016	132,224	17,095	149,319
9/30/2017	140,053	9,266	149,319
9/30/2018	74,650	4,218	78,868
	$ 589,847	$ 86,297	$ 447,957

Summary of Significant Accounting Policies (continued)

O. MUNICIPAL SOLID WASTE LANDFILL CLOSURE AND POSTCLOSURE COSTS

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the side for thirty years after closure. The County ceased receiving waste on July 1, 1998.

The County has revised the estimates based on new estimates by the Georgia Department of Natural Resources, amounts already paid and adjustments based on management of Dooly County. Actual cost is expected to vary due to inflation, changes in technology or regulations, errors in estimates or other outside factors.

The original $900,400 reported as total estimated liability for closure and post-closure care cost at September 30, 1998, represents estimated closure cost of $72,400 and estimated post closure cost of $828,000, which was based on outside engineers and management's estimates.

Changes in amount to be provided for payment of landfill closure and post closure are as follows:

	Original Estimate	Revised Estimate
Total Estimated Liability	$900,400	$317,000
Paid FYE 9-30-98	(927)	(927)
Paid FYE 9-30-99	(12,820)	(12,820)
Paid FYE 9-30-00	(13,721)	(13,721)
Paid FYE 9-30-01	(20,339)	(20,339)
Paid FYE 9-30-02	(23,780)	(23,780)
Paid FYE 9-30-03	(15,704)	(15,704)
Paid FYE 9-30-04	(14,286)	(14,286)
Paid FYE 9-30-05	(16,633)	(16,633)
Paid FYE 9-30-06	(15,713)	(15,713)
Paid FYE 9-30-07	(21,000)	(21,000)
Paid FYE 9-30-08	(6,965)	(6,965)
Paid FYE 9-30-09	(12,761)	(12,761)
Revised 9-30-10		83,830
Paid FYE 9-30-10	(7,267)	($7,267)
Paid FYE 9-30-11	(10,341)	(10,341)
Paid FYE 9-30-12	(9,361)	(9,361)
Paid FYE 9-30-13	(9,361)	(9,361)
Balance 9-30-13	$698,782	$189,851

Summary of Significant Accounting Policies (continued)

P. RISK MANAGEMENT

The County is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Pursuant to Title 34, Chapter 9, Article 5 of the Official Code of Georgia Annotated, the County became a member of the Association of County Commissioners of Georgia's Group Self Insurance Worker's Compensation Fund. The effective date of membership was October 1, 1982. The liability of the fund to the employees of any employer (Dooly County) is specifically limited to such obligations as are imposed by applicable state laws against the employer for workers' compensation and/or employer's liability.

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

The Fund is to defend, in the name of and on behalf of the members, any suits or other proceedings which may at any time be instituted against them on account of injuries or death within the preview of the Worker's Compensation Law of Georgia, or on the basis of employer's liability, including suits or other proceedings alleging such injuries and demanding of compensation therefore, although such suits, other proceedings, allegations or demands be wholly groundless, false or fraudulent. The fund is to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

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

Relative to employee unemployment benefits which is administered on a cost reimbursement basis with the Georgia Department of Labor, no fund has been established or funded for this activity nor has any accrued estimated liability been recorded. However, based on prior experience the County does not expect any major claims, and contingencies are budgeted to include minor claims.

The County purchases commercial insurance to cover other risks of loss. The coverage amounts for these risks are in amounts to the extent deemed necessary by management.
As of September 30, 2013 there were no outstanding claims that would, in management's opinion, have a material adverse effect on the County's financial condition.

Q. RECEIVABLES AND PAYABLES WITHIN THE REPORTING ENTITY

There were no receivables and payables within the reporting entity.

Summary of Significant Accounting Policies (continued)

R. CONTINGENT LIABILITIES

Dooly County, Georgia (the County) entered into a contract with the Hospital Authority of Dooly County (the Authority) on April 1, 1996. The Authority issued Revenue Certificates, Series 1996 in the amount of $2,740,000. The proceeds were to refinance Series 1991 and to be used by Dooly Medical Center (the Hospital) in order to acquire and construct certain additions, extensions and improvements to the Hospital.

The County, among other things, agreed that should all other moneys, revenues and receipts arising out of or in connection with the ownership and operations of the Hospital be insufficient to pay the principal and interest on the Revenue Certificates as the same becomes due and payable, the County will be liable to pay such principal and interest in the amount of such insufficiency, if any. Any such deficiency would be funded by an annual tax levy within the 7 mill limit as required by law.

On September 16, 2005, the Dooly County Commissioners received $398,188 from Dooly Medical Center from the proceeds of the sale of the hospital property by the Dooly County Hospital Authority.

For the year ended September 30, 2013, the County approved bond payments, including interest, totaling $170,320 which was paid. These payments were made in lieu of indigent care payments made in prior years.

S. PENSION PLAN

The County sponsors the Association County Commissioners of Georgia Restated Pension Plan for Dooly County Employees (The Plan), which is a defined benefit pension plan.

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

Funding Policy: The County is required to contribute an actuarially determined amount annually to the Plan's trust. The contribution amount is determined using actuarial methods and assumptions approved by the ACCG Plan Trustees and must satisfy the minimum contribution requirement contained in the State of Georgia Statutes.

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

Summary of Significant Accounting Policies (continued)

S. PENSION PLAN (continued)

Derivation of Net Pension Obilgation	2013	2012
Net Pension Obligation as of Beginning of Prior Year	$ (36,653)	$ (19,195)
Annual Pension Cost for Prior Year	165,110	162,654
Actual Contributions to Plan for Prior Year	181,667	180,112
Increased in Pension Obligation	$ (16,557)	$ (17,458)
Net Pension Obligation as of Beginning of the Year	$ (53,210)	$ (36,653)

Derivation of Net Pension Obilgation	2013	2012
Net Pension Obligation as of Beginning of Prior Year	$ (36,653)	$ (19,195)
Annual Pension Cost for Prior Year	165,110	162,654
Actual Contributions to Plan for Prior Year	181,667	180,112
Increased in Pension Obligation	$ (16,557)	$ (17,458)
Net Pension Obligation as of Beginning of the Year	$ (53,210)	$ (36,653)

Basis of Valuation

Current Valuation Date	January 1, 2013
Annual Return on Invested Plan Assets	7.75%
Projected Annual Salary Increases	4.0%-6.5% based on age
Expected Annual Inflation	3.00%
Actuarial Value of Assets	Market Value
Actuarial Funding Method	Projected Unit Credit
Amortization Method	Level Percent of Pay (Closed)

Summary of Significant Accounting Policies (continued)

S. PENSION PLAN (continued)

Trend Information for the Plan

Fiscal Year Beginning	Annual Pension Cost (ACP)	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation
January 1, 2013	192,418	N/A	N/A	(53,210)
January 1, 2012	165,110	N/A	N/A	(36,653)
January 2, 2011	162,654	180,112	111%	(19,195)
January 1, 2010	154,004	153,900	100%	(19,299)
January 1, 2009	137,325	156,624	114%	

Fiscal Year Ending	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Projected Unit Credit	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percent of Covered Payroll
	(a)	(b)	(b-a)	(a/b)	c	[(b-a)/c]
December 31, 2012	1,101,039 *	1,666,126	565,087	66.1%	4,226,007	13.4%
December 31, 2011	902,641 *	1,449,244	546,603	62.3%	4,312,384	12.7%
December 31, 2010	710,460 *	1,263,267	552,807	56.2%	4,176,082	13.2%
December 31, 2009	566,366 *	1,062,274	495,908	53.3%	3,970,120	12.5%

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

The assets and liabilities shown above refelct expected amounts as of the last day of the plan year. These amounts may vary from those used in determining the required contribution, since those calculations use actual amounts as of the first day fo the next plan year.

Summary of Significant Accounting Policies (continued)

T. JOINT VENTURES

River Valley

Under Georgia Law, the County, in conjunction with other cities and counties in the eight county west central Georgia area, is a member of the River Valley Regional Commission (RVRC) and is required to pay annual dues thereto. During its year ended September 30, 2013, the County paid approximately $5,743 in such dues. Membership in an RVRC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RVRC in Georgia. The RVRC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-30.1 provides that the member governments are liable for any debts or obligations of an RVRC. Separate financial statements may be obtained from RVRC.

The Middle Georgia Regional Solid Waste Management Authority

The Middle Georgia Regional Solid Waste Management Authority was activated by the Board of Commissioners of Peach County, Macon County and Dooly County on August 30, 1993, under the provisions of the of the Regional Solid Waste Management Authority Act (Ga. Laws 1990, page 412). The Middle Georgia Regional Solid Waste Management Authority operates under a Board of Directors. There are seven directors, with two directors representing each County and one director appointed by the directors themselves. The Authority is designed to research, study and plan for the solid waste management needs of the participating counties and to gather data and research for all phases of the solid waste management needs of the counties. The Authority does not have the power to borrow money, issue bonds or enter into any financial obligations without the authorization of the participating counties who will be involved in the repayment of such obligations.

The total cost of the operation of the C&D cell and transfer station is funded from revenue received form tipping fees. Separate financial statements for the Middle Georgia Regional Solid Waste Management Authority can be obtained from the Middle Georgia Regional Solid Waste Management Authority's offices in Oglethorpe, Georgia.

U. OTHER

Certain previously reported amounts have been reclassified to conform to FYE September 30, 2012, report classifications.

V. LITIGATION

The County has been advised by council that there are no material claims against the County.

W. E911 AUTHORITY

In December 2002, the Middle Flint Regional E-911 Authority was formed by the following counties: Dooly, Macon, Marion, Schley, Sumter, Taylor and Webster. In 2005, the Authority began providing Enhanced 911 services to the member counties. The phone companies remit the 911 surcharges directly to the Authority. In addition to the phone surcharges, each member county also provides supplemental funding to the Authority. For FYE 09/30/2013, Dooly County provided a total of $20,764 to the Authority.

Summary of Significant Accounting Policies (continued)
X. FUND EQUITY AND FUND BALANCE

Fund Equity:

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net assets."

Fund Balance:

Generally, the fund balance represents the difference between the current assets and the current liabilities. This is the first year the city is using the fund balance class of GASB 54. GASB 54 has established five categories of fund balance for governmental type funds. The five classes of fund balance are Non-spendable, Restricted, Committed, Assigned, and Unassigned.

Non-spendable- include prepaid items, inventory, long-term notes receivable and permanent funds.
Restricted- constrained by external parties or enabling legislation.
Committed- constrained for a specific purpose by the government, highest level of decision making authority.
Assigned-constrained for a specific purpose, but is limited by the amount of unassigned.
Unassigned- not classified as one of the above.

	9/30/2012	Change	9/30/2013
Fund Balances:			
Restricted:	$ 684,746	$ 648,175	$ 1,332,921
Unassigned:	890,508	657,267	1,547,775
Total:	$ 1,575,254	$ 1,305,442	$ 2,880,696

Y. MIDDLE GEORGIA REGIONAL SOLID EASTE MANAGEMENT AUTHORITY

Post-closure Care Cost.

Federal laws and regulations require the Middle Georgia Regional Solid Waste Management Authority (the "Authority") to 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 estimated liability for solid waste landfill closure and post-closure care costs has a balance of $900,422 as of June 30, 2013 and is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill was acquired as of June 30, 2013. In 2013, Georgia Environmental Protection Division allowed for the three member county governments to account for their portion of the total closure/post-closure costs of the landfill based on the percentage of ownership of each county in the Authority. Macon Count's ownership percentage is 28.6%. Peach County's percentage is 48.0%. and Dooly County's percentage is 23.4%. Therefore Dooly County's closure/post-closure care costs total $210,699 as of June 30, 2013.

However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. Financial assurance requirements are to be monitored through financial ratio on testing on an annual basis. No commercial insurance has been purchased to satisfy financial assurance requirements.

HERBERT E. ALLEN

CERTIFIED PUBLIC ACCOUNTANT

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Member of the Georgia Society of Certified Public Accountants

February 21, 2014

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*

lonorable Chairman and Members
f the Board of Commissioners of
)ooly County, Georgia

/e have audited the governmental activities, the business type activities, the aggregate discretely resented component units, each major fund, and the aggregate remaining fund information as of and)r the year ended September 30, 2013, and have issued our report thereon dated February 21, 2014. /e did not audit the financial statements of the Dooly County Department of Public Health which was udited by other auditors whose report as been furnished to us and our opinion as it relates to those mounts is based solely on the reports of other auditors. Except as discussed in the preceding :ntences, we conducted out audit in accordance with auditing standards generally accepted in the nited States of America and the standards applicable to financial audits contained in Government uditing Standards, issued by the Comptroller General of the United States.

ternal Control over Financial Reporting

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

control deficiency exists when the design or operation of a control does not allow management or ıployees, in the normal course of performing their assigned functions to prevent or detect sstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of ntrol deficiencies, that adversely affects the Dooly County, Georgia's ability to initiate, authorize, :ord, process, or report financial data reliably in accordance with generally accepted accounting nciples such that there is more than a remote likelihood that a misstatement of the Dooly County, orgia's financial statements that is more than inconsequential will not be prevented or detected by ! Dooly County, Georgia's internal control.