DOUGHERTY COUNTY, GEORGIA

FINANCIAL REPORT

FOR THE YEAR ENDED
JUNE 30, 2010

INTRODUCTORY SECTION

DOUGHERTY COUNTY, GEORGIA

FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2010

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INTRODUCTORY SECTION

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LIST OF PRINCIPAL OFFICIALS

DOUGHERTY COUNTY BOARD OF COMMISSIONERS

Jeff Sinyard, Chairman

Jack Stone, Vice Chairman

Muarlean Cain Edwards

John Hayes

Lamar Hudgins

Dr. Charles Lingle

Gloria Gaines

COUNTY ADMINISTRATOR

Richard Crowdis

FINANCE DIRECTOR

Karen Goff

FINANCIAL SECTION

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
of Dougherty County, Georgia
Albany, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of **Dougherty County, Georgia**, as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Dougherty County, Georgia's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Dougherty County Board of Health, which statements reflect total assets of $3,235,025 as of June 30, 2010, and total revenues of $14,093,061 for the year ended June 30, 2010. Those financial statements were audited by other auditors whose report thereon have been furnished to us, and our opinion on the basic financial statements, insofar as it relates to the amounts included for the Dougherty County Board of Health in the component unit column is based solely on the report of the other auditors.

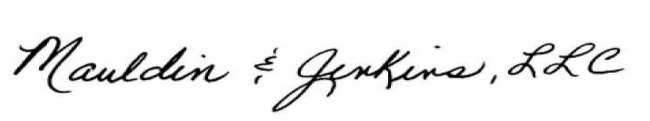
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and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

In our opinion and based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Dougherty County, Georgia as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2010, on our consideration of Dougherty County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis (on pages 3 through 13) and the Required Supplementary Information on pages 59 and 60 are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Dougherty County, Georgia's basic financial statements. The introductory section and the combining and individual nonmajor fund financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of Dougherty County, Georgia. The schedule of expenditures of special purpose local option sales tax proceeds is presented for purposes of additional analysis as required by the Official Code of Georgia Annotated 48-8-121, and is not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of special purpose local option sales tax proceeds have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Macon, Georgia
December 28, 2010

DOUGHERTY COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010

As management of Dougherty County, Georgia, (the County) we offer readers of the County's financial statements this overview and analysis of the County's financial activities for the fiscal year ended June 30, 2010. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements and the notes to the financial statements.

Financial Highlights

- The County's statement of net assets (page 14) reflected a decrease of $4,142,330 for governmental activities. In part this was a planned use of reserves and is discussed in a section further down. This statement is a combined view of all the County's financial activities including SPLOST funds which naturally decrease as projects are completed.
- The statement of activities (page 16) reflects revenue collected through service charges and grants to provide services, which is 20% of total revenue needed to provide primary government services. The balance of revenue comes from property tax, sales tax and other tax.
- The 2009 county-wide tax digest residential assessed values increased 0.57%, commercial property assessed values increased 0.34%, and industrial property assessed value decreased 8.3%. The State moratorium, HB233, took effect this year which froze property values at the 2008 Digest value unless new construction or additions took place. The Forest Land Protection Act went into effect with 27,211 acres taxed at a much lower rate. The County-wide millage rate remained the same at 11.894 mils.
- The General Fund (the operating fund) fund balance (unreserved and reserved) decreased $2,485,701. Of this $2.4M decrease; approximately $650,000 was due to an operating loss. A transfer of $1.5 million to the Group Health Plan (internal service fund) was required. The Board of Commissioners budgeted re-appropriation of fund balance of $1.9 million in order hold the millage rate at the same level as last year and prevent a tax increase to the citizens of Dougherty County.
- This year the County repaid a Capital Lease and issued Revenue Refunding Bonds through Albany-Dougherty Inner City Authority that are recorded in the DHR Building Lease Fund. This restructure saved approximately $693,000 in bond payments. These savings will be used in capital repairs and improvements to the DHR building.
- The Special Tax District Fund records services to the unincorporated area of the county. The 2009 millage rate remained the same at 7.275 mils. The fund balance decreased $262,614 which was a planned use of fund balance. The Commission budgeted re-appropriation of fund balance of $571,773. For this fiscal year, this fund is categorized as a non-major governmental fund.
- The Solid Waste Fund (the only enterprise fund) records the activity of the County's Landfill. Net assets increased $129,816. The County finalized a contract with the Department of Defense whereby the County will sell landfill methane gas to the local Marine Corp Logistic Base which will process it into energy to be consumed by the base.
- 2005 One Percent Sales Tax Fund sales tax revenues totaled $16,714,286 (62% or $10,343,861) was distributed to the City of Albany through an inter-governmental agreement for capital projects). Sales tax collections were down 10.8% from the same time frame last year. A discussion of current project activity follows under the section – Analysis of Fund Level Statements

Overview of the Financial Statements

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

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

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

- Governmental Activities – Most of the County's basic services are reported here, including courts, libraries, public works and public safety. The majority of these activities are financed through property taxes, fees and fines. Dougherty County receives very little State and Federal funds for its governmental activities. Also included in this category are the County's special local option tax funds which are used for capital projects.
- Business-Type Activities – Dougherty County charges a fee to customers to cover the cost of operations for its enterprise fund. No tax dollars are used to operate the landfill. The Solid Waste Landfill is the only enterprise fund that the County maintains. Tipping fees are set to sufficiently operate facility.
- Component Units – Dougherty County includes the Dougherty County Health Department as a Component Unit. The Health Department legally is a separate entity but the County is required by GAAP to include its financial statements.

(2) *Fund financial statements* begin on page 18. A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. Fund financial statements focus on individual sections of the County, reporting the County's operations in more detail than the panoramic picture presented by the government-wide statements. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Non-major fund statements begin on page 61.

(3) The *Notes* section of the basic financial statements explains some of the information contained in the financial statements in greater detail. This section begins on page 29.

Analysis of Government-Wide Statements

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

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

The net assets for Governmental Activities decreased between fiscal years 2009 and 2010. Business-Type Activities net assets increased between fiscal years 2009 and 2010. Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the County's governmental and business-type activities.

Table 1
Net Assets
(in Millions)

	Governmental Activities		Business-type Activities	
	2009	2010	2009	2010
Current and other assets	$ 53.6	49.5	$ 6.6	$ 7.8
Capital assets	153.3	151.7	10.0	9.1
Total Assets	206.9	201.2	16.6	16.9
Current liabilities	$ 5.9	5.9	$ 0.1	-
Long-term liabilities	17.6	16.0	3.9	4.2
Total Liabilities	23.5	21.9	4.0	4.2
Net assets:				
Invested in capital assets, net of debt	144.3	143.1	10.0	9.1
Restricted	29.1	25.2	-	
Unrestricted	10.0	11.0	2.6	3.6
Total Net Assets	$ 183.4	$ 179.3	$ 12.6	$ 12.7

Table 2
Changes in Net Assets
(In Millions)

	Governmental Activities		Business-Type Activities	
	2009	2010	2009	2010
Revenues				
Program revenues:				
Charges for services	$ 13.6	$ 13.5	$ 2.7	$ 3.2
Operating grants and contributions	0.7	0.5	-	-
Capital grants and contributions	0.7	0.6	-	-
General revenues:				
Property taxes	31.8	30.6	-	-
Sales tax	22.3	23.1	-	-
Other taxes	2.1	2.0	-	-
Investment income	0.6	0.2	0.1	-
Total revenues	71.8	70.5	2.8	3.2
Program Expenses				
General government	11.8	10.9	-	-
Judicial	7.7	8.3	-	-
Public safety	30.3	31.3	-	-
Public works	9.7	9.7	-	-
Health and welfare	4.1	3.3	-	-
Culture and recreation	6.6	7.1	-	-
Economic development	4.0	3.3	-	-
Interest on long-term debt	0.6	0.7	-	-
Solid waste operating expenses	-	-	1.6	3.1
Total expenses	74.7	74.6	1.6	3.1
Excess (deficiency) of revenues over (under) expenses before transfers	(2.8)	(4.1)	1.3	0.1
Transfers	-	-	-	-
Increase (decrease) in net assets	(2.8)	(4.1)	1.3	0.1
Net assets, beginning of year, restated	186.2	183.4	11.4	12.6
Net assets, end of year	$ 183.4	$ 179.3	$ 12.7	$ 12.7

Governmental Activities

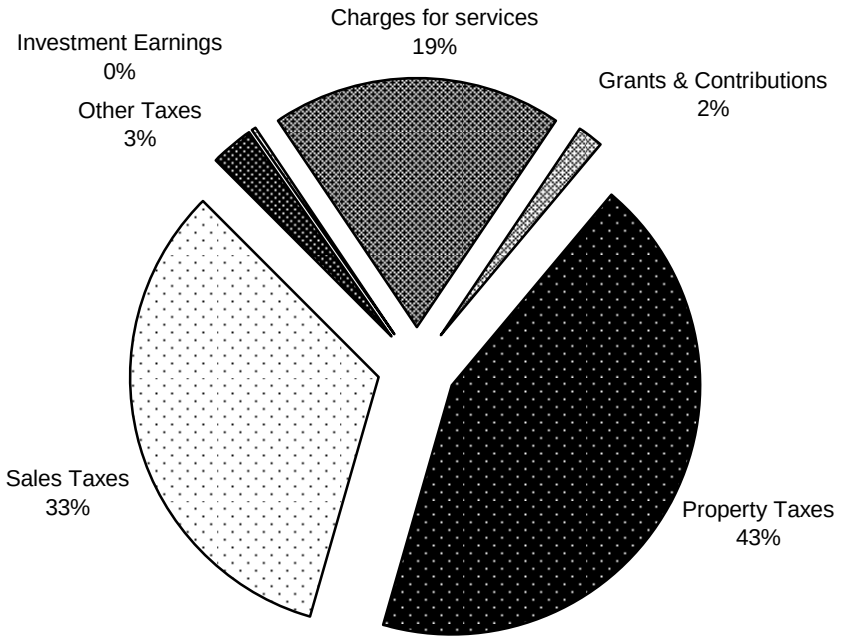
Total revenues decreased 1.73% ($1.24 million) from FY 2009. Total expenses decreased 0.16% ($122 thousand) from FY 2009.

The County is seriously reliant on property taxes and sales taxes to support governmental operations. Property taxes provided $30.6 million in revenue or 43.4% of the County's total governmental revenues as compared to 44.5% in 2009. The county-wide millage rate applied to the 2009 Tax Digest remained at 11.894 mils. The special services district millage rate applied to the 2009 Tax Digest remained at 7.272 mils.

Local Option Sales Tax and Special Local Option Sales Tax revenue provided $23.1 million in revenue or 32.8% of the County's total governmental revenues in FY 2010 as compared to $22.3 million or 31.5 % of the County's total governmental revenues in FY 2009. Sales tax revenue increased 3.6% between 2009 and 2010.

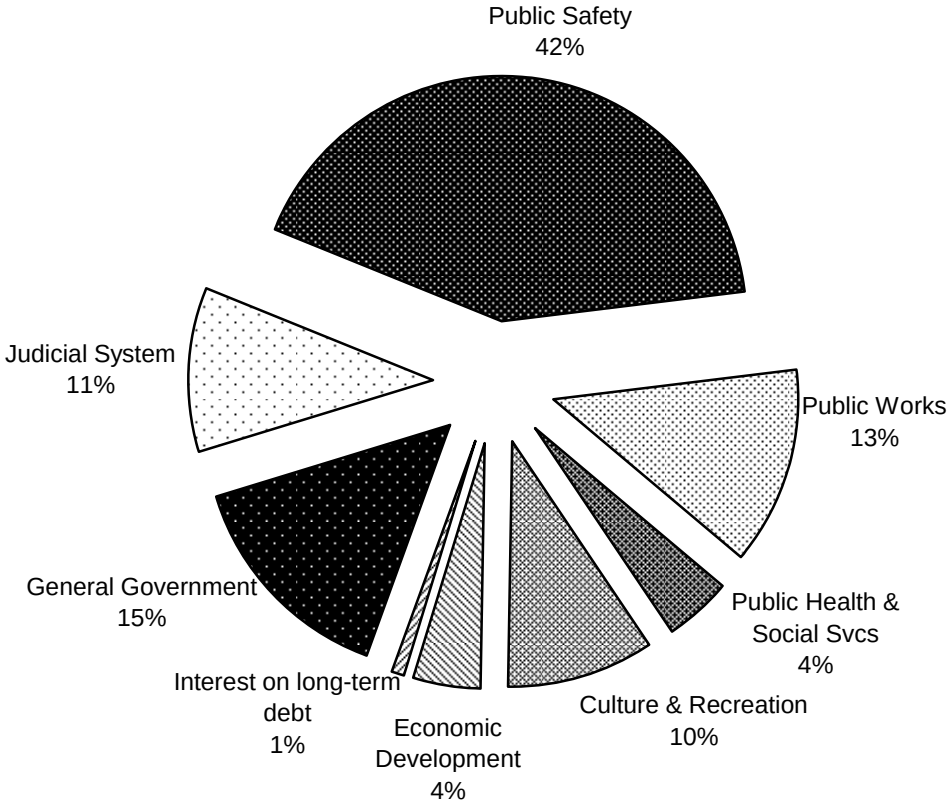
Also notable, investment earnings continued to decrease due to low interest earning rates offered by financial institutions and bond market.

Governmental Activities Revenues



Total expenses show a decrease of 0.1 million. Expenses decreased from $74.7 million in 2009 to $74.6 million in 2010. Governmental activities include the functions of general government, judicial system, public safety, public works, health and welfare, culture and recreation, and economic development operating expenses as well as SPLOST capital projects. The chart below shows the percentages of expenses for function or service.

Governmental Activities Expenses



The Public Safety activities make up approximately 42% of the total governmental activities expenses. General Government activities, which include Facilities Management, Tax and Tag Collections and County Administration, Finance, Human Resources, and Legal counsel, make up approximately 15%. The Judicial System activities, which included Clerk of Courts, Superior, State, Magistrate and Probate Court, make up approximately 11%. Public Works activities cost approximately 13%.

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

Table 3
Governmental Activities
(In Millions)

	Total Cost of Services		Net Cost of Services	
	2009	2010	2009	2010
General government	$ 11.8	$ 10.9	$ (7.0)	$ (6.2)
Judicial	7.6	8.3	(6.9)	(7.6)
Public safety	30.3	31.3	(22.3)	(23.4)
Public works	9.7	9.7	(9.4)	(8.9)
Health and welfare	4.1	3.3	(4.1)	(3.3)
Culture and recreation	6.6	7.1	(6.1)	(6.7)
Housing and development	4.0	3.3	(3.3)	(3.3)
Interest on long-term debt	0.6	0.7	(0.6)	(0.7)
Total Governmental Activities	$ 74.7	$ 74.6	$ (59.7)	$ (60.1)

Business-type Activities

The Dougherty County Solid Waste Landfill is the County's only business-type activity. This enterprise is primarily funded through tipping fees. Each year liabilities and expenses are recorded for estimated closure and post-closure care as required by law. No revenue is received from taxes for this activity. The Solid Waste net assets increased $129,816. The major reason for this gain and not loss is an adjustment in the tipping fee rates as a result of a full financial analysis of the Solid Waste Management System. Charges for services revenue was 17.9% higher than last year and expenditures were 99% higher. This is not a true increase in operating costs but the direct affect of the prior year large adjustment in closure and post-closure accrued expense.

Analysis of the Fund Level Statements

The fund financial statements begin on page 18 and provide detailed information about the County's most significant funds. Fund level statements provide a narrower more focused view of financial activity. Fund level statements focus on a more *current* rather than *long-term* financial position. The establishment of some funds is required by State law; however, the County Commission establishes many other funds to help control and manage money for particular purposes and provide transparency in financial management. The County's *governmental and proprietary funds* use different accounting approaches.

Governmental funds

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

General Fund, DHR Building Lease Fund, 2005 One Percent Sales Tax Fund are categorized as major funds. (page18) The County's governmental funds reported combined fund balances of $44.7 million, a decrease of 4.81%. Non-major governmental fund statements begin on page 61.

The General Fund fund balance decreased by $2.5 million. In consideration to the taxpayers of the County, the County Commission budgeted to use $1.9 million from reserves. Due to controlled, efficient monitoring of budgets by department managers, a lesser amount of reserves was required. Actual expenses of $44.1 million were less than budgeted expenses by $1.7 million. The actual operating loss was $647,863. A transfer of $1.5 million was required to the Group Health Plan, an internal service fund. To control spending, no cost-of-living or merit increases were budgeted. No new positions were funded. Position vacancies were frozen except for essential public safety positions. The required pension plan contribution was higher due to less than anticipated market returns. An interfund transfer of $300,000 to the Special Tax District was made to align the revenue generated by traffic fines with the expenses of County Police traffic enforcement.

The DHR Building Lease Fund was established to record the lease transactions between the State of Georgia, acting by and through the Georgia Department of Human Services, and Dougherty County, the leasing agent for a building located at 200 West Oglethorpe Boulevard, Albany, Georgia. The DHR Building houses the Department of Family & Children Services (DFACS). The lease agreement went into effect December, 2000. A general obligation bond for $14.7 million was sold in 1999 through Albany-Dougherty Inner City Authority to facilitate the construction of the building. Bond and interest payments due by the County are secured by the full faith and credit of the State of Georgia. This fiscal year the 2000 GO bond was repaid and a new revenue refunding bonds were sold in March 2010. It is projected to save the County $693,000 in principal and interest payments. The County received a bond rating of AA- from Standard & Poor's. The County received a $250,000 deposit from the sale to be used for HVAC and roof capital items.

In the 2005 One Percent Sales Tax Fund (SPLOST V) total sales tax revenues received were $16.7 million of which the City of Albany received $10.3 million (62%). Actual sales tax revenue received for County projects was $6.4 million. Actual expenditures for County projects (including City projects) were $14 million. Current projects include judicial building renovations for Juvenile Court relocation, mental health building improvements, Dougherty County Jail Facility exterior renovations, Northwest Library relocation, Radium Springs Gardens improvements.

Proprietary funds

The County's Solid Waste Landfill is reported as an enterprise fund. The level of fees charged for services at the Landfill is based on the operational cost of running the Landfill. Proprietary funds are reported in the same way all other activities are reported in the Statement of Net Assets and the Statement of Activities. The County's enterprise fund (proprietary fund) reporting (pages 24-26) is the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows. The tipping fee rates charged for Landfill services increased in August 2010. The tipping fee rates increased from $27.00 per ton to $34.25. Revenues from tipping fees were 17.8% higher attributable to the new rates. A financial analysis of Landfill operations was conducted by a contracted vendor to ensure revenues from tipping fees cover operating costs, equipment replacement costs and future cell development. An anomaly last fiscal year was the vertical expansion permit issued by the State DNR for cells 7-12 of the municipal solid waste (MSW) area of the Landfill and the

construction/demolition area. This expansion adds capacity and life to the Landfill. Since closure and post-closure costs are calculated on used and remaining capacity, the estimated costs for one year is reduced by $1.2 million.
Last year the County established a new internal service fund to capture the activities of the Dougherty County Employees Group Health Plan, a self-insurance health care plan. Previously, the County participated in a pooled plan with the City of Albany. The County employs the services of an insurance broker to advise on cost containment and negotiate service and coverage contracts. This fund required $ 1.5 million transfer from the General Fund reserves. This fund has an oversight board consisting of the County Administrator, Assistant County Administrator, Finance Director, Human Resources Director, Tax Director and Jail Director. Strategies are being developed and plan changes implemented to curb the rising health care costs.

Fiduciary Funds

Dougherty County is the trustee for its employees' pension fund. The Dougherty County Pension Fund is overseen by an appointed Board which chooses a third-party investment manager through an RFP process. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The funds are in a protected trust fund. The County reviews, reconciles and records the statements from the investment manager on a quarterly basis. The total net assets increased $3,894,756 from last year. This increase is directly tied to the slight improvement in stock market performance and return on investment. The County's required annual contribution increased by 21.5% to $2,632,246. From the actuarial valuation report, the plan's funded ratio is 93.0%.

General Fund Budgetary Highlights

The General Fund Budget is developed to cover the costs of services and the tax millage is set to generate enough revenue to cover costs. Budget figures are calculated on the modified-accrual basis. As can be seen in Note 3 on page 40, only five departments exceeded their budgets, but under expending in other departments compensated. Revenues were budgeted at $46.1 million and actually received $43.5 million, a difference $2.6 million. The budgeted use of fund balance was partially realized. $1.9 million was budgeted from reserves and only $.9 million was used for General fund operations. A resolution to amend the 2010 budget was passed June 7, 2010 increasing the overall budget $1 million.

Capital Assets and Debt Administration

Capital Assets

At the end of FY 2010, the County's governmental activities reflected $151.7 million net capital assets (costs less accumulated depreciation) invested in a broad range of capital assets, including police and fire equipment, public works heavy equipment, buildings, roads, and bridges. This fiscal year GASB statement 51 required easements to be included as capital assets. The beginning balance was adjusted for these intangible assets. This is a decrease of $1.6 million from last year. The Business-type activity (Solid Waste Landfill) has $9 million net capital assets (costs less accumulated depreciation), a decrease of $0.9 million. Table 4 is summary data of capital assets. More details can be found on pages 43-45, Note 6 of the financial statements.

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

	Governmental Activities		Business-type Activities	
	2009	2010	2009	2010
Land	$ 35.7	$ 35.9	$ 2.1	$ 2.1
Intangible Assets	5.4	5.4	-	-
Construction in Progress	4.4	4.0	0.2	-
Building & Improvements	70.3	70.0	6.3	6.1
Infrastructure	31.7	30.7	-	-
Vehicles	4.8	4.9	-	-
Equipment	1.1	0.8	1.4	0.9
Totals	$ 153.4	$ 151.7	$ 10.0	$ 9.1

Debt

During the current year, the County issued Revenue Refunding Bonds, Series 2010.. The bonds payable listed on page 47 of the financial statements are bonds issued through the Albany-Dougherty Intercity Authority (ADICA) for the purpose of building construction of a building on 200 Oglethorpe Boulevard. The bond principal and interest payments are funded through a lease agreement with the State of Georgia, acting by and through the Georgia Department of Human Resources, and the County, the leasing agent for a building which houses the Department of Family & Children Services. The County is obligated until 2016.

This is the fourth year the certificates of participation were included in the debt section of the financial statements. This reflects the lease pool agreement with the Georgia Municipal Association (GMA). The purpose of the pool is to finance capital purchases. The County currently does not have any outstanding principal due before the end of the bond period. The County's capacity to drawdown funds from the pool decreased this year to $1.697 million due to the aging of unused funds. The County implemented GASB statement 53, which decreased the beginning balance of the certificates of participation $371,947 to properly reflect the interest rate swap. The County retains the capacity to use these funds for capital purchases approved by the bond insurer if so desired. Readers can find more details on pages 46 - 48.

This is the second year other post-employment benefits (OPEB) obligation is required for governmental agencies in accordance with GASB statement 45. These benefits include the cost of health prescription drug, dental and life insurance provided to retired employees and their dependents. Currently, the health premiums split; 50% paid by the County and 50% paid by the retiree. An actuarial valuation report is conducted every two years to determine this obligation. The most recent report indicated an annual required contribution of $2 million. Statement 45 does not require advance funding but rather accrual accounting of the obligations associated with other post-employee benefits plans. The County has decided to continue on a pay-as-you-go basis and pay the actual costs per year.

The business-type activity that the County operates is the Landfill. The County has been able to maintain and run a state of the art landfill without ever having to borrow money for capital projects or maintenance. The County is required by law to set aside funding for the closure and post-closure of the landfill. These costs include a final cover over the landfill and maintenance and monitoring for 30 years after closure. These laws ensure against negative

environmental impact from garbage gases and leachate. Calculations are made each year to estimate these costs. See page 48.

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

	Activities		Activities	
	2009	2010	2009	2010
Bonds payable	$ -	$ 8.6	$ -	$ -
Capital leases	9.0	-	-	-
Certificates of participation	2.7	1.1	-	-
Compensated absences	3.1	4.0	-	0.1
Net pension obligation	0.1	0.1	-	-
Net OPEB obligation	2.4	4.2	-	-
Landfill closure/postclosure	-	-	3.9	4.1
Totals	$ 17.3	$ 18.0	$ 3.9	$ 4.2

Economic Factors and Next Year's Budgets and Rates

The County is impacted by the same economic conditions impacting the State of Georgia and the nation as a whole. Economic conditions were taken into account in developing the County's 2011 budget. Some of the issues impacting the County's future are:

- Slight rebound in building and related permits issued.
- Further development of a new industrial park with railroad access.
- County-wide 2007 property revaluation; 2007 Tax Digest was approved by Department of Revenue for collection, but is in pending litigation
- Elimination by the State of Georgia of the Homeowner Tax Relief Grant
- The economic down turn and closing of small businesses and employment layoffs
- Minimal increase in the county-wide tax digest growth with future tax exemptions
- Reduced household spending resulting in lower sales tax collections
- State of Georgia budgetary constraints, shifting operating costs to the County (i.e., Tax collection costs)
- Increase in healthcare costs affecting the County's self-insured health care plan

Contacting the County's Financial Management

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

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

DOUGHERTY COUNTY, GEORGIA

STATEMENT OF NET ASSETS

JUNE 30, 2010

	Primary Government		
ASSETS	**Governmental Activities**	**Business-type Activities**	**Total**
Cash and cash equivalents	$ 7,473,084	$ 670,869	$ 8,143,953
Investments	36,206,936	6,607,479	42,814,415
Taxes receivable	3,120,620	-	3,120,620
Accounts receivable	1,109,607	580,793	1,690,400
Interest receivable	-	27,351	27,351
Internal balances	104,115	(104,115)	-
Due from other governments	1,109,759	-	1,109,759
Due from component units	8,278	-	8,278
Inventories	174,780	47,454	222,234
Deferred charges	202,858	-	202,858
Capital assets, non-depreciable	45,324,113	2,064,045	47,388,158
Capital assets, depreciable, net of accumulated depreciation	106,379,750	7,054,906	113,434,656
Total assets	201,213,900	16,948,782	218,162,682
LIABILITIES			
Accounts payable	785,365	-	785,365
Accrued liabilities	1,360,339	300	1,360,639
Due to other governments	1,403,006	-	1,403,006
Unearned revenues	395,926	-	395,926
Other liabilities	4,286,992	-	4,286,992
Bonds payable due within one year	940,000	-	940,000
Bonds payable due in more than one year	7,697,633	-	7,697,633
Compensated absences due within one year	1,035,941	32,229	1,068,170
Compensated absences due in more than one year	2,943,299	68,398	3,011,697
Closure and postclosure care cost	-	4,119,874	4,119,874
Certificates of participation due in more than one year	1,101,836	-	1,101,836
Total liabilities	21,950,337	4,220,801	26,171,138
NET ASSETS			
Invested in capital assets, net of related debt	143,066,230	9,118,951	152,185,181
Restricted for:			
Capital projects	25,206,674	-	25,206,674
Special use	-	-	-
Unrestricted	10,990,659	3,609,030	14,599,689
Total net assets	$ 179,263,563	$ 12,727,981	$ 191,991,544

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

Component Unit	
	Board of Health
$	2,342,728
	-
	-
	1,128,784
	-
	-
	-
	-
	-
	-
	-
	32,099
	3,503,611
	271,554
	1,158
	580,318
	-
	-
	-
	-
	55,708
	501,377
	-
	-
	1,410,115
	32,099
	-
	1,452,119
	609,278
$	2,093,496

DOUGHERTY COUNTY, GEORGIA

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2010

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	$ 10,925,415	$ 4,754,772	$ -	$ 1,998
Judicial	8,253,796	251,968	368,631	8,332
Public safety	31,281,359	7,864,541	61,218	3,140
Public works	9,735,039	217,593	39,880	584,943
Health and welfare	3,339,994	-	-	5,319
Culture and recreation	7,126,455	365,892	-	21,740
Housing and development	3,296,950	4,847	-	3,587
Interest on long-term debt	704,371	-	-	-
Total governmental activities	74,663,379	13,459,613	469,729	629,059
Business-type activities:				
Solid waste	3,139,290	3,224,519	-	-
Total business-type activities	3,139,290	3,224,519	-	-
Total primary government	$ 77,802,669	$ 16,684,132	$ 469,729	$ 629,059
Component unit:				
Board of Health	$ 14,439,579	$ 2,654,927	$ 11,936,662	$ -
Total component unit	$ 14,439,579	$ 2,654,927	$ 11,936,662	$ -

General revenues:
Property taxes
Sales taxes
Other taxes
Unrestricted investment earnings
Total general revenues
Change in net assets
Net assets, beginning of year, as restated
Net assets, end of year

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

Net (Expense) Revenue and Changes in Net Assets			Component Unit
Governmental Activities	Business-type Activities	Total	Board of Health
$ (6,168,645)	$ -	$ (6,168,645)	$ -
(7,624,865)	-	(7,624,865)	-
(23,352,460)	-	(23,352,460)	-
(8,892,623)	-	(8,892,623)	-
(3,334,675)	-	(3,334,675)	-
(6,738,823)	-	(6,738,823)	-
(3,288,516)	-	(3,288,516)	-
(704,371)	-	(704,371)	-
(60,104,978)	-	(60,104,978)	-
-	85,229	85,229	-
-	85,229	85,229	-
$ (60,104,978)	$ 85,229	$ (60,019,749)	$ -
$ -	$ -	$ -	$ 152,010
$ -	$ -	$ -	$ 152,010
30,638,745	-	30,638,745	-
23,146,022	-	23,146,022	-
2,002,598	-	2,002,598	-
175,283	44,587	219,870	-
55,962,648	44,587	56,007,235	-
(4,142,330)	129,816	(4,012,514)	152,010
183,405,893	12,598,165	196,004,058	1,941,486
$ 179,263,563	$ 12,727,981	$ 191,991,544	$ 2,093,496

DOUGHERTY COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS

JUNE 30, 2010

ASSETS	General	DHR Building Lease Fund	2005 One Percent Sales Tax	Other Governmental Funds	Total
Cash and cash equivalents	$ 4,231,341	$ 1,135,787	$ 53,679	$ 1,941,719	$ 7,362,526
Investments	6,211,770	476,917	18,151,393	10,875,680	35,715,760
Taxes receivable	810,014	-	2,259,657	50,949	3,120,620
Accounts receivable	1,109,503	-	-	104	1,109,607
Notes receivable	-	7,559,248	-	-	7,559,248
Due from other funds	786,963	-	-	-	786,963
Due from other governments	981,096	-	-	128,663	1,109,759
Due from component unit	8,278	-	-	-	8,278
Inventory	174,780	-	-	-	174,780
Total assets	$ 14,313,745	$ 9,171,952	$ 20,464,729	$ 12,997,115	$ 56,947,541
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 668,887	$ -	$ 105,086	$ 11,392	$ 785,365
Accrued expenses	668,705	-	-	-	668,705
Due to other funds	-	1,238	204,853	422,142	628,233
Due to other governments	-	-	1,400,987	2,019	1,403,006
Deferred revenue	634,800	7,559,248	494,252	115,161	8,803,461
Total liabilities	1,972,392	7,560,486	2,205,178	550,714	12,288,770
FUND BALANCES					
Fund balances:					
Reserved for:					
Capital projects	-	-	-	1,250,181	1,250,181
Drug treatment education	57,975	-	-	-	57,975
Victim witness program	66,897	-	-	-	66,897
Unreserved, undesignated reported in:					
General fund	12,216,481	-	-	-	12,216,481
Special revenue funds	-	-	-	1,770,194	1,770,194
Capital projects funds	-	1,611,466	18,259,551	9,426,026	29,297,043
Total fund balances	12,341,353	1,611,466	18,259,551	12,446,401	44,658,771
Total liabilities and fund balances	$ 14,313,745	$ 9,171,952	$ 20,464,729	$ 12,997,115	

Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	151,703,863
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	848,287
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(13,567,721)
Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities.	(92,645)
The net pension obligation is not due and payable in the current period and therefore is not reported in governmental funds.	(114,250)
The net OPEB obligation is not due and payable in the current period and therefore is not reported in governmental funds.	(4,172,742)
Net assets of governmental activities	$ 179,263,563

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

DOUGHERTY COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2010

	General	DHR Building Lease Fund	2005 One Percent Sales Tax	Other Governmental Funds	Total
Revenues:					
Property taxes	$ 25,648,031	$ -	$ -	$ 5,002,881	$ 30,650,912
Sales taxes	6,685,709	-	16,714,286	-	23,399,995
Other taxes	581,318	-	-	1,421,280	2,002,598
Licenses and permits	-	-	-	269,225	269,225
Intergovernmental	-	-	-	469,729	469,729
Charges for services	9,165,400	56,926	-	5,687	9,228,013
Fines and forfeitures	1,122,388	-	-	607,416	1,729,804
Interest	5,389	1,859	43,872	182,782	233,902
Other revenues	248,924	1,655,745	-	327,902	2,232,571
Total revenues	43,457,159	1,714,530	16,758,158	8,286,902	70,216,749
Expenditures:					
Current:					
General government	6,750,907	84,302	-	100,000	6,935,209
Judicial	6,679,654	-	-	577,222	7,256,876
Public safety	22,391,493	-	-	6,550,397	28,941,890
Public works	2,516,868	-	-	180,183	2,697,051
Health and welfare	2,587,181	-	-	-	2,587,181
Culture and recreation	2,279,150	-	-	157,661	2,436,811
Housing and development	899,769	-	-	374,555	1,274,324
Intergovernmental payments	-	-	10,343,861	-	10,343,861
Capital outlay	-	-	3,680,312	2,051,228	5,731,540
Debt service:					
Principal	-	8,960,000	-	1,697,000	10,657,000
Interest	-	491,126	-	181,934	673,060
Bond issuance costs	-	202,858	-	-	202,858
Total expenditures	44,105,022	9,738,286	14,024,173	11,870,180	79,737,661
Excess (deficiency) of revenues over (under) expenditures	(647,863)	(8,023,756)	2,733,985	(3,583,278)	(9,520,912)
Other financing sources (uses):					
Proceeds from sale of assets	15,473	-	-	106,846	122,319
Issuance of bonds payable	-	8,220,000	-	-	8,220,000
Premium on bond issuance	-	417,633	-	-	417,633
Transfers in	-	-	-	357,975	357,975
Transfers out	(1,853,311)	-	-	-	(1,853,311)
Total other financing sources (uses)	(1,837,838)	8,637,633	-	464,821	7,264,616
Net change in fund balances	(2,485,701)	613,877	2,733,985	(3,118,457)	(2,256,296)
Fund balances, beginning of year	14,827,054	997,589	15,525,566	15,564,858	46,915,067
Fund balances, end of year	$ 12,341,353	$ 1,611,466	$ 18,259,551	$ 12,446,401	$ 44,658,771

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

DOUGHERTY COUNTY, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2010

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	(2,256,296)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the difference between depreciation expense and capital outlay in the current period.		(1,774,842)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.		127,300
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Deferred revenues decreased during the year by this amount.		(266,140)
The issuance of long-term debt (i.e., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		2,222,225
The internal service fund is used by management to charge the cost of workers' compensation insurance and health insurance to individual funds. The net revenue of the internal service fund is reported with governmental activities.		533,429
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(2,728,006)
	$	(4,142,330)

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

DOUGHERTY COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Property taxes	$ 25,624,465	$ 25,624,465	$ 25,648,031	$ 23,566
Sales taxes	6,850,000	6,850,000	6,685,709	(164,291)
Other taxes	500,000	500,000	581,318	81,318
Charges for services	8,662,500	9,112,500	9,165,400	52,900
Fines and forfeitures	1,218,500	1,218,500	1,122,388	(96,112)
Interest income	170,000	170,000	5,389	(164,611)
Miscellaneous	2,065,805	2,639,405	248,924	(2,390,481)
Total revenues	45,091,270	46,114,870	43,457,159	(2,657,711)
Expenditures:				
Current:				
General government:				
Administrative and legislative	523,480	573,480	559,667	13,813
Auditing	70,000	70,000	60,084	9,916
Finance	283,380	309,509	298,335	11,174
Computer information	670,000	670,000	649,929	20,071
Contingency	150,000	128,516	23,247	105,269
Facilities management	2,285,953	2,286,353	2,023,148	263,205
Human resources	489,510	489,510	475,373	14,137
Legal services	185,000	201,435	281,633	(80,198)
Mail and security system	249,844	249,844	240,406	9,438
Purchasing	107,801	107,801	107,801	-
Registration and elections	255,090	255,090	182,997	72,093
Tax and tag collections	1,786,760	1,912,860	1,848,287	64,573
Total general government	7,056,818	7,254,398	6,750,907	503,491
Judicial:				
Clerk of courts	884,530	884,530	823,910	60,620
District attorney	1,765,775	1,765,775	1,732,050	33,725
Juvenile court	831,538	831,538	808,949	22,589
Magistrate court	887,765	887,765	857,083	30,682
Probate court	346,585	346,585	343,639	2,946
Public defender	988,122	988,122	899,034	89,088
State court	478,314	478,314	466,544	11,770
Superior court	738,550	738,550	748,445	(9,895)
Total judicial	6,921,179	6,921,179	6,679,654	241,525

(Continued)

DOUGHERTY COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Expenditures: (Continued)				
Current: (Continued)				
Public safety:				
Coroner	$ 128,563	$ 128,563	$ 129,461	$ (898)
Drug squad	873,580	873,580	861,680	11,900
S.W.A.T.	25,235	25,235	7,165	18,070
Emergency medical services	4,473,600	4,473,600	4,227,652	245,948
Emergency management	66,169	66,169	53,669	12,500
Environmental control	527,835	527,835	526,407	1,428
Jail	12,679,415	13,365,290	13,321,862	43,428
Sheriff's department	3,131,545	3,262,470	3,263,597	(1,127)
Total public safety	21,905,942	22,722,742	22,391,493	331,249
Public works:				
Engineering	337,860	343,080	334,174	8,906
Public works	1,814,597	1,814,597	1,773,920	40,677
Vehicle maintenance	317,730	317,730	255,795	61,935
Park Maintenance	186,006	186,006	152,979	33,027
Total public works	2,656,193	2,661,413	2,516,868	144,545
Health and welfare:				
Department of Family and Children Services	118,610	118,610	116,860	1,750
Health services	2,765,069	2,765,069	2,470,321	294,748
Total health and welfare	2,883,679	2,883,679	2,587,181	296,498
Culture and recreation:				
Library	2,453,721	2,453,721	2,279,150	174,571
Total culture and recreation	2,453,721	2,453,721	2,279,150	174,571
Housing and development:				
Agricultural services	105,400	105,400	97,455	7,945
Community development	659,168	663,168	651,365	11,803
Natural resources	5,250	5,250	5,248	2
Small and disadvantaged business	143,920	143,920	145,701	(1,781)
Total housing and development	913,738	917,738	899,769	17,969
Total expenditures	44,791,270	45,814,870	44,105,022	1,709,848
Excess (deficiency) of revenues over (under) expenditures	300,000	300,000	(647,863)	(947,863)

(Continued)

DOUGHERTY COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Other financing sources (uses):				
Proceeds from sale of assets	$ -	$ -	$ 15,473	$ 15,473
Transfers out	(300,000)	(300,000)	(1,853,311)	(1,553,311)
Total other financing sources (uses)	(300,000)	(300,000)	(1,837,838)	(1,537,838)
Net change in fund balances	-	-	(2,485,701)	(2,485,701)
Fund balance, beginning of year	14,827,054	14,827,054	14,827,054	-
Fund balance, end of year	$ 14,827,054	$ 14,827,054	$ 12,341,353	$ (2,485,701)

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

DOUGHERTY COUNTY, GEORGIA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS

JUNE 30, 2010

	Major Enterprise Fund	Governmental Activities-
	Solid Waste Fund	Internal Service Funds
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 670,869	$ 110,558
Investments	6,607,479	491,176
Accounts receivable, net of allowances	580,793	-
Interest receivable	27,351	-
Inventories	47,454	-
Total current assets	7,933,946	601,734
NONCURRENT ASSETS		
Capital assets:		
Nondepreciable	2,064,045	-
Depreciable, net of accumulated depreciation	7,054,906	-
Total noncurrent assets	9,118,951	-
Total assets	17,052,897	601,734
LIABILITIES		
CURRENT LIABILITIES		
Accrued expenses	300	639,764
Due to other funds	104,115	54,615
Current portion - compensated absences	32,229	-
Total current liabilities	136,644	694,379
LONG-TERM LIABILITIES		
Compensated absences, net of current portion	68,398	-
Accrued landfill closure/postclosure care costs	4,119,874	-
Total long-term liabilities	4,188,272	-
Total liabilities	4,324,916	694,379
NET ASSETS (DEFICIT)		
Invested in capital assets	9,118,951	-
Unrestricted	3,609,030	(92,645)
Total net assets	$ 12,727,981	$ (92,645)

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

DOUGHERTY COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Major Enterprise Fund Solid Waste Fund	Governmental Activities- Internal Service Funds
OPERATING REVENUES		
Charges for services	$ 3,181,383	$ 5,813,799
Miscellaneous	43,136	192,080
Total operating revenues	3,224,519	6,005,879
OPERATING EXPENSES		
Salaries and benefits	885,453	-
Cost of sales and services	726,978	118,969
Supplies	394,998	-
Claims	-	5,666,454
Insurance	-	1,183,411
Closure/Post-closure care cost	242,348	-
Depreciation	882,268	-
Total operating expenses	3,132,045	6,968,834
Operating income (loss)	92,474	(962,955)
NONOPERATING INCOME (EXPENSE)		
Interest income	44,587	1,048
Loss on sale of assets	(7,245)	-
Total nonoperating income	37,342	1,048
Income (loss) before transfers	129,816	(961,907)
TRANSFERS IN	-	1,495,336
Change in net assets	129,816	533,429
NET ASSETS, beginning of year	12,598,165	(626,074)
NET ASSETS (DEFICIT), end of year	$ 12,727,981	$ (92,645)

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

DOUGHERTY COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Major Enterprise Fund Solid Waste Fund	Governmental Activities- Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	$ 3,036,492	$ 5,816,196
Payments to suppliers	(1,166,999)	(1,438,606)
Payments for insurance claims	-	(6,095,096)
Payments to employees	(878,849)	-
Net cash provided by (used in) operating activities	990,644	(1,717,506)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers from other funds	-	1,495,336
Net cash provided by noncapital financing activities	-	1,495,336
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(1,161,037)	83,787
Interest on investments	17,236	1,048
Net cash provided by (used in) investing activities	(1,143,801)	84,835
Net decrease in cash and cash equivalents	(153,157)	(137,335)
Cash and cash equivalents:		
Beginning of year	824,026	247,893
End of year	$ 670,869	$ 110,558
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	$ 92,474	$ (962,955)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation expense	882,268	-
Landfill closure/postclosure care expense	242,348	-
Increase in accounts receivable	(239,366)	-
Increase in inventory	(45,023)	-
Decrease in accounts payable	-	(136,226)
Increase (decrease) in accrued expenses	300	(428,642)
Increase (decrease) in due to other funds	51,339	(189,683)
Increase in compensated absences	6,304	-
Net cash provided by (used in) operating activities	$ 990,644	$ (1,717,506)

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

DOUGHERTY COUNTY, GEORGIA

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS

JUNE 30, 2010

ASSETS	Agency Funds	Employee Retirement Plan
Cash	$ 2,246,511	$ 2,506,519
Investments, at fair value:		
Pooled, common and collective funds	-	29,056,491
Mutual funds	-	14
Accrued dividends	-	302
Taxes receivable	2,869,121	-
Due from other governments	77,138	-
Prepaid expenses	-	33,814
Total assets	$ 5,192,770	$ 31,597,140
LIABILITIES		
Due to others	$ 2,323,649	$ -
Uncollected taxes	2,869,121	-
Total liabilities	5,192,770	-
NET ASSETS		
Held in trust for pension benefits (a schedule of funding progress is presented as required supplementary information on page 59)	$ -	$ 31,597,140

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

DOUGHERTY COUNTY, GEORGIA

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Employee Retirement Plan
ADDITIONS	
Contributions:	
Employer	$ 2,632,246
Employee	6,771
Other receipts	1,999
Total contributions	2,641,016
Investment earnings:	
Dividend income	2,282
Net increase in fair value of investments	3,720,238
Less investment expenses	(295,508)
Net investment earnings	3,427,012
Total additions	6,068,028
DEDUCTIONS	
Benefits	2,109,488
Administrative expenses	63,784
Total deductions	2,173,272
Change in net assets	3,894,756
NET ASSETS, beginning of year	27,702,384
NET ASSETS, end of year	$ 31,597,140

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

Discretely Presented Component Units

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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

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

C. Measurement Focus, Basis of Accounting and Basis of Presentation

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, intergovernmental income, licenses, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The County reports the following major proprietary fund:

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

Additionally, the County reports the following fund types:

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

The ***internal service funds*** account for self-insured programs for health insurance and workers' compensation. These funds were created to accommodate the payment of claims and administrative expenses for the self-insured programs.

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

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

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the County's solid waste function and various other functions of the County. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

D. Deposits and Investments

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Interfund Receivables and Payables

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

F. Inventories

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

G. Capital Assets

Capital assets, which include property, intangible assets, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. In accordance with GASB 34, infrastructure assets acquired after June 30, 1980 have been capitalized. Capital assets are defined by the County as assets with an initial, individual cost of $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend useful lives are expensed as incurred.

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Compensated Absences

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

I. Long-Term Obligations

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

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

J. Fund Equity

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

K. Use of Estimates

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

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

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this $13,564,321 difference are as follows:

Bonds payable	$ (8,220,000)
Unamortized bond premium	(417,633)
Unamortized bond issuance cost	206,258
Accrued interest	(51,870)
Certificates of participation, net	(1,101,836)
Compensated absences	(3,979,240)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net assets - governmental activities*	$ (13,564,321)

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense." The details of this $1,774,842 difference are as follows:

Capital outlay	$ 2,200,683
Depreciation expense	(3,975,525)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net assets of governmental activities*	$ (1,774,842)

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

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

Another element of the reconciliation states that "The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets." The details of this $127,300 difference are as follows:

Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	$	570,440
In the statement of activities, only the gain or loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the net book value of the capital assets sold.		(443,140)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net assets of governmental activities*	$	127,300

Another element of that reconciliation explains that "Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds." The details of this $266,140 difference are as follows:

Change in:		
Deferred property tax revenue	$	(12,167)
Deferred sales tax revenue		(253,973)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net assets of governmental activities*	$	(266,140)

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

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

Another element of that reconciliation explains that "the issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this $2,222,225 difference are as follows:

Issuance of bonds	$ (8,220,000)
Principal repayment - capital lease	8,960,000
Principal repayment - certificates of participation	1,697,000
Premium on bond issuance	(417,633)
Bond issuance cost	202,858
Net adjustment to increase *net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities*	$ 2,222,225

Another element of that reconciliation explains that "Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this $2,728,006 difference are as follows:

Compensated absences	$ (889,944)
Net pension obligation	4,368
Net OPEB obligation	(1,811,119)
Accrued interest	(31,311)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net assets of governmental activities*	$ (2,728,006)

NOTE 3. BUDGETS AND BUDGETARY ACCOUNTING

Budget Policies

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

Budget Process

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

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

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed by Dougherty County. Encumbrances outstanding at year end are reported as reservations of fund balance and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

NOTE 3. BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)

Excess of Expenditures over Appropriations

For the year ended June 30, 2010, expenditures exceeded budget, as follows:

Department	Excess
General Fund:	
Legal Services	$ 80,198
Superior Court	9,895
Coroner	898
Sheriff's Department	1,127
Small & disadvantaged business	1,781

These over-expenditures were funded by greater than anticipated revenues and under-expenditures in other departments of the General Fund.

NOTE 4. DEPOSITS AND INVESTMENTS

At June 30, 2010, the County had the following investments

Investments	Maturities	Rating	Fair Value
Georgia Fund 1	46 days weighted average	AAAm	$ 36,432,818
Certificates of deposit	4 month weighted average	N/A	5,131,415
Guaranteed Investment Contract	17 year weighted average	AA-	1,250,182
Pooled, common & collective funds	N/A	N/A	29,056,491
Mutual funds	N/A	N/A	14
			$ 71,870,920

Of the investments listed above, the certificates of deposit, guaranteed investment contract and Georgia Fund 1, which total $42,814,415 are included as investments on the Statement of Net Assets. All other investments are included in the Employee Retirement Plan Fund.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

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

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

Custodial Credit Risk – Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the County will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2010, the County had no uncollateralized deposits.

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

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

Custodial Credit Risk – Deposits – Dougherty County Board of Health. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Board of Health will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2010, the Health Department did not have any balances exposed to custodial credit risk as uninsured and uncollateralized as defined by GASB pronouncements.

NOTE 5. RECEIVABLES

Receivables at June 30, 2010, for the County's individual major and nonmajor funds in the aggregate are as follows:

	General	DHR Building Lease Fund	2005 Sales Tax
Receivables:			
Taxes	$ 1,208,976	$ -	$ 2,259,657
Accounts	2,762,302	-	-
Notes	-	7,559,248	-
Interest	-	-	-
Gross receivables	3,971,278	7,559,248	2,259,657
Less allowance for uncollectibles	(2,051,761)	-	-
Net receivables	$ 1,919,517	$ 7,559,248	$ 2,259,657

	Nonmajor and Other Funds	Solid Waste	Total
Receivables:			
Taxes	$ 50,949	$ -	$ 3,519,582
Accounts	104	688,630	3,451,036
Notes	-	-	7,559,248
Interest	-	27,351	27,351
Gross receivables	51,053	715,981	14,529,866
Less allowance for uncollectibles	-	(107,837)	(2,159,598)
Net receivables	$ 51,053	$ 608,144	$ 12,370,268

Property taxes were levied on July 21, 2009. Bills are payable on or before December 20, 2009, after which the applicable property is subject to lien and penalties and interest as assessed. The County bills and collects its own property taxes. Property taxes levied for 2009 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during the year ended June 30, 2010, and collected by August 31, 2010, are recognized as revenues in the year ended June 30, 2010. Net receivables estimated to be collected subsequent to August 31, 2010 are recorded as revenue when received. Prior year levies were recorded using substantially the same principles, and remaining receivables are reevaluated annually. Property taxes attached as an enforceable lien on property as of January 1, 2009.

Notes receivable of $7,559,248 represents the amount due from the Georgia Department of Human Resources (DHR) for the lease of the Albany Department of Human Resources building. Rental payments received are used to repay the County's debt obligation for this building.

NOTE 6. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the year ended June 30, 2010, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land and improvements	$ 35,687,368	$ 210,440	$ -	$ -	$ 35,897,808
Intangible assets	5,457,627	-	-	-	5,457,627
Construction in progress	4,350,073	1,194,131	-	(1,575,526)	3,968,678
Total capital assets, not being depreciated	45,495,068	1,404,571	-	(1,575,526)	45,324,113
Capital assets, being depreciated:					
Buildings	86,630,208	-	(450,884)	1,575,526	87,754,850
Infrastructure	77,703,894	360,000	-	-	78,063,894
Vehicles	8,830,419	875,548	(743,753)	88,662	9,050,876
Equipment	3,849,968	131,004	(36,726)	(88,662)	3,855,584
Total capital assets, being depreciated	177,014,489	1,366,552	(1,231,363)	1,575,526	178,725,204
Less accumulated depreciation for:					
Buildings	(16,359,392)	(1,492,980)	74,519	-	(17,777,853)
Infrastructure	(46,049,926)	(1,284,791)	-	-	(47,334,717)
Vehicles	(3,990,651)	(676,714)	499,781	-	(4,167,584)
Equipment	(2,758,183)	(521,040)	213,923	-	(3,065,300)
Total accumulated depreciation	(69,158,152)	(3,975,525)	788,223	-	(72,345,454)
Total capital assets, being depreciated, net	107,856,337	(2,608,973)	(443,140)	1,575,526	106,379,750
Governmental activities capital assets, net	$ 153,351,405	$ (1,204,402)	$ (443,140)	$ -	$ 151,703,863

The beginning balance of capital assets has been increased by $5,457,627 to retroactively record the County's intangible assets purchased or donated.

NOTE 6. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

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

Governmental activities:	
General government	$ 502,188
Judicial	150,129
Public safety	1,296,367
Public works	1,163,020
Health and welfare	304,641
Culture and recreation	477,642
Housing and development	81,538
Total depreciation expense - governmental activities	$ 3,975,525

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type Activities:					
Capital assets, not being depreciated:					
Land	$ 2,064,045	$ -	$ -	$ -	$ 2,064,045
Construction in progress	245,616	-	-	(245,616)	-
Total capital assets, not being depreciated	2,309,661	-	-	(245,616)	2,064,045
Capital assets, being depreciated:					
Building and improvements	11,449,395	-	(7,245)	245,616	11,687,766
Equipment and vehicles	4,801,466	-	-	-	4,801,466
Total	16,250,861	-	(7,245)	245,616	16,489,232
Less accumulated depreciation for:					
Building and improvements	(5,197,080)	(355,403)	-	-	(5,552,483)
Equipment and vehicles	(3,354,978)	(526,865)	-	-	(3,881,843)
Total	(8,552,058)	(882,268)	-	-	(9,434,326)
Total capital assets, being depreciated, net	7,698,803	(882,268)	(7,245)	245,616	7,054,906
Business-type activities capital assets, net	$ 10,008,464	$ (882,268)	$ (7,245)	$ -	$ 9,118,951

NOTE 6. CAPITAL ASSETS (CONTINUED)

B. Discretely Presented Component Unit – Board of Health

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Machinery and equipment	$ 364,145	$ 5,292	$ -	$ 369,437
Total capital assets, being depreciated	364,145	5,292	-	369,437
Less accumulated depreciation for:				
Machinery and equipment	(321,733)	(15,605)	-	(337,338)
Total accumulated depreciation	(321,733)	(15,605)	-	(337,338)
Total capital assets, net	$ 42,412	$ (10,313)	$ -	$ 32,099

NOTE 7. LONG-TERM DEBT

The following is a summary of long-term debt activity for the year ended June 30, 2010:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable	$ -	$ 8,220,000	$ -	$ 8,220,000	$ 940,000
Unamortized premium	-	417,633	-	417,633	-
Net bonds payable	-	8,637,633	-	8,637,633	940,000
Capital leases payable	8,960,000	-	(8,960,000)	-	-
Certificates of participation	3,051,000	-	(1,697,000)	1,354,000	-
Deferred fair value of interest rate swap	(371,947)		119,783	(252,164)	-
Certificates of participation, net	2,679,053	-	(1,577,217)	1,101,836	-
Compensated absences	3,089,296	2,063,593	(1,173,649)	3,979,240	1,035,941
Net pension obligation	118,618	-	(4,368)	114,250	-
Net OPEB obligation	2,361,623	1,811,119	-	4,172,742	-
Governmental activities long-term liabilities	$ 17,208,590	$ 12,512,345	$ (11,715,234)	$ 18,005,701	$ 1,975,941
Business-type activities:					
Landfill closure/ postclosure cost	$ 3,877,526	$ 242,348	$ -	$ 4,119,874	$ -
Compensated absences	94,323	34,681	(28,377)	100,627	32,229
Business-type activities long-term liabilities	$ 3,971,849	$ 277,029	$ (28,377)	$ 4,220,501	$ 32,229

The beginning balance of governmental activities long-term liabilities above has been decreased by $371,947 to properly reflect the implementation of GASB Statement 53 and the recording of the County's interest rate swap agreement.

NOTE 7. LONG-TERM DEBT (CONTINUED)

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

Bonds payable. During the current year, the County issued tax-exempt Revenue Refunding Bonds, Series 2010 (Series 2010 Bonds) outstanding at June 30, 2010 in the amount of $8,220,000. The proceeds from the bonds were used to prepay the County's capital lease related to the DHR building, provide funds to finance certain improvements to the building, and pay certain costs incurred in connection with the execution and delivery of the Bonds. The bonds are limited obligations of the County and are payable solely from the rent received on the building.

The Series 2010 Bonds maturing on January 1, 2016 and thereafter are subject to redemption prior to maturity, at the option of the County, on or after January 1, 2015, in whole or in part (in any order of maturity and by lot within a maturity) at any time, at a price of par plus accrued interest to the redemption date.

A summary of debt service requirements of bonds payable, Series 2010 is as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2011	$ 940,000	$ 171,570	$ 1,111,570
2012	1,350,000	220,600	1,570,600
2013	1,400,000	193,600	1,593,600
2014	1,470,000	165,600	1,635,600
2015	1,560,000	106,800	1,666,800
2016	1,500,000	60,000	1,560,000
	$ 8,220,000	$ 918,170	$ 9,138,170

Certificates of participation. In June 1998, the County entered into a lease pool agreement with the Georgia Municipal Association (the "Association"). The funding of the lease pool was provided by the issuance of $150,126,000 Certificates of Participation by the Association. The Association passed the net proceeds through to the participating municipalities with the County's participation totaling $4,333,000. The lease pool agreement with the Association provides that the County owns their portion of the assets invested by the pool and is responsible for the payment of their portion of the principal and interest of the Certificates of Participation. In Fiscal Year 2010, the principal amount owed was reduced from $3,051,000 to $1,354,000. The principal is due in a lump sum payment on June 1, 2028. Interest is payable at a rate of 4.75% each year. The County draws from the investment to lease equipment from the Association. The lease pool agreement requires the County to make lease payments back into its investment account to fund the principal and interest requirements of the 1998 GMA Certificates of Participation.

NOTE 7. LONG-TERM DEBT (CONTINUED)

Certificates of participation (Continued)

As part of the issuance of the certificates of participation, the County entered into an interest rate swap agreement. Under the Swap Agreement, the County is required to pay (1) a semiannual (and beginning July 1, 2003, a monthly) floating rate of interest based on the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index (plus a 31 basis points spread) to, or on behalf of, the Swap Counterparty (the "Swap Payment"); and the Swap Counterparty will pay to, or on behalf of, the County a semi-annual payment based on a rate equal to the fixed rate on the certificates of participation (4.75%) times a notional amount specified in the Swap Agreement, but generally equal to the outstanding unpaid principal portion of such Contract, less the amount originally deposited in the Reserve Fund relating to the Contract, and (ii) a one-time Swap Premium to be paid on the effective date of the Swap Agreement. The semiannual payments from the Swap Counterparty with respect to the County are structured, and expected, to be sufficient to make all interest payments due under the Contract, and related distributions of interest on the Certificates. Monthly interest payments between the County, the holders of the Certificates of Participation, and the Swap Counterparty can be made in net settlement form as part of this agreement. Under the Swap Agreement, the County's obligation to pay floating payments to the Swap Counterparty in any calendar year may not exceed an amount equal to the SIFMA Municipal Swap Index plus 5% to be determined on the first business day of December in the preceding year. This agreement matures on June 1, 2028, at the same time of the certificates of participation. This derivative qualifies as a fair market hedge.

In the unlikely event that the Swap Counterparty becomes insolvent, or fails to make payments as specified in the Swap Agreement, the County would be exposed to credit risk in the amount of the Swap's fair value. To minimize this risk, the County executed this agreement with counterparties of appropriate credit strength, with the counterparty being rated Aa3 by Moody's. At June 30, 2010, the floating rate being paid by the County is 0.56% and the market value of this agreement is $252,164, a decrease of $119,783 from the market value at the end of the previous fiscal year. The market value of the hedge was determined using settlement prices at the end of the day on June 30, 2010 based on the derivative contract. This market value is reported as a component of the certificates of participation in long-term debt in the statement of net assets. As this derivative is an effective hedge, qualifying for hedge accounting, the inflow from the hedge (any change in fair value from inception until fiscal year end) is deferred and reported as deferred revenue in the statement of net assets.

NOTE 7. LONG-TERM DEBT (CONTINUED)

Annual debt service requirements for the certificates of participation are as follows:

	Principal	Interest	Total
Fiscal Year Ending June 30,			
2011	$ -	$ 64,315	$ 64,315
2012	-	64,315	64,315
2013	-	64,315	64,315
2014	-	64,315	64,315
2015	-	64,315	64,315
2016-2020	-	321,575	321,575
2021-2025	-	321,575	321,575
2026-2028	1,354,000	128,630	1,482,630
Total certificates of participation	$ 1,354,000	$ 1,093,355	$ 2,447,355

Landfill closure and postclosure care costs. State and federal laws and regulations require that Dougherty County, Georgia place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The amount of costs recognized in each period is based on the relative amount of waste received during the period, even though some of the closure and postclosure care costs will be paid after the landfill is closed. The $4,119,874 reported as an estimated liability for closure and postclosure care costs represents the estimated cost for landfill closure and postclosure care based upon the capacity of the landfill used to date. The amount of the remaining estimated cost for landfill closure and postclosure care of $14,991,130 will be recognized on a pro rata basis as the remaining estimated capacity of 9,279,002 cubic yards of useable space is filled. Approximately 27% of the landfill's capacity has been used to date, and the County expects the landfill to close the Municipal Solid Waste area in 2069 and the Construction and Demolition area in 2036.

All amounts recognized are based on what it would cost to perform all closure and postclosure care in 2010. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. It is anticipated that future inflation costs will be in part financed from earnings on investments. The remaining portion of anticipated future inflation costs (including inadequate earning on investments, if any) and additional costs that might arise from changes in postclosure requirements (due to changes in technology or more rigorous environmental regulations, for example), may need to be covered by charges to future landfill users, taxpayers, or both. The financial assurance requirements are being met through the proper maintenance of cash balances and financial ratios.

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2010, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	2005 One Percent Sales Tax Fund	$ 204,853
General Fund	Solid Waste Fund	104,115
General Fund	DHR Building Fund	1,238
General Fund	Nonmajor Governmental Funds	422,142
General Fund	Internal Service Fund - Workers' Compensation	48,865
General Fund	Internal Service Fund - Self Insurance	5,750
		$ 786,963

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

Interfund transfers:

	Transfers Out	
Transfers In	General Fund	Total
Internal Service Fund - Self Insurance	$ 1,495,336	$ 1,495,336
Nonmajor Governmental Funds	357,975	357,975
Total	$ 1,853,311	$ 1,853,311

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

NOTE 9. DEFINED BENEFIT PENSION PLAN

Plan Description

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

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

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

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

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Participant Data

At July 1, 2010, the date of the most recent actuarial valuation, there were 875 participants as follows:

Active participants	598
Retirees and beneficiaries	165
Vested terminated	111
Disabled	1
	875

Funding Policy

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

Annual Pension Cost and Net Pension Obligation

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

	June 30, 2009	June 30, 2010
Derivation of Annual Pension Cost		
Annual Required Contribution	$ 2,165,728	$ 2,632,246
Interest on Net Pension Obligation	4,657	9,489
Amortization of Net Pension Obligation	(6,800)	(13,857)
Annual Pension Cost	$ 2,163,585	$ 2,627,878

Derivation of Net Pension Obligation	
Annual Pension Cost for Fiscal Year	$ 2,627,878
Actual Contributions to Plan for Fiscal Year	2,632,246
Increase (Decrease) in Net Pension Obligation	(4,368)
Net Pension Obligation (Asset) as of June 30, 2009	118,618
Net Pension Obligation (Asset) as of June 30, 2010	$ 114,250

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

The annual required contribution for the current year was determined as part of the July 1, 2009 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions include the following:

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

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

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
06/30/07	$ 2,336,743	97 %	$ (11,446)
06/30/08	1,919,838	97	54,801
06/30/09	2,165,728	97	118,618
06/30/10	2,632,246	100	114,250

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

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
7/1/2010	$ 36,320,648	$ 45,312,537	$ 8,991,889	80.16 %	$ 22,129,542	40.63 %

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

NOTE 10. DEFINED CONTRIBUTION PLAN

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

457 Plan Name	Employer	Employee
Nationwide Retirement Solutions	$ 27,248	$ 404,343
ACCG Deferred Compensation Program	10,600	290,870

NOTE 11. RISK MANAGEMENT

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

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

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

NOTE 11. RISK MANAGEMENT (CONTINUED)

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

	June 30, 2010	June 30, 2009
Unpaid claims, beginning of fiscal year	$ 513,406	$ 290,038
Incurred claims and changes in estimates	428,940	504,622
Claim payments	(822,582)	(281,254)
Unpaid claims, end of fiscal year	$ 119,764	$ 513,406

The County maintains a self-insured medical benefit plan for their employees. The plan is accounted for as an internal service fund of the County, is funded according to plan experience, and serves to reduce overall healthcare costs of the County and their employees. The County purchases specific and aggregate stop loss insurance coverage to protect itself in unusual circumstances. Claims payable at June 30, 2010 were estimated based on the loss analysis report provided by a third-party administrator and pending specific stop loss reimbursements. Because all self-insurance claims are expected to be settle within one year, the unpaid claim liability is classified as current.

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

	June 30, 2010	June 30, 2009
Unpaid claims, beginning of fiscal year	$ 555,000	$ -
Incurred claims and changes in estimates	6,360,333	5,159,857
Claim payments	(6,475,333)	(4,604,857)
Unpaid claims, end of fiscal year	$ 440,000	$ 555,000

NOTE 12. COMMITMENTS AND CONTINGENCIES

Litigation:

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

Grant Contingencies:

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

NOTE 12. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Construction:

As of June 30, 2010, the County has the following commitments with respect to unfinished capital projects:

Capital Project	Remaining Construction Commitment	Expected Date Of Completion
Radium Springs Botanical Garden	$ 135,887	December 31, 2011
Mockingbird Alley Stormwater Control Structure	68,610	November 30, 2010
Criminal Justice Integrated System	819,375	December 31, 2011
Central Square Building Envelope Rehab	171,770	September 30, 2010
	$ 1,195,642	

NOTE 13. JOINT VENTURES

Under Georgia law, the County, in conjunction with other cities and counties in the Southwest Georgia area, is a member of the Southwest Georgia Regional Commission (RC) and is required to pay annual dues thereto. During the year ended June 30, 2010, the County paid $52,631 in such dues. Membership in the RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of regional development commissions in Georgia.

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

NOTE 14. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The County maintains a single employer defined benefit other post-employment benefit plan which was required by GASB 45 and implemented prospectively. The Dougherty County Other Post-Employment Benefits Plan ("the OPEB Plan"), includes retirees from Dougherty County. The County offers post employment benefits other than pension benefits as follows: (1) health insurance, (2) dental insurance, and (3) life insurance. Employee groups that are covered include:

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

An individual must be 55 with at least 15 years or 65 with at least five years of service in order to be eligible for these benefits. As of January 1, 2010, retirees over age 65 are no longer eligible for County health insurance benefits. Employer and employee obligations to contribute are as follows:

	County	Retiree
Health insurance	50%	50%
Dental insurance	-	100%
Life insurance	75%	25%

The County Commissioners adopted, by resolution, a health plan document (known as the Dougherty County Group Health Plan). The dental and life insurance benefits are offered by motion of the Dougherty County Board of Commissioners. Funding for these benefits is annually appropriated in the County's budget. Separate publicly available financial statements are not issued for the OPEB Plan.

Annual OPEB Cost and Net OPEB Obligation

The County contributed $107,847 and retirees contributed $118,907 to the OPEB Plan in the year ended June 30, 2010. The annual required contribution amount is determined using actuarial methods and assumptions approved by the Commission. The Commission establishes and may amend the funding policy for the OPEB Plan. The calculations are based on the types of benefits provided under the terms of the OPEB Plan at the time of each valuation and on the pattern of sharing of cost between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future.

NOTE 14. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

The County contributed $226,754 to the OPEB Plan in the year ended June 30, 2010. The annual required contribution amount was determined using actuarial methods.

Annual required employer contribution	$	2,010,787
Interest on net OPEB obligation		118,081
Adjustment to annual required contribution		(90,995)
Annual OPEB cost		2,037,873
Employer contributions for period ending June 30, 2010		226,754
Increase in net OPEB obligation		1,811,119
Net OPEB obligation beginning of year		2,361,623
Net OPEB obligation end of year	$	4,172,742

Trend Information

Fiscal Year Ending	Annual OPEB Cost (APC)	Percentage of APC Contributed	Net OPEB Obligation
6/30/2009	$ 2,706,554	13%	$ 2,361,623
6/30/2010	2,037,873	11%	4,172,742

As of the most recent valuation date, July 1, 2009, the funded status of the OPEB Plan is as follows:

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of
7/1/2009	$ -	$ 20,841,786	$ 20,841,786	0%	$ 22,347,825	93%

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

NOTE 14. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continued revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the plan in effect at July 1, 2009. The assumptions used in the July 1, 2009 actuarial valuation are as follows:

Valuation date	July 1, 2009
Actuarial cost method	Entry Age Normal
Amoritzation method	Level Percent of Pay (Closed)
Amortization period	30 years
Asset valuation method	Market Value
Actuarial assumptions:	
Investment rate of return (includes inflation)	5.00%
Projected salary increases (includes inflation)	4.00%
Inflation	3.00%
Health care cost trend rate	10.00%

NOTE 15. DEFICIT NET ASSETS

The Self Insurance Fund reported a deficit net asset of $461,969 for June 30, 2010. The Self Insurance Fund deficit is intended to be eliminated through increased charges to other funds.

NOTE 16. PRIOR PERIOD RESTATEMENT

The County has determined that a restatement of beginning net assets of governmental activities is required to reflect implementation of GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets,* which establishes accounting for assets such as easements, water rights, trademarks, and internally generated computer software in the June 30, 2009 financial report. The restatement is as follows:

Governmental activities net assets as previously reported	$ 177,948,266
Adjustment needed to properly state the County's capital assets	5,457,627
Total prior period restatement	5,457,627
Governmental type activities net assets as restated	$ 183,405,893

REQUIRED SUPPLEMENTARY INFORMATION

DEFINED BENEFIT RETIREMENT PLAN
SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
7/1/2010	$ 36,320,648	$ 45,312,537	$ 8,991,889	80.16 %	$ 22,129,542	40.63 %
7/1/2009	34,585,554	42,714,485	8,128,931	80.97	22,347,826	36.37
7/1/2008	35,042,809	39,846,752	4,803,943	87.94	22,259,800	21.58
7/1/2007	32,873,079	36,728,212	3,855,133	89.50	20,887,975	18.46
7/1/2006	25,472,059	34,288,994	8,816,935	74.29	19,994,407	44.10
7/1/2005	23,546,191	30,580,325	7,034,134	77.00	20,156,466	34.90

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Plan Year	(1) Annual Required Contribution	(2) Total Employer Contribution	(3) Total Employee Contribution	(4) Total Contribution (2) + (3)	Percentage of ARC Contributed (4) / (1)
2009	$ 2,632,246	$ 2,632,246	$ -	$ 2,632,246	100 %
2008	2,165,728	2,103,175	-	2,103,175	97
2007	1,919,838	1,853,591	-	1,853,591	97
2006	2,336,743	2,263,993	-	2,263,993	97
2005	2,005,392	2,089,588	58,348	2,147,936	107
2004	1,818,783	1,818,783	-	1,818,783	100
2003	1,700,005	1,700,005	-	1,700,005	100
2002	1,569,278	1,569,278	-	1,569,278	100
2001	1,286,654	1,286,654	-	1,286,654	100
2000	1,000,697	1,000,697		1,000,697	100

Notes to the Schedule of Employer Contributions

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

REQUIRED SUPPLEMENTARY INFORMATION

OTHER POST-EMPLOYMENT BENEFIT PLAN
SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
7/1/2007	$ -	$ 27,627,658	$ 27,627,658	- %	$ 20,767,537	133.03 %
7/1/2009	-	20,841,786	20,841,786	-	22,347,825	93.26

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

Capital Projects Funds

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

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

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

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

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

DOUGHERTY COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2010

	Special Revenue Funds				
	Special Tax District	Confiscated Assets	Grant	Lease Commercial Property	Law Library
Cash and cash equivalents	$ 162,609	$ 363,781	$ 210,811	$ 113,320	$ 117,350
Investments	854,066	-	-	-	233,895
Taxes receivable	50,949	-	-	-	-
Accounts receivable	-	-	-	-	104
Due from other governments	30,412	-	98,251	-	-
Total assets	$ 1,098,036	$ 363,781	$ 309,062	$ 113,320	$ 351,349
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ -	$ -	$ 2,000	$ -	$ 9,392
Due to other funds	200,467	-	102,969	20,480	12,866
Due to other governments	-	-	2,019	-	-
Deferred revenue	-	-	115,161	-	-
Total liabilities	200,467	-	222,149	20,480	22,258
FUND BALANCES					
Reserved for:					
Capital projects	-	-	-	-	-
Unreserved, undesignated	897,569	363,781	86,913	92,840	329,091
Total fund balances	897,569	363,781	86,913	92,840	329,091
Total liabilities and fund balances	$ 1,098,036	$ 363,781	$ 309,062	$ 113,320	$ 351,349

	Capital Projects Funds					
	Capital Improvement	1995 One Percent Sales Tax	One Percent Sales Tax - Road Projects	1990 One Percent Sales Tax	2000 One Percent Sales Tax	Total
	$ 82,474	$ 6,425	$ 78,829	$ 26,158	$ 779,962	$ 1,941,719
	4,905,573	2,022,640	41,658	856,183	1,961,665	10,875,680
	-	-	-	-	-	50,949
	-	-	-	-	-	104
	-	-	-	-	-	128,663
	$ 4,988,047	$ 2,029,065	$ 120,487	$ 882,341	$ 2,741,627	$ 12,997,115
	$ -	$ -	$ -	$ -	$ -	$ 11,392
	8,782	18,180	20,521	-	37,877	422,142
	-	-	-	-	-	2,019
	-	-	-	-	-	115,161
	8,782	18,180	20,521	-	37,877	550,714
	1,250,181	-	-	-	-	1,250,181
	3,729,084	2,010,885	99,966	882,341	2,703,750	11,196,220
	4,979,265	2,010,885	99,966	882,341	2,703,750	12,446,401
	$ 4,988,047	$ 2,029,065	$ 120,487	$ 882,341	$ 2,741,627	$ 12,997,115

DOUGHERTY COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2010

	Special Revenue Funds				
	Special Tax District	Confiscated Assets	Grant	Lease Commercial Property	Law Library
Revenues:					
Property taxes	$ 4,454,415	$ -	$ -	$ -	$ -
Other taxes	1,421,280	-	-	-	-
Licenses and permits	269,225	-	-	-	-
Intergovernmental	-	-	469,729	-	-
Charges for services	5,687	-	-	-	-
Fines and forfeitures	-	357,714	98,813	-	150,889
Interest income	766	-	-	-	3,455
Other revenues	36,996	-	-	58,216	2,266
Total revenues	6,188,369	357,714	568,542	58,216	156,610
Expenditures:					
Current:					
General government	100,000	-	-	-	-
Judicial	-	-	403,068	-	174,154
Public safety	6,081,801	373,784	94,812	-	-
Public works	140,859	-	39,324	-	-
Culture and recreation	155,261	-	2,400	-	-
Housing and development	276,084	-	-	98,471	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	6,754,005	373,784	539,604	98,471	174,154
Excess (deficiency) of revenues over (under) expenditures	(565,636)	(16,070)	28,938	(40,255)	(17,544)
Other financing sources:					
Proceeds from sale of assets	3,022	-	-	-	-
Transfers in	300,000	-	57,975	-	-
Total other financing sources	303,022	-	57,975	-	-
Net change in fund balances	(262,614)	(16,070)	86,913	(40,255)	(17,544)
Fund balances, beginning of year	1,160,183	379,851	-	133,095	346,635
Fund balances, end of year	$ 897,569	$ 363,781	$ 86,913	$ 92,840	$ 329,091

Capital Projects Funds					
Capital Improvement	1995 One Percent Sales Tax	One Percent Sales Tax - Road Projects	1990 One Percent Sales Tax	2000 One Percent Sales Tax	Total
$ 548,466	$ -	$ -	$ -	$ -	$ 5,002,881
-	-	-	-	-	1,421,280
-	-	-	-	-	269,225
-	-	-	-	-	469,729
-	-	-	-	-	5,687
-	-	-	-	-	607,416
163,814	5,899	146	2,415	6,287	182,782
230,424	-	-	-	-	327,902
942,704	5,899	146	2,415	6,287	8,286,902
-	-	-	-	-	100,000
-	-	-	-	-	577,222
-	-	-	-	-	6,550,397
-	-	-	-	-	180,183
-	-	-	-	-	157,661
-	-	-	-	-	374,555
789,675	729,586	112,604	151,366	267,997	2,051,228
1,697,000	-	-	-	-	1,697,000
181,934	-	-	-	-	181,934
2,668,609	729,586	112,604	151,366	267,997	11,870,180
(1,725,905)	(723,687)	(112,458)	(148,951)	(261,710)	(3,583,278)
103,824	-	-	-	-	106,846
-	-	-	-	-	357,975
103,824	-	-	-	-	464,821
(1,622,081)	(723,687)	(112,458)	(148,951)	(261,710)	(3,118,457)
6,601,346	2,734,572	212,424	1,031,292	2,965,460	15,564,858
$ 4,979,265	$ 2,010,885	$ 99,966	$ 882,341	$ 2,703,750	$ 12,446,401

INTERNAL SERVICE FUNDS

Workers' Compensation Fund is used to account for the accumulation of resources for future workers' compensation claims.

Self-Insurance Fund is used to account for the funding of self-insurance and payment of claims and judgments against the County.

DOUGHERTY COUNTY, GEORGIA

COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS

JUNE 30, 2010

ASSETS	Workers' Compensation Fund	Self-Insurance Fund	Total
CURRENT ASSETS			
Cash and cash equivalents	$ 83,662	$ 26,896	$ 110,558
Investments	491,176	-	491,176
Total assets	574,838	26,896	601,734
LIABILITIES			
CURRENT LIABILITIES			
Accrued expenses	199,764	440,000	639,764
Due to other funds	5,750	48,865	54,615
Total liabilities	205,514	488,865	694,379
NET ASSETS (DEFICIT)			
Unrestricted	369,324	(461,969)	(92,645)
Total net assets	$ 369,324	$ (461,969)	$ (92,645)

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

DOUGHERTY COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Workers' Compensation Fund	Self-Insurance Fund	Total
OPERATING REVENUES			
Charges for services	$ 600,000	$ 5,213,799	$ 5,813,799
Miscellaneous	192,080	-	192,080
Total operating revenues	792,080	5,213,799	6,005,879
OPERATING EXPENSES			
Cost of sales and services	104,860	14,109	118,969
Claims	428,940	5,237,514	5,666,454
Insurance	60,592	1,122,819	1,183,411
Total operating expenses	594,392	6,374,442	6,968,834
Operating income (loss)	197,688	(1,160,643)	(962,955)
NONOPERATING INCOME			
Interest income	1,048	-	1,048
Total nonoperating income	1,048	-	1,048
(Income) loss before transfers	198,736	(1,160,643)	(961,907)
TRANSFERS IN	-	1,495,336	1,495,336
Change in net assets	198,736	334,693	533,429
NET ASSETS (DEFICIT), beginning of year	170,588	(796,662)	(626,074)
NET ASSETS (DEFICIT), end of year	$ 369,324	$ (461,969)	$ (92,645)

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

DOUGHERTY COUNTY, GEORGIA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Workers' Compensation Fund	Self-Insurance Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 662,141	$ 5,154,055	$ 5,816,196
Payments to suppliers	(165,452)	(1,273,154)	(1,438,606)
Payments for insurance claims	(742,582)	(5,352,514)	(6,095,096)
Net cash used in operating activities	(245,893)	(1,471,613)	(1,717,506)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	-	1,495,336	1,495,336
Net cash provided by noncapital financing activities	-	1,495,336	1,495,336
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	83,787	-	83,787
Interest on investments	1,048	-	1,048
Net cash provided by investing activities	84,835	-	84,835
Net increase (decrease) in cash and cash equivalents	(161,058)	23,723	(137,335)
Cash and cash equivalents:			
Beginning of year	244,720	3,173	247,893
End of year	$ 83,662	$ 26,896	$ 110,558
Reconciliation of operating income (loss) to net cash used in operating activities:			
Operating income (loss)	$ 197,688	$ (1,160,643)	$ (962,955)
Adjustments to reconcile operating income (loss) to net cash used in operating activities:			
Decrease in accounts payable	-	(136,226)	(136,226)
Decrease in accrued expenses	(313,642)	(115,000)	(428,642)
Decrease in due to other funds	(129,939)	(59,744)	(189,683)
Net cash used in operating activities	$ (245,893)	$ (1,471,613)	$ (1,717,506)

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

DOUGHERTY COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Project Description	Original Costs	Estimated Costs	Expenditures		
			Prior Years	Current Year	Total
1985 REFERENDUM					
Road Projects	***	***	$ 55,905,134	$ 112,604	$ 56,017,738
1990 REFERENDUM					
County Jail	$ 31,379,437	$ 31,285,885	$ 31,269,019	$ 125,845	$ 31,394,864
County Mental Health	3,892,487	3,892,483	3,892,483	-	3,892,483
County Public Health	5,225,205	5,225,202	5,225,202	-	5,225,202
Industrial Parks	5,000,000	5,000,000	5,000,000	-	5,000,000
Central Square Building	3,750,530	3,750,530	3,750,530	-	3,750,530
Chehaw Park	6,000,000	6,000,000	6,000,000	-	6,000,000
Albany Street Lighting	2,500,000	2,500,000	1,594,152	25,521	1,619,673
Conference Center	4,700,000	5,157,565	5,155,391	-	5,155,391
Administrative	4,338,498	4,338,495	4,338,498	-	4,338,498
Totals	$ 66,786,157	$ 67,150,160	$ 66,225,275	$ 151,366	$ 66,376,641
1995 REFERENDUM					
City Street & Road Projects	$ 10,000,000	$ 10,075,000	$ 9,858,852	$ 216,147	$ 10,074,999
County Street & Road Projects	5,000,000	5,652,343	5,652,343	-	5,652,343
Water & Sewer Extensions	8,000,000	10,698,078	10,679,969	-	10,679,969
Storm Drainage Improvements	15,200,000	15,123,948	14,061,671	395,931	14,457,602
Recycling Program	1,500,000	500,000	395,397	1,093	396,490
Geographic Information System	1,000,000	1,063,717	1,063,717	-	1,063,717
City Fire Stations & Equipment	2,500,000	2,500,000	2,499,876	-	2,499,876
County Fire Stations & Equipment	1,000,000	1,070,574	1,071,538	-	1,071,538
West EMS Station	1,000,000	980,439	980,439	-	980,439
Community Policing Centers	1,500,000	1,543,054	1,539,140	-	1,539,140
Courtroom Addition	3,500,000	4,101,338	4,101,339	-	4,101,339
Emergency Operations Center	3,000,000	2,956,946	2,956,947	-	2,956,947
Downtown Improvements	2,500,000	8,213,104	7,882,325	116,415	7,998,740
Recreation Improvements	10,500,000	10,500,000	9,852,957	-	9,852,957
Agricultural Service Center	2,000,000	2,064,056	2,064,057	-	2,064,057
Industrial Speculative Building	750,000	750,000	350,313	-	350,313
Thronateeska Heritage Center	750,000	900,000	900,000	-	900,000
Third Floor Renovation	-	-	21,137	-	21,137
Mt. Zion Civil Rights Museum	750,000	793,839	793,839	-	793,839
Government Center Debt	3,500,000	4,088,662	4,088,662	-	4,088,662
Administration/Disparity Study	500,000	1,084,298	1,084,298	-	1,084,298
Contingency	-	2,333	-	-	-
Totals	$ 74,450,000	$ 84,661,729	$ 81,898,816	$ 729,586	$ 82,628,402

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

DOUGHERTY COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Project Description	Original Costs	Estimated Costs	Expenditures		
			Prior Years	Current Year	Total
2000 REFERENDUM					
Administrative	$ 1,175,227	$ 8,612,153	$ 8,234,991	$ -	$ 8,234,991
Albany River Walk	6,000,000	6,405,000	6,504,649	27,194	6,531,843
Chehaw Park Improvements	700,000	700,000	680,611	-	680,611
City Debt Retirement	8,611,094	7,023,979	7,023,979	-	7,023,979
City Street Improvements	6,500,000	6,525,000	6,474,677	34,632	6,509,309
City Traffic Safety	725,000	725,000	724,999	-	724,999
County Water Extensions	600,000	655,548	655,548	-	655,548
County EMS Station	500,000	514,811	514,811	-	514,811
Hugh Mills Stadium	1,170,000	1,204,434	1,204,434	-	1,204,434
Thronateeska Heritage	500,000	500,000	484,045	-	484,045
Central Square	15,300,000	15,306,177	15,306,178	-	15,306,178
Economic Development	8,013,679	6,463,679	5,162,921	69,896	5,232,817
County Animal Shelter	700,000	780,000	783,991	-	783,991
City Law Enforcement Center	14,500,000	14,500,000	14,309,234	29,974	14,339,208
Storm Drainage Improvements	11,000,000	4,187,173	3,741,799	106,301	3,848,100
County Road Improvements	2,000,000	4,800,000	4,101,978	-	4,101,978
Public Safety GSP Building	500,000	536,179	536,179	-	536,179
City Fire Station	2,000,000	2,000,000	2,000,422	-	2,000,422
County Fire Equipment	500,000	500,000	469,679	-	469,679
Recreation Improvements	9,130,000	3,285,000	3,273,085	-	3,273,085
Albany First Tee Program	875,000	988,540	988,471	-	988,471
County Debt Retirement	30,000,000	30,000,000	30,131,767	-	30,131,767
Contingency	-	31,544	(31,766)	-	(31,766)
Totals	$ 121,000,000	$ 116,244,217	$ 113,276,682	$ 267,997	$ 113,544,679

DOUGHERTY COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2010

Project Description	Original Costs	Estimated Costs	Expenditures		
			Prior Years	Current Year	Total
2005 REFERENDUM					
Government Center Improvements	$ 1,000,000	$ 1,000,000	$ 588,107	$ 26,831	$ 614,938
Judicial Building Improvements	2,000,000	2,000,000	452,051	702,091	1,154,142
Mental Health Building Improvements	1,400,000	1,400,000	190,605	448,171	638,776
Public Health Building Improvements	700,000	700,000	269,748	-	269,748
DOCO Jail Facility Improvements	3,825,000	3,825,000	2,202,004	-	2,202,004
EMS Headquarter Improvements	2,000,000	2,000,000	434,543	7,590	442,133
New Library and Library Improvements	6,000,000	6,000,000	3,761,544	1,019,139	4,780,683
County Police Building Improvements	140,000	140,000	105,174	-	105,174
County Fire Station Improvements	100,000	100,000	23,460	38,682	62,142
S.R. 133 Road Widening Project	400,000	400,000	-	-	-
County Roads, Streets and Bridges	1,186,800	1,186,800	-	318,074	318,074
County Sewer Extensions	1,000,000	1,000,000	-	-	-
New Public Works Facility	700,000	700,000	47,834	3,969	51,803
Election Equipment	100,000	100,000	101,703	6,649	108,352
Radium Springs Improvements	2,500,000	2,500,000	210,992	785,474	996,466
Tennis Court Facility	2,700,000	2,700,000	-	-	-
Gillionville Road Widening	1,800,000	1,800,000	119,071	10,292	129,363
Criminal Justice Information System	4,000,000	4,000,000	952,961	62,462	1,015,423
I.T. Equipment and Software	2,440,000	2,440,000	1,562,824	124,675	1,687,499
Greenspace Acquisition	535,000	535,000	359,671	378	360,049
Mule Barn Presentation	500,000	500,000	76,000	-	76,000
Museum of Art Relocation	3,000,000	3,000,000	9,773	-	9,773
Flint Rivercenter	1,000,000	1,000,000	1,030,312	-	1,030,312
Albany-Dougherty Payroll Development	3,000,000	3,000,000	506,679	90,809	597,488
Riverfront Projects	100,000	100,000	100,000	-	100,000
Administrative	300,000	300,000	131,106	35,026	166,132
City of Albany Projects	65,873,200	65,873,200	35,970,527	10,343,861	46,314,388
Totals	$ 108,300,000	$ 108,300,000	$ 49,206,689	$ 14,024,173	$ 63,230,862

AGENCY FUNDS

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

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

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

Clerk of Courts
Probate Court
Magistrate Court
Juvenile Court

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

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

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

DOUGHERTY COUNTY, GEORGIA

COMBINING BALANCE SHEET
AGENCY FUNDS

JUNE 30, 2010

	Tax Commissioner				
	Tax Department	Tag Department	Clerk of Courts	Probate Court	Magistrate Court
ASSETS					
Cash	$ 628,117	$ 109,675	$ 868,711	$ 9,570	$ 76,110
Taxes receivable	2,869,121	-	-	-	-
Due from other governments	77,138	-	-	-	-
Total assets	$ 3,574,376	$ 109,675	$ 868,711	$ 9,570	$ 76,110
LIABILITIES					
Due to others	$ 705,255	$ 109,675	$ 868,711	$ 9,570	$ 76,110
Uncollected taxes	2,869,121	-	-	-	-
Total liabilities	$ 3,574,376	$ 109,675	$ 868,711	$ 9,570	$ 76,110

Juvenile Court	Sheriff	Drug Squad	Escrow	Total
$ 867	$ 376,279	$ 54,674	$ 122,508	$ 2,246,511
-	-	-	-	2,869,121
-	-	-	-	77,138
$ 867	$ 376,279	$ 54,674	$ 122,508	$ 5,192,770
$ 867	$ 376,279	$ 54,674	$ 122,508	$ 2,323,649
-	-	-	-	2,869,121
$ 867	$ 376,279	$ 54,674	$ 122,508	$ 5,192,770

COMPLIANCE SECTION

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

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*

Board of Commissioners
of Dougherty County, Georgia
Albany, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Dougherty County, Georgia as of and for the year ended June 30, 2010, which collectively comprise Dougherty County, Georgia's basic financial statements, and have issued our report thereon dated December 28, 2010. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Board of Health, as described in our report on Dougherty County, Georgia's financial statements. The report includes our consideration of the results of the other auditor's testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and responses as items 2010-1 and 2010-2 that we consider to be to be significant deficiencies in internal control over financial reporting. A significant deficiency is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

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

We noted certain additional matters that we reported to the management of Dougherty County, Georgia in a separate letter dated December 28, 2010.

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

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

Mauldin & Jenkins, LLC

Macon, Georgia
December 28, 2010

DOUGHERTY COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2010

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	____ yes __X__ no
Significant deficiencies identified not considered to be material weaknesses?	__X__ yes _____ none reported
Noncompliance material to financial statements noted?	____ yes __X__ no

Federal Awards

There was not an audit of major federal award programs as of June 30, 2010 due to the total amount expended being less than $500,000.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2010 - 1. Journal Entry Review Process

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

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

Context: See above condition.

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

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

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

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)

2010 - 2. Segregation of Duties

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

Condition: For the fiscal year ending June 30, 2010, we noted a lack of proper segregation of duties within several areas of Dougherty County, Georgia's operations, including the Clerk of Court, Probate Court, Sheriff's Office, and County Finance Department. Examples of segregation of duties issues include:

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

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

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

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)

2010 - 2. Segregation of Duties (Continued)

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

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

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Not Applicable

DOUGHERTY COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2010

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

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

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

Auditee Response/Status: The above finding was corrected for the fiscal year ending June 30, 2010.

2009 - 2. Taxes Receivable

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

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

Auditee Response/Status: The above finding was corrected for the fiscal year ending June 30, 2010.

2009 - 3. Management of Accounts Receivable Accounts

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

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

Auditee Response/Status: The above finding was corrected for the fiscal year ending June 30, 2010.

2009 - 4. Management of Accounts Payable

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

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

Auditee Response/Status: The above finding was corrected for the fiscal year ending June 30, 2010.

DOUGHERTY COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2010

2009 - 5. Journal Entry Review Process

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

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

Auditee Response/Status: Unresolved – See current year financial audit finding 2010-1.

2009 - 6. Segregation of Duties

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

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

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

Auditee Response/Status: Unresolved – See current year financial audit finding 2010-2.

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT ACCOUNTANT'S REPORT ON LOCAL ASSISTANCE GRANTS

To the Dougherty County Board of Commissioners
Albany, Georgia

We have examined management's assertion included in the accompanying State of Georgia Grant Certification Form about Dougherty County, Georgia's compliance during the year ended June 30, 2010, with the requirement to use grant proceeds solely for the purpose or purposes for which the grant was made for a Local Assistance Grant 02-C-L-755. Management is responsible for Dougherty County, Georgia's compliance with this requirement. Our responsibility is to express an opinion on management's assertion about Dougherty County, Georgia's compliance based on our examination.

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

In our opinion, management's assertion that Dougherty County, Georgia complied with the aforementioned requirement for the year ended June 30, 2010, is fairly stated, in all material respects.

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

Mauldin & Jenkins, LLC

Macon, Georgia
December 28, 2010

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

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

		COLUMN 1 **Current Year Activity** For the Year Ended: June 30, 2010	COLUMN 2 **Cumulative Grant Activity** Through the Year Ended: June 30, 2010
H	Balance - Prior Year (Cash or Accrued or Deferred Revenue)	$1,028.00	
I	Grant Receipts or Revenue Recognized	$0.00	$50,000.00
J	Grant Disbursements or Expenditures EXCLUDING AUDIT FEES	$0.00	$48,972.00
K	Disbursements or Expenditures for Audit Fees	$0.00	$0.00
L	Balance - Current Year (Cash or Accrued or Deferred Revenue) [Line H (col 1 only) + Line I - Line J - Line K]	$1,028.00	$1,028.00

Certification of Local Government Officials

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

Signature of Chief Elected Official _____ Date_____

Signature of Chief Financial Officer_____ Date_____