DOUGHERTY COUNTY, GEORGIA

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2018

DOUGHERTY COUNTY, GEORGIA

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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DOUGHERTY COUNTY, GEORGIA

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LIST OF PRINCIPAL OFFICIALS

DOUGHERTY COUNTY BOARD OF COMMISSIONERS

Christopher Cohilas, Chairman

John Hayes, Vice Chairman

Lamar Hudgins

Clinton Johnson

Ewell Lyle (Russell Gray as of 9/17/18)

Gloria Gaines

Anthony Jones

INTERIM COUNTY ADMINISTRATOR

Michael McCoy

FINANCE DIRECTOR

Martha B. Hendley

FINANCIAL SECTION

MAULDIN & JENKINS

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
of Dougherty County, Georgia
Albany, Georgia

Report on the Financial Statements

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** (the "County"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Dougherty County, Georgia's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 represents 100% of the assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Dougherty County Board of Health, 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 from material misstatement.

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

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

Opinions

In our opinion, 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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the General Fund and Special Services District Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Notes 14 and 16, Dougherty County, Georgia implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Reporting for Post-employment Benefits Other Than Pensions*, as of July 1, 2017. This standard significantly changed the accounting for Dougherty County's net other post-employment benefits (OPEB) liability and the related disclosures. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (on pages 4 through 14), the Schedule of Changes in the County's Net Pension Liability and Related Ratios (on page 70), the Schedule of County Contributions and the Schedule of Investment Returns (on page 71), and the Other Post-Employment Benefit Plan Schedule of Changes in the County's Total OPEB Liability and Related Ratios (on page 72), be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Dougherty County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia 48-8-121, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is also presented for purpose of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance) and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules, the schedule of expenditures of special purpose local option sales tax proceeds, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, the schedule of expenditures of special purpose local option sales tax proceeds, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2018 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* in considering Dougherty County, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
December 27, 2018

DOUGHERTY COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2018

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, 2018. 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 position shows an increase of $2,263,030 compared to the prior fiscal year. This statement is a combined view of all the County's financial activities, including SPLOST funds. The County's liabilities remained almost the same as in the prior year increasing approximately $100,000. The County's assets and deferred outflows of resources also increased $4.7 million from the prior year. GASB 68 requires that the net pension liability be shown in the County's financial statements. The net pension liability as of the date of this report is $7,932,376, a decrease of $821,430 from the prior year.
- The statement of activities (page 16) reports revenue collected through service charges and grants. These revenues are 36% of the total revenues required to provide primary government services. The remaining 64% of the required revenues comes from property tax, sales tax and other tax.
- The 2017 county-wide tax digest net assessed values decreased $17 million dollars or 0.85% compared to a decrease of 1.7% in 2016. Net assessed value statistics are after exemptions. The County-wide millage rate for FY18 is 12.569.
- The General Fund's (the operating fund) total fund balance decreased $2,417,713 instead of the $6.2 million that the Board of Commissioners re-apportioned in the budget. Total revenues were more than budgeted by $2.3 million while expenditures were under budget approximately $1.5 million.
- The Special Services District Fund is used to record services to the unincorporated area of the county. The Special Services District Fund showed an increase in fund balance of $640 thousand. The fund balance at June 30, 2018 is $3.3 million.
- The Solid Waste Fund, an Enterprise Fund, records the activity of the County's Landfill. The net position in this fund increased $3.5 million.
- 2005 One Percent Sales Tax Fund – Collections ceased March 31, 2012 but this is still classified as a major fund with approximately $7.35 million in projects to complete. The total expended on projects in this fiscal year was approximately $2.2 million. A project level detail is shown in the "Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds" and is referenced as "2005 Referendum."
- 2010 One Percent Sales Tax Fund – Collections began April 1, 2012 and ceased March 31, 2017. The City of Albany receives 64% and Dougherty County receives 36% of the total collected. Dougherty County expenditures for this period total approximately $4 million with approximately $7.4 million in projects to complete. A project level detail is shown in the "Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds" and is referenced as "2010 Referendum."
- 2016 One Percent Sales Tax Fund – Collections began April 1, 2017 and will continue until March 31, 2023. The City of Albany receives 64% and Dougherty County receives 36% of the total collected as in SPLOST VI. The total collections for this SPLOST is $18.2 million with approximately $6.6 million going to Dougherty County and $11.7 million going to City of Albany. Dougherty County expended $10.8 million in this fiscal year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 Position and the Statement of Activities (pages 15-17). 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 Position 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 after "Required Supplementary Information."

(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 34.

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 Position 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 position and changes in them. You can think of the County's net position – 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 position 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 position for Governmental Activities decreased between fiscal years 2017 and 2018. Business-Type Activities net position increased between fiscal years 2016 and 2017. Table 1 below compares the net position of fiscal year 2017 to fiscal year 2018 for Governmental and Business-Type activities. Table 2 compares the changes in net position for fiscal year 2017 and fiscal year 2018 for Governmental and Business-Type activities.

Table 1
Net Position
(In Millions)

	Governmental Activities		Business-Type Activities	
	2017	2018	2017	2018
Current and other assets	$ 53.0	$ 53.8	$ 15.8	$ 20.7
Capital assets	155.7	154.6	8.9	11.9
Total assets	208.7	208.4	24.7	32.6
Deferred outflows of resources	5.0	3.8	0.1	0.1
Current liabilities	26.2	25.7	0.3	0.5
Long-term liabilities	2.6	2.4	6.2	7.2
Total liabilities	28.8	28.1	6.5	7.7
Deferred inflows of resources	0.7	2.4	-	-
Net position:				
Net investment in capital assets	155.7	154.6	8.9	11.9
Restricted	25.4	27.0	-	0.1
Unrestricted	3.1	0.1	9.5	13.0
Total net position	$ 184.2	$ 181.7	$ 18.4	$ 25.0

Table 2
Changes in Net Position
(In Millions)

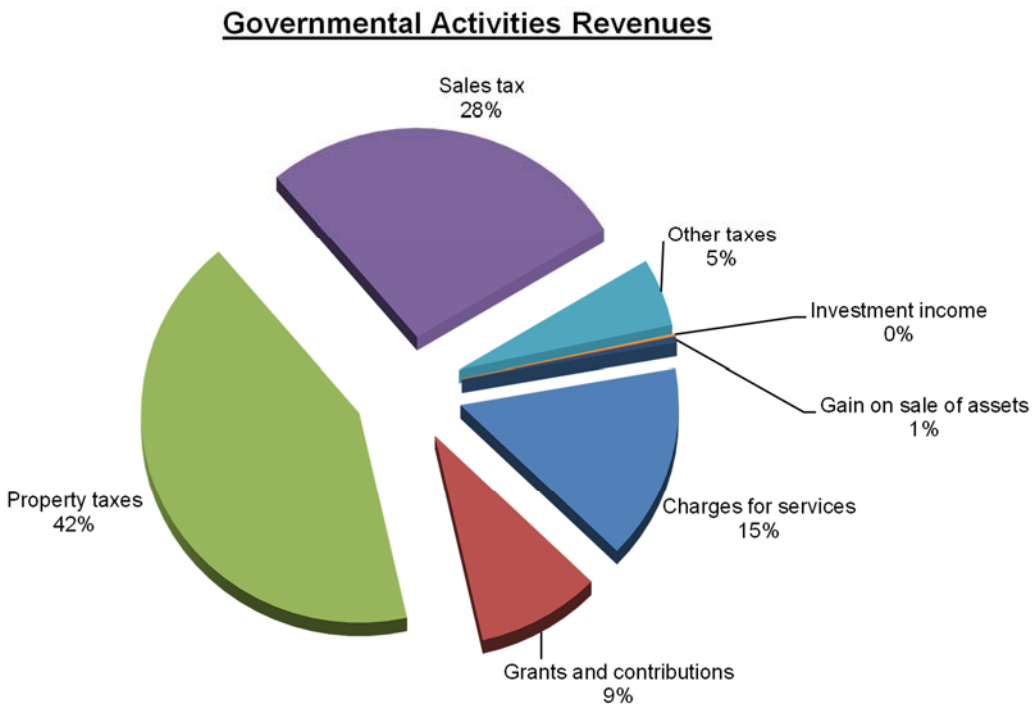
	Governmental Activities		Business-Type Activities	
	2017	2018	2017	2018
Revenues				
Program revenues:				
Charges for services	$ 11.9	$ 11.2	$ 3.8	$ 7.1
Operating grants and contributions	0.9	1.3	-	-
Capital grants and contributions	0.1	8.0	-	-
General revenues:				
Property taxes	32.2	32.4	-	-
Sales tax	21.6	20.5	-	-
Insurance premium taxes	0.9	1.0	-	-
Other taxes	2.9	3.6	-	-
Investment income	0.1	0.3	-	0.1
Gain on sale of assets	0.1	-	-	-
Total revenues	$ 70.7	$ 78.3	$ 3.8	$ 7.2
Program Expenses				
General government	9.4	12.7	-	-
Judicial	7.9	8.6	-	-
Public safety	31.2	32.4	-	-
Public works	10.2	14.9	-	-
Health and welfare	2.8	3.0	-	-
Culture and recreation	5.9	5.4	-	-
Economic development	2.8	2.5	-	-
Interest on long-term debt	-	-	-	-
Solid waste operating expenses	-	-	3.0	3.8
Total expenses	70.2	79.5	3.0	3.8
Transfers	-	-	-	-
Change in net position	0.5	(1.2)	0.8	3.4
Net position, beginning of year	183.7	184.2	17.6	18.4
Net position, end of year	$ 184.2	$ 183.0	$ 18.4	$ 21.8

Governmental Activities

Compared to FY2017, General and Program revenues decreased approximately $2.6 million in FY2018. Sales Taxes for FY18 decreased by $300 thousand. Capital grants and contributions increased by $2.4 million. Net expenditures in FY2018 decreased $640 thousand compared to net expenditures in FY2017. The largest net increase was in General Government ($3.8 million) while the largest decrease was in Public Works at $3.4 million.

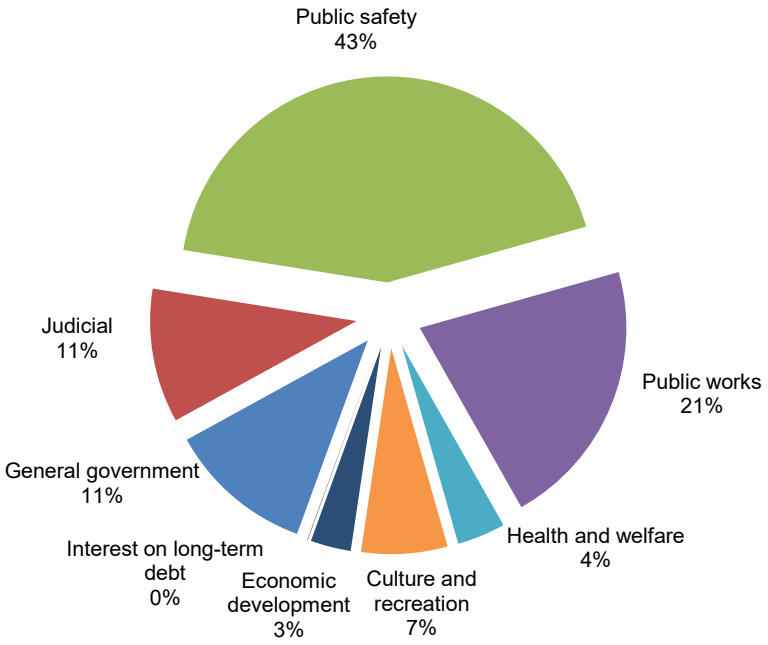
The County relies heavily on property taxes and sales taxes to support governmental operations. Property taxes provided $32 million in revenue or 56% of the County's total governmental activities revenues. The county-wide millage rate set by the Board of Commissioners for the 2017 Tax Digest is 12.569 mils (roll-back rate). The Special Services District (unincorporated portion of the county) millage rate for the 2017 Tax Digest is 9.173 mils (roll-back rate).

Local Option Sales Tax and Special Local Option Sales Tax revenue combined provided approximately $20 million in revenue or 28% of the County's total governmental activities revenues in FY2018.



The primary government expenses for governmental activities increased approximately $2.7 million in FY2018. Expenses increased from $76.7 million in 2017 to $79.4 million in 2018. 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 each function or service.

Governmental Activities Expenses



The Public Safety activities make up approximately 44% 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 11%. The Judicial System activities, which include Clerk of Courts, Superior, State, Magistrate and Probate Court, make up approximately 11%. Public Works activities is 21%.

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. Public Safety, 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	
	2017	2018	2017	2018
General government	$ 8.8	$ 12.7	$ (5.5)	$ (9.2)
Judicial	8.1	8.6	(7.6)	(7.6)
Public safety	33.0	32.4	(25.7)	(25.7)
Public works	16.2	14.9	(9.5)	(6.1)
Health and welfare	2.9	3.0	(2.9)	(3.0)
Culture and recreation	5.2	5.4	(4.7)	(5.0)
Housing and development	2.5	2.5	(2.4)	(2.3)
Interest on long-term debt	-	-	-	-
Total governmental activities	$ 76.7	$ 79.5	$ (58.3)	$ (58.9)

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 position increased $3.5 million. Charges for services revenue increased approximately $580 thousand compared to last year and expenses remained constant with a slight increase of $34 thousand.

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 these funds and the remaining spendable balances. The County Governmental Funds include the General Fund, Special Tax District Fund, Disaster Recovery Fund, Confiscated Assets Fund, Grant Fund, Lease Commercial Property Fund, Law Library Fund, and 2005, 2010 and 2016 One Percent Sales Tax Fund. The Balance Sheet for the following funds (Nonmajor governmental funds) are consolidated and shown as "Nonmajor Governmental Funds" on page 20: 1995 One Percent Sales Tax Fund, 2000 One Percent Sales Tax Fund, Capital Improvement Program Fund, Confiscated Assets, Grant, Lease Commercial Property and Law Library. The General Fund, Special Services District, Disaster Recovery, 2005, 2010 and 2016 One Percent Sales Tax Funds are categorized as major funds (page 20/21). The County's governmental funds reported combined fund balances of $43.3 million, a slight decrease from the prior year of approximately $270 thousand.

The **General Fund** fund balance decreased by $2.4 million. The County Commission budgeted to use $6.2 million from reserves instead of raising property taxes in the budget for FY2018. This is $3.8 million less than budgeted. Actual expenditures were $1.4 million less than the approved budget. Employees continue to contribute 3% of their gross salaries toward the annual required contribution for the pension plan thereby reducing the annual minimum required contribution to the County's defined benefit pension plan approximately $526 thousand.

The **Disaster Recovery Fund** was established to account for the expenditures associated with storm cleanup from the various tornados and hurricanes that have affected Dougherty County over the past two years. The federal and state governments are reimbursing the County for a portion of these costs.

In the **2005 One Percent Sales Tax Fund** (SPLOST V), the collection period of this one cent ended March 31, 2012. Total sales tax revenues collected over a six-year period totaled $102 million of which the City of Albany received $63.2 million (62%) for City projects. Current County projects include but are not limited to Public Health Building Improvements, Mental Health Building Improvements, Public Works Administrative Building construction and Radium Springs Improvement. For more information, see "Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds – 2005 Referendum" in this Report.

In the **2010 One Percent Sales Tax Fund** (SPLOST VI), the collection period started April 1, 2011 and ended March 31, 2017. The total Sales Taxes collected is $95,853,945. The City of Albany received 64% and Dougherty County received 36% of the collections. For a list of the projects and total expenditures as of the date of this report, see the "Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds – 2010 Referendum" in this report.

In the **2016 One Percent Sales Tax Fund** (SPLOST VI), the collection period started April 1, 2017 and will continue until March 31, 2023. The City of Albany receives 64% and Dougherty County receives 36% of the total collected as in SPLOST VI. For a list of the projects and total expenditures as of the date of this report, see the "Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds – 2016 Referendum" in this report.

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 position and the Statement of Activities. The County's enterprise fund (proprietary fund) reporting (pages 28-31) 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 charged for Landfill services for this fiscal year is $38.97 per ton. The projected life, at June 30, 2018, of the Landfill is 32 years for solid waste and 19 years for construction and demolition. The successful methane gas project had revenues of over $173 thousand in this fiscal year. This project supplies methane gas to the Marine Corp Logistics Base.

Internal Service Funds

Group Health Plan – Self-insured healthcare plan for County employees. This fund has a board made up of the County Administrator, Chairman and six members that serve at the pleasure of the County Administrator. The board meets quarterly or as needed to review and monitor the costs associated with the plan. The County employs the services of an insurance broker to advise on cost containment and negotiate service and coverage contracts.

Risk Management Fund – Self-insured property and casualty – Fund created in FY2014 to account for general liability and property and casualty claims internally. It is funded from other funds of the County. A consultant and broker were hired to advise the County and negotiate stop loss contracts.

Workers' Compensation Fund – Self-insured fund to account for workers' compensation claims under $500,000. Claims above $500,000 are covered by a third party insurance company.

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 and reconciles the statements from the investment manager on a quarterly basis. The total net position increased $3.3 million from last year. The County's minimum required annual contribution decreased from $2,240,532 to $1,998,913. Per the actuarial valuation report, the plan's total accrued benefits are 95% funded.

General Fund Budgetary Highlights

The General Fund Budget is developed to cover the costs of services and the tax millage is set to generate enough revenue to cover costs. Budget figures are not calculated on the modified-accrual basis whereas the actual expenditures listed on page 23 are on the modified-accrual basis. Revenues were budgeted at $42.9 million with actual revenues of $445.2 million. Expenditures were budgeted at $49.1 million with actual expenditures of $47.7 million which is $1.4 million less than budgeted.

Capital Assets and Debt Administration

Capital Assets

At the end of FY2018, the County's governmental activities shows $155 million net capital assets (costs less accumulated depreciation) invested in a broad range of capital assets, including police and fire equipment, public works heavy equipment, buildings, roads, and bridges. This is an increase of $558 thousand from the prior year. The Business-type activity (Solid Waste Landfill) has $12 million net capital assets (costs less accumulated depreciation), an increase of $2.9 million. Table 4 is summary data of capital assets. More details can be found in Note 6 of the financial statements.

Table 4
Capital Assets at Year-End
(Net of Depreciation, In Millions)

	Governmental Activities		Business-Type Activities	
	2017	2018	2017	2018
Land	$ 35.8	$ 35.9	$ 2.1	$ 2.1
Intangible Assets	5.6	5.6	-	-
Construction in Progress	0.5	0.7	0.1	3.1
Building and Improvements	74.1	72.9	4.2	3.3
Infrastructure	27.6	28.1	-	-
Vehicles	3.0	2.9	-	-
Equipment	8.1	8.4	3.3	3.5
Totals	$ 154.7	$ 154.5	$ 9.7	$ 12.0

Debt

At year-end, the County had no outstanding debt for bonds or notes payable.

The certificates of participation included in the debt section of the financial statements are for 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 principal amount owed at June 30, 2018 is $474,000. The County retains the capacity to use these funds for capital purchases approved by the bond insurer. Information for the lease pool is shown in Note 7 of these financial statements.

Post-employment benefits (OPEB) obligation is required for governmental agencies in accordance with GASB Statement 75. These benefits include the cost of health prescription drug, dental and life insurance provided to retired employees and their dependents. Currently, the health premiums are split; 50% paid by the County and 50% paid by the retiree for retirees not greater than 65 years old. An actuarial valuation report is conducted every two years to determine this obligation. The most recent valuation shows the OPEB Liability of $10,885,595. GASB Statement 75 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. More details of OPEB obligations can be found in Note 14 of this report.

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 Note 7 of this report.

None of the County's debt payments are currently funded through ad valorem taxes. See Note 7 pages 52-55.

Table 5
Outstanding Debt at Year-End
(In Millions)

	Governmental Activities		Business-Type Activities	
	2017	2018	2017	2018
Bonds payable	$ -	$ -	$ -	$ -
Certificates of participation	0.5	0.5	-	-
Compensated absences	2.8	2.8	0.1	0.1
Net pension liability	8.5	7.7	0.2	0.2
Net OPEB obligation	11.4	10.9	-	-
Landfill closure/post-closure	-	-	6.7	7.1
Totals	$ 23.2	$ 21.9	$ 7.0	$ 7.4

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 considered in developing the County's 2018 budget. Some of the issues impacting the County's future are:

- County-wide tax digest – net digest decreased over $285 million since 2008
- Reduced sales tax collections – State of Georgia exemptions and Motor Vehicle Method of Ad Valorem Collection
- State of Georgia unfunded mandates
- Rebuilding after 2 tornadoes caused major damage in January 2017
- Decreasing General Fund Reserves

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 POSITION

JUNE 30, 2018

ASSETS	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Board of Health
Cash and cash equivalents	$ 5,586,728	$ 300	$ 5,587,028	$ 3,203,166
Investments	41,675,947	13,168,878	54,844,825	-
Taxes receivable	2,811,109	-	2,811,109	-
Accounts receivable	1,522,846	970,048	2,492,894	427,674
Internal balances	(6,520,826)	6,520,826	-	-
Due from other governments	3,033,323	-	3,033,323	1,284,202
Prepaid expenses	56,405	-	56,405	-
Inventories	139,592	25,056	164,648	-
Fair value of interest rate swap agreement	100,216	-	100,216	-
Capital assets, non-depreciable	42,246,664	5,199,508	47,446,172	-
Capital assets, depreciable, net of accumulated depreciation	112,350,354	6,734,610	119,084,964	113,892
Total assets	203,002,358	32,619,226	235,621,584	5,028,934
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	2,733,985	86,855	2,820,840	1,438,664
OPEB related items	1,080,990	-	1,080,990	1,061,705
Total deferred outflows of resources	3,814,975	86,855	3,901,830	2,500,369
LIABILITIES				
Accounts payable	2,606,365	-	2,606,365	411,735
Accrued liabilities	2,754,297	275,203	3,029,500	-
Due to other governments	952,398	-	952,398	319,472
Unearned revenues	28,600	-	28,600	-
Net OPEB liability	10,885,595	-	10,885,595	7,489,789
Compensated absences due within one year	803,682	21,506	825,188	116,092
Compensated absences due in more than one year	1,952,032	44,821	1,996,853	464,368
Closure and post-closure care costs	-	7,136,773	7,136,773	-
Certificates of participation due in more than one year	474,000	-	474,000	-
Net pension liability	7,688,135	244,241	7,932,376	8,940,866
Total liabilities	28,145,104	7,722,544	35,867,648	17,742,322
DEFERRED INFLOWS OF RESOURCES				
Pension related items	263,845	8,382	272,227	220,306
OPEB related items	1,992,491	-	1,992,491	713,593
Accumulated increase in fair value of hedging activities	100,216	-	100,216	-
Total deferred inflows of resources	2,356,552	8,382	2,364,934	933,899
NET POSITION				
Investment in capital assets	154,597,018	11,934,118	166,531,136	113,892
Restricted for:				
Drug treatment education	180,652	-	180,652	-
Juvenile court	80,899	-	80,899	-
Judicial	359,588	-	359,588	-
Public safety	4,700,778	-	4,700,778	-
Capital outlay	21,653,747	-	21,653,747	-
Special use	-	-	-	1,789,112
Unrestricted	(5,257,005)	13,041,037	7,784,032	(13,049,922)
Total net position (deficit)	$ 176,315,677	$ 24,975,155	$ 201,290,832	$ (11,146,918)

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

DOUGHERTY COUNTY, GEORGIA

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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	$ 12,698,795	$ 3,469,007	$ 2,000	$ 2,887
Judicial	8,565,914	231,314	751,302	5,784
Public safety	32,381,208	6,576,529	92,884	51,710
Public works	14,933,108	589,665	391,938	2,440,604
Health and welfare	3,044,106	-	3,732	1,948
Culture and recreation	5,448,157	358,351	59,793	67,931
Housing and development	2,356,168	23,217	-	17,287
Interest on long-term debt	31,785	-	-	-
Total governmental activities	79,459,241	11,248,083	1,301,649	2,588,151
Business-type activities:				
Solid waste	3,772,238	7,117,633	-	-
Total business-type activities	3,772,238	7,117,633	-	-
Total primary government	$ 83,231,479	$ 18,365,716	$ 1,301,649	$ 2,588,151
Component unit:				
Board of Health	$ 14,208,786	$ 3,711,944	$ 11,957,205	$ -
Total component unit	$ 14,208,786	$ 3,711,944	$ 11,957,205	$ -
General revenues:				
Property taxes				
Sales taxes				
Insurance premium taxes				
Other taxes				
Unrestricted investment earnings				
Total general revenues				
Change in net position				
Net position, beginning of year, restated				
Net position, end of year				

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

Net (Expense) Revenue and Changes in Net Position			
Governmental Activities	Business-type Activities	Total	Component Unit Board of Health
$ (9,224,901)	$ -	$ (9,224,901)	$ -
(7,577,514)	-	(7,577,514)	-
(25,660,085)	-	(25,660,085)	-
(11,510,901)	-	(11,510,901)	-
(3,038,426)	-	(3,038,426)	-
(4,962,082)	-	(4,962,082)	-
(2,315,664)	-	(2,315,664)	-
(31,785)	-	(31,785)	-
(64,321,358)	-	(64,321,358)	-
-	3,345,395	3,345,395	-
-	3,345,395	3,345,395	-
(64,321,358)	3,345,395	(60,975,963)	-
-	-	-	1,460,363
-	-	-	1,460,363
32,391,246	-	32,391,246	-
20,487,908	-	20,487,908	-
1,024,682	-	1,024,682	-
3,552,573	-	3,552,573	-
281,823	139,330	421,153	-
57,738,232	139,330	57,877,562	-
(6,583,126)	3,484,725	(3,098,401)	1,460,363
182,898,803	21,490,430	204,389,233	(12,607,281)
$ 176,315,677	$ 24,975,155	$ 201,290,832	$ (11,146,918)

DOUGHERTY COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS

JUNE 30, 2018

ASSETS	General	Special Services District	Disaster Recovery Fund	2005 One Percent Sales Tax	2010 One Percent Sales Tax
Cash and cash equivalents	$ 4,864,769	$ 28,802	$ -	$ -	$ -
Investments	7,658,089	3,313,219	83,373	7,553,643	8,649,422
Taxes receivable	1,258,867	155,419	-	-	-
Accounts receivable	1,287,973	-	-	-	-
Due from other funds	6,609,959	-	-	-	-
Due from other governments	571,386	60,353	2,183,557	-	-
Inventory	139,592	-	-	-	-
Prepaid expenses	16,941	-	-	-	-
Total assets	$ 22,407,576	$ 3,557,793	$ 2,266,930	$ 7,553,643	$ 8,649,422
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 2,594,668	$ -	$ -	$ 6,000	$ -
Accrued expenses	1,185,646	-	-	-	-
Due to other funds	7,478,258	82,310	5,337,612	6,699	1,061,858
Due to other governments	-	-	-	-	-
Unearned revenue	28,600	-	-	-	-
Total liabilities	11,287,172	82,310	5,337,612	12,699	1,061,858
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - notes receivable	-	-	-	-	-
Unavailable revenue - property taxes	972,291	115,046	-	-	-
Total deferred inflow of resources	972,291	115,046	-	-	-
FUND BALANCES					
Nonspendable:					
Inventory	139,592	-	-	-	-
Prepaid	16,941	-	-	-	-
Restricted for:					
Drug treatment education	180,652	-	-	-	-
Juvenile court	80,899	-	-	-	-
Judicial	-	-	-	-	-
Public safety	-	3,360,437	-	-	-
Capital outlay	-	-	-	7,540,944	7,587,564
Committed for:					
Development authority	67,867	-	-	-	-
Building maintenance	-	-	-	-	-
Parking deck maintenance	-	-	-	-	-
Capital outlay	-	-	-	-	-
Assigned					
Budgetary stabilization	2,840,497	-	-	-	-
Unassigned (deficit)	6,821,665	-	(3,070,682)	-	-
Total fund balances	10,148,113	3,360,437	(3,070,682)	7,540,944	7,587,564
Total liabilities, deferred inflow of resources, and fund balances	$ 22,407,576	$ 3,557,793	$ 2,266,930	$ 7,553,643	$ 8,649,422

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

- Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.
- Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.
- Deferred outflows of resources are not available to pay for period expenditures and, therefore, are not reported in the governmental funds.
- Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.
- Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities.
- The net pension liability is not due and payable in the current period and, therefore, is not reported in governmental funds.
- The net OPEB obligation is not due and payable in the current period and, therefore, is not reported in governmental funds.
- Deferred inflows of resources related to the net difference between expected and actual experience of economic/demographic (gains)/losses are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Net position of governmental activities

2016 One Percent Sales Tax	Nonmajor Governmental Funds	Total
$ -	$ 315,667	$ 5,209,238
4,789,710	4,949,526	36,996,982
1,396,823	-	2,811,109
-	2,329	1,290,302
-	353,884	6,963,843
-	218,027	3,033,323
-	-	139,592
-	-	16,941
$ 6,186,533	$ 5,839,433	$ 56,461,330
$ -	$ 5,698	$ 2,606,366
-	-	1,185,646
64,656	56,800	14,088,193
952,398	-	952,398
-	-	28,600
1,017,054	62,498	18,861,203
-	-	-
-	-	1,087,337
-	-	1,087,337
-	-	139,592
-	-	16,941
-	-	180,652
-	-	80,899
-	359,588	359,588
-	1,340,341	4,700,778
5,169,479	1,355,760	21,653,747
-	-	67,867
-	1,329,943	1,329,943
-	141,542	141,542
-	1,249,761	1,249,761
-	-	2,840,497
-	-	3,750,983
5,169,479	5,776,935	36,512,790
$ 6,186,533	$ 5,839,433	
		154,454,762
		1,087,337
		3,814,975
		(3,229,714)
		4,505,592
		(7,688,135)
		(10,885,595)
		(2,256,335)
		$ 176,315,677

DOUGHERTY COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	General	Special Services District	Disaster Recovery Fund	2005 One Percent Sales Tax	2010 One Percent Sales Tax
Revenues:					
Property taxes	$ 27,060,241	$ 5,083,575	$ -	$ -	$ -
Sales taxes	5,853,661	-	-	-	-
Other taxes	2,315,357	2,261,898	-	-	-
Licenses and permits	-	398,142	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	8,650,619	8,767	-	-	-
Fines and forfeitures	764,121	-	-	-	-
Interest	138,498	43,924	-	113,909	131,378
Other revenues	460,711	3,427	2,256,220	-	-
Total revenues	45,243,208	7,799,733	2,256,220	113,909	131,378
Expenditures:					
Current:					
General government	9,311,423	1,497	-	-	-
Judicial	7,155,843	-	-	-	-
Public safety	23,403,034	6,292,807	124,101	-	-
Public works	2,294,691	298,701	4,751,539	-	-
Health and welfare	2,092,114	-	-	-	-
Culture and recreation	2,778,971	267,555	-	-	-
Housing and development	660,150	302,204	-	-	-
Intergovernmental payments	-	-	-	-	-
Capital outlay	-	-	-	2,181,460	4,030,834
Debt service:					
Interest	-	-	-	-	-
Total expenditures	47,696,226	7,162,764	4,875,640	2,181,460	4,030,834
Excess (deficiency) of revenues over (under) expenditures	(2,453,018)	636,969	(2,619,420)	(2,067,551)	(3,899,456)
Other financing sources:					
Proceeds from sale of assets	35,305	3,998	-	-	-
Total other financing sources	35,305	3,998	-	-	-
Net change in fund balances	(2,417,713)	640,967	(2,619,420)	(2,067,551)	(3,899,456)
Fund balances, beginning of year	12,565,826	2,719,470	(451,262)	9,608,495	11,487,020
Fund balances, end of year	$ 10,148,113	$ 3,360,437	$ (3,070,682)	$ 7,540,944	$ 7,587,564

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

2016 One Percent Sales Tax	Nonmajor Governmental Funds	Total
$ -	$ -	$ 32,143,816
14,634,247	-	20,487,908
-	-	4,577,255
-	-	398,142
-	1,301,650	1,301,650
-	-	8,659,386
-	335,580	1,099,701
42,655	110,522	580,886
32,868	626,715	3,379,941
14,709,770	2,374,467	72,628,685
-	601,700	9,914,620
-	1,107,922	8,263,765
-	367,052	30,186,994
-	364,772	7,709,703
-	3,732	2,095,846
-	1,314	3,047,840
-	43,542	1,005,896
9,365,918	-	9,365,918
1,473,793	278,668	7,964,755
-	31,785	31,785
10,839,711	2,800,487	79,587,122
3,870,059	(426,020)	(6,958,437)
-	124,597	163,900
-	124,597	163,900
3,870,059	(301,423)	(6,794,537)
1,299,420	6,078,358	43,307,327
$ 5,169,479	$ 5,776,935	$ 36,512,790

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 FISCAL YEAR ENDED JUNE 30, 2018

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	(6,794,537)
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.		741,906
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.		(165,045)
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.		247,430
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.		251,932
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.		(864,812)
Change in net position of governmental activities	$	(6,583,126)

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

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DOUGHERTY COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (GAAP) BASIS AND ACTUAL GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Property taxes	$ 26,010,072	$ 26,010,072	$ 27,060,241	$ 1,050,169
Sales taxes	5,900,000	5,900,000	5,853,661	(46,339)
Other taxes	2,088,379	2,088,379	2,315,357	226,978
Charges for services	8,019,635	8,019,635	8,650,619	630,984
Fines and forfeitures	689,000	689,000	764,121	75,121
Interest income	2,000	2,000	138,498	136,498
Miscellaneous	224,590	224,590	460,711	236,121
Total revenues	42,933,676	42,933,676	45,243,208	2,309,532
Expenditures:				
Current:				
General government:				
Administrative and legislative	879,810	863,351	824,682	38,669
Auditing	76,950	76,950	63,250	13,700
Finance	434,320	431,965	415,104	16,861
Computer information	980,560	860,560	857,215	3,345
Contingency	100,000	880	880	-
Facilities management	2,434,710	2,357,260	2,235,286	121,974
Human resources	481,625	473,925	450,504	23,421
Legal services	280,600	429,480	429,480	-
Mail and security system	310,710	310,210	285,403	24,807
Purchasing	1,478,419	1,478,419	1,478,419	-
Registration and elections	323,730	316,504	316,502	2
Tax and tag collections	2,015,625	2,027,688	1,954,698	72,990
Total general government	9,797,059	9,627,192	9,311,423	315,769
Judicial:				
Clerk of courts	1,186,490	1,258,106	1,258,105	1
District attorney	1,898,850	1,898,850	1,841,677	57,173
Juvenile court	934,605	882,435	831,486	50,949
Magistrate court	932,710	932,710	913,109	19,601
Probate court	413,965	405,945	379,145	26,800
Public defender	867,935	865,885	851,952	13,933
State court	581,650	581,650	566,595	15,055
Superior court	583,200	535,700	513,774	21,926
Total judicial	7,399,405	7,361,281	7,155,843	205,438

(Continued)

DOUGHERTY COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (GAAP) BASIS AND ACTUAL GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Expenditures: (Continued)				
Current: (Continued)				
Public safety:				
Coroner	$ 175,425	$ 190,196	$ 188,860	$ 1,336
Drug squad	1,031,680	1,031,680	978,178	53,502
S.W.A.T.	15,680	15,680	5,085	10,595
Emergency medical services	4,429,694	4,424,042	4,139,812	284,230
Emergency management	56,045	56,045	56,045	-
Environmental control	523,890	530,890	484,784	46,106
Jail	14,301,650	14,186,350	14,050,637	135,713
Sheriff's department	3,570,160	3,570,160	3,499,633	70,527
Total public safety	24,104,224	24,005,043	23,403,034	602,009
Public works:				
Engineering	336,400	339,775	317,010	22,765
Public works	1,640,510	1,607,242	1,427,439	179,803
Vehicle maintenance	280,400	280,400	273,709	6,691
Park maintenance	305,065	307,565	276,533	31,032
Total public works	2,562,375	2,534,982	2,294,691	240,291
Health and welfare:				
Department of Family and Children Services	78,850	78,850	76,350	2,500
Health services	2,046,502	2,046,502	2,015,764	30,738
Total health and welfare	2,125,352	2,125,352	2,092,114	33,238
Culture and recreation:				
Library	2,867,510	2,815,310	2,778,971	36,339
Total culture and recreation	2,867,510	2,815,310	2,778,971	36,339
Housing and development:				
Agricultural services	112,075	108,975	106,413	2,562
Community development	471,730	542,870	541,521	1,349
Natural resources	12,216	12,216	12,216	-
Total housing and development	596,021	664,061	660,150	3,911
Total expenditures	49,451,946	49,133,221	47,696,226	1,436,995
Deficiency of revenues over expenditures	(6,518,270)	(6,199,545)	(2,453,018)	3,746,527

(Continued)

DOUGHERTY COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (GAAP) BASIS AND ACTUAL GENERAL FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Other financing sources:				
Appropriation of fund balance	$ 6,518,270	$ 6,199,545	$ -	$ (6,199,545)
Proceeds from sale of assets	-	-	35,305	35,305
Total other financing sources	6,518,270	6,199,545	35,305	(6,164,240)
Net change in fund balances	-	-	(2,417,713)	(2,417,713)
Fund balance, beginning of year	12,565,826	12,565,826	12,565,826	-
Appropriation of fund balance	(6,518,270)	(6,199,545)	-	6,199,545
Fund balance, end of year	$ 6,047,556	$ 6,366,281	$ 10,148,113	$ 3,781,832

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

DOUGHERTY COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (GAAP) BASIS AND ACTUAL SPECIAL SERVICES DISTRICT FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues:				
Property taxes	$ 4,876,000	$ 4,876,000	$ 5,083,575	$ 207,575
Other taxes	1,856,000	1,856,000	2,261,898	405,898
Licenses and permits	131,500	131,500	398,142	266,642
Charges for services	4,600	4,600	8,767	4,167
Interest income	10,000	10,000	43,924	33,924
Miscellaneous	4,000	4,000	3,427	(573)
Total revenues	6,882,100	6,882,100	7,799,733	917,633
Expenditures:				
Current:				
General government:				
Administrative	51,400	51,400	1,497	49,903
Total general government	51,400	51,400	1,497	49,903
Public safety:				
County police	3,550,800	3,550,800	3,453,446	97,354
Fire protection	2,693,794	2,693,794	2,684,626	9,168
Animal control	117,935	117,935	101,106	16,829
Code enforcement	69,010	69,010	53,629	15,381
Total public safety	6,431,539	6,431,539	6,292,807	138,732
Public works:				
Street lighting and utilities	266,400	266,400	255,790	10,610
Stormwater	43,100	43,100	42,911	189
Total public works	309,500	309,500	298,701	10,799
Culture and recreation:				
Recreation	267,555	267,555	267,555	-
Total culture and recreation	267,555	267,555	267,555	-
Housing and development:				
Planning and development services	303,941	303,941	302,204	1,737
Total housing and development	303,941	303,941	302,204	1,737
Total expenditures	7,363,935	7,363,935	7,162,764	201,171
Excess (deficiency) of revenues over (under) expenditures	(481,835)	(481,835)	636,969	1,118,804

(Continued)

DOUGHERTY COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET (GAAP) BASIS AND ACTUAL SPECIAL SERVICES DISTRICT FUND FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Other financing sources:				
Proceeds from sale of assets	$ 9,000	$ 9,000	$ 3,998	$ (5,002)
Transfers in	561,562	561,562	-	(561,562)
Total other financing sources	570,562	570,562	3,998	(566,564)
Net change in fund balances	88,727	88,727	640,967	552,240
Fund balance, beginning of year	2,719,470	2,719,470	2,719,470	-
Fund balance, end of year	$ 2,808,197	$ 2,808,197	$ 3,360,437	$ 552,240

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

DOUGHERTY COUNTY, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

JUNE 30, 2018

	Major Enterprise Fund Solid Waste Fund	Governmental Activities - Internal Service Funds
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 300	$ 377,490
Investments	13,168,878	4,678,965
Accounts receivable, net of allowances	970,048	232,544
Due from other funds	6,520,826	603,548
Inventory	25,056	-
Prepaid expenses	-	39,464
Total current assets	20,685,108	5,932,011
NONCURRENT ASSETS		
Capital assets:		
Nondepreciable	5,199,508	-
Depreciable, net of accumulated depreciation	6,734,610	142,256
Total noncurrent assets	11,934,118	142,256
Total assets	32,619,226	6,074,267
DEFERRED OUTFLOWS OF RESOURCES		
Net difference between projected and actual earnings on pension plan investments	42,569	-
Differences between expected and actual experience of economic/demographic (gains)/losses	6,086	-
Assumption changes	38,200	-
Total deferred outflows of resources	86,855	-
LIABILITIES		
CURRENT LIABILITIES		
Accrued expenses	275,203	1,568,651
Due to other funds	-	24
Current portion - compensated absences	21,506	-
Total current liabilities	296,709	1,568,675
LONG-TERM LIABILITIES		
Compensated absences, net of current portion	44,821	-
Accrued landfill closure/post-closure care costs	7,136,773	-
Net pension liability	244,241	-
Total long-term liabilities	7,425,835	-
Total liabilities	7,722,544	1,568,675
DEFERRED INFLOWS OF RESOURCES		
Differences between expected and actual experience of economic/demographic (gains)/losses	8,382	-
Total deferred inflows of resources	8,382	-
NET POSITION		
Investment in capital assets	11,934,118	142,256
Unrestricted	13,041,037	4,363,336
Total net position	$ 24,975,155	$ 4,505,592

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

DOUGHERTY COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Major Enterprise Fund Solid Waste Fund	Governmental Activities - Internal Service Funds
OPERATING REVENUES		
Charges for services	$ 5,516,108	$ 8,159,394
Miscellaneous	1,601,525	969,756
Total operating revenues	7,117,633	9,129,150
OPERATING EXPENSES		
Salaries and benefits	931,425	-
Cost of sales and services	603,251	946,173
Supplies	639,227	-
Claims	-	5,696,577
Insurance	-	2,280,904
Closure/post-closure care costs	469,106	-
Depreciation	978,845	18,555
Total operating expenses	3,621,854	8,942,209
Operating income	3,495,779	186,941
NONOPERATING INCOME (EXPENSE)		
Interest income	139,330	64,991
Loss on sale of assets	(150,384)	-
Total nonoperating income (expense)	(11,054)	64,991
Change in net position	3,484,725	251,932
NET POSITION, beginning of year	21,490,430	4,253,660
NET POSITION, end of year	$ 24,975,155	$ 4,505,592

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, 2018

	Major Enterprise Fund Solid Waste Fund	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	$ 8,537,683	$ 8,982,889
Payments to suppliers	(1,245,652)	(3,227,077)
Payments for insurance claims	-	(5,741,547)
Payments to employees	(631,819)	-
Net cash provided by operating activities	6,660,212	14,265
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(4,058,536)	-
Proceeds from sale of capital assets	17,648	-
Net cash used in capital and related financing activities	(4,040,888)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(2,758,654)	(385,513)
Sale of investments	-	36,461
Interest on investments	139,330	64,991
Net cash used in investing activities	(2,619,324)	(284,061)
Net decrease in cash and cash equivalents	-	(269,796)
Cash and cash equivalents:		
Beginning of year	300	647,286
End of year	$ 300	$ 377,490

(Continued)

DOUGHERTY COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Major Enterprise Fund Solid Waste Fund	Governmental Activities - Internal Service Funds
Reconciliation of operating income to net cash provided by operating activities		
Operating income	$ 3,495,779	$ 186,941
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation expense	978,845	18,555
Landfill closure/post-closure care expense	469,106	-
(Increase) decrease in accounts receivable	1,292,244	(232,544)
(Increase) decrease in due from other funds	127,806	(60,200)
Increase in prepaid expenses	-	(39,464)
Increase in inventory	(3,174)	-
Decrease in deferred outflows of resources	26,166	-
Increase (decrease) in accrued expenses	275,204	(5,506)
Increase in due to other funds	-	146,483
Decrease in compensated absences	(12,373)	-
Increase in net pension liability	12,632	-
Decrease in deferred inflows of resources	(2,023)	-
Net cash provided by operating activities	$ 6,660,212	$ 14,265

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

DOUGHERTY COUNTY, GEORGIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

ASSETS	Agency Funds	Employee Retirement Plan
Cash	$ 3,140,084	$ 2,154,363
Investments, at fair value:		
Pooled, common and collective funds	-	35,615,571
Mutual funds	-	20,740,620
Accounts receivable	-	169,909
Local government investment pool	3,157	-
Accrued dividends	-	3,401
Taxes receivable	4,173,306	-
Total assets	7,316,547	58,683,864
LIABILITIES		
Due to others	3,143,241	-
Uncollected taxes	4,173,306	-
Total liabilities	7,316,547	-
NET POSITION		
Restricted for pension benefits	$ -	$ 58,683,864

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

DOUGHERTY COUNTY, GEORGIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Retirement Plan
ADDITIONS	
Contributions:	
Employer	$ 2,038,911
Employee	547,941
Other receipts	267,155
Total contributions	2,854,007
Investment earnings:	
Dividend income	624,021
Net increase in fair value of investments	3,571,166
Less investment expenses	(278,353)
Net investment earnings	3,916,834
Total additions	6,770,841
DEDUCTIONS	
Benefits	3,399,278
Administrative expenses	40,917
Total deductions	3,440,195
Change in net position	3,330,646
NET POSITION, beginning of year	55,353,218
NET POSITION, end of year	$ 58,683,864

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.

Discretely Presented Component Unit

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 position and the statement of changes in net position) 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 on 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 ***Special Services District Fund*** is a special revenue fund used to account for the receipt of taxes assessed to a special district that are restricted for expenditures for the district.

The ***Disaster Recovery Fund*** is a special revenue fund used to account for the County's receipt and expenditure of disaster funds received from FEMA that are restricted for expenditures for recovery.

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.

The ***2010 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 2010 sales tax referendum.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The ***2016 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 2016 sales tax referendum.

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 ***capital projects funds*** account for specific revenues provided for acquisition, construction, or renovation of major capital facilities.

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.

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.

D. Deposits and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The local government investment pool, "Georgia Fund 1," created by the Official Code of Georgia Annotated (OCGA) 36-83-8, is a stable asset value investment pool, which follows Standard and Poor's criteria for AAAf rated money market funds and is regulated by the Georgia Office of the State Treasurer. 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 per share value). The 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 per share. The pool also adjusts the value of its investments to fair market value as of year-end and the County's investment in the Georgia Fund 1 is reported at fair value. The County considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation.

The County's nonparticipating interest-earning investment contracts are recorded at cost. The remaining investments are recorded at fair value. Increases or decreases in the fair value during the year are recognized as a component of interest income.

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 position.

Any residual balances outstanding between the governmental and business-type activities are reported in the government-wide statement of net position 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 and Prepaid Items

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

G. 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 prior to 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.

Major outlays for capital improvements are capitalized as projects are constructed. Interest incurred during the construction period of capital assets is included as part of the capitalized value of the assets constructed. No interest expense was capitalized during the fiscal year ended June 30, 2018.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets (Continued)

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

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 position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses in the year the debt is issued.

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 and premiums on the issue are 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the balance sheet and statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has two types of items, which arise only under a modified accrual basis of accounting that qualify for reporting in this category.

The governmental funds report *unavailable revenues* from property taxes and notes receivable, and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. An *effective hedge* is reported in the government-wide statement of net position. The effective hedge results from the change in market value of a swap agreement related to the certificates of participation. The amount is deferred and will mature on June 1, 2028, at the same time as the certificates of participation.

The County also has deferred inflows and outflows related to the recording of changes in its net pension liability and net OPEB liability. Certain changes in the net pension liability and net OPEB liability are recognized as pension/OPEB expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the County's actuary which adjust the net pension liability and net OPEB liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension/OPEB expense over the expected remaining service lives of plan members. The difference between projected investment return on pension investments and actual return on those investments as well as assumption changes are also deferred and amortized against pension/OPEB expense over a five year period.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Fund Equity

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

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- ***Nonspendable*** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

- ***Restricted*** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

- ***Committed*** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the County Commission through the adoption of a resolution. Only the County Commission may modify or rescind the commitment.

- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the County Commission has authorized the County Administrator to assign fund balances.

- ***Unassigned*** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Fund Equity (Continued)

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

Net Position – Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the County has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

L. 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 position

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "deferred outflows of resources are not available to pay for current resources and, therefore, are not reported in the funds." The details of this difference are as follows:

Net difference between projected and actual earnings on pension plan investments	$ 1,339,959
Pension experience differences	191,579
Assumption changes - OPEB	1,080,990
Assumption changes - pension	1,202,447
Net adjustment to increase *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$ 3,814,975

Another 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 difference are as follows:

Certificates of participation	$ (474,000)
Compensated absences	(2,755,714)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$ (3,229,714)

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

A. 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 position 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 difference are as follows:

Capital outlay	$ 5,137,393
Depreciation expense	(4,395,487)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$ 741,906

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 difference are as follows:

Compensated absences	$ 53,678
Change in net pension and related deferred inflows and outflows of resources	(471,626)
Change in net OPEB obligation	(446,864)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$ (864,812)

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.

NOTE 3. BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)

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 restricted, committed, or assigned fund balance, as appropriate, and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

Excess of Expenditures over Appropriations and Deficit Fund Equity

For the fiscal year ended June 30, 2018, there were no expenditures which exceeded budget.

At June 30, 2018, the Disaster Recovery Fund reports deficit fund balance of $3,070,682 which will be funded in future years through Federal Emergency Management Agency reimbursements.

NOTE 4. DEPOSITS AND INVESTMENTS

Credit risk. State statutes authorize the County to invest in U.S. government obligations; U.S. government agency (or other corporation of the U.S. government) obligations; obligations fully insured or guaranteed by the U.S. government or a U.S. government agency; obligations of the State of Georgia or other states; obligations of other counties, municipal corporations and political subdivisions of the State of Georgia; negotiable certificates of deposit issued by any bank or trust company organized under the laws of any state of the United States of America; prime bankers' acceptances; repurchase agreements; and pooled investment programs sponsored by the State of Georgia for the investment of local government funds.

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

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 2018, the County had the following investments:

Investments	Maturities	Rating	Fair Value
Georgia Fund 1	42 days weighted average	AAAf	$ 54,158,385
Certificates of deposit	41-month weighted average	N/A	84,558
Guaranteed investment contract	10-year weighted average	AA-	605,039
			$ 54,847,982

Of the investments listed above, the certificates of deposit, guaranteed investment contract, and $55,155,228 of Georgia Fund 1 are included as investments on the Statement of Net Position. Investments in Georgia Fund 1 of $3,157 are included as investments of the Agency Funds in the Statement of Fiduciary Net Position.

Fair Value Measurements. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the County does not disclose the investment in the Georgia Fund 1 within the fair value hierarchy.

The guaranteed investment contract is a nonparticipating interest-earning investment contract and, accordingly, is recorded at cost.

The County has an interest rate swap agreement (fair market hedge derivative) of $94,216 classified as an other asset and more fully described in Note 7. The fair value of the interest rate swap agreement classified as Level 2 of the fair value hierarchy is valued using an option-adjusted discounted cash flow model.

Custodial Credit Risk – Deposits. The County's formal policy requires that all securities pledged to the County for certificates of deposit or demand deposits shall be held by an independent depository and the safekeeping bank may not be within the same holding company as the bank from which the securities are pledged. 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, 2018, the County had no uncollateralized deposits.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Pension Plan

The Dougherty County Retirement Plan's (DCRP) policy in regard to investments, including the allocation of invested assets, is established and may be amended by the Dougherty County Pension Committee by a majority vote of its members. The DCRP is authorized to invest in obligations of the United States Treasury or its agencies and instrumentalities, collateralized mortgage obligations, asset and mortgage backed securities, taxable bonds that are obligations of any state and its agencies, instrumentalities, and political subdivisions, and in certificates of deposit of national or state banks that are fully insured or collateralized by United States obligations. Additionally, the DCRP is authorized to invest in common stocks, money market instruments, and corporate bonds and debentures, which are not in default as to principal and interest.

Fair Value Measurements. The Plan has the following recurring fair value measurements, broken into the fair value hierarchy, as of June 30, 2018:

Investment	Level 1	Level 2	Level 3	Fair Value
Wells Fargo Blackrock ST Investment Fund	$ 2,154,363	$ -	$ -	$ 2,154,363
Wells Fargo Pooled, Common, and Collective Funds	-	35,615,571	-	35,615,571
Mutual Funds	20,740,620	-	-	20,740,620
	$ 22,894,983	$ 35,615,571	$ -	$ 58,510,554

As of June 30, 2018, the DCRP had $35,615,571 invested in pooled, common and collective funds and $20,740,620 invested in mutual funds, none of which are classified by credit quality.

NOTE 5. RECEIVABLES

Property taxes were levied on July 31, 2017. Bills are payable on or before December 20, 2017. The lien date for unpaid taxes was March 19, 2018. After that date, an interest penalty of 18% applies. The County bills and collects its own property taxes. Property taxes levied for 2017 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during the year ended June 30, 2018, and collected by August 31, 2018, are recognized as revenues in the year ended June 30, 2018. Receivables at June 30, 2018, for the County's individual major and nonmajor funds in the aggregate are as follows:

	General	Special Services District	2016 One Percent Sales Tax	Nonmajor Governmental Funds	Solid Waste	Total
Receivables:						
Taxes	$ 1,878,906	$ 231,968	$ 1,396,823	$ -	$ -	$ 2,110,874
Accounts	2,195,514	-	-	2,329	1,116,890	3,314,733
Gross receivables	4,074,420	231,968	1,396,823	2,329	1,116,890	5,425,607
Less allowance for uncollectibles	(1,527,580)	(76,549)	-	-	(146,842)	(1,750,971)
Net receivables	$ 2,546,840	$ 155,419	$ 1,396,823	$ 2,329	$ 970,048	$ 3,674,636

NOTE 6. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the fiscal year ended June 30, 2018, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land and improvements	$ 35,775,176	$ 150,000	$ -	$ -	$ 35,925,176
Intangible assets	5,573,000	-	-	-	5,573,000
Construction in progress	527,336	704,779	(58,262)	(425,365)	748,488
Total capital assets, not being depreciated	41,875,512	854,779	(58,262)	(425,365)	42,246,664
Capital assets, being depreciated:					
Buildings	103,345,500	703,688	-	-	104,049,188
Infrastructure	81,008,222	2,139,250	-	-	83,147,472
Vehicles	7,994,704	657,278	(736,516)	-	7,915,466
Equipment	13,860,105	782,398	(485,022)	425,365	14,582,846
Total capital assets, being depreciated	206,208,531	4,282,614	(1,221,538)	425,365	209,694,972
Less accumulated depreciation for:					
Buildings	(29,206,525)	(1,920,006)	-	-	(31,126,531)
Infrastructure	(54,082,140)	(958,220)	-	-	(55,040,360)
Vehicles	(5,035,701)	(571,151)	634,429	-	(4,972,423)
Equipment	(5,720,965)	(964,665)	480,326	-	(6,205,304)
Total accumulated depreciation	(94,045,331)	(4,414,042)	1,114,755	-	(97,344,618)
Total capital assets, being depreciated, net	112,163,200	(131,428)	(106,783)	425,365	112,350,354
Governmental activities capital assets, net	$ 154,038,712	$ 723,351	$ (165,045)	$ -	$ 154,597,018

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	$ 215,300
Judicial	83,600
Public safety	1,675,568
Public works	1,517,450
Health and welfare	315,779
Culture and recreation	518,133
Housing and development	88,211
Total depreciation expense - governmental activities	$ 4,414,042

	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	367,043	3,014,568	-	(246,148)	3,135,463
Total capital assets, not being depreciated	2,431,088	3,014,568	-	(246,148)	5,199,508
Capital assets, being depreciated:					
Building and improvements	12,004,696	71,985	-	246,148	12,322,829
Equipment and vehicles	6,195,252	971,983	(892,538)	-	6,274,697
Total	18,199,948	1,043,968	(892,538)	246,148	18,597,526
Less accumulated depreciation for:					
Building and improvements	(8,579,790)	(470,622)	-	-	(9,050,412)
Equipment and vehicles	(3,028,788)	(508,223)	724,507	-	(2,812,504)
Total	(11,608,578)	(978,845)	724,507	-	(11,862,916)
Total capital assets, being depreciated, net	6,591,370	65,123	(168,031)	246,148	6,734,610
Business-type activities capital assets, net	$ 9,022,458	$ 3,079,691	$ (168,031)	$ -	$ 11,934,118

NOTE 7. LONG-TERM DEBT

The following is a summary of long-term debt activity for the fiscal year ended June 30, 2018:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Certificates of participation	$ 474,000	$ -	$ -	$ 474,000	$ -
Compensated absences	2,809,392	1,069,389	(1,123,067)	2,755,714	803,682
Net pension liability	8,522,197	5,834,818	(6,668,880)	7,688,135	-
Net OPEB obligation	11,350,232	2,150,018	(2,614,655)	10,885,595	-
Governmental activities long-term liabilities	$ 23,155,821	$ 9,054,225	$ (10,406,602)	$ 21,803,444	$ 803,682
Business-type activities:					
Landfill closure/ post-closure costs	$ 6,667,666	$ 469,107	$ -	$ 7,136,773	$ -
Compensated absences	78,700	11,621	(23,994)	66,327	21,506
Net pension liability	231,609	185,364	(172,732)	244,241	-
Business-type activities long-term liabilities	$ 6,977,975	$ 666,092	$ (196,726)	$ 7,447,341	$ 21,506

The beginning balance of the Net OPEB obligation has been restated for the effects of the adoption of GASB Statement No. 75, *Accounting and Reporting for Post-employment Benefits Other Than Pensions*. See Note 14 and Note 16 for further discussion.

NOTE 7. LONG-TERM DEBT (CONTINUED)

For governmental funds, compensated absences are liquidated by the General Fund. For business-type activities, compensated absences are liquidated by the Solid Waste Fund.

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 prior years, the County repaid $3,589,000 of the principal amount due on these bonds. No principal payments were made during the fiscal year ended June 30, 2018. The principal balance is due in a lump sum payment on June 1, 2028. Interest is payable at a rate of 4.75% each year. The County draws from the investment to lease equipment from the Association. The lease pool agreement requires the County to make lease payments back into its investment account to fund the principal and interest requirements of the 1998 GMA Certificates of Participation.

As part of the issuance of the certificates of participation, the County entered into an interest rate swap agreement. Under the swap agreement, the County is required to pay (1) a semi-annual (and beginning July 1, 2003, a monthly) floating rate of interest based on the 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 semi-annual payments from the swap counterparty with respect to the County are structured, and expected, to be sufficient to make all interest payments due under the contract, and related distributions of interest on the certificates. 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.

NOTE 7. LONG-TERM DEBT (CONTINUED)

Certificates of participation (Continued). 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 Aa1 by Moody's. At June 30, 2018, the floating rate being paid by the County is 1.82% and the market value of the County's portion of this agreement is $94,216, a decrease of $29,027 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, 2018 based on the derivative contract. This market value is reported as an asset in the statement of net position. 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 position.

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

Fiscal year ending June 30,	Principal	Interest	Total
2019	$ -	$ 41,277	$ 41,277
2020	-	41,278	41,278
2021	-	41,278	41,278
2022	-	41,278	41,278
2023	-	41,278	41,278
2024-2028	474,000	247,666	721,666
	$ 474,000	$ 454,055	$ 928,055

Landfill closure and post-closure 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 post-closure care costs will be paid after the landfill is closed. The $7,136,773 reported as an estimated liability for closure and post-closure care costs represents the estimated cost for landfill closure and post-closure care based upon the capacity of the landfill used to date. The amount of the remaining estimated cost for landfill closure and post-closure care of $10,578,635 will be recognized on a pro rata basis as the remaining estimated capacity of 7,561,063 cubic yards of useable space is filled. Approximately 40% of the landfill's capacity has been used to date, and the County expects the landfill to close the Municipal Solid Waste area in 2050 and the Construction and Demolition area in 2037.

NOTE 7. LONG-TERM DEBT (CONTINUED)

Landfill closure and post-closure care costs (Continued). All amounts recognized are based on what it would cost to perform all closure and post-closure care in 2018. 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 post-closure 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 AND PAYABLES

The composition of interfund balances as of June 30, 2018, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	2010 One Percent Sales Tax Fund	$ 1,061,858
General Fund	Special Services District Fund	82,310
General Fund	Internal Service - Workers Comp	24
General Fund	2016 One Percent Sales Tax Fund	64,656
General Fund	2005 One Percent Sales Tax Fund	6,699
General Fund	Nonmajor Governmental Funds	56,800
General Fund	Disaster Recovery Fund	5,337,612
Internal Service Fund - Self Insurance	General Fund	562,511
Internal Service Fund - Risk Management	General Fund	41,037
Nonmajor Governmental Funds	General Fund	353,884
Solid Waste Fund	General Fund	6,520,826
		$ 14,088,217

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.

NOTE 9. DEFINED BENEFIT PENSION PLAN

A. Primary Government

Plan Description

The Dougherty County Board of County Commissioners established and appointed the Dougherty County Pension Committee with responsibility to manage the Dougherty County Retirement Plan (the DCRP), a single employer defined benefit pension plan administered by Silverstone Group, Inc. 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 2,000 hours or more per year, excluding overtime hours, 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 market 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 market 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)

A. Primary Government (Continued)

Plan Membership

At July 1, 2018, the date of the most recent actuarial valuation, there were 979 participants as follows:

Inactive plan members (or beneficiary) currently receiving benefits	235
Inactive plan members entitled to but not yet receiving benefits	156
Active plan members	588
Total	979

Benefits Provided

Retirement benefits for plan members are calculated as 1.5% of the member's final 5-year average salary times the member's years of service plus .25% of average salary for each year of service prior to January 1, 1985. Plan members with 5 years of service are eligible to retire at age 65. Members are eligible for an unreduced retirement benefit after age 55 if they have 25 years of service. Plan members may retire early with a reduced benefit at age 55 with 15 years of service. Disability retirement benefits are determined in the same manner as retirement benefits and are payable immediately upon termination of employment due to permanent and total disability. The death benefit for death prior to retirement is the greater of the present value of the accrued benefit or 50 times the projected monthly benefit.

Contributions

The County makes annual contributions based on a recommendation by an independent actuary and in accordance with Georgia State Code. The five-year average contribution rate for plan year beginning 2014-2018 is 11.73% of annual payroll. The contribution requirements are established and may be amended by the Dougherty County Board of Commissioners. Plan participants are required to contribute 3% of compensation, excluding overtime pay, to the plan.

Rate of Return

For the year ended June 30, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.32%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The cash flows used as inputs in the calculation are determined on a monthly basis.

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

A. Primary Government (Continued)

Plan Disclosures

Effective July 1, 2014, the County implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27,* as well as GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, which significantly changed the County's accounting for pension amounts. The information disclosed below is presented in accordance with this new standard. The DCRP does not issue separate financial statements.

Net Pension Liability

Actuarial assumptions. The total pension liability was determined by an actuarial valuation as of July 1, 2017. The following actuarial assumptions applied to all periods included in the measurement:

Measurement Date	June 30, 2018
Valuation Date	July 1, 2017
Reporting Date	June 30, 2018
Measurement Period	July 1, 2017 - June 30, 2018
Investment Rate of Return	7.50%
Discount Rate	7.50%
Inflation Rate	2.50%
Salary Scale	3.00%
Mortality Table	RP 2000 Projected to 2022/2030
Actuarial Cost Method	Entry Age Normal

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

A. Primary Government (Continued)

Net Pension Liability (Continued)

Discount rate. The discount rate used to measure the total pension liability as of June 30, 2018, was 7.50%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at 14.73% (11.73% from the employer and 3.0% from the employees) of the covered payroll of the current plan members for each year in the future. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability of the County. The changes in the components of the net pension liability of the County for the year ended June 30, 2018, were as follows:

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2017	$ 64,107,024	$ 55,353,218	$ 8,753,806
Changes for the year:			
Service cost	1,096,974	-	1,096,974
Interest	4,764,587	-	4,764,587
Differences between expected and actual experience	-	-	-
Assumption changes	-	-	-
Contributions - employer	-	2,038,911	(2,038,911)
Contributions - employee	-	547,941	(547,941)
Net investment income	-	3,916,834	(3,916,834)
Benefit payments, including refunds of employee contributions	(3,352,345)	(3,399,278)	46,933
Administrative expense	-	(40,917)	40,917
Other receipts	-	267,155	(267,155)
Net changes	2,509,216	3,330,646	(821,430)
Balances at June 30, 2018	$ 66,616,240	$ 58,683,864	$ 7,932,376

The required schedule of changes in the County's net pension liability and related ratios immediately following the notes to the financial statements presents multi-year trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

A. Primary Government (Continued)

Net Pension Liability (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the County, calculated using the discount rate of 7.50%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.50%) or 1-percentage point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
County's Net Pension Liability	$ 14,700,524	$ 7,932,376	$ 2,180,516

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2018, the County recognized pension expense of $2,791,330. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ 2,106,088	$ 723,560
Assumption changes	1,240,647	-
Differences between expected and actual experience of economic/demographic (gains)/losses	197,665	272,227
Total	$ 3,544,400	$ 995,787

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

A. Primary Government (Continued)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	
2019	$ (1,435,927)
2020	(808,301)
2021	(179,645)
2022	(124,740)
2023	-
Total	$ (2,548,613)

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 managers hired prior to January 1, 2011. 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	$ 10,684	$ 292,800
ACCG Deferred Compensation Program	3,804	224,108

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, 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.

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

	June 30, 2018	June 30, 2017
Unpaid claims, beginning of year	**$ 700,715**	$ 774,565
Incurred claims and changes in estimates	**335,379**	331,761
Claim payments	**(676,059)**	(405,611)
Unpaid claims, end of year	**$ 360,035**	$ 700,715

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, 2018, 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 settled within one year, the unpaid claim liability is classified as current.

NOTE 11. RISK MANAGEMENT (CONTINUED)

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

	June 30, 2018	June 30, 2017
Unpaid claims, beginning of year	**$ 370,000**	$ 840,000
Incurred claims and changes in estimates	**4,522,964**	3,125,829
Claim payments	**(4,332,964)**	(3,595,829)
Unpaid claims, end of year	**$ 560,000**	$ 370,000

The County established the Risk Management Fund during the fiscal year ended June 30, 2018, which services general liability and property and casualty claims and payments of premiums. This fund allocates the cost of providing claim servicing and claim payments by charging a "premium" to each fund. Claims payable at June 30, 2018, were estimated based on the loss analysis report provided by a third-party administrator. Because all property claims are expected to be settled within one year, the unpaid claim liability is classified as current.

Changes in property and casualty claims payable for the fiscal year ended June 30 are as follows:

	June 30, 2018	June 30, 2017
Unpaid claims, beginning of year	**$ 503,442**	$ 265,655
Incurred claims and changes in estimates	**838,234**	732,058
Claim payments	**(693,060)**	(494,271)
Unpaid claims, end of year	**$ 648,616**	$ 503,442

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 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, 2018, the County paid $54,460 in such dues. Membership in the RC is required by 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 Commission. Separate financial statements may be obtained from Southwest Georgia Regional Commission, 30 West Broad Street, Camilla, Georgia 31730.

NOTE 14. OTHER POST-EMPLOYMENT BENEFITS

Plan Administration

The County, as authorized by the County Commission, administers a single-employer defined benefit Other Post-employment Benefits Plan (OPEB Plan) providing medical, dental and life insurance benefits to retired employees and their dependents under certain conditions. The County provides the OPEB Plan to classified, classified part-time and unclassified employee groups. The County does not issue a separate report that includes financial statements and required supplementary information for the OPEB Plan. The County's Board of Commissioners established and may amend the benefit provisions. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits Provided

Individuals who are employed by the County and are eligible to participate in the group medical, dental, and life insurance plans are eligible to continue healthcare benefits upon retirement after attaining at least age 55 with at least 15 years of service or age 65 with at least 5 years of service. Coverage during retirement continues in the group medical plan up to age 65 but in the group dental and life insurance plans for life. Retirees covered by the plans make contributions toward the plan premiums.

NOTE 14. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Plan Membership

As of July 1, 2017, Plan membership consisted of the following:

Active participants	588
Retirees and beneficiaries currently receiving benefits	155
Total	743

Contributions

The County has elected to fund the OPEB Plan on a "pay as you go" basis. Plan members, once retired, make contributions towards the plan premiums. The County contributes the current year benefit costs of the Plan which are not paid by the retiree. For the year ended June 30, 2018, the County contributed $315,627 for the pay as you go benefits for the OPEB Plan.

Total OPEB Liability of the County

Effective July 1, 2017, the County implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions,* which significantly changed the County's accounting for OPEB amounts. The information disclosed below is presented in accordance with this new standard.

The County's total OPEB liability was measured as of June 30, 2018, and was determined by an actuarial valuation as of July 1, 2017, with the actuary using standard techniques to roll forward the liability to the measurement date.

NOTE 14. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Actuarial assumptions. The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount Rate:	3.58%
Healthcare Cost Trend Rate:	7.00% - 5.00%, Ultimate Trend in 2022
Inflation Rate:	3.00%
Salary increase:	3.00%
Participation rate:	Health insurance – 25%; Dental insurance – 50%; Life insurance – 100%

Mortality rates were based on the RP-2000 annuitant distinct mortality table projected with Scale AA to 2022 for retirees and 2030 for employees.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.58%. This rate was determined using an index rate of 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher – which was 3.58% as determined by the Bond Buyer 20-Bond GO Index Rate as of June 30, 2018.

Changes in the Total OPEB Liability of the County

The changes in the total OPEB liability of the County for the year ended June 30, 2018, were as follows:

	Total OPEB Liability
Balance at June 30, 2017	$ 11,350,232
Changes for the year	
Service cost	521,033
Interest	381,689
Change in benefit terms	-
Difference between expected and actual experience	(2,299,028)
Assumption changes	1,247,296
Benefit payments	(315,627)
Other changes	-
Net Changes	(464,637)
Balance at June 30, 2018	$ 10,885,595

NOTE 14. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Changes in the Total OPEB Liability of the County (Continued)

The required schedule of changes in the County's total OPEB liability and related ratios immediately following the notes to the financial statements presents multi-year trend information about the total OPEB liability.

Sensitivity of the Total OPEB liability to changes in the Discount Rate

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58%) or 1-percentage-point higher (4.58%) than the current discount rate:

	1% Decrease (2.58%)	Discount Rate (3.58%)	1% Increase (4.58%)
Total OPEB Liability	$ 12,216,759	$ 10,885,595	$ 9,763,614

Sensitivity of the Total OPEB liability to changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6% decreasing to 4%) or 1-percentage-point higher (8% decreasing to 6%) than the current healthcare cost trend rates:

	1% Decrease (6% decreasing to 4%)	Current Healthcare Cost Trend Rate	1% Decrease (8% decreasing to 6%)
Total OPEB Liability	$ 10,154,272	$ 10,885,595	$ 11,742,554

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 continual revisions 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 substantive plan in effect as of June 30, 2018, and the current sharing pattern of costs between employer and inactive employees.

NOTE 14. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the County recognized OPEB expense of $762,491. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 1,992,491
Changes in assumptions	1,080,990	-
	$ 1,080,990	$ 1,992,491

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30	
2019	$ (140,231)
2020	(140,231)
2021	(140,231)
2022	(140,231)
2023	(140,231)
2024	(210,346)
Total	$ (911,501)

NOTE 15. TAX ABATEMENT PROGRAMS

For the year ended June 30, 2018, the County's tax revenues were reduced by $1,749,031 under agreements entered into by the Albany Dougherty Payroll Development Authority. Under these agreements, taxes on both real and personal property are reduced based on investments made by the corporations to whom the incentives were offered. In order to qualify, certain eligibility requirements must be met and are based on the economic development goals of each project. Generally, a project will create employment opportunities, promote trade and commerce in the County, and increase the tax base.

NOTE 16. CHANGE IN ACCOUNTING PRINCIPLE

The County has determined that a restatement to beginning net position of governmental activities is required to recognize the change in accounting principle for the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions,* as of July 1, 2017. This restatement is as follows:

	Governmental Activities
Net position, as previously reported	$ 183,158,498
Adjustment to remove the net OPEB obligation in accordance with GASB Statement No. 75	11,090,537
Adjustment to record the net OPEB obligation in accordance with GASB Statement No. 75	(11,350,232)
Net position, as restated	$ 182,898,803

The Dougherty County Board of Health also has determined that a restatement to beginning net position of governmental activities is required to recognize the change in accounting principle for the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions,* as of July 1, 2017. This restatement is as follows:

	Governmental Activities
Net position, as previously reported	$ (4,764,027)
Net OPEB asset	503,848
Adjustment to record the net OPEB obligation in accordance with GASB Statement No. 75	(9,347,560)
Deferred outflow of resources - contributions	1,000,458
Net position, as restated	$ (12,607,281)

REQUIRED SUPPLEMENTARY INFORMATION

DEFINED BENEFIT RETIREMENT PLAN
SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY AND RELATED RATIOS

	2014	2015	2016	2017	**2018**
Total Pension Liability - Beginning of Year	$ 52,666,565	$ 54,942,537	$ 56,868,704	$ 59,781,014	**$ 64,107,024**
Service Cost	985,660	987,469	1,031,369	1,084,073	**1,096,974**
Interest on the Total Pension Liability	4,158,047	4,224,303	4,419,776	4,593,789	**4,764,587**
Changes of Benefit Terms	-	-	-	-	**-**
Difference between Expected and Actual Experience	(374,170)	(439,121)	(271,898)	317,463	**-**
Changes of Assumptions	-	-	599,096	1,511,462	**-**
Benefit Payments	(2,493,565)	(2,846,484)	(2,866,033)	(3,180,777)	**(3,352,345)**
Net Change in Total Pension Liability	2,275,972	1,926,167	2,912,310	4,326,010	**2,509,216**
Total Pension Liability - End of Year (a)	54,942,537	56,868,704	59,781,014	64,107,024	**66,616,240**
Plan Fiduciary Net Position - Beginning of Year	43,560,231	50,387,870	50,538,905	50,658,661	**55,353,218**
Contributions - Employer	2,191,969	2,122,826	2,136,438	2,342,787	**2,038,911**
Contributions - Employee	579,204	510,167	528,308	526,181	**547,941**
Other receipts	3,559	-	-	-	**267,155**
Net Investment Income	6,644,893	682,912	457,587	5,115,662	**3,916,834**
Benefit Payments	(2,497,124)	(2,846,484)	(2,866,033)	(3,180,777)	**(3,399,278)**
Administrative Expenses	(94,862)	(318,386)	(136,544)	(109,296)	**(40,917)**
Net Change in Plan Fiduciary Net Position	6,827,639	151,035	119,756	4,694,557	**3,330,646**
Plan Fiduciary Net Position - End of Year (b)	50,387,870	50,538,905	50,658,661	55,353,218	**58,683,864**
County's Net Pension Liability (a) - (b)	4,554,667	6,329,799	9,122,353	8,753,806	**7,932,376**
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	91.71%	88.87%	84.74%	86.35%	**88.09%**
Covered-Employee Payroll	$ 21,297,585	$ 19,321,375	$ 19,194,059	$ 20,111,297	**$ 20,830,160**
Net Pension Liability as a Percentage of the Covered-Employee Payroll	21.39%	32.76%	47.53%	43.53%	**38.08%**

**Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

REQUIRED SUPPLEMENTARY INFORMATION

DEFINED BENEFIT RETIREMENT PLAN
SCHEDULE OF COUNTY CONTRIBUTIONS

	2014	2015	2016	2017	**2018**
Actuarially Determined Contribution	$ 2,191,381	$ 2,119,353	$ 2,135,397	$ 2,240,532	**$ 1,998,913**
Actual Contributions During the Year	2,191,969	2,122,826	2,136,438	2,342,787	**2,038,911**
Contribution Deficiency/(Excess)	$ (588)	$ (3,473)	$ (1,041)	$ (102,255)	**$ (39,998)**
Covered-Employee Payroll	$ 21,297,585	$ 19,321,375	$ 19,194,059	$ 20,111,297	**$ 20,830,160**
Contributions as a Percentage of Covered-Employee Payroll	10.29%	10.99%	11.13%	11.65%	**9.79%**

Notes to the Schedule of Employer Contributions

Methods and Assumptions for Actuarially Determined Contribution:

Valuation Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal
Actuarial Asset Valuation Method	Actuarial value as used for funding
Amortization Method	Level Dollar Amount (Closed)
Remaining Amortization Period	15-year closed period, or other closed period in accordance with Georgia State Code
Projected Salary Increases	3.00%
Investment Rate of Return	7.50%
Mortality Table	IRS 2015

SCHEDULE OF INVESTMENT RETURNS

Fiscal Year	Annual Money-Weighted Rate of Return
2014	15.81%
2015	1.35%
2016	0.90%
2017	10.12%
2018	7.32%

**Schedules above are intended to show information for 10 years. Additional years will be displayed as they become available.*

REQUIRED SUPPLEMENTARY INFORMATION

OTHER POST-EMPLOYMENT BENEFIT PLAN
SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY AND RELATED RATIOS

	2018
Total OPEB liability	
Service cost	$ 521,033
Interest on total OPEB liability	381,689
Difference between expected and actual experience	(2,299,028)
Changes of assumptions and other inputs	1,247,296
Benefit payments	(315,627)
Net change in total OPEB liability	(464,637)
Total OPEB liability - beginning	11,350,232
Total OPEB liability - ending	$ 10,885,595
Covered-employee payroll	$ 20,843,519
Total OPEB liability as a percentage of covered-employee payroll	52.2%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

The County is not accumulating assets in a trust fund that meets the criteria in paragraph 4 of GASB Statement No. 75 for payment of future OPEB benefits.

The assumptions used in preparation of the above schedule are disclosed in Note 14 to the financial statements.

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Confiscated Assets Fund is used to account for confiscated assets awarded to the County that are restricted for law enforcement expenditures 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 are committed 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 restricted for acquisition and maintenance of library materials.

CAPITAL PROJECT FUNDS

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

DHR Building Lease Fund is use to account for the receipt of rental funds from the Georgia Department of Human Services (DHS) that are used to provide for operations and capital improvements to the building.

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.

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.

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DOUGHERTY COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2018

	Special Revenue Funds			
ASSETS	**Confiscated Assets**	**Grant**	**Lease Commercial Property**	**Law Library**
Cash and cash equivalents	$ -	$ -	$ -	$ 315,667
Investments	770,429	-	143,065	67,034
Accounts receivable	-	-	-	2,329
Due from other funds	10,631	343,253	-	-
Due from other governments	-	218,027	-	-
Total assets	$ 781,060	$ 561,280	$ 143,065	$ 385,030
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ -	$ 1,999	$ -	$ 3,699
Due to other funds	-	-	1,523	21,743
Total liabilities	-	1,999	1,523	25,442
FUND BALANCES				
Restricted for:				
Judicial	-	-	-	359,588
Public safety	781,060	559,281	-	-
Capital outlay	-	-	-	-
Committed for:				
Building maintenance	-	-	-	-
Parking deck maintenance	-	-	141,542	-
Capital outlay	-	-	-	-
Assigned				
Total fund balances	781,060	559,281	141,542	359,588
Total liabilities and fund balances	$ 781,060	$ 561,280	$ 143,065	$ 385,030

	Capital Projects Funds				
Capital Improvement	DHR Building Lease Fund	1995 One Percent Sales Tax	2000 One Percent Sales Tax	Total
$ -	$ -	$ -	$ -	$ 315,667
1,877,074	1,330,556	411,590	349,778	4,949,526
-	-	-	-	2,329
-	-	-	-	353,884
-	-	-	-	218,027
$ 1,877,074	$ 1,330,556	$ 411,590	$ 349,778	$ 5,839,433
$ -	$ -	$ -	$ -	$ 5,698
22,274	613	6,521	4,126	56,800
22,274	613	6,521	4,126	62,498
-	-	-	-	359,588
-	-	-	-	1,340,341
605,039	-	405,069	345,652	1,355,760
-	1,329,943	-	-	1,329,943
-	-	-	-	141,542
1,249,761	-	-	-	1,249,761
1,854,800	1,329,943	405,069	345,652	5,776,935
$ 1,877,074	$ 1,330,556	$ 411,590	$ 349,778	$ 5,839,433

DOUGHERTY COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Confiscated Assets	Grant	Lease Commercial Property	Law Library
Revenues:				
Intergovernmental	$ -	$ 1,301,650	$ -	$ -
Fines and forfeitures	110,647	76,637	-	148,296
Interest income	11,564	-	1,768	1,703
Other revenues	-	-	65,411	6,381
Total revenues	122,211	1,378,287	67,179	156,380
Expenditures:				
Current:				
General government	-	6,660	-	-
Judicial	-	944,007	-	163,915
Public safety	330,491	36,561	-	-
Public works	-	364,772	-	-
Health and welfare	-	3,732	-	-
Culture and recreation	-	1,314	-	-
Housing and development	-	-	43,542	-
Capital outlay	-	-	-	-
Debt service:				
Interest	-	-	-	-
Total expenditures	330,491	1,357,046	43,542	163,915
Excess (deficiency) of revenues over (under) expenditures	(208,280)	21,241	23,637	(7,535)
Other financing sources:				
Proceeds from sale of assets	24,800	-	-	-
Total other financing sources	24,800	-	-	-
Net change in fund balances	(183,480)	21,241	23,637	(7,535)
Fund balances, beginning of year	964,540	538,040	117,905	367,123
Fund balances, end of year	$ 781,060	$ 559,281	$ 141,542	$ 359,588

Capital Improvement	DHR Building Lease Fund	1995 One Percent Sales Tax	2000 One Percent Sales Tax	Total
$ -	$ -	$ -	$ -	$ 1,301,650
-	-	-	-	335,580
66,634	17,733	6,340	4,780	110,522
21,040	533,883	-	-	626,715
87,674	551,616	6,340	4,780	2,374,467
-	595,040	-	-	601,700
-	-	-	-	1,107,922
-	-	-	-	367,052
-	-	-	-	364,772
-	-	-	-	3,732
-	-	-	-	1,314
-	-	-	-	43,542
108,241	-	145,129	25,298	278,668
31,785	-	-	-	31,785
140,026	595,040	145,129	25,298	2,800,487
(52,352)	(43,424)	(138,789)	(20,518)	(426,020)
99,797	-	-	-	124,597
99,797	-	-	-	124,597
47,445	(43,424)	(138,789)	(20,518)	(301,423)
1,807,355	1,373,367	543,858	366,170	6,078,358
$ 1,854,800	$ 1,329,943	$ 405,069	$ 345,652	$ 5,776,935

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.

Risk Management Fund is used to account for the funding of property insurance and payment of claims and judgments against the County.

DOUGHERTY COUNTY, GEORGIA

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS

JUNE 30, 2018

	Workers' Compensation Fund	Self-Insurance Fund	Risk Management Fund	Total
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 257,951	$ -	$ 119,539	$ 377,490
Investments	903,359	3,182,862	592,744	4,678,965
Accounts receivable, net of allowances	-	-	232,544	232,544
Due from other funds	-	562,511	41,037	603,548
Prepaid expenses	5,475	-	33,989	39,464
Total current assets	1,166,785	3,745,373	1,019,853	5,932,011
NONCURRENT ASSETS				
Capital assets:				
Depreciable, net of accumulated depreciation	-	142,256	-	142,256
Total noncurrent assets	-	142,256	-	142,256
Total assets	1,166,785	3,887,629	1,019,853	6,074,267
LIABILITIES				
CURRENT LIABILITIES				
Accrued expenses	360,035	560,000	648,616	1,568,651
Due to other funds	24	-	-	24
Total current liabilities	360,059	560,000	648,616	1,568,675
Total liabilities	360,059	560,000	648,616	1,568,675
NET POSITION				
Investment in capital assets	-	142,256	-	142,256
Unrestricted	806,726	3,185,373	371,237	4,363,336
Total net position	$ 806,726	$ 3,327,629	$ 371,237	$ 4,505,592

DOUGHERTY COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Workers' Compensation Fund	Self-Insurance Fund	Risk Management Fund	Total
OPERATING REVENUES				
Charges for services	$ 645,150	$ 6,067,224	$ 1,447,020	$ 8,159,394
Miscellaneous	349,049	117,205	503,502	969,756
Total operating revenues	994,199	6,184,429	1,950,522	9,129,150
OPERATING EXPENSES				
Cost of sales and services	65,231	531,835	349,107	946,173
Claims	335,379	4,522,964	838,234	5,696,577
Insurance	61,643	1,534,148	685,113	2,280,904
Depreciation	-	18,555	-	18,555
Total operating expenses	462,253	6,607,502	1,872,454	8,942,209
Operating income (loss)	531,946	(423,073)	78,068	186,941
NONOPERATING INCOME				
Interest income	9,598	50,519	4,874	64,991
Total nonoperating income	9,598	50,519	4,874	64,991
Change in net position	541,544	(372,554)	82,942	251,932
NET POSITION, beginning of year	265,182	3,700,183	288,295	4,253,660
NET POSITION, end of year	$ 806,726	$ 3,327,629	$ 371,237	$ 4,505,592

DOUGHERTY COUNTY, GEORGIA

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Workers' Compensation Fund	Self-Insurance Fund	Risk Management Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	$ 1,140,682	$ 6,311,967	$ 1,530,240	$ 8,982,889
Payments to suppliers	(126,874)	(2,065,983)	(1,034,220)	(3,227,077)
Payments for insurance claims	(681,534)	(4,332,964)	(727,049)	(5,741,547)
Net cash provided by (used in) operating activities	332,274	(86,980)	(231,029)	14,265
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	(504,988)	-	119,475	(385,513)
Sale of investments	-	36,461	-	36,461
Interest on investments	9,598	50,519	4,874	64,991
Net cash provided by (used in) investing activities	(495,390)	86,980	124,349	(284,061)
Net decrease in cash and cash equivalents	(163,116)	-	(106,680)	(269,796)
Cash and cash equivalents:				
Beginning of year	421,067	-	226,219	647,286
End of year	$ 257,951	$ -	$ 119,539	$ 377,490
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	$ 531,946	$ (423,073)	$ 78,068	$ 186,941
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation expense	-	18,555	-	18,555
Increase in accounts receivable	-	-	(232,544)	(232,544)
(Increase) decrease in due from other funds	-	127,538	(187,738)	(60,200)
Increase (decrease) in accrued expenses	(340,680)	190,000	145,174	(5,506)
Increase in due to other funds	146,483	-	-	146,483
Increase in prepaid expenses	(5,475)	-	(33,989)	(39,464)
Net cash provided by (used in) operating activities	$ 332,274	$ (86,980)	$ (231,029)	$ 14,265

DOUGHERTY COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Project Description	Original Costs	Estimated Costs	Expenditures		
			Prior Years	Current Year	Total
1995 REFERENDUM					
City Street and Road Projects	$ 10,000,000	$ 10,075,000	$ 10,074,999	$ -	$ 10,074,999
County Street and Road Projects	5,000,000	5,652,343	5,652,343	-	5,652,343
Water and Sewer Extensions	8,000,000	10,698,078	10,763,934	-	10,763,934
Storm Drainage Improvements	15,200,000	15,123,948	15,019,085	-	15,019,085
Recycling Program	1,500,000	500,000	441,352	-	441,352
Geographic Information System	1,000,000	1,063,717	1,063,717	-	1,063,717
City Fire Stations and Equipment	2,500,000	2,500,000	2,499,876	-	2,499,876
County Fire Stations and 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	8,701,845	91,486	8,793,331
Recreation Improvements	10,500,000	10,500,000	9,888,277	-	9,888,277
Agricultural Service Center	2,000,000	2,064,056	2,117,833	53,643	2,171,476
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	$ 84,110,913	$ 145,129	$ 84,256,042

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

(Continued)

DOUGHERTY COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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	6,531,843	636	6,532,479
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	6,509,309	-	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	500,000	-	500,000
Central Square	15,300,000	15,306,177	15,306,178	-	15,306,178
Economic Development	8,013,679	6,463,679	6,444,466	-	6,444,466
County Animal Shelter	700,000	780,000	835,298	-	835,298
City Law Enforcement Center	14,500,000	14,500,000	14,339,208	-	14,339,208
Storm Drainage Improvements	11,000,000	4,187,173	4,258,310	-	4,258,310
County Road Improvements	2,000,000	4,800,000	4,690,088	24,662	4,714,750
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	529,728	-	529,728
Recreation Improvements	9,130,000	3,285,000	3,287,663	-	3,287,663
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	$ 115,896,537	$ 25,298	$ 115,921,835

(Continued)

DOUGHERTY COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Project Description	Original Costs	Estimated Costs	Expenditures		
			Prior Years	Current Year	Total
2005 REFERENDUM					
Government Center Improvements	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ -	$ 1,000,000
Judicial Building Improvements	2,000,000	2,185,000	2,196,456	-	2,196,456
Mental Health Building Improvements	1,400,000	1,115,000	1,645,252	-	1,645,252
Public Health Building Improvements	700,000	800,000	269,748	-	269,748
DOCO Jail Facility Improvements	3,825,000	3,825,000	3,798,110	-	3,798,110
EMS Headquarter Improvements	2,000,000	2,086,553	2,086,553	-	2,086,553
New Library and Library Improvements	6,000,000	6,400,000	6,692,003	34,486	6,726,489
County Police Building Improvements	140,000	140,000	136,437	-	136,437
County Fire Station Improvements	100,000	100,000	186,000	-	186,000
S.R. 133 Road Widening Project	400,000	-	-	-	-
County Roads, Streets and Bridges	1,186,800	2,294,872	2,085,514	245,709	2,331,223
County Sewer Extensions	1,000,000	1,150,000	331,840	-	331,840
New Public Works Facility	700,000	1,000,000	998,675	-	998,675
Election Equipment	100,000	160,000	161,326	-	161,326
Radium Springs Improvements	2,500,000	2,500,000	1,139,391	32,000	1,171,391
Tennis Court Facility	2,700,000	2,700,000	-	-	-
Gillionville Road Widening	1,800,000	500,000	213,644	-	213,644
Criminal Justice Information System	4,000,000	4,000,000	3,040,483	10,660	3,051,143
I.T. Equipment and Software	2,440,000	2,440,000	2,232,492	46,204	2,278,696
Greenspace Acquisition	535,000	535,000	517,860	1,615	519,475
Mule Barn Presentation	500,000	500,000	76,035	-	76,035
Museum of Art Relocation	3,000,000	9,773	9,773	-	9,773
Flint Rivercenter	1,000,000	1,030,312	1,030,312	-	1,030,312
Albany-Dougherty Payroll Development	3,000,000	3,000,000	597,488	1,810,786	2,408,274
Riverfront Projects	100,000	100,000	100,000	-	100,000
Administrative	300,000	300,000	175,637	-	175,637
City of Albany Projects	65,873,200	63,259,242	63,259,242	-	63,259,242
Totals	$ 108,300,000	$ 103,130,752	$ 93,980,271	$ 2,181,460	$ 96,161,731

(Continued)

DOUGHERTY COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Project Description	Original Costs	Estimated Costs	Expenditures		
			Prior Years	Current Year	Total
2010 REFERENDUM					
Government Center Improvements	$ 535,000	$ 535,000	$ 325,133	$ 14,769	$ 339,902
Judicial Building Improvements	960,000	960,000	876,760	89,071	965,831
Central Square Complex Improvements	860,000	860,000	359,281	152,330	511,611
Mental Health Building Improvements	300,000	300,000	314,944	-	314,944
Public Health Building Improvements	450,000	450,000	245,433	97,136	342,569
DOCO Jail Facility Improvements	2,225,000	2,225,000	1,565,081	345,493	1,910,574
Library Buildings Improvements	5,785,000	5,785,000	5,071,864	23,433	5,095,297
EMS Stations Improvements	1,760,000	1,760,000	1,573,292	-	1,573,292
County Police Building Improvements	1,555,000	1,555,000	1,510,534	1,765	1,512,299
County Fire Stations Improvements	795,000	795,000	789,865	-	789,865
County Parks Improvements	810,000	810,000	1,005,462	61,040	1,066,502
Storm Drainage Improvements	4,300,000	4,300,000	1,900,061	174,048	2,074,109
County Road Improvements	6,000,000	6,000,000	3,508,910	1,892,147	5,401,057
Public Works Maintenance Shop Improvements	1,650,000	1,650,000	1,559,034	28,923	1,587,957
Landfill Improvements	1,000,000	1,000,000	26,807	602,193	629,000
Facilities Warehouse Improvements	240,000	240,000	88,621	389,586	478,207
Information Technology Equipment	985,000	985,000	-	-	-
Economic Development Improvements	2,350,000	2,350,000	-	-	-
Flint RiverQuarium Improvements	505,000	505,000	505,001	-	505,001
Hugh Mills Stadium Improvements	1,175,000	1,175,000	1,281,157	-	1,281,157
Thronateeska Heritage Center Improvements	640,000	640,000	642,990	-	642,990
Greenspace Acquisitions	400,000	400,000	30,034	158,900	188,934
City of Albany Projects	62,720,000	62,720,000	61,346,525	-	61,346,525
Totals	$ 98,000,000	$ 98,000,000	$ 84,526,789	$ 4,030,834	$ 88,557,623

(Continued)

DOUGHERTY COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Project Description	Original Costs	Estimated Costs	Expenditures		
			Prior Years	Current Year	Total
2016 REFERENDUM					
County Fire Trucks and Equipment	$ 1,240,000	$ 1,240,000	$ -	$ -	$ -
County Fire Station Improvements/Equipment	500,000	500,000	-	-	-
EMS Ambulance and Equipment	2,125,000	2,125,000	-	-	-
EMS Station Improvements/Equipment	500,000	500,000	-	-	-
Sheriff's Department Vehicles/Equipment	925,000	925,000	-	-	-
County Police Vehicles/Equipment	1,360,000	1,360,000	-	146,208	146,208
County Police Building Impr/Equipment	550,000	550,000	-	-	-
Jail Improvements/Equipment	1,600,000	1,600,000	-	-	-
Upgrade 911 Communications System	1,408,000	1,408,000	-	-	-
Animal Control Shelter Impr/Equipment	100,000	100,000	-	-	-
County Department Vehicles	520,000	520,000	-	-	-
Roads, Streets, and Bridges/Equipment	5,000,000	5,000,000	-	116,538	116,538
Storm Drainage Improvements/Equipment	4,000,000	4,000,000	-	297,641	297,641
Government Center Impr/Equipment	2,200,000	2,200,000	-	-	-
Judicial Building Impr/Equipment	1,850,000	1,850,000	-	483,335	483,335
Central Square Complex Impr/Equipment	1,110,000	1,110,000	-	-	-
Riverfront Resource Center Improvements	800,000	800,000	-	-	-
Public Works Facilities Impr/Equipment	320,000	320,000	-	-	-
Facilities Mgmt Building Impr/Equipment	200,000	200,000	-	-	-
County Morgue	414,000	414,000	-	-	-
Water Extensions/Fire Protection Equipment	400,000	400,000	-	-	-
Elections Equipment	60,000	60,000	-	-	-
Aerial Mapping System	98,000	98,000	-	-	-
Information Technology Upgrades/Equipment	380,000	380,000	-	-	-
Library Improvements/Equipment	400,000	400,000	-	-	-
RiverQuarium Improvements	450,000	450,000	-	383,855	383,855
Thronateeska Improvements	300,000	300,000	-	-	-
Chehaw Park Improvements	135,000	135,000	-	23,850	23,850
Mental Health Facility Improvements	700,000	700,000	-	-	-
Public Health Facility Improvements	1,430,000	1,430,000	-	-	-
County Parks Improvements/Equipment	1,145,000	1,145,000	-	-	-
Hugh Mills Stadium Improvements/Equipment	330,000	330,000	-	22,365	22,365
Greenway Trails	750,000	750,000	-		-
City of Albany Projects	59,200,000	59,200,000	2,309,276	9,365,919	11,675,195
Totals	$ 92,500,000	$ 92,500,000	$ 2,309,276	$ 10,839,711	$ 13,148,987

AGENCY FUNDS

Tax Commissioner – Tax and Tag Department – This fund is used to account for all personal property and real 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 monies 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 STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS

JUNE 30, 2018

ASSETS	Tax and Tag Department	Clerk of Courts	Probate Court	Magistrate Court	Juvenile Court
Cash	$ 1,477,262	$ 1,027,790	$ 12,214	$ 42,312	$ 1,671
Investments	-	-	-	-	-
Taxes receivable	4,173,306	-	-	-	-
Total assets	$ 5,650,568	$ 1,027,790	$ 12,214	$ 42,312	$ 1,671
LIABILITIES					
Due to others	$ 1,477,262	$ 1,027,790	$ 12,214	$ 42,312	$ 1,671
Uncollected taxes	4,173,306	-	-	-	-
Total liabilities	$ 5,650,568	$ 1,027,790	$ 12,214	$ 42,312	$ 1,671

Sheriff	Drug Squad	Escrow	Total
$ 517,343	$ 61,492	$ -	$ 3,140,084
-	-	3,157	3,157
-	-	-	4,173,306
$ 517,343	$ 61,492	$ 3,157	$ 7,316,547
$ 517,343	$ 61,492	$ 3,157	$ 3,143,241
-	-	-	4,173,306
$ 517,343	$ 61,492	$ 3,157	$ 7,316,547

COMPLIANCE SECTION

MAULDIN & JENKINS

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, 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, 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 (the County) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Dougherty County, Georgia's basic financial statements and have issued our report thereon dated June 30, 2018. Our report includes a reference to a change in accounting principle resulting from the implementation of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions*. Our report includes a reference to other auditors who audited the financial statements of the Dougherty County Board of Health, as described in our report on Dougherty County, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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 a 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. 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2018 – 001 that we consider to be a significant deficiency.

Compliance and Other Matters

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

Dougherty County, Georgia's Response to the Finding

Dougherty County, Georgia's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Dougherty County, Georgia's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Macon, Georgia
December 27, 2018

MAULDIN & JENKINS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Commissioners
of Dougherty County, Georgia
Albany, Georgia

Report on Compliance for Each Major Federal Program

We have audited Dougherty County, Georgia's (the County's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2018. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Macon, Georgia
December 27, 2018

DOUGHERTY COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2018

Federal Agency/ Pass-through Entity/Program Title	Federal CFDA Number	Agency or Pass-through Grantor's Number	Federal Expenditures
U.S. Department of Justice			
Direct Award			
Bulletproof Vest Partnership Program	16.607	N/A	$ 12,680
Passed-Through Georgia Criminal Justice Coordinating Council Victims of Crime Assistance Program (VOCA)	16.575	C-16-8-109	179,270
Violence Against Women Formula Grant	16.588	W-13-8-048	49,847
Edward Byrne Memorial Justice Assistance Grant	16.738	2016-DJ-BX-1043	6,426
Total U.S. Department of Justice			235,543
U.S. Department of Health and Human Services			
Passed-Through Georgia Department of Human Services			
Child Support Enforcement	93.563	42700-401-0012722	47,064
Total U.S. Department of Human Services			47,064
U.S. Department of Homeland Security			
Passed-Through Georgia Emergency Management Agency			
FEMA Disaster Assistance Programs	97.036	FEMA-4294-DR-GA	184,381
FEMA Disaster Assistance Programs	97.036	FEMA-4294-DR-GA	2,217,566
FEMA Disaster Assistance Programs	97.036	FEMA-4294-DR-GA	168,308
Total U.S. Department of Homeland Security			2,570,255
Total Expenditures of Federal Awards			$ 2,852,862

DOUGHERTY COUNTY, GEORGIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2018

(1) Summary of Significant Accounting Policies

Basis of Presentation and Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are recognized when the related liability is incurred.

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

(2) De Minimis Indirect Cost Rate

The County did not utilize the 10% de minimis indirect cost rate permitted by the Uniform Guidance.

(3) Non-Cash Awards

The County did receive non-cash federal awards during the year ended June 30, 2018.

(4) Subrecipients

The County did not pass through federal funds to any subrecipients during the year ended June 30, 2018.

DOUGHERTY COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
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

Internal control over financial reporting:	
Material weaknesses identified?	____ Yes __X__ No
Significant deficiencies identified not considered to be material weaknesses?	____ Yes __X__ None Reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	____ Yes __X__ No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
	Federal Emergency Management Agency
97.036	Disaster Assistance Programs

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	____ Yes __X__ No

DOUGHERTY COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2018 - 001. Segregation of Duties

Criteria: Internal controls should be in place to 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 ended June 30, 2018, 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 of 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.

DOUGHERTY COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2018 - 001. Segregation of Duties (Continued)

Recommendation: The duties of recording, distribution, and reconciliation of accounts should be segregated among 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

None

DOUGHERTY COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

2017 - 001. 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 ended June 30, 2017, 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 finding 2018-001.

DOUGHERTY COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

2017 - 002. Management of Accounts Payable and Accrued Expenses

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, 2017, as it relates to accounts payable and accrued expenses within the General Fund, Disaster Recovery Fund, and SPLOST VI Fund.

Auditee Response/Status: Resolved.

BOARD OF COMMISSIONERS
DOUGHERTY COUNTY
ALBANY, GEORGIA

COUNTY COMMISSION:
CHRISTOPHER S. COHILAS, CHAIRMAN
GLORIA GAINES, VICE CHAIR
RUSSELL GRAY
JOHN HAYES
LAMAR HUDGINS
CLINTON JOHNSON
ANTHONY JONES

COUNTY ADMINISTRATOR
MICHAEL MCCOY
(INTERIM)

DOUGHERTY COUNTY, GEORGIA
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

2018 - 001. Segregation of Duties

Name of the Contact Person Responsible for the Corrective Action Plan: Martha Hendley, Finance Director

Corrective Actions: The offices will continuously monitor and review their respective systems to evaluate and determine the most efficient and effective solution to properly segregate duties among recording, distribution, and reconciliation of accounts to provide reasonable assurance that an individual cannot misappropriate funds without being detected during the normal course of business. We will incorporate periodic reviews by County management officials to reinforce compliance. However, due to the limited number of County personnel available to perform these duties, complete segregation of duties will be difficult.

December __, 2018

Ms. Martha B. Hendley
Dougherty County Board of Commissioners
222 Pine Avenue
Albany, Georgia 31702

Dear Martha:

We are enclosing fifteen (15) copies of the Financial Report of Dougherty County, Georgia for the fiscal year ended June 30, 2018, along with fifteen (15) copies of our Auditor's Discussion & Analysis and one (1) copy of our Management Letter.

Thank you for allowing us to serve you. If you have any questions, please call.

Sincerely,

MAULDIN & JENKINS, LLC

Meredith Lipson

MHL:aw
Enclosures