

DADE COUNTY, GEORGIA

FINANCIAL STATEMENTS

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2015**



**HENDERSON HUTCHERSON
& MCCULLOUGH, PLLC**

DADE COUNTY, GEORGIA

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DADE COUNTY, GEORGIA

COUNTY OFFICIALS

JUNE 30, 2015

Ted Rumley	Chairperson / County Executive
Scottie Pittman	Commissioner
Robert Goff	Commissioner
Mitchell Smith	Commissioner
Allan Bradford	Commissioner
Don Townsend	County Clerk
Robin Rogers	County Attorney



**HENDERSON HUTCHERSON
& MCCULLOUGH, PLLC**

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Dade County, Georgia
Trenton, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely-presented component unit, each major fund, and the aggregate remaining fund information of Dade County, Georgia, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Dade County, Georgia's 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 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. We did not audit the financial statements of the Dade County Health Department (a discretely-presented component unit), whose statements reflect total assets of \$334,282 and total net position of \$(85,254) as of June 30, 2015, and total revenues of \$459,484 for the year then ended. Those financial statements were audited by other auditors whose report has been furnished to us and our opinions, insofar as it relates to the amounts included for the Dade County Health Department, is based solely on the report of the other auditors.

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 purposes 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 of our audit opinions.

Opinions

In our opinion, based on our audit and the report of another auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely-presented component unit, each major fund, and the aggregate remaining fund information of Dade County, Georgia, as of June 30, 2015, and the respective changes in financial position thereof and the respective budgetary comparisons for the general fund and the E-911 and law library special revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting procedures generally accepted in the United States of America require that the management's discussion and analysis on pages 5-12 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 appropriate operation, 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, 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 Dade County, Georgia's basic financial statements. The introductory section, schedule of property tax rates, and schedule of capital projects constructed with special purpose local option sales tax are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of capital projects constructed with special purpose local option sales tax is the responsibility of management and was derived from and relates 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 by us. In our opinion, based on our audit, the procedures performed as described above, the schedule of capital projects constructed with special purpose local option sales tax is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and schedule of property tax rates have not been subjected to the audit procedures applied in the audit of basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2015 on our consideration of Dade 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 Dade County, Georgia's internal control over financial reporting and compliance.

Chattanooga, Tennessee

December 31, 2015

*Henderson Hutcherson
& McCullough, PLLC*

DADE COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

YEAR ENDED JUNE 30, 2015

This section of Dade County's annual financial report presents a narrative overview and analysis of the County's financial performance for the year ended June 30, 2015. Please read it in conjunction with the County's financial statements which follow. This discussion and analysis is intended to serve as an introduction to the County's financial statements. The basic financial statements consist of three parts: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with both long-term and short-term information about the County's overall financial status in a manner similar to private-sector businesses. There are two government-wide financial statements.

Statement of net position – presents information about the County's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

Statement of activities – presents information showing how the County's net position changed during the most recent fiscal year. All current revenues and expenses are taken into account regardless of the timing of the related cash flows. Thus revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal years.

The government-wide financial statements include not only the County itself (known as the primary government) but also two legally separate entities (known as component units). The Dade County Health Department and the Dade County Industrial Development Authority, although legally separate, are important because the County is financially accountable for them. The Dade County Health Department is included as a discretely-presented component unit, and the Dade County Industrial Development Authority is included as a blended component unit.

Fund financial statements. The fund financial statements provide more detailed information about the most significant funds – not necessarily the County as a whole. Some funds are required by State or Federal law or by bond covenants; other funds are established by the County Commission to help it control and manage money for designated or restricted purposes, or to show that it is meeting legal responsibilities for how certain taxes, grants and other monies are used. All funds of the County are governmental type funds.

(Continued)

DADE COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

YEAR ENDED JUNE 30, 2015

Governmental funds. The County's basic services are included in governmental funds. The focus of these funds is on (1) how cash and other financial assets that can be readily converted to cash were received and used and (2) what remains at the end of the fiscal year for future spending. This detailed short-term view helps in determining whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not include the additional long-term focus of the government-wide financial statements, we provide additional information after the governmental fund statement that explains the difference between the long-term view and the short-term view.

Dade County, Georgia, maintains five governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the general fund, capital projects fund, the E-911 special revenue fund, the law library special revenue fund, and the Industrial Development Authority special revenue fund, all of which are considered to be major funds. The County adopts an annual budget for the general fund, E-911 special revenue fund and the law library special revenue fund. The County plans to adopt an annual budget for the Industrial Development Authority fund in all future fiscal years. A project length budget is adopted for the capital projects fund. A budgetary comparison statement has been provided for each fund to demonstrate compliance with these budgets.

Fiduciary funds. The County collects and holds funds for the benefit of other governmental units or private individuals. Funds collected and held by the County for other governments are maintained in agency funds. Funds that are held for the benefit of private individuals are private-purpose trust funds. As these funds are not for the benefit or use of the County, they are excluded from the total government summary.

Notes to financial statements. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The additional information contained in these notes is essential to a full understanding of the information provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements discussed above, this report also presents supplementary information about the enacted tax rates and capital expenditures of special purpose local option sales tax resources for the past several years.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net position. Net position may serve over time as a useful indicator of the government's financial position. In the case of Dade County, assets exceed liabilities by \$17,755,650 at the close of the most recent fiscal period. Over one-half of the County's assets are related to its investment in capital assets such as buildings and equipment. Because capital assets are used to provide services to citizens, the assets are not available for future spending. The remaining balance is available to meet the County's ongoing obligations. A condensed summary of the net position of the County is provided below.

(Continued)

DADE COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

YEAR ENDED JUNE 30, 2015

	Governmental Activities	
	June 30, 2015	June 30, 2014
Current and other assets	\$ 6,733,987	\$ 5,292,774
Capital assets	<u>18,413,337</u>	<u>19,937,967</u>
 Total assets	<u><u>\$ 25,147,324</u></u>	<u><u>\$ 25,230,741</u></u>
 Liabilities		
Other	\$ 871,965	\$ 716,772
Long-term	<u>6,519,709</u>	<u>6,155,199</u>
 Total liabilities	<u><u>7,391,674</u></u>	<u><u>6,871,971</u></u>
 Net position		
Net investment in capital assets	11,893,628	13,782,768
Restricted	<u>2,417,116</u>	<u>2,571,720</u>
Unrestricted	<u>3,444,906</u>	<u>2,004,282</u>
 Total net position	<u><u>17,755,650</u></u>	<u><u>18,358,770</u></u>
 Total liabilities and net position	<u><u>\$ 25,147,324</u></u>	<u><u>\$ 25,230,741</u></u>

Changes in net position. For the year ending June 30, 2015, net position of the County decreased 3.3% or \$603,120.

At the end of the current period, Dade County, Georgia, is able to report a positive balance in net position.

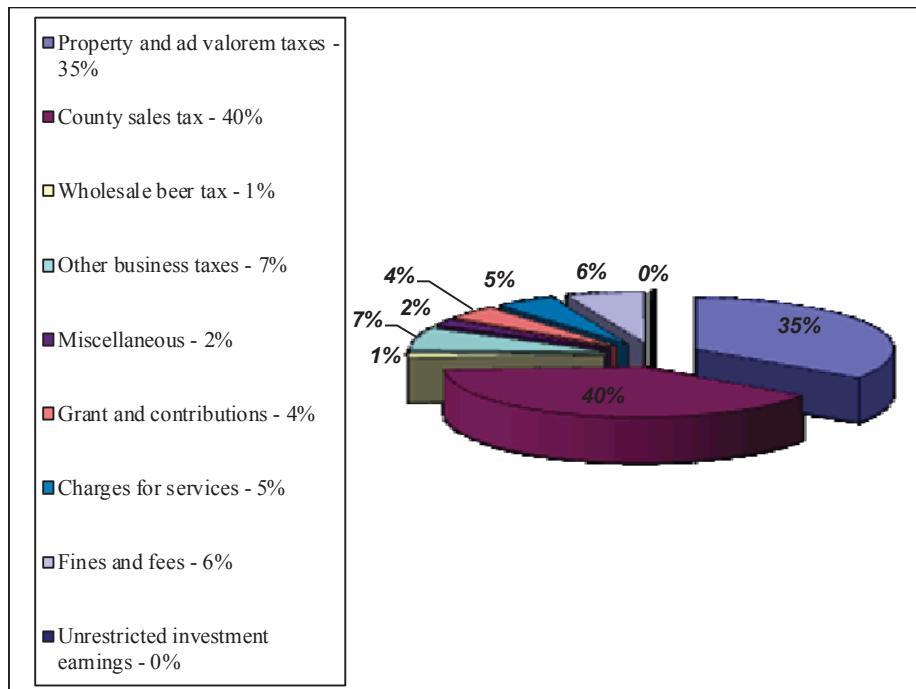
DADE COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

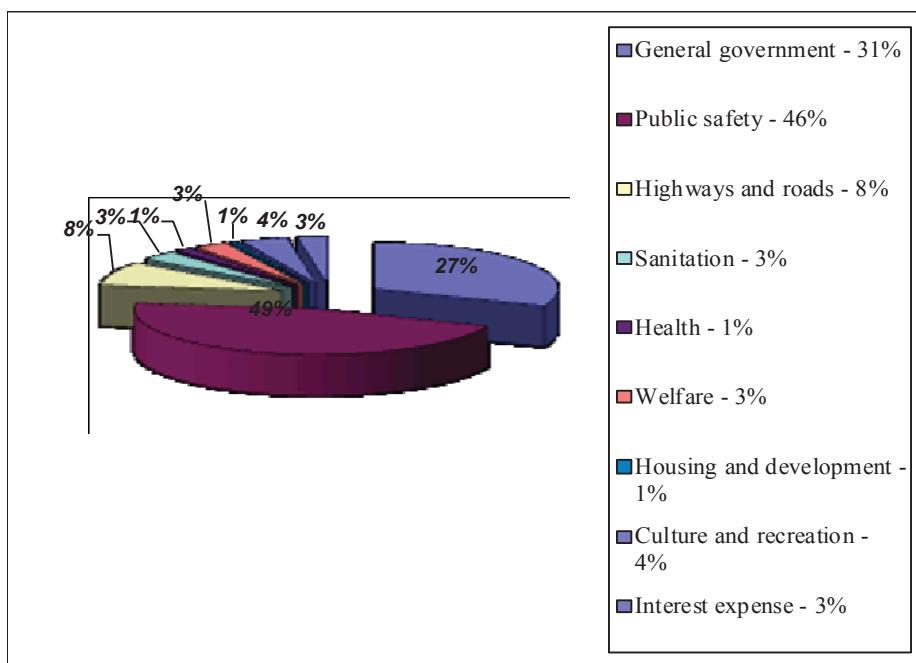
YEAR ENDED JUNE 30, 2015

The graphs below summarize the sources of the County's revenues of \$10,997,432 and total program expenses of \$11,600,552.

Total Revenues by Source



Total Expenses by Function



DADE COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

YEAR ENDED JUNE 30, 2015

A complete picture of the changes in net position of the County is provided in the summary below.

	Governmental Activities	
	Year Ended June 30, 2015	Year Ended June 30, 2014
REVENUES		
Program revenues		
Charges for services	\$ 533,907	\$ 531,431
Operating grants	214,331	193,902
Capital grants	253,222	227,901
Fines and fees	695,871	757,870
General revenues		
Property and ad valorem taxes	3,801,447	3,207,283
County sales tax	4,359,861	4,350,330
Wholesale beer tax	141,853	150,441
Other business taxes	782,274	726,335
Gain on sale of land	-	53,155
Miscellaneous	212,276	154,928
Investment income	<u>2,390</u>	<u>4,787</u>
Total revenue	<u>10,997,432</u>	<u>10,358,363</u>
EXPENSES		
General government	3,612,265	3,144,657
Public safety	5,323,373	5,663,368
Highways and roads	969,878	1,011,978
Sanitation	368,923	360,071
Health	167,781	169,443
Welfare	341,082	378,623
Housing and development	54,357	91,064
Culture and recreation	467,696	460,374
Interest on long-term debt	<u>295,197</u>	<u>362,368</u>
Total expenses	<u>11,600,552</u>	<u>11,641,946</u>
(Increase)/Decrease in net position	(603,120)	(1,283,583)
Net position – beginning of period	<u>18,358,770</u>	<u>19,642,353</u>
Net position – end of period	<u>\$ 17,755,650</u>	<u>\$ 18,358,770</u>

DADE COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

YEAR ENDED JUNE 30, 2015

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Dade County, Georgia, uses fund accounting to help it control and manage money for particular purposes or to demonstrate compliance with legal requirements. More detailed analysis is provided below for the County's funds.

Governmental Funds. Governmental funds focus on providing information on the near-term flow of resources. As the County completed the year, its governmental funds reported a fund balance of \$3,974,234. The County has a positive 36.7% unassigned fund balance of \$1,456,890. Information about the County's governmental funds is presented below.

General fund. This fund is the chief operating fund of the County and \$1,715,749 is the current fund balance held in the general fund. The increase in general fund balance of \$393,387 was a 29.8% increase from the beginning of the fiscal period.

E-911 special revenue fund. This fund separately accounts for all the revenues and costs incurred by the County's Emergency Communications District (E-911). The current fund balance of \$0 is the same as in the prior year.

Law library special revenue fund. This fund separately accounts for all the revenues and costs incurred by the County's law library operation. The increase in fund balance of \$424 was a 6.4% increase from the beginning of the fiscal period.

Capital projects fund. This fund separately accounts for all of the revenues and costs incurred by the County construction or purchase of assets with the Special Purpose Local Option Sales Tax (SPLOST) funds. The current fund balance of \$1,687,741 is an increase from the beginning of the period of \$177,742 or 11.8%. This increase is the result of revenues exceeding planned expenditures of funds for the purchase or construction of capital assets as contemplated by the SPLOST referendum.

Industrial Development Authority fund. This fund separately accounts for all of the revenues and costs incurred by the Dade County Industrial Development Authority. The current fund balance of \$563,677 is a decrease from the beginning of the period of \$347,949 or 38.0% decrease from the beginning of the fiscal period.

Differences between the original budget and the final amended General Fund budget were within the normal course of County business and relate to changes in operations. The final budget reflected a decrease from the original budget in revenues and appropriations of \$628,000 and \$558,200, respectively.

DADE COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

YEAR ENDED JUNE 30, 2015

CAPITAL ASSET AND DEBT ADMINISTRATION

At the end of the fiscal year, the County had \$18,413,337, net of accumulated depreciation, invested in capital assets. This investment includes land, buildings and improvements, vehicles, equipment and infrastructure (construction in process) as listed in the table below.

	Beginning Balance	Additions	Retirements/Disposals	Ending Balance
Land	\$ 6,081,868	\$ 58,183	\$ -	\$ 6,140,051
Buildings and improvements	12,277,712	17,840	-	12,295,552
Parks and playgrounds	901,560	7,618	-	909,178
Machinery and equipment	10,747,458	117,543	-	10,865,001
Infrastructure	5,334,124	309,114	-	5,643,238
Construction in process	<u>38,439</u>	<u>95,328</u>	<u>-</u>	<u>133,767</u>
	35,381,161	605,626	-	35,986,787
Less accumulated depreciation	<u>15,443,194</u>	<u>2,130,256</u>	<u>-</u>	<u>17,573,450</u>
Total capital assets, net of accumulated depreciation	<u><u>\$19,937,967</u></u>	<u><u>\$(1,524,630)</u></u>	<u><u>\$ -</u></u>	<u><u>\$18,413,337</u></u>

Major additions for the year consisted of land and road construction. These major additions occurred in various departments for a total of \$605,626.

As allowed by Governmental Accounting Standards Board (GASB) Statement No. 34, the County has elected not to record on the books the estimated cost of infrastructure already in place at the time of implementation, thus the total for capital assets does not include existing roads, bridges, sewers or water lines currently in existence.

As of June 30, 2015, Dade County, Georgia, had total bonded debt outstanding of \$5,520,000. All of this represents bonds secured by SPLOST revenues issued by the County to fund construction and industrial development.

Additional information on Dade County's capital assets and long-term debt can be found in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Dade County, Georgia, is situated in the northwest corner of the state and is approximately 20 miles across the state line from Chattanooga, Tennessee, a large urban center. Dade County is a largely rural area of North Georgia devoted to agricultural and recreation activities. Economic activity in the region is slower than that found in much of the State of Georgia, with growth coming in small increments. The area has an unemployment rate that reflects the state average rate, and no significant changes are expected in the coming year. Sales tax revenues have begun to trend upwards, which indicates economic growth. Property tax rates have remained constant for several years with any growth in revenue generated primarily in sales tax collections and the modest economic growth in the community.

DADE COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

YEAR ENDED JUNE 30, 2015

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

The financial report is designed to provide our citizens, taxpayers, customers 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:

Ted Rumley, County Executive
Dade County Commission
P.O. Box 613
Trenton, Georgia 30752
706-657-4625

Separately issued financial statements may be obtained for the Dade County Health Department which is presented as a discretely-presented component unit of Dade County at the following address:

Dade County Health Department
71 Case Avenue
Trenton, Georgia 30752

Financial information may be obtained for the Dade County Industrial Development Authority which is presented as a blended component unit of Dade County at the following address:

Dade County Industrial Development Authority
c/o Executive Director
71 Case Avenue
P.O. Box 613
Trenton, Georgia 30752

DADE COUNTY, GEORGIA

STATEMENT OF NET POSITION

JUNE 30, 2015

	Governmental Activities	Component Unit
ASSETS		
Cash	\$ 3,462,213	\$ 297,807
Property taxes receivable, net	111,408	-
Accounts receivables, net	226,125	5
Due from other governments	2,834,279	30,492
Inventories	31,751	1,354
Prepays	68,211	-
Capital assets -		
Land and other nondepreciable capital assets	6,273,818	-
Capital assets, net of accumulated depreciation	<u>12,139,519</u>	<u>4,624</u>
Total assets	<u>25,147,324</u>	<u>334,282</u>
DEFERED OUTFLOWS OF RESOURCES	<u>-</u>	<u>45,919</u>
LIABILITIES		
Accounts payable	401,184	-
Accrued liabilities	175,796	-
Due to other governments	-	16,039
Compensated absences	294,130	14,564
Net pension liability	-	340,706
Premium on bonds payable	855	-
Long-term liabilities, due within one year	1,416,314	-
Long-term liabilities, due in more than one year	<u>5,103,395</u>	<u>-</u>
Total liabilities	<u>7,391,674</u>	<u>371,309</u>
DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>94,146</u>
NET POSITION		
Net investment in capital assets	11,893,628	4,624
Restricted for:		
Public safety	165,964	-
Capital projects	1,687,741	-
Industrial development	563,677	-
Unrestricted	<u>3,444,640</u>	<u>(89,878)</u>
Total net position	<u>\$ 17,755,650</u>	<u>\$ (85,254)</u>

DADE COUNTY, GEORGIA

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2015

Program Revenues

	Charges for Services and Fines Expenses	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES			
General government	\$ 3,612,265	\$ 303,419	\$ 30,923
Public safety	5,323,373	695,871	16,554
Highways and roads	969,878	17,285	8,996
Sanitation	368,923	175,550	-
Health	167,781	14,587	-
Welfare	341,082	23,066	157,858
Housing and development	54,357	-	-
Culture and recreation	467,696	-	-
Interest on long-term debt	<u>295,197</u>	<u>-</u>	<u>-</u>
 Total primary government	 <u>\$ 11,600,552</u>	 <u>\$ 1,229,778</u>	 <u>\$ 214,331</u>
 Component unit	 <u>\$ 427,003</u>	 <u>\$ 103,390</u>	 <u>\$ 201,167</u>
 General revenues:			
Property and ad valorem taxes			
County sales tax			
Wholesale beer tax			
Other business taxes			
Grants and contributions not restricted to specific programs			
Unrestricted investment earnings			
Miscellaneous			
 Total general revenues			
 Changes in net position			
 Net position, beginning of period, <i>restated</i>			
 Net position, end of period			

Net (Expense) Revenue and Changes in Net Position

Governmental Component Activities Unit

\$ (3,277,923)
(4,610,948)
(690,375)
(193,373)
(153,194)
(160,158)
(54,357)
(467,696)
(295,197)

(9,903,221)

\$ (122,446)

3,801,447
4,359,861
141,853
782,274

-	152,000
2,390	2,921
<u>212,276</u>	<u>6</u>

9,300,101 154,927

(603,120) 32,481

18,358,770 (117,735)

\$ 17,755,650 \$ (85,254)

DADE COUNTY, GEORGIA

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2015

	General	Capital Projects	E-911
ASSETS			
Cash	\$ 1,556,153	\$ 1,335,316	\$ -
Property taxes receivable, net	111,408	-	-
Due from other governments	287,064	359,429	-
Other receivables	226,125	-	-
Inventory	31,751	-	-
Prepaid items	<u>68,211</u>	-	-
 Total assets	 <u>2,280,712</u>	 <u>1,694,745</u>	 -
LIABILITIES			
Accounts payable	394,180	7,004	-
Accrued liabilities	<u>111,144</u>	-	-
 Total liabilities	 <u>505,324</u>	 <u>7,004</u>	 -
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	59,639	-	-
FUND BALANCES			
Nonspendable			
Inventories and prepaid items	99,962	-	-
Restricted for:			
Public safety	158,897	-	-
Capital projects	-	1,687,741	-
Industrial development	-	-	-
Unassigned	<u>1,456,890</u>	-	-
 Total fund balances	 <u>1,715,749</u>	 <u>1,687,741</u>	 -
 Total liabilities, deferred inflows of resources, and fund balances	 <u>\$ 2,280,712</u>	 <u>\$ 1,694,745</u>	 \$ -

Law Library	Industrial Development Authority	Total Governmental Funds
\$ 7,067	\$ 563,677	\$ 3,462,213
-	-	111,408
-	-	646,493
-	-	226,125
-	-	31,751
-	-	<u>68,211</u>
<u>7,067</u>	<u>563,677</u>	<u>4,546,201</u>
 - - -	 - - -	 401,184
<u>-</u>	<u>-</u>	<u>111,144</u>
<u>-</u>	<u>-</u>	<u>512,328</u>
 - - -	 - - -	 59,639
 - - -	 - - -	 99,962
7,067	-	165,964
-	-	1,687,741
-	563,677	563,677
<u>-</u>	<u>-</u>	<u>1,456,890</u>
<u>7,067</u>	<u>563,677</u>	<u>3,974,234</u>
 <u>\$ 7,067</u>	 <u>\$ 563,677</u>	 <u>\$ 4,546,201</u>

DADE COUNTY, GEORGIA

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

YEAR ENDED JUNE 30, 2015

Differences in amounts reported for governmental activities in the statement of net position on page 13:

Fund balances - total governmental funds \$ 3,974,234

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 18,413,337

Certain revenues will be collected after year end but are not available soon enough to pay for the current period's expenditures and therefore are reported as deferred inflows of resources in the funds 59,639

Long-term assets receivable from other governments are not due until the related long-term liability is due and payable 2,187,786

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position. This item consists of the following:

General obligation bonds	\$ 5,520,000
Add: Premiums	855
Capital leases	999,709
Compensated absences	<u>294,130</u>
	6,814,694
Accrued interest payable	<u>64,652</u>
	<u>(6,879,346)</u>
Net position of governmental activities	<u>\$ 17,755,650</u>

DADE COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS YEAR ENDED JUNE 30, 2015

	General	Capital Projects	E-911
REVENUES:			
Taxes	\$ 7,164,957	\$ 2,146,491	\$ -
Intergovernmental revenues	484,696	-	-
Charges for services	342,608	-	237,850
Fines and forfeitures	399,722	-	-
Miscellaneous	187,434	14,617	-
Total revenues	<u>8,579,417</u>	<u>2,161,108</u>	<u>237,850</u>
EXPENDITURES:			
Current:			
General government	2,043,444	13,471	-
Public safety	3,894,477	128	692,886
Highways and streets	704,640	45,635	-
Sanitation	309,478	-	-
Health	166,838	-	-
Welfare	340,502	-	-
Housing and development	-	-	-
Culture and recreation	269,682	12,277	-
Debt service:			
Principal	-	1,405,490	-
Interest	1,933	126,857	-
Capital outlay	<u>-</u>	<u>2,222,858</u>	<u>-</u>
Total expenditures	<u>7,730,994</u>	<u>3,826,716</u>	<u>692,886</u>
Excess (deficiency) of revenues over (under) expenditures	<u>848,423</u>	<u>(1,665,608)</u>	<u>(455,036)</u>
Other financing sources (uses)			
Transfers in	-	-	455,036
Transfers out	(455,036)	-	-
Bond issuance cost	-	(56,650)	-
Bonds issued	-	1,900,000	-
Proceeds from sale of land	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing services (uses)	<u>(455,036)</u>	<u>1,843,350</u>	<u>455,036</u>
Net change in fund balances	393,387	177,742	-
FUND BALANCE - beginning of period	<u>1,322,362</u>	<u>1,509,999</u>	<u>-</u>
FUND BALANCE - end of period	<u><u>\$ 1,715,749</u></u>	<u><u>\$ 1,687,741</u></u>	<u><u>\$ -</u></u>

Law Library	Industrial Development Authority	Governmental Funds	Total
\$ -	\$ -	\$ 9,311,448	
	-	484,696	
	-	580,458	
4,720	-	404,442	
<u> </u>	<u> </u>	<u>7,534</u>	<u>209,585</u>
<u>4,720</u>	<u>7,534</u>		<u>10,990,629</u>
-	-	2,056,915	
4,296	-	4,591,787	
	-	750,275	
	-	309,478	
	-	166,838	
	-	340,502	
	54,357	54,357	
	-	281,959	
-	130,000	1,535,490	
	112,943	241,733	
	<u>58,183</u>	<u>2,281,041</u>	
<u>4,296</u>	<u>355,483</u>		<u>12,610,375</u>
<u>424</u>	<u>(347,949)</u>		<u>(1,619,746)</u>
-	-	455,036	
	-	(455,036)	
	-	(56,650)	
	-	1,900,000	
<u> </u>	<u> </u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>		<u>1,843,350</u>
424	(347,949)	223,604	
<u>6,643</u>	<u>911,626</u>		<u>3,750,630</u>
<u>\$ 7,067</u>	<u>\$ 563,677</u>		<u>\$ 3,974,234</u>

DADE COUNTY, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2015

Amounts reported for governmental activities in the statement
of activities on pages 14-15 are different because:

Net change in fund balances – total governmental funds	\$ 223,604
Capital outlay, reported as expenditures in governmental funds, are shown as capital assets and due from other governments in the statement of net position	2,422,615
Depreciation expense on governmental capital assets are included in the governmental activities in the statement of activities	(2,130,259)
Certain items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds	
Change in compensated absences	\$ (55,970)
Change in long-term intergovernmental receivable	<u>(708,323)</u> <u>(764,293)</u>
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	6,803
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of premiums and deferred amount on refundings when debt is first used, whereas these amounts are deferred and amortized in the statement of activities. The amount is the net effect of these differences in the treatment on long-term debt and related items.	
Issue of new debt	(1,900,000)
Principal paid on debt	1,535,490
Amortization of bond premium and costs	828
Accrued interest	<u>2,092</u> <u>(361,590)</u>
Change in net position of governmental activities	\$ <u>(603,120)</u>

DADE COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND

BALANCE - BUDGET AND ACTUAL - GAAP BASIS - GENERAL FUND

YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Variance with Final Budget	
	Original	Final	Actual Amounts	Final Budget
Revenues				
Taxes	\$ 8,144,000	\$ 7,279,200	\$ 7,164,957	\$ (114,243)
Intergovernmental revenues	435,477	475,654	484,696	9,042
Charges for services	324,610	341,510	342,608	1,098
Fines and forfeitures	349,177	368,937	399,722	30,785
Miscellaneous	<u>167,736</u>	<u>327,699</u>	<u>187,434</u>	<u>(140,265)</u>
Total revenues	<u>9,421,000</u>	<u>8,793,000</u>	<u>8,579,417</u>	<u>(213,583)</u>
Expenditures				
General government –				
Legislative services	14,000	10,000	5,152	4,848
Registrars	209,800	110,300	106,289	4,011
Administrative	495,200	598,400	564,111	34,289
Tax Commissioner	336,800	323,100	312,039	11,061
Tax Assessor	387,200	383,900	355,401	28,499
Building maintenance	375,900	382,100	382,128	(28)
Courts and administration	59,800	61,800	60,079	1,721
Maintenance shop	149,700	159,900	145,816	14,084
Soil conservation	40,700	31,900	31,894	6
Extension	69,800	69,800	63,626	6,174
Code enforcement officer	1,000	1,000	287	713
Planning and development	<u>17,000</u>	<u>17,000</u>	<u>16,622</u>	<u>378</u>
Total general government	<u>2,156,900</u>	<u>2,149,200</u>	<u>2,043,444</u>	<u>105,756</u>
Highways and streets	1,188,600	892,000	704,640	187,360
Sanitation	<u>335,400</u>	<u>329,400</u>	<u>309,478</u>	<u>19,922</u>

DADE COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND

BALANCE - BUDGET AND ACTUAL - GAAP BASIS - GENERAL FUND

YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Variance with Final Budget	
	Original	Final	Actual Amounts	Final Budget
Health	\$ 167,000	\$ 167,000	\$ 166,838	\$ 162
Welfare –				
Welfare	54,700	54,700	53,797	903
Public transportation	296,000	254,000	230,443	23,557
Economic development	<u>60,000</u>	<u>56,500</u>	<u>56,262</u>	<u>238</u>
Total welfare	<u>410,700</u>	<u>365,200</u>	<u>340,502</u>	<u>24,698</u>
Public safety –				
Superior Court	300,500	269,000	268,842	158
District Attorney	96,000	96,100	94,879	1,221
Magistrate Court	143,000	142,200	136,249	5,951
Probate Court	249,200	248,000	246,313	1,687
Juvenile Court	114,800	129,900	130,017	(117)
Public Defender	84,000	85,400	85,336	64
Sheriff	1,681,500	1,615,200	1,474,601	140,599
Community watch	5,400	7,900	4,281	3,619
Jail	1,074,200	1,007,100	999,791	7,309
Department of Juvenile Justice	4,900	5,200	5,142	58
Fire	192,700	173,700	161,737	11,963
Ambulance	226,300	223,400	221,150	2,250
Coroner	36,000	35,000	35,031	(31)
Animal control	3,500	3,500	1,622	1,878
Emergency management	<u>29,800</u>	<u>29,800</u>	<u>29,486</u>	<u>314</u>
Total public safety	<u>4,241,800</u>	<u>4,071,400</u>	<u>3,894,477</u>	<u>176,923</u>
Culture and recreation –				
Senior center	24,200	24,200	23,389	811
Recreation	163,100	126,100	126,084	16
Library	<u>69,500</u>	<u>74,500</u>	<u>120,209</u>	<u>(45,709)</u>
Total culture and recreation	<u>256,800</u>	<u>224,800</u>	<u>269,682</u>	<u>(44,882)</u>

DADE COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND

BALANCE - BUDGET AND ACTUAL - GAAP BASIS - GENERAL FUND

YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Variance with Final Budget	
	Original	Final	Actual Amounts	Final Budget
Debt service –				
Interest	\$ 2,000	\$ 2,000	\$ 1,933	\$ 67
Total debt service	<u>2,000</u>	<u>2,000</u>	<u>1,933</u>	<u>67</u>
 Total expenditures	<u>8,759,200</u>	<u>8,201,000</u>	<u>7,730,994</u>	<u>470,006</u>
 Excess of revenues over (under) expenditures	<u>661,800</u>	<u>592,000</u>	<u>848,423</u>	<u>256,423</u>
 Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	<u>(531,800)</u>	<u>(486,900)</u>	<u>(455,036)</u>	<u>31,864</u>
 Total other financing sources	<u>(531,800)</u>	<u>(486,900)</u>	<u>(455,036)</u>	<u>31,864</u>
 Excess of revenues and other sources (under) expenditures and other uses	<u>\$ 130,000</u>	<u>\$ 105,100</u>	393,387	<u>\$ 288,287</u>
 Fund balance - beginning of period			<u>1,322,362</u>	
 Fund balance - end of period			<u>\$ 1,715,749</u>	

DADE COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND

BALANCE - BUDGET AND ACTUAL - GAAP BASIS - E-911 FUND

YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Variance with Final Budget	
	Original	Final	Actual Amounts	Final Budget
Revenues				
Charges for services –				
E-911 access fees	\$ 251,000	\$ 252,100	\$ 237,850	\$ (14,250)
Total charges for services	<u>251,000</u>	<u>252,100</u>	<u>237,850</u>	<u>(14,250)</u>
Total revenues	<u>251,000</u>	<u>252,100</u>	<u>237,850</u>	<u>(14,250)</u>
Expenditures				
Public safety –				
Communications	<u>782,800</u>	<u>739,000</u>	<u>692,886</u>	<u>46,114</u>
Total public safety	<u>782,800</u>	<u>739,000</u>	<u>692,886</u>	<u>46,114</u>
Total expenditures	<u>782,800</u>	<u>739,000</u>	<u>692,886</u>	<u>46,114</u>
Excess of revenues over (under) expenditures	<u>(531,800)</u>	<u>(486,900)</u>	<u>(455,036)</u>	<u>31,864</u>
Other financing sources				
Transfers	<u>531,800</u>	<u>486,900</u>	<u>455,036</u>	<u>(31,864)</u>
Excess of revenues and other sources over expenditures and other uses				
	<u>\$ _____ -</u>	<u>\$ _____ -</u>	<u>-</u>	<u>\$ _____ -</u>
Fund balance - beginning of period				<u>_____ -</u>
Fund balance - end of period				<u>\$ _____ -</u>

DADE COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND

BALANCE - BUDGET AND ACTUAL - GAAP BASIS - LAW LIBRARY FUND

YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Variance with Final Budget	
	Original	Final	Actual Amounts	Final Budget
Revenues				
Fines and forfeitures	\$ 7,000	\$ 7,000	\$ 4,720	\$ (2,280)
Total charges for services	7,000	7,000	4,720	(2,280)
Total revenues	7,000	7,000	4,720	(2,280)
Expenditures				
Public safety –				
Law library	7,000	7,000	4,296	2,704
Total public safety	7,000	7,000	4,296	2,704
Total expenditures	7,000	7,000	4,296	2,704
Excess of revenues and other sources over expenditures and other uses				
	\$ _____ -	\$ _____ -	424	\$ 424
Fund balance - beginning of period			<u>6,643</u>	
Fund balance - end of period			<u>\$ 7,067</u>	

DADE COUNTY, GEORGIA

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS

JUNE 30, 2015

	Private Purpose Trust Funds	Agency Funds
Assets		
Cash	\$ 80,356	\$ 533,567
Restricted cash	112,547	-
Property taxes receivable	-	<u>333,453</u>
 Total assets	<u>192,903</u>	<u>867,020</u>
Liabilities		
Payables to other governments	\$ -	\$ 630,933
Other payables	<u>115,824</u>	<u>236,087</u>
 Total liabilities	<u>115,824</u>	<u>867,020</u>
Net Position		
Held in trust for others	<u>77,079</u>	-
 Total liabilities and net position	<u>192,903</u>	<u>867,020</u>

DADE COUNTY, GEORGIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS

YEAR ENDED JUNE 30, 2015

	Private Purpose Trust Funds
Additions	
Sales of commissary goods	<u>\$ 78,817</u>
Total additions	<u>78,817</u>
Deductions	
Supplies purchased for jail commissary	<u>106,418</u>
Total deductions	<u>106,418</u>
Change in Net Position	<u>(27,601)</u>
Net position at beginning of period	<u>104,680</u>
Net position at end of period	<u>\$ 77,079</u>

DADE COUNTY, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of Dade County, Georgia, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The GASB is the accepted standard-setting body for establishing governmental accounting and reporting principles. The significant accounting policies of the County are described below.

Reporting Entity

Dade County, Georgia, is a legal subdivision of the State and operates under the laws of the State of Georgia. Effective January 1, 2006, the commission structure changed to an at-large, elected county executive, who serves as the chairman of the commission, and four part-time commissioners elected by district.

The financial statements of the County have been prepared in accordance with GAAP as applied to governmental units. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with the subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement No. 61, *"The Financial Reporting Entity: Omnibus – An Amendment of GASB Statements No. 14 and No. 34,"* and GAAP. This statement requires that the financial statements present Dade County, Georgia (the primary government) and any component units. Component units generally are legally separate entities for which a primary government is financially accountable. Financial accountability ordinarily involves meeting one of the following criteria: the primary government is accountable for the component unit (i.e., the primary government appoints the voting majority of the component unit board and the primary government is able to impose its will upon the potential component unit) or there is a possibility that the component unit may provide specific financial benefits or impose specific financial burdens on the primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Discretely-presented component units are reported in a separate column from the primary government in the government-wide financial statements to emphasize they are legally separate from the County.

Discretely-Presented Component Unit - Dade County Health Department

The Dade County Health Department provides health care services and health education to the residents of Dade County, Georgia. The Board of the Health Department is composed of seven members, four of which are appointed by the Dade County Commission. The Commission has authority over the budget of the Health Department and is responsible for setting fee rates for services the Health Department provides. Complete financial statements may be obtained at the Dade County Health Department's administrative office at: Dade County Health Department, 71 Case Avenue, Trenton, Georgia 30752.

(Continued)

DADE COUNTY, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Blended Component Unit - Dade County Industrial Development Authority

The Dade County Industrial Development Authority (Authority) was created on March 17, 1967, by the General Assembly of the State of Georgia under Article XIII, Section I, Paragraph I of the Constitution of Georgia of 1945, as amended. The Authority was created for the purpose of encouraging and promoting the expansion and development of industrial and commercial facilities in Dade County. The Authority's primary function is to relieve insofar as possible unemployment within the boundaries of Dade County, and to that end may acquire by purchase or gift any building or structure within the limits of Dade County suitable for use as a factory, mill, shop, processing plant, assembly plant, or fabricating plant, including all necessary and appurtenant lands, and all necessary or useful furnishings, machinery and equipment. The sources of revenue for the Authority are proceeds from the sale of land, rental income, and fees and payments received from new and existing industries and commercial facilities as part of tax abatement agreements. The Authority is reported as a special revenue fund and does not issue separate financial statements.

Other Organizations

The following related organizations are excluded from the financial reporting entity because the County is not financially accountable for them:

Primary Health Care of Dade County
The Development Authority of Dade County
Dade County Department of Family and Children's Services
Hutcheson Medical Center, Inc.

The County appoints a voting majority of the Dade County Department of Family and Children's Services' board. The following organizations are not related and did not meet the criteria for inclusion in these financial statements:

Dade County Board of Education
Dade County Water and Sewer Authority

(Continued)

DADE COUNTY, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Basis of Presentation

The accounts of the County are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue and expenditures or expenses as appropriate. Governmental resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent and the means by which spending activities are controlled.

The basic financial statements of the County are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

Government-wide Financial Statements

The County's government-wide financial statements include a Statement of Net Position and a Statement of Activities that report information on all nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. These statements present a summary of governmental activities for the County. They also include separate columns for information on the County's discretely-presented component unit.

These statements are presented on an "economic resources measurement focus" and the accrual basis of accounting, as are the fiduciary fund financial statements. Accordingly, all of the County's assets and liabilities, including capital assets as well as infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The types of transactions reported as program revenues for the County are reported in three categories 1) charges for services; 2) operating grants and contributions; and 3) capital grants and contributions. Expenses are classified by function for governmental activities. Administrative overhead charges are made to various functions and are included in direct expenses. When an expense is incurred for which both restricted and unrestricted net position are available, restricted resources are applied first.

The financial statements of the County have been prepared in accordance with GAAP as applied to governmental units. The GASB is the standard-setting body for governmental accounting and financial reporting.

(Continued)

DADE COUNTY, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government Fund Financial Statements

Government fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the government-wide financial statements. The County has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in the current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available for financial expenditures of the current period. Accordingly, revenues are recognized when received in cash, except that revenues subject to accrual (generally sixty days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the County, are property tax and sales tax. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

The Dade County, Georgia reports the following major governmental funds:

General Fund. 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.

Capital Projects Fund. This fund accounts for the accumulation of resources provided by the SPLOST, approved by the voters of Dade County, for use in the purchase or construction of capital assets such as buildings, playgrounds, roads, bridges or sewers.

Special Revenue Funds. The E-911 fund accounts for the revenues and costs incurred by the County’s Emergency Communications District (E-911). Separate accounting is required due to legal, regulatory, or administrative action. The Law Library Fund is established according to official Code of Georgia Annotated (O.C.G.A.) Title 36-15. Revenue is collected from court costs and must be spent on books, periodicals, etc. The Industrial Development Authority Fund accounts for the activities of the Dade County Industrial Development Authority, a blended component unit of Dade County.

(Continued)

DADE COUNTY, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Additionally, the County reports the following fund types:

The private-purpose trust fund is used to account for resources held in trust for the following:

Inmate Trust. This fund accounts for inmate's funds to be used on concessions. The concession profits are to be spent on inmate maintenance.

The agency funds account for the accumulation and distribution of funds performed by officers of the County for the benefit of other governments.

Tax Commissioner. This fund accounts for the collection of property taxes and other local taxes levied by the County Commission, County School Board and the State. Taxes collected are remitted on a monthly basis to the respective taxing authority.

Clerk of Superior Court, Magistrate Court, Probate Court and Juvenile Court. These funds account for the collection of court fines and costs levied within the jurisdictional powers of the elected officials. Amounts collected are disbursed on a monthly basis as prescribed by state law.

Budgets and budgetary accounting. Budgets are adopted on a basis consistent with generally accepted accounting principles. An annual appropriated budget is adopted for the general fund, E-911 special revenue fund, and the law library special revenue fund. All annual appropriations lapse at fiscal year end. Budgeted amounts are as originally adopted, or as amended by the Board.

For the year ended June 30, 2015, expenditures exceeded appropriations in the library (\$45,709) within the general fund.

The Industrial Development Authority uses a project-length methodology although operations are reported as a special revenue fund. No annual budget has been adopted for the current fiscal year.

Cash and cash equivalents. Cash and cash equivalents for balance sheet purposes, consist of demand deposits and certificates of deposits with an original maturity of three months or less, and short term investments.

Restricted cash. In the Fiduciary Funds, restricted cash balances are composed of amounts held by the Clerk of Superior Court for the Indigent Defense Council, as well as cash bonds held in the Inmate Trust Fund.

(Continued)

DADE COUNTY, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories and prepaid items. Inventories are valued at cost, which approximates market value using the first-in, first-out (FIFO) method. Inventories consist of expendable supplies held for consumption. The costs are recorded as expenditures at the time individual inventory items are used (consumption method).

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Property taxes. Under State law, a subdivision of the State may levy a property tax. Property tax revenues are recognized on the modified accrual basis. Real and personal property taxes are levied after acceptance of the County's tax digest by the State of Georgia Department of Revenue. Property taxes were levied then mailed on September 18, 2015. The taxes were based on January 1, 2015, assessed values and were due December 21, 2015, after which date liens can be attached. Motor vehicle taxes are assessed January 1, based on values on January 1; due dates are based on the birth date of the registered owner.

The property tax calendar applicable to the current fiscal year is as follows:

Lien date	May 1
Levy date	November 1
Tax bills mailed	September 18
Payment due dates	September 18 through December 21
Delinquency date	December 22

The County-wide tax rate for the 2015 levy year was \$23.36 per \$1,000 of assessed value which includes the separately assessed County school tax of \$15.08, the County government rate of \$8.23 and the State of Georgia Rate of \$.05. The assessed value of property is approximately forty percent of the appraised (or estimated market) value.

The allowance for uncollectible taxes at June 30, 2015, was \$4,217.

Compensated absences. It is the County's policy to permit employees to accumulate earned but unused vacation benefits. Vacation pay is accrued when incurred in the government-wide financial statements. A liability for this amount is reported in governmental funds only if it has matured.

The County's sick time policy does not allow for the accumulation of sick time benefits.

(Continued)

DADE COUNTY, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital assets. Capital assets, including infrastructure additions are recorded at historical cost. General infrastructure assets acquired prior to July 1, 2003, are not reported in the basic financial statements. Contributed capital assets are recorded at their estimated fair market value on the date contributed. Capital assets include public domain infrastructure assets consisting of roads, bridges, streets and sidewalks, sewers, lighting systems and drainage systems. The County defines capital assets as assets with an initial, individual cost of more than \$1,000 (\$10,000 for infrastructure assets) and an estimated useful life of three years or more.

Additions, improvements, capital assets resulting from capital leases and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on capital assets is calculated on the straight-line basis over the following estimated useful lives:

	Useful Life
Building, improvements, parks and playgrounds	10-50 years
Infrastructure	50 years
Equipment	5-20 years
Vehicles	5 years

Long-term obligations. In the Government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Similarly, long-term debt and other obligations of the County are recorded as liabilities in the appropriate fund. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances 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.

(Continued)

DADE COUNTY, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements. The County implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as of the year ended June 30, 2011.

In the fund financial statements, fund balance consists of nonspendable fund balance which includes amounts that cannot be spent because they are not in spendable form, or they are legally or contractually required to be maintained intact. Restricted fund balances are amounts restricted to specific purposes. The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The County Commission is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. Assigned fund balances are amounts the County intends to use for a specific purpose but is neither restricted nor committed. The County Commission has authority to assign fund balance. Unassigned fund balance represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the General Fund.

When restricted and other fund balance resources are available for use, it is the County's policy to use restricted resources first, followed by committed, assigned, and unassigned amounts.

NOTE 2 – CASH DEPOSITS AND INVESTMENTS

The County has defined cash and cash equivalents to include cash on hand, demand deposits and cash with fiscal agent. Investments are stated at cost, which approximates fair value. State statutes authorize the County to invest in obligations guaranteed by the U.S. Government and agencies of the U.S. Government; obligations of any political subdivision of any state; certificates of deposit or time deposits of any national state bank or savings and loan which have deposits insured by the Federal Deposit Insurance Corporation (FDIC) or Federal Savings and Loan Insurance Corporation (FSLIC); prime bankers acceptances; repurchase agreements; and the Georgia fund 1.

The County, during the period, invested funds in certificate of deposits. At June 30, 2015, the carrying amount of the County's deposits was \$4,188,683 and the bank balance was \$3,646,178. The bank balance is categorized below as to credit risk. Category 1 includes deposits either covered by federal depository insurance, by collateral held by the County's agent in the County's name or by the Federal Reserve Banks acting as third party agents. Category 2 includes deposits covered by collateral held by the pledging bank's agent in the County's name. Category 3 includes deposits either uninsured, uncollateralized or covered by collateral held by the pledging bank or its agent, but not in the County's name.

All of the County's deposits were category 1 and insured.

DADE COUNTY, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 3 – PROPERTY, PLANT AND EQUIPMENT

Capital asset activity for the year ended June 30, 2015, is as follows:

	Balance June 30, 2014	Additions	Retirements	Balance June 30, 2015
Governmental activities:				
Non-depreciable assets				
Land	\$ 6,081,868	\$ 58,183	\$ -	\$ 6,140,051
Construction-in-process	<u>38,439</u>	<u>95,328</u>	<u>-</u>	<u>133,767</u>
Total non-depreciable assets	<u>6,120,307</u>	<u>153,511</u>	<u>-</u>	<u>6,273,818</u>
Depreciable assets				
Buildings and improvements	12,277,712	17,841	-	12,295,553
Machinery and equipment	10,747,458	117,544	-	10,865,002
Roads, bridges and other infrastructure	5,334,124	309,115	-	5,643,239
Parks and playgrounds	<u>901,560</u>	<u>7,618</u>	<u>-</u>	<u>909,178</u>
Total depreciable assets	<u>29,260,854</u>	<u>452,118</u>	<u>-</u>	<u>29,712,972</u>
Less accumulated depreciation for:				
Buildings and improvements	4,893,074	1,107,328	-	6,000,402
Machinery and equipment	8,225,978	538,470	-	8,764,448
Roads, bridges and infrastructure	1,471,336	475,234	-	1,946,570
Parks and playgrounds	<u>852,806</u>	<u>9,227</u>	<u>-</u>	<u>862,033</u>
Total accumulated depreciation	<u>15,443,194</u>	<u>2,130,259</u>	<u>-</u>	<u>17,573,453</u>
Total depreciable assets	<u>13,817,660</u>	<u>(1,678,141)</u>	<u>-</u>	<u>12,139,519</u>
Capital assets, net	<u>\$ 19,937,967</u>	<u>\$ 1,524,630</u>	<u>\$ -</u>	<u>\$ 18,413,337</u>

Depreciation expense is charged to functions as follows:

Primary Government - Governmental Activities:

General government	\$ 765,120
Public safety	763,625
Highways and streets	329,818
Sanitation	60,645
Health	944
Welfare	5,968
Culture and recreation	<u>204,139</u>
	<u>\$ 2,130,259</u>

DADE COUNTY, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 4 – RETIREMENT PLAN – DEFINED CONTRIBUTION PLAN

The County has adopted a deferred compensation plan with the assets being held in trust for the exclusive benefit of participants and their beneficiaries and is being administered by AI-Valic Institutional Services. The Plan was created in accordance with Internal Revenue Code Section 457(b) and is considered a defined contribution plan. The County has no fiduciary relationship with the trust and the plan's assets are not reported in the County's financial statements. All full-time employees of the County that have completed six months of service to the County are eligible to participate.

In accordance with Dade County's policies and procedures manual, the Plan requires that the County matches 100% of the first 3% of the employee's salary deferred. The Dade County Commission acts as the trustee for the plan and can amend the Plan provisions and contribution requirements at any time. Vesting in the plan follows a six-year graduated schedule.

For year ended June 30, 2015, the County (employer) and employees contributed \$47,605.

NOTE 5 – LONG-TERM OBLIGATIONS

General Obligation Bonds

The County periodically issues general obligation bonds for the acquisition and construction of major capital facilities. These bonds are direct obligations and are backed by the full faith and credit of the City. These bonds are generally issued as 5 to 15-year serial bonds. General obligation bonds are summarized by issue as follows:

Series	Original Principal	Interest Rates	Final Maturity	Principal June 30, 2015
Series 2008	\$ 6,500,000	4% - 5%	11/01/15	\$ 1,170,000
Series 2013A	645,000	6.10%	10/01/28	615,000
Series 2013B	1,935,000	3.95%	10/01/28	1,835,000
Series 2015	<u>1,900,000</u>	2.23%	10/01/21	<u>1,900,000</u>
Total	<u>\$10,980,000</u>			<u>\$ 5,520,000</u>

(Continued)

DADE COUNTY, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 5 – LONG-TERM OBLIGATIONS (Continued)

Debt service requirements to maturity for the general obligation bonds of the County are as follows:

	Principal	Interest	Total
2016	\$ 1,300,000	\$ 183,907	\$ 1,483,907
2017	435,000	140,254	575,254
2018	450,000	127,279	577,279
2019	465,000	113,787	578,787
2020	475,000	99,932	574,932
2021-2025	1,535,000	311,530	1,846,530
2026-2030	860,000	80,342	940,342
	<u>\$ 5,520,000</u>	<u>\$ 1,057,031</u>	<u>\$ 6,577,031</u>

Interest expense for year ended June 30, 2015, charged to governmental activities expense, for bond interest only, was \$198,344.

Capital Lease Payable

On March 1, 2013, the County entered into a capital lease agreement with SunTrust Equipment Finance & Leasing Corp to purchase and refinance energy efficient/energy consumption savings equipment. The County is obligated under the agreement to repay the lease in installments consisting of principal repayments and interest payable annually for a 13 year term in certain amounts and on certain dates as specified in the agreement. The economic substance of the lease is that the County is financing the equipment through the lease in the amount of \$700,894 at an interest rate of 3.06%.

On July 25, 2011, the County entered into a capital lease agreement with Bancorp South Finance to purchase an excavator. The County is obligated under the agreement to repay the lease in installments consisting of principal repayments and interest payable annually for a 5 year term in certain amounts and on certain dates as specified in the agreement. The equipment may be purchased at the end of the lease term for one dollar. The economic substance of the lease is that the County is financing the equipment through the lease in the amount of \$292,380 at an interest rate of 3.19%.

On January 15, 2012, the County entered into a capital lease agreement with Pinnacle Public Finance to purchase E-911 hardware and software. The County is obligated under the agreement to repay the lease in installments consisting of principal repayments and interest payable annually for a 5 year term in certain amounts and on certain dates as specified in the agreement. The equipment may be purchased at the end of the lease term for one dollar. The economic substance of the lease is that the County is financing the equipment through the lease in the amount of \$561,061 at an interest rate of 3.80%.

(Continued)

DADE COUNTY, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 5 – LONG-TERM OBLIGATIONS (Continued)

On March 1, 2013, the County entered into a capital lease agreement with SunTrust Equipment Finance & Leasing Corp to purchase five new county vehicles. The County is obligated under the agreement to repay the lease in installments consisting of principal repayments and interest payable annually for a 3 year term in certain amounts and on certain dates as specified in the agreement. The economic substance of the lease is that the County is financing the equipment through the lease in the amount of \$170,000 at an interest rate of 2.31%.

On July 13, 2012, the County entered into a capital lease agreement with Bancorp South to purchase new public works equipment. The County is obligated under the agreement to repay the lease in installments consisting of principal repayments and interest payable annually for a 3 year term in certain amounts and on certain dates as specified in the agreement. The economic substance of the lease is that the County is financing the equipment through the lease in the amount of \$124,139 at an interest rate of 2.56%.

Total assets acquired through capital leases at June 30, 2015 include machinery and equipment at a cost of \$1,922,503, and accumulated depreciation of \$606,504. This year, \$220,594 was included in depreciation expense.

Minimum future lease payments required to maturity for the capital lease payables of the County are as follows:

2016		\$ 269,246
2017		239,011
2018		62,997
2019		64,997
2020		66,997
2021-2025		364,985
2026		<u>78,997</u>
		1,147,230
Less imputed interest		<u>147,521</u>
Present value of minimum future lease payments		<u>\$ 999,709</u>

Changes in long-term liabilities. During the year ended June 30, 2015, the following changes occurred in long-term liabilities:

Primary government

	Balance June 30,			Balance June 30, 2015		Due Within One Year
	2014	Additions	Reductions	2015		
General obligation bonds	\$4,885,000	\$1,900,000	\$ 1,265,000	\$5,520,000		\$1,300,000
Capital lease	1,270,199	-	270,490	999,709		116,314
Compensated absences	<u>237,894</u>	<u>294,130</u>	<u>237,894</u>	<u>294,130</u>		<u>294,130</u>
	<u>\$6,393,093</u>	<u>\$2,194,130</u>	<u>\$ 1,773,384</u>	<u>\$6,813,839</u>		<u>\$1,710,444</u>

(Continued)

DADE COUNTY, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 5 – LONG-TERM OBLIGATIONS (Continued)

Debt service requirements for general obligation bonds, notes payable and other debt are met by the General Fund, Capital Projects Fund and Industrial Development Authority Fund. Compensated absences are liquidated by the General Fund.

NOTE 6 – FUND BALANCE

Restrictions of fund balance of governmental funds are created to either satisfy legal covenants that require that a portion of the fund balance be segregated or identify the portion of the fund balance that is not appropriated for future expenditures. Specific restrictions of fund balance accounts are as follows:

General Fund. Restricted fund balance totals \$158,897 which is restricted for public safety purposes. The detail of general fund restrictions is summarized below.

Restricted for Jail Operations. This restriction was created for unexpended fines which are required to be used for jail staffing and operations. The amount restricted at June 30, 2015, totals \$29,722.

Restricted for Drug Control. This restriction was established by local ordinance for funds to be used for drug enforcement activities. The amount restricted at June 30, 2015, totals \$1,030.

Restricted for Drug Awareness. This restriction was established for portions of fines which are required to be used for establishing a community program for counseling or education regarding drug and substance abuse. The amount restricted at June 30, 2015, totals \$86,072.

Restricted for Juvenile Services. This restriction was established for funds required to be used for providing various juvenile services in the County. The amount restricted at June 30, 2015, totals \$24,474.

Restricted Sheriff and Victim Assistance. This restriction was established for portion of fines which are required to be used for the Sheriff's Department in establishing and operating a victim's assistance program. The amount restricted at June 30, 2015, totals \$17,599.

Capital Projects Fund. Fund balance totals \$1,687,741 which is restricted for special purpose local option sales tax capital projects as required by O.C.G.A. 48-8-121.

Law Library Fund. Fund balance totals \$7,067 which is restricted for the operation of the County's law library activity.

Industrial Development Authority Fund. Fund balance totals \$563,677 which is restricted for the industrial and economic development of Dade County, Georgia.

DADE COUNTY, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 7 – CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustments by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

The County is presently involved in a number of matters involving pending litigation, overtly threatened litigation, claims or assessments. While the County intends to defend these actions, the ultimate outcome is uncertain at this time. The County's management and legal counsel are of the opinion that any unfavorable outcome would not materially affect the financial statements.

NOTE 8 – RISK MANAGEMENT

Dade County, Georgia, is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by a public entity risk pool for all major programs. There have been no significant reductions in coverage. Settlement amounts have not exceeded coverage for the current year or the three prior years. All risk management activities are accounted for in the General Fund. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered.

The County contracts with the Association County Commissioners of Georgia-Interlocal Risk Management Agency (ACCG-IRMA) for combined automobile, crime, liability and property coverage. As a public entity risk pool, ACCG-IRMA is obligated to Dade County, as well as approximately sixty other Georgia County Members, to cover casualty and property losses as follows:

- To establish and administer a risk management service;
- To prevent or lessen the incidence and severity of casualty and property losses occurring in the operation of county government; and
- To defend and protect, in accordance with this contract and related coverage descriptions, any Member of ACCG-IRMA against liability or losses stated in such documents. The activities of ACCG-IRMA shall not constitute conduct of an insurance business.

(Continued)

DADE COUNTY, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 8 – RISK MANAGEMENT (Continued)

As a Member of ACCG-IRMA, Dade County is obligated as follows:

- To participate at all times in at least one Fund which is established by the Board of Trustees of ACCG-IRMA;
- To pay all contributions, assessments or other sums due to such times and in such amounts as shall be established by the Board;
- To select a person to serve as a Member representative;
- To allow the Board and its agents reasonable access to all facilities of the Member and all records, including but not limited to financial records, which related to the purposes of ACCG-IRMA;
- To allow attorneys appointed by ACCG-IRMA to represent the Member in investigation, settlement discussions and all levels of litigation arising out of any claim made against a Member within the scope of loss protection furnished by the Fund or Funds established by ACCG-IRMA;
- To assist and cooperate in the defense and settlement of claims against a Member;
- To furnish full cooperation to ACCG-IRMA's attorneys, claims adjusters, service companies and any agent, employee, officer or independent contractor of ACCG-IRMA relating to the purposes of ACCG-IRMA;
- To follow all loss reduction and prevention procedures established by ACCG-IRMA;
- To furnish ACCG-IRMA such budget, operating and underwriting information as may be requested by the Board; and
- To report as promptly as possible, and in accordance with any Coverage Descriptions issued, all incidents which could result in ACCG-IRMA or any Fund established by ACCG-IRMA being required to pay a claim or claims for loss or injuries to county property or injuries to persons or property when such loss or injury is within the scope of the protection of a Fund or Funds in which the Member participates.

(Continued)

DADE COUNTY, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 8 – RISK MANAGEMENT (Continued)

Pursuant to Title 34, Chapter 9, Article 5 of the Official Code of Georgia Annotated, the County became a Member of the Association County Commissioners of Georgia-Group Self Insurance Workers' Compensation Fund (ACCG-GSIWCF). The liability of the Fund to the employees of any employer is specifically limited to such obligations as are imposed by applicable state laws against the employer for workers' compensation and/or employer's liability. The Fund is to defend, in the name of and on behalf of the Members, any suits or other proceedings which may at any time be instituted against them on account of injuries or death with the preview of the Workers' Compensation Law of Georgia, or on the basis of employer's liability, including suits or other proceedings alleging such injuries and demanding compensation, therefore, although such suits, other proceedings, allegations or demands be wholly groundless, false or fraudulent. The Fund is to pay all costs taxed against Members in any legal proceeding defended by the Members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

Dade County's responsibilities as a Member of the ACCG-GSIWCF are as follows:

- To pay all contributions, assessments or other sums due to ACCG-GSIWCF at such times and in such amounts as shall be established by the ACCG-GSIWCF. To select a person to serve as a contact person and safety representative;
- To allow ACCG-GSIWCF and its agents reasonable access to all facilities of the County and all records, including, but not limited to financial records, which related to the purposes of ACCG-GSIWCF;
- To allow attorneys appointed by ACCG-GSIWCF to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss prevention furnished by ACCG-GSIWCF;
- To assist and cooperate in the defense and settlement of claims against the County;
- To furnish full cooperation to ACCG-GSIWCF attorneys, claims adjusters, Service Company, and any agent, employee, officer or independent contractor of ACCG-GSIWCF relating to the purpose of ACCG-GSIWCF;
- To follow all loss reduction and prevention procedures established by ACCG-GSIWCF. To furnish to ACCG-GSIWCF such remuneration and underwriting information as may be requested; and
- To report as promptly as possible, all incidents which could result in ACCG-GSIWCF being required to pay workers' compensation on behalf of the County.

DADE COUNTY, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 9 – IMPOSITION OF SPECIAL PURPOSE LOCAL OPTION SALES TAX

The County passed a special one percent (1%) retail sales and use tax on July 15, 2008, to be collected within Dade County for the purpose of financing certain capital outlay projects. A maximum cost of \$18,000,000 for the projects are as follows: (i) Dade County road, street, and bridge purposes, which purposes may include sidewalks, bicycle paths and capital equipment; acquiring, constructing, and equipping a new court facility, including any necessary capital costs for the relocation of governmental offices or services; public safety facilities and equipment including fire department, mountain rescue, emergency 911, and other county emergency services; installation of new water lines and fire hydrants by the Dade County Water and Sewer Authority; vehicles and equipment for the road department, sheriff's department, recreation department, and the extension agency; adding to, remodeling and renovating county facilities and acquiring any property, both real and personal, and equipment necessary including the transfer station, county jail, recreation facilities, animal control, the old courthouse, a community building at Davis, a walking track at New Home; and, purchasing new books, computers and other technology for the Dade County Library, (ii) for the Dade County Industrial Development Authority, acquisition of land and construction of related infrastructure for future industrial development, and (iii) for the City of Trenton, public safety facilities, vehicles and equipment for police and fire departments; equipment and renovation of facilities for waste water treatment and utilities; road, street, and bridge purposes, which purposes may include sidewalks, bicycle paths and capital equipment; new construction, renovations and equipment for parks and recreation; city animal control facilities and renovations and equipment for city hall and city administration. The tax began on July 1, 2009, and is to remain in effect for twenty-four (24) calendar quarters or until the \$18,000,000 is exceeded, whichever occurs first.

NOTE 10 – JOINT VENTURE

Under Georgia law, the County, in conjunction with other cities and counties in the ten county northwest Georgia area, is a member of the Northwest Georgia Regional Commission and is required to pay annual dues thereto. During its year ended June 30, 2015, the County paid \$14,278 in such dues. Membership in a Regional Commission is required by the Official Code of Georgia Annotated (O.C.G.A.) Section 50-8-34 which provides for the organizational structure of the Regional Commission in Georgia. The Regional Commission board membership includes the chief elected official of each county and municipality in the area. O.C.G.A. 50-8-39.1 provides that member governments are liable for any debts or obligations of a RDC. Separate financial statements may be obtained from: Coosa Valley Regional Development Authority, P.O. Box 1793, Rome, GA 30162-1793.

DADE COUNTY, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 11 – OPERATING LEASE

The County leases a portion of its administration building to the State of Georgia's Department of Family and Children's Services under a cancelable operating lease that expires in 2016. In addition, a ratable portion of shared expenses, such as utilities, are billed to the State by the County and included in the amounts reported as rental income to the County.

Future minimum rental revenue anticipated under this operating lease for the periods after June 30, 2015, are as follows:

2016	\$ <u>131,940</u>
Total	<u>\$ 131,940</u>

Rental revenue received for the year ended June 30, 2015, was \$131,940.

NOTE 12 – INTERFUND TRANSFERS

The County transfers resources from the General Fund to subsidize the cost of operations for the E-911 Emergency Fund. In addition, the Industrial Development Authority transferred resources to the General Fund for infrastructure expenditures previously paid by the General Fund.

Transfers in Primary Government	Transfers out Primary Government	Amount
E-911 Fund	General Fund	\$ 455,036

NOTE 13 – INTERFUND RECEIVABLES AND PAYABLES

During the course of normal operations, the County has numerous transactions between funds. Generally, outstanding balances between funds reported as "due to/from other funds" include outstanding charges by one fund to another for services or goods, or other miscellaneous receivables/payables between funds. Interfund receivables/payables are transactions reimbursing a fund for expenditures made for the benefit of another fund. Such transactions are recorded as an interfund receivable in the disbursing fund. On the governmental funds balance sheet, receivables and payables resulting from short-term interfund loans are classified as "interfund loan receivables/payables." These amounts are eliminated on the statement of net position. As June 30, 2015, the County had no outstanding interfund balances.

NOTE 14 – SUBSEQUENT EVENTS

Management has evaluated events and transactions subsequent to the balance sheet date through the date of the auditor's report (the date the financial statements were available to be issued) for potential recognition or disclosure in the financial statements. Management has not identified any items requiring recognition or disclosure.

DADE COUNTY, GEORGIA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015

NOTE 15 – CHANGE IN ACCOUNTING PRINCIPLES AND PRIOR PERIOD ADJUSTMENT

During fiscal year 2015, Dade County Health Department adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, an amendment of GASB Statement No. 27. The implementation of GASB 68 resulted in a change in reporting from the previous year. GASB 68 requires the reporting of the plan net pension liability and related pension expense and deferrals in the financial statements. The following reflects the impact of the provisions of GASB Statement No. 68 on the financial statements:

Beginning balance, as previously reported	\$ 311,534
Adjustment	<u>(429,269)</u>
Beginning balance, as restated	<u>\$ (117,735)</u>

DADE COUNTY, GEORGIA

SCHEDULE OF PROPERTY TAX RATES

EACH OF THE LAST FIVE YEARS (UNAUDITED)

FOR CURRENT YEAR ENDED JUNE 30, 2015
AND FOUR PRIOR YEARS ENDED JUNE 30

Tax Year	Tax Status	State of Georgia	Dade County	Dade County School Board	Total
2015	Unincorporated	\$.05	\$ 8.23	\$ 15.08	\$23.36
	Incorporated	.05	10.32	15.08	25.45
2014	Unincorporated	.10	8.18	15.13	23.41
	Incorporated	.10	10.09	15.13	25.32
2013	Unincorporated	.15	6.44	15.17	21.76
	Incorporated	.15	8.28	15.17	23.60
2012	Unincorporated	.20	6.36	13.92	20.48
	Incorporated	.20	8.10	13.92	22.22
2011	Unincorporated	.25	6.48	12.92	19.65
	Incorporated	.25	8.33	12.92	21.50

DADE COUNTY, GEORGIA

SCHEDULE OF CAPITAL PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX

YEAR ENDED JUNE 30, 2015

2008 Referendum

Project	Original Estimated Costs	Revised Estimated Costs	Prior Year Expenditures	Current Period Expenditures
County	\$ 14,950,000	\$ 14,950,000		
New court facility			\$ 2,821,347	\$ -
Fire equipment			956,148	-
Emergency services			1,175,234	134,895
Parks and recreation			85,607	112,687
County projects - other			297,995	62,665
Roads and bridges			1,538,037	-
Fire truck			298,055	-
Public works			624,603	92,560
Sheriff's department			357,511	64,331
Parking lot			586,941	-
Library			22,805	959
Old court facility			-	9,286
City of Trenton	2,060,000	2,060,000	2,060,000	-
Industrial Development Authority	990,000	990,000	990,000	-
	<u>\$ 18,000,000</u>	<u>\$ 18,000,000</u>	<u>11,814,283</u>	<u>477,383</u>
Reconciling Items				
Debt Service				
Principal			6,259,484	1,405,756
Interest			1,134,084	126,857
SPLOST agreements with related governments*			(3,050,000)	1,873,636
Total Expenditures Per Financial Statement				
Including Transfers Out			<u>\$ 16,157,851</u>	<u>\$ 3,883,632</u>

* Dade County agreed to finance the City of Trenton and Industrial Development Authority's portion of the 2008 Referendum via the Series 2008 General Obligation Bonds. The agreement stipulated that the County would retain future SPLOST proceeds and relieve the debt. The expenditures to the related organizations are included in current year expenditures but reconciled to current year expenditures.

Total Expenditures	Completion Percentage
	82%
\$ 2,821,347	
956,148	
1,310,129	
198,294	
360,660	
1,538,037	
298,055	
717,163	
421,842	
586,941	
23,764	
9,286	
2,060,000	
<hr/>	
990,000	
<hr/>	
12,291,666	
<hr/>	
7,665,240	
1,260,941	
<hr/>	
(1,176,364)	
<hr/>	
\$ 20,041,483	



**HENDERSON HUTCHERSON
& MCCULLOUGH, PLLC**

Certified Public Accountants

**INDEPENDENT AUDITOR'S REPORT ON STATE OF GEORGIA
GRANT CERTIFICATION FORMS**

To the Board of Commissioners
Dade County, Georgia
Trenton, Georgia

We have examined management's assertion included in the accompanying State of Georgia Grant Certification Form about Dade County, Georgia's compliance during the year ended June 30, 2015, with requirements to use grant proceeds solely for the purpose for which the grant was made for the following grant awards:

Lookout Mountain Community Services Board – Transportation Grant
Lookout Mountain Community Services Board – Transportation Grant

Management is responsible for Dade County, Georgia's compliance with this requirement. Our responsibility is to express an opinion on management's assertion about Dade County, Georgia's compliance based on our examination.

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

In our opinion, management's assertion that Dade County, Georgia, complied with the aforementioned requirement for the year ended June 30, 2015, is fairly stated, in all material respects.

This report is intended solely for the information and use of the Georgia Department of Audits and Accounts and the State grantor agency identified on the Grant Certification Form and is not intended to be and should not be used by anyone other than the specified parties.

Chattanooga, Tennessee
December 31, 2015

*Henderson Hutcherson
& McCullough, PLLC*

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

A	Local Government	Dade County, Georgia
B	State Awarding Agency	Lookout Mountain Community Services Board
C	Grant Identification Number	FY 2015
D	Grant Title	Transportation Grant
E	Grant Award Date	July 1, 2014
F	Grant Amount	\$34,220.00

	<u>COLUMN 1</u> Current Year Activity	<u>COLUMN 2</u> Cumulative Grant Activity
	For the Year Ended: June 30, 2015	Through the Year Ended: June 30, 2015

G	Balance - Prior Year (Cash or Accrued or Deferred Revenue)	\$0.00	
H	Grant Receipts or Revenue Recognized	\$16,762.00	\$16,762.00
I	Grant Disbursements or Expenditures EXCLUDING AUDIT FEES	\$16,762.00	\$16,762.00
J	Disbursements or Expenditures for Audit Fees	\$0.00	\$0.00
K	Balance - Current Year (Cash or Accrued or Deferred Revenue) [Line H (col 1 only) + Line I - Line J - Line K]	\$0.00	\$0.00

Certification of Local Government Officials

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

Signature of Chief Elected Official _____ Date: December 31, 2015

Signature of Chief Financial Officer _____ Date: December 31, 2015

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

A	Local Government	Dade County, Georgia
B	State Awarding Agency	Lookout Mountain Community Services Board
C	Grant Identification Number	FY 2014
D	Grant Title	Transportation Grant
E	Grant Award Date	July 1, 2013
F	Grant Amount	\$20,134.00

	<u>COLUMN 1</u> Current Year Activity	<u>COLUMN 2</u> Cumulative Grant Activity
	For the Year Ended: June 30, 2014	Through the Year Ended: June 30, 2014

G	Balance - Prior Year (Cash or Accrued or Deferred Revenue)	\$0.00	
H	Grant Receipts or Revenue Recognized	\$17,182.00	\$20,134.00
I	Grant Disbursements or Expenditures EXCLUDING AUDIT FEES	\$17,182.00	\$20,134.00
J	Disbursements or Expenditures for Audit Fees	\$0.00	\$0.00
K	Balance - Current Year (Cash or Accrued or Deferred Revenue) [Line H (col 1 only) + Line I - Line J - Line K]	\$0.00	\$0.00

Certification of Local Government Officials

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

Signature of Chief Elected Official _____ Date: December 31, 2015

Signature of Chief Financial Officer _____ Date: December 31, 2015



**HENDERSON HUTCHERSON
& MCCULLOUGH, PLLC**

Certified Public Accountants

**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***

To the Board of Commissioners
Dade County, Georgia
Trenton, Georgia

We have audited, in accordance with the auditing standards generally accepted on 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 discretely-presented component unit, each major fund, and the aggregate remaining fund information of Dade County, Georgia, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Dade County, Georgia's basic financial statements, and have issued our report thereon dated December 31, 2015. Our report includes a reference to other auditors who audited the financial statements of the Dade County Health Department (a component unit), as described in our report on the County'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 Dade 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 first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

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 results of that testing, and not to provide an opinion on the effectiveness of the entity'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.

Chattanooga, Tennessee
December 31, 2015

*Henderson Hutcherson
& McCullough, PLLC*

DADE COUNTY, GEORGIA

SCHEDULE OF FINDINGS

YEAR ENDED JUNE 30, 2015

None noted.

DADE COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS

YEAR ENDED JUNE 30, 2014

None noted.