

**HOUSTON COUNTY  
COMMISSION  
DOTHAN, ALABAMA**

**Annual Financial & Operations  
Report  
For The Fiscal Year Ended  
September 30, 2015**



*Prepared By:  
William J. Dempsey  
Chief Administrative Officer*

## BOARD OF COMMISSIONERS

MARK S. CULVER  
CHAIRMAN

CURTIS HARVEY  
COMMISSIONER, DISTRICT 1

DOUG SINQUEFIELD  
COMMISSIONER, DISTRICT 2

JACKIE BATTLES  
COMMISSIONER, DISTRICT 3

MELINDA McClendon  
COMMISSIONER, DISTRICT 4

# HOUSTON COUNTY COMMISSION

## Annual Financial Report

**Fiscal Year Ended  
September 30, 2015**



**Chief Administrative Officer**

William J. Dempsey

Citizens of Houston County

Houston County Commissioners

Other parties interested in the Financial Status of Houston County

We are pleased to present Houston County's Annual Financial Report for the year ending September 30, 2015. We believe that this report is an excellent base of information for those interested in financial and statistical information for Houston County. The Annual Financial Report is prepared from the county's financial and accounting records and is unaudited. Responsibility for both the accuracy of the data and the completeness of the information presented here rests with the County Finance and Administration Departments. We believe that every effort has been made to insure that the numbers presented here fairly represent the activity and fund balances of the various funds handled by the County.

The State Examiners of Public Accounts audits the county's records on an annual basis. The Audit Report for the period ending September 30, 2014 was an excellent report for Houston County and was an unqualified report that indicated no significant findings against Houston County.

## ABOUT HOUSTON COUNTY

Houston County, the youngest county in Alabama, was established February 9, 1903 from portions of Henry, Geneva, and Dale Counties. Located in the southeastern corner of Alabama, Houston County is bordered on the east by the state of Georgia at the Chattahoochee River and on the south by the state of Florida. The County covers 582 square miles. The Little Choctawhatchee River forms the boundary in the northwestern part of the county with Dale County. Houston County lies on the Coastal Plain with an elevation that ranges from 120 feet above sea level in the southeastern corner to about 345 feet above sea level at a point near Webb in the North Central part of the County. The Topography is mainly level to gently sloping but scattered hilly sections are found in the northeastern part of the County. The 2014 U.S. Census Bureau estimates the population of Houston County to be 104,193. This is a 17.3% population increase since 2000.

Houston County is primarily agricultural with peanuts, cotton, and corn being the principal crops. Small grains, melons, and vegetables are also abundantly grown while beef cattle, hogs, and dairy cattle are the main livestock enterprises in the County. Rainfall averages 56 inches annually.

The City of Dothan is the largest municipality in Houston County and is one of the largest employers with over 900 employees. Dothan is a regional trade center for the Alabama, Georgia, and Florida Tri State Area. Other municipalities in Houston County are Ashford, Kinsey, Cottonwood, Columbia, Taylor, Rehobeth, Gordon, Cowarts, Avon, Webb, and Madrid. A number of other unincorporated communities also exist within the County such as Wicksburg and Bay Springs.

# HOUSTON COUNTY COMMISSION

Page 2 of 3

Annual Financial Report  
Fiscal Year Ended September 30, 2015



**ECONOMIC OUTLOOK:** Houston County is a progressive county with outstanding regional hospitals, the largest of which employ more than 2,000 people. The business mix of manufacturing, retail, service, medical, agriculture and agriculture related companies and the good economy in the area help keep unemployment at low levels. Expansion of local businesses and the establishment of new businesses are occurring at a healthy pace. The opening of The Dothan Pavilion, a large shopping complex with many new stores, continues to bring regional shoppers and additional merchants and restaurants into Houston County. The Houston County Distribution Park located in the southern part of the County is home to two major companies and has ample room to add many new businesses. The close proximity of the Distribution Park to Interstate 10 makes it an attractive location. The continued expansion and development of this park will add good jobs for area residents in the years ahead.

## SIGNIFICANT OCCURRENCES IN FISCAL YEAR 2014-2015

- The County's one cent sales tax collections increased from \$16,980,055 in 2013/2014 to \$17,848,753 in 2014/2015. This is an increase of 5.1%. Sales tax collections for the county are now at record highs and exceed the 2007/2008 pre-economic slump collection high of \$16,563,808 by 7.7%.
- The Commission adopted a resolution to authorize the E-911 Communications District Board to issue bonds for the new E-911 Center.
- Commission approval was given to advertise legislation calling for the sale of alcoholic beverages on Sunday in unincorporated areas of Houston County.
- Commission approval was given to advertise legislation establishing a document service fee in Houston County.
- Houston County entered into a three year agreement with Legacy Inmate Communications to provide jail inmate phone services.
- The Commission approved the purchase of 15 new vehicles for the Sheriff's Department. These vehicles are to be funded by the sheriff from revenues received from document service fees. Additional significant capital purchases included two spray trucks, four dump trucks, one knuckle boom truck.
- The Commission selected BBVA Compass to provide banking services for the next three years.
- Approval was given to participate in the ACCA-coordinated Debt Set-Off Program.
- Two buildings located on Hwy 52 East near the Road and Bridge Shop were donated to the county.
- Several major maintenance projects were completed during the year including: Replacement of two boilers in the jail, replacement of Chiller #2 at the Jail, replacement of three HVAC systems in DHR (2) and the Farm Center (1), elevator upgrades in Community Corrections, replaced the roof in the recently acquired Road and Bridge storage building, partial replacement of the 3<sup>rd</sup> floor Community Corrections ceiling, replaced a sewer line at DHR, replaced two pump houses and residential building repair and Chattahoochee Park, replaced the south side window and the rear door to the Sheriff's office, replaced a transfer switch for a generator at Road and Bridge.

# HOUSTON COUNTY COMMISSION

Page 3 of 3

Annual Financial Report  
Fiscal Year Ended September 30, 2015



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## ROAD AND BRIDGE MAJOR PROJECTS IN FISCAL YEAR 2014-2015

- Completed 19 miles of resurfacing on six county roads
- Completed 36 miles of shoulder work using 52,000 yards of dirt
- Performed parking lot repairs at Houston County Schools using 3500 tons of asphalt, 2400 tons of crush and run, and 500 tons of gravel
- Completed Phase II of the downtown Houston County Library
- Paved Billy Snell Road
- Constructed, paved and placed curbing and sidewalks at the parking lot for the public park in Cottonwood
- Corrected drainage, repaired road and spread gravel on road at Landmark Park
- Completed additional site work at the Gordon Senior Center
- Completed additional site work at the Lucy Volunteer Fire Department
- Tree clearing, stump removal, extended driveway, and placed grave at Hodgesville Volunteer Fire Department
- Completed 1041 work orders, sprayed 3,613 miles of roads with herbicides for vegetation control
- Striped 42.2 miles of county roads, placed 2091 linear feet of stop bars
- Replaced bearing pads on 2 bridges
- April 2015 storms: Performed storm debris clean-up between April 28, 2015 and August 4, 2015. Cleaned up and hauled 60,123 cubic yards of debris (2,863 loads) using 12,081 man hours.
- Completed repairs at 3 FEMA large project sites and 3 FHWA sites (damage from April 2014 storms)

The Government of Houston County Alabama continues to be in sound financial shape. This has been achieved through wise planning by the Houston County Commission and tight cost controls by the management and employees of the county. While most government entities continue to struggle, Houston County, through well-planned economic polices, continues to maintain an excellent bond rating from both Moody's (AA2) and S&P (AA-). The proactive consideration of county revenue and expense is a part of the Commissions overall commitment to assuring that Houston County remains financially secure while providing essential services to our community. The Houston County Commission continues to lay a solid foundation for financial stability and adequate services for all our citizens.

Respectfully Submitted,

*Mark Culver*  
Chairman, Commission

*William J. Dempsey*  
Chief Administrative Officer

# Most Populous Counties in Alabama

<u>Rank</u>	<u>County</u>	<u>Population</u>
1	Jefferson	660,793
2	Mobile	415,123
3	Madison	350,299
4	Montgomery	226,189
5	Shelby	206,655
6	Tuscaloosa	202,212
7	Baldwin	200,111
8	Lee	154,255
9	Morgan	119,607
10	Calhoun	115,916
<b>11</b>	<b>Houston</b>	<b>104,193</b>
12	Etowah	103,531
13	Marshall	94,636
14	Lauderdale	93,096
15	Limestone	90,787



•Information obtained from U.S. Census Bureau website: [www.census.gov](http://www.census.gov) (2014 Estimates)

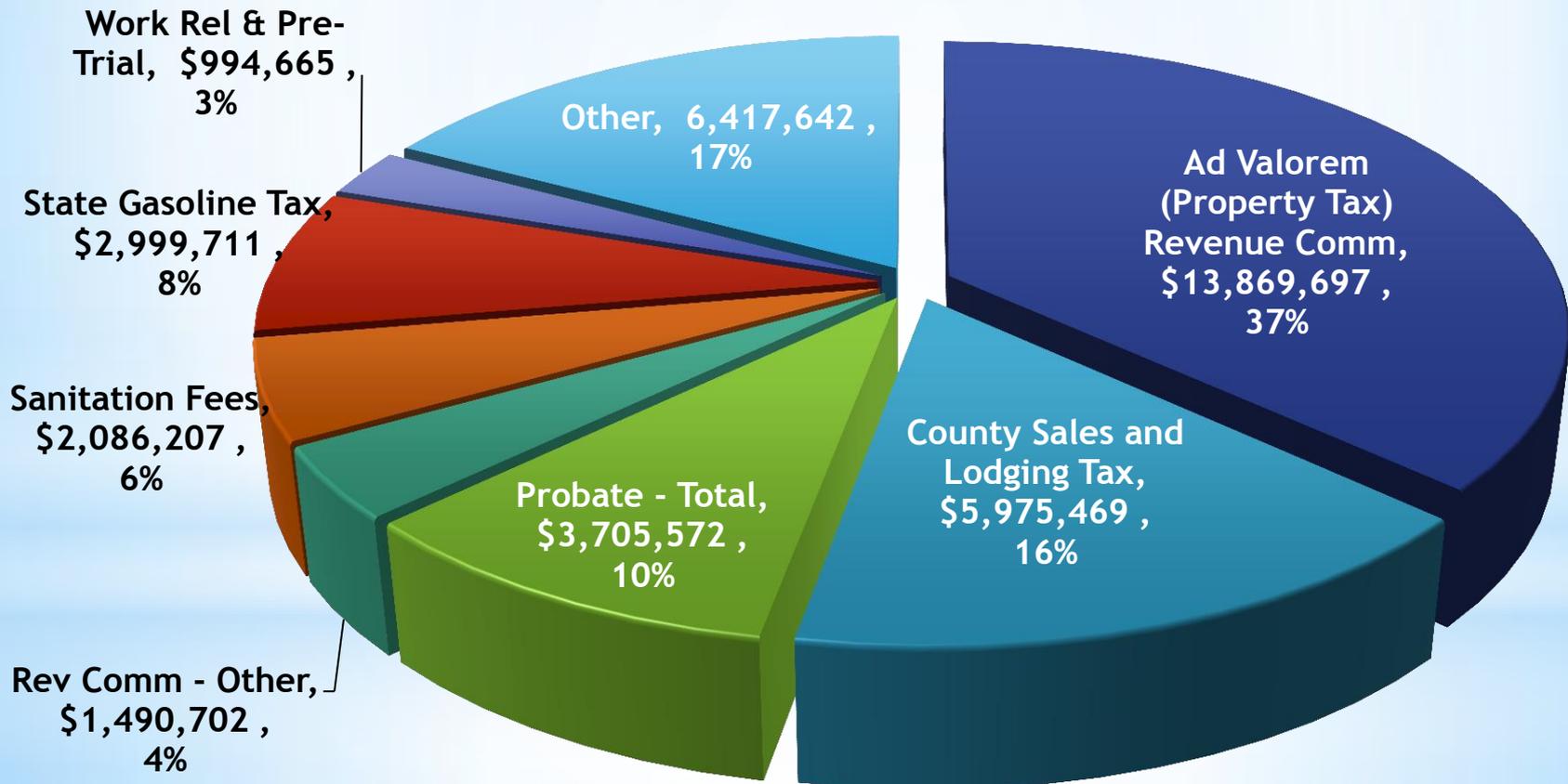
***Fund Balances***  
***as of***  
***September 30, 2015***  
(COUNTY BUDGETED FUNDS ONLY)

Fund	Description	Balance
001.....	General Fund.....	7,242,075
003.....	Contingent Fund.....	3,653
006.....	Special Assessment Fund.....	507,010
010.....	Farm Center Fund.....	0
015.....	Sanitation Fund.....	112,389
020.....	EMA Fund.....	0
021.....	APCO Rep Fund.....	111,410
030.....	Revenue Commission Operation Fund.....	8,256
	<b>TOTAL GENERAL FUNDS</b>	<b>7,984,793</b>
111.....	Gasoline Fund (7 Cent).....	8,509
112.....	Public Buildings, Roads and Bridges.....	484,358
113.....	Public Highway & Traffic Fund.....	11,914
117.....	RRR Fund (4 Cent).....	110,246
118.....	Secondary Roads Fund (2 Cent).....	0
119.....	Special Gas Tax Fund (5 Cent).....	42,451
	<b>TOTAL R&amp;B FUNDS</b>	<b>657,478</b>
115.....	AL Mineral Severance Tax.....	2,211
116.....	Capital Improvements Fund.....	464,259
120.....	Tax Reappraisal Fund.....	2,151
125.....	Walden Gas Tax.....	39,739
136.....	Motor Vehicle Special Training.....	11,974
300.....	Bonds/ G/O Warr).....	0
187.....	Work Release/Pre-Trial.....	248,073
008.....	04 G/O Ref Warr Refinance.....	163,398
	<b>TOTAL OTHER FUNDS</b>	<b>931,805</b>
	<b>TOTAL ALL COUNTY FUNDS</b>	<b>9,574,076</b>

# FY 2014-2015 Actual Revenue Sources (County Budgeted Funds Only)

**\$37,539,665**

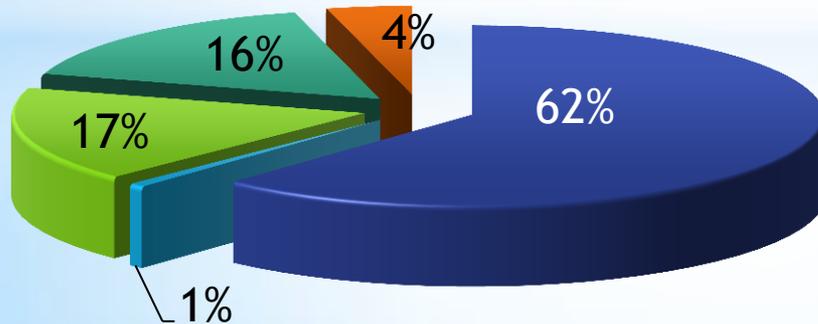
**Includes Sale of Fixed Assets - \$697,712  
And Proceeds of 2008 Serial Bond - \$163,398**



# Total Revenues

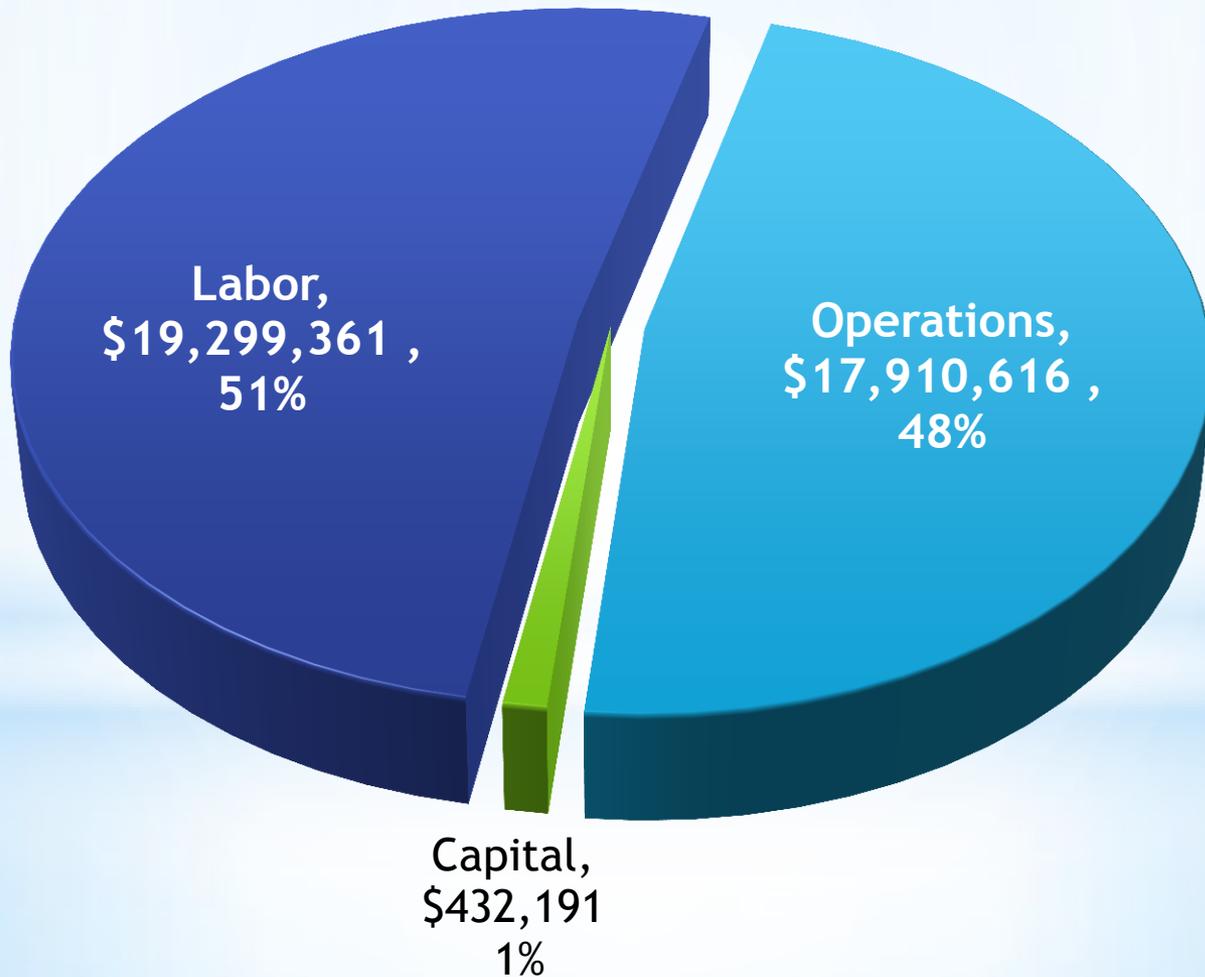
(COUNTY BUDGETED FUNDS ONLY)

	<u>All Funds</u>	<u>FIDUCIARY FUNDS</u>		<u>Total County Funds</u>
		<u>Less Trust &amp; Agency</u>	<u>Less Special Funds</u>	
Taxes	22,654,139			22,654,139
Licenses and Permits	268,787			268,787
Intergovernmental	7,116,162	865,500		6,250,662
Charges for Services	7,176,335	1,112,415	7,232	6,056,688
Fines and Forfeits	6,035			6,035
Miscellaneous	1,936,991	130,962	363,761	1,442,268
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Sub-Total Revenues	39,158,449	2,108,877	370,993	36,678,579
Proceeds - Gen Fixed Assets	697,712			697,712
Proceeds - Other Sources	163,398			163,398
=====	=====	=====	=====	=====
<b>Total Revenues</b>	<b>40,019,559</b>	<b>2,108,877</b>	<b>370,993</b>	<b>37,539,689</b>



- Taxes 60%
- Licenses and Permits 1%
- Intergovernmental 19%
- Charges for Services 16%
- Misc, Fines and Forfeits 4%

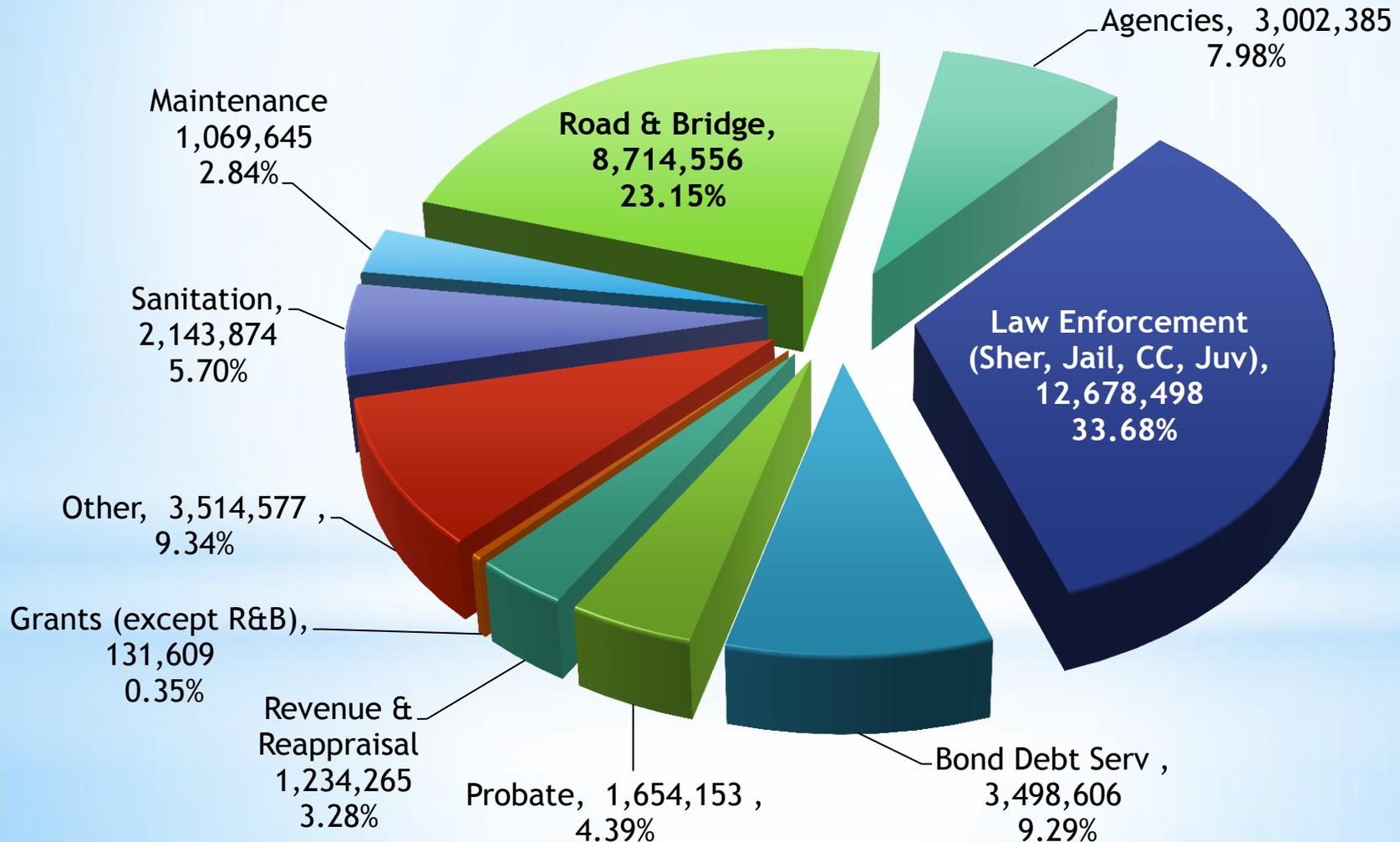
**Spending Breakdown - FY 2015 (\$37,642,168)**  
**Labor/Operations/Capital**  
**(County Budgeted Funds Only)**



# Spending Breakdown - FY 2015

## \$37,642,168

(County Budgeted Funds Only)



## General Long Term Debt (Principal Only)

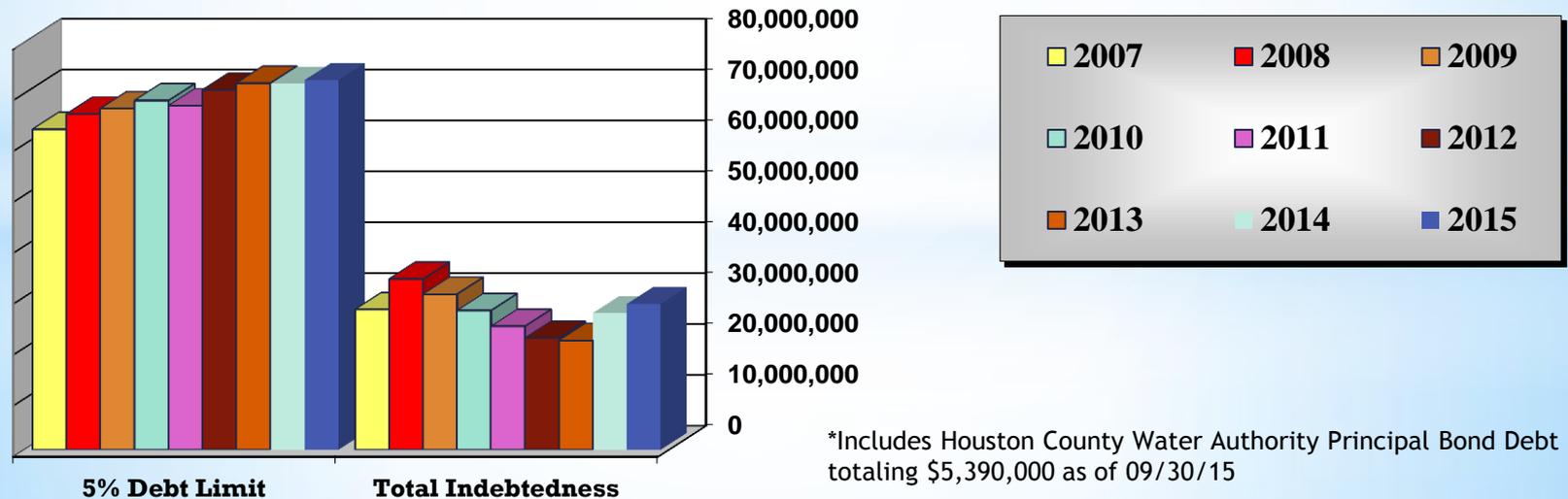
	End of FY 2012	End of FY 2013	End of FY 2014	End of FY 2015
Lease Debt	0	1,128,946	1,326,310	4,107,664
Bond 2004	15,180,000	3,695,000	1,895,000	0
Bond 2008	6,755,000	6,155,000	5,535,000	1,370,000
Bond 2013A	0	10,500,000	10,245,000	9,985,000
Bond 2014A	0	0	7,855,000	7,855,000
Bond 2015	0	0	0	4,025,000
<b>Totals</b>	<b>21,935,000</b>	<b>21,478,946</b>	<b>26,856,310</b>	<b>27,342,664</b>

**HOUSTON COUNTY COMMISSION**  
**LONG TERM DEBT PAYMENT SCHEDULE (PRINCIPAL ONLY)**  
**AS OF 9/30/15**

<u>Yearly Bond Principal Payments</u>		<u>Yearly Lease Principal Payments</u>		<u>Total Yearly Bond/Lease Principal Payments</u>	
2015-2016	2,890,000	FY 15-16	1,477,106	2015-2016	4,367,106
2016-2017	2,955,000	FY 16-17	1,147,121	2016-2017	4,102,121
2017-2018	3,020,000	FY 17-18	892,609	2017-2018	3,912,609
2018-2019	2,545,000	FY 18-19	539,439	2018-2019	3,084,439
2019-2020	1,450,000	FY 19-20	51,391	2019-2020	1,501,391
2020-2021	760,000			2020-2021	760,000
2021-2022	785,000			2021-2022	785,000
2022-2023	795,000			2022-2023	795,000
2023-2024	815,000			2023-2024	815,000
2024-2025	830,000			2024-2025	830,000
2025-2026	855,000			2025-2026	855,000
2026-2027	875,000			2026-2027	875,000
2027-2028	900,000			2027-2028	900,000
2028-2029	575,000			2028-2029	575,000
2029-2030	595,000			2029-2030	595,000
2030-2031	615,000			2030-2031	615,000
2031-2032	635,000			2031-2032	635,000
2032-2033	655,000			2032-2033	655,000
2033-2034	685,000			2033-2034	685,000
	\$ 23,235,000		\$ 4,107,666		\$ 27,342,666

# Debt Level Comparisons

<i>As of Oct 1,</i>	<i>Net Assessed Property Value</i>	<i>5% Debt Limit</i>	<i>Total Indebtedness</i>	<i>% of Legal Debt Limit</i>
2007	1,259,170,220	62,958,511	27,555,914	43.77%
2008	1,319,232,060	65,961,603	33,532,284	50.84%
2009	1,340,537,060	67,026,853	30,568,745	45.61%
2010	1,372,039,540	68,601,977	27,344,697	39.86%
2011	1,352,381,798	67,619,090	24,257,045	35.87%
2012	1,413,577,120	70,678,856	21,935,000	31.03%
2013	1,440,597,400	72,029,870	21,478,946	29.82%
2014	1,438,355,280	71,917,764	26,856,310	37.34%
2015	1,452,302,626	72,615,131	28,625,000*	39.42%



\*Includes Houston County Water Authority Principal Bond Debt totaling \$5,390,000 as of 09/30/15

# Houston County Commission

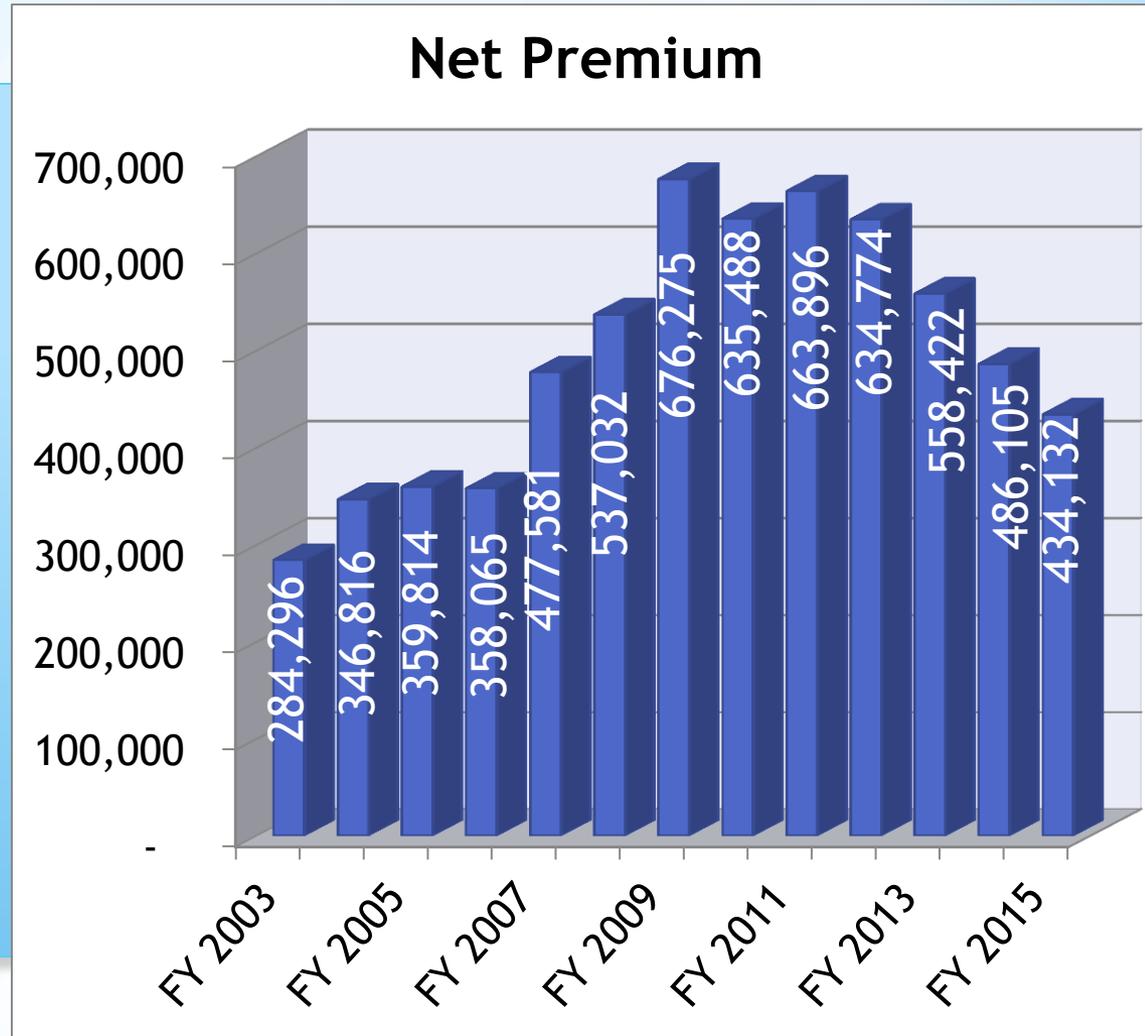
## Fixed Assets

### FY 2014/2015

<i>Account Number</i>	<i>Fixed Assets</i>	<i>Balance 10/1/14</i>	<i>Additions</i>	<i>Reductions</i>	<i>Balance 9/30/15</i>
800-17100	Land	3,914,452.06	0	0	3,914,452.06
800-17200	Buildings & Other Land Improvements	38,776,883.53	14,249.00	(167,850.00)	38,623,282.53
800-17410	Construction Equipment	4,961,432.87	75,000	0	5,036,432.87
800-17420	Office Equipment & Furniture	447,615.13	22,202.54	(150,968.62)	318,849.05
800-17430	Motor Vehicles	7,644,284.81	407,073.00	(1,271,357.46)	6,780,000.35
800-17431	Mtr Veh-Maj Overhauls & Improv	521,737.00	0	0	521,737.00
800-17440	Data Processing Equipment	373,956.35	0	(5296.00)	368,660.35
800-17460	Communications Equipment	296,504.82	0	0	296,504.82
800-17490	Other Equipment & Furniture	2,534,265.87	46,544.74	(42,129.27)	2,538,681.34
800-17631	Capital Lease – Construction Equip	202,172.00	64,250.00	0	266,422.00
800-17634	Capital Lease - Motor Vehicles	1,875,779.00	2,654,455.40	(25,750.00)	4,504,484.40
800-17800	Roads	7,126,166.39	1,022,337.29	0	8,148,503.68
800-17801	Roads / Const in Progress	790,424.22	231,913.07	(1,022,337.29)	0
800-17805	Bridges	15,131,941.67	0	0	15,131,941.67
		<u>84,597,615.72</u>	<u>4,538,025.04</u>	<u>(2,685,688.64)</u>	<u>86,449,952.12</u>

# Workers Compensation

	<u>Premium</u>	<u>Audits</u>	<u>Net</u>
FY 2003	\$303,557	(19,261)	284,296
FY 2004	\$359,747	(12,931)	346,816
FY 2005	\$383,853	(24,039)	359,814
FY 2006	\$367,814	(9,749)	358,065
FY 2007	\$481,617	(4,036)	477,581
FY 2008	\$538,223	(1,191)	537,032
FY 2009	\$624,721	+51,554	676,275
FY 2010	\$655,933	(\$20,445)	635,488
FY 2011	\$664,666	( 769)	663,896
FY 2012	\$644,298	(9,524)	634,774
FY 2013	\$542,255	16,167	558,422
FY 2014	\$475,331	10,774	486,105
FY 2015	\$434,132		434,132

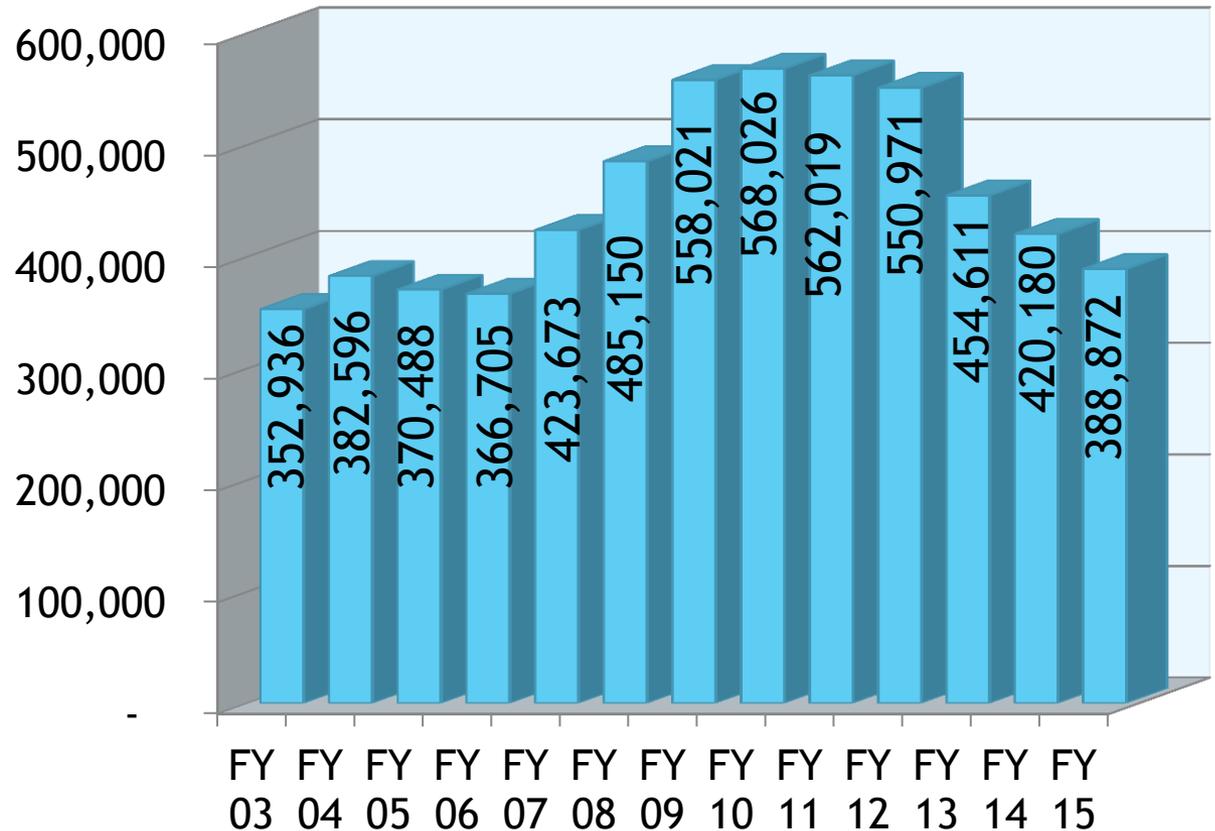


# Liability Insurance

## Annual Premiums

FY 2003	352,936
FY 2004	382,596
FY 2005	370,488
FY 2006	366,705
FY 2007	423,673
FY 2008	485,150
FY 2009	558,021
FY 2010	568,026
FY 2011	562,019
FY 2012	550,971
FY 2013	454,611
FY 2014	420,180
FY 2015	388,872

## Annual Premium



# State Unemployment Insurance

## Total Paid

FY 2002	9,786
FY 2004	19,002
FY 2005	5,768
FY 2006	11,648
FY 2007	9,463
FY 2008	20,268
FY 2009	34,842
FY 2010	36,236
FY 2011	35,143
FY 2012	9,270
FY 2013	12,972
FY 2014	13,551
FY 2015	2,525

