EARLY COUNTY, GEORGIA

Financial Statements and
Supplemental Information
For the year ended June 30, 2015
And
Auditor's Report

Geer & Associates
Certified Public Accountants
2401 Dawson Road, Suite B7
Albany, Georgia

Early County, Georgia
Annual Financial Report
Fiscal Year Ended June 30, 2015

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Early County, Georgia
Annual Financial Report
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Independent Auditors' Report

Commissioners
Early County
Blakely, Georgia

Commissioners:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Early 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

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 opinion is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Hospital Authority of Early County nor Early County Health Department, which statements reflect total assets of $1,242,656 and $585,521 as of June 30, 2015 and total revenues of $2,190,751 and $586,492 as of June 30, 2015, respectfully. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for discrete component units of the County, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Early County, Georgia as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the budgetary information on pages 3-8 and 30-36, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consists of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Early County, Georgia's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements is the responsibility of management and was derived from and related 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 and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining nonmajor fund financial statements is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The combining nonmajor fund financial statements has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing* Standards, we have also issued our report dated September 28, 2015 on our consideration of Early 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 on internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Early County, Georgia's internal control over financial reporting and compliance.

Respectfully submitted,

Geer & Associates

Geer & Associates
September 28, 2015

EARLY COUNTY, GEORGIA
MANAGEMENT DISCUSSION AND ANALYSIS
JUNE 30, 2015

Our discussion and analysis of the Early County's financial performance provides an overview of the County's financial activities for the year ended June 30, 2015. Please read it in conjunction with the County's financial statements, which begin on page 9.

FINANCIAL HIGHLIGHTS

- The County's net position increased by $707,318 as a result of this year's operations.
- The County's return on ending assets for the governmental activities was 4.28%.
- During the year, the County had expenses for governmental activities that were $707,318 less than the $9.710,954 generated in tax and other program revenues.
- The County has undergone its eighth year of operations whereby the City of Blakely and the County have combined the County's Sheriff Department and the City's Police Department into the Department of Public Safety. The County directly funded the Department of Public Safety in the amount of $1,875,655.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 9-10) provide information about the activities of the County as a whole and present a longer-term view of the County's finances. Fund financial statements start on page 11. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. The remaining statements provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside of the government.

Reporting the County as a Whole

The Statement of Net Position and the Statement of Activities

Our analysis of the County as a whole begins on page 9. One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the County as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the County's net position and changes in them. You can think of the County's net position—the difference between assets and liabilities—as one way to measure the County's financial health, or financial position. Over time, increases or decreases in the County's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the County's property tax base and the condition of the County's roads, to assess the overall health of the County.

In the Statement of Net Position and the Statement of Activities, we divide the County into two kinds of activities:

Governmental activities—Most of the County's basic services are reported here, including the police, fire, general administration, streets, and sanitation when applicable. Sales taxes, franchise fees, fines, and state and federal grants finance most of these activities.

Reporting the County's Most Significant Funds

Fund Financial Statements

Our analysis of the County's major funds begins on page 11. The fund financial statements begin on page 11 and provide detailed information about the most significant funds—not the County as a whole. Some funds are required to be established by State law and by bond covenants. However, the County Commission establishes many other funds to help it control and manage money for particular purposes (Special Purpose Local Option Sales Tax) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants received from Community Development Block Grants). The County could have two kinds of funds—governmental and proprietary—using different accounting approaches.

Governmental funds— Most of the County's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in the reconciliation at the bottom of the fund financial statements.

THE COUNTY AS A WHOLE

The County's total net position changed from a year ago, increasing from $16,531,894 (restated) to $17,239,212. Looking at the net position and net expenses of governmental and business-type activities separately, similar stories emerge. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the County's governmental activities.

Table 1
Net Position

	Governmental Activities	
	2014	2015
Current and other assets	$ 9,282,145	$ 8,518,154
Non-current assets	54,525	-
Capital Assets	8,357,049	9,735,460
Total assets	$ 17,693,719	$ 18,253,614
Other liabilities	643,194	353,517
Long-term debt outstanding	90,190	498,351
Total liabilities	733,384	851,868
Deferred inflows of resources	-	162,534
Net position		
Invested in capital assets	8,357,049	9,735,460
Restricted	2,429,793	2,341,924
Unrestricted	6,173,493	5,161,828
	16,960,335	17,239,212
Total liabilities, deferred inflows and net position	$ 17,693,719	$ 18,253,614

For the year ended June 30, 2015, net position changed as follows:

	Governmental Activities
Beginning net position, restated	$16,531,894
Increase in net position	707,318
Ending net position	$17,239,212

The beginning net position was restated due to a change in accounting principle with the implementation of GASB Statement No. 68. The change caused a decrease of $428,441 in net position from $16,960,335 to $16,531,894.

Net position are reported in three categories: "Restricted" which is equal to assets restricted for capital projects and street repair or maintenance, "net investment in capital assets" which is equal to the capital assets net of accumulated depreciation and the debts related to the acquisition of the capital assets, and "Unrestricted" which is the remaining net position balance.

The change in nets position reflects an increase of 4.28% percent for governmental activities.

Governmental Activities

To aid in the understanding of the Statement of Activities some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenses, and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense)/Revenue. The reason for this kind of format is to highlight the relative financial burden of each of the functions on the County's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants. Some of the individual line item revenues reported for each function are:

Table 2
Statement of Activities

	Governmental Activities 2015	Total Primary 2015	Total Primary 2014	Percentage Change
REVENUE				
Taxes	$ 6,153,118	$ 6,153,118	$ 6,782,753	-9.28%
Special purpose sales tax	1,385,718	1,385,718	1,415,926	-2.13%
Charges for services	836,023	836,023	888,960	-5.95%
Capital grants & contributions	799,118	799,118	876,354	-8.81%
License and permits	9,750	9,750	13,000	-25.00%
Miscellaneous	500,062	500,062	92,599	440.03%
Interest income	27,165	27,165	41,711	-34.87%
Total Revenues:	$ 9,710,954	$ 9,710,954	$ 10,111,303	-3.96%
PROGRAM EXPENSE				
General government	$ 1,780,580	$ 1,780,580	$ 1,619,700	9.93%
Sanitation	451,534	451,534	448,210	0.74%
Public safety	2,620,585	2,620,585	2,887,256	-9.24%
Court system	566,178	566,178	570,518	-0.76%
Roads & bridges	1,106,133	1,106,133	1,156,731	-4.37%
Health & welfare	883,203	883,203	1,353,093	-34.73%
Recreation	332,570	332,570	264,396	25.78%
Economic/housing development	208,479	208,479	232,038	-10.15%
Amortization & depreciation expense	585,508	585,508	528,164	10.86%
Provided to other governments	468,866	468,866	507,605	-7.63%
Total Expenses:	9,003,636	9,003,636	9,567,711	-5.90%
Net Change in Net Position	707,318	707,318	543,592	30.12%
Net Position-beginning, restated	16,531,894	16,531,894	16,416,743	
Net Position-ending	$ 17,239,212	$ 17,239,212	$ 16,960,335	

The following schedule presents a summary of general, special revenue, capital project, debt service, permanent fund revenues and expenditures for the fiscal year ended June 30, 2015, along with the amount and percentage in relation to the total of revenue or expenses.

Table 3
Statement of Revenue and Expenditures Governmental Funds

Expenditures		FYE June 30, 2015	Percent of Total
General government	$	1,581,902	15.44%
Sanitation		451,080	4.40%
Public safety		2,625,633	25.63%
Court system		567,760	5.54%
Roads & bridges		1,107,155	10.81%
Health/welfare/housing/economic		1,091,412	10.66%
Provided to other governments		468,886	4.58%
Recreation		332,573	3.25%
Capital outlay		2,016,394	19.69%
Total Expenditures	$	10,242,795	100.00%

Revenues		FYE June 30, 2015	Percent of Total
Taxes	$	7,575,863	77.55%
Charges for services		572,159	5.86%
Grants & contributions		789,995	8.09%
Interest revenue		36,288	0.37%
Fines		249,097	2.55%
Licenses & permits		9,750	0.10%
Miscellaneous		535,328	5.48%
Total Revenue	$	9,768,480	100.00%

CAPITAL ASSET AND DEBT ADMINISTRATION

See the notes to the financial statements for more detail on capital assets and long-term debt analysis.

Capital Assets
The County, as a governmental entity with revenue less than $10 million, has chosen not to include assets purchased prior to the date of implementation of GASB 34.

Table 4 represents additions and deletions to the County's capital assets and accumulated depreciation for governmental and business activities. Major expenditures are described below the table for further analysis.

Table 4

	Balance at June 30, 2014	Additions	Deletions	Reclass	Balance at June 30, 2015
Governmental activities:					
CIP	$ 355,709	$ 63,922	$ -	$ (326,245)	$ 93,387
Infrastructure	4,568,242	330,861	-	-	4,899,103
Equipment	2,611,022	798,469	(174,917)	-	3,234,573
Buildings	3,792,790	823,142	-	326,245	4,942,176
Total at historical cost	11,327,763	2,016,394	(174,917)	-	13,169,239
Less accumulated depreciation					
Infrastructure	718,129	153,149	-	-	871,278
Equipment	1,457,823	295,217	(122,442)	-	1,630,598
Buildings	794,762	137,141	-	-	931,903
Total accumulated depreciation	2,970,714	585,508	(122,442)	-	3,433,779
Governmental activities capital assets, net	8,357,048	1,430,886	(52,475)	-	9,735,460
Total governmental activities capital assets, net	$ 8,357,048	$ 1,430,886	$ (52,475)	$ -	$ 9,735,460

Assets

At the end of June 30, 2015, the County had $13,169,239 invested in capital assets including buildings, infrastructure, and equipment. This represents a net increase of $1,841,476 over last year.

Table 5

	Governmental Activties		Totals	
	2015	2014	*2015*	*2014*
Infrastructure	4,899,103	$ 4,568,242	4,899,103	$ 4,568,242
Equipment	3,234,573	2,611,022	3,234,573	2,611,022
Buildings	4,942,176	3,792,790	4,942,176	3,792,790
CIP	93,387	355,709	93,387	355,709
Totals	$ 13,169,239	$ 11,327,763	13,169,239	$ 11,327,763

Debt

At year-end, the County had $82,867 in compensated absences compared to $90,190 last year. That is a decrease of 8.12% percent as shown in the following table:

Table 6

	Governmental Activties		Totals	
	2015	*2014*	*2015*	*2014*
Compensated absences	82,867	90,190	82,867	90,190
	$ 82,867	$ 90,190	$ 82,867	$ 90,190

GENERAL FUND BUDGETARY HIGHLIGHTS

1. Over the course of the year, the County Commission revised the General Fund, Special Revenue Funds and Capital Projects budgets. Millage rates are set in September of each year and this is taken into consideration during the budgeting process.
2. The County provides its employees and their family member's health and dental insurance benefits through ACCG Blue Cross Blue Shield plan.
3. A 3% cost of living adjustment was approved.
4. A General Fund transfer was approved to support the E911 budget.

Comparative analysis will be provided in future years when information is available.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This 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 the County Commission's Office in Early County, Georgia at 229-723-4304.

Spencer Mueller
County Administrator/Finance Director

EARLY COUNTY
STATEMENT OF NET POSITION
JUNE 30, 2015

	Primary Government	COMPONENT UNITS				
		Total Component Units	Development Authority	Hospital Authority	Health Department	Board of Public Safety
ASSETS						
Current assets:						
Cash, including time deposits	$ 8,125,118	$ 1,525,073	$ 102,474	$ 44,704	$ 485,189	$ 892,706
Due from other goverments	146,267	141,849	-	-	40,128	101,721
Inventory	9,254	-	-	-	-	-
Accounts receivable	-	197,675	-	8,500	12,280	176,895
Taxes receivable	237,515	-	-	-	-	-
Total current assets	8,518,154	1,864,597	102,474	53,204	537,597	1,171,322
Noncurrent assets:						
Net pension asset	-	25,532	-	-	-	25,532
Long term receivable (RLF)	-	929,263	929,263	-	-	-
CIP	93,387	-	-	-	-	-
Capital assets (net)	9,642,073	2,535,478	680,784	1,189,452	47,924	617,318
Total noncurrent assets	9,735,460	3,490,273	1,610,047	1,189,452	47,924	642,850
Total assets	18,253,614	5,354,870	1,712,521	1,242,656	585,521	1,814,172
Deferred Outflows	-	56,513	-	-	56,513	-
Total assets and deferred outflows	$ 18,253,614	$ 5,411,383	$ 1,712,521	$ 1,242,656	$ 642,034	$ 1,814,172
LIABILITIES						
Current liabilities:						
Accounts payable	$ 325,891	$ 275,298	$ -	$ -	$ 25,594	$ 249,704
Accrued payroll	27,626	-	-	-	-	-
Due to other governments	-	21,196	-	-	21,196	-
Total current liabilities	353,517	296,494	-	-	46,790	249,704
Noncurrent liabilities						
Net pension liability	415,484	392,277	-	-	392,277	-
Compensated absences	82,867	94,759	-	-	21,547	73,212
Total non-current liabilities	498,351	487,036	-	-	413,824	73,212
Total liabilities	851,868	783,530	-	-	460,614	322,916
Deferred inflows	162,534	242,265	-	-	95,743	146,522
Total liabilities and deferred inflows	1,014,402	1,025,795	-	-	556,357	469,438
NET POSITION						
Invested in capital assets	9,735,460	2,535,478	680,784	1,189,452	47,924	617,318
Restricted for:						
Capital projects	-	1,031,737	1,031,737	-	-	-
E-911/Public safety	17,257	218,965	-	-	-	218,965
SPLOST	2,324,667	-	-	-	-	-
Health department/Hospital authority	-	281,222	-	53,204	228,018	-
Unrestricted	5,161,828	318,186	-	-	(190,265)	508,451
Total net position	17,239,212	4,385,588	1,712,521	1,242,656	85,677	1,344,734
Total liabilities, deferred inflows, and net position	$ 18,253,614	$ 5,411,383	$ 1,712,521	$ 1,242,656	$ 642,034	$ 1,814,172

See accompanying notes to the basic financial statements.

EARLY, GEORGIA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015

Functions/Program	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants & Contributions	Primary Government Net (Expense)/ Revenue	Component Units Net (Expense)/ Revenue
PRIMARY GOVERNMENT:						
Governmental Activities						
General Government	$ 2,440,030	$ 230,418	$ -	$ -	$ (2,209,612)	
Court system	566,178	238,015	-	-	(328,163)	
Public safety	2,675,232	320,059	-	-	(2,355,173)	
Roads & bridges	1,446,410	-	-	768,780	(677,630)	
Sanitation	451,534	57,281	-	-	(394,253)	
Recreation & culture	332,570	-	30,338	-	(302,232)	
Economic development	60,666	-	-	-	(60,666)	
Health & welfare	883,203	-	-	-	(883,203)	
Housing & development	147,813	-	-	-	(147,813)	
Total general government	$ 9,003,636	$ 845,773	$ 30,338	$ 768,780	(7,358,745)	
COMPONENT UNITS:						
Early County Development Authority	$ 7,562	$ -	$ -	$ -		$ (7,562)
Early County Hospital Authority	2,573,944	2,185,751	5,000	-		(383,193)
Early County Health Department	543,763	220,941	365,551	-		42,729
Early County Department of Public Safety	4,187,808	4,302,057	-	7,751		122,000
Total Component Units	$ 7,313,077	$ 6,708,749	$ 370,551	$ 7,751		(226,026)
Net (expense)/revenue					$ (7,358,745)	$ (226,026)
General revenues						
Taxes						
Property taxes					3,867,316	-
Real estate transfer taxes					16,714	-
Mobile home taxes					58,558	-
Sales tax					743,348	-
Splost					1,385,718	
Timber tax					51,567	-
Motor vehicle taxes					627,055	-
Beverage taxes					52,229	-
Insurance premium tax					251,086	-
Energy excise tax					461,719	-
Intangible tax and recording					23,526	-
Other taxes					36,519	-
Interest income					27,165	21,884
Miscellaneous					463,543	76,667
Total general revenues					8,066,063	98,551
Changes in net assets					707,318	(127,475)
Net position--beginning of year, as restated					16,531,894	4,513,063
Net position--End of year					$ 17,239,212	$ 4,385,588

See accompanying notes to the basic financial statements.

EARLY COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	General Fund	Special Purpose Local Option Sales Tax Fund	2006 Special Purpose Local Option Sales Tax Fund	2012 Special Purpose Local Option Sales Tax Fund	Nonmajor E911 Fund	Total Governmental Funds
ASSETS						
Cash, including time deposits	$ 5,783,194	$ 337,058	$ 157,853	$ 1,829,756	$ 17,257	$ 8,125,118
Taxes receivable	146,687	-	-	90,828	-	237,515
Intergovernmental	146,267	-	-	-	-	146,267
Inventory	9,254	-	-	-	-	9,254
Other receivables	-	-	-	-	-	-
Total assets	6,085,402	337,058	157,853	1,920,584	17,257	8,518,154
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES						
Accounts payable	325,891	-	-	-	-	325,891
Payroll liabilities	27,626	-	-	-	-	27,626
Total liabilities and deferred inflows of resources	353,517	-	-	-	-	353,517
FUND BALANCES						
Restricted, reported in:						
Splost fund	-	337,058	157,853	1,920,584	-	2,415,495
Capital projects	-	-	-	-	-	-
E911 projects	-	-	-	-	17,257	17,257
Unassigned	5,731,885	-	-	-	-	5,731,885
Total fund balance	5,731,885	337,058	157,853	1,920,584	17,257	8,164,637
Total liabilities and fund balances	$ 6,085,402	$ 337,058	$ 157,853	$ 1,920,584	$ 17,257	$ 8,518,154

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, net of accumulated depreciation of $2,970,713.	9,735,460
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Compensated absences	(82,867)
Net pension liabilities	(415,484)
Deferred inflow of resources	(162,534)
Net position of governmental activities	$ 17,239,212

See accompanying notes to the basic financial statements

EARLY COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

REVENUES	General Fund	Special Purpose Sales Fund	2006 Special Purpose Local Option Sales Tax	2012 Special Purpose Local Option Sales Tax	Total Non-Major Fund	Total Governmental Funds
Taxes	$ 6,190,145	$ -	$ -	$ 1,385,718	$ -	$ 7,575,863
Grants	789,995	-	-	-	-	789,995
Licenses & permits	9,750	-	-	-	-	9,750
Charges for services	393,869	-	-	-	178,290	572,159
Fines & court costs	249,097	-	-	-	-	249,097
Miscellaneous	535,328	-	-	-	-	535,328
Interest income	27,089	1,667	630	6,826	76	36,288
Total revenues	8,195,273	1,667	630	1,392,544	178,366	9,768,480
EXPENDITURES						
Current expenditures:						
General government	2,654,515	15,589	115	949	-	2,671,168
Intergovernmental	-	-	-	468,866	-	468,866
Court	567,760	-	-	16,140	-	583,900
Public safety	2,260,505	-	-	-	348,988	2,609,493
Roads & bridges	1,133,618	-	-	-	-	1,133,618
Sanitation	478,980	-	-	-	-	478,980
Health & welfare	883,203	-	-	-	-	883,203
Culture & recreation	322,758	-	-	9,815	-	332,573
Housing & development	147,543	-	-	-	-	147,543
Economic development	60,666	-	-	-	-	60,666
Capital outlay	-	104,913	-	767,872	-	872,785
Total current expenditures	8,509,548	120,502	115	1,263,642	348,988	10,242,795
Total expenditures	8,509,548	120,502.00	115	1,263,642	348,988	10,242,795
Excess (deficiency) of revenue over expenditures	(314,275)	(118,835)	515	128,902	(170,622)	(474,315)
OTHER FINANCING SOURCES (USES)						
Intergovernmental transfers in	-	-	-	-	162,998	162,998
Intergovernmental transfers out	(162,998)	-	-	-	-	(162,998)
Total other financing sources and uses	(162,998)	-	-	-	162,998	-
Net change in fund balances	(477,273)	(118,835)	515	128,902	(7,624)	(474,315)
Fund balance--beginning	6,209,158	455,893	157,337	1,791,682	24,881	8,638,951
Fund balance--ending	$ 5,731,885	$ 337,058	$ 157,853	$ 1,920,584	$ 17,257	$ 8,164,637

See the accompanying notes to the basic financial statements.

Reconciliation of the change in fund balances--total governmental funds to the change in net position of governmental activities:	$	(474,315)
Net change in fund balances--total governmental funds		
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:		
Capital asset purchases capitalized		2,016,394
Depreciation & amortization expense		(585,508)
Proceeds from sale of capital assets		(32,000)
Loss from sale of capital assets		(20,475)
Change in pension net assets/liabilities		(41,568)
Change in deferred inflow of resources		(162,534)
Governmental funds do not report changes in compensated absences while governmental activities records the increases/(decreases)		7,324
Changes in Net Position of Governmental Activities	$	707,318

See the accompanying notes to the basic financial statements.

EARLY COUNTY, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2015

	Agency Funds
ASSETS	
Cash & cash equivalents	$ 447,246
Total assets	447,246
LIABILITIES	
Accounts payable	447,246
Total liabilities	447,246
NET POSITION	$ -

See the accompanying notes to the basic financial statements

NOTE 1.A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County complies with generally accepted accounting principles (GAAP). GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note. For the fiscal year ended June 30, 2003, the County early implemented the new financial reporting requirements of GASB Statement Nos. 33 and 34. As a result, an entirely new financial presentation format has been implemented.

The County implemented GASB 54, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, under GASB 54, are Nonspendable, Restricted, Committed, Assigned, and Unassigned.

- Nonspendable Fund Balance: Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- Restricted Fund Balance: Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Committed Fund Balance: Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the County Commission through the adoption of a resolution. The County Commission also may modify or rescind the commitment.
- Assigned Fund Balance: Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the County Commission has authorized the County's finance committee or the County's finance director to assign fund balances.
- Unassigned Fund Balance: Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

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

- Committed
- Assigned
- Unassigned

FINANCIAL REPORTING ENTITY

The County's financial reporting entity comprises the following:

Primary Government:	Early County, Georgia General Fund
Discrete Component Units:	Development Authority Hospital Authority Board of Public Safety Health Department
Capital Projects Funds:	Capital Improvement Fund Special Purpose Local Option Sales Tax Fund 2006 Special Purpose Local Option Sales Tax Fund 2012 Special Purpose Local Option Sales Tax Fund
Special Revenue Fund:	E911 Fund

In determining the financial reporting entity, the County complies with the provisions of GASB Statement No. 14, "The Financial Reporting Entity," and includes all component units of which the County appointed a voting majority of the units' board; the County is either able to impose its will on the unit or a financial benefit or a burden relationship exists. The County's combined financial statements include the accounts of all County operations. The criteria for including organizations as component units with the County's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- The organization is legally separate (can sue and be sued in their own name).
- The County holds the corporate powers of the organization.
- The County appoints a voting majority of the organization's board.
- The County is able to impose its will on the organization.
- The organization has the potential to impose a financial benefit/burden on the County.
- There is fiscal dependency by the organization on the County.

The component units discussed below are included in the County's reporting entity.

Discretely Presently Component Units
The component unit columns in the combined financial statements include the financial data of the County's component units. They are reported in a separate column to emphasize that they are legally separate from the County.

Development Authority of Early County, Georgia. The members of the governing board of the Development Authority are appointed by the Early County Board of Commissioners. Although the County does not have the authority to approve or modify the budget of the Authority, the County periodically provides financial support to the Authority. Financial information for the Development Authority may be obtained at the administrative office in Early County, Georgia.

Hospital Authority of Early County, Georgia. The members of the governing board of the Hospital Authority are appointed by the Early County Board of Commissioners. To the extent that the revenues of the Hospital are insufficient to pay the debt service of the bond indebtedness of the Hospital Authority, Early County is obligated to make such payments on behalf of the Authority by levy of an ad valorem tax. Complete financial statements of the Hospital Authority can be obtained directly from the administrative office of the Hospital Authority.

Early County Health Department. The Early County Board of Commissioners appoints three members of the Health Department Board. Also the Chairman of the County Board of Commissioners is a member of the Health Department Board. Therefore the County Board of Commissioners is responsible for four of the seven positions on the Health Board. In accordance with GASB 14, the Health Department is shown as a discretely presented component unit. Complete financial statements for the Early County Health Department may be obtained at the Health Department's administrative office in Blakely, Georgia.

Early County Department of Public Safety. On November 13, 2000, the County executed, together with the City of Blakely, Georgia and the Sheriff of Early County, Georgia, the "Intergovernmental Contract for Law Enforcement Cooperation". The purpose of this agreement is to consolidate each party's respective law enforcement services for economy, efficiency and other benefits. The agreement establishes the "Early County Department of Public Safety" ("Department"), which is now the common administrative unit of the parties for providing local law enforcement services in their respective jurisdictions. The law enforcement personnel, vehicles, equipment and facilities of the parties were brought together for consolidated ownership, supervision, activities and use through the department.

The Early County Board of Commissioners appoints two members of the twelve-member public safety board. Also, the chairman of the County Board of Commissioners is a member of the board. The County has agreed to contribute sixty percent of the approved operating budget of the department. Financial information for the department may be obtained directly from the administrative office in Blakely, Georgia.

NOTE 1.B. BASIS OF PRESENTATION

Government-wide Financial Statements:
The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities, if they exist. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services, if they exist.

Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the County.

Fund Financial Statements:
Fund financial statements of the reporting entity are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the County or meets the following criteria:

a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

Governmental Funds Types

General Fund
The General Fund is the primary operating fund of the County and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds
Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for certain purposes.

Capital Projects Funds
Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital outlay.

Fiduciary Funds (Not included in government-wide statements)

Agency Funds
Agency funds account for assets held by the County in purely custodial capacity. The reporting entity includes four agency funds. Since agency funds are custodial in nature, (i.e., assets equal liabilities) they do not involve the measurement of results of operations. The agency funds are as follows:

Fund	Brief Description
Superior Court	Accounts for the collection of fines, fees, and forfeitures and the remittance of these funds to the County and other departments of the state.
Probate Court	Accounts for the collection of fees for administering oaths of office, issuing marriage licenses, gun permits, birth & death certificates, certificates of residency, probate of wills, and the administration of estates.
Tax Commissioner	Accounts for the collection and remittances of ad valorem taxes for the county.
Magistrate Court	Accounts for the fees incurred for citizenry in the pursuit of small claims cases, criminal and bad check cases, and set bonds for persons arrested on misdemeanor charges.

Major and Non-major Funds

Major Funds	**Brief Description**
General	The General Fund is the primary operating fund of the County and always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.
Capital Projects Revenue Funds:	
Special Purpose Local Option Sales Tax Fund	Accounts for revenues and expenditures of/ from special purpose local option sales tax.
2006 Special Purpose Local Option Sales Tax Fund	Accounts for revenues and expenditures of/ from special purpose local option sales tax.
2012 Special Purpose Local Option Sales Tax Fund	Accounts for revenues and expenditures of/from special purpose local option sales tax.
Non-Major Funds	
Special Revenue Funds:	
E911 Fund	Accounts for financial resources to be used in the acquisition, maintenance, and implementation of the E911 system.
Community Development Block Grant	Accounts for financial resources to be used for streets/drainage improvements
Capital Projects Funds:	
Capital Improvement Fund	Accounts for financial resources to be used for the acquisition, or construction of major capital outlay.

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Governmental Funds
All governmental funds are accounted for using the modified accrual basis of accounting and the current financial resource measurement focus. Under this basis revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

Revenue Recognition
In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available (i.e. collectible within the current year or within one month of year-end and available to pay obligations of the current period). This includes investment earnings, income taxes withheld by employers, estate taxes, fines and forfeitures and state-levied locally shared taxes (including motor vehicle fees). Reimbursements due for federally funded projects are accrued as revenue at the time the expenditures are made, or when received in advanced, deferred until expenditures are made.

Property taxes and special assessments (in the debt service funds), though measurable, are not available soon enough in the subsequent year to finance current period obligations. Therefore, property tax and special assessment receivables are recorded and deferred until they become available.

Other revenues, including licenses and permits, certain charges for services, income taxes other than those withheld by employers and miscellaneous revenue when received in cash because they are generally not measurable until actually received.

The funds of the financial reporting entity are described below

Expenditure Recognition
The measurement focus of governmental fund accounting is on the decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred and ***prepaid expenditures are recognized in governmental funds during the benefiting period rather than when purchased.*** However, principal and interest on long-term debt, which has not been matured, are recognized when paid. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

1.C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus
On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined in item b. below. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spend-able financial resources during a given period. These funds use fund balance as their measure of available spend-able financial resources at the end of the period.
b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or non-current) associated with their activities are reported. Proprietary fund equity is classified as net position.
c. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

All proprietary funds and fiduciary funds utilize the accrual basis of accounting. Under accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

1.D. ASSETS, LIABILITIES, AND EQUITY

Cash and Investments
For the purpose of the Statement of Net Position, "cash, including time deposits" includes all demand, savings accounts, and certificates of deposits of the County. For the purpose of the proprietary fund Statement of Cash Flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit or short-term investments with an original maturity of three months or less. Investments of the promissory note trustee accounts are not considered cash equivalents.

Investments are carried at fair value except for short-term U.S. Treasury obligations with a remaining maturity at the time of purchase of one year or less. Those investments are reported at amortized cost. Fair value is based on quoted market price. Additional cash and investment disclosures are presented in Notes 2.B. and 3.A.

Inter-fund Receivables and Payables
During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term inter-fund loans are reported as "inter-fund receivables and payables." Long-term inter-fund loans (non-current portion) are reported as "advances from and to other funds." Inter-fund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. See Note 3.F. for details of inter-fund transactions, including receivables and payables at year-end.

Inventories
Inventories are stated at the lower of cost or market. The cost of inventory items is recorded as assets in the government fund types and expenditures in the governmental funds when consumed. The county uses FIFO to determine costs for inventory.

Receivables
In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for un-collectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivable balances for the governmental activities include sales and use taxes, franchise taxes, grants, police fines, and ambulance fees. Business-type activities report utilities and interest earnings as their major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be

considered both measurable and available. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Utility accounts receivable and interest earnings compose the majority of proprietary fund receivables. Allowances for un-collectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Prepaid Expenditures
Prepaid expenditures are recognized in governmental funds during the benefiting period rather than when purchased.

Capital Assets
General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets are reported in the governmental activities column of the government-wide statement of net position. Capital assets used by proprietary funds are reported in both the business-type activities column of the government-wide statement of net position and in the individual proprietary funds.

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the County as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized (recorded and accounted for) in Capital Asset. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation bases for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement cost.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at estimated fair market value on the date donated.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follow: buildings, 25 to 50 years; improvements/infrastructure, 10 to 50 years; equipment, 3 to 20 years. The capitalization threshold for capital assets is $5,000.

Government-wide Statements
In the government-wide financial statements, Capital Assets are accounted for as capital assets. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation.

Prior to June 30, 2003, governmental funds' infrastructure assets were not capitalized. These assets (back to July 1, 1980) have not been valued and included at estimated historical cost.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

– Buildings	25–50 years
– Improvements	10–50 years
– Machinery and Equipment	3–20 years
– Utility System	25–50 years
– Infrastructure	25–50 years

Fund Financial Statements
In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Restricted Assets
Restricted assets include cash and investments of the proprietary or governmental funds that are legally restricted as to their use. Primarily, restricted assets are related to bond reserve, sinking fund requirements & bond ordinance. The County's policy is to first apply restricted resources when an expense is incurred for the purpose for which both restricted and unrestricted net position are available.

Long-term Debt
The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of notes payable, accrued compensated absences, and a court-assessed judgment if applicable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principle and interest reported as expenditures. The accounting for proprietary fund is the same in the fund statements as it is in the government-wide statements.

Compensated Absences
On the modified accrual basis of accounting, accumulated vacation leave benefits, liabilities of the governmental and proprietary fund types are recognized when payable.

Accumulated sick leave benefits are not recorded. These benefits are paid only upon employee illness and the amount payable at June 30, 2015 cannot be reasonably estimated.

Equity Classifications
Government-wide Statements
Equity is classified as net position and displayed in three components:

a. Net invested in capital assets—Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
b. Restricted—Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
c. Unrestricted—All other net position that do not meet the definition of "restricted" or "net invested in capital assets."

Fund Statements
Governmental fund equity is classified as fund balance. Fund balance is further classified as restricted and unrestricted, with unrestricted further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements.

Deferred Outflows/Inflows of Resources
The County has deferred inflows and outflows related to the cording of changes in its net pension liability. Certain changes in net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses result from periodic studies by the County actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five year period. Additionally, any contributions made by the County to the pension plan before year end but subsequent to the measurement date of the County's net pension liability are reported as deferred outflows of resources.

Pensions
For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net pension of the Early County Board of Commissioners Pension Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

1.E. REVENUES, EXPENDITURES, AND EXPENSES

Special Local Option Sales Tax
The County receives sales tax revenue the purpose of making capital improvements, improvements on sidewalks, streets, and repair of equipment for the maintenance of these expenses.

Property Tax
Under State law, municipalities may levy a property tax. Property taxes are levied in the fall of each year (September 15 for the current year taxes) based on the assessed value of property on the previous January 1. The due date for these 2012 taxes was December 20th and the lien date was the following March 1st. Taxes are collected throughout the year. Receivables are recorded when levied. Taxes not expected to be collected within sixty days after the end of the fiscal year are recorded as deferred revenue.

Operating Revenues and Expenses
Operating revenues and expenses for proprietary funds and general fund are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, non-capital financing, or investing activities.

Expenditures/Expenses
In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds—By Character:	**Current (further classified by function)**
	Debt Service
	Capital Outlay

Inter-fund Transfers
Permanent re-allocation of resources between funds of the reporting entity is classified as inter-fund transfers. For the purposes of the Statement of Activities, all inter-fund transfers between individual governmental funds have been eliminated.

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

By its nature as a local government unit, the County and its component units are subject to various federal, state, and local laws and contractual regulations. An analysis of the County's compliance with significant laws and regulations and demonstration of its stewardship over County resources follows. Annual budgets are adopted for all County funds. Under state law, the County Clerk submits an annual budget to the Commission for consideration and approval no later than June 15. Such budget is based on expected expenditures by program within a fund and estimated resources by source for all funds.

2.A. FUND ACCOUNTING REQUIREMENTS

The County complies with all state and local laws and regulations requiring the use of separate funds. The legally required funds used by the County include the following:

Fund	Required By
CDBG Fund	Grant Agreement
Capital Improvements Fund	Bond Indenture
Development Authority Fund	Charter
SPLOST & SPLOST Construction Fund	Agreement and O.C.G.A
E911 Fund	Agreement

2.B. DEPOSITS AND INVESTMENTS LAWS AND REGULATIONS

In accordance with state law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral valued at the lower of market or par. Acceptable collateral includes certain U.S. Government or Government Agency securities, certain State of Georgia or political subdivision debt obligations, or surety bonds. As required by 12 U.S.C.A., Section 1823(e), all financial institutions pledging collateral to the County must have a written collateral agreement approved by the board of directors or loan committee. As reflected in Note 3.A., all deposits were fully insured or collateralized.

Investments of the County whose population exceeds 3,000, according to the latest census information, are limited by state law to the following:

a. Direct obligations of the U.S. Government or its agencies or instrumentalities to which the full faith and credit of the U.S. Government is pledged, or obligations to the payment of which the full faith and credit of the State of Georgia is pledged.
b. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out-of-state financial institutions.
c. With certain limitation, negotiable certificates of deposit, prime bankers acceptances, prime commercial paper, and repurchase agreements with certain limitations.
d. County, municipal, or school district tax supported debt obligations; bond or revenue anticipation notes; money judgments; or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality, or school district.
e. Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator and in obligation of national mortgage associations.
f. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous items a., b., c., and d.

2.C. REVENUE RESTRICTIONS

The County has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

Revenue Source	Legal Restrictions of Use
CDBG Fund	Grant Agreement
Capital Improvements Fund	Bond Indenture
Development Authority Fund	Charter
SPLOST & SPLOST Construction Fund	Agreement and O.C.G.A
E911 Fund	Agreement

For the year ended June 30, 2015 the County complied, in all material respects.

2.D. DEBT RESTRICTIONS AND COVENANTS

None

2.E. FUND EQUITY RESTRICTIONS

Deficit Prohibition
The Code of Georgia prohibits the creation of a deficit fund balance in any individual fund. The County complied with this statute in all material respects for the year ended June 30, 2015.

2.F. UNRESTRICTED AND RESTRICTED NET POSITION BALANCES

When an expense is incurred for which restricted and unrestricted net position are available, the County's policy is to apply unrestricted net position when the expense is incurred.

2.G. BUDGET VIOLATIONS

The County did not exceed appropriations at the legal level of control. No material violations existed as of June 30, 2015.

NOTE 3. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

The following notes present detail information to support the amounts reported in the basic financial statements for its various assets, liabilities, equity, revenues, and expenditures/expenses.

3.A. CASH AND INVESTMENTS

Deposits
As of June 30, 2015, the carrying amount of the County's bank deposits was $8,125,118, and the respective bank balances totaled $8,148,397. Of the total bank balance, $750,000 was insured through the Federal Depository Insurance Corporation (FDIC). $7,398,397 was collateralized with pooled securities held by the financial institution's trust departments. These securities are held in the name of the financial institution and not that of the County.

3.B. INVESTMENTS

There were no investments as of June 30, 2015.

3.C. RECEIVABLES

Operating Accounts Receivable
There were no operating accounts receivables for governmental-type activities.

3.D. PROPERTY TAX REVENUE

Property taxes are recognized as revenue when they are levied because they are considered to be both measurable and available. Taxes receivable include amounts which are collected within 60 days of the end of the fiscal year ended June 30, 2015.

3.E. DUE FROM OTHER GOVERNMENTS

There were no amounts due from other governments at June 30, 2015.

3.G. TAXES RECEIVABLE

Amounts due for other taxes at June 30, 2015, were as follows:

General fund:	
Special purpose sales tax	$ 90,828
Sales tax	48,729
Property taxes	84,012
Beverage taxes	4,181
Energy excise taxes	9,765
Total other receivables	$237,515

3.H. CAPITAL ASSETS

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

	Balance at June 30, 2014	Additions	Deletions	Reclass	Balance June 30, 2015
Governmental activities:					
CIP	$ 355,709	63,922	$ -	(326,245)	$ 93,387
Infrastructure	4,568,242	330,861	-	-	4,899,103
Equipment	2,611,022	798,469	(174,917)	-	3,234,573
Buildings	3,792,789	823,142	-	326,245	4,942,176
Total at historical cost	11,327,762	2,016,394	(174,917)	-	13,169,239
Less accumulated depreciation					
Infrastructure	718,129	153,149	-	-	$ 871,278
Equipment	1,457,823	295,217	(122,442)	-	1,630,598
Buildings	794,762	137,141	-	-	931,903
Total accumulated depreciation	2,970,714	585,508	(122,442)	-	3,433,779
Governmental activities capital assets, net	8,357,047	1,430,886	-	-	9,735,460
Total governmental activities capital assets, net	$ 8,357,047	$ 1,430,886	$ -	$ -	$ 9,735,460

Capital asset purchases were as follows:

Administration building	$ 667,993
Airport	298,211
Culture and recreation	145,252
Public safety	9,897
Equipment purchases	798,469
Roads	32,650
Construction in progress	63,922
	$ 2,016,394

Depreciation expense was charged to governmental activities as follows:

General government	$ 190,584
Public safety	54,647
Roads & bridges	340,277
	$ 585,508

3.I. LONG-TERM DEBT

As of June 30, 2015, Early County Board of Commissioners had no long-term debt other than compensated absences which had a beginning balance at July 1, 2014 of $90,190 and an ending balance at June 30, 2015 of $82,867.

Beginning Balance June 30, 2014	Additions	Deletions	Ending Balance June 30, 2015
$ 90,190	$ 10,163	$ (17,486)	$ 82,867

3.J Program Revenues Descriptions

General government	
Tax collection fees	$198,691
Code enforcement fees	11,974
Drug fees	21,583
Juvenile services	3,516
Alcoholic beverage fees	9,750
Total	$245,514
Sanitation	
Landfill tipping fees	$57,281
Public safety	
Rescue unit and EMS	$105,419
E-911	178,289
Jail Staff fees	14,767
Total	$298,475
Court system	
Probation supervision fees	$ 11,974
Probate & magistrate fees	57,674
Superior court fees	164,851
	$234,499

3.K Inter-fund Transfers

Any permanent re-allocation of resources between funds of the reporting entity is classified as an inter-fund transfer.

	Transfers In	Transfers Out	Transfer Out Purpose
General Fund	$ -	$ (162,998)	Permanent transfer for E-911
E-911 Fund	162,998		Permanent transfer for E-911
	$ 162,998	$ (162,998)	

NOTE 4. OTHER NOTES

4.A. EMPLOYEE BENEFIT PLAN

The County contributes to the Association of County Commissioners of Georgia (ACCG) Defined Benefit Plan (Plan), an agent multiple-employer public retirement system that acts as a common investment and administrative agent for participating counties in Georgia. The Association of County Commissioners Deferred Benefit Plan issues a publicly available financial report that includes financial statements and required supplementary information for the statewide plan. That report may be obtained by contacting the Pension Service Company at 1100 Circle 75 parkway, Suite 320, Atlanta, Georgia 30339. All full-time County employees are eligible to participate in the Plan after completing three years of service. Benefits are fully vested after five years of service. Participants become eligible to retire at age 65 with 3 years of participation in the Plan. Upon eligibility to retire, participants are entitled to an annual benefit in the amount of 0.75% of average compensation up to $6,600 plus 1.25% of average compensation in excess of $6,600 plus $36.00 for each year of credited service payable as a life annuity. Compensation is averaged over a five-year period prior to retirement or termination. The plan also provides benefits in the event of death or disability. These benefit provisions were established by an adoption agreement executed by the County Board of Commissioners.

County employees are not required to contribute to the Plan. The County contributes the entire cost of the Plan, using the actuarial basis described in the annual valuation report.

Plan Asset Matters and Accounting Policies

The Plan's financial statements are prepared on an accrual basis, modified to include unrealized gains or losses on marketable securities owned by the Plan.

Plan member contributions are recognized in the period in which contributions are due. County contributions are recognized when due and the County has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable.

Investments in securities are valued at current market prices. The trust fund is invested, approximately, in 70% equities and 30% fixed income securities on a cost basis.

Contributions

The County is required to contribute at an actuarially determined rate. Section 47-20 of the Georgia Code sets forth the minimum funding standards for state and local governmental pension plans. Administrative expenses are based on total covered compensation of active plan participants and are added to the state-required annual funding requirement.

The Georgia Constitution enables the governing authority of the County, the Board of Commissioners, to establish and amend from time to time, the contribution rates for the County and its plan participants.

Funding

The funding policy for the County is to contribute an amount equal to the recommended contribution each year. For the year ended June 30, 2015, the County's contribution was $136,026. The required contribution was determined as part of the December 31, 2014 actuarial valuation using the projected unit credit method. The actuarial assumptions included (a) 7.5% investment rate of return, (b) projected salary increases of 3.0%-5.5% per year. Both (a) and (b) include an inflation component of 3.0%. The actuarial value of assets is market value. The Plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis.

Effective July 1, 2014, the Department implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting-an amendment of GASB Statement No. 27,* which significantly changed the Department's accounting for pension amounts. The information disclosed below is presented in accordance with this new standard.

The Department's net pension liability (asset) was measured as of December 31, 2014. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2014, with update procedures performed by the actuary to roll forward to the total pension liability (asset) applied to all periods included in the measurement:

Cost of living adjustment	3.00%
Salary increases	4.00% per year with an age based scale as follows: Under 30 — 4.0% rate plus 1.5% 30-39 — 4.0% rate plus 1.0% 40-49 — 4.0% rate less 0.5% 50+ — 4.0% rate less 1.0% Future payroll growth- 5.5% per year
Investment rate of return	7.50% per year

Mortality rates were based on RP-2000 Combined Healthy Mortality Table

4.A. EMPLOYEE BENEFIT PLAN (CONTINUED)

The long-term expected rate of return on pension plan investments was determined through a blend of using a building blocks approach in which best-estimate ranges of expected future real rates of return (expected returns, net pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major class included in the pension plan's target asset allocation as of December 31, 2014 are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return (weighted)
S&P 500	30%	2.64%
Barlay's Agg	30%	1.73%
MSCI EAFE	15%	0.82%
Citi Non US WEBI	5%	0.27%
NAREIT Equity	5%	0.50%
Russell 2000	5%	0.45%
Russell 3000	5%	0.44%
S&S Mid Cap	5%	0.59%
Weighted Return		7.44%

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that Department contributions will be made at rates equal to the actuarially determined contribution rates and the participant rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payment of current plant participants. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (Asset)

The changes in the components of the net pension liability (asset) of the Department for the year ended June 30, 2015, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) – (b)
Balance at 6/30/14	$2,642,440	$2,213,999	$428,441
Changes for the year:			
Service cost	38,774	-	38,774
Interest	198,183	-	198,183
Employer contributions	-	136,026	(136,026)
Net investment income	-	162,534	(162,534)
Benefit payments	(112,078)	(108,027)	(4,051)
Administrative expense	-	(6,900)	6,900
Other	-	(45,797)	45,797
Net changes	124,879	137,836	(12,957)
Balance at 6/30/15	$2,767,319	$2,351,835	$415,484

4.B. COMPENSATED ABSENCES

County policy allows employees to accumulate a limited amount of earned but unused vacation leave. Upon termination or retirement, permanent employees are entitled to receive compensation at their current base salary for all unused vacation leave. Employees accumulate sick leave, but the County does not pay for sick leave earned but not taken.

At June 30, 2015, the liability for accrued vacation leave is approximately $90,190. This account has been recorded as long-term debt. The amount to be paid from current resources is not significant; however, amounts accrued from prior periods will be paid from general fund resources.

4.C. DEFERRED COMPENSATION PLAN

The County offers its employees deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans are administered by Nationwide and Georgia Employees Benefit Services Corporation (GEBSCO). The plans are available to all full-time County employees, and permit them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Plan assets are held in trust for the benefit of the plan participants and their beneficiaries, and will not be diverted to any other purposes.

4.D. INDIGENT CARE CONTRACT

On June 30, 1995, the County entered into an indigent care contract with the Hospital Authority of Early County. Pursuant to a memorandum of understanding dated January 30, 1995 between the Hospital Authority, John D. Archbold Memorial Hospital, Inc. and Early County, the County agreed to provide two mill of ad valorem tax annually to provide funding for the payment of indigent care and the operations of the hospital. The payment is due annually on the 30th day of December commencing on December 30, 1995. The lease agreement with John D. Archbold Memorial Hospital, Inc. and Early County ended September 30, 2010. On October 1, 2010, Pioneer Health Services officially assumed operation of Early Memorial Hospital. For the year ended June 30, 2015, the County paid $708,000 to the Hospital Authority.

4.E. RISK MANAGEMENT AND LITIGATION

The County 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. The County has obtained insurance coverage from commercial insurance companies.

Health Insurance

Effective July 1, 2006, the County and the Early County Department of Public Safety are insured by Blue Cross Blue Shield through ACCG for health insurance coverage

Insurance

The County is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County maintains insurance coverage, which are discussed in the subsequent paragraphs, covering each of these risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the County. Settled claims have not exceeded this coverage in any of the last three years.

Pursuant to provisions of the Official Code of Georgia Annotated, Early County became a member of the ACCG Inter-local Risk Management Agency. The agency established and administers one or more group self insurance funds and a risk management service to prevent or lessen the incidence and severity of casualty and property losses occurring in the operation of government. The agency is to defend and protect in accordance with the member government contracts and related coverage descriptions any member of the agency against liability or loss.

Early County, Georgia must participate at all times in at least one fund that is established by the agency. Other responsibilities of the County are as follows:

1. To pay all contributions, assessments or other sums due the agency at such times and in such amounts as shall be established by the agency;
2. To select a person to serve as a member representative;
3. To allow the agency and its agents reasonable access to all facilities of the County and all records, including but not limited to financial records, which relate to the purpose of the agency to represent the County;
4. To allow attorneys appointed by the agency to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the fund established by the agency;
5. To assist and cooperate in the defense and settlement of claims against the County;
6. To furnish full cooperation to the agency's attorneys, claims adjusters, service company, and any agent, employee, officer or independent contractor of the agency relating to the purposes of the agency;
7. To follow all loss reduction and prevention procedures established by the agency.
8. To furnish to the agency such budget, operating and underwriting information as may be requested; and
9. To report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the agency or any fund established by the agency being required to pay claim 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 County participates.

Early County, Georgia retains the first $5,000 of each risk of loss in the form of a deductible. The County files all claims with the agency and the agency bills the County for any loss up to the $5,000 deductible.

Pursuant to provisions of the Official Code of Georgia Annotated, Early County, Georgia became a member of the ACCG-GSIWCF (a Workers' Compensation Self-Insurance Fund). The liability of the fund to the employees of any employer (Early County, Georgia is specifically limited to such obligations as are imposed by the applicable state laws against the employer for workers' compensation and/or employers' liability.)

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

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

Litigation

The County's attorney advises that there are six matters of pending or threatened litigation against the County at June 30, 2015. However, the County's attorney advises that while there are only three suits filed, the statute of limitations remains open on the other three matters. The County and its attorney for these matters can make no opinion as to whether the County or plaintiffs in these matters would prevail, or what potential loss may be suffered by the County at June 30, 2015.

4.F. JOINT VENTURES

Southwest Georgia Regional Commission

Early County, in conjunction with cities and counties in the Southwest Georgia region, is a member of the Southwest Georgia Regional Commission. Membership in the Regional Commission is automatic for each municipality and county in the state. The official code of Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the Regional Commission. Each county and municipality in the state is required by law to pay minimum annual dues to the Regional Commission. The Regional Commission Board membership includes the chief elected official of each county and the chief elected official of each municipality. The County Board members and Municipal Board members from the same county elect one member of the Board who is a resident (but not an elected or appointed official or employee of the County or municipality) to serve as the non-public Board member of a County.

The Georgia Planning Act of 1989 (O.C.G.A. 50-8-34) defines Regional Commission as "public agencies and instrumentalities of their members." Georgia laws provide that the member governments are liable for any debts or obligations of an Regional Commission beyond its resources. (O.C.G.A. 50-8-39).

The County does not currently have a project with the Regional Commission. Separate financial statements may be obtained from: Southwest Georgia Regional Commission, P.O. Box 346, 30 West Broad Street, Camilla, Georgia 31730-0346.

NOTE 4.G SUBSEQUENT EVENTS

As of this report dated September 28, 2015, there have been no subsequent events which would have a material impact on the financial statements.

NOTE 4.H CHANGE IN ACCOUNTING PRINCIPLE

The County has implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pension- an amendment of GASB Statement No. 27,* through which accounting for pension plans and the related disclosure requirements were modified. A restatement to the July 1, 2014 beginning net position was required to recognize this change in accounting principle. The resulting adjustment is as follows:

Net position, July 1, 2014, as previously reported	$16,960,335
Change in accounting principle for implementation of GASB No. 68	(428,441)
Net position, July 1, 2014, as restated	$16,531,894

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY ACCOUNTING AND CONTROL

Budget Law

The County prepares its annual operating budget under the provisions of the Georgia Code. In accordance with those provisions, the following process is used to adopt the annual budget:

a. Prior to June 1, the County Clerk submits to the Commission a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
b. Public hearings are conducted at regular Commission meetings to obtain taxpayer comments. Public hearings are held no late than 15 days prior to the beginning of the budget year.
c. Subsequent to the public hearings but no later than seven days prior to July 1, the budget is legally enacted through the passage of a resolution by the County Commission.

All funds with revenues and/or expenditures/expenses as defined by State law are required to have annual budgets under this section of State Law, except funds of public trust or authorities. The legal level of control at which expenditures may not legally exceed appropriations is the department level. State statutes recognize the following object categories as the minimum legal level of control by fund.

- General Government
- Sanitation
- Public Safety
- Court System
- Roads and Bridges
- Health and Welfare
- Recreation
- Miscellaneous
- Interest
- Amortization
- Debt Service
- Inter-fund Transfers

All supplemental appropriations require the approval of the Commission. All transfers of appropriation between department and object categories require the approval of the Commission.

The Commission prepared and adopted a legal annual budget for all governmental funds.

Budgetary Accounting

The annual operating budgets of governmental funds are prepared and presented on the accrual basis of accounting.

Budget Requirements

There were no supplemental or decreases in budget appropriations made and approved by the Commission.

EARLY COUNTY, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual	Variance with Final Budget
	Budget	Final	Amounts	Positve (Negative)
REVENUE				
Taxes	$ 6,339,000	$ 6,339,000	$ 6,190,145	$ (148,855)
Grants	785,924	785,924	789,995	4,071
License & permits	9,000	9,000	9,750	750
Charges for services	440,295	440,295	393,869	(46,426)
Fines & court	286,000	286,000	249,097	(36,903)
Interest revenue	32,700	32,700	27,089	(5,611)
Miscellaneous	72,314	72,314	535,328	463,014
Total revenue	7,965,233	7,965,233	8,195,273	230,040
EXPENDITURE				
General government	2,684,276	2,684,276	2,654,515	29,761
Sanitation	483,133	483,133	478,980	4,153
Public safety	2,313,825	2,313,825	2,260,505	53,320
Court system	603,009	603,009	567,760	35,249
Roads & bridges	1,140,930	1,140,930	1,133,618	7,312
Health & welfare	883,203	883,203	883,203	-
Culture & recreation	323,958	323,958	322,758	1,200
Housing & development	154,048	154,048	147,543	6,505
Economic development	60,734	60,734	60,666	68
Total expenditures	8,647,116	8,647,116	8,509,548	137,568
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	162,998	162,998	(162,998)	-
Total other financing sources (uses)	162,998	162,998	(162,998)	-
Net change in fund balance			$ (477,273)	
Beginning fund balance			6,209,158	
Ending fund balance			$ 5,731,885	

EARLY COUNTY, GEORGIA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
SPECIAL PURPOSE SALES TAX FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Sales tax	$ -	$ -	$ -
State government	-	-	-
Interest income	2,000	1,667	(333)
Total revenues	2,000	1,667	(333)
Expenditures			
General government	200,000	120,502	79,498
Recreation	-	-	-
Provided to other governments	-	-	-
Total expenditures	-	120,502	-
OTHER FINANCING SOURCES (USES):			
Transfer to other governments	-	-	-
Transfer from general fund	-	-	-
Total other financing sources and uses	-	-	-
Net change in fund balance		$ (118,835)	
Beginning fund balance		455,893	
Prior period adjustment			
Ending fund balance		$ 337,058	

EARLY COUNTY, GEORGIA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
2006 SPECIAL PURPOSE SALES TAX FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Original and Final Budget	Actual	Variance Postive (Negative)
Revenues:			
Sales tax	$ -	$ -	$ -
State government	-	-	-
Interest income	1,000	630	(370)
Total revenues	1,000	630	(370)
Expenditures			
Roads & bridges	115	115	-
Public safety	30,000	-	30,000
Recreation complex	-	-	-
Health & welfare	12,074	-	12,074
General government	310	-	310
Equipment and machinery	-	-	-
Total expenditures	42,499	115	310
OTHER FINANCING SOURCES (USES):			
Transfers	-	-	-
Total revenues and other financing sources	-	-	-
Net change in fund balance		$ 515	
Beginning fund balance		157,337	
Ending fund balance		$ 157,853	

EARLY COUNTY, GEORGIA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
2012 SPECIAL PURPOSE SALES TAX FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Original and Final Budget	Actual	Variance Postive (Negative)
Revenues:			
Sales tax	$ 1,300,000	$ 1,385,718	$ 85,718
State government	-	-	-
Interest income	5,000	6,826	1,826
Total revenues	1,305,000	1,392,544	87,544
Expenditures			
General government	700,000	949	699,051
Court	125,000	16,140	108,860
Recreation complex	18,288	9,815	8,473
Provided to other governments	570,880	468,866	102,014
Capital outlay	876,000	767,872	108,128
Total expenditures	2,290,168	1,263,642	801,065
OTHER FINANCING SOURCES (USES):			
Transfer to other governments	-	-	-
Total other financing sources and uses	-	-	-
Net change in fund balance		$ 128,902	
Beginning fund balance		1,791,682	
Ending fund balance		$ 1,920,584	

EARLY COUNTY, GEORGIA
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET TO ACTUAL
E911 FUND
FOR THE YEAR ENEDED JUNE 30, 2015

	Original and Final Budget	Actual	Variance Postive (Negative)
Revenues:			
Charges for service	$ 189,000	$ 178,290	$ (10,710)
Intergovernmental	-	-	-
Interest income	90	76	(14)
Total revenues	189,090	178,366	(10,724)
Expenditures:			
E911 costs	384,951	348,988	35,963
Total expenditures	384,951	348,988	35,963
OTHER FINANCING SOURCES (USES):			
Operating transfers in	195,951	162,998	32,953
Total other financing sources and uses	195,951	162,998	32,953
Net change in fund balance		$ (7,624)	
Beginning fund balance		24,881	
Ending fund balance		$ 17,257	

AGENCY FUNDS

EARLY COUNTY, GEORGIA
COMBINING BALANCE SHEET
FIDUCIARY FUNDS
FOR YEAR ENDED JUNE 30, 2015

	Agency Funds				
	Tax Commissioner	Superior Court	Probate Court	Magistrate Court	Total
Assets					
Cash	$ 258,251	$ 44,380	$ 125,379	$ 19,236	$ 447,246
Total assets	$ 258,251	$ 44,380	$ 125,379	$ 19,236	$ 447,246
Liabilities and Fund Equity					
Liabilities:					
Accounts payable	$ 258,251	$ 44,380	$ 125,379	$ 19,236	$ 447,246
Total liabilities	258,251	44,380	125,379	19,236	447,246
Fund balance	-	-	-	-	-
Total liabilities and fund balance	$ 258,251	$ 44,380	$ 125,379	$ 19,236	$ 447,246

EARLY COUNTY, GEORGIA
COMBINING BALANCE CHANGES IN ASSETS AND LIABILITIES
TAX COMMISSIONER AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Assets				
Cash	$ 256,644	$ 12,452,893	$ 12,451,286	$ 258,251
Total assets	$ 256,644	$ 12,452,893	$ 12,451,286	$ 258,251
Liabilities and Fund Equity				
Liabilities:				
Accounts payable	$ 256,644	$ 12,452,893	$ 12,451,286	$ 258,251
Fund balance	-	-	-	-
Total liabilities and fund balance	$ 256,644	$ 12,452,893	$ 12,451,286	$ 258,251

EARLY COUNTY, GEORGIA
COMBINING BALANCE CHANGES IN ASSETS AND LIABILITIES
SUPERIOR COURT AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Assets				
Cash	$ 30,650	$ 322,425	$ 308,695	$ 44,380
Total assets	$ 30,650	$ 322,425	$ 308,695	$ 44,380
Liabilities and Fund Equity				
Liabilities:				
Accounts payable	$ 30,650	$ 322,425	$ 308,695	$ 44,380
Fund balance	-	-	-	-
Total liabilities and fund balance	$ 30,650	$ 322,425	$ 308,695	$ 44,380

EARLY COUNTY, GEORGIA
COMBINING BALANCE CHANGES IN ASSETS AND LIABILITIES
PROBATE COURT AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Assets				
Cash	$ 126,504	$ 117,649	$ 118,774	$ 125,379
	$ 126,504	$ 117,649	$ 118,774	$ 125,379
Liabilities and Fund Equity				
Liabilities:				
Accounts payable	$ 126,504	$ 117,649	$ 118,774	$ 125,379
Fund balance	-	-	-	-
Total liabilities and fund balance	$ 126,504	$ 117,649	$ 118,774	$ 125,379

EARLY COUNTY, GEORGIA
COMBINING BALANCE CHANGES IN ASSETS AND LIABILITIES
MAGISTRATE COURT AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Assets				
Cash	$ 17,655	$ 228,914	$ 227,333	$ 19,236
Total assets	$ 17,655	$ 228,914	$ 227,333	$ 19,236
Liabilities and Fund Equity				
Liabilities:				
Accounts payable	$ 17,655	$ 228,914	$ 227,333	$ 19,236
Fund balance	-	-	-	-
Total liabilities and fund balance	$ 17,655	$ 228,914	$ 227,333	$ 19,236

COMPLIANCE SECTION

INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX

To the Board of Commissioners
Early County
Blakely, Georgia

We have audited the accompanying Schedules of Special Purpose Local Option Sales Tax for the Early County - Blakely, Georgia for the year ended June 30, 2015. This schedule is the responsibility of Early County – Blakely, Georgia's management. Our responsibility is to express an opinion on the Schedule of Special Purpose Local Option Sales Tax based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United State 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 Schedules of Special Purpose Local Option Sales Tax is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule of Special Purpose Local Option Sales Tax. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Schedule of Special Purpose Local Option Sales Tax. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Schedules of Special Purpose Local Option Sales Tax was prepared for the purpose of complying with the Official Code of Georgia Annotated, 48-8-121 on the modified accrual basis of accounting as described in Note 1 and is not intended to be a complete presentation of Early County – Blakely, Georgia's revenues and expenditures.

In our opinion, the Schedule of Special Purpose Local Option Sales Tax referred to above presents fairly, in all material respects, the original estimated cost, the current estimated cost, and the current and prior year expenditures for each project in Early County – Blakely, Georgia's resolution or ordinance calling for the tax for the year ended June 30, 2015, in conformity with accounting principles generally accepted in the United States of America

Respectfully submitted,

Geer & Associates

Geer & Associates
September 28, 2015

EARLY COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2015

Project	Original Estimated Cost	Amended Estimated Cost	Years Ended Prior to July 1, 2014	Current Year	Total	Estimated Percentage of Completion
Roads and Bridges	$ 7,500,000	$ 7,100,024	$ 7,100,024	$ -	7,100,024	100%
City of Blakely	1,355,773	1,355,773	1,117,837	-	1,117,837	82%
City of Jakin	109,174	109,174	109,174	-	109,174	100%
City of Damascus	131,008	131,008	131,008	-	131,008	100%
Early County						
Roads & Bridges	3,696,629	3,696,629	4,174,625	-	4,174,625	113%
Recreation Facility	1,834,108	1,834,108	1,823,830	-	1,823,830	99%
E911 Implementation	109,173	109,173	109,173	-	109,173	100%
County Administation	-	-	237,936	120,502	358,438	
Repayment of Early County general obligation sales taxbonds:						
Principal	2,865,000	2,865,000	2,865,000	-	2,865,000	100%
Interest	534,734	534,734	534,734	-	534,734	100%
	$ 10,635,599	$ 10,635,599	$ 11,103,317	$ 120,502	$ 11,223,819	

EARLY COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED
WITH 2006 SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2015

Project	Original Estimated Cost	Amended Estimated Cost	Years Ended Prior to July 1, 2014	Current Year	Total	Estimated Percentage of Completion
City of Blakely	$ 2,500,000	$ 2,500,000	$ 2,496,303	$ -	$ 2,496,303	100%
City of Jakin	160,000	160,000	159,898	-	159,898	100%
City of Arlington	229,000	229,000	228,709	-	228,709	100%
Early County						
Administration Equipment	35,000	35,000	89,688	115	89,803	257%
Public Safety Vehicles	746,608	746,608	824,534	-	824,534	110%
Rural Fire Facility	497,500	497,500	497,504	-	497,504	100%
Road Construction	2,700,000	2,700,000	3,212,652	-	3,212,652	119%
Capital Outlay	1,332,892	1,332,892	568,338	-	568,338	43%
County Extension	90,000	90,000	-	-	-	0%
Public Buidings	19,000	19,000	18,690	-	18,690	98%
Recreation Complex	500,000	500,000	700,000	-	700,000	140%
Jail Capital Improvements	30,000	30,000	-	-	-	0%
Early Memorial Hospital	100,000	100,000	600,001	-	600,001	600%
Nex Tax Assessor's Office	60,000	60,000	31,402	-	31,402	52%
	$ 9,000,000	$ 9,000,000	$ 8,796,316	$ 115	$ 8,796,431	

EARLY COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED
WITH 2012 SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2015

Project	Original Estimated Cost	Amended Estimated Cost	Years Ended Prior to July 1, 2014	Current Year	Total	Estimated Percentage of Completion
City of Blakely	$ 2,700,000	$ 2,700,000	$ 1,142,086	$ 394,226	$ 1,536,312	57%
City of Jakin	165,000	165,000	68,665	24,048	92,713	56%
City of Arlington	247,000	247,000	104,311	36,006	140,317	57%
City of Damascus	100,000	100,000	43,257	14,586	57,843	58%
Early County - Capital Outlay	5,788,000	5,788,000		-	-	27%
Machinery & Equipmnet			311,403	784,961	1,096,364	
Rural Fire			282,734	-	282,734	
Recreation Complex			187,120	9,815	196,935	
	$ 9,000,000	$ 9,000,000	$ 2,139,576	$ 1,263,642	$ 3,403,218	

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Chairman and Commissioners
Early County
Blakely, Georgia

Commissioners:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial statements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, and each major fund, and the aggregate remaining fund information of Early County, Georgia as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Early County, Georgia's basic financial statements, and have issued our report thereon dated September 28, 2015. Our report includes a reference to other auditors who audited the financial statements of the Hospital Authority of Early County and Early County Health Department, as described in our report on Early County, Georgia's financial statements. This report includes our consideration of the results of the other auditors' testing of internal control over financial reporting and compliance and other matters that are reported separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered Early 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 the internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exists that were not identified. Given these limitations, during our audit we and the other auditors 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. We and the other auditors did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. (Finding 15-01)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Early County, Georgia's financial statements are free from material misstatement, we performed test 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 and those of the other auditors disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Early County's Response to Findings

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

Purpose of this Report

This purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness on the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

Geer & Associates

Geer & Associates
September 28, 2015

EARLY COUNTY
JUNE 30, 2015
SCHEDULE OF FINDINGS & QUESTIONED COST

Section I – Financial Statement Findings

Finding No. 15-01

Criteria:	There is a lack of segregation of duties within the County's accounting environment.
Statement of condition:	The County's clerical staff consists of two person(s), the County Clerk and a County Administrator. The County Clerk performs all cash receipts and cash disbursement functions for the County with monitored supervision from the County Administrator. Because of the limited staff there is little separation of duties in the performance of accounting functions
Effect of condition:	Lack of segregation of duties greatly increases the opportunity for theft/fraud.
Cause of condition:	Early County is a small government, with limited resources, and hiring additional personnel would not be economically feasible.
Recommendation:	Management should continue to monitor the accounting environment to ensure that all responsibilities are segregated as efficiently as possible. Contact person: Kathy Howard, Finance Director Telephone: 229-723-4304 Email: Kathyenglish@windstream.net
Management Response:	Management has hired an additional employee to help in segregating duties in the administration office.

EARLY COUNTY
JUNE 30, 2015
SCHEDULE OF FINDINGS & QUESTIONED COST

Summary of Prior Year Findings & Question Costs

14-01

Mitigated, see current year finding