TAYLOR COUNTY, GEORGIA

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2015

TAYLOR COUNTY, GEORGIA

FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2015

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MAULDIN & JENKINS

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
of Taylor County, Georgia
Butler, Georgia

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Taylor County Department of Public Health, which represent 5%, .2%, and 28%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Taylor County Department of Public Health, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

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

Emphasis of Matter

As described in Note 11, the Taylor County Department of Public Health implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, as of July 1, 2014. These standards significantly changed the accounting for the Taylor County Department of Public Health net pension liability and the related disclosures. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Proportionate Share of the Net Pension Liability and the Schedule of Contributions for the Taylor County Department of Public Health (on pages 48 and 49) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Taylor County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the schedules of expenditures of special purpose local option sales proceeds, as required by the Official Code of Georgia 48-8-121, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2015, on our consideration of Taylor County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Taylor County, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
December 14, 2015

BASIC FINANCIAL STATEMENTS

TAYLOR COUNTY, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2015

	Primary Government		
ASSETS	**Governmental Activities**	**Business-type Activities**	**Total**
Cash and cash equivalents	$ 6,826,231	$ 35,118	$ 6,861,349
Receivables, net of allowances			
Taxes receivable	463,228	-	463,228
Accounts receivable	161,415	955	162,370
Due from other governments	75,054	-	75,054
Due from component unit	272,492	-	272,492
Inventories	42,182	-	42,182
Prepaid items	189,088	-	189,088
Capital assets, nondepreciable	368,946	-	368,946
Capital assets, depreciable, net of accumulated depreciation	10,824,282	762,970	11,587,252
Total assets	19,222,918	799,043	20,021,961
DEFERRED OUTFLOWS OF RESOURCES			
Pensions	-	-	-
Total deferred outflows of resources	-	-	-
LIABILITIES			
Accounts payable	176,998	862	177,860
Accrued liabilities	123,330	-	123,330
Due to other governments	18,525	-	18,525
Due to primary government	-	-	-
Capital leases due within one year	164,092	-	164,092
Capital leases due in more than one year	84,119	-	84,119
Compensated absences due within one year	79,293	-	79,293
Compensated absences due in more than one year	19,823	-	19,823
Landfill postclosure costs due within one year	11,000	-	11,000
Landfill postclosure costs due in more than one year	119,905	-	119,905
Net pension liability	-	-	-
Total liabilities	797,085	862	797,947

Component Units					
Department of Public Health	Development Authority	Recreation Commission	Airport Authority	Building Authority
$ 344,616	$ 331,115	$ 17,493	$ -	$ 58,203
-	-	-	-	-
21,229	-	-	-	-
-	-	3,667	514,942	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	114,891	-	1,602,580	-
-	440,667	-	2,390,888	1,111,664
365,845	886,673	21,160	4,508,410	1,169,867
33,793	-	-	-	-
33,793	-	-	-	-
12,330	-	488	123,296	13,214
-	-	-	-	-
-	-	-	-	-
-	-	5,492	267,000	-
-	-	-	-	-
-	-	-	-	-
9,441	-	-	-	-
20,094	-	-	-	-
-	-	-	-	-
-	-	-	-	-
249,754	-	-	-	-
291,619	-	5,980	390,296	13,214

(Continued)

TAYLOR COUNTY, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2015

	Primary Government		
DEFERRED INFLOWS OF RESOURCES	**Governmental Activities**	**Business-type Activities**	**Total**
Pensions	$ -	$ -	$ -
Total deferred inflows of resources	-	-	-
NET POSITION			
Net investment in capital assets	10,945,017	762,970	11,707,987
Restricted for:			
Judicial	71,510	-	71,510
Public safety	255,788	-	255,788
Public works	1,843,563	-	1,843,563
Capital projects	1,993,877	-	1,993,877
Other purposes	-	-	-
Unrestricted	3,316,078	35,211	3,351,289
Total net position	$ 18,425,833	$ 798,181	$ 19,224,014

Component Units				
Department of Public Health	Development Authority	Recreation Commission	Airport Authority	Building Authority
$ 94,433	$ -	$ -	$ -	$ -
94,433	-	-	-	-
-	555,558	-	3,993,468	1,111,664
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
47,261	-	-	-	-
(33,675)	331,115	15,180	124,646	44,989
$ 13,586	$ 886,673	$ 15,180	$ 4,118,114	$ 1,156,653

TAYLOR COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	$ 1,192,742	$ 174,727	$ 15,447	$ -
Judicial	710,080	187,545	-	-
Public safety	2,066,558	671,606	76,573	-
Public works	1,444,795	874,784	-	326,247
Health and welfare	255,476	128,240	91,517	39,907
Culture and recreation	79,664	-	-	-
Housing and development	405,976	817,580	-	-
Interest on long-term debt	12,440	-	-	-
Total governmental activities	6,167,731	2,854,482	183,537	366,154
Business-type activities:				
Water and sewer	36,737	13,619	-	-
Total business-type activities	36,737	13,619	-	-
Total primary government	$ 6,204,468	$ 2,868,101	$ 183,537	$ 366,154
Component units:				
Department of Public Health	$ 278,242	$ 64,485	$ 292,413	$ -
Development Authority	69,488	-	460,016	-
Recreation Commission	160,731	51,747	104,709	-
Airport Authority	80,513	9,760	10,000	249,977
Building Authority	56,864	16,700	-	-
Total component units	$ 645,838	$ 142,692	$ 867,138	$ 249,977
General revenues:				
Property taxes				
Sales taxes				
Other taxes				
Unrestricted investment earnings				
Total general revenues				
Change in net position				
Net position, beginning of year, as restated				
Net position, end of year				

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

Net (Expenses) Revenues and Changes in Net Position								
Primary Government			Component Units					
Governmental Activities	Business-type Activities	Total	Department of Public Health	Development Authority	Recreation Commission	Airport Authority	Building Authority
$ (1,002,568)	$ -	$ (1,002,568)	$ -	$ -	$ -	$ -	$ -
(522,535)	-	(522,535)	-	-	-	-	-
(1,318,379)	-	(1,318,379)	-	-	-	-	-
(243,764)	-	(243,764)	-	-	-	-	-
4,188	-	4,188	-	-	-	-	-
(79,664)	-	(79,664)	-	-	-	-	-
411,604	-	411,604	-	-	-	-	-
(12,440)	-	(12,440)	-	-	-	-	-
(2,763,558)	-	(2,763,558)	-	-	-	-	-
-	(23,118)	(23,118)	-	-	-	-	-
-	(23,118)	(23,118)	-	-	-	-	-
$ (2,763,558)	$ (23,118)	$ (2,786,676)	$ -	$ -	$ -	$ -	$ -
$ -	$ -	$ -	$ 78,656	$ -	$ -	$ -	$ -
-	-	-	-	390,528	-	-	-
-	-	-	-	-	(4,275)	-	-
-	-	-	-	-	-	189,224	-
-	-	-	-	-	-	-	(40,164)
$ -	$ -	$ -	$ 78,656	$ 390,528	$ (4,275)	$ 189,224	$ (40,164)
2,094,786	-	2,094,786	-	-	-	-	-
1,721,474	-	1,721,474	-	-	-	-	-
581,436	-	581,436	-	-	-	-	-
1,935	-	1,935	206	-	-	-	-
4,399,631	-	4,399,631	206	-	-	-	-
1,636,073	(23,118)	1,612,955	78,862	390,528	(4,275)	189,224	(40,164)
16,789,760	821,299	17,611,059	(65,276)	496,145	19,455	3,928,890	1,196,817
$ 18,425,833	$ 798,181	$ 19,224,014	$ 13,586	$ 886,673	$ 15,180	$ 4,118,114	$ 1,156,653

TAYLOR COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	General Fund	Solid Waste Surcharge Fund	Capital Projects 2000 SPLOST Fund	Capital Projects 2005 SPLOST Fund
ASSETS				
Cash and cash equivalents	$ 2,867,267	$ 559,725	$ -	$ 285,763
Taxes receivable	305,616	-	-	-
Accounts receivable	108,447	48,293	-	-
Due from other governments	67,358	-	-	-
Due from other funds	132,290	34,100	-	-
Due from component units	5,492	267,000	-	-
Inventories	42,182	-	-	-
Prepaid items	182,588	6,500	-	-
Total assets	$ 3,711,240	$ 915,618	$ -	$ 285,763
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 58,139	$ 16,249	$ -	$ 90,658
Accrued liabilities	123,330	-	-	-
Due to other governments	-	-	-	-
Due to other funds	1,100	-	-	-
Total liabilities	182,569	16,249	-	90,658
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	131,379	-	-	-
Total deferred inflows of resources	131,379	-	-	-
FUND BALANCES				
Fund balances:				
Nonspendable for:				
Inventory	42,182	-	-	-
Prepaid items	182,588	6,500	-	-
Restricted for:				
Judicial	-	-	-	-
Public safety	-	-	-	-
Public works	-	892,869	-	-
Capital projects	-	-	-	195,105
Committed for:				
Public safety	-	-	-	-
Unassigned	3,172,522	-	-	-
Total fund balances (deficit)	3,397,292	899,369	-	195,105
Total liabilities, deferred inflows of resources, and fund balances	$ 3,711,240	$ 915,618	$ -	$ 285,763

Amounts reported for governmental activities in the statement of net position are different because:
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.
Net position of governmental activities.

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

Capital Projects 2011 SPLOST Fund	Capital Projects CDBG Fund	T-SPLOST Fund	Other Governmental Funds	Total Governmental Funds
$ 1,918,630	$ 5	852,164	$ 342,677	$ 6,826,231
59,757	-	97,855	-	463,228
-	-	4,675	-	161,415
-	-	-	7,696	75,054
-	-	-	-	166,390
-	-	-	-	272,492
-	-	-	-	42,182
-	-	-	-	189,088
$ 1,978,387	$ 5	$ 954,694	$ 350,373	$ 8,196,080
$ -	$ 5,830	$ -	$ 6,122	$ 176,998
-	-	-	-	123,330
18,525	-	-	-	18,525
161,090	200	4,000	-	166,390
179,615	6,030	4,000	6,122	485,243
-	-	-	-	131,379
-	-	-	-	131,379
-	-	-	-	42,182
-	-	-	-	189,088
-	-	-	71,510	71,510
-	-	-	255,788	255,788
-	-	950,694	-	1,843,563
1,798,772	-	-	-	1,993,877
-	-	-	16,953	16,953
-	(6,025)	-	-	3,166,497
1,798,772	(6,025)	950,694	344,251	7,579,458
$ 1,978,387	$ 5	$ 954,694	$ 350,373	
				11,193,228
				131,379
				(478,232)
				$ 18,425,833

TAYLOR COUNTY, GEORGIA

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

	General Fund	Solid Waste Surcharge Fund	Capital Projects 2000 SPLOST Fund	Capital Projects 2005 SPLOST Fund
Revenues				
Property taxes	$ 2,082,558	$ -	$ -	$ -
Sales tax	419,979	-	-	-
Other taxes	581,436	-	-	-
Licenses and permits	826,986	-	-	-
Intergovernmental	456,462	51,056	-	-
Fines and forfeitures	154,649	-	-	-
Charges for services	1,135,101	519,882	-	-
Investment income	1,838	71	13	895
Miscellaneous	124,046	16,835	-	-
Total revenues	5,783,055	587,844	13	895
Expenditures				
Current:				
General government	1,031,710	76,067	-	-
Judicial	410,854	207,651	-	-
Public safety	1,796,676	66,828	-	-
Public works	1,389,873	38,876	-	-
Health and welfare	234,454	-	-	-
Culture and recreation	71,088	-	-	-
Housing and development	429,141	5,710	-	-
Intergovernmental	-	-	-	-
Capital outlay	-	-	13,938	222,833
Debt service:				
Principal	-	176,741	-	-
Interest	-	11,743	-	-
Total expenditures	5,363,796	583,616	13,938	222,833
Excess (deficiency) of revenues over (under) expenditures	419,259	4,228	(13,925)	(221,938)
Other financing sources (uses):				
Transfers in	284,000	-	-	-
Transfers out	-	(200,000)	-	-
Total other financing sources (uses)	284,000	(200,000)	-	-
Net change in fund balances	703,259	(195,772)	(13,925)	(221,938)
Fund balance (deficit), beginning of year	2,694,033	1,095,141	13,925	417,043
Fund balance (deficit), end of year	$ 3,397,292	$ 899,369	$ -	$ 195,105

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

Capital Projects 2011 SPLOST Fund	Capital Projects CDBG Fund	T-SPLOST Fund	Other Governmental Funds	Total Governmental Funds
$ -	$ -	$ -	$ -	$ 2,082,558
728,972	-	572,523	-	1,721,474
-	-	-	-	581,436
-	-	-	-	826,986
-	8,760	-	-	516,278
-	-	-	96,313	250,962
-	-	-	12,952	1,667,935
154	-	69	26	3,066
-	-	-	-	140,881
729,126	8,760	572,592	109,291	7,791,576
-	-	-	-	1,107,777
-	-	-	4,122	622,627
-	-	-	56,557	1,920,061
-	-	-	-	1,428,749
-	-	-	-	234,454
-	-	-	-	71,088
-	-	-	-	434,851
225,981	-	-	-	225,981
103,486	11,317	182,736	-	534,310
-	-	16,297	-	193,038
-	-	697	-	12,440
329,467	11,317	199,730	60,679	6,785,376
399,659	(2,557)	372,862	48,612	1,006,200
-	-	-	-	284,000
-	-	-	(84,000)	(284,000)
-	-	-	(84,000)	-
399,659	(2,557)	372,862	(35,388)	1,006,200
1,399,113	(3,468)	577,832	379,639	6,573,258
$ 1,798,772	$ (6,025)	$ 950,694	$ 344,251	$ 7,579,458

TAYLOR COUNTY, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	1,006,200
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		432,541
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		12,228
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		187,023
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(1,919)
Changes in net position - governmental activities	$	1,636,073

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

TAYLOR COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Property taxes	$ 2,165,134	$ 2,275,134	$ 2,082,558	$ (192,576)
Sales tax	400,000	420,000	419,979	(21)
Other taxes	478,000	505,275	581,436	76,161
Licenses and permits	39,700	608,383	826,986	218,603
Intergovernmental	105,000	455,000	456,462	1,462
Fines and forfeitures	159,500	159,500	154,649	(4,851)
Charges for services	1,068,094	1,158,244	1,135,101	(23,143)
Investment income	1,500	2,075	1,838	(237)
Miscellaneous	57,739	129,739	124,046	(5,693)
Total revenues	4,474,667	5,713,350	5,783,055	69,705
Expenditures:				
Current:				
General government:				
Governing body	412,282	827,567	352,121	475,446
General administration	145,398	145,398	137,678	7,720
Tax commissioner	157,267	165,205	159,793	5,412
Tax assessor	118,059	126,600	117,300	9,300
Registrar	73,515	73,515	56,404	17,111
Records management	2,000	2,000	20	1,980
Buildings and plant	159,606	226,766	207,337	19,429
Board of equalization	2,885	2,885	1,057	1,828
Total general government	1,071,012	1,569,936	1,031,710	538,226
Judicial:				
Superior court	261,398	261,398	239,252	22,146
Probate court	162,408	162,408	156,034	6,374
Public defender	15,568	15,568	15,568	-
Total judicial	439,374	439,374	410,854	28,520
Public safety:				
Sheriff	635,130	677,243	629,761	47,482
Jail	534,245	556,566	516,211	40,355
Ambulances	368,578	548,950	520,924	28,026
Emergency management	18,190	23,190	21,396	1,794
Fire	71,817	86,817	71,226	15,591
Coroner	13,009	13,009	10,818	2,191
Emergency communication	26,341	26,341	26,340	1
Total public safety	1,667,310	1,932,116	1,796,676	135,440
Public works:				
Roads and bridges	767,195	1,231,466	1,157,161	74,305
Garage	28,465	28,465	23,643	4,822
Landfill	206,881	213,161	209,069	4,092
Total public works	1,002,541	1,473,092	1,389,873	83,219

(Continued)

TAYLOR COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budget			Variance with
	Original	Final	Actual	Final Budget
Expenditures (continued):				
Current (continued):				
Health and welfare:				
Health department	$ 152,207	$ 152,207	$ 149,140	$ 3,067
Family and children services	49,786	49,786	42,988	6,798
Mental retardation	10,616	10,616	10,616	-
Council on aging	29,148	29,823	29,537	286
Neighborhood service center	3,600	3,600	2,173	1,427
Total health and welfare	245,357	246,032	234,454	11,578
Culture and recreation:				
Parks	46,974	46,974	47,309	(335)
Libraries	26,036	26,036	23,779	2,257
Total culture and recreation	73,010	73,010	71,088	1,922
Housing and development:				
County agent	47,953	47,953	45,413	2,540
Planning and zoning	85,494	85,494	77,200	8,294
Transit	205,457	205,457	219,036	(13,579)
Airport	10,000	10,000	10,000	-
Forestry	23,180	23,180	23,180	-
Soil conservation	31,113	34,840	33,537	1,303
Industrial development authority	20,866	20,866	20,775	91
Total housing and development	424,063	427,790	429,141	(1,351)
Total expenditures	4,922,667	6,161,350	5,363,796	797,554
Excess (deficiency) of revenues over (under) expenditures	(448,000)	(448,000)	419,259	867,259
Other financing sources:				
Transfers in	448,000	448,000	284,000	(164,000)
Total other financing sources	448,000	448,000	284,000	(164,000)
Net change in fund balance	-	-	703,259	703,259
Fund balance, beginning of year	2,694,033	2,694,033	2,694,033	-
Fund balance, end of year	$ 2,694,033	$ 2,694,033	$ 3,397,292	$ 703,259

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

TAYLOR COUNTY, GEORGIA

SOLID WASTE SURCHARGE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Intergovernmental	$ 55,000	$ 55,000	$ 51,056	$ (3,944)
Charges for services	551,900	551,900	519,882	(32,018)
Investment income	100	100	71	(29)
Miscellaneous income	18,000	18,000	16,835	(1,165)
Total revenues	625,000	625,000	587,844	(37,156)
Expenditures:				
Current:				
General government	100,500	100,500	76,067	24,433
Judicial	250,900	250,900	207,651	43,249
Public safety	78,500	78,500	66,828	11,672
Public works	60,500	60,500	38,876	21,624
Housing and development	6,500	6,500	5,710	790
Debt service:				
Principal	188,000	188,000	176,741	11,259
Interest	15,100	15,100	11,743	3,357
Total expenditures	700,000	700,000	583,616	116,384
Excess (deficiency) of revenues (under) expenditures	(75,000)	(75,000)	4,228	79,228
Other financing (uses):				
Transfers in	275,000	275,000	-	(275,000)
Transfers out	(200,000)	(200,000)	(200,000)	-
Total other financing sources (uses)	75,000	75,000	(200,000)	(275,000)
Net change in fund balance	-	-	(195,772)	(195,772)
Fund balance, beginning of year	1,095,141	1,095,141	1,095,141	-
Fund balance, end of year	$ 1,095,141	$ 1,095,141	$ 899,369	$ (195,772)

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

TAYLOR COUNTY, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

	Major Enterprise Fund Water and Sewer Fund
ASSETS	
Current assets:	
Cash	$ 35,118
Accounts receivable, net of allowance	955
Total current assets	36,073
Capital assets:	
Capital assets, depreciable, net of accumulated depreciation	762,970
Total assets	799,043
LIABILITIES	
Current liabilities:	
Accounts payable	862
NET POSITION	
Investment in capital assets	762,970
Unrestricted	35,211
Total net position	$ 798,181

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

TAYLOR COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Major Enterprise Fund Water and Sewer Fund
Operating revenues:	
Charges for services:	
Water and sewer sales	$ 13,619
Total operating revenues	13,619
Operating expenses:	
Repairs and maintenance	2,313
Utilities	6,039
Dues and supplies	2,492
Depreciation	25,893
Total operating expenses	36,737
Change in net position	(23,118)
Net position, beginning of year	821,299
Net position, end of year	$ 798,181

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

TAYLOR COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Major Enterprise Fund Water and Sewer Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 13,646
Payments to suppliers and service providers	(10,386)
Net cash provided by operating activities	3,260
Net increase in cash and cash equivalents	3,260
Cash and cash equivalents:	
Beginning of year	31,858
End of year	$ 35,118
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	$ (23,118)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	25,893
Decrease in accounts receivable	27
Increase in accounts payable	458
Net cash provided by operating activities	$ 3,260

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

TAYLOR COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2015

	Agency Funds
ASSETS	
Cash and cash equivalents	$ 461,150
Taxes receivable	568,024
Total assets	$ 1,029,174
LIABILITIES	
Due to others	$ 461,150
Uncollected taxes	568,024
Total liabilities	$ 1,029,174

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The County is governed by an elected five-member Board of Commissioners. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of Taylor County, Georgia (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County. In conformity with generally accepted accounting principles, as set forth in Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statements No. 39 and 61, the financial statements of the component units are discretely presented in the financial statements.

The Taylor County Airport Authority was established as a legally separate entity in 1994 and given the power to acquire, construct, equip, maintain, operate, own, and improve airports and landing fields for the use of aircraft and related buildings and equipment. The five members of the Airport Authority are appointed by the Board of Commissioners.

The Taylor County Recreation Commission was established as a legally separate entity in 1946. The Commission is governed by a six-member board composed of two members from the County and two from the City of Reynolds and the City of Butler. The County approves the budget of the Commission, and carries out its day-to-day operations.

The Taylor County Building Authority was established as a legally separate entity in 1995 and is responsible for the operations of the Taylor County Multi-Purpose Facility. The five members of the Building Authority are appointed by the Board of Commissioners.

The Taylor County Department of Public Health is governed by a seven-member board, of which four members are appointed by the governing authority of the County. The County approves the required local match portion of the budget requested by the Health Department which is administered by the appointed Board of the Health Department. The Health Department’s financial statements have been presented separately and can be obtained by writing to the Taylor County Department of Public Health, P. O. Box 158, Butler, Georgia 31006.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

The Taylor County Development Authority was established as a legally separate entity in 1984. The seven members of the Development Authority are appointed by the Board of Commissioners.

The Taylor County Development Authority, the Taylor County Airport Authority, the Taylor County Recreation Commission and the Taylor County Building Authority are audited along with the primary government financial statements in accordance with Governmental Accounting Standards Board Statement No. 14. However, separate financial statements are not prepared.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

The format of the fund financial statements has been modified by GASB Statement No. 34. Major individual governmental funds are reported as separate columns in the fund financial statements. GASB Statement No. 34 also requires, as required supplementary information, Management's Discussion and Analysis which includes an analytical overview of the County's financial activity.

The County reports the following major governmental funds:

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

The ***Solid Waste Surcharge Fund*** is a special revenue fund used to account for the funds received from the use of the S.R. 137 landfill in accordance with the Official Code of Georgia (OCGA) Section 12-8-39.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The ***SPLOST 2000 Fund*** is a capital projects fund used to account for the construction and acquisition of major capital facilities financed by 2000 Special Purpose Local Option Sales Tax proceeds.

The ***SPLOST 2005 Fund*** is a capital projects fund used to account for the construction and acquisition of major capital facilities financed by 2005 Special Purpose Local Option Sales Tax proceeds.

The ***SPLOST 2011 Fund*** is a capital projects fund used to account for the construction and acquisition of major capital facilities financed by 2011 Special Purpose Local Option Sales Tax proceeds.

The ***CDBG Fund*** is a capital projects fund used to account for the operations of the Community Development Block Grant program.

The ***T-SPLOST*** is a capital projects fund used to account for the construction and acquisition of major capital facilities financed by Transportation Special Purpose Local Option Sales Tax proceeds.

The County reports the following major proprietary fund:

The ***Water and Sewer Fund*** accounts for the operation of the water and sewerage system including all revenues from sources applicable to these operations and all expenses of the operation.

Additionally, the County reports the following fund types:

The ***Special Revenue Funds*** account for specific revenues that are legally restricted to expenditures for particular purposes.

The ***Capital Projects Fund*** accounts for revenue sources that are to be used for the acquisition and construction of major capital facilities.

The ***Agency Funds*** are used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals. These include the Tax Commissioner, Clerk of Superior Court, Probate Court, Magistrate Court, and Sheriff.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

D. Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the General Fund and each special revenue fund. Project length budgets are adopted for the capital projects fund. All annual appropriations lapse at fiscal year-end.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to commit or assign that portion of the applicable appropriation, is not employed by the County.

E. Deposits and Investments

For purposes of the statement of cash flows, the Water and Sewer Fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

State statutes authorize the County to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements.

Investments are reported at fair value. At June 30, 2015, the County has no investments.

F. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Inventories

Inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

H. Prepaid Items

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

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than $1,500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. In accordance with GASB Statement No. 34, the County has elected not to include infrastructure acquired or constructed prior to July 1, 2003.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Capital assets of the primary government and component units are depreciated using the straight-line method over the following useful lives:

Asset Category	Years
Land improvements	15-20
Buildings and improvements	15-40
Machinery and equipment	5-10
Infrastructure	20-50
Water system	40

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the County does not have a policy to pay any amount when employees separate from service with the County. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

K. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

L. Deferred Outflows / Inflows of Resources

GASB Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and No. 65, *Items Previously Reported as Assets and Liabilities*, have established accounting and financial reporting for deferred outflows / inflows of resources and the concept of net position as the residual of all other elements presented in a statement of net position.

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Department of Public Health had pension related deferred outflows as a result of the implementation of GASB statement No. 68 that required reporting in this category and are described further in Note 11.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Deferred Outflows / Inflows of Resources (Continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has one type of these items, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes not received within 60 days after year-end. These amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. Additionally, the Department of Public Health had pension related deferred inflows as a result of the implementation of GASB Statement No. 68 that required reporting in this category and are described further in Note 11.

M. Fund Equity

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

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

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity (Continued)

Fund Balance (Continued)

- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Through policy, authorization to assign fund balance remains with the Board.

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

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County's policy to use fund balance in the following order: 1) committed, 2) assigned, and 3) unassigned.

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

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

N. Use of Estimates

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

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

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this $478,232 difference are as follows:

Capital leases payable	$ (248,211)
Landfill postclosure costs	(130,905)
Compensated absences	(99,116)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$ (478,232)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this $432,541 difference are as follows:

Capital outlay	$ 1,036,034
Depreciation expense	(603,493)
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$ 432,541

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

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)

Another element of the reconciliation states that "The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets." The details of this $187,023 difference are as follows:

Debt incurred:	
Landfill postclosure costs	$ (15,600)
Principal repayments:	
Capital leases	193,038
Landfill postclosure costs	9,585
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$ 187,023

Another element of that reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this $1,919 difference are as follows:

Compensated absences	$ (1,919)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$ (1,919)

NOTE 3. LEGAL COMPLIANCE - BUDGETS

Taylor County, Georgia follows these procedures in establishing the budgetary data reflected in the basic financial statements:

1. Prior to May 1, the Department Heads submit to the County Manager proposed operating budgets for the fiscal year commencing the following July 1, for the General Fund and each special revenue fund. The operating budget includes proposed expenditures and the means of financing them. The proposed budgets are then submitted to the Board of Commissioners by the County Manager for study.

2. Public hearings are conducted at the courthouse to obtain taxpayer comments.

3. The budget is legally adopted by the Board of Commissioners.

4. Any revisions of the budget must be approved by the Board of Commissioners.

5. Formal budgetary integration is employed as a management control device during the year for the General Fund and each special revenue fund.

6. Budgets for the General Fund and each special revenue fund were adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

Budgeted amounts are as originally adopted on June 18, 2014 or as amended by the Board of Commissioners. Individual amendments were not material in relation to the original appropriations.

NOTE 4. DEPOSITS AND INVESTMENTS

Credit Risk. State statutes authorize the County to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. The County had no investments as of June 30, 2015.

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

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk – Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2015, all of the County's bank balances were properly insured and collateralized as defined by GASB pronouncements and the State of Georgia.

NOTE 5. RECEIVABLES

Property taxes attach as an enforceable lien on property as of December 21, 2014. Taxes were levied on August 14, 2014, and payable on or before December 20, 2014. The County bills and collects its own property taxes. Property taxes levied for 2014 are recorded as receivables, net of estimated uncollectibles.

The net receivables collected during the year ended June 30, 2015 and expected to be collected by August 31, 2015, are recognized as revenues in the year ended June 30, 2015. Net receivables estimated to be collectible subsequent to August 31, 2015, are recorded as revenue when received. Prior year levies were recorded using substantially the same principles, and remaining receivables are reevaluated annually.

Receivables consisted of the following at June 30, 2015:

	General	Solid Waste Surcharge	T-SPLOST	2011 SPLOST
Receivables:				
Taxes	$ 349,409	$ -	$ 97,855	$ 59,757
Accounts	108,447	48,293	4,675	-
Due from other governments	67,358	-	-	-
Gross receivables	525,214	48,293	102,530	59,757
Less allowance	43,793	-	-	-
Net total receivables	$ 481,421	$ 48,293	$ 102,530	$ 59,757

	Water and Sewer Fund	Other Gov'tal Funds	Total
Receivables:			
Taxes	$ -	$ -	$ 507,021
Accounts	1,259	-	162,674
Due from other governments	-	7,696	75,054
Gross receivables	1,259	7,696	744,749
Less allowance	304	-	44,097
Net total receivables	$ 955	$ 7,696	$ 700,652

NOTE 6. CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 368,946	$ -	$ -	$ 368,946
Total	368,946	-	-	368,946
Capital assets, being depreciated:				
Land improvements	94,295	-	-	94,295
Buildings and improvements	7,410,776	207,555	-	7,618,331
Machinery and equipment	4,861,188	297,504	-	5,158,692
Infrastructure	4,334,249	530,975	-	4,865,224
Total	16,700,508	1,036,034	-	17,736,542
Less accumulated depreciation for:				
Land improvements	84,305	3,311	-	87,616
Buildings and improvements	2,114,548	196,320	-	2,310,868
Machinery and equipment	3,716,684	313,924	-	4,030,608
Infrastructure	393,230	89,938	-	483,168
Total	6,308,767	603,493	-	6,912,260
Total capital assets, being depreciated, net	10,391,741	432,541	-	10,824,282
Governmental activities capital assets, net	$ 10,760,687	$ 432,541	$ -	$ 11,193,228

NOTE 6. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, being depreciated:				
Buildings and improvements	$ 7,800	$ -	$ -	$ 7,800
Water system	1,002,766	-	-	1,002,766
Total	1,010,566	-	-	1,010,566
Less accumulated depreciation for:				
Buildings and improvements	3,207	519	-	3,726
Water system	218,496	25,374	-	243,870
Total	221,703	25,893	-	247,596
Total capital assets, being depreciated, net	788,863	(25,893)	-	762,970
Business-type activities capital assets, net	$ 788,863	$ (25,893)	$ -	$ 762,970

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

Governmental activities	
General government	$ 49,335
Judicial	5,843
Public safety	254,966
Public works	255,918
Health and welfare	21,022
Culture and recreation	3,910
Housing and development	12,499
Total depreciation expense - governmental activities	$ 603,493
Business-type activities:	
Water and sewer	$ 25,893
Total depreciation expense - business-type activities	$ 25,893

NOTE 6. CAPITAL ASSETS (CONTINUED)

Capital asset activity for the Taylor County Development Authority for the fiscal year ended June 30, 2015, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 99,923	$ 14,968	$ -	$ 114,891
Capital assets, being depreciated:				
Equipment	-	3,700	-	3,700
Building	689,789	65,532	-	755,321
Total	689,789	69,232	-	759,021
Less accumulated depreciation for:				
Building	300,667	17,687	-	318,354
Total capital assets, being depreciated, net	389,122	51,545	-	440,667
Capital assets, net	$ 489,045	$ 66,513	$ -	$ 555,558

Capital asset activity for the Taylor County Airport Authority for the fiscal year ended June 30, 2015, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 1,130,445	$ 32,207	$ -	$ 1,162,652
Construction in progress	429,292	258,151	247,515	439,928
Total	1,559,737	290,358	247,515	1,602,580
Capital assets, being depreciated:				
Equipment	7,209	-	-	7,209
Buildings	-	215,307	-	215,307
Infrastructure	2,546,775	-	-	2,546,775
Total	2,553,984	215,307	-	2,769,291
Less accumulated depreciation for:				
Equipment	7,209	-	-	7,209
Infrastructure	306,055	65,139	-	371,194
	313,264	65,139	-	378,403
Total capital assets, being depreciated, net	2,240,720	150,168	-	2,390,888
Capital assets, net	$ 3,800,457	$ 440,526	$ 247,515	$ 3,993,468

NOTE 6. CAPITAL ASSETS (CONTINUED)

Capital asset activity for the Taylor County Building Authority for the fiscal year ended June 30, 2015, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Building	$ 1,551,174	$ 7,165	$ -	$ 1,558,339
Less accumulated depreciation for:				
Building	406,717	39,958	-	446,675
Total capital assets, being depreciated, net	1,144,457	(32,793)	-	1,111,664
Capital assets, net	$ 1,144,457	$ (32,793)	$ -	$ 1,111,664

NOTE 7. LONG-TERM DEBT

The following is a summary of long-term debt activity for the primary government for the fiscal year ended June 30, 2015:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Capital leases	$ 441,249	$ -	$ 193,038	$ 248,211	$ 164,092
Landfill postclosure	124,890	15,600	9,585	130,905	11,000
Compensated absences	97,197	94,771	92,852	99,116	79,293
Totals	$ 663,336	$ 110,371	$ 295,475	$ 478,232	$ 254,385

For governmental activities, compensated absences are ordinarily liquidated by the General Fund, while landfill postclosure costs are liquidated by the Solid Waste Surcharge Fund.

NOTE 7. LONG-TERM DEBT (CONTINUED)

Capital Leases. The County has entered into lease agreements as lessee for financing the acquisition of vehicles. The lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease term) and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of inception. The expense resulting from the amortization of assets recorded under capital leases is included with depreciation expense.

The following is an analysis of leased assets under capital leases as of June 30, 2015:

	Governmental Activities
Equipment	$ 878,128
Less: Accumulated depreciation	(387,943)
	$ 490,185

The following is a schedule of future minimum lease payments under the capital leases, and the present value of the net minimum lease payments at June 30, 2015:

	Governmental Activities
Fiscal Year Ending June 30,	
2016	$ 172,050
2017	85,807
Total minimum lease payments	257,857
Less amount representing interest	(9,646)
Present value of future minimum lease payments	$ 248,211

Conduit Debt Obligations – Development Authority. During the year ended June 30, 2015, the Development Authority has issued two separate revenue bonds to acquire capital projects consisting of equipment which will be used in solar energy facilities. The acquired equipment will be leased to a third party. The Development Authority is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The amount of conduit debt revenue bond obligations outstanding as of June 30, 2015 is $95,000,000 and $250,000,000.

NOTE 8. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The following General Fund departments had an excess of actual expenditures over appropriations for the fiscal year ended June 30, 2015:

General Fund:	
Parks	$ (335)
Transit	(13,579)

The excess in the General Fund was funded through unanticipated revenues.

NOTE 9. INTERFUND TRANSACTIONS

The composition of interfund balances as of June 30, 2015, is as follows:

Due to/from other funds:

	Due From		
	General Fund	2011 SPLOST Fund	CDBG Fund
Due To			
General Fund	$ -	$ 128,090	$ 200
Solid Waste Surcharge	1,100	33,000	-
Total	$ 1,100	$ 161,090	$ 200

	T-SPLOST Fund	Total
Due To		
General Fund	$ 4,000	$ 132,290
Solid Waste Surcharge	-	34,100
Total	$ 4,000	$ 166,390

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

Interfund transfers:

	Transfer From		
	Solid Waste Surcharge	Other Gov'tal Funds	Total
Transfer To			
General Fund	$ 200,000	$ 84,000	$ 284,000

Transfers are used to (1) move revenues from the fund that statute or budget requires collecting them to the fund that the statute or budget requires to expend them, and (2) use of unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 10. DEFINED CONTRIBUTION PENSION PLAN

A. Plan Description

The Taylor County, Georgia Retirement Plan is a defined contribution plan which was established and may be amended by the County to provide benefits at retirement to general employees of the County. The plan is administered by Nationwide Life Insurance Company. Plan members are not required to contribute to this plan. Taylor County is required to contribute 5% of annual covered payroll. Plan provisions and contribution requirements are established and may be amended by the Taylor County Board of Commissioners. Total contributions made to the plan by Taylor County, Georgia during the fiscal year ended June 30, 2015 were $80,560

B. Significant Accounting Policies

Basis of Accounting: The Taylor County, Georgia Retirement Plan financial statements are prepared using the accrual basis of accounting. Employer contributions are recognized in the period that the contributions are due.

Methods Used to Value Investments: Plan investments are reported at fair value. Short-term investments are purchased at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair values.

NOTE 11. DEFINED BENEFIT PENSION PLAN – COMPONENT UNIT

Health Department

Plan Description. The employees of the Taylor County Department of Public Health ("Department") participate in the Employees' Retirement System (ERS), a cost-sharing multiple-employer defined benefit pension plan established by the Georgia General Assembly during the 1949 Legislative Session for the purpose of providing retirement allowances for employees of the State of Georgia and its political subdivisions. ERS is directed by a Board of Trustees. Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. ERS issues a publicly available financial report that can be obtained at www.ers.ga.gov.

Benefits Provided. The ERS Plan supports three benefit tiers: Old Plan, New Plan, and Georgia State Employees' Pension and Savings Plan (GSEPS). Employees under the Old Plan started membership prior to July 1, 1982 and are subject to plan provisions in effect prior to July 1, 1982. Members hired on or after July 1, 1982 but prior to January 1, 2009 are New Plan members subject to modified plan provisions. Effective January 1, 2009, new state employees and rehired state employees who did not retain membership rights under the Old or New Plans are members of GSEPS. ERS members hired prior to January 1, 2009 also have the option to irrevocably change their membership to GSEPS.

NOTE 11. DEFINED BENEFIT PENSION PLAN – COMPONENT UNIT (CONTINUED)

Health Department (Continued)

Benefits Provided (Continued). Under the Old Plan, the New Plan, and GSEPS, a member may retire and receive normal retirement benefits after completion of 10 years of creditable service and attainment of age 60 or 30 years of creditable service regardless of age. Additionally, there are some provisions allowing for early retirement after 25 years of creditable service for members under age 60.

Retirement benefits paid to members are based upon the monthly average of the member's highest 24 consecutive calendar months, multiplied by the number of years of creditable service, multiplied by the applicable benefit factor. Annually, postretirement cost-of-living adjustments may also be made to members' benefits, provided the members were hired prior to July 1, 2009. The normal retirement pension is payable monthly for life; however, options are available for distribution of the member's monthly pension, at reduced rates, to a designated beneficiary upon the member's death. Death and disability benefits are also available through ERS.

Contributions. Member contributions under the Old Plan are 4% of annual compensation, up to $4,200, plus 6% of annual compensation in excess of $4,200. Under the Old Plan, the state pays member contributions in excess of 1.25% of annual compensation. Under the Old Plan, these state contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the New Plan and GSEPS are 1.25% of annual compensation. The Department's contractually required contribution rate, actuarially determined annually, for the year ended June 30, 2015 was 18.46% of annual covered payroll for Old and New Plan members and 15.18% for GSEPS members. The Department's contributions to ERS totaled $33,793 for the year ended June 30, 2015. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions. Effective July 1, 2014, the Department implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – 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.

NOTE 11. DEFINED BENEFIT PENSION PLAN – COMPONENT UNIT (CONTINUED)

Health Department (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions (Continued). At June 30, 2015, the Department reported a liability for its proportionate share of the net pension liability in the amount of $249,754. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2013. An expected total pension liability as of June 30, 2014 was determined using standard roll forward techniques. The Department's proportion of the net pension liability was based on contributions to ERS during the fiscal year ended June 30, 2014. At June 30, 2014, the Employer's proportion was .006659%, which was a decrease of .001121% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the Department recognized pension expense of ($5,669). As of June 30, 2015, the Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and differences between Department contributions and proportionate share of contributions	$ -	$ (33,476)
Net difference between projected and actual earnings on pension plan investments	-	(60,957)
Department contributions subsequent to the measurement date	33,793	-
Total	$ 33,793	$ (94,433)

Department contributions subsequent to the measurement date of $33,793 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	$ (36,162)
2017	(27,793)
2018	(15,239)
2019	(15,239)
	$ (94,433)

NOTE 11. DEFINED BENEFIT PENSION PLAN – COMPONENT UNIT (CONTINUED)

Health Department (Continued)

Actuarial Assumptions. The total pension liability as of June 30, 2014 was determined by an actuarial valuation as of June 30, 2013 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increase	5.45 – 9.25%, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table for the periods after service retirement, for dependent beneficiaries, and for deaths in active service, and the RP-2000 Disabled Mortality Table set back eleven years for males for the period after disability retirement.

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the periods July 1, 2004 – June 30, 2009.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return*
Fixed income	30.00%	3.00%
Domestic large equities	39.70	6.50
Domestic mid equities	3.70	10.00
Domestic small equities	1.60	13.00
International developed market equities	18.90	6.50
International emerging market equities	6.10	11.00
Total	100.00%	

* Rates shown are net of the 3.00% assumed rate of inflation

NOTE 11. DEFINED BENEFIT PENSION PLAN – COMPONENT UNIT (CONTINUED)

Health Department (Continued)

Discount Rate. 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 plan member contributions will be made at the current contribution rate and that employer and State of Georgia contributions will be made at the current contribution rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (6.50%)	Current discount rate (7.50%)	1% Increase (8.50%)
Department's proportionate share of the net pension liability	$ 364,190	$ 249,754	$ 152,341

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued ERS financial report which is publicly available at www.ers.ga.gov.

NOTE 12. LANDFILL POSTCLOSURE COSTS

Effective July 16, 1990, the Taylor County Landfill was closed and no additional waste has been accepted. According to state and federal laws and regulations, the County must perform certain maintenance and monitoring functions at the site for a minimum of 30 years. Engineering studies estimate postclosure costs of approximately $130,905 over the remaining 12-year period. These costs are based on what it would cost to perform all postclosure care in 2015, adjusted annually for inflation. Actual costs may be higher due to changes in inflation, changes in technology, or changes in regulations. Should any problems occur during this postclosure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

NOTE 13. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County purchases commercial insurance to cover property and liability and professional liability claims.

The County participates in the Association of County Commissioners of Georgia Group Self-Insurance Workers' Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments. As part of this risk pool, the County is obligated to pay all contributions and assessments as prescribed by the pool; to cooperate with the pool's agents and attorneys; to follow loss reduction procedures established by the fund; and to report as promptly as possible, in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the pool's agents and attorneys 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 funds.

The fund is to defend and protect the members of the fund against liability or loss as prescribed in the member government contract and in accordance with the workers' compensation law of Georgia. 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.

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

NOTE 14. JOINT VENTURE

River Valley Regional Commission

Under Georgia law, the County, in conjunction with other cities and counties in the 16-county west central Georgia area, is a member of the River Valley Regional Commission (RC) and is required to pay annual dues thereto. During its year ended June 30, 2015, the County paid $5,454 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia.

The RC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from: River Valley Regional Commission, 228 West Lamar Street, Americus, Georgia 31709.

NOTE 14. JOINT VENTURE (CONTINUED)

Middle Flint Regional E-911 Authority

The Middle Flint Regional E-911 Authority (the "E-911 Authority") is comprised of eight board members: two appointed by the County and the remaining six appointed by the other representative counties. The County allocated to the E-911 Authority $26,340 during the year to assist with general operating expenses. The County's governing body does not approve the budget nor does it have any oversight of the day-to-day operations of the E-911 Authority. The E-911 Authority was established to provide emergency communications services to Dooly, Macon, Marion, Schley, Sumter, Taylor and Webster counties. Separate financial statements may be obtained from: Middle Flint Regional E-911 Authority, 222 Hayes Avenue, Ellaville, Georgia 31806.

NOTE 15. COMMITMENTS AND CONTINGENCIES

Litigation

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

Grant Contingencies

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

NOTE 16. CHANGES IN ACCOUNTING PRINCIPLES – COMPONENT UNIT

The Taylor County Department of Public Health has determined that a restatement to the July 1, 2014 beginning net position was required to recognize the changes in accounting principles for implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, through which accounting for pension plans and the related disclosure requirements were modified. This adjustment resulted in a change to the beginning net position of the Taylor County Department of Public Health as follows:

Beginning net position, July 1, 2014, as previously presented	$	284,580
Change in accounting principle due to the implementation of GASB Statement No. 68		(349,856)
Beginning net position, July 1, 2014, as restated	$	(65,276)

REQUIRED SUPPLEMENTARY INFORMATION

TAYLOR COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
TAYLOR COUNTY DEPARTMENT OF PUBLIC HEALTH
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
EMPLOYEES RETIREMENT SYSTEM OF GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

		2015
Department's proportion of the net pension liability		0.006659 %
Department's proportionate share of the net pension liability	$	249,754
Department's covered-employee payroll	$	156,884
Department's proportionate share of the net pension liability as a percentage of its covered payroll		159.20 %
Plan fiduciary net position as a percentage of the total pension liability		77.99 %

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

TAYLOR COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
TAYLOR COUNTY DEPARTMENT OF PUBLIC HEALTH
SCHEDULE OF CONTRIBUTIONS
EMPLOYEES RETIREMENT SYSTEM OF GEORGIA
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	2015
Contractually required contribution	$ 33,793
Contributions in relation to the contractually required contribution	33,793
Contribution deficiency (excess)	$ -
Department's covered-employee payroll	$ 156,884
Contributions as a percentage of covered-employee payroll	21.54 %

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Jail Fund – To account for revenues collected by the imposition of a 10% add-on fine as provided for by the Georgia Jail Construction and Staffing Act.

Law Library Fund – To account for costs of operating and maintaining the Taylor County Law Library. Financing is provided from a $2 charge added to and collected on all costs in civil and criminal cases.

Special Purpose Drug Fund – To account for monies deemed as forfeited property by courts to Taylor County from cases related to illegal drug activity and the disbursement of these funds for drug prevention activities.

Drug Education Fund – To account for fines collected as required by state law for drug abuse treatment and educational purposes.

Inmate Fund – To account for revenues from telephone commissions at the Sheriff's Office and the disbursement of these funds for items to benefit the inmates.

TAYLOR COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	Special Revenue				
	Jail Fund	Law Library Fund	Special Purpose Drug Fund	Drug Education Fund	Inmate Fund
ASSETS					
Cash	$ 190,193	$ 71,510	$ 26,275	$ 32,946	$ 21,753
Due from other governments	7,625	-	-	71	-
Total assets	$ 197,818	$ 71,510	$ 26,275	$ 33,017	$ 21,753
LIABILITIES					
Accounts payable	$ 1,322	$ -	$ -	$ -	$ 4,800
Total liabilities	1,322	-	-	-	4,800
FUND BALANCES					
Restricted for:					
Judicial	-	71,510	-	-	-
Public safety	196,496	-	26,275	33,017	-
Committed for:					
Public safety	-	-	-	-	16,953
Total fund balances	196,496	71,510	26,275	33,017	16,953
Total liabilities and fund balances	$ 197,818	$ 71,510	$ 26,275	$ 33,017	$ 21,753

Totals
$ 342,677
7,696
$ 350,373
$ 6,122
6,122
71,510
255,788
16,953
344,251
$ 350,373

TAYLOR COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Special Revenue				
	Jail Fund	Law Library Fund	Special Purpose Drug Fund	Drug Education Fund	Inmate Fund
Revenues:					
Fines and forfeitures	$ 44,239	$ 7,268	$ 35,747	$ 9,059	$ -
Charges for services	-	-	-	-	12,952
Investment income	25	-	-	1	-
Total revenues	44,264	7,268	35,747	9,060	12,952
Expenditures:					
Current:					
Judicial	-	4,122	-	-	-
Public safety	11,612	-	28,577	3,577	12,791
Total expenditures	11,612	4,122	28,577	3,577	12,791
Other financing uses:					
Transfers out	(84,000)	-	-	-	-
Total other financing uses	(84,000)	-	-	-	-
Net change in fund balances	(51,348)	3,146	7,170	5,483	161
Fund balances, beginning of year	247,844	68,364	19,105	27,534	16,792
Fund balances, end of year	$ 196,496	$ 71,510	$ 26,275	$ 33,017	$ 16,953

Totals
$ 96,313
12,952
26
109,291
4,122
56,557
60,679
(84,000)
(84,000)
(35,388)
379,639
$ 344,251

TAYLOR COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 1995 ISSUE FOR THE YEAR ENDED JUNE 30, 2015

Project Description Per SPLOST Referendum	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
Construction of Fire Department Building	$ 80,000	$ 80,000	$ 83,810	$ -	$ 83,810
Restoration and Renovation of Historic Properties	878,000	878,000	729,789	-	729,789
Construction of Recreational Facilities	224,000	224,000	231,704	-	231,704
Construction of County Administration Building	100,000	100,000	69,914	13,938	83,852
Construction and Repair of Roads, Streets, and Bridges	1,920,000	1,920,000	2,085,752	-	2,085,752
	$ 3,202,000	$ 3,202,000	$ 3,200,969	$ 13,938	$ 3,214,907

TAYLOR COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2000 ISSUE FOR THE YEAR ENDED JUNE 30, 2015

Project Description Per SPLOST Referendum	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
Construction of County Jail	$ 3,000,000	$ 3,000,000	$ 1,495,288	$ -	$ 1,495,288
Construction of Recreational Facilities	290,000	290,000	302,561	-	302,561
Construction and Repair of Roads, Streets, and Bridges	3,100,000	3,100,000	2,558,660	-	2,558,660
Water and Sewer Project with Butler and Reynolds	510,000	510,000	284,090	-	284,090
Construction of Public Safety Building	100,000	100,000	49,302	-	49,302
	$ 7,000,000	$ 7,000,000	$ 4,689,901	$ -	$ 4,689,901

TAYLOR COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2005 ISSUE FOR THE YEAR ENDED JUNE 30, 2015

Project Description Per SPLOST Referendum	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
Construction of County Jail	$ 2,785,600	$ 2,785,600	$ 1,826,569	$ -	$ 1,826,569
Construction of Recreational Facilities	285,600	285,600	173,166	12,036	185,202
Construction and Repair of Roads, Streets, and Bridges	3,428,800	3,428,800	2,600,544	210,797	2,811,341
City of Butler	849,600	849,600	553,154	-	553,154
City of Reynolds	650,400	650,400	417,377	-	417,377
	$ 8,000,000	$ 8,000,000	$ 5,570,810	$ 222,833	$ 5,793,643

TAYLOR COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2011 ISSUE FOR THE YEAR ENDED JUNE 30, 2015

Project Description Per SPLOST Referendum	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
Construction of County Courthouse	$ 500,000	$ 500,000	$ 140,396	$ 84,179	$ 224,575
Construction of Recreational Facilities	150,000	150,000	221	9,608	9,829
Construction of Public Safety Facilities	100,000	100,000	25,188	-	25,188
Construction of County Communication Equipment	100,000	100,000	4,437	-	4,437
Construction of Fire Protection And Rescue Facilities	650,000	650,000	131,672	8,699	140,371
Construction and Repair of Roads, Streets, and Bridges	4,020,000	4,020,000	841	1,000	1,841
City of Butler	1,360,000	1,360,000	419,311	123,925	543,236
City of Reynolds	1,120,000	1,120,000	345,318	102,056	447,374
	$ 8,000,000	$ 8,000,000	$ 1,067,384	$ 329,467	$ 1,396,851

AGENCY FUNDS

Tax Commissioner – To account for the collection and payment to Taylor County and other taxing units of the property taxes levied, billed, and collected by the Tax Commissioner on behalf of Taylor County and other taxing units.

Clerk of Superior Court – To account for all monies received by the Clerk of Superior Court on behalf of individuals, private organizations, other governmental units, and other funds.

Probate Court – To account for all monies received by the Probate Court on behalf of individuals, private organizations, other governmental units, and other funds.

Magistrate Court – To account for all monies received by the Magistrate Court on behalf of individuals, private organizations, other governmental units, and other funds.

Sheriff – To account for all monies received by the Sheriff's Department on behalf of individuals, private organizations, other governmental units, and other funds.

TAYLOR COUNTY, GEORGIA

COMBINING BALANCE SHEET
AGENCY FUNDS
JUNE 30, 2015

ASSETS	Tax Commissioner	Clerk of Superior Court	Probate Court	Magistrate Court	Sheriff	Total
Cash	$ 273,561	$ 154,485	$ 16,070	$ 13,248	$ 3,786	$ 461,150
Taxes receivable	568,024	-	-	-	-	568,024
Total assets	$ 841,585	$ 154,485	$ 16,070	$ 13,248	$ 3,786	$ 1,029,174
LIABILITIES						
Due to others	$ 273,561	$ 154,485	$ 16,070	$ 13,248	$ 3,786	$ 461,150
Uncollected taxes	568,024	-	-	-	-	568,024
Total liabilities	$ 841,585	$ 154,485	$ 16,070	$ 13,248	$ 3,786	$ 1,029,174

COMPLIANCE SECTION

MAULDIN & JENKINS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Commissioners
of Taylor County, Georgia
Butler, Georgia

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Taylor County, Georgia (the "County"), 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 and have issued our report thereon dated December 14, 2015,. Our report includes a reference to other auditors who audited the financial statements of the Taylor County Department of Public Health, as described in our report on the County's financial statements. This report does not include the results of other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. Our report also includes a reference to the changes in accounting principles resulting from the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, as of July 1, 2014 for the Taylor County Department of Public Health.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses or significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and responses as item 2015-001 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and responses as item 2015-002 to be a significant deficiency.

Compliance and Other Matters

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

Taylor County, Georgia's Responses to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

Mauldin & Jenkins, LLC

Macon, Georgia
December 14, 2015

TAYLOR COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

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

Federal Awards

There was not an audit of major federal award programs as of June 30, 2015 due to the total amount expended being less than $500,000.

TAYLOR COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2015-001. Revenue/Receivables Cycle

Criteria: Generally accepted accounting principles require revenues to be recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Condition: The County did not appropriately record all transactions involving the receivable and revenue accounts during the year ended June 30, 2015. Additionally, the County did not properly reverse all entries made during the prior year involving the receivable and revenue accounts during the year ended June 30, 2015.

Context/Cause: During our testing of revenues and receivables, audit adjustments were required to correct various account balances. These adjustments were due to the inclusion of receivables that should not have been recorded at year-end and additional receivables that should have been recorded. Additional adjustments were required to reverse prior year entries in order to reflect the proper year-end balances.

Effect: Audit adjustments to decrease due from other funds in the amount of $11,268, increase revenues in the amount of $149,453, increase accounts receivable in the amount of $133,042, increase expenditures in the amount of $39,907, and increase unavailable revenue in the amount of $12,228 were required to be recorded in the General Fund as of June 30, 2015. Audit adjustments to increase other financing sources in the amount of $111,413 and decrease fund balance in the amount of $111,413 were required to be recorded in the Solid Waste Surcharge Fund as of June 30, 2015. Audit adjustments to increase due from other funds and revenues in the amount of $374 were required to be recorded in the 2011 SPLOST Fund as of June 30, 2015. Finally, an audit adjustment to increase receivables and revenues in the amount of $49,810 was required to be recorded in the T-SPLOST Fund as of June 30, 2015.

Recommendation: We recommend the County record the necessary adjustments to reflect the accounts receivable balances at the conclusion of each financial reporting cycle.

Views of Responsible Officials and Planned Corrective Action: We concur. We will take appropriate measures to ensure all receivables are appropriately recorded at year-end.

TAYLOR COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2015-002. Segregation of Duties

Condition: Appropriate segregation of duties does not exist among recording, distribution, and reconciliation of cash accounts and other operational functions in the various funds possessed by the County.

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

Context: Several instances of overlapping duties were noted during interviews regarding internal control procedures. This was noted in the following offices/departments: Finance, Water, Clerk of Court, Probate/Magistrate Court, Sheriff's Office, Tax Commissioner, and Development Authority.

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

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

Views of Responsible Officials and Planned Corrective Action: We concur. The offices are in the process of reviewing their respective systems to evaluate and determine the most efficient and effective solution to properly segregate duties among recording, distribution, and reconciliation of accounts to provide reasonable assurance that an individual cannot misappropriate funds without being detected during the normal course of business.

TAYLOR COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

TAYLOR COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

2014-001. Revenue/Receivables Cycle

Criteria: Generally accepted accounting principles require revenues to be recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Condition: The County did not appropriately record all transactions involving the receivable and revenue accounts during the year ended June 30, 2014. Additionally, the County did not properly reverse all entries made during the prior year involving the receivable and revenue accounts during the year ended June 30, 2014.

Auditee Response/Status: Unresolved. See current year finding number 2015-001.

2014-002. Capital Assets

Criteria: Proprietary funds use the economic resources measurement focus, which requires those funds to report all assets and liabilities, including capital assets.

Condition: The County did not appropriately record all capital asset transactions in the Airport Authority (component unit) during the year ended June 30, 2014.

Auditee Response/Status: Resolved.

2014-003. Segregation of Duties

Condition: Appropriate segregation of duties does not exist among recording, distribution, and reconciliation of cash accounts and other operational functions in the various funds possessed by the County.

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

Auditee Response/Status: Unresolved. See current year finding number 2015-002.