TELFAIR COUNTY, GEORGIA

FINANCIAL STATEMENTS
AS OF JUNE 30, 2007
TOGETHER WITH
AUDITOR'S REPORT

TELFAIR COUNTY, GEORGIA

Financial Statements

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TELFAIR COUNTY, GEORGIA

Financial Statements

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WANDA J. USSERY, CPA, P.C.

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INDEPENDENT AUDITOR'S REPORT

Telfair County Board of Commissioners
Telfair County, Georgia
McRae, Georgia 31055

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely component units, each major fund, and the aggregate remaining fund information of Telfair County, Georgia, as of and for the year ended June 30, 2007, which collectively comprise the county's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Telfair County, Georgia, management. My responsibility is to express opinions on these financial statements based on my audit.

Except as discussed in the next paragraph, I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

The County has not consistently applied accounting principles for the period audited. Accounting principles generally accepted in the United States of America require that accounting principles be consistently applied from year to year. Property tax revenues have not been recognized correctly, nor have accounts payable. The amount by which these departures would affect the assets, fund balances, revenues, and cash flows, where applicable, of the general funds, SPLOST funds, and Landfill funds cannot be reasonably determined.

In my opinion, except for the effects of inadequate recognition of revenues and accounts payable, 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 Telfair County, Georgia, as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The County has not presented Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

707 South Grant Street, P.O. Box 936, Fitzgerald, GA 31750, (229)423-9477, Fax (229)423-9358

In accordance with *Government Auditing Standards*, I have also issued my report dated December 11, 2008, on my consideration of the County's internal control over financial reporting and on my test 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be considering in assessing the results of my audit.

The budgetary comparison schedule identified as Exhibit I in the Required Supplementary Information section of the accompanying table of contents is not part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Telfair County, Georgia's basic financial statements. The non-required supplementary information listed in the table of contents is presented for the purposes of additional analysis and are not a required part of the basic financial statements. The information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly I express no opinion on it.

Fitzgerald, Georgia
December 11, 2008

Telfair County, Georgia
Statement of Net Assets – Governmental Funds
June 30, 2007

	Primary Government			Component
	Governmental Activities	Business-type Activities	Total	Units
Assets				
Cash	$ 3,653,855	$ 58,403	$ 3,712,258	$ 968,328
Taxes receivable (net of allowance for uncollectible accounts)	87,572	-	87,572	-
Receivables	-			-
Other receivables (net of allowance for uncollectible accounts)	3,537,910	1,397,595	4,935,505	359,631
Prepaid items	73,440	-	73,440	-
Investments	-	-	-	803,975
Deferred capital loss	-	-	-	4,146
Note receivables				
Due within one year	-	-	-	27,504
Due in more than one year	-	-	-	405,604
Total note receivables	-	-	-	433,108
Capital assets				
Land	217,535	707,670	925,205	235,780
Other capital assets, net of depreciation	3,374,152	2,654,516	6,028,668	1,188,806
Total capital assets	3,591,687	3,362,186	6,953,873	1,424,586
Total assets	10,944,464	4,818,184	15,762,648	3,993,774
Liabilities				
Accounts payable	147,543	55,073	202,616	17,351
Accrued expenses	30,396	-	30,396	28,748
Internal Balances	(1,370,231)	1,370,231		
Notes payable	-	-	-	839,512
Other liabilities	1,479,631	5,262	1,484,893	-
Landfill Closure/Postclosure	-	1,073,905	1,073,905	-
Total liabilities	287,339	2,504,471	2,791,810	885,611
Net Assets				
Investment in capital assets, net of related debt	3,591,687	3,362,186	6,953,873	1,434,346
Restricted For Special Revenue	3,008,011	-	3,008,011	-
Restricted For Component Units	-	-	-	-
Unrestricted	4,057,427	(1,048,473)	3,008,954	1,673,817
Total net assets	$ 10,657,125	$ 2,313,713	$ 12,970,838	$ 3,108,163

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

Telfair County, Georgia
Statement of Activities – Governmental Funds
For the Year Ended June 30, 2007

Functions:	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units
Governmental Activities								
General Government	$ 1,303,491	$ 81,103	$ 0	$ 33,365	$ (1,189,023)	$ 0	$(1,189,023)	$ 0
Judicial	477,687	255,317	0	0	(222,370)	0	(222,370)	0
Public Safety	1,880,290	708,452	0	0	(1,171,838)	0	(1,171,838)	0
Public Works	687,735	360	0	0	(687,375)	0	(687,375)	0
Health & Welfare	124,284	0	0	0	(124,284)	0	(124,284)	0
Economic Development	197,639	0	0	0	(197,639)	0	(197,639)	0
Community Services	371,461	21,520	0	0	(349,941)	0	(349,941)	0
Conservation	95,905	0	0	0	(95,905)	0	(95,905)	0
Total Governmental Activities	$5,138,492	$ 1,066,752	0	$ 33,365	$ (4,038,375)	$ 0	$ (4,038,375)	0
Business Type Activities								
Landfill	563,585	370,588	0	0	0	(192,997)	(192,997)	0
Total Business-Type Activities	563,585	370,588	0	0	0	(192,997)	(192,997)	0
Total Primary Government	5,702,077	1,437,340	0	33,365	0	0	(4,231,372)	0
Component units								
Governmental-type	591,784	493,569	0	0	0	0	0	(98,215)
Total component units	591,784	493,569	0	0	0	0	0	(98,215)
General Revenues								
Property taxes					2,633,315		2,633,315	0
Timber taxes					27,902	0	27,902	0
Transfer taxes					0	0	0	0
Sales taxes					1,621,261	0	1,621,261	0
Hotel and motel taxes					17,753	0	17,753	0
Beer and wine taxes					3,878	0	3,878	
Insurance premium taxes					212,573	0	212,573	
Business and occupation taxes					16,727	0	16,727	
Interest income					103,609	19,966	123,575	67,962
Intergovernmental income								180,737
Gain on sales of securities								0
Gain on sale of equipment								9,511
Dividend Income								0
Miscellaneous Income					441,008	118	441,126	258,210
Total general revenues					5,078,026	20,084	5,098,110	
Transfers					(2,631)	4,454	1,823	
Total general revenues and transfers					5,075,395	24,538	5,099,933	258,210
Change in net assets					1,037,020	(168,459)	868,561	159,995
Beginning net assets					8,244,612	3,857,665	12,102,277	2,948,169
Ending Net Assets					9,281,632	3,689,206	12,970,838	3,108,164

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

Telfair County, Georgia
Balance Sheet – Governmental Funds
June 30, 2007

	General Fund	Revolving Loan Funds	SPLOST	Other Governmental Funds	Total Governmental Fund Assets
Cash	$ 486,877	$ 373,700	$ 2,793,150	$ 128	$ 3,653,855
Taxes receivable (net of allowance for uncollectible accounts)	87,572	-	-	-	87,572
Other receivables (net of allowances for uncollectible accounts)	2,815,209	451,913	258,188	12,600	3,537,910
Prepaid items	73,440	-	-	-	73,440
Total assets	3,463,098	825,613	$ 3,051,338	12,728	7,352,777
Liabilities					
Accounts payable	$ 91,616	$ -	$ 43,327	$ 12,600	$ 147,543
Accrued expenses	30,396	-	-	-	30,396
Deferred revenue	1,420,678	-	-	-	1,420,678
Interfund Payables	1,474,370	-	-	-	1,474,370
Other liabilities	5,261	-	-	-	5,261
Total Liabilities	3,022,321	-	43,327	12,600	3,078,248
Fund Equity					
Fund balance:					
Reserved Special Revenue Fund	-	-	3,008,011		3,008,011
Unreserved Special Revenue Fund	-	825,613	-	128	825,741
Unreserved General Fund	$ 440,777	-	$ -	$ -	$ 440,777
Total fund balance	440,777	825,613	3,008,011	128	4,274,529
Total liabilities and fund balance	$ 3,463,098	$ 825,613	$ 3,051,338	12,728	7,352,777
Adjustments to statement of net assets:					
Fund balance					$ 4,274,529
Capital assets - net					3,591,687
Inter-fund Balances					1,370,231
Deferred tax revenues					1,420,678
Net assets of governmental activities					$ 10,657,125

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

Telfair County, Georgia
Statement of Revenues, Expenditures, and Changes in Fund Net Assets
June 30, 2007

	General	Revolving Loan Fund	SPLOST	Other Governmental Funds	Total
Revenues:					
Taxes	$ 2,803,328	-	1,165,665	17,753	3,986,746
State Government	258,347	-	-	-	258,347
Fines and forfeitures	348,155	-	-	-	348,155
Charges for Services	619,740	-	-	-	619,740
Other	234,551	20,871	79,712	33,366	368,500
Total revenues	4,264,121	20,871	1,245,377	51,119	5,581,488
Current Expenditures:					
General government	991,703		292,273		1,283,976
Judicial	477,687				477,687
Public Safety	1,814,711				1,814,711
Public Works	570,353				570,353
Health & Welfare	124,284				124,284
Economic Development	161,394			46,562	207,956
Community Services	343,534				343,534
Conservation	95,905	-	-	-	95,905
Total Current Expenditures	4,579,571	-	292,273	46,562	4,918,406
Capital Outlay:					
Courthouse – Construction			107,399		107,399
EMS	94,191				94,191
Construction in Progress			18,507		18,507
Recreation facility			37,217		37,217
Infrastructure	-	-	173,561	-	173,561
Total capital outlay	94,191	-	336,684	-	430,875
Total expenditures	4,673,762	-	628,957	46,562	5,349,281
Excess of revenues over (under) Expenditures	(409,641)	20,871	616,420	4,557	232,207
Other Financing Sources					
Transfers in(out)	7,943	-	-	(10,574)	(2,631)
Total other financing sources	7,943	-	-	(10,574)	(2,631)
Net change in fund balance	(401,698)	20,871	616,420	(6,017)	229,576
Restatement of Fund balance - Beginning of year	842,475	804,742	2,391,591	6,145	4,044,953
Fund balance - End of year	440,777	825,613	3,008,011	128	4,274,529
Net change in fund balance					229,576
Increase (decrease) in deferred tax revenue					596,655
Capital Outlay					430,875
Depreciation					(220,086)
Change in net assets of governmental activities					1,037,020

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

Telfair County, Georgia
Statement of Net Assets
Proprietary Fund
June 30, 2007

	Enterprise Fund Landfill
Assets	
Current assets:	
Cash	$ 58,403
Receivables (net, were applicable of allowances for uncollectible)	27,363
Due from other funds	1,370,231
Interest receivable	-
Total Current assets	1,455,998
Non-current assets:	
Restricted assets	3,362,186
Long-Term fixed assets, net	-
Other assets	
Total assets	$ 4,818,184
Liabilities and Net Assets	
Current liabilities:	
Accounts payable	$ 55,073
Noncurrent liabilities:	
Closure/Post closure accrued liability	1,073,905
Total liabilities	1,128,978
Net Assets	
Investment in capital assets, net of related debt	3,362,186
Unreserved	327,020
Total net assets	3,689,206
Total liabilities and net assets	$ 4,818,184

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

Telfair County, Georgia
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Fund
June 30, 2007

	Actual
Operating revenues:	
Landfill use fees	$ 370,588
	370,588
Operating expenses:	
Depreciation expense	101,098
Regular employees	94,242
Group insurance	27,915
Social Security (FICA) contributions	5,843
Medicare	1,367
Retirement Contribution	0
Professional services	83,736
Repairs and maintenance	39,508
Insurance other than Employee Benefit	0
Communications services	2,580
Other purchased services	11,750
General supplies	14,917
Electricity	4,945
Gasoline / diesel	59,713
Small equipment	0
Uniforms	1,361
Miscellaneous expenses	4,748
Closure / post closure	109,864
Total operating expenses	563,585
Operating Income	(192,997)
Nonoperating revenues	
Transfers In	4,456
Interest income	19,966
Misc. income	118
Net (loss)	(168,459)
Change in net assets	(168,459)
Net assets - beginning of year	3,857,665
Net assets - end of year	$ 3,689,206

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

Telfair County, Georgia
Statement of Cash Flow
Proprietary Fund
June 30, 2007

Cash flows from operating activities:	
Cash received from customers	$ 407,829
Cash paid to suppliers for goods and services	(184,357)
Cash paid to employees for services	(94,242)
Cash paid for employee taxes and benefits	(34,973)
Net cash provided (used) by operating activities	94,257
Cash flows from noncapital financing activities:	
Increase in due from general fund	(1,095,231)
Transfers out	4,454
Net cash provided (used) by noncapital activities	(1,090,777)
Cash flows from capital and related financing activities:	
Purchase of capital assets	-
Net cash provided for capital and related financing activities	-
Cash flows from investing activities:	
Interest income on investments	27,994
Net decrease in cash	(968,526)
Cash at beginning of year	1,026,929
Cash at end of year	58,304
Classified as:	
Current assets	58,304
Restricted assets	-
	$ 58,304
Operating Income (Loss)	$ (192,997)
Adjustments to reconcile operating income to net cash provided	
Operating activities:	
Depreciation	101,098
Change in assets and liabilities:	
Decrease(increase) in other/accounts receivable	37,240
(Decrease)Increase in accounts payable and accrued liabilities	39,052
(Decrease)Increase in accrued closure/postclosure costs	109,864
Total Adjustments	186,156
Net cash provided (used) by operating activities	$ 94,257

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

Telfair County, Georgia
Statement of Fiduciary Assets and Liabilities
June 30, 2007

	Trust Fund	Agency Funds
Assets		
Cash	$ 36,205	$ 1,736,941
Taxes receivables (net of allowances for uncollectible accounts)		4,001,785
Other receivables	960	
Total assets	37,165	5,738,726
Liabilities		
Other liabilities		5,738,726
Total liabilities		5,738,726
Net Assets		
Fund balance	37,165	-
Total net assets	$ 37,165	$ -

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

1. Summary of Significant Accounting Policies, continued:

The financial statements of Telfair county, Georgia have been prepared in conformity with generally accepted accounting principles as applied to government units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County applies all applicable FASB pronouncements issued before November 30, 1989 in accounting and reporting its proprietary operations. The more significant of the government's accounting policies are described below.

a) Reporting entity:

a) Primary Government

Telfair County was incorporated December 10, 1807, under provision of the laws of the State of Georgia. The County is governed by a five-member elected board of commissioners and provides the following services in addition to general administrative responsibilities: public safety, roads and bridges, health, recreation activities and sanitation. The County's financial statements include the accounts of all County operations. Certain potential component units might be considered for inclusion in the financial report because of the significance of the County's influence over their operations or finances. Significant influence or accountability is based primarily on operational or financial relationships with the County (as distinct from legal relationships). Based upon the above criteria for component units, the County has four component units that should be discretely presented. As required by generally accepted accounting principles, the financial reporting entity consists of (1) the primary government, (2) organizations for which the Government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

b) Discretely Presented Component Units

The component unit column in the government-wide financial statements includes the financial data of other units. It is reported in a separate column to emphasize that they are legally separate from the County. The Telfair County Department of Leisure Services, Telfair County Hospital Authority, Telfair County Development Authority and Telfair County Board of Health are all component units of Telfair County, Georgia. The County appoints the majority of the board of directors of each of these component units or has a significant relationship with the component unit. Separate financial statements may be obtained from Telfair County Board of Commissioners, 713 Telfair Avenue, McRae, Georgia 31055.

b) Basic Financial Statements - GASB Statement No. 34

The basic financial statements include both government-wide (based on the County as a whole) and fund financial statements. While the previous model emphasized fund types (the total of all funds of a particular type), in the new reporting model the focus is on either the County as a whole or major individual funds (within the fund financial statements). Both the government-wide and fund financial statements categorize activities as governmental activities. In the government-wide Statement of Net Assets, both the governmental and business type activities columns (a) are presented on a consolidated basis by column, and (b) are reflected, on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The government-wide Statement of Activities reflects both the gross and net cost per functional category (public safety, general government, etc.), which are otherwise being supported by general government revenues (property and other taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. The program revenues must be directly associated with the function. Program revenues include revenues from fines and forfeitures, licenses and permits fees, service assessments, and charges for services. The operating grants include operating specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

1. Summary of Significant Accounting Policies, continued:

The net costs (by function or business-type activity) are normally covered by general revenue (property or other taxes, intergovernmental revenues, interest income, etc.). Historically, the previous model did not summarize or present net cost by function or activity.

The government-wide focus is more on the substantiality of the County as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

The fund financial statements are, in substance, very similar to the financial statements presented in the previous model. Emphasis here is on the major funds in the governmental categories.

The governmental funds statements in the fund financial statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. The presentation is deemed most appropriate to (a) demonstrate legal and covenant compliance, (b) demonstrate the source and use of liquid resources, and (c) demonstrate how the County's actual experience conforms to the budget or fiscal plan. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the Agovernment-wide statements@ governmental column, a reconciliation is presented which briefly explains the adjustment necessary to transform the fund based financial statements into the governmental column of the government-wide presentation.

The County's fiduciary fund is presented in the fund financial statements. Since by definition these assets are being held for the benefit of a third party and cannot be used to finance activities or obligations of the government, these funds are not incorporated in the government-wide statements.

The focus of the current model is on the County as a whole and fund financial statements, including major individual funds of the governmental and business-type categories, as well as the fiduciary funds (by category), and the component units. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

c) Fund Accounting:

The accounts of Telfair County are organized and operated on a fund basis. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts comprised of its assets, liabilities, fund equity, revenues, expenditures or expenses, as appropriate, and transfers. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are summarized by type in the financial statements. Major funds included in the basic financial statements include the General Fund which accounts for the general operations of the county, the Revolving Loan Fund which accounts for issuance and payment of principle and interest on revolving loans, and the SPLOST Fund which accounts for Special Local Option Sales tax receipts and disbursements. Also included is The Telfair County Landfill is a major enterprise fund which accounts for operations of the landfill similar to a private business enterprise. The following fund types and account groups are used by the County:

GOVERNMENTAL FUND TYPES

General Fund - The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are generally used to account for certain specific revenue sources, including special service districts, grants and similar funds that are legally restricted to expenditures for specified purposes. The County has three Special Revenue Funds. They include Multiple Grant Fund, Hotel/Motel Tax Fund and Revolving Loan Fund.

1. Summary of Significant Accounting Policies, continued:

Special Projects Fund- Special Project Funds are used to account for Revenue and Expenditures from specific revenue sources which are to be restricted to expenditures for specified purposes. The County has one Special Projects Fund which is The SPLOST Fund.

PROPRIETARY FUND

Enterprise Fund - The Enterprise Fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges: or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The county's proprietary fund employs the economic resources measurement focus.

Telfair County has one Enterprise Fund, the Landfill. The County maintains certain debt service cash funds to account for the accumulation or resources, and the payment of related cost of the Landfill Fund. These funds have been consolidated into the Landfill Fund for reporting purposes.

FIDUCIARY FUNDS

Trust and Agency Funds - Trust and Agency Funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These include Expendable Trust, Unexpendable Trust and Agency Funds. Unexpendable Trust Funds are accounted for using the full accrual method of accounting for assets since maintenance of capital is critical. Expendable Trust Funds are accounted for in essentially the same manner as governmental funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

d) Basis of Accounting:
Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements, proprietary and fiduciary financial statements are presented on an accrual basis of accounting. The governmental funds in the fund financial statements are presented on a modified accrual basis.

Accrual - Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual - All governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. AMeasurable@ means the amount of the transaction can be determined. AAvailable@ means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

The County defined the length of time used for Aavailable@ for purposes of revenue recognition in the governmental fund financial statements to be 60 days.

Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any is recognized when due.

1. Summary of Significant Account Policies, continued:

In applying the Asusceptible to accrual@ concept to intergovernmental revenues pursuant to GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenue when the applicable eligibility requirements including time requirements, are met. Resources transmitted before the eligibility requirements are met should, under most circumstances, be reported as advances by the provider and as deferred revenue by the recipient.

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

As a general rule the effect of inter fund activity has been eliminated from the government-wide financial statements.

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.

e) Budgets and Budgetary Accounting:

The County's procedures is establishing, maintaining and revising budgetary data reflected in the financial statements are as follows: Prior to July 1, the Board of Commissioners (the Board) prepares a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and expected means of financing. Public hearings are conducted in the Board's Office to obtain taxpayer comments. Prior to July 1, the budget is legally enacted through approval by the Board. The Board is authorized to transfer budgeted amounts between departments within any fund. Formal budgetary integration is employed as a management control device during the year for the General and Special Revenue Funds. Budgets for the General Fund and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles. All appropriations lapse at the end of the fiscal year on June 30th.

f) Capital Assets:

Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized in the government-wide financial statements to the extent the County' capitalization threshold of $5,000 is met. Other costs incurred for repairs and maintenance are expenses as incurred. Depreciation on capital assets is calculated on the straight-line basis over the estimated useful lives of the respective assets as follows:

Buildings and plant	40 years
Machinery and equipment	5 - 20 years

g) Encumbrances:

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is not utilized by the County because it is, at present, not considered necessary to assure effective budgetary control or to facilitate effective cash planning and control.

1. Summary of Significant Accounting Policies, continued:

h) Investments:

Georgia law authorizes local governments to invest in the following types of obligations;

1. Obligations of the State of Georgia or of any other states;
2. Obligations issued by the United States;
3. Obligations fully insured or guaranteed by the United States government or governmental agency;
4. Obligations of any corporation of the United States government;
5. Prime banker's acceptances;
6. Georgia Fund 1 state investment pool;
7. Repurchase agreements; and
8. Obligations of other political subdivisions of the State of Georgia.

The investments of the County consist of bank certificates of deposit and are stated at cost, which is equal to market. Accrued interest receivable on these investments is shown separately.

Landfill	-
SPLOST	$ 36,744
Accrued Interest on SPLOST Certificates of Deposits & Landfill Certificates of Deposits	$ 36,744

The investments of the Hospital Authority consist of Marketable Debit Securities with a cost of $803,975 and a Market Value of $808,993.

The Telfair County Board of Health Certificate of Deposits balance at 6/30/2007 was $418,970.

i) Allowance for Uncollectible Accounts;

An allowance for uncollectible taxes receivable has been provided for taxes receivable in the General and Tax Commissioner (Fiduciary) Funds, which, in the opinion of the Commissioners, are doubtful of collection at June 30, 2007 The allowance consists of a percentage of total taxes receivable, based upon actual historical losses.

j) Cash and Cash Equivalents:

For purposes of the statement of cash flows, the proprietary fund type considers all highly liquid investments to be cash equivalents.

k) Prepaid Expense:

Payments made to vendors for services that will benefit periods beyond June 30, 2007 are recorded as prepaid items.

2. Summary of Significant Accounting Policies, continued:

Cash:

Deposits

At June 30, 2007, the carrying amount of the County' deposits was $3,553,083 and the bank balance was $4,106,318. Of the bank balance, $500,000 was covered by federal depository insurance and $4,618,001 was covered by collateral held at The Bankers Bank, Atlanta, Georgia for Merchants and Citizens Bank's safekeeping agent, SunTrust Bank, Security State Bank's safekeeping agent, and The Bankers Bank, Atlanta, Georgia for Telfair County Bank pledged in the County's name.

The County's deposits are categorized to give an indication of the level of risk assumed by the County at year-end. Category 1 includes deposits that are insured or collateralized with securities held by the County or its agent in the County's name. Category 2 includes deposits collateralized with securities held by the pledging financial institution's trust department or agent in the County's name. Category 3 includes collateralized bank accounts including any bank balance that is collateralized with securities held by the pledging institution's trust department or agent but not in the County's name.

The County's deposits are classified as follows at June 30, 2007:

Category			Bank	Carrying
1	2	3	Balance	Amount
500,000	4,618,001	-	$ 4,106,318	$ 3,553,083

3. Taxes Receivable and Allowances for Uncollectible Accounts:

Taxes receivable and allowances for uncollectible accounts at June 30, 2007 are as follows:

	Receivable	Allowance	Net
General fund:			
Taxes receivable	$ 87,572	$	$ 87,572
Fiduciary fund:			
Taxes receivable	4,368,996	(367,211)	4,001,785
Total	$ 4,456,568	$ (367,211)	$ 4,089,357

Property taxes for 2006-2007 were levied on and due June 20, 2007 on property valued as of September 22, 2005. The tax rate to finance general governmental services for the fiscal year ended June 30, 2007 was $10.179 per $1,000 of assessed taxable property value for the unincorporated areas of Telfair County, and $10.179 per $1,000 of assessed taxable property value for the incorporated areas. The taxable values for the unincorporated and incorporated areas amounted to $948,892 and $1,130,151 respectively. Property tax revenues are recognized when they have become available. Available means when due, or past due and receivable within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Taxes relating to the current budget and collected within 60 days after the fiscal year end are recognized as revenue currently.

4. Interfund Receivables and Payables:

Transactions between funds are representative of lending/borrowing arrangements outstanding at the end of the fiscal year and are referred to as inter fund receivables/payables. These inter fund transactions are eliminated on consolidation of the basic financial statements.

A summary of Inter fund Receivables and Payables at June 30, 2007 follows:

Receivable Fund	Payable Fund	Amount
Landfill	General Fund	$1,370,231
Total		$1,370,231

5. Capital Assets and Long-Term Debt:

A summary of changes in Capital Assets follows:

	Balance 6/30/2006	Additions	Deletions	Balance 6/30/2007
Primary Government:				
Capital assets, not being depreciated:				
Land	$ 217,535	$ -	$ -	$ 217,535
Total capital asset, not being depreciated	217,535	-	-	217,535
Capital assets, being depreciated				
Equipment	3,134,544	94,191	$ -	$3,228,735
Buildings and improvements	1,542,410	336,684	$ -	1,897,094
Total capital assets being depreciated	4,676,954	430,875	$ -	5,107,829
Accumulated depreciation for:				
Equipment	1,340,377	180,593	-	1,520,970
Building and improvements	173,214	39,493	-	212,707
Total accumulated depreciation	1,513,591	220,086	-	1,733,677
Total capital assets being depreciated	3,163,363	648,335	-	3,374,152
Invested in capital assets Net of related debt	$3,380,898			$3,591,687

5. Capital Assets and Long-Term Debt, continued:

Business-type activities:	Balance 06/30/2006	Addition	Deletions	Balance 06/30/2007
Capital assets, not being depreciated:				
Land	$ 707,670			$ 707,670
Total capital assets, not being depreciated:	707,670			707,670
Capital assets, being depreciated				
Equipment	$ 3,961,925			$ 3,961,925
Buildings and improvements:	40,257			40,257
Total capital assets being depreciated:	4,002,182			4,002,182
Accumulated depreciations for:				
Equipment	$ 1,235,124	100,092		$ 1,335,216
Buildings and improvements	11,444	1,006		12,450
Total accumulated depreciation	1,246,568	101,098		1,347,666
Total capital assets, being depreciated net:	2,755,614	(101,098)		2,654,516
Invested in capital assets Net of related debt	$ 3,463,284	$ (101,098)		$ 3,362,186

Component units:

	Balance 06/30/2006	Addition	Deletions	Balance 06/30/2007
Capital assets, not being depreciated	$ 235,780		$	$ 235,780
Total capital assets, not being depreciated	235,780			235,780
Capital assets, being depreciated				
Equipment	$ 236,455	$ 14,255	$	$ 250,710
Buildings and improvements	1,104,902	-	-	1,104,902
Total capital assets being depreciated	1,341,357	14,255	-	1,355,612
Accumulated depreciation for:				
Equipment	84,449	2,039	-	86,488
Buildings and improvements	63,496	16,916	-	80,412
Total accumulated depreciation	147,945	18,955	-	166,900
Total capital assets, being depreciated Net	1,193,412	(4,700)		1,188,712
Invested in capital assets net of related debt	$1,429,192	$ 114,060	$ -	$1,310,132

5. Capital Assets and Long-Term Debt, continued:

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
EMS Operations	$ 33,050
Fire	1,709
General administrative	7,523
Sherriff	30,820
Highways and Streets	97,236
Solid waste collection	20,146
Recreation Complex	27,927
Tax Commissioner	1,675
Total depreciation – Governmental activities	$ 220,086
Business-type activities:	
Landfill	$ 101,098
Total depreciation – business Type activities	$ 101,098
Component units:	
Development Authority	$ 16,916
Health Department	1,313
Leisure Services	726
Total depreciation – Component Units	$ 18,955

Long-term debt:

Landfill - Closure/Post Closure Liability

Closure/Post Closure Liability 6/30/06	$ 964,041
Change in Liability	109,864
Total Closure/Post Closure Liability 6/30/07	$1,073,905

Component unit long-term debt - Development Authority of Telfair County

Changes in long-term debt for the Development Authority of Telfair County
The following is a summary of changes in long-term debt, as of June 30, 2007:

Description	Issue	Date	Rate	7-1-06	Issued	Retired	6/30/07
Revenue Bonds	$ 500,000	9-01-2012	7.50%	$ 276,421	$ -	$ 276,421	$ -0-
One Georgia Loan	$ 500,000	7-01-2023	0.00%	412,500	-	25,000	387,500
M&C Bank - ACS Loan	$ 625,000	3-03-2007	5.00%	68,288	-	20,419	47,869
Security State Bank-Land Loan	$ 200,000	5-06-2006	3.75%	100,200	-	40,000	60,200
EIP Note -Due to Telfair County	$ 470,000	5-27-2012	3.00%	396,279	-	58,327	337,952
				$ 1,253,688	$ -	$ 420,167	$ 833,521

5. Long-term debt, continued:

The annual debt service requirements to maturity, principal and interest for long-term debt as of June 30, 2007 are as follows:

Year ending June 30	One Georgia Loan		M&C ACS Loan		Security Land Loan		EIP Note Telfair Co.		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2008	$ 25,000	$ -	$ 47,869	$ 3,949	$ 60,020	$ 3,913	$ 55,409	$ 9,517	$ 188,478	$ 17,379
2009	25,000	-	-		-		57,094	7,832	82,094	7,832
2010	25,000	-	-				58,831	6,095	83,831	6,095
2011	25,000	-	-		-		60,621	4,306	85,621	4,306
2012	25,000	-	-		-		62,460	2,462	87,460	2,462
2013-2017	125,000	-	-		-		43,537	603	168,537	603
2018-2022	125,000	-	-		-				125,000	-
2023	12,500	-							12,500	-
Total	$387,500	$ -	$ 47,869	$ 3,949	$ 60,200	$ 3,913	$337,952	$ 30,815	$ 833,521	$ 38,677

Component unit long-term - Department of Leisure Services

Description	Issue	Date	Rate	7/1/06	Issued	Retired	6/30/07
Note Payable	$ 7,920	08/08/06	10.5%	$ -	$ 7,920	$ 1,929	$ 5,991

The annual debt service requirements to maturity, principal and interest for long-term debt as of June 30, 2007 are as follows:

	Principle	Interest
2008	$ 2,588	$ 474
2009	2,900	205
2010	503	6

6. Retirement Commitments:

1. Probate Judge's Retirement fund of Georgia

The Probate Judge is covered under a pension plan which requires that certain sums from marriage licenses and fines or bond forfeitures be remitted to the pension plan before the payment of any costs or other claims.

2. Clerk of Superior Court Retirement Fund

The Clerk of Superior Court is covered under a pension plan which requires that certain sums from fees and fines or bond forfeitures be remitted to the pension plan before the payment of any costs or other claims.

3. Sheriff's Retirement Fund / Peace Officer's Annuity and Benefit Fund

The Sheriff and sheriff deputies are covered under separate pension plans which require that certain sums from fines or bond forfeitures be remitted by the Probate Judge and Clerk of Superior Court to the pension plans before the payment of any costs or other claims.

7. Retirement Plan:

1. Plan Description:

The County contributes to the Association County Commissioners of Georgia (ACCG) Defined Benefit Plan (Plan), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating counties in Georgia. The County has the right to establish and amend the benefit provisions of the plan. The County's payroll for employees covered by the Plan as of January 1, 2006 (the most recent actuarial valuation date) was $1,088,505 (based on covered earnings for the preceding year).

All full-time County employees are eligible to participate in the Plan after completing three years of service. Benefits vest after five years of service. Participants become eligible to retire at age 65 with 3 years of participation in the Plan. Upon eligibility to retire, participants are entitled to an annual benefit in the amount of 1.0% of average annual compensation plus $36.00 for each year of service payable as a life annuity. Compensation is averaged over a five-year period prior to retirement or termination. The Plan also provides benefits in the event of death or disability. These benefit provisions were established by an adoption agreement executed by the County board of Commissioners.

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

The County's current year total payroll is $2,042,542 for the fiscal year ending June 30, 2007.

7. Retirement Plan, continued:

Summary of Plan Asset Matters and Accounting Policies

The Plan's financial statements are prepared as stand alone, on an accrual basis, modified to include unrealized gains or losses on marketable securities owned by the Plan and incremental changes in the cash value of pre-retirement life insurance policies owned by the trust. Copies of the Plan's financial statements may be obtained by contacting Telfair County.

Investments in securities are valued at current market prices. The trust fund is invested, approximately, in 60% equities and 40% fixed income securities on a cost basis.

Plan assets do not include any loans, notes, bonds, or other instruments or securities of the County or related parties.

Funded Status and Progress

The amount shown on the following pages as the pension benefit obligation is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funded status of the Plan on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers. The measure is the actuarial present value of credited projected benefits and is independent of the funding method used to determine contributions to the Plan.

The pension benefits obligation was computed as part of an actuarial valuation as of January 1, 2006. Significant actuarial assumptions used in the valuation include: a) a rate of return on the investment of present and future assets of 8 percent per year compounded annually, b) projected salary increases of 5.0 percent per year compounded annually,
c) no post-retirement benefit increases, and d) expected annual inflation of 3.0 percent.

Total unfunded pension obligation applicable to County employees was $178,490 at December 31, 2006 as follows:

Pension benefit obligation:	
Retirees and beneficiaries currently receiving benefits and Terminated employees not yet receiving benefits	$ 635,191
Current employees	
Accumulated employee contributions, (including investment earnings)	Not Applicable
Employer-financed vested	620,849
Employer-financed non-vested	71,075
Total present value of Accrued Benefits	1,327,115
Effective of future salary increases	170,832
Total present value of Accrued Benefits	1,497,947
Net assets available for benefits, at market (includes Expected receivables)	1,399,230
Unfunded pension benefit obligation	$ 98,717

7. Retirement Plan, continued:

Contributions Required and Contributions Made

ACCG Plan funding policy provided for making required actuarially determined periodic contributions under the Projected Unit Credit actuarial cost method. This cost method determines plan liabilities consistent with the standardized measure of pension obligation described by Statement No. 5 of the Governmental Accounting Standards Board (GASB #5). In addition, this cost method determines contributions at rates that, for individual employees, increase gradually as an employee gets older, and enables sufficient assets to accumulate when benefits become due. Any excess of the actuarial accrued liability (AAL) as of January 1, 1988 over the Plan's assets as of that date is amortized over closed periods on a two-tier basis as follows:

a) If the value of benefits accumulated as of January 1, 1988 (based on current salary history, not projected) exceeds the Plan's assets, that excess is amortized over ten years, beginning January 1, 1988; plus b) the additional unfunded AAL as of January 1, 1988 is amortized over 30 years, beginning January 1, 1988.

For January 1, 1989 and later valuations three additional amortization amounts may apply: c) the amortization of the change in AAL attribute to Plan amendments over 20 years, beginning on the effective date of the amendment; plus d) the amortization of the cumulative difference between the actual calculated unfunded AAL as of the valuation date and the expected unfunded AAL based on the actuarial assumptions used for funding purposes over 15 years; plus e) the amortization of the change in unfunded AAL resulting from changes in actuarial assumptions over 30 years.

The significant actuarial assumptions used to compute the actuarially determined contribution requirements are the same as those used to compute the pension benefit obligation as described in C above.

Contributions totaling $109,919 ($109,919 employer and $0 employee) were made in accordance with actuarially determined contribution requirements determined by an actuarial valuation performed as of January 1, 2007. Employer contributions attributable to the 2006 Plan year were made in late 2006 and are not included in the assets shown as of December 31, 2006. These contributions consist of a) $57,855 of normal cost, b) $52,064 of amortization of unfunded AAL and c) $7,987 in administrative expenses. The employer contributions represent 10.1 percent of payroll (using the prior year's earnings as a base). Prior year employer contributions expressed as percentages of annual covered payroll are as follows:

7. Retirement Plan, continued:

Fiscal Year	Annual Pension Cost	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation	Percentage Of Annual Covered Payroll
2006	$109,919	$109,919	100%	-	10.1%
2005	115,079	115,079	100%	-	10.4%
2004	104,392	104,392	100%	-	9.9%
2003	96,646	96,646	100%	-	9.3%
2002	81,589	81,589	100%	-	7.9%
2001	60,134	60,134	100%	-	7.1%
2000	55,880	55,880	100%	-	7.2%
1999	55,645	55,645	100%	-	7.6%
1998	39,350	39,350	100%	-	7.3%
1997	N/A	37,773	N/A	N/A	9.2%
1996	N/A	49,191	N/A	N/A	10.8%
1995	N/A	N/A	N/A	N/A	9.8%

7. Retirement Plan, continued:
Historical Trend Information

Historical trend information, designed to provide information about a public employee retirement system' progress made in accumulation sufficient assets to pay benefits when due, is presented below:

Analysis of Funding Progress

Fiscal Year	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ration (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Annual Covered Payroll (prior year)	(6) UAAL as a Percentage of Covered Payroll (4) / (5)
1995	270,562	401,379	67.4%	130,817	390,504	33.5%
1996	373,895	466,685	80.1%	92,790	517,847	17.9%
1997	448,511	477,615	93.9%	29,104	409,887	7.1%
1998	518,247	572,990	90.4%	54,743	535,497	10.2%
1999	594,694	693,540	85.7%	98,846	733,665	13.5%
2000	649,878	768,063	84.6%	118,185	780,904	15.1%
2001	669,624	866,832	77.2%	197,208	842,232	23.4%
2002	934,460	1,116,133	83.3%	181,673	1,031,178	17.7%
2003	828,358	1,214,853	68.2%	386,495	1,040,041	37.2%
2004	919,322	1,302,573	70.6%	383,251	977,075	39.2%
2005	1,071,531	1,438,652	74.5%	367,121	1,107,025	33.2%
2006	1,228,398	1,497,947	82.0%	269,549	1,088,505	24.8%

Analysis of the dollar amount of actuarial value of assets available for benefits, actuarial accrued liability, and unfunded actuarial accrued liability in isolation can be misleading. Expressing the actuarial value of assets as a percentage of the actuarial accrued liability provides one indication of funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the Plan's progress in accumulated sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the Plan.

7. Retirement Plan, continued:

Required Supplementary Information
Revenues by Source and Expenses by Type

Revenues by Source

Fiscal Year	Employer Contributions	Employee Contributions	Investments Income	Recoveries	Total
1994	40,978	0	(370)	0	40,608
1995	37,995	0	39,906	0	77,901
1996	42,147	0	29,832	496	72,475
1997	37,773	0	63,263	0	101,036
1998	39,350	0	54,255	0	93,605
1999	55,645	0	42,761	2,466	100,872
2000	55,880	0	21,983	0	77,863
2001	60,134	0	(2,489)	0	57,645
2002	81,589	0	(28,242)	0	53,347
2003	96,656	0	105,559	0	202,015
2004	104,392	0	41,242	0	145,634
2005	115,079	0	88,033	0	203,112
2006	109,919	0	119,556	0	229,675

7. Retirement Plan, continued:

Expenses by Type

Fiscal Year	Retirement Benefits	Administrative Expenses	Refunds	Total
1996	8,906	3,924	0	12,830
1997	17,572	3,941	0	21,513
1998	18,932	4,937	0	23,869
1999	18,498	5,927	0	24,425
2000	18,309	6,164	(1,774)	22,699
2001	31,267	6,632	0	37,899
2002	33,422	7,672	0	41,094
2003	46,838	7,720	0	54,558
2004	47,296	7,374	0	54,670
2005	44,192	8,089	(1,378)	50,903
2006	64,821	7,987	0	72,808

1. Administrative expenses include fees associated with actuarial, accounting and administrative services. Contributions were made in accordance with actuarially determined contribution requirements. Contributions made during a particular year are attributable to the prior Plan year.

8. Vacation and Sick Pay:

National Council on Governmental Accounting (NCGA) Statement 4, effective for fiscal years beginning after December 31, 1982, requires that vacation and sick pay benefits be accrued when: 1) the employee's obligation to employees' right to receive compensation for future benefits is attributable to employee's service already rendered; 2) the obligation relates to rights that vest or accumulate; 3) payment of the compensation is probable; and 4) the amount can be reasonably estimated.

The County compensates all employees for unused vacation at the fiscal year end; therefore, no accrual for vacation is necessary at June 30, 2007.

Accumulated sick pay benefits have not been recorded as a liability because these benefits are paid only upon the illness of an employee, and the amount of such payments cannot be reasonably estimated.

9. Contingencies:

The County has received grant monies for various purposes. All grant monies received by the County are subject to examination and adjustment by the applicable governmental agency or their designee. However, in the opinion of County officials, any adjustments emanating as a result of such examination are not expected to differ materially from the amounts reflected in the accompanying financial statements.

9. Contingencies, continued:

There are several lawsuits pending in which the County is involved. The County Attorney & ACCG has advised that potential claims against the County resulting from such litigation are such that they would not materially affect the financial statements of the County.

10. Related Party:

The County uses a vendor whose owners were immediate family members of a member of the governing body during the first half of the fiscal year. During the year ended June 30, 2007, $113,117 was purchased by the County from this Company. At June 30, 2007 this company is no longer considered a related party.

11. Risk Management:

The County is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has joined together with other municipalities in the state as part of the Georgia Interlocal risk Management Agency Property and Liability.

Insurance Fund and the Georgia Municipal Association Group Self-Insurance Worker's Compensation Fund is a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

As part of these risk pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the 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 funds are to defend, in the name of and on behalf of the members, any suits or other proceeding which may at any time be instituted against them on account of injuries or death within the preview of the Workers' Compensation Law of Georgia, or on the basis of employer's liability, including suits or other proceedings alleging such injuries and demanding or groundless, false of fraudulent. The Fund is to pay all cost 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.

12. Jointly Governed Organization:

Telfair County, in conjunction with cities and counties in the sixteen (16) county Heart of Georgia area are members of the Heart of Georgia Altamaha Regional Development Center (RDC). Membership in an RDC is automatic for each municipality and county in the state. The official Code of Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the RDCs. Each county and municipality in the state is required by law to pay minimum annual dues to the RDC.

The County paid annual dues in the amount of $5,130 to the RDC for the year ended June 30, 2007. The RDC Board membership includes an elected or appointed official of each county and an elected or appointed municipal official from each county. The County board members and municipal board members from the same county elect one member of the Board who is a resident (but not an elected or appointed official or employee of the County or municipality) to serve as the nonpublic Board member from a County. Copies of the RDC's financial statements may be obtained from the Heart of Georgia Altamaha Regional Development Center.

The Georgia Planning Act of 1989 (O.C.G.A. 50-8-34) defines RDC as public agencies and instrumentalities of their members. Georgia laws also provide that the member governments are liable for any debts or obligations of an RDC beyond its resources. (O,C,G,A, 50-8-39.1)

13. Hotel / Motel Tax:

The County levies a hotel/motel tax under the provisions of O.C.G.A. 48-13-51. The code section provides that the County shall expend for the purpose of promoting tourism, conventions, and trade shows a percentage of the total taxes collected under this Code section which is not less than the percentage of such tax collections expended for such purposes during the immediately preceding fiscal year.

For the year ended June 30, 2007, the County has complied with the expenditure requirements of code section 48-13-51.

Lodging Tax Receipts	$ 17,753
Disbursements to Chamber of Commerce for the promotion of tourism	7,198
Balance of Lodging Funds on hand at end of year	$ 9,955

14. Note Receivable:

In September, 1997, The Development Authority of Telfair County (the Authority) issued a revenue bond in the amount of $500,000 (Development Authority of Telfair County Industrial Development Revenue Bond-Design Space, Inc. Project-Series 1997) through Merchants and Citizens Bank of McRae, for the purpose of acquiring, construction, and equipping certain manufacturing facilities in Telfair County. The bond shall bear interest from its date of issuance on the unpaid principal balance at a rate per annum of 7.5%. The proceeds of this issue were loaned to Design Space, Inc. for this purpose. Under the terms of the loan agreement, Design Space will make principal payments on the first of each month with interest at the rate of 7.5%. This is a mirror image of the bond agreements, and payments will be made directly to the Merchants and Citizens Bank of McRae, the bondholder. The security for this note is property and equipment purchased by Design Space, Inc. The Authority is not responsible for the payment of this debt except for the payments that are received on the underlying loan agreement.

In May 2004, the Development Authority of Telfair County (the Authority) borrowed $470,000 from the Revolving Loan Fund of Telfair County. The loan is being paid back to Telfair County in monthly installments of $5,410 through March 1, 2013. The note bears an interest rate of 3.0%.

15. Landfill Closure and Postclosure Care Costs:

Under state and federal laws and regulations, the County is required to place a final cover upon closure and to continue to perform various maintenance and monitoring functions at the landfill site for a period of 30 years after closure. The expense and related liability are based on landfill capacity used to date. The estimated total cost of the landfill closure and postclosure care is estimated to be $2,604,649. This amount is based on equipment, facilities, and services necessary to close, monitor, and maintain the landfill. However, the actual cost may vary due to inflation or deflation, changes in technology, or changes in landfill laws and regulations. To date, the County has used 36% of the landfill capacity and the landfill has an estimated remaining life of thirty years.

16. Expenditures Exceed Appropriations:

During the year ended June 30, 2007, expenditures exceeded appropriations in the following departments:

Fund	Department	Expenditures Over Budget
General	General Administration	$ 7,576
	Coroner	3,368
	Health Dept. Bld.	1,607
	Emergency Medical Services	124,437
	Community Center	1,140
	Gen. Government Buildings	2,606
	Tax Commissioner	11,418
	Jail	121,347
	Clerk of Court	7,726
	Transport Services	4,001
	Senior Citizen Center	1,047
	Elections	6,093
	Library Administration	362
	Airport	7,376
	Forest Resources	8,548
	Intergov Welfare Pmt	11,530
	Economic Development	39,200

17. Restatement of Fund Balance

A restatement of Other Governmental Funds' Beginning Fund Balance is presented on page 9 of these financial statements. In 2005, the Non-major Funds were separated from Major Funds and the Law Library was erroneously entered as a non-major Fund. Other Governmental Fund's includes the Multiple Grant Fund and the Hotel/Motel Tax Fund.

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Telfair County, Georgia
Budgetary Comparison Schedule
Schedule of Revenues, Expenditures, and Changes in Fund Balance
All Governmental Fund Types
Year Ended June 30, 2007

	Original Budget	Amended Budget	Total Governmental Funds	Variance Favorable (Unfavorable)
Revenues:				
Taxes	$ 3,160,000	$ 3,160,000	$ 3,968,993	$ 808,993
Fines and Forfeitures	864,000	864,000	348,155	(515,845)
Other	244,600	244,600	1,269,339	1,024,739
Total revenues	4,268,600	4,268,600	5,581,487	1,312,887
Expenditures:				
Function:				
Highways & Streets	570,507	570,507	494,756	75,751
EMS Operations	574,070	574,070	698,507	(124,437)
Law Enforcement	547,403	547,403	542,163	5,240
General Adm	230,109	230,109	237,685	(7,576)
Jail Operations	210,364	210,364	331,711	(121,347)
Tax Commissioners	172,973	172,973	184,391	(11,418)
Tax Assessors	202,620	202,620	173,307	29,313
Gen. Gov's Bldg	61,619	61,619	64,225	(2,606)
Clerk of Sup Court	142,872	142,872	150,598	(7,726)
Governing Body	230,823	230,823	250,460	(19,637)
Dispatchers	147,392	147,392	124,040	23,352
Probate Court	124,789	124,789	122,217	2,572
Superior Court	123,162	123,162	116,809	6,353
Transport Services	92,423	92,423	96,424	(4,001)
Senior Citizens Cnt	94,147	94,147	95,194	(1,047)
Magistrate Court	90,204	90,204	88,063	2,141
Elections	82,721	82,721	88,814	(6,093)
Economic Development	108,100	108,100	147,308	(39,208)
Solid Waste Collect	91,442	91,442	75,598	15,844
Public Health Admin	65,822	65,822	65,010	812
Cult/Recr Admin	50,000	50,000	50,000	-
Library Admin	52,100	52,100	52,462	(362)
Community Center	48,314	48,314	49,454	(1,140)
Agriculture Resources	46,004	46,004	35,283	10,721
Health Dept Bldg	38,137	38,137	39,744	(1,607)
Conservations Adm	28,161	28,161	30,122	(1,916)
Coroner/Med Examiner	22,834	22,834	26,202	(3,368)
Fire Admin	22,500	22,500	12,476	10,024
Airport	6,010	6,010	14,086	(8,076)
Forest Resources	21,952	21,952	30,500	(8,548)
Intergov Welfare Pmts	8,000	8,000	19,530	(11,530)
Grant Expenditure	-	-	39,382	(39,382)
SPLOST	-	-	292,273	(292,273)
E-911	80,000	80,000	79,610	390
Total current expenditures	4,387,574	4,387,574	4,918,404	(530,830)
Capital outlay:				
Courthouse Construction	-	-	125,906	(125,906)
EMS	-	-	94,191	(94,191)
Recreation Facility	-	-	37,217	(37,217)
Infrastructure	-	-	173,561	(173,561)
Total Capital Outlay	-	-	430,875	(430,875)
Total Expenditures	4,387,574	4,387,574	5,349,279	(797,781)
Excess of revenues				
Transfers			2,631	
Over (under) Expenditure	(118,974)	(118,974)	234,839	353,813
Net Change In Fund Balance			234,839	
Fund Balance – Beginning of Year			4,040,745	
Fund Balance – End of Year			4,309,607	

Telfair County, Georgia
Fiduciary Funds
Balance Sheet Schedule
June 30, 2007

	Clerk of Superior Court	Sheriff	Judge of Probate Court	Tax Commissioner	Magistrate Court	Total Fiduciary Funds
Assets						
Cash	$ 93,571	$ 12,945	$ 20,632	$ 1,571,586	$ 38,287	$ 1,736,941
Taxes receivable (net allowance for uncollectible accounts)	-	-	-	4,001,785	-	4,001,785
Total assets	$ 93,571	$ 12,945	$ 20,632	$ 5,573,291	$ 38,287	$ 5,738,726
Liabilities and Fund Balances						
Liabilities:						
Other Liabilities	$ 93,571	12,945	20,632	5,573,291	38,287	5,738,726
Total liabilities	93,571	12,945	20,632	5,573,291	38,287	5,738,726
Total liabilities and fund balances	$ 93,571	$ 12,945	$ 20,632	$ 5,573,291	$ 38,287	$ 5,738,726

Telfair County, Georgia
Department of Transportation – Section 18
Schedule of Revenues and Expenditures
Year Ended June 30, 2007

	Budget	Actual	Variance-Favorable (Unfavorable)
Revenues:			
Receipts	$ 16,000	$ 126,076	$ 126,076
Expenditures:			
Salaries	44,436	44,494	(58)
Administration	16,200	27,218	(11,018)
Payroll Taxes and Insurance	19,874	21,538	(1,664)
Repair and Maintenance	3,000	60	2,940
Vehicle Operations	6,150	668	5,482
Supplies	-	-	-
Miscellaneous	2,113	1,895	218
Communications	650	627	23
Total Expenditures	$ 92,423	$ 96,500	$ (4,077)
Excess of revenues over (under) expenditures	$ (92,423)	$ 29,576	$ 121,999

Telfair County, Georgia
Schedule of Changes in Governmental Fixed Assets
Year Ended June 30, 2007

Additions:	
Ambulance	$ 94,191
Road paving	173,561
Construction in Process	163,123
Total additions	430,875
Deletions	-
Total deletions	-
Net capital assets added	$ 430,875

Telfair County, Georgia
Schedule of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended June 30,2007

	Balance June 30,2006	Additions	Deletions	Balance June 30, 2007
	Tax Commissioner			
Assets				
Restricted assets:				
Cash and cash equivalents	$ 130,836	$ 3,759,959	$ 2,319,289	$ 1,571,506
Taxes receivable, net	2,047,877	4,368,996	2,415,088	4,001,785
Total assets	$ 2,178,713	$ 8,128,955	$ 4,734,377	$ 5,573,291
Liabilities				
Payable from restricted assets:				
Other Payables	$ 904,008	$ 2,676,910	$ 1,240,136	$ 2,240,136
Accounts Payable	1,274,705	3,847,911	1,890,107	3,232,509
Total liabilities and fund balance	$ 2,178,713	$ 6,524,821	$ 3,130,243	$ 5,573,291
	Magistrate Court			
Assets				
Restricted assets:				
Cash and cash equivalent	$ 21,714	$ 246,707	$ 230,134	$ 38,287
Total assets	$ 21,714	$ 246,707	$ 230,134	$ 38,287
Liabilities				
Payable from restricted assets:				
Other Payables	$ 3,173	$ 21,588	$ 23,334	$ 1,427
Accounts Payable	18,541	208,546	190,227	36,860
Total liabilities and fund balance	$ 21,714	$ 230,134	$ 213,561	$ 38,287
	Judge of Probate Court			
Assets				
Restricted assets:				
Cash and cash equivalents	$ 9,983	$ 144,029	$ 133,380	$ 20,632
Total assets	$ 9,983	$ 144,029	$ 133,380	$ 20,632
Liabilities				
Payable from restricted assets:				
Other Payables	$ 6,840	$ 54,123	$ 49,889	$ 11,074
Accounts Payable	3,143	79,251	72,836	9,558
Total liabilities and fund balance	$ 9,983	$ 133,374	$ 122,725	$ 20,632

Telfair County, Georgia
Schedule of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended June 30, 2007

	Balance June 30, 2006	Additions	Deletions	Balance June 30,2007
Sheriff				
Assets				
Restricted assets:				
Cash and cash equivalents	$ 15,693	$ 74,456	$ 77,204	$ 12,945
Total assets	$ 15,693	$ 74,456	$ 77,204	$ 12,945
Liabilities				
Payable from restricted assets:				
Other Payables	$ 12,355	$ 60,300	$ 63,048	$ 9,607
Bonds Payable	3,338	-	-	3,338
Total liabilities and fund balance	$ 15,693	$ 60,300	63,048	$ 12,945
Clerk of Superior Court				
Assets				
Restricted assets:				
Cash and cash equivalents	$ 95,272	$ 361,423	$ 363,124	$ 93,571
Total assets	$ 95,272	$ 361,423	$ 364,124	93,571
Liabilities				
Payable from restricted assets:				
Other Payables	$ 17,219	$ 125,878	$ 129,722	$ 13,375
Accounts Payable	78,053	235,545	233,402	80,196
Total liabilities and fund balance	$ 95,272	$ 361,423	$ 363,124	$ 93,571

Telfair County, Georgia
Balance Sheet Schedule – Special Revenue Fund
June 30, 2007

Revolving Loan Fund

	CDBG
Assets	
Cash	$ 373,701
Due from State Government	-
Receivables	451,912
Total assets	$ 825,613
Liabilities and Fund Balances	
Liabilities	
Accounts Payable	$ -
Total liabilities	-
Fund balance	825,613
Total liabilities and fund balance	$ 825,613

Telfair County, Georgia
Schedule of Revenues, Expenditures and
Changes in Fund Balances
Special Revenue funds – Year Ended
For the Fiscal Year Ended June 30, 2007

Revolving Loan Fund

	CDBG
Revenues:	
Interest Income	$ 20,871
Total revenue	20,871
Expenditures:	
Total expenditures	-
Excess of revenues over Expenditures	20,871
Fund balance – beginning of year	804,742
Fund balance – end of year	$ 825,613

Telfair County, Georgia
SPLOST Capital Projects Fund
Schedule of Assets, Liabilities, & Fund Balances
June 30, 2007

Assets	
Cash	$ 2,793,150
Due from State Government	
Receivables	258,180
Total assets	$ 3,051,330
Liabilities and Fund Balances	
Liabilities	
Accounts Payable	$ 43,327
Total liabilities	43,327
Fund Balance	3,008,011
Total liabilities and fund balance	$ 3,051,338

Telfair County, Georgia
SPLOST Capital Projects Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances
For the Fiscal Year Ended June 30, 2007

Revenues:	
SPLOST revenue	$ 1,165,665
Other Income	79,712
Total Revenues	1,245,377
Expenditures:	
Infrastructure	173,561
Distribution to Cities	292,273
Court House	125,906
Recreation Facility	37,217
Total expenditures	628,957
Excess of revenues over Expenditures	616,420
Fund balance – beginning of year	2,391,591
Fund balance – end of year	$ 3,008,011

Telfair County, Georgia
Heart of Georgia – Council on Aging
Schedule of Revenues and Expenditures
Year Ended June 30, 2007

	Actual
Revenues:	
Receipts	$ 36,131
Expenditures:	
Salaries	49,473
Group Insurance	20,962
Payroll tax	3,785
Retirement contributions	4,423
Repair and maintenance	2,593
Insurance other then employee benefit	2,812
Communication services	1,232
Travel	256
Small equipment	-
Other purchased services	190
Vehicle operations	1,741
Supplies	671
Utilities	7,056
Total expenditures	95,194
Excess of revenues over (Under) expenditures	$ (59,063)

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

Telfair County, Georgia
Component Units
Combining Schedule of Net Assets
Changes in Fund Balance
June 30, 2007

	Leisure Services	Hospital Authority	Development Authority	County Board of Health	Total
Assets					
Cash	$ 274	$ 430,943	$ 85,286	$ 451,825	$ 928,328
Deferred capital loss	-		4,146	-	4,146
Capital assets, net of depreciation	7,194	598,226	817,777	1,389	1,424,586
Other receivables	-	309,631	50,000	-	359,631
Investments	-	803,975	-	-	803,975
Notes receivable	-	-	-	-	-
Due within one year	-	-	27,504	-	27,504
Due in more than one year	-	-	405,604	-	405,604
Total assets	7,468	2,142,775	1,390,317	453,214	3,993,774
Liabilities					
Accounts payable	15,851	1,500	-	-	17,351
Accrued expenses	1,113	-	1,607	26,028	28,748
Notes payable	5,991	-	833,521	-	839,512
Net Assets	22,955	1,500	835,128	26,028	885,611
Investment in general fixed assets	1,203	598,226	833,528	1,389	1,434,346
Restricted				-	
Unrestricted	(16,690)	1,543,049	(278,339)	425,797	1,673,818
Total net assets	$ (15,487)	$ 2,141,275	$ 555,189	$ 427,186	$3,108,163

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

Telfair County, Georgia
Component Units
Combining Schedule of Revenues, Expenditures & Changes in Net Assets
Changes in Fund Balance
June 30, 2007

	Leisure Services	Hospital Authority	Development Authority	County Board of Health	Total
Program expenses					
Salaries	$ 34,387	$ -	$	$ 219,720	254,107
Professional fees	-	5,800	6,952	-	12,752
Interest expenses	622	-	17,218	-	17,840
Local support	-	-	37,900	-	37,900
Depreciation	726	-	16,916	-	17,642
Other expenses	102,495	3,816	6,501	138,731	251,543
Total program expenses	138,230	9,616	85,487	358,451	591,784
Program revenues					
Rental income	5,710	21,600	90,000	-	117,310
Other program revenues	44,809	-	-	331,450	376,259
Net program expenses	(87,711)	11,984	4 ,513	(27,001)	(98,215)
General revenues					
Intergovernmental income	78,200	-	85,360	17,177	180,737
Interest income	-	66,944	1,018	-	67,962
Dividend income	-	9,511	-	-	9,511
Gain on sale of equipment	-				-
Gain on sale of securities	-	-	-	-	-
Total general revenues	78,200	76,455	86,378	17,177	258,210
Transfer of Assets					
Change in net assets	(9,511)	88,439	90,891	(9,824)	(159,993)
Net assets – beginning of the year	(5,975)	2,052,836	464,298	437,010	2,948,169
Net assets – end of the year	$ (15,487)	$ 2,141,275	$ 555,189	$ 427,186	$ 3,108,163

Telfair County, Georgia
Component Units
Combining Schedule of Assets, Liabilities and Fund Balance
June 30, 2007

	Leisure Services	Hospital Authority	Development Authority	County Board of Health	Total
Assets					
Current assets:					
Cash	$ 274	$ 430,943	$ 85,286	$ 451,825	$ 968,328
Investments	-	803,975	-	-	803,975
Current portion of notes receivable	-	-	27,504	-	27,504
Deferred capital loss	-	-	4,146	-	4,146
Other receivables	-	309,630	-	-	309,630
Total current assets	-	1,544,548	166,936	451,825	2,163,583
Notes receivable, less current portion	-	-	405,604	-	405,604
Total assets	$ 274	$ 1,544,548	$ 572,540	$ 451,825	$ 2,569,187
Liabilities					
Current liabilities:					
Accounts payable	$ 15,851	$ 1,500	$ -	$ -	$ 17,351
Accrued expenses	1,113	-	1,607	-	2,720
Current portion of long-term debt	-	-	188,478	-	188,478
Total current liabilities	16,964	1,500	190,085	-	208,549
Long-term debt, less current portion	-	-	645,043	-	645,043
Total liabilities	16,964	1,500	835,128	-	853,592
Fund balances:					
Reserved:	-	-	-	-	-
Unreserved	(16,690)	1,543,048	(262,588)	451,825	1,715,595
Total liabilities and fund balance	$ 274	$1,544,548	$ 572,540	$ 451,825	$ 2,569,187

Telfair County, Georgia
Components Units
Schedule of Revenues, Expenditures, and
Changes in Fund Balance
June 30, 2007

	Leisure Services	Hospital Authority	Development Authority	County Board of Health	Total
Revenues:					
Rental income	$ 5,710	$ 21,600	$ 90,000	$ -	$ 117,310
Intergovernmental income	78,200	-	85,360	62,004	225,564
Interest income	-	66,944	1,018	-	67,962
Dividend income	-	9,511	-	-	9,511
Other income	44,809	-	-	286,623	331,432
Total revenues	128,719	98,055	176,378	348,627	751,779
Expenditures:					
Salaries	$ 34,387	$ -	$ -	$ 219,720	$ 254,107
Professional fees	-	5,800	6,952	-	12,752
Interest expense	622	-	17,218	-	17,840
Local support	-	-	37,900	16,768	54,668
Other expenditures	102,495	3,816	12,836	123,241	242,388
Total expenditures	137,504	9,616	74,906	359,729	581,755
Excess revenues over expenditures	(8,785)	88,439	101,472	(11,102)	170,024
Other income (expenses):					
Gain on sale of equipment	-	-	-	-	-
Gain on sale of securities	-	-	-	-	-
Excess revenue and other income over expenditures and other expenses	(8,785)	88,439	101,472	(11,102)	170,024
Fund balance – beginning of year	(5,975)	2,052,836	(364,060)	462,927	2,145,728
Fund balance – end of year	$(14,760)	$ 2,141,275	$ (262,588)	$ 451,825	$ 2,315,752
Net change in fund balance	(8,785)	88,439	101,472	(11,102)	170,024
Depreciation	(726)	-	(16,916)	(1,313)	(18,955)
Capital outlays	-	-	6,335	-	6,335
Change in accrued expenses	-	-	-	2,591	2,591
Change in net assets of governmental activities	$ (9,511)	$ 88,439	$ 90,891	$ (9,824)	$ 159,995

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

Telfair County Board of Commissioners
Telfair County, Georgia
McRae, Georgia 31055

I have audited the financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of Telfair County, Georgia, as of and for the year ended June 30, 2007, and have issued my report thereon dated December 11, 2008. I conducted my 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.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Telfair County, Georgia's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinions on the basic financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving internal control over financial reporting and its operation that I considered to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect the County's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements

The reportable conditions are as follows:

Segregation of Duties

Due to the limited number of personnel, overlapping of duties exists in the County's operations, primarily in the areas of cash receipts and disbursements. This overlapping of duties presents a situation where unauthorized use of assets could occur and not be detected on a timely basis. I recommend that management continually exercise alert supervision of employees in order to protect the assets of Telfair County, Georgia. The management agrees that they will continually exercise close supervision.

Financial Statement Preparation

County personnel are not capable of preparing the financial statements and lack the skill and competencies to prevent, detect, and correct a misstatement. The Commissioners should continue to obtain outside technical assistance in drafting the financial statements. The management agrees that they will retain outside technical assistance.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amount that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I believe none of the reportable conditions described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Telfair County, Georgia basic financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 my audit, and accordingly, I do not express such an opinion. The results of my test disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

However, I noted other matters that I have reported to management of Telfair County, Georgia in a separate letter dated December 11, 2008.

This report is intended for the information of the audit committee, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

December 11, 2008
Fitzgerald, GA

WANDA J. USSERY, CPA, P.C.

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GEORGIA SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON SPECIAL 1 PERCENT SALES AND USE TAX

Board of Commissioners
Telfair County, Georgia

I have audited the accompanying Schedule of Projects Constructed with Special Sales Tax Proceeds for Telfair County, Georgia for the year ended June 30, 2007. The schedule is the responsibility of Telfair County's management. My responsibility is to express an opinion on the Schedule of Projects Constructed with Special Sales Tax Proceeds based on my audit.

I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the Schedule of Projects Constructed With Special Sales Tax Proceeds is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule of Projects Constructed with Special Sales Tax Proceeds. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Schedule of Projects Constructed with Special Sales Tax Proceeds. I believe that my audit provides a reasonable basis for my opinion.

The accompanying Schedule of Projects Constructed with Special Sales Tax Proceeds was prepared for the purpose of complying with the Official Code of Georgia Annotated, 48-8-121 on the cash basis of accounting and is not intended to be a complete presentation for Telfair County's revenues and expenditures.

In my opinion, the Schedule of projects Constructed with Special Sales Tax Proceeds referred to above presents fairly, in all material respects, the original estimated cost, and the current and prior year expenditures for each project of Telfair County's resolution or ordinance calling or the tax for the year ended June 30, 2007, in conformity with accounting principles generally accepted in the United States of America.

December 11, 2008
Fitzgerald, GA

707 South Grant Street, P.O. Box 936, Fitzgerald, GA 31750, (229)423-9477, Fax (229)423-9358

Telfair County, Georgia
Year Ended June 30, 2007
Schedule of Projects
Constructed with Special Sales Tax Proceeds

1999 Special Purpose Sales Tax

Project	Original Estimated Cost	Expenditures Prior Year	Current Year	Total	Estimated Percentage Complete
Roads and Bridges	$ 1,500,000	$ 1,499,070	$ -	$ 1,499,070	99%
Courthouse Renovation	1,000,000	419,001	-	419,001	41%
City of McRae	457,756	457,756	-	457,756	100%
City of Lumber City	217,537	217,537	-	217,537	100%
City of Helena	191,201	191,201	-	191,201	100%
City of Milan	76,876	76,876	-	76,876	100%
City of Scotland	37,144	37,144	-	37,144	100%
City of Jacksonville	19,486	19,486	-	19,486	100%
Recreation Facility	750,000	750,000	-	750,000	100%
Subtitle AD@ Landfill	550,000	503,695	-	503,695	92%
	$ 4,800,000	$ 4,171,766	$ -	$4,171,766	

2004 Special Purpose Sales Tax

Project	Original Estimated Cost	Expenditures Prior Year	Current Year	Total	Estimated Percentage Complete
Roads and Bridges	$ 2,250,000	$ -	$ 173,561	$ 173,561	8%
Courthouse Renovation	1,000,000	-	125,906	125,906	13%
City of McRae	652,925	297,410	109,047	406,457	62%
City of Lumber City	303,625	138,302	50,709	189,011	62%
City of Helena	561,575	256,159	93,791	349,950	62%
City of Milan	140,700	64,089	23,499	87,588	62%
City of Scotland	62,475	27,458	10,438	37,892	61%
City of Jacksonville	28,700	13,073	4,793	17,866	62%
Recreation Facility	500,000	432,447	37,217	469,664	95%
	$ 5,500,000	$ 1,228,938	$ 628,957	$ 1,857,895	

Telfair County, Georgia
Community Development Block Grant
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2007

	Federal CFDA No. 14.219	Federal CFDA No. 14.219
Total Federal grant allocation	$ 200,000	$ 500,000
Grant Adjustment	0	0
Adjusted total Federal Grant Allocation	$ 200,000	$ 500,000
Less: Unadvanced fund	0	0
Prior year funds advanced	$ 200,000	$ 500,000
Current year funds advanced	0	0
Total Federal grant funds advanced to date	200,000	500,000
Local matching funds commitment	0	0
Less: Unadvanced funds	0	0
Prior year funds advanced	0	0
Current year funds advanced	0	0
Total local funds advanced to-date	0	0
Total funds advanced to-date	200,000	500,000
Prior year program expenditures	200,000	500,000
Current year program expenditures	0	0
Total program expenditures to-date	200,000	500,000
Funds available after expenditures	0	0
Prior years program income	113,933	27,126
Current year program income	9,718	11,153
Total program income to-date	123,651	38,279
Total transfers in to-date	0	0
Funds available for disposition	$ 123,651	$ 38,279

Telfair County, Georgia
Community Development Block Grant
Program Year 1994, CDBG No. 94Q-Y-134-000-9413
Schedule of Program Loans
Year Ended June 30, 2007

Program Activity and Related Projects:	Authorized Loans	Funds Advanced
Direct assistance to private for-profit entity: Direct loans to local industry for creation of area jobs	200,000	200,000
Prior years repayment of principle	64,964	64,964
Repayment of principle	25,642	25,642
Loan balance outstanding	109,394	109,394

WANDA J. USSERY, CPA, P.C.

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

MEMBER
GEORGIA SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

Independent Accountant's Report

I have examined management's assertion included in the accompanying State of Georgia Grant Certification Form about Telfair County's compliance during the fiscal year ended June 30, 2007with the requirement to use grant proceeds solely for the purpose or purposes for which the grant was made for each of the following grant awards:

1. Grant #2004 GE-T4 0012 - GA Emergency Management - Domestic Preparedness

Management is responsible for Telfair County's compliance with this requirement. My responsibility is to express an opinion on management's assertion about the County's compliance based on examination.

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

In my opinion, management's assertion that Telfair County complied with the aforementioned requirement for the fiscal year ended June 30, 2007 is fairly stated, in all material respects.

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

A	Local Government	Telfair County, Georgia
B	State Awarding Agency	GA Dept of Emergency Management Agency
C	Grant Identification Number	2004 GE - T4-0012
D	Grant Title	Domestic Preparedness Grant
E	Grant Award Date	07/25/03
F	Grant Amount	$173,648.00

		COLUMN 1 **Current Year Activity** For the Year Ended:	COLUMN 2 **Cumulative Grant Activity** Through the Year Ended:
G		12/31/2007	12/31/2007
H	Balance - Prior Year (Cash or Accrued or Deferred Revenue)	$0.00	
I	Grant Receipts or Revenue Recognized	$167,516.00	$167,516.00
J	Grant Disbursements or Expenditures EXCLUDING AUDIT FEES	$167,516.00	$167,516.00
K	Disbursements or Expenditures for Audit Fees	$0.00	$0.00
L	Balance - Current Year (Cash or Accrued or Deferred Revenue) [Line H (col 1 only) + Line I - Line J - Line K]	$6,132.00	$6,132.00

Certification of Local Government Officials

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

Signature of Chief Elected Official _____ Date_____

Signature of County Clerk_____ Date_____