TELFAIR COUNTY, GEORGIA

FINANCIAL STATEMENTS
AS OF JUNE 30, 2008
TOGETHER WITH
AUDITOR'S REPORT

TELFAIR COUNTY, GEORGIA

Financial Statements

Table of Contents

June 30, 2008

Page(s)	
4-5	Independent Auditor's Report
	Government - Wide Financial Statements
6	Statement of Net Assets - Governmental Funds
7	Statements of Activities - Governmental Funds
	Fund Financial Statements
8	Balance Sheet - Governmental Funds
9	Statement of Revenues, Expenditures and Changes in Fund Balances
10	Statements of Net Assets - Proprietary Fund
11	Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Fund
12	Statement of Cash Flows - Proprietary Fund
13	Statement of Fiduciary Net Assets
14-33	Notes to the Financial Statements
	Required Supplementary Information
34	Budgetary Comparison Schedule - All Governmental Fund Types
35	Balance Sheet Schedule - Fiduciary Funds
36	Schedule of Revenues and Expenditures - Transportation
37-38	Schedule of Changes in Governmental Fund Fixed Assets
39	Schedule of Changes in Assets and Liabilities All Agency Funds
40	Balance Sheet Schedule - Special Revenue Fund-Revolving Loan Fund
41	Schedule of Revenue, Expenditures and Changes In Fund Balance Special Revenue Fund Revolving Loan Fund
42	Hotel/Motel Special Revenue Fund-Schedule of Assets, Liabilities, and Fund Balances
43	Hotel/Motel Special Revenue Fund-Schedule of Revenue, Expenditures & changes in Fund Balance
44	Balance Sheet Schedule-Special Revenue Fund-Multiple Grant Fund

TELFAIR COUNTY, GEORGIA

Financial Statements
Table of Contents
Continued

Page(s)	
45	Schedule of Revenues, Expenditures, and Changes in Fund Balance-Special Revenue Funds Multiple Grant Fund
46	Balance Sheet Schedule - Special Revenue Fund-Expendable Trust Fund
47	Schedule of Revenues, Expenditures and Changes in Fund Balance-Special Revenue Funds Expendable Trust Fund
48	SPLOST Capital Projects Fund-Schedule of Assets, Liabilities, and Fund Balances
49	SPLOST Capital Projects Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balances
50	CDBG Capital Projects Fund-Schedule of Assets, Liabilities, and Fund Balances
51	CDBG Capital Projects Fund-Schedule of Revenues, Expenditures, and Changes in Fund Balances
52	CDBG Capital Projects Fund-Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual
53	Schedule of Revenues and Expenditures-Heart of Georgia Council on Aging
54	Combining Schedule of Net Assets – Component Units
55	Combining Schedule of Revenues, Expenses and Changes in Net Assets-Component Units
56	Combining Schedule of Assets and Liability-Component Units
57	Schedule of Revenues, Expenditures and Changes in Fund Balance- Component Units
58	Independent Auditor's Report on Special 1 Percent Sales and Use Tax
59	Schedule of Projects Constructed with Special Sales Tax Proceeds
60	Schedule of Expenditures of Federal Awards - CDBG
61	Statement of Program Loans - CDBG Program year 1994 No. 94Q-Y-134-000-9413
62	Independent Accountant's Report on State of Georgia Grant Certification Forms
63-65	State of Georgia Grant Certification Form
66-67	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

WANDA J. USSERY, CPA, P.C.

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AMERICAN INSTITUTE OF
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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, 2008, 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 and capital assets have not been recognized correctly. The amount by which these departures would affect the assets, fund balances, revenues, and cash flows, where applicable, of the general funds cannot be reasonably determined.

In my opinion, except for the effects of inadequate recognition of revenues and capital assets, 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, 2008, 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 June 29, 2009, 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.

The accompany schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management on Budget Circular A-133. The schedule of expenditures of special purpose local option sales tax proceeds and the schedule of expenditures of federal awards have been subjected to the auditing procedure applied in the audit of the basic financial statements, and in my opinion are fairly stated in all material respects on relation to the basic financial statements taken as a whole.

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
June 29, 2009

Telfair County, Georgia
Statement of Net Assets – Governmental Funds
June 30, 2008

	Primary Government			Component
	Governmental Activities	Business-type Activities	Total	Units
Assets				
Cash	$ 4,789,293	$ 73,097	$ 4,862,390	$ 691,962
Taxes receivable (net of allowance for uncollectible accounts)	81,913	-	81,913	-
Receivables	-			-
Other receivables (net of allowance for uncollectible accounts)	2,246,562	1,384,974	3,631,536	9,900
Prepaid items	109,026	-	109,026	-
Investments	-	-	-	1,039,907
Deferred capital loss	-	-	-	-
Note receivables				
Due within one year	-	-	-	-
Due in more than one year	-	-	-	-
Total note receivables	-	-	-	-
Capital assets				
Land	217,535	707,670	925,205	235,780
Other capital assets, net of depreciation	4,532,692	2,553,445	7,086,137	1,426,945
Total capital assets	4,750,227	3,261,115	8,011,342	1,662,725
Total assets	11,977,021	4,719,186	16,696,207	3,404,494
Liabilities				
Accounts payable	239,497	8,275	247,772	27,446
Accrued expenses	50,310	-	50,310	35,325
Notes payable	-	-	-	713,718
Interfund Payable/Rec	1,353,219	(1,353,219)	-	-
Other liabilities	32,478	-	32,478	-
Landfill Closure/Postclosure	-	1,190,544	1,190,544	-
Total liabilities	1,675,504	(154,400)	1,521,104	776,489
Net Assets				
Investment in capital assets, net of related debt	4,750,227	3,261,115	8,011,342	949,007
Restricted For Special Revenue	4,213,162	-	4,213,162	-
Restricted For Component Units	-	-	-	-
Unrestricted	1,338,128	1,612,471	2,950,599	1,678,998
Total net assets	$ 10,301,517	$ 4,873,586	$ 15,175,103	$ 2,628,005

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, 2008

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	$ 1,405,356	$ 3,525	$ 0	$ 0	$ (1,401,831)	$ 0	$(1,401,831)	$ 0
Judicial	473,257	234,656	0	0	(238,601)	0	(238,601)	0
Public Safety	2,156,752	790,483	0	0	(1,366,269)	0	(1,366,269)	0
Public Works	757,671	240	0	0	(757,431)	0	(757,431)	0
Health & Welfare	115,751	0	0	0	(115,751)	0	(115,751)	0
Economic Development	89,769	0	0	500,000	410,231	0	410,231	0
Community Services	379,146	28,075	0	0	(351,071)	0	(351,071)	0
Conservation	83,285	0	0	0	(83,285)	0	(83,285)	0
Total Governmental Activities	$5,460,987	$ 1,056,979	0	$ 500,000	$ (3,904,008)	$ 0	$ (3,904,008)	0
Business Type Activities								
Landfill	520,808	350,981	0	0	0	(169,828)	(169,828)	0
Total Business-Type Activities	520,808	350,981	0	0	0	(169,828)	(169,828)	0
Total Primary Government	5,981,795	1,407,960	0	500,000	0	0	(4,073,835)	0
Component units								
Governmental-type	759,037	498,589	0	0	0	0	0	(260,448)
Total component units	759,037	498,589	0	0	0	0	0	(260,448)
General Revenues								
Property taxes					2,677,723		2,677,723	0
Timber taxes					48,297	0	48,297	0
Sales taxes					1,744,527	0	1,744,527	0
Hotel and motel taxes					15,856	0	15,856	0
Beer and wine taxes					4,943	0	4,943	
Insurance premium taxes					223,523	0	223,523	
Interest income					17,663	0	17,663	51,355
Intergovernmental income								169,316
Gain on sales of securities								7,051
Dividend Income								11,595
Miscellaneous Income					117,854	539	118,393	0
Total general revenues					4,850,386	539	4,850,925	239,317
Loss on abandonment of Property & Equip.								(149,398)
Bad Debt Expense								(309,630)
Capital Lease					41,410	0	41,410	
Total general revenues and transfers					4,891,796	539	4,892,335	(219,711)
Change in net assets					987,788	(169,289)	818,499	(480,159)
Beginning net assets-Restated					9,313,729	3,689,206	13,002,935	3,108,163
Ending Net Assets					10,301,517	3,519,917	13,821,434	2,628,004

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

Telfair County, Georgia
Balance Sheet – Governmental Funds
June 30, 2008

	General Fund	Revolving Loan Funds	SPLOST	Other Governmental Funds	Total Governmental Fund Assets
Cash	$1,277,437	$ 370,430	$ 3,092,567	$ 48,859	$ 4,789,293
Taxes receivable (net of allowance for uncollectible accounts)	81,913	-	-	-	81,913
Other receivables (net of allowances for uncollectible accounts)	1,545,256	472,845	227,763	698	2,246,562
Prepaid items	109,026	-	-	-	109,026
Total assets	3,013,632	843,275	$ 3,320,330	49,557	7,226,794
Liabilities					
Accounts payable	$ 144,057	$ -	$ 95,440	$ -	$ 239,497
Accrued expenses	50,310	-	-	-	50,310
Deferred revenue	1,116,623	-	-	-	1,116,623
Interfund Payables	1,353,219	-	-	-	1,353,219
Other liabilities	32,478	-	-	-	32,478
Total Liabilities	2,696,687	-	95,440	-	2,792,127
Fund Equity					
Fund balance:					
Reserved Special Revenue Fund	-	-	3,224,890	49,557	3,274,447
Unreserved Special Revenue Fund	-	843,275	-	-	843,275
Unreserved General Fund	$ 316,945	-	$ -	$ -	$ 316,945
Total fund balance	316,945	843,275	3,224,890	49,557	4,434,667
Total liabilities and fund balance	$ 3,013,632	$ 843,275	$ 3,320,330	49,557	7,226,794
Adjustments to statement of net assets:					
Fund balance					$ 4,434,667
Capital assets - net					4,750,227
Deferred tax revenues					1,116,623
Net assets of governmental activities					$ 10,301,517

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, 2008

	General	Revolving Loan Fund	SPLOST	Other Governmental Funds	Total
Revenues:					
Taxes	$ 3,454,545	-	1,244,467	15,856	4,714,868
State Government	135,332	-	-	-	135,332
Fines and forfeitures	343,821	-	-	-	343,821
Charges for Services	714,442	-	-	-	714,442
Other	191,759	17,663	82,737	515,241	807,400
Total revenues	4,839,899	17,663	1,327,204	531,097	6,715,863
Current Expenditures:					
General government	982,723	-	399,823	16,169	1,398,715
Judicial	473,106	-	-	-	473,106
Public Safety	2,083,374	-	-	-	2,083,374
Public Works	616,340	-	-	-	616,340
Health & Welfare	115,751	-	-	-	115,751
Economic Development	89,769	-	-	-	89,769
Community Services	351,219	-	-	-	351,219
Conservation	83,285	-	-	-	83,285
Total Current Expenditures	4,795,567	-	399,823	16,169	5,211,559
Capital Outlay:					
Courthouse – Construction In Progress			407,919		407,919
HGTC – Construction In Progress				493,222	493,222
EMS	114,920				114,920
Roads & Bridges			300,404		300,404
Tax Assessors	4,518				4,518
Recreation facility			2,179		2,179
Law Enforcement	57,952	-	-	-	57,952
Jail Operations	26,855	-	-	-	26,855
Total capital outlay	204,245	-	710,502	493,222	1,407,969
Total expenditures	4,999,812	-	1,110,325	509,391	6,619,528
Excess of revenues over (under) Expenditures	(159,913)	17,663	216,879	21,706	96,335
Other Financing Sources (Uses)					
Transfer Out				(9,442)	(9,442)
Capital Lease Net	41,410	-	-	-	41,410
Total other financing sources (Uses)	41,410	-	-	(9,442)	31,968
Net change in fund balance	(118,504)	17,663	216,879	12,264	128,302
Restatement of Fund balance - Beginning of year	435,449	825,613	3,008,011	37,293	4,306,366
Fund balance - End of year	316,945	843,276	3,224,890	49,557	4,434,668
Net change in fund balance					128,302
Increase (decrease) in deferred tax revenue					(299,054)
Capital Outlay					1,407,969
Depreciation					(249,429)
Change in net assets of governmental activities					987,788

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

Telfair County, Georgia
Statement of Net Assets
Proprietary Fund
June 30, 2008

	Enterprise Fund Landfill
Assets	
Current assets:	
Cash	$ 73,097
Receivables (net, were applicable of allowances for uncollectible)	31,756
Due from other funds	1,353,219
Interest receivable	
Total Current assets	1,458,071
Non-Current assets:	
Restricted assets:	
Long-Term fixed assets, net	3,261,115
Other assets	-
Total assets	$ 4,719,186
Liabilities and Net Assets	
Current liabilities:	
Accounts payable	$ 8,725
Noncurrent liabilities:	
Closure/Post closure accrued liability	1,190,544
Total liabilities	1,199,269
Net Assets	
Investment in capital assets, net of related debt	3,261,115
Unreserved	258,802
Total net assets	3,519,917
Total liabilities and net assets	$ 4,719,186

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, 2008

	Actual
Operating revenues:	
Landfill use fees	$ 350,981
	350,981
Operating expenses:	
Depreciation expense	101,071
Regular employees	87,205
Group insurance	32,943
Social Security (FICA) contributions	5,406
Medicare	1,265
Retirement Contribution	12,175
Professional services	21,903
Repairs and maintenance	32,426
Insurance other than Employee Benefit	0
Communications services	2,238
Other purchased services	9,568
General supplies	18,691
Electricity	5,235
Gasoline / diesel	66,527
Small equipment	1,831
Uniforms	1,971
Miscellaneous expenses	3,714
Closure / post closure	116,639
Total operating expenses	520,808
Operating Income	(169,828)
Nonoperating revenues	
Misc. income	539
Net (loss)	(169,289)
Change in net assets	(169,289)
Net assets - beginning of year	3,689,206
Net assets - end of year	$ 3,519,917

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

Telfair County, Georgia
Statement of Cash Flow
Proprietary Fund
June 30, 2008

Cash flows from operating activities:	
Cash received from customers	$ 352,303
Cash paid to suppliers for goods and services	(216,168)
Cash paid to employees for services	(87,205)
Cash paid for employee taxes and benefits	(51,789)
Net cash provided (used) by operating activities	(2,859)
Cash flows from noncapital financing activities:	
Decrease in due from general fund	17,012
Transfers out	0
Net cash provided (used) by noncapital activities	17,012
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	641
Net increase in cash	14,794
Cash at beginning of year	58,303
Cash at end of year	73,097
Classified as:	
Current assets	73,097
Restricted assets	-
	$ 73,097
Operating Income (Loss)	$ (169,828)
Adjustments to reconcile operating income to net cash provided	
Operating activities:	
Depreciation	101,071
Change in assets and liabilities:	
Decrease(increase) in other/accounts receivable	(4,393)
(Decrease)Increase in accounts payable and accrued liabilities	(46,348)
(Decrease)Increase in accrued closure/postclosure costs	6,639
Total Adjustments	65,898
Net cash provided (used) by operating activities	$ (2,859)

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

Telfair County, Georgia
Statement of Fiduciary Assets and Liabilities
June 30, 2008

	Agency Funds
Assets	
Cash	$ 247,821
Taxes receivables (net of allowances for uncollectible accounts)	2,854,122
Other Receivables	-
Total assets	3,101,943
Liabilities	
Other liabilities	3,101,943
Total liabilities	3,101,943
Net Assets	
Fund balance	-
Total net assets	$3,101,943

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 two Special Projects Fund, The SPLOST Fund, and a CDBG Capital Projects 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.

SPLOST	$ 5,636
Accrued Interest on SPLOST Certificates of Deposits	

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 6/30/2008 was $435,363.

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, 2008 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, 2008 are recorded as prepaid items.

2. Summary of Significant Accounting Policies, continued:

Cash:

Deposits

At June 30, 2008, the carrying amount of the County' deposits was $4,934,228 and the bank balance was $4,820,388. Of the bank balance, $400,000 was covered by federal depository insurance and $5,977,333 was covered by collateral held at Silverton Bank, N.A. 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, 2008:

Category			Bank	Carrying
1	2	3	Balance	Amount
400,000	5,977,333	-	$ 4,820,388	$ 4,934,228

3. Taxes Receivable and Allowances for Uncollectible Accounts:

Taxes receivable and allowances for uncollectible accounts at June 30, 2008 are as follows:

	Receivable	Allowance	Net
General fund:			
Taxes receivable	$ 81,913	$	$ 81,913
Fiduciary fund:			
Taxes receivable	3,230,052	(375,930)	2,854,122
Total	$ 3,311,965	$ (375,930)	$ 2,936,035

Property taxes for 2007-2008 were levied on and due January 20, 2008 on property valued as of September 22, 2005. The tax rate to finance general governmental services for the fiscal year ended June 30, 2008 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. 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, 2008 follows:

Receivable Fund	Payable Fund	Amount
SPLOST	General Fund	$ 13,125
Landfill	General Fund	$1,353,219
Total		$1,366,344

5. Capital Assets and Long-Term Debt:

A summary of changes in Capital Assets follows:

	Balance 6/30/2007	Additions	Deletions	Balance 6/30/2008
Primary Government:				
Capital assets, not being depreciated:				
Land	$ 217,535	$ -	$ -	$ 217,535
Construction in progress	213,331	988,320	-	1,201,651
Total capital asset, not being depreciated	430,866	988,320	-	1,419,186
Capital assets, being depreciated				
Equipment	3,228,735	419,649	$ -	$3,648,384
Buildings and improvements	1,665,763	-	$ -	1,665,763
Total capital assets being depreciated	4,894,498	419,649	$ -	5,314,147
Accumulated depreciation for:				
Equipment	1,520,970	196,770	80,128	1,797,868
Building and improvements	212,707	52,659	(80,128)	185,238
Total accumulated depreciation	1,733,677	249,429	-	1,983,106
Total capital assets being depreciated	3,160,821	170,220	-	3,331,041
Invested in capital assets Net of related debt	$3,591,687	$1,158,540		$4,750,227

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

Business-type activities:	Balance 06/30/2007	Addition	Deletions	Balance 06/30/2008
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	$ 1,335,216	100,063		$ 1,435,276
Buildings and improvements	12,450	1,008		13,458
Total accumulated depreciation	1,347,666	101,071		1,448,737
Total capital assets, being depreciated net:	2,654,516	(101,071)		2,553,445
Invested in capital assets Net of related debt	$ 3,362,186	$ (101,071)		$ 3,261,115

Component units:

	Balance 06/30/2007	Addition	Deletions	Balance 06/30/2008
Capital assets, not being depreciated	$ 235,780		$	$ 235,780
Total capital assets, not being depreciated	235,780			235,780
Capital assets, being depreciated				
Equipment	$ 250,710	$ -	$	$ 250,710
Buildings and improvements	1,104,902	422,734	-	1,527,636
Total capital assets being depreciated	1,355,612	422,734	-	1,778,346
Accumulated depreciation for:				
Equipment	86,488	2,105	-	88,593
Buildings and improvements	80,412	33,092	-	113,504
Total accumulated depreciation	166,900	35,197	-	202,097
Total capital assets, being depreciated Net	1,188,712	387,537		1,576,249
Invested in capital assets net of related debt	$1,424,492			$ 949,000

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

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
EMS Operations	$ 35,269
Fire	1,709
General administrative	6,641
Law Enforcement Administration	32,372
Highways and Streets	121,185
Solid waste collection	20,146
Recreation Complex	27,927
Tax Assessor	151
Jail Operations	4,028
Total depreciation – Governmental activities	$ 249,428
Business-type activities:	
Landfill	$ 101,070
Total depreciation – business Type activities	$ 101,070
Component units:	
Development Authority	$ 22,247
Health Department	1,313
Leisure Services	792
Hospital Authority	10,845
Total depreciation – Component Units	$ 35,197

Long-term debt:

Landfill - Closure/Post Closure Liability

Closure/Post Closure Liability 6/30/07	$1,073,905
Change in Liability	116,639
Total Closure/Post Closure Liability 6/30/08	$1,190,544

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, 2008:

Description	Issue	Date	Rate	7-1-07	Issued	Retired	6-30-08
One Georgia Loan	$ 500,000	7-01-2023	0.00%	$ 387,500	$ -	12,500	375,000
M&C Bank - ACS Loan	$ 500,000	3-03-2007	5.00%	$ 47,869	$ -	30,448	17,421
Security State Bank-Land Loan	$ 500,000	5-06-2006	3.75%	$ 60,200	$ -	20,000	40,200
EIP Note -Due to Telfair County	$ 500,000	5-27-2012	3.00%	$ 337,952	$ -	60,251	277,701
				$ 833,521	$ -	$ 123,199	$710,322

5. Long-term debt, continued:

The annual debt service requirements to maturity, principal and interest for long-term debt as of June 30, 2008 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
2009	$ -0-	$ -	$ 17,421	$ 931	$ 40,200	$ 2,479	$ 47,696	$ 6,409	$ 105,317	$ 9,819
2010	-0-	-	-		-		58,830	6,096	58,830	6,096
2011	-0-	-	-				60,619	4,307	60,619	4,307
2012	-0-	-	-		-		62,463	2,463	62,463	2,463
2013	25,000	-	-		-		48,093	603	73,093	603
2014-2018	125,000	-	-		-				125,000	-
2019-2023	125,000	-	-		-				125,000	-
2027	100,000	-							100,000	-
Total	$375,000	$ -	$ 17,421	$ 931	$ 40,200	$ 2,479	$277,701	$ 19,878	$ 710,322	$ 23,288

Component unit long-term - Department of Leisure Services

Description	Issue	Date	Rate	7/1/06	Issued	Retired	6/30/08
Note Payable	$ 7,920	08/08/06	10.5%	$ -	$ 7,920	$ 4,524	$ 3,396

The annual debt service requirements to maturity, principal and interest for long-term debt as of June 30, 2008 are as follows:

	Principle	Interest
2009	$ 2,856	205
2010	503	6

6. Retirement Commitments:

a) 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.

b) 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.

c) 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:

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, 2007 (the most recent actuarial valuation date) was $1,018,271 (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 $2,073,528 for the fiscal year ending June 30, 2008.

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, 2007. 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.

Pension benefit obligation:	
Retirees and beneficiaries currently receiving benefits and Terminated employees not yet receiving benefits	$ 482,320
Current employees	
Accumulated employee contributions, (including investment earnings)	Not Applicable
Employer-financed vested	890,779
Employer-financed non-vested	69,919
Total present value of Accrued Benefits	1,443,018
Effective of future salary increases	152,570
Total present value of Accrued Benefits	1,595,588
Net assets available for benefits, at market (includes Expected receivables)	1,358,874
Net assets in excess of actuarial present value of accumulated benefits	$ (84,144)

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 $ 96,596 ($ 96,596 employer and $0 employee) were made in accordance with actuarially determined contribution requirements determined by an actuarial valuation performed as of January 1, 2008. Employer contributions attributable to the 2007 Plan year were made in late 2007 and are not included in the assets shown as of December 31, 2007. These contributions consist of a) $53,310 of normal cost, b) $58,288 of amortization of unfunded AAL and c) $7,600 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
2007	$93,958	$96,596	103%	-	11%
2006	104,454	109,919	105%	-	10.1%
2005	105,281	115,079	109%	-	10.4%
2004	94,313	104,392	111%	-	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)
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%
2007	1,358,874	1,595,588	85.2%	236,714	1,018,271	23.2%

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
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
2007	96,596	0	100,827	0	197,423

7. Retirement Plan, continued:

Expenses by Type

Fiscal Year	Retirement Benefits	Administrative Expenses	Refunds	Total
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
2007	59,347	7,600	0	66,947

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, 2008.

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.

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. 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.

11. 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 $4,843 to the RDC for the year ended June 30, 2008. 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)

12. 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, 2008, the County has complied with the expenditure requirements of code section 48-13-51.

Lodging Tax Receipts	$ 15,856
Disbursements to Chamber of Commerce for the promotion of tourism	6,831
Balance of Lodging Funds on hand at end of year	$ 9,025

13. 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%.

In April 2008, the Development Authority of Telfair County borrowed $90,000 from the Revolving Loan Fund of Telfair County. The loan is being paid back to Telfair County in monthly installments of $954.59. The note bears an interest rate of 3.0%.

14. 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 $2,668,923. 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 45% of the landfill capacity and the landfill has an estimated remaining life of thirty years.

15. Line of Credit

As of June 30, 2008, the county had an unused, unsecured Line of Credit available from Merchants & Citizens Bank in the amount of $500,000. The Line of Credit carries a 6.5% interest rate and an expiration date of December 31, 2008.

16. Expenditures Exceed Appropriations:

During the year ended June 30, 2008, expenditures exceeded appropriations in the following departments:

Fund	Department	Expenditures Over Budget
General		
	Coroner	11,649
	Health Dept. Bld.	4,619
	Emergency Medical Services	253,766
	Community Center	9,252
	Fire Administration	3,545
	Tax Commissioner	36,148
	Jail	31,790
	E-911	147,470
	Highway & Street	78,377
	Senior Citizen Center	2,972
	Elections	315
	Law Enforcement	48,897
	Magistrate Court	390
	Forest Resources	5,326
	Public Health administration	648

17. Restatements

Beginning net assets on the Statement of Activities in the Governmental Activities Column and the restatement Of Beginning of the Year Fund Balance on the Statement of Revenues, Expenditures, and Changes in Fund Net Assets were changed due to adding additional funds to the Other Governmental Funds column.

Space

Intentionally

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Telfair County, Georgia
Budgetary Comparison Schedule
Schedule of Revenues, Expenditures, and Changes in Fund Balance
General Fund
Year Ended June 30, 2008

	Original Budget	Amended Budget	Total Governmental Funds	Variance
Revenues:				
Taxes	$ 3,187,750	$ 3,187,750	$ 3,470,401	$ 282,651
Fines and Forfeitures	886,500	886,500	1,058,262	171,762
Other	338,100	338,100	311,235	(26,865)
Total revenues	4,412,350	4,412,350	4,839,898	427,548
Expenditures:				
Function:				
Highways & Streets	469,042	469,042	547,419	(78,377)
EMS Operations	514,145	515,495	769,261	(253,766)
Law Enforcement	513,407	513,407	562,304	(48,897)
General Adm	455,920	404,983	375,635	29,348
Jail Operations	317,655	317,655	349,445	(31,790)
Tax Commissioners	175,047	186,047	222,195	(36,148)
Tax Assessors	227,609	238,609	135,318	103,291
Gen. Gov's Bldg	62,717	73,717	61,386	12,331
Clerk of Sup Court	149,085	149,085	147,403	1,682
Governing Body	117,827	117,827	117,583	244
Dispatchers	77,953	77,953	69,576	8,377
Probate Court	131,887	131,887	128,306	3,581
Superior Court	124,498	124,498	105,816	18,682
Transport Services	113,715	113,715	96,747	16,968
Senior Citizens Cnt	95,766	95,766	98,738	(2,972)
Magistrate Court	95,708	95,708	96,098	(390)
Elections	65,773	65,773	66,088	(315)
Economic Development	71,000	76,000	67,968	8,032
Solid Waste Collect	88,367	88,367	68,921	19,446
Public Health Admin	65,011	65,011	65,659	(648)
Cult/Recr Admin	50,000	50,000	50,000	-
Library Admin	47,400	47,400	47,400	-
Community Center	49,082	49,082	58,334	(9,252)
Agriculture Resources	31,519	44,456	39,426	5,030
Health Dept Bldg	39,293	39,293	43,912	(4,619)
Conservations Adm	27,817	27,817	17,015	10,802
Coroner/Med Examiner	51,612	51,612	63,261	(11,649)
Fire Admin	18,000	17,379	20,924	(3,545)
Airport	34,300	34,300	21,801	12,499
Forest Resources	21,518	21,518	26,844	(5,326)
Intergov Welfare Pmts	15,753	15,753	6,180	9,573
School Resources-Sherriff	34,000	34,000	21,133	12,867
Grant Expenditure	-	-	-	-
SPLOST	-	-	-	-
E-911	80,000	80,000	227,470	(147,470)
Total current expenditures	4,432,426	4,433,155	4,795,567	(362,412)
Capital outlay:				
Tax Assessors	-	-	4,518	(4,518)
EMS	-	-	114,920	(114,920)
Law Enforcement	-	-	57,952	(57,952)
Jail Operations	-	-	26,855	(26,855)
Recreation Facility	-	-	-	-
Infrastructure	-	-	-	-
Total Capital Outlay	-	-	204,245	(204,245)
Total Expenditures	4,432,426	4,433,155	4,999,812	(566,657)
Excess of revenues			(159,913)	
Capital Lease Net			41,409	
Over (under) Expenditure	(20,076)	(20,805)	(118,504)	(97,699)
Net Change In Fund Balance			(118,504)	
Fund Balance – Beginning of Year			4,309,607	
Fund Balance – End of Year			4,191,103	

Telfair County, Georgia
Fiduciary Funds
Balance Sheet Schedule
June 30, 2008

	Clerk of Superior Court	Sheriff	Judge of Probate Court	Tax Commissioner	Magistrate Court	Total Fiduciary Funds
Assets						
Cash	$ 97,600	$ 7,932	$ 19,430	$ 103,860	$ 18,999	$ 247,821
Taxes receivable (net allowance for uncollectible accounts)	-	-	-	2,854,122	-	2,854,122
Total assets	$ 97,600	$ 7,932	$ 19,430	$ 2,957,982	$ 18,999	$ 3,101,943
Liabilities and Fund Balances						
Liabilities:						
Other Liabilities	$ 97,600	7,932	19,430	2,957,982	18,999	3,101,943
Total liabilities	97,600	7,932	19,430	2,957,982	18,999	3,101,943
Total liabilities and fund balances	$ 97,600	$ 7,932	$ 19,430	$ 2,957,982	$ 18,999	$ 3,101,943

Telfair County, Georgia
Department of Transportation – Section 18
Schedule of Revenues and Expenditures
Year Ended June 30, 2008

	Budget	Actual	Variance
Revenues:			
Receipts	$ 0	$ 21,734	$ 21,734
Expenditures:			
Salaries	52,666	44,160	8,506
Administration	28,000	26,261	1,739
Payroll Taxes and Insurance	26,988	24,970	2,018
Repair and Maintenance	300	121	179
Vehicle Operations	2,705	31	2,674
Supplies	-	-	-
Miscellaneous	2,545	341	2,204
Communications	511	862	(351)
Total Expenditures	113,715	96,747	16,969
Excess of revenues over (under) expenditures	$ (113,715)	$ (75,013)	$ 38,703

Telfair County, Georgia
Schedule of Changes in Governmental Fixed Assets
Year Ended June 30, 2008

Additions:	
2007 Chevrolet Ambulance	$ 114,920
Construction in Process	
Courthouse	495,098
Building at HGTC	493,222
2007 Ford Crown Vic	20,582
Chevy Tahoe	37,370
Ford E-350 Van	26,855
24ft Trailer	4,950
Caterpillar Motor grader	210,454
Jeep Grand Cherokee	4,518
Total additions	1,407,969
Deletions	-
Total deletions	-
Net capital assets added	$1,407,969

Telfair County, Georgia
Schedule of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended June 30,2008

	Balance June 30,2007	Additions	Deletions	Balance June 30, 2008
Tax Commissioner				
Assets				
Restricted assets:				
Cash and cash equivalents	$ 1,571,506	$ 6,881,225	$ 8,348,870	$ 103,861
Taxes receivable, net	4,001,785	5,869,931	7,017,595	2,854,121
Total assets	$ 5,573,291	$ 12,751,156	$ 15,366,465	$ 2,957,982
Liabilities				
Payable from restricted assets:				
Other Payables	$ 2,340,782	$ 6,246,224	$ 7,359,658	$ 1,227,348
Accounts Payable	3,232,509	641,013	2,142,888	1,730,634
Total liabilities and fund balance	$ 5,573,291	$ 6,887,237	$ 9,502,546	$ 2,957,982
Magistrate Court				
Assets				
Restricted assets:				
Cash and cash equivalent	$ 38,287	$ 211,016	$ 230,304	$ 18,999
Total assets	$ 38,287	$ 211,016	$ 230,304	$ 18,999
Liabilities				
Payable from restricted assets:				
Other Payables	$ 1,427	$ 19,891	$ 19,346	$ 1,972
Accounts Payable	36,860	191,125	210,958	17,027
Total liabilities and fund balance	$ 38,287	$ 211,016	$ 230,304	$ 18,999
Judge of Probate Court				
Assets				
Restricted assets:				
Cash and cash equivalents	$ 20,632	$ 131,820	$ 133,022	$ 19,430
Total assets	$ 20,632	$ 131,820	$ 133,022	$ 19,430
Liabilities				
Payable from restricted assets:				
Other Payables	$ 11,074	$ 64,728	$ 70,026	$ 5,776
Accounts Payable	9,558	67,092	62,996	13,654
Total liabilities and fund balance	$ 20,632	$ 131,820	$ 133,022	$ 19,430

Telfair County, Georgia
Schedule of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended June 30, 2008

	Balance June 30, 2007	Additions	Deletions	Balance June 30,2008
Sheriff				
Assets				
Restricted assets:				
Cash and cash equivalents	$ 12,945	$ 83,059	$ 88,081	$ 7,932
Total assets	$ 12,945	$ 83,059	$ 88,081	$ 7,932
Liabilities				
Payable from restricted assets:				
Other Payables	$ 9,607	$ 83,059	$ 88,072	$ 4,594
Bonds Payable	3,338	-	-	3,338
Total liabilities and fund balance	$ 12,945	$ 83,059	88,072	$ 7,932
Clerk of Superior Court				
Assets				
Restricted assets:				
Cash and cash equivalents	$ 93,571	$ 333,784	$ 329,795	$ 97,560
Total assets	$ 93,571	$ 333,784	$ 329,795	97,560
Liabilities				
Payable from restricted assets:				
Other Payables	$ 13,375	$ 123,644	$ 121,752	$ 15,267
Accounts Payable	80,196	210,140	208,043	82,293
Total liabilities and fund balance	$ 93,571	$ 333,784	$ 329,795	$ 97,560

Telfair County, Georgia
Balance Sheet Schedule – Special Revenue Fund
June 30, 2008

Revolving Loan Fund

	CDBG
Assets	
Cash	$ 370,430
Due from State Government	-
Receivables	472,845
Total assets	$ 843,275
Liabilities and Fund Balances	
Liabilities	
Accounts Payable	$ -
Total liabilities	-
Fund balance	843,275
Total liabilities and fund balance	$ 843,275

Telfair County, Georgia
Schedule of Revenues, Expenditures and
Changes in Fund Balances
Special Revenue funds – Year Ended
For the Fiscal Year Ended June 30, 2008

Revolving Loan Fund

	CDBG
Revenues:	
Interest Income	$ 17,663
Total revenue	17,663
Expenditures:	
Total expenditures	-
Excess of revenues over Expenditures	17,663
Fund balance – beginning of year	825,613
Fund balance – end of year	$ 843,276

Telfair County, Georgia
Hotel/Motel Tax Special Revenue Fund
Schedule of Assets, Liabilities & Fund Balances
For the Fiscal Year Ended June 30, 2008

Assets	
Cash and Cash Equivalents	$ -
Total Assets	-
Liabilities and Fund Balances	
Liabilities	-
Total Liabilities	-
Fund Balance-Beginning	-
Fund Balance-Ending	-

Telfair County, Georgia
Hotel/Motel Tax Special Revenue Fund
Schedule of Revenue, Expenditures & Changes in Fund Balance
For the Fiscal Year Ended June 30, 2008

Revenues	Budget	Actual
Taxes Collected	$17,000	$15,856
Total Revenues	17,000	15,856
Expenditures		
Tourism and promotion	$6,000	$ 6,414
Miscellaneous	-	-
Total Expenditures	$6,000	$ 6,414
Total General Fund	9,000	9,442
Change in Fund Balance	$ -	$ -
Fund Balance-Beginning	$ -	$ -
Fund Balance-Ending	$ -	$ -

Telfair County, Georgia
Balance Sheet Schedule – Special Revenue Fund
June 30, 2008

Multiple Grant Fund

Assets	
Cash	$ 6,130
Due from State Government	-
Receivables	-
Total assets	$ 6,130
Liabilities and Fund Balances	
Liabilities	
Accounts Payable	$ -
Total liabilities	-
Fund balance	6,130
Total liabilities and fund balance	$ 6,130

Telfair County, Georgia
Schedule of Revenues, Expenditures and
Changes in Fund Balances
Special Revenue funds – Year Ended
For the Fiscal Year Ended June 30, 2008

Multiple Grant Fund

Revenues:	
Interest Income	$ 6,002
Total revenue	6,002
Expenditures:	
Total expenditures	-
Excess of revenues over Expenditures	6,002
Fund balance – beginning of year	128
Fund balance – end of year	$ 6,130

Telfair County, Georgia
Balance Sheet Schedule – Special Revenue Fund
June 30, 2008

Expendable Trust Fund

	Law Library
Assets	
Cash	$ 42,729
Due from State Government	-
Receivables	698
Total assets	$ 43,427
Liabilities and Fund Balances	
Liabilities	
Accounts Payable	$ -
Total liabilities	-
Fund balance	43,427
Total liabilities and fund balance	$ 43,427

Telfair County, Georgia
Schedule of Revenue, Expenditures & Changes in Fund Balance
Special Revenue Fund
June 30, 2008

Expendable Trust Fund

	Law Library
Revenues:	
Law Library Receipts	9,143
Interest Income	$ 96
Total revenue	9,239
Expenditures:	
Telephone	813
Books & Subscriptions	2,130
Misc.	34
Total expenditures	2,977
Excess of revenues over Expenditures	6,262
Fund balance – beginning of year	37,165
Fund balance – end of year	$ 43,427

Telfair County, Georgia
Schedule of Revenue, Expenditures & Changes in Fund Balance
Special Revenue Fund
June 30, 2008

Assets	
Cash	$ 3,092,567
Due from State Government Receivables	227,763
Total assets	$ 3,320,330
Liabilities and Fund Balances	
Liabilities	
Accounts Payable	$ 95,440
Total liabilities	95,440
Fund Balance	3,224,890
Total liabilities and fund balance	$ 3,320,330

Telfair County, Georgia
SPLOST Capital Projects Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances
For the Fiscal Year Ended June 30, 2008

Revenues:	
SPLOST revenue	$ 1,244,467
Other Income	82,737
Total Revenues	1,327,204
Expenditures:	
Roads & Bridges	300,404
Distribution to Cities	399,823
Court House	407,919
Recreation Facility	2,179
Total expenditures	1,110,325
Excess of revenues over Expenditures	216,879
Fund balance – beginning of year	3,008,011
Fund balance – end of year	$ 3,224,890

Telfair County, Georgia
CDBG Capital Projects Fund
Schedule of Assets, Liabilities, and Fund Balance
For the Fiscal Year Ended June 30, 2008

Assets	
Cash	$ -
Total Assets	-
Liabilities and Fund Balances	
Liabilities	$ -
Total Liabilities	-
Fund Balance	
Unreserved	$ -
Total Fund Balance	-
Total Liabilities & Fund Balances	$ -

Telfair County, Georgia
CDBG Capital Projects Fund
Schedule of Revenues, Expenditures & Changes in Fund Balances
For the Fiscal Year Ended June 30, 2008

Revenues:	
Intergovernmental	$ 500,000
Total Revenues	$ 500,000
Expenditures:	
Misc.	$ 6,778
Total Expenditures	$ -
Capital Outlay	
Building at HGTC	$ 493,222
Net Change in Fund Balance	-
Fund Balance Beginning	-
Fund Balance Ending	-

Telfair County, Georgia
CDBG Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Fiscal Year Ended June 30, 2008

	Project Authorization	Current Year	Total to Date
Revenues:	$ 500,000	$ 500,000	$ 500,000
Expenditures:			
Architecture	16,721	16,721	16,721
Learning Center	453,279	453,279	453,279
Administration	30,000	30,000	30,000
	$ 500,000	$ 500,000	$ 500,000

Telfair County, Georgia
Heart of Georgia – Council on Aging
Schedule of Revenues and Expenditures
Year Ended June 30, 2008

	Budget	Actual
Revenues:		
Receipts	$40,000	$ 37,956
Expenditures:		
Salaries	45,995	47,534
Group Insurance	24,087	30,815
Payroll tax	3,519	3,611
Retirement contributions		0
Repair and maintenance	2,250	1,761
Communication services	912	1,505
Travel	194	170
Small equipment	0	104
Other purchased services	139	819
Vehicle operations	1,683	1,885
Supplies	1,662	2,877
Utilities	8,272	7,657
Total expenditures	88,713	98,738
Excess of revenues over (Under) expenditures	$(48,713)	$ (60,782)

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, 2008

	Leisure Services	Hospital Authority	Development Authority	County Board of Health	Total
Assets					
Cash	$ 274	$ 121,098	$ 117,973	$ 452,617	$ 691,962
Deferred capital loss	-	-	-	-	-
Capital assets, net of depreciation	6,402	437,983	1,218,264	76	1,662,725
Other receivables	-	2,400	7,500	-	9,900
Investments	-	1,039,907	-	-	1,039,907
Notes receivable	-	-	-	-	-
Due within one year	-	-	-	-	-
Due in more than one year	-	-	-	-	-
Total assets	6,676	1,601,388	1,343,737	452,693	3,404,494
Liabilities					
Accounts payable	27,446	-	-	-	27,446
Accrued expenses	2,247	-	392	32,686	35,325
Notes payable	3,396	-	710,322	-	713,718
Net Assets	33,089	-	710,714	32,686	776,489
Investment in general fixed assets	3,006	437,983	507,942	76	949,007
Restricted				-	
Unrestricted	(29,420)	1,163,405	125,081	419,931	1,678,998
Total net assets	$ (26,413)	$ 1,601,388	$ 633,023	$ 420,007	$2,628,005

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, 2008

	Leisure Services	Hospital Authority	Development Authority	County Board of Health	Total
Program expenses					
Salaries	$ 33,591	$ -	$	$ 222,625	256,216
Professional fees	-	7,175	7,012	-	14,187
Interest expenses	466	-	9,432	-	9,898
Local support	-	140,000	29,901	-	169,901
Depreciation	792	10,846	22,247	-	33,885
Other expenses	103,334	4,054	11,360	156,202	274,950
Total program expenses	138,183	162,075	79,952	378,827	759,037
Program revenues					
Rental income	3,500	12,000	90,000	-	105,500
Other program revenues	43,536	-	-	349,553	393,089
Net program expenses	(91,147)	(150,075)	10,048	(29,274)	(260,448)
General revenues					
Intergovernmental income	80,221	-	67,000	22,095	169,316
Interest income	-	50,569	786	-	51,355
Dividend income	-	11,595	-	-	11,595
Bad debt expense		(309,630)			(309,630)
Loss on abandonment of property & equipment	-	(149,398)			(149,398)
Gain on sale of securities	-	7,051	-	-	7,051
Total revenues	80,221	(389,813)	67,786	22,095	(219,711)
Transfer of Assets					
Change in net assets	(10,926)	(539,888)	77,834	(7,179)	(480,159)
Net assets – beginning of the year	(15,487)	2,141,275	555,189	427,186	3,108,163
Net assets – end of the year	$ (26,413)	$ 1,601,388	$ 633,023	$ 420,007	$ 2,628,005

Telfair County, Georgia
Component Units
Combining Schedule of Assets, Liabilities and Fund Balance
June 30, 2008

	Leisure Services	Hospital Authority	Development Authority	County Board of Health	Total
Assets					
Current assets:					
Cash	$ 274	$ 121,098	$ 117,973	$ 452,617	$ 691,962
Investments	-	1,039,907	-	-	1,039,907
Current portion of notes receivable	-	-	-	-	-
Deferred capital loss	-	-	-	-	7,500
Other receivables	-	2,400	7,500	-	2,400
Total current assets	274	1,163,405	125,473	452,617	1,741,769
Notes receivable, less current portion	-	-	-	-	-
Total assets	$ 274	$ 1,163,405	$ 125,473	$ 452,617	$ 1,741,769
Liabilities					
Current liabilities:					
Accounts payable	$ 27,446	$ -	$ -	$ 3,228	$ 30,674
Accrued expenses	2,247	-	392	-	2,639
Current portion of long-term debt	-	-	105,318	-	105,318
Total current liabilities	29,693	-	105,710	3,228	138,631
Long-term debt, less current portion	-	-	605,004	-	605,004
Total liabilities	29,693	-	710,714	3,228	743,635
Fund balances:					
Reserved:	-	-	-	-	-
Unreserved	(29,419)	1,163,405	(585,241)	449,389	998,134
Total liabilities and fund balance	$ 274	$1,163,405	$ 125,473	$ 452,617	$ 1,741,769

Telfair County, Georgia
Components Units
Schedule of Revenues, Expenditures, and
Changes in Fund Balance
June 30, 2008

	Leisure Services	Hospital Authority	Development Authority	County Board of Health	Total
Revenues:					
Rental income	$ 3,500	$ 12,000	$ 90,000	$ -	$ 162,734
Intergovernmental income	80,221	-	67,000	57,234	147,221
Interest income	-	50,569	786	-	51,355
Dividend income	-	11,595	-	-	11,595
Other income	43,536	-	-	314,414	357,950
Total revenues	127,257	74,164	157,786	371,648	730,855
Expenditures:					
Salaries	$ 33,591	$ -	$ -	$ 222,625	$ 256,216
Professional fees	-	7,175	7,012	-	14,187
Interest expense	466	-	9,432	-	9,898
Local support	-	140,000	29,901	-	169,901
Other expenditures	103,334	4,054	557,293	151,459	816,140
Total expenditures	137,391	151,229	603,638	374,084	1,266,342
Excess revenues over (under) expenditures	(10,134)	(77,065)	(445,852)	(2,436)	(535,487)
Other income (expenses):					
Bad Debt Expenses		(309,630)	-	-	(309,630)
Loss on abandonment of property & equipment	-	(149,398)	-	-	(149,398)
Gain on sale of securities	-	7,051	-	-	7,051
Excess revenue and other income over expenditures and other expenses	(10,134)	(529,042)	(445,852)	(2,436)	(987,464)
Fund balance – beginning of year	(14,760)	2,141,275	(262,588)	451,825	2,315,752
Restatement of Beginning Balance	(14,760)	1,543,048	(262,588)	451,825	1,717,525
Fund balance – end of year	$(24,894)	$ 1,014,006	$ (708,440)	$ 449,389	$ 730,061
Net change in fund balance	(10,134)	(529,042)	(445,852)	(2,436)	(987,464)
Depreciation	(792)	(10,846)	(22,247)	(1,313)	(35,198)
Capital outlays	-	-		-	
Long term principal payments			123,199		123,199
Change in accrued expenses	-	-	422,734	(3,430)	419,304
Change in net assets of governmental activities	$ (10,926)	$ (539,888)	$ 77,834	$ (7,179)	$ (480,159)

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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, 2008. 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, 2008, in conformity with accounting principles generally accepted in the United States of America.

Fitzgerald, GA
June 29, 2009

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, 2008
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	$ 300,404	$ 473,965	21%
Courthouse Renovation	1,000,000	125,906	407,919	533,825	53%
City of McRae	652,925	406,457	149,174	555,631	85%
City of Lumber City	303,625	189,011	69,369	258,380	85%
City of Helena	561,575	349,950	128,303	478,253	85%
City of Milan	140,700	87,588	32,146	119,734	85%
City of Scotland	62,475	37,892	14,274	52,166	83%
City of Jacksonville	28,700	17,866	6,557	24,423	85%
Recreation Facility	500,000	469,664	2,179	471,843	94%
	$ 5,500,000	$ 1,857,895	$ 1,110,325	$ 2,968,220	

Telfair County, Georgia
Community Development Block Grant
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2008

	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	123,651	38,279
Current year program income	3,790	9,517
Total program income to-date	127,441	47,796
Total transfers in to-date	0	0
Funds available for disposition	$ 127,441	$ 47,796

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, 2008

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	90,606	90,606
Repayment of principle	12,496	12,496
Loan balance outstanding	96,898	96,898

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Independent Accountant's Report

I have examined management's assertion included in the accompanying State of Georgia Grant Certification Forms about Telfair County's compliance during the fiscal year ended June 30, 2008 with 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
2. County Pandemic Influenza Planning & Exercise Grant
3. CDBG Grant #05p-7-134-1-3053

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, 2008 is fairly stated, in all material respects.

June 29, 2009
Fitzgerald, GA

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

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		12/31/2008	12/31/2008
H	Balance - Prior Year (Cash or Accrued or Deferred Revenue)	$0.00	
I	Grant Receipts or Revenue Recognized	$167,516	$167,516
J	Grant Disbursements or Expenditures EXCLUDING AUDIT FEES	$167,516	$167,516
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_____

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 Community Affairs
C	Grant Identification Number	05p-y-134-1-3053
D	Grant Title	CDBG Grant
E	Grant Award Date	09/21/2005
F	Grant Amount	$500,000

		COLUMN 1 **Current Year Activity** For the Year Ended:	COLUMN 2 **Cumulative Grant Activity** Through the Year Ended:
G		12/31/2008	12/31/2008
H	Balance - Prior Year (Cash or Accrued or Deferred Revenue)	$0.00	
I	Grant Receipts or Revenue Recognized	$500,000	$500,000
J	Grant Disbursements or Expenditures EXCLUDING AUDIT FEES	$500,000	$500,000
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]	$0.00	$0.00

Certification of Local Government Officials

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

Signature of Chief Elected Official _____ Date_____

Signature of County Clerk _____Date_____

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 Human Resources
C	Grant Identification Number	Program Code 186
D	Grant Title	County Pandemic Influenza Planning and Exercise Grant
E	Grant Award Date	06/05/08
F	Grant Amount	$6,000

		COLUMN 1 **Current Year Activity** For the Year Ended:	COLUMN 2 **Cumulative Grant Activity** Through the Year Ended:
G		12/31/2008	12/31/2008
H	Balance - Prior Year (Cash or Accrued or Deferred Revenue)	$0.00	
I	Grant Receipts or Revenue Recognized	$6,000	$6,000
J	Grant Disbursements or Expenditures EXCLUDING AUDIT FEES	$6,000	$6,000
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]	$0.00	$0.00

Certification of Local Government Officials

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

Signature of Chief Elected Official _____ Date_____

Signature of County Clerk _____ Date_____

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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, 2008, and have issued my report thereon dated June 29, 2009. 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 shown on the accompany schedule of findings and questioned cost as items 2008-1 thru 2008-5.

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 June 29, 2009.

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.

Fitzgerald, GA
June 29, 2009

WANDA J. USSERY, CPA, P.C.

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Commissioners
Telfair County, Georgia

Compliance

I have audited the compliance of Telfair County, Georgia with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. Telfair County, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs in the responsibility of Telfair County, Georgia's management. My responsibility is to express an opinion on Telfair County, Georgia's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America: the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States: and the OMB Circular A-133, *Audits of States, Local Governments, And Non-Profit Organizations.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Telfair County, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination of Telfair County, Georgia's compliance with those requirements.

In my opinion, Telfair County, Georgia, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008. However, the results of my auditing procedures disclosed instances of noncompliance with those, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2008-1 thru 2008-5.

Internal Control Over Compliance

The management of Telfair County, Georgia, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered Telfair County, Georgia's internal control over compliance with the requirements that could have a direct and material effect on major federal program in order to determine my auditing procedures for the purpose of expression my opinion on compliance, but not for the purpose of expression an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of Telfair County, Georgia's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combinations of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identity all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I considered to be material weaknesses, as defined above.

Telfair County, Georgia's response to the findings indentified in my audit is described in the accompanying schedule of findings and questioned costs. I did not audit Telfair County, Georgia's response and, accordingly, I express no opinion on it.

This report is intended solely for the information and use of management, County Commissioners, others within the entity, 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.

Fitzgerald, Georgia
June 29, 2009

Telfair County, Georgia
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2008

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDC Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Housing And Urban Developments	14.227	N/A	$ 500,000
Total Expenditures of Federal Awards			$ 500,000

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Telfair County, Georgia
McRae, Georgia

Year Ended
June 30, 2008

SECTION 1 - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued:	Qualified
Internal control over financial reporting:	
Material weaknesses identified	yes
Significant deficiencies identified that are not Considered to be material weaknesses?	yes
Noncompliance material to financial statements Noted?	yes

FEDERAL AWARDS

Internal control over major programs:	
Material weaknesses identified	No
Significant deficiencies identified that are not Considered to be material weaknesses?	No
Type of auditors report on compliance for Major programs	Unqualified
Any audit findings disclosed that are required To be reported in accordance with section 510(a) Of Circular A-133	No

Major programs:

CFDA # 14.227 CDBG-Public Facility Grant

Dollar threshold used to distinguish between type A and type B programs? $300,000

Auditee qualifies as low risk auditee? No

SCHEDULE OF FINDINGS AND QUESTIONED COST

SECTION II – FINANCIAL STATEMENT FINDINGS

2008 -1 Segregation of Duties

Criteria: Procedures should be in place to maintain the security of assets.

Condition: 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.

Context: Management agrees that close supervision needs to be continually exercised.

Effect: Misappropriation of assets has occurred in the Sheriff's office.

Recommendation: I recommend that each individual office be looked at to see if there is a way to segregate duties that will help to maintain the security of assets.

Views of Responsible officials: Management concurs with the finding, and will look at reviewing each area of government to help maintain the security of assets.

2008-2 Financial Statement Preparation

Criteria: Government auditing standards require that the government entity management be responsible for the financial statements.

Condition: County personnel are not capable of preparing the financial statements and lack of skill and competencies to prevent, detect, and correct a misstatement.

Context: During the audit information is provided by the outside accountants to the auditors, because the staff is not capable of providing the information. There are also instances of posting of deposits to the incorrect account.

Effect: Audit adjustments are made when necessary.

Recommendation: I recommend that the County continue to obtain outside technical assistance in drafting the financials statements, and that a monthly or quarterly review of the accounts and bank reconciliations be provided to assure that deposits and expenses are posted to the correct account. Outstanding checks also need to be voided after a certain length of time.

Views of Responsible Officials and Planned Corrective Action:
Management agrees that they will retain outside technical assistance.

2008 – 3 Management of Capital Asset Accounts

Criteria: Generally accepted accounting principles generally require the reporting of all capital assets at their historical cost, which is written off periodically, or depreciated, in a systematic and rational manner.

Condition: There are assets on the depreciation schedule that cannot be located, others that are junked and others assets which we looked at that are not on the depreciation schedule.

Context: See above condition

Effect: This has caused the Statement of Net Assets to be misstated.
Recommendation: I recommend that the County use our findings and the depreciation schedule to correct all additions and deletions of capital assets.

View of Responsible Officials and Planned Corrective Action: Management agrees with the finding and will look into correcting this issue for the next audit period.

2008 – 4 Budgetary Control

Criteria: The Official Code of Georgia Annotated (OCGA) Section 36-81-3(b)(1) states that each unit of local government shall adopt and operate under an annual balanced budget for the general fund, each special revenue fund, and each debt service fund in use by the local government. The Official Code of Georgia Annotated (OCGA) Section 36-81-3(d)(1) states that any increase in appropriations at the legal level of control of the local government, whether accomplished through a change in anticipated revenues in any fund or through a transfer of appropriations among departments, shall require the approval of the governing authority. Such amendment shall be adopted by ordinance or resolution.

Condition: The County did not adopt a balanced budget for the period ending 06/30/08, operate under a balanced budget, or note any amendments by ordinance or resolution

Effect: See above condition.

Recommendation: Management should adopt a balanced budget each fiscal year, operate under that budget or amend the budget through an adoption of ordinance or resolution.

View of Responsible Officials and Planned Corrective Action: Management concurs and will improve its actions in budgetary controls.

SECTION III – FEDERAL AWARD FINDING AND QUESTIONED COSTS

2008- 5 Use of Clearing Account for Grant Funds

Criteria: CBDG grant funds should be separated into their own accounts.

Condition: Funds were being transferred from the CDBG grant accounts to the Clearing account and the vendor checks were written out of the Clearing account.

Effect: See above condition.

Recommendation: Management has corrected this error.

View of Responsible Official and Planned Corrective Action: Management concurs and this has been corrected.