TELFAIR COUNTY, GEORGIA

FINANCIAL STATEMENTS
AS OF **JUNE 30, 2010**
TOGETHER WITH AUDITOR'S REPORT

TELFAIR COUNTY, GEORGIA
FINANCIAL STATEMENTS

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FINANCIAL STATEMENTS

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I. FINANCIAL SECTION

- **INDEPENDENT AUDITOR'S REPORT**
- **BASIC FINANCIAL STATEMENTS**

WANDA J. USSERY, CPA, P.C.

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

MEMBER
GEORGIA SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Telfair County, Georgia as of and for the year ended June 30, 2010, 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's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Telfair County Hospital Authority, Telfair County Board of Health, Telfair Country Airport Authority, and Telfair County Development Authority. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Hospital Authority, Board of Health, Airport Authority, and Development Authority is based on the report of other auditors.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

We were unable to confirm accounts receivables from the EMS and were unable to satisfy ourselves about the EMS receivables through alternative procedures (see note IV F.)

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

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to confirm the accounts receivable referred to in the preceding paragraph, 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, 2010, 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.

In accordance with Government Auditing Standards, we have also issued our report dated December 28, 2010 on our consideration of Telfair County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Telfair County's basic financial statements. The Required Supplemental Information is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. The Combining and Individual Fund Schedules and Supplemental Schedules, are presented for purposes of additional analysis and are not a required part of the financial statements. The Required Supplemental Information, the Combining and Individual Fund Schedules and Supplemental Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Wade J. Hosey, CPA, P.C.

Fitzgerald, Georgia
December 28, 2010

TELFAIR COUNTY, GEORGIA
STATEMENT OF NET ASSETS
JUNE 30, 2010

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	$ 6,432,397	$ -	$ 6,432,397	$ 1,780,974
Investments	-	-	-	198,654
Taxes receivable -				
net of uncollectible accounts	1,028,343	-	1,028,343	-
Other receivables	878,481	20,225	898,706	14,400
Intergovernmental receivables	174,822	-	174,822	-
Internal balances	(1,320,219)	1,320,219	-	-
Prepaids	196,080	-	196,080	-
Capital assets:				
Nondepreciable	1,219,203	707,670	1,926,873	900,969
Depreciable, net	3,875,534	2,376,822	6,252,356	2,300,712
Total assets	$ 12,484,641	$ 4,424,936	$ 16,909,577	$ 5,195,709
LIABILITIES				
Accounts payable	$ 180,517	$ 5,837	$ 186,354	$ 31,553
Cash overdraft	-	8,710	8,710	-
Other liabilities	33,810	-	33,810	101,603
Noncurrent liabilities:				
Due within one year -				
Capital lease payable	3,269	-	3,269	-
Notes payable	2,391	-	2,391	105,869
Due in more than one year:				
Capital lease payable	52,153	-	52,153	-
Closure/post closure accrued liability	-	1,413,417	1,413,417	-
Notes payable	7,818	-	7,818	448,055
Total liabilities	279,958	1,427,964	1,707,922	687,080
NET ASSETS				
Invested in capital assets, net				
of related debt	5,029,106	3,084,492	8,113,598	2,647,757
Restricted:				
Special revenue	5,080,740	-	5,080,740	-
Prior year program income	-	-	-	1,945
Unrestricted	2,094,837	(87,520)	2,007,317	1,858,927
Total net assets	12,204,683	2,996,972	15,201,655	4,508,629
Total liabilities and net assets	$ 12,484,641	$ 4,424,936	$ 16,909,577	$ 5,195,709

The accompanying Notes to Financial Statements are an integral part of these statements.

TELFAIR COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions
Primary government			
Governmental activities			
General governmen	$ 1,221,756	$ 3,010	$ -
Judicial	576,229	296,169	-
Public safety	2,541,194	776,015	-
Public works	768,309	-	-
Health and welfare	391,431	123,439	-
Culture and recreation	165,370	11,268	-
Housing and developmen	264,154	-	-
Intergovernmental payment:	560,089	-	-
Interest on long-term deb	1,985	-	-
Total governmental activitie:	6,490,517	1,209,901	-
Business-type activities ·			
Landfill	491,937	228,670	-
Total business-type activities	491,937	228,670	-
Total primary governmen	6,982,454	1,438,571	-
Component units:			
Governmental type	704,753	356,446	386,031
Total component units	$ 704,753	$ 356,446	$ 386,031

General revenues:
Property taxes
Timber taxes
Local Option Sales taxes
Hotel and motel taxes
Beer and wine taxes
Insurance premium taxes
Other taxes
Interest income
Loss on sale of capital assets
Miscellaneous
Total general revenues
Change in net assets

Net assets - beginning

Net assets - ending

Program Revenues	Net (Expense) Revenue and Changes in Net Assets			
	Primary Government			Component Unit
Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Component Units
$ -	$ (1,218,746)	$ -	$ (1,218,746)	
-	(280,060)	-	(280,060)	
79,091	(1,686,088)	-	(1,686,088)	
1,175,455	407,146	-	407,146	
-	(267,992)	-	(267,992)	
-	(154,102)	-	(154,102)	
-	(264,154)	-	(264,154)	
-	(560,089)	-	(560,089)	
-	(1,985)	-	(1,985)	
1,254,546	(4,026,070)	-	(4,026,070)	
-	-	(263,267)	(263,267)	
-	-	(263,267)	(263,267)	
1,254,546	(4,026,070)	(263,267)	(4,289,337)	
1,016,439				1,054,163
$ 1,016,439				1,054,163
	3,738,712	-	3,738,712	-
	104,368	-	104,368	-
	409,616	-	409,616	-
	17,372	-	17,372	-
	7,673	-	7,673	-
	225,688	-	225,688	-
	12,037	-	12,037	-
	91,269	131	91,400	26,896
	(25,262)	-	(25,262)	-
	211,780	-	211,780	59,052
	4,793,253	131	4,793,384	85,948
	767,183	(263,136)	504,047	1,140,111
	11,437,500	3,260,108	14,697,608	3,368,518
	$ 12,204,683	$ 2,996,972	$ 15,201,655	$ 4,508,629

The accompanying Notes to Financial Statements are an integral part of these statements.

TELFAIR COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

	General	SPLOST	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 1,846,786	$ 4,520,089	$ 65,522	$ 6,432,397
Taxes receivable - net of allowance for uncollectibles	1,028,343	-	-	1,028,343
Other receivables - net of allowance for uncollectibles	544,050	12,943	321,488	878,481
Intergovernmental receivable	-	174,822	-	174,822
Due from other funds	-	8,550	-	8,550
Prepaids	196,080	-	-	196,080
Total assets	$ 3,615,259	$ 4,716,404	$ 387,010	$ 8,718,673
LIABILITIES				
Accounts payable	$ 157,843	$ 22,674	$ -	$ 180,517
Other liabilities	33,810	-	-	33,810
Deferred revenue	962,355	-	-	962,355
Due to other funds	1,328,769	-	-	1,328,769
Total liabilities	2,482,777	22,674	-	2,505,451
FUND BALANCES				
Reserved:				
SPLOST - capital projects	-	4,693,730	-	4,693,730
Unreserved, reported in:				
Special revenue funds	-	-	387,010	387,010
General fund	1,132,482	-	-	1,132,482
Total fund balances	1,132,482	4,693,730	387,010	6,213,222
Total liabilities and fund balances	$ 3,615,259	$ 4,716,404	$ 387,010	$ 8,718,673

The accompanying Notes to Financial Statements are an integral part of these statements.

TELFAIR COUNTY, GEORGIA
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS
JUNE 30, 2010

Amounts reported for governmental activities in the statement of net assets are different because:		
Total governmental fund balances		$ 6,213,222
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.		
Cost of capital assets	$ 7,729,208	
Less accumulated depreciation	(2,634,471)	5,094,737
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		962,355
Long-term liabilities, such as compensated absences and capital leases are not due and payable in the current period and, therefore, are not reported in the funds.		(65,631)
Net assets of governmental activities		$ 12,204,683

The accompanying Notes to Financial Statements are an integral part of these statements.

TELFAIR COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	General	SPLOST	Other Governmental Funds	Total Governmental Funds
REVENUES				
General property taxes	$ 4,613,367	$ -	$ -	$ 4,613,367
Other taxes	655,014	-	17,372	672,386
Charges for services	659,024	-	-	659,024
Intergovernmenta	99,044	1,175,455	79,091	1,353,590
Fines and forfeitures	440,565	-	-	440,565
Interest income	11,510	59,440	20,319	91,269
Miscellaneous incom	211,780	-	11,268	223,048
Total revenues	6,690,304	1,234,895	128,050	8,053,249
EXPENDITURES				
Current:				
General governmen	1,190,510	-	9,859	1,200,369
Judicial	576,229	-	-	576,229
Public safety	2,407,836	-	6,210	2,414,046
Public works	589,555	-	-	589,555
Health and welfare	391,431	-	-	391,431
Culture and recreation	131,480	2,961	2,812	137,253
Housing and developmen	256,641	-	7,513	264,154
Intergovernmenta	-	-	560,089	560,089
Debt service:				
Principal	21,378	-	2,291	23,669
Interest	1,438	-	547	1,985
Capital outlay :				
General governmen	14,940	143,330	-	158,270
Public safety	69,817	-	74,320	144,137
Public works	78,422	130,739	-	209,161
Culture and recreation	-	7,950	-	7,950
Total expenditures	5,729,677	284,980	663,641	6,678,298
OTHER FINANCING SOURCES (USES)				
Capital lease proceeds	55,422	-	-	55,422
Sale of capital assets	23,000	-	-	23,000
Transfers in (out)	(2,838)	-	2,838	-
Total other financing sources	75,584	-	2,838	78,422
Net change in fund balances	1,036,211	949,915	(532,753)	1,453,373
Fund balances, beginning	96,271	3,743,815	919,763	4,759,849
Fund balances, ending	$ 1,132,482	$ 4,693,730	$ 387,010	$ 6,213,222

The accompanying Notes to Financial Statements are an integral part of these statements.

TELFAIR COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ 1,453,373
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	$ 519,518	
Depreciation expense	(355,406)	164,112
In the statement of activities, only the gain or loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund blanace by the net of these amounts.		
Proceeds from sale of capital assets	$ (23,000)	
Loss on sale of capital assets	(25,262)	(48,262)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes:		
Deferred at June 30, 2010	$ 962,355	
Deferred at June 30, 2009	(1,732,642)	(770,287)
The issuance of long-term debt (e.g. bonds, leases), provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.		
Capital lease proceeds	$ (55,422)	
Principal repayments	23,669	(31,753)
Change in net assets of governmental activities		$ 767,183

The accompanying Notes to Financial Statements are an integral part of these statements.

TELFAIR COUNTY, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUND
JUNE 30, 2010

	Business-Type Activity - Enterprise Fund Landfill
ASSETS	
Current assets:	
Accounts receivable, net	$ 20,225
Due from other funds	1,320,219
Total current assets	1,340,444
Noncurrent assets -	
Capital assets:	
Land, nondepreciable	707,670
Equipment, depreciable	3,991,155
Buildings and improvements, depreciable	40,257
Less - accumulated depreciation	(1,654,590)
Capital assets, net	3,084,492
Total assets	$ 4,424,936
LIABILITIES	
Current liabilities:	
Accounts payable	$ 5,837
Cash overdraft	8,710
Noncurrent liabilities -	
Closure/post closure accrued liability	1,413,417
Total liabilities	1,427,964
NET ASSETS	
Invested in capital assets, net of related debt	3,084,492
Unrestricted net assets	(87,520)
Total net assets	2,996,972
Total liabilities and net assets	$ 4,424,936

The accompanying Notes to Financial Statements are an integral part of these statements.

TELFAIR COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2010

	Business-Type Activity - Enterprise Fund Landfill
OPERATING REVENUES	
Charges for services	$ 228,670
Total operating revenues	228,670
OPERATING EXPENSES	
Personnel services	84,769
Employee benefits	50,297
Professional services	46,260
Repairs and maintenance	35,235
Communication services	2,906
Other purchased services	8,187
Supplies	10,560
Utilities	12,086
Gasoline / diesel	20,488
Depreciation	104,577
Closure / post closure	112,622
Other operating	3,950
Total operating expenses	491,937
Operating income (loss)	(263,267)
NON-OPERATING REVENUES (EXPENSES)	
Interest income	131
Total non-operating revenues, net	131
Change in net assets	(263,136)
Net assets, beginning	3,260,108
Net assets, ending	$ 2,996,972

The accompanying Notes to Financial Statements are an integral part of these statements.

TELFAIR COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2010

	Business-Type Activity - Enterprise Fund Landfill
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	232,390
Cash paid to suppliers for goods and services	(180,044)
Cash paid to employees for services	(84,769)
Cash paid for employee taxes and benefits	(50,297)
Cash received from other funds	33,000
Net cash used by operating activities	(49,720)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	-
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income on investments	131
Net cash provided by investing activities	131
Net decrease in cash	(49,589)
Cash, beginning of year	40,879
Cash, end of year	$ (8,710)
Reconciliation of income from operations to net cash used by operating activities:	
Income from operations	(263,267)
Depreciation	104,577
Change in accounts receivable	3,720
Change in due from other funds	33,000
Change in accounts payable	(40,372)
Change in accrued liabilities	-
Change in accrued closure/post closure	112,622
Net cash used by operating activities	(49,720)

The accompanying Notes to Financial Statements are an integral part of these statements.

TELFAIR COUNTY, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2010

ASSETS		
Cash	$	313,122
Taxes receivable (net allowance for uncollectible accounts)		1,238,589
Total assets	$	1,551,711
LIABILITIES		
Other liabilities	$	1,551,711
Total liabilities	$	1,551,711

The accompanying Notes to Financial Statements are an integral part of these statements.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Telfair County, Georgia (the County), was incorporated December 10, 1807, under provisions 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 financial statements of the County have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the standard-setting body for governmental accounting and financial reporting. Pronouncements of the Financial Accounting Standards Board ("FASB") issued after November 30, 1989 are not applied in the preparation of the financial statements of the business-type activities and enterprise funds in accordance with an election made by the County under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting.*. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of these accounting policies are described below.

A. Reporting Entity

In evaluating the County as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the County may be financially accountable and, as such, should be included within the County's financial statements. The County (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial burden on the County. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The financial statements are formatted to allow the user to clearly distinguish between the primary government and its component units. The component units are discretely presented.

Brief descriptions of discretely presented component units follow:

Telfair County Department of Leisure Services - Actively serves the Community by planning and providing recreational activities for the children and youth of the community. The County appoints the majority of the Board of Directors and has a significant relationship with the Department.

Telfair County Hospital Authority - Actively serves the community by providing for the planning and availability of health care facilities, encouraging physicians and other necessary medical personnel to locate and practice within the County and to asset in funding indigent care. The County appoints the majority of the Board of Directors and has a significant relationship with the Authority.

Development Authority of Telfair County - Provides for the development and promotion for the public good, trade, commerce industry and employment opportunities and to promote the general welfare of the State of Georgia. The County appoints the majority of the Board of Directors and has a significant relationship with the Authority.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Telfair County Board of Health - Provides for various health services for citizens in Telfair County under a contract with the Georgia Department of Human Resources. The County appoints the majority of the Board of Directors and has a significant relationship with the Board of Health.

Telfair-Wheeler County Airport Authority - Provides for the construction and renovation of the airport which serves Telfair and Wheeler County as well as promoting the airports usage for the public good. The Authority is managed by a five member board, two of which are appointed by both the Telfair County Board of Commissioners and the Wheeler County Board of Commissioners with an additional at-large member appointed by these four members. The Authority's operations are dependent on financial support provided by Telfair and Wheeler County.

A complete copy of the component unit financial statements can be obtained from Telfair County Board of Commissioners, 713 Telfair Avenue, McRae, Georgia 31055.

Governmental accounting standards require reasonable separation between the Primary Government and it's discretely presented component units, both in the financial statements and in the related notes and required supplementary information. Because the discretely presented component units, although legally separate, have been and are operated as if each is part of the primary government, there are limited instances where special note reference or separation will be required. If no separate note reference or categorization is made, the user should assume that information presented is equally applicable.

B. Basic Financial Statements

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.

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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. Non-major funds are summarized into a single column.

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 government-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 funds are 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.

C. Basis of Presentation

The financial transactions of the County are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The County reports the following major governmental funds:

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.

SPLOST Fund is a capital projects fund and accounts for 1% sales tax proceeds required to be used for capital outlay projects for purposes authorized by local referendum.

The County reports the following major proprietary fund:

Landfill Fund is a proprietary fund which accounts for the operations of the landfill and is treated similar to a private business enterprise.

Additionally, the County reports the following fund types:

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of revenue sources other than special assessments that are legally restricted to expenditures for specified purposes. They include the Revolving Loan Fund, Multipurpose Grant Fund, Expendable Trust Fund and Hotel-Motel Tax Fund.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Projects Funds – Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds. They include the SPLOST Fund and the Capital Projects Grant Fund.

Agency Funds - 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. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Non-Current Governmental Assets/Liabilities:

GASB Statement No. 34 *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments,* eliminates the presentation of Account Groups, but provides for these records to be maintained and incorporates the information into the Governmental column in the government-wide Statement of Net Assets.

D. Basis of Accounting

Governmental funds:

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 and fiduciary units 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. "Measurable" means the amount of the transaction can be determined. "Available" 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 "available" for purposes of revenue recognition in the governmental fund financial statements to be 60 days.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes, other taxes, interest, and state grants.

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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In applying the "susceptible 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:

Propriety funds employ the economic resources measurement focus. 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's enterprise funds are charges to customers for sales and service. Operating expenses for 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.

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.

E. Assets, Liabilities and Net Assets

1. ***Cash and Cash Equivalents*** - include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the County.

   State statutes authorize the County to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and investment pools. Investments in non-negotiable certificates of deposit are stated using a cost-based measure.

   The investments of the Telfair County Hospital Authority consist of Marketable Debt Securities with a cost of $198,654 and a market value of $211,248.

   The Telfair County Board of Health certificate of deposits balance at 6/30/2010 was $381,024.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2. ***Short-term Interfund Receivables/Payables*** - During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. The purpose of the interfund balances is to account for those transactions that have not been settled as of the financial statement date. These receivables and payables are classified as "due from other funds" or "due to other funds" on the respective fund's balance sheet and as internal balances on the statement of net assets. All interfund balances shown are expected to be settled within one year.

3. ***Taxes Receivable and Other Receivables*** - Taxes receivable and other receivables, are shown net of an allowance for uncollectible accounts. The allowance for general government accounts receivable is derived from the age of the individual receivable and consists of a percentage of the receivable, based upon actual historical losses.

4. ***Prepaid Items*** - Payments made to vendors for services that will benefit periods beyond June 30, 2010, are recorded as prepaid items.

5. ***Capital Assets*** - Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at fair market value as of the date donated. 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's capitalization threshold of $5,000 is met. Other costs incurred for repairs and maintenance are expensed 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

6. **Compensated Absences** - National Council on Governmental Accounting Statement 4, effective for fiscal years beginning after December 31, 1982, requires that vacation and sick pay benefits be accrued when: 1) the employer'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 fiscal year-end; therefore, no accrual for vacation is necessary at June 30, 2010.

   Accumulated sick pay benefits are not 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.

7. ***Long-term Obligations*** - In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

8. Net Assets:

The government-wide statements utilize a net asset presentation. Net assets are categorized as investment in capital assets (net of related debt), restricted and unrestricted.

- **Investment in Capital Assets (net of related debt)** - is intended to reflect the portion of net assets which are associated with non-liquid capital assets less outstanding capital asset related debt.

- **Restricted Net Assets** - represent funds for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

- **Unrestricted Net Assets** - represent unrestricted liquid assets. While County management may have categorized and segmented portions for various purposes, the County Commissioners have the unrestricted authority to revisit or alter these managerial decisions.

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the County's policy is to apply restricted net assets first.

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

The County's procedures in 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.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

B. Encumbrances

Encumbrances accounting, the method by which purchase orders, contracts, and other commitments for expenditures of funds are recorded in order to reserve that portion of the applicable appropriation of expected revenues, 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.

C. Expenditures Exceed Appropriations

During the year ended June 30, 2010, expenditures exceeded appropriations in the following functions:

Fund	Department	Expenditures Over Budget
General	General government buildings and plant	$ 7,385
	Magistrate court	933
	Probate court	1,249
	Law enforcement administration	104,903
	Jail operations	4,711
	Emergency medical services	299
	Public health administration	648
	Health department building	4,017
	Intergovernmental - Welfare	5,277
	Community services	445
	Library administration	500
	Agricultural resources	5,719
	Forest resources	52
	Economic development	4,250
	Debt service - principal	378
	Debt service - interest	1,438
	Capital outlay - general gov't buildings and plant	5,980
	Capital outlay - jail operations	3,859
	Capital outlay - emergency medical services	1,987
	Capital outlay - highways and streets	78,422

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

A summary of the County's deposits and investments at June 30, 2010 follows:

Account Balances	
Petty cash	$ 900
Demand deposits	4,120,891
Certificates of deposit	2,301,896
Investments	-
Total reporting entity	$ 6,423,687

Ownership of Funds	
Primary Government -	
Governmental funds:	
Cash	$ 4,130,501
Certificates of deposit	2,301,896
Proprietary fund -	
Cash overdraft	(8,710)
Total primary government	$ 6,423,687
Component Units:	
Cash	$ 1,399,950
Certificates of deposit	381,024
Investments	198,654
Total component units	1,979,628
Total reporting entity	$ 8,403,315

Custodial Credit Risk is the risk that in the event of a bank failure, the County's deposits (in excess of FDIC insurance) may not be returned to us.

Deposits:

The County's deposits at year-end were entirely covered by federal depository insurance or by collateral held by the County's custodial banks in the County's name.

Investments:

Interest Rate Risk is the risk that changes in interest rates will adversely affect the value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

III. DETAILED NOTES ON ALL FUNDS

Credit Risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. The County has no investment policy that would further limit its investment choices from those authorized and listed in Note I E 1.

B. Taxes Receivable and Allowances for Uncollectible Accounts

Taxes receivable and allowances for uncollectible accounts at June 30, 2010 are as follows:

	Receivable	Allowance	Net
General fund-			
Property taxes	$ 1,193,266	$ (200,073)	$ 993,193
Local option sales taxes	35,150	-	35,150
Total	$ 1,228,416	$ (200,073)	$ 1,028,343

Property taxes for 2009-2010 were levied October 9, 2009 and due December 20, 2009 on property valued as of January 1, 2009. The tax rate to finance general governmental services for the fiscal year ended June 30, 2010 was $13.199 per $1,000 of assessed taxable property value for the unincorporated areas of Telfair County, and $13.199 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.

C. Interfund Receivables and Payables

Generally, outstanding balances between funds reported as due to/from other funds includes outstanding charges by one fund to another for services or goods, subsidy commitments outstanding, and other miscellaneous receivables and payable s between funds. Balances to which a fiduciary fund is a party are treated as external receivables and payables.

A summary of interfund receivables and payables at June 30, 2010 follows:

	Payable to:		
Payable from -	SPLOST	Landfill	Total
General fund	$ 8,550	$ 1,320,219	$ 1,328,769

III. DETAILED NOTES ON ALL FUNDS

D. Capital Assets and Long-Term Debt

Following is a summary of changes in Capital Assets:

Primary Government:

	Balance June 30, 2009	Additions	Retirements or Transfers	Balance June 30, 2010
Governmental activities:				
Capital assets, not being depreciated -				
Land	$ 217,535	$ -	$ -	$ 217,535
Construction in progress	858,338	143,330	-	1,001,668
Total not being depreciated	1,075,873	143,330	-	1,219,203
Capital assets, being depreciated:				
Equipment	3,917,687	328,496	(58,500)	4,187,683
Buildings and improvements	2,274,630	47,692	-	2,322,322
Total being depreciated	6,192,317	376,188	(58,500)	6,510,005
Less accumulated depreciation for:				
Equipment	2,039,962	286,339	(10,238)	2,316,063
Buildings and improvements	249,341	69,067	-	318,408
Total accumulated depreciation	2,289,303	355,406	(10,238)	2,634,471
Total being depreciated, net	3,903,014	20,782	(48,262)	3,875,534
Governmental activities capital assets, net	$ 4,978,887	$ 164,112	$ (48,262)	$ 5,094,737
Business-type activities:				
Capital assets, not being depreciated -				
Land	$ 707,670	$ -	$ -	$ 707,670
Total not being depreciated	707,670	-	-	707,670
Capital assets, being depreciated:				
Equipment	3,991,155	-	-	3,991,155
Buildings and improvements	40,257	-	-	40,257
Total being depreciated	4,031,412	-	-	4,031,412
Less accumulated depreciation for:				
Equipment	1,535,549	103,570	-	1,639,119
Buildings and improvements	14,464	1,007	-	15,471
Total accumulated depreciation	1,550,013	104,577	-	1,654,590
Total being depreciated, net	2,481,399	(104,577)	-	2,376,822
Business-type activities capital assets, net	$ 3,189,069	$ (104,577)	$ -	$ 3,084,492

III. DETAILED NOTES ON ALL FUNDS

Depreciation expense was charged to functions / programs as follows:

Governmental activities:	
General government	$ 21,387
Public safety	127,148
Public works	178,754
Culture and recreation	28,117
Total depreciation expense - governmental activities	$ 355,406
Business-type activities -	
Landfill	$ 104,577
Total depreciation expense - business-type activities	$ 104,577

Component Units:

	Balance June 30, 2009	Additions	Retirements or Transfers	Balance June 30, 2010
Capital assets, not being depreciated -				
Land	$ 235,780	$ 72,522	$ -	$ 308,302
Construction in progress	476,744	1,044,950	(929,027)	592,667
Total not being depreciated	712,524	1,117,472	(929,027)	900,969
Capital assets, being depreciated:				
Equipment	77,474	-	(2,659)	74,815
Buildings and improvements	1,533,971	35,576	-	1,569,547
Infrastructure	-	-	929,027	929,027
Total being depreciated	1,611,445	35,576	926,368	2,573,389
Less accumulated depreciation for:				
Equipment	71,958	792	(2,659)	70,091
Buildings and improvements	151,788	38,887	-	190,675
Infrastructure	-	11,911	-	11,911
Total accumulated depreciation	223,746	51,590	(2,659)	272,677
Total being depreciated, net	1,387,699	(16,014)	929,027	2,300,712
Governmental activities capital assets, net	$ 2,100,223	$ 1,101,458	$ -	$ 3,201,681

III. DETAILED NOTES ON ALL FUNDS

Depreciation expense was charged to functions / programs as follows:

Component units:	
Telfair County Department of Leisure Services	$ 792
Telfair County Hospital Authority	11,356
Development Authority of Telfair County	27,531
Telfair County Board of Health	-
Telfair / Wheeler County Airport Authority	11,911
Total depreciation expense - component units	$ 51,590

E. Long-Term Obligations

The following is a summary of changes in long-term obligations of the County for the year ended June 30, 2010

	Beginning Balance	Additions	Payments/ Retirements	Ending Balance	Current Portion	Long-term Portion
Primary Government:						
Governmental activities:						
Capital lease payable	$ 21,378	$ 55,422	$ (21,378)	$ 55,422	$ 3,269	$ 52,153
USDA Note Payable	12,500	-	(2,291)	10,209	2,391	7,818
Governmental activity - long-term liabilities	$ 33,878	$ 55,422	$ (23,669)	$ 65,631	$ 5,660	$ 59,971
Business-type activities -						
Closure/post closure	$ 1,300,795	$ 112,622	$ -	$1,413,417	$ -	$ 1,413,417
Business-type activity - long-term liabilities	$ 1,300,795	$ 112,622	$ -	$1,413,417	$ -	$ 1,413,417

Capital Lease

During fiscal year 2008 the County entered into a capital lease agreement with Ford Motor Credit for the purchase of a van for use by the sheriff department with an original amount of $26,855. Annual payments totaled $9,555, began in October of 2007 and ended in October of 2009 at an interest rate of 6.90%. As of June 30, 2010 the net book value of this leased vehicle was $12,085.

During fiscal year 2008 the County entered into a capital lease agreement with Ford Motor Credit for the purchase of a Chevy Tahoe for use by the sheriff department with an original amount of $37,370. Annual payments totaled $12,440, began in November of 2007 and ended in November of 2009 at an interest rate of 6.60%. As of June 30, 2010 the net book value of this leased vehicle was $18,685.

III. DETAILED NOTES ON ALL FUNDS

During fiscal year 2010 the County entered into a capital lease agreement with Yancy Brothers Company for the purchase of a Caterpillar Backhoe for use by the highways and streets department with an original amount of $55,422. The agreement calls for five annual payments of $5,211 beginning in September of 2010 and ending in September of 2014 with a balloon payment of $38,000 due October 25, 2014 at an interest rate of 3.45%. As of June 30, 2010 the net book value of this leased vehicle was $70,020. The annual requirements to amortize the remaining balance of $55,422 as of June 30, 2010, including interest payments of $8,635 are as follows:

Year Ending June 30	Principal	Interest	Total
2011	$ 3,269	$ 1,942	$ 5,211
2012	3,383	1,828	5,211
2013	3,502	1,709	5,211
2014	3,625	1,586	5,211
2015	41,643	1,570	43,213
Total	$ 55,422	$ 8,635	$ 64,057

USDA Note Payable

During fiscal year 2009, the County received a community facility loan from the USDA for the purchase of equipment. The loan is payable in five annual installments of $2,838 beginning in November 2009 at a rate of 4.375%. The annual requirements to amortize the remaining balance of $12,500 as of June 30, 2010, including interest payments of $1,143 are as follows:

Year Ending June 30	Principal	Interest	Total
2011	$ 2,391	$ 447	$ 2,838
2012	2,496	342	2,838
2013	2,605	233	2,838
2014	2,717	121	2,838
Total	$ 10,209	$ 1,143	$ 11,352

III. DETAILED NOTES ON ALL FUNDS

The following is a summary of changes in long-term obligations of the component units for the year ended June 30, 2010

	Beginning Balance	Additions	Payments/ Retirements	Ending Balance	Current Portion	Long-term Portion
Component Units:						
Telfair County Department of Leisure Services -						
Note payable	$ 551	$ -	$ (551)	$ -	$ -	$ -
Development Authority of Telfair County:						
One Georgia loan	375,000	-	(12,500)	362,500	25,000	337,500
SSB Land Loan	25,250	-	(5,000)	20,250	20,250	-
EIP Note	220,321	-	(49,147)	171,174	60,619	110,555
Total component units long-term liabilities	$ 621,122	$ -	$ (67,198)	$ 553,924	$ 105,869	$ 448,055

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

The annual requirements to amortize the remaining balance of principal and interest are as follows:

Year Ending June 30	One Georgia Loan		SSB Land Loan		EIP Note		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2011	$ 25,000	$ -	$ 20,250	$ 1,249	$ 60,619	$ 4,306	$ 105,869	$ 5,555
2012	25,000	-	-	-	62,463	2,462	87,463	2,462
2013	25,000	-	-	-	48,092	603	73,092	603
2014	25,000	-	-	-	-	-	25,000	-
2015	25,000	-	-	-	-	-	25,000	-
2016-2020	125,000	-	-	-	-	-	125,000	-
2021-2025	112,500	-	-	-	-	-	112,500	-
2026-2027	-	-	-	-	-	-	-	-
	$ 362,500	$ -	$ 20,250	$ 1,249	$ 171,174	$ 7,371	$ 553,924	$ 8,620

III. DETAILED NOTES ON ALL FUNDS

F. Retirement Commitments

The following retirement and pension plans are in effect for County officials but are under control of the State of Georgia, not the County:

A. Probate Judges' 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's 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.

G. Commitments and Contingencies

The County receives 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 the County officials, adjustments resulting from such examination are not expected to differ materially from amounts reflected in the accompanying financial statements.

There are several lawsuits pending in which the County is involved. The County Attorney 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.

IV. OTHER INFORMATION

A. 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.

IV. OTHER INFORMATION

The County is also part of the ACCG Group Self-Insurance Workers Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

As part of this risk pool, the Government is obligated to pay all contributions and assessments as prescribed by the pool, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the fund, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the fund 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 responsibilities of the pool are to defend, in the name of and on behalf of the members, any suits or other proceedings which may at any time be instituted against them on account of injuries or death within the preview of the Workers' Compensation Law of Georgia, or on the basis of employer's liability. The pool is to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment and all expenses incurred for investigation, negotiation or defense.

B. Landfill Closure and Post closure 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 $2,797,902. 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 50% of the landfill capacity and the landfill has an estimated remaining life of thirty years.

C. Joint Venture

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 Commission (RC). Membership in an RC 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 RCs. Each county and municipality in the state is required by law to pay minimum annual dues to the RC. The county paid annual dues in the amount of $4,941 to the RC for the year ended June 30, 2010. The RC Board membership includes the chief elected official of each county and the chief elected official of each municipality. The County board members and municipal board members from the same county elect one member of the Board who is a resident (but not an elected or appointed official or employee of the County or municipality) to serve as the nonpublic Board member from a County. Copies of the RC's financial statements may be obtained from the Heart of Georgia Altamaha Regional Commission.

IV. OTHER INFORMATION

The Georgia Planning Act of 1989 (O.C.G.A. 50-8-34) defines RDCs 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)

D. 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, 2010, the County received $17,372 in hotel/motel tax. The County distributed $7,513 to the Telfair County Chamber of Commerce for the promotion of tourism and retained $9,859 for general government purposes. The expended amounts total 100% of the amount received by the County.

For the year ended June 30, 2010, the County has complied with the expenditure requirements of code section 48-13-51.

E. Note Receivable

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%.

On June 15, 2010, the Georgia Department of Community Affairs (DCA) notified the County that the Revolving Loan Fund (RLF) was being closed because of non-compliance in utilizing and protecting the RLF assets and a potential conflict of interest loan. In June 2010, the County returned a total of $560,089 to DCA and reflected this payment as an intergovernmental expense in the RLF. Subsequent to year end the County paid to DCA the remaining principal balance of the April 2008 Development Authority of Telfair County loan of $72,174 from the general fund. The County will continue to collect on this note receivable and account for it in the general fund. The remaining notes receivable in the RLF are to be collected by the County and remitted to DCA upon their request.

F. Collectability Contingency

At June 30, 2010 Telfair County EMS showed accounts receivable due in the amount of $1,429,050 with a corresponding allowance for doubtful accounts of $885,000. Since we were unable to confirm these receivables or to perform alternative procedures, it remains unknown as to the amounts for receivables that are collectible by the County.

IV. OTHER INFORMATION

F. Retirement Plan

1. Plan Description

The County sponsors the Association County Commissioners of Georgia Restated Pension Plan for Telfair County Employees (The Plan), which is a defined benefit pension plan.

The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. The Plan, through execution of the adoption agreement, is affiliated with the Association County Commissioners of Georgia Third Restated Defined Benefit Plan (The ACCG Plan), an agent multiple-employer pension plan, administered by GEBCorp. The ACCG, in its role as the Plan Sponsor, has the sole authority to amend the provisions of the ACCG Plan, as provided in Section 19.03 of the ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of the Plan, as provided in Section 19.02 of the ACCG Plan document.

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 a monthly benefit for life equal to 1.0% of average annual compensation plus $36.00 for each year of service. Average annual compensation is the highest average of the Participant's annual compensation over five consecutive years during the ten plan years preceding the date of 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.

The following is the plan membership at January 1, 2010

Active plan participants	31
Retirees and beneficiaries currently receiving benefits	26
Active or terminated plan participants entitled to, but not yet receiving benefits	47
Disabled pay status	3
Total	107

Copies of the Plan's financial statements may be obtained by contacting:

Government Employee Benefits Corporation of Georgia
400 Galleria Parkway, Suite 1250
Atlanta, Georgia 30339

IV. OTHER INFORMATION

2. Funding Policy

The County employees are not required to contribute to the Plan. The County is required to contribute at an actuarially determined rate annually to the Plan's trust. The contribution amount is determined using actuarial methods and assumptions approved by the ACCG Plan trustees and must satisfy the minimum contribution requirements contained in the State of Georgia statutes. The County can always meet its funding obligation by making the Recommended Contribution.

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

The County's funding policy is to contribute at least the minimum actuarially determined contribution in accordance with the State of Georgia's requirements. There are no legal or contractual maximum contributions to the plan.

3. Funded Status

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, 2010.

	January 1, 2010	
Actuarial present value of accumulated plan benefits:		
Vested:		
Retirees (and others in pay status)		$ 902,389
Deferred vested (former employees)		371,608
Vested active participants		443,759
		1,717,756
Nonvested		49,608
Actuarial present value of accumulated plan benefits	$ 1,767,364	1,767,364
Effect of future salary increases	77,984	
Total actuarial accrued liability	$ 1,845,348	
Net assets available for benefits (including receivables)		1,342,041
Net assets in excess of actuarial present value of accumulated plan benefits		$ (425,323)

IV. OTHER INFORMATION

4. Annual Pension Cost

The County's net pension obligation and annual pension cost for the pension plan were determined as follows:

	January 1, 2010
Derivation of Net Pension Obligation:	
Net pension obligation as of beginning of prior year	$ (32,446)
Annual pension cost for prior year	119,890
Actual contributions to plan for prior year	76,455
Increase in net pension obligation	43,435
Net pension obligation as of beginning of year	$ 10,989
Derivation of Annual Pension Cost	
Annual required contribution	$ 94,480
Interest on net pension obligation	852
Amortization of net pension obligation	(911)
Annual pension cost	$ 94,421

Contributions totaling $76,455 were made in accordance with actuarially determined contribution requirements determined by an actuarial valuation performed as of January 1, 2009. Employer contributions attributable to the 2009 Plan year were made in 2010. These contributions consist of the following:

Normal cost for the plan year	50,992
Pre-retirement death benefit expense	4,018
Administrative expenses	6,794
Amortization charges	80,289
Total charges	142,093
Prior year credit balance	(40,148)
Interest earned	(3,772)
Amortization credits	(22,379)
Credit balance to 2010 plan year	661
Total employer contribution	76,455

IV. OTHER INFORMATION

5. Basis of Valuation

Current valuation date	January 1, 2010
Annual return on invested plan assets	7.75%
Projected annual salary increases	4.0%-6.5% based on age
Expected annual inflation	3.00%
Actuarial value of assets	Market value
Actuarial funding method	Projected Unit Credit
Amortization method	Level Percent of Pay (Closed)

6. Trend Information

Prior year employer contributions expressed as percentages of annual covered payroll are as follows:

Fiscal Year	Annual Pension Cost (APC)	Actual City Contribution	Percentage of APC Contributed	Net Pension Obligation	Percentage of Annual Covered Payroll
2010	$ 94,421	N/A	N/A	$ 10,989	0.0%
2009	$ 119,890	$ 76,455	63.77%	$ (32,446)	8.8%
2008	$ 131,568	$ 136,034	103.39%	$ (27,980)	10.8%
2007	$ 93,958	$ 96,596	102.81%	$ (25,342)	11.0%
2006	$ 104,454	$ 109,919	105.23%	$ (19,877)	10.1%

7. Funding Progress

Plan Year Ended Dec. 31	Actuarial Value of Assets (a)		Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [b-a)/c]
2009	1,451,946	*	1,894,208	442,262	76.65%	871,579	50.74%

* Reflects change to asset smoothing adopted by the ACCG Pension Plan and Trust Board of Trustees

The schedule of funding progress immediately following the notes to financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

TELFAIR COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION

PENSION PLAN

SCHEDULE OF FUNDING PROGRESS

Fiscal Year	Actuarial Value of Assets (a)		Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [b-a)/c]
2009	1,451,946	*	1,894,208	442,262	76.65%	871,579	50.74%
2008	1,383,192		1,873,183	489,991	73.84%	1,254,293	39.07%
2007	1,358,874		1,595,588	236,714	85.16%	1,018,271	23.25%
2006	1,228,398		1,497,947	269,549	82.01%	1,088,505	24.76%
2005	1,071,531		1,438,652	367,121	74.48%	1,107,025	33.16%
2004	919,322		1,302,573	383,251	70.58%	977,075	39.22%

* Reflects change to asset smoothing adopted by the ACCG Pension Plan and Trust Board of Trustees.

The assets and liabilities shown above reflect expected amounts as of the last day of the plan year. These amounts may vary from those used in determining the required contribution, since those calculations use actual amounts as of the first day of the next plan year.

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.

TELFAIR COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts			Variance with Final Budget - Over
	Original	Final	Actual	(Under)
REVENUES				
Taxes	$ 3,994,627	$ 5,473,127	$ 5,268,381	$ (204,746)
Charges for services and fines	881,000	1,096,400	1,099,589	3,189
Other	327,500	418,600	322,334	(96,266)
Total revenues	5,203,127	6,988,127	6,690,304	(297,823)
EXPENDITURES				
Current:				
General government				
General governmen	122,175	122,175	98,572	(23,603)
Elections	39,547	39,547	35,872	(3,675)
General adminstratior	406,897	634,197	617,753	(16,444)
Tax Commisioner	191,723	191,723	181,004	(10,719)
Tax Assessor	203,723	203,723	174,438	(29,285)
General government building and plant	75,486	75,486	82,871	7,385
Judicial:				
Superior court	131,362	178,262	176,608	(1,654)
Clerk of court	156,035	156,035	155,488	(547)
Magistrate court	109,631	109,631	110,564	933
Probate court	132,320	132,320	133,569	1,249
Public safety:				
Law enforcement administratior	626,685	792,685	897,588	104,903
School resources - Sheriff	38,626	38,626	37,318	(1,308)
Jail operations	422,669	491,869	496,580	4,711
Dispatcher	-		-	-
Fire administration	21,000	21,000	19,650	(1,350)
Emergency medical service	703,890	758,955	759,254	299
Emergency Management Agency	17,303	17,303	6,379	(10,924)
Coroner / medical examiner	32,551	32,551	25,653	(6,898)
Enhanced 911	158,037	165,414	165,414	-
Public works:				
Highways and streets	552,456	552,456	546,684	(5,772)
Solid waste and recycling	45,706	45,706	42,871	(2,835)
Health and welfare:				
Public health administratior	95,010	95,010	95,658	648
Health department building	46,458	46,458	50,475	4,017
Intergovernment - Welfare	5,000	5,000	10,277	5,277
Senior citizens center	111,033	111,033	109,140	(1,893)

TELFAIR COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts			Variance with Final Budget - Over
	Original	Final	Actual	(Under)
EXPENDITURES (Continued)				
Current:				
Community services	28,185	28,185	28,630	445
Transportation services	104,666	104,666	97,251	(7,415)
Culture and recreation:				
Culture and recreation administration	50,000	83,580	83,580	-
Library administration	47,400	47,400	47,900	500
Housing and development:				
Conservation administration	30,685	30,685	30,064	(621)
Agricultural resources	49,086	49,086	54,805	5,719
Forest resources	22,000	35,000	35,052	52
Economic development	66,500	66,500	70,750	4,250
Airport	53,800	68,600	65,970	(2,630)
Debt Service:				
Principal	-	21,000	21,378	378
Interest	-	-	1,438	1,438
Capital outlay :				
General government buildings and plant	8,960	8,960	14,940	5,980
Law enforcement administration	34,000	16,000	10,371	(5,629)
Jail operations	8,600	8,600	12,459	3,859
Emergency medical services	45,000	45,000	46,987	1,987
Highways and streets	-	-	78,422	78,422
Total expenditures	4,994,205	5,630,427	5,729,677	99,250
OTHER FINANCING SOURCES (USES)				
Capital lease proceeds	-	55,422	55,422	-
Sale of capital assets	-	-	23,000	23,000
Transfers in (out)	-	-	(2,838)	(2,838)
Total other financing sources	-	55,422	75,584	20,162
Excess of revenues over (under) expenditures	$ 208,922	$ 1,413,122	1,036,211	$ (399,911)
Fund balance, beginning			96,271	
Fund balance, ending			$ 1,132,482	

TELFAIR COUNTY, GEORGIA
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - DEPARTMENT OF TRANSPORTATION - SECTION 18
FOR THE YEAR ENDED JUNE 30, 2010

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Over (Under)
REVENUES			
Georgia Department of Transportation	$ 43,000	$ 57,692	$ 14,692
Fares and other	3,000	27,405	24,405
Total revenues	46,000	85,097	39,097
EXPENDITURES			
Current:			
Salaries	44,829	7,560	(37,269)
Employee benefits	29,769	5,827	(23,942)
Heart of Georgia CAC Administration	26,600	82,872	56,272
Repairs and maintenance	1,900	583	(1,317)
Communications	950	68	(882)
Other purchased services	238	-	(238)
Repair parts	-	341	341
General supplies and materials	190	-	(190)
Small equipment	190	-	(190)
Total expenditures	104,666	97,251	(7,415)
Excess of revenues over/(under) expenditure	$ (58,666)	$ (12,154)	$ 46,512

Note:
The Department of Transportation is included in the Health and Welfare department of the Statement of Revenues, Expenditures and Changes in Fund Balance.

TELFAIR COUNTY, GEORGIA
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - HEART OF GEORGIA - COUNCIL ON AGING
FOR THE YEAR ENDED JUNE 30, 2010

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Over (Under)
REVENUES			
Council on Aging - receipts	$ 38,000	$ 32,933	$ (5,067)
Total revenues	38,000	32,933	(5,067)
EXPENDITURES			
Current:			
Salaries	47,014	45,636	(1,378)
Employee benefits	40,904	41,678	774
Repairs and maintenance	2,760	1,697	(1,063)
Communications	1,748	1,389	(359)
Travel	184	61	(123)
Dues and fees	115	-	(115)
Small equipment	1,380	4,906	3,526
Other purchased services	644	526	(118)
Vehicle operations	2,024	-	(2,024)
Supplies and materials	2,300	2,204	(96)
Utilities	7,360	11,043	3,683
Capital outlay -			
Machinery and equipment	4,600	-	(4,600)
Total expenditures	111,033	109,140	(1,893)
Excess of revenues over/(under) expenditure	$ (73,033)	$ (76,207)	$ (3,174)

Note:
The Heart of Georgia Council on Aging is included in the Health and Welfare department of the Statement of Revenues, Expenditures and Changes in Fund Balance.

TELFAIR COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

	Special Revenue				Total Nonmajor
	Revolving Loan Fund	Multipurpose Grant	Expendable Trust Fund	Hotel/Motel Tax	Governmental Funds
ASSETS					
Cash and cash equivalents	$ -	$ 5,875	$ 59,647	$ -	$ 65,522
Other receivables - net of allowance for uncollectibles	321,488	-	-	-	321,488
Total assets	$ 321,488	$ 5,875	$ 59,647	$ -	$ 387,010
LIABILITIES	$ -	$ -	$ -	$ -	$ -
FUND BALANCES					
Unreserved, undesignated	321,488	5,875	59,647	-	$ 387,010
Total fund balances	321,488	5,875	59,647	-	387,010
Total liabilities and fund balances	$ 321,488	$ 5,875	$ 59,647	$ -	$ 387,010

The accompanying Notes to Financial Statements are an integral part of these statements.

TELFAIR COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Special Revenue				Total Nonmajor Governmental Funds
	Revolving Loan Fund	Multipurpose Grant	Expendable Trust Fund	Hotel/Motel Tax	
REVENUES					
Intergovernmental	$ -	$ 79,091	$ -	$ -	$ 79,091
Other taxes	-	-	-	17,372	17,372
Interest income	20,089	46	184	-	20,319
Miscellaneous income	-	-	11,268	-	11,268
Total revenues	20,089	79,137	11,452	17,372	128,050
EXPENDITURES					
Current:					
General government	-	-	-	9,859	9,859
Public safety	-	6,210	-	-	6,210
Culture and recreation	-	-	2,812	-	2,812
Housing and development	-	-	-	7,513	7,513
Intergovernmental	560,089	-	-	-	560,089
Debt service:					
Principal	-	2,291	-	-	2,291
Interest	-	547	-	-	547
Capital outlay:					
Public safety	-	74,320	-	-	74,320
Total expenditures	560,089	83,368	2,812	17,372	663,641
OTHER FINANCING SOURCES					
Transfers in	-	2,838	-	-	2,838
Total other financing sources	-	2,838	-	-	2,838
Net change in fund balances	(540,000)	(1,393)	8,640	-	(532,753)
Fund balances, beginning	861,488	7,268	51,007	-	919,763
Fund balances, ending	$ 321,488	$ 5,875	$ 59,647	$ -	$ 387,010

The accompanying Notes to Financial Statements are an integral part of these statements.

TELFAIR COUNTY, GEORGIA
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2010

	Agency Funds					
	Clerk of Superior Court	Sheriff	Judge of Probate Court	Tax Commissioner	Magistrate Court	Total Fiduciary Funds
ASSETS						
Cash	$ 101,404	$ 41,372	$ 111,759	$ 149,306	$ 16,968	$ 420,809
Taxes receivable (net allowance for uncollectible accounts)	-	-	-	2,231,782	-	2,231,782
Total assets	$ 101,404	$ 41,372	$ 111,759	$ 2,381,088	$ 16,968	$ 2,652,591
LIABILITIES						
Due to general fund	$ 16,825	$ 14,956	$ 7,526	$ 1,059,508	$ 1,320	$ 1,100,135
Due to expendable trust fund	245	-	320	-	180	745
Other liabilities	84,334	26,416	103,913	1,321,580	15,468	1,551,711
Total liabilities	$ 101,404	$ 41,372	$ 111,759	$ 2,381,088	$ 16,968	$ 2,652,591

The accompanying Notes to Financial Statements are an integral part of these statements.

TELFAIR COUNTY, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Balance June 30, 2009	Additions	Deductions	Balance June 30, 2010
Clerk of Superior Court:				
ASSETS				
Restricted assets -				
Cash	$ 95,873	$ 324,403	$ (318,872)	$ 101,404
Total assets	$ 95,873	$ 324,403	$ (318,872)	$ 101,404
LIABILITIES				
Payable from resticted assets:				
Due to general fund	$ 12,632	$ 107,391	$ (103,198)	$ 16,825
Due to expendable trust fund	210	2,720	(2,685)	245
Other liabilities	83,031	214,292	(212,989)	84,334
Total liabilities	$ 95,873	$ 324,403	$ (318,872)	$ 101,404
Sheriff:				
ASSETS				
Restricted assets -				
Cash	$ 15,390	$ 123,979	$ (97,997)	$ 41,372
Total assets	$ 15,390	$ 123,979	$ (97,997)	$ 41,372
LIABILITIES				
Payable from resticted assets:				
Due to general fund	$ 9,906	$ 89,637	$ (84,587)	$ 14,956
Other liabilities	5,484	34,342	(13,410)	26,416
Total liabilities	$ 15,390	$ 123,979	$ (97,997)	$ 41,372
Judge of Probate Court:				
ASSETS				
Restricted assets -				
Cash	$ 24,239	$ 319,705	$ (232,185)	$ 111,759
Total assets	$ 24,239	$ 319,705	$ (232,185)	$ 111,759
LIABILITIES				
Payable from resticted assets:				
Due to general fund	$ 7,943	$ 135,628	$ (136,045)	$ 7,526
Due to expendable trust fund	365	6,228	(6,273)	320
Other liabilities	15,931	177,849	(89,867)	103,913
Total liabilities	$ 24,239	$ 319,705	$ (232,185)	$ 111,759

The accompanying Notes to Financial Statements are an integral part of these statements.

TELFAIR COUNTY, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Balance June 30, 2009	Additions	Deductions	Balance June 30, 2010
Tax Commissioner:				
ASSETS				
Restricted assets -				
Cash	$ 157,152	$ 9,924,964	$ (9,932,810)	$ 149,306
Taxes receivable, net	3,367,356	6,834,003	(7,969,577)	2,231,782
Total assets	$ 3,524,508	$ 16,758,967	$ (17,902,387)	$ 2,381,088
LIABILITIES				
Payable from resticted assets:				
Due to general fund	$ 1,560,855	$ 2,996,691	$ (3,498,038)	$ 1,059,508
Other liabilities	1,963,653	3,661,044	(4,303,117)	1,321,580
Total liabilities	$ 3,524,508	$ 6,657,735	$ (7,801,155)	$ 2,381,088
Magistrate Court:				
ASSETS				
Restricted assets -				
Cash	$ 19,647	$ 193,737	$ (196,416)	$ 16,968
Total assets	$ 19,647	$ 193,737	$ (196,416)	$ 16,968
LIABILITIES				
Payable from resticted assets:				
Due to general fund	$ 1,371	$ 20,788	$ (20,839)	$ 1,320
Due to expendable trust fund	300	2,300	(2,420)	180
Other liabilities	17,976	170,649	(173,157)	15,468
Total liabilities	$ 19,647	$ 193,737	$ (196,416)	$ 16,968

The accompanying Notes to Financial Statements are an integral part of these statements.

TELFAIR COUNTY, GEORGIA
COMBINING STATEMENT OF NET ASSETS
COMPONENT UNITS
JUNE 30, 2010

	Leisure Services	Hospital Authority	Development Authority	County Board of Health	Airport Authority	Total
ASSETS						
Cash and cash equivalents	$ 274	$ 1,039,246	$ 179,400	$ 465,588	$ 96,466	$ 1,780,974
Investments	-	198,654	-	-	-	198,654
Other receivables, net	-	14,400	-	-	-	14,400
Capital assets:						
Nondepreciable	-	15,000	220,780	-	665,189	900,969
Depreciable, net	4,818	436,357	942,421	-	917,116	2,300,712
Total assets	$ 5,092	$ 1,703,657	$ 1,342,601	$ 465,588	$ 1,678,771	$ 5,195,709
LIABILITIES						
Accounts payable	$ 31,553	$ -	$ -	$ -	$ -	$ 31,553
Other liabilities	2,180	-	191	35,247	63,985	101,603
Noncurrent liabilities:						
Due within one year -						
Notes payable	-	-	105,869	-	-	105,869
Due in more than one year -						
Notes payable	-	-	448,055	-	-	448,055
Total liabilities	33,733	-	554,115	35,247	63,985	687,080
NET ASSETS						
Invested in capital assets, net of related debt	4,818	451,357	609,277	-	1,582,305	2,647,757
Restricted	-	-	-	1,945	-	1,945
Unrestricted	(33,459)	1,252,300	179,209	428,396	32,481	1,858,927
Total net assets	(28,641)	1,703,657	788,486	430,341	1,614,786	4,508,629
Total liabilities and net assets	$ 5,092	$ 1,703,657	$ 1,342,601	$ 465,588	$ 1,678,771	$ 5,195,709

The accompanying Notes to Financial Statements are an integral part of these statements.

TELFAIR COUNTY, GEORGIA
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2010

Functions/Programs	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: Component Units: Leisure Services	Hospital Authority	Development Authority	County Board of Health	Airport Authority	Total Component Units
Component units:										
Leisure Services	$ 166,984	$ 53,488	$ 128,700	$ -	$ 15,204	$ -	$ -	$ -	$ -	$ 15,204
Hospital Authority	20,321	28,800	-	-	-	8,479	-	-	-	8,479
Development Authority	81,378	110,000	44,900	-	-	-	73,522	-	-	73,522
County Board of Health	424,159	164,158	212,431	-	-	-	-	(47,570)	-	(47,570)
Airport Authority	11,911	-	-	1,016,439	-	-	-	-	1,004,528	1,004,528
Total component units	$ 704,753	$ 356,446	$ 386,031	$ 1,016,439	15,204	8,479	73,522	(47,570)	1,004,528	1,054,163
General revenues:										
Interest income					-	26,341	555	-	-	26,896
Miscellaneous					-	2,125	1,000	33,182	22,745	59,052
Total general revenues and transfers					-	28,466	1,555	33,182	22,745	85,948
Change in net assets					15,204	36,945	75,077	(14,388)	1,027,273	1,140,111
Net assets - beginning					(43,845)	1,666,712	713,409	444,729	587,513	3,368,518
Net assets - ending					$ (28,641)	$ 1,703,657	$ 788,486	$ 430,341	$ 1,614,786	$ 4,508,629

The accompanying Notes to Financial Statements are an integral part of these statements.

TELFAIR COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2010

Project Description Per SPLOST Referendum	Original Estimated Cost	Expenditures				Estimated Percentage of Completion
		Prior Years	Current Year	Reclass*	Total	
1999 - SPLOST						
Roads and bridges	$ 1,500,000	$ 1,499,070	$ -	$ 930	$ 1,500,000	100.00%
Courthouse renovation	1,000,000	419,001	-	580,999	1,000,000	100.00%
City of McRae	457,756	457,756	-	-	457,756	100.00%
City of Lumber City	217,537	217,537	-	-	217,537	100.00%
City of Helena	191,201	191,201	-	-	191,201	100.00%
City of Milan	76,876	76,876	-	-	76,876	100.00%
City of Scotland	37,144	37,144	-	-	37,144	100.00%
City of Jacksonville	19,486	19,486	-	-	19,486	100.00%
Recreation facility	750,000	750,000	-	-	750,000	100.00%
Subtitle "D" landfill	550,000	503,695	-	-	503,695	91.58%
Total	$ 4,800,000	$ 4,171,766	$ -	$ 581,929	$ 4,753,695	
2004 - SPLOST						
Roads and bridges	$ 2,250,000	$ 617,686	$ 130,740	$ (930)	$ 747,496	33.22%
Courthouse renovation	1,000,000	768,734	143,330	(580,999)	331,065	33.11%
City of McRae	652,925	676,112	-	-	676,112	103.55%
City of Lumber City	303,625	314,407	-	-	314,407	103.55%
City of Helena	561,575	581,877	-	-	581,877	103.62%
City of Milan	140,700	145,697	-	-	145,697	103.55%
City of Scotland	62,475	63,694	-	-	63,694	101.95%
City of Jacksonville	28,700	29,719	-	-	29,719	103.55%
Recreation facility	500,000	471,843	10,910	-	482,753	96.55%
Total	$ 5,500,000	$ 3,669,769	$ 284,980	$ (581,929)	$ 3,372,820	
2009 - SPLOST						
Jail (Level 1)	$ 2,000,000	$ -	$ -	$ -	$ -	0.00%
Roads and bridges	912,000	-	-	-	-	0.00%
Landfill	500,000	-	-	-	-	0.00%
Recreation facility	150,000	-	-	-	-	0.00%
City of McRae	909,600	-	-	-	-	0.00%
City of Lumber City	422,800	-	-	-	-	0.00%
City of Helena	782,400	-	-	-	-	0.00%
City of Milan	196,000	-	-	-	-	0.00%
City of Scotland	87,200	-	-	-	-	0.00%
City of Jacksonville	40,000	-	-	-	-	0.00%
Total	$ 6,000,000	$ -	$ -	$ -	$ -	

* - Reclass noted above is to properly reflect the source of the funds utilized for completion of the above stated projects. The prior year's presentation reflected the expenditures in the 2004 SPLOST as there were no current collections in relation to the 1999 SPLOST. However, the expenditures for the roads and bridges and courthouse renovation projects related to 1999 SPLOST funds previously received.

TELFAIR COUNTY, GEORGIA
REVOLVING LOAN FUND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

	Federal CFDA No. 14.219	Federal CFDA No. 14.219
Total Federal grant allocation	$ 200,000	$ 500,000
Grant adjustment	-	-
Adjusted total Federal grant allocation	200,000	500,000
Less: unadvanced funds	-	-
Prior year funds advanced	200,000	500,000
Current year funds advanced	-	-
Total Federal grant funds advanced to date	200,000	500,000
Local matching funds commitment	-	-
Less: unadvanced funds	-	-
Prior year funds advanced	-	-
Current year funds advanced	-	-
Total local funds advanced to date	-	-
Total funds advanced to date	200,000	500,000
Prior year program expenditures	200,000	500,000
Current year program expenditures	-	-
Total program expenditures	200,000	500,000
Funds available after expenditures	-	-
Prior years program income	129,950	55,617
Current year program income	2,055	6,096
Total program income to date	132,005	61,713
Total transfers in to date	-	-
Funds available for disposition	$ 132,005	$ 61,713

TELFAIR COUNTY, GEORGIA
REVOLVING LOAN FUND
PROGRAM YEAR 1994, CDBG NO. 94Q-Y-134-000-9413
SCHEDULE OF PROGRAM LOANS
FOR THE YEAR ENDED JUNE 30, 2010

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 principal	(110,702)	(110,702)
Current year repayment of principal	(13,103)	(13,103)
Loan balance outstanding	$ 76,195	$ 76,195

II. REPORTS REQUIRED BY GOVERNMENTAL AUDITING STANDARDS

WANDA J. USSERY, CPA, P.C.

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

MEMBER
GEORGIA SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

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

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

We 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, 2010. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Other auditors audited the financial statements of Telfair County Hospital Authority, Telfair County Board of Health, Telfair County Airport Authority and Telfair County Development Authority. This report does not include the results of the other auditors testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Telfair County, Georgia's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Telfair County, Georgia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Entity's internal control over financials reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We identified certain deficiencies in internal control over financial reporting described in the accompanying *Schedule of Findings and Responses* that we consider to be material weaknesses, as defined above. We did not identified any deficiencies in internal control over financial reporting, that we considered to be significant deficiencies in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Telfair County, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed that the Landfill was not in compliance due to a Category II violation pertaining to the Design & Operation Plans. The Revolving Loan Fund was also found not to be in compliance during the year.

Telfair County, Georgia's responses to the findings identified in our audit is described in the *Schedule of Findings and Responses.* We did not audit Telfair County, Georgia's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Commissioners and management, and is not intended to be and should not be used by anyone other than these specified parties.

Wade J. Hussey, CPA, P.C.

Fitzgerald, Georgia
December 28, 2010

SCHEDULE OF FINDINGS AND RESPONSES

Telfair County, Georgia
McRae, Georgia

Year Ended
June 30, 2010

FINANCIAL STATEMENT FINDINGS – PRIOR YEARS

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 may occur.

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

Corrected

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: We recommend that the County inventory the capital assets. The inventory list should be updated annually, compared to the depreciation schedule and differences reconciled. Potential significant disposals should be submitted to the commissioners for review and approval and that approval documented in the minutes.

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.

FINANCIAL STATEMENT FINDINGS –CURRENT YEAR

2010-1 Fraud Risk Management

Condition: The County has not established practices for the identification of risks affecting it and has not developed an appropriate fraud risk assessment and monitoring process. For instance, ticket books should be issued to each deputy and turned back in when completed allowing a clear audit trail.

Recommendation: The County should develop a comprehensive fraud risk assessment and monitoring process and those charged with governance should understand and exercise oversight of the assessment and monitoring process.

Views of Responsible Officials and Planned Corrective Action: The County intends to develop a formal risk assessment plan that includes the aspects described in the recommendation above and a comprehensive fraud risk assessment and monitoring plan commensurate with the size and complexity of the County.

2010-2 Receivable/Revenue Recognition

Condition: Telfair County EMS is not currently being paid for any medicare invoices, because of a change in contracted services providers for medicare and an update of the medicare application.

Recommendation: The County should keep informed on the status of medicare payments, and follow up to see that all past due invoices have been accounted for.

Views of Responsible Officials and Planned Correction Action: The County will follow up on processing of medicare payments.

2010-3 Accounting Procedures Manual

Condition: The County did not originally include outstanding checks totaling $560,090 nor a $78,422 lease in the calculation on their financial statements.

Recommendation: The County should establish procedures that will assure all items are included in the financial statements.

Views of Responsible Officials and Planned Corrective Action: The County intends to develop procedures that will assure all items are included in the financial statements.