TELFAIR COUNTY, GEORGIA

FINANCIAL STATEMENTS
AS OF **JUNE 30, 2014**
TOGETHER WITH AUDITOR'S REPORT

TELFAIR COUNTY, GEORGIA
FINANCIAL STATEMENTS

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TELFAIR COUNTY, GEORGIA
FINANCIAL STATEMENTS

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I. FINANCIAL SECTION

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

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
of Telfair County, Georgia
McRae, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Telfair County, Georgia, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents. We did not audit the financial statements of the Telfair County Department of Leisure Services, the Telfair County Hospital Authority, the Development Authority of Telfair County or the Telfair County Board of Health which collectively represent 100% of the assets, net position, and revenues of the aggregate discretely presented component units.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Telfair County Department of Leisure Services, the Telfair County Hospital Authority, the Development Authority of Telfair County or the Telfair County Board of Health, which represent 100 percent of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Telfair County Georgia, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the schedule of funding progress on page 43 and the budgetary comparison information on pages 44 through 47 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Telfair County, Georgia's basic financial statements. The combining and individual fund financial statements on pages 48 through 54 are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of special purpose local option sales tax proceeds on page 55 is presented for purposes of additional analysis as required by Official Code of Georgia 48-8-121, and is not a required part of the basic financial statements. The revolving loan fund schedule of expenditures of federal awards on page 56 and the revolving loan fund schedule of program loans on page 57 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 24, 2014, 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 other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Telfair County, Georgia's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, L.L.C.

Carr, Riggs & Ingram, LLC
Certified Public Accountants
December 24, 2014

TELFAIR COUNTY, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2014

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Cash and cash equivalents	$ 6,802,859	$ 11,443	$ 6,814,302	$ 1,786,425
Investments	-	-	-	351,318
Taxes receivable -				
net of uncollectible accounts	549,342	-	549,342	-
Notes receivable	39,884	-	39,884	-
Other receivables	340,284	27,882	368,166	4,549
Internal balances	(1,033,219)	1,033,219	-	-
Prepaids	169,518	-	169,518	-
Capital assets:				
Nondepreciable	217,535	707,670	925,205	295,262
Depreciable, net	6,038,427	2,353,880	8,392,307	1,225,381
Total assets	13,124,630	4,134,094	17,258,724	3,662,935
LIABILITIES				
Accounts payable	155,741	5,286	161,027	1,611
Other liabilities	81,261	-	81,261	28,543
Net pension obligation	8,869	-	8,869	-
Noncurrent liabilities:				
Due within one year:				
Capital lease payable	142,416	144,865	287,281	-
Notes payable	10,654	-	10,654	-
Due in more than one year:				
Capital lease payable	178,801	260,634	439,435	-
Notes payable	11,041	-	11,041	312,500
Closure/post closure accrued liability	-	1,549,245	1,549,245	-
Total liabilities	588,783	1,960,030	2,548,813	342,654
NET POSITION				
Net investment in capital assets	5,913,050	2,656,051	8,569,101	1,208,143
Restricted:				
Special revenue	60,687	-	60,687	-
Capital projects	5,920,537	-	5,920,537	-
Prior year program income	-	-	-	156,836
Unrestricted	641,573	(481,987)	159,586	1,955,302
Total net position	$ 12,535,847	$ 2,174,064	$ 14,709,911	$ 3,320,281

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, 2014

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions
Primary government:			
Governmental activities:			
General government	$ 1,376,996	$ 23,099	$ -
Judicial	583,064	169,474	-
Public safety	2,515,783	643,866	-
Public works	1,465,314	35,160	-
Health and welfare	438,510	168,038	-
Culture and recreation	189,181	-	-
Housing and development	210,881	845	40,671
Interest on long-term debt	17,589	-	-
Total governmental activities	6,797,318	1,040,482	40,671
Business-type activities -			
Landfill	394,811	280,555	-
Total business-type activities	394,811	280,555	-
Total primary government	7,192,129	1,321,037	40,671
Component units:			
Governmental type	693,698	265,281	489,004
Total component units	$ 693,698	$ 265,281	$ 489,004

General revenues:
Property taxes
Timber taxes
Local Option Sales taxes
Special Purpose Local Option Sales taxes
Transportation Local Option Sales taxes
Hotel and motel taxes
Beer and wine taxes
Insurance premium taxes
Other taxes
Investment earnings
Miscellaneous
Transfers
Total general revenues and transfers
Change in net position

Net position - beginning

Net position - ending

Program Revenues	Net (Expense) Revenue and Changes in Net Position			
	Primary Government			Component Unit
Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Component Units
$ 5,454	$ (1,348,443)	$ -	$ (1,348,443)	
-	(413,590)	-	(413,590)	
18,687	(1,853,230)	-	(1,853,230)	
360,676	(1,069,478)	-	(1,069,478)	
1,500	(268,972)	-	(268,972)	
-	(189,181)	-	(189,181)	
-	(169,365)	-	(169,365)	
-	(17,589)	-	(17,589)	
386,317	(5,329,848)	-	(5,329,848)	
-	-	(114,256)	(114,256)	
-	-	(114,256)	(114,256)	
386,317	(5,329,848)	(114,256)	(5,444,104)	
-				60,587
$ -				60,587
	3,745,229	-	3,745,229	-
	139,836	-	139,836	-
	423,511	-	423,511	-
	1,113,345	-	1,113,345	-
	252,744	-	252,744	-
	11,837	-	11,837	-
	3,676	-	3,676	-
	266,902	-	266,902	-
	82,942	-	82,942	-
	4,069	54	4,123	14,526
	213,428	4,950	218,378	50,491
	(31,813)	31,813	-	
	6,225,706	36,817	6,262,523	65,017
	895,858	(77,439)	818,419	125,604
	11,639,989	2,251,503	13,891,492	3,194,677
	$ 12,535,847	$ 2,174,064	$ 14,709,911	$ 3,320,281

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

TELFAIR COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

	General	SPLOST	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 958,404	$ 5,109,790	$ 734,665	$ 6,802,859
Taxes receivable - net of allowance for uncollectibles	412,914	94,091	42,337	549,342
Notes receivable, net	39,884	-	-	39,884
Other receivables, net	339,607	267	410	340,284
Prepaids	169,518	-	-	169,518
Total assets	$ 1,920,327	$ 5,204,148	$ 777,412	$ 7,901,887
LIABILITIES				
Accounts payable	$ 155,405	$ -	$ 336	$ 155,741
Other liabilities	81,261	-	-	81,261
Due to other funds	1,033,219	-	-	1,033,219
Total liabilities	1,269,885	-	336	1,270,221
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	287,534	-	-	287,534
Total deferred inflows of resources	287,534	-	-	287,534
FUND BALANCES				
Nonspendable	169,518	-	-	169,518
Restricted	-	5,204,148	777,076	5,981,224
Unassigned	193,390	-	-	193,390
Total fund balances	362,908	5,204,148	777,076	6,344,132
Total liabilities, deferred inflows of resources, and fund balances	$ 1,920,327	$ 5,204,148	$ 777,412	$ 7,901,887

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

TELFAIR COUNTY, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2014

Amounts reported for governmental activities in the statement of net position are different because:		
Total governmental fund balances		$ 6,344,132
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.		
Cost of capital assets	$ 10,927,532	
Less accumulated depreciation	(4,671,570)	6,255,962
The net pension obligation does not require current available resources and, therefore, is not reported in the funds.		(8,869)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.		287,534
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.		(342,912)
Net position of governmental activities		$ 12,535,847

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, 2014

	General	SPLOST	Other Governmental Funds	Total Governmental Funds
REVENUES				
General property taxes	$ 3,871,476	$ -	$ -	$ 3,871,476
Other taxes	777,031	1,113,345	264,581	2,154,957
Charges for services	554,291	-	22,118	576,409
Intergovernmental	244,965	-	372,053	617,018
Fines and forfeitures	258,674	-	-	258,674
Investment earnings	3,826	8,810	243	12,879
Miscellaneous	213,428	-	6,559	219,987
Total revenues	5,923,691	1,122,155	665,554	7,711,400
EXPENDITURES				
Current:				
General government	1,283,632	-	26,016	1,309,648
Judicial	579,063	-	4,001	583,064
Public safety	2,358,235	-	-	2,358,235
Public works	551,741	-	6,024	557,765
Health and welfare	436,986	-	1,524	438,510
Culture and recreation	153,100	-	-	153,100
Housing and development	206,285	-	4,596	210,881
Intergovernmental	-	564,639	-	564,639
Debt service:				
Principal	40,168	38,436	12,986	91,590
Interest	10,766	5,504	1,319	17,589
Capital outlay :				
Public safety	41,652	-	17,893	59,545
Public works	-	491,573	331,310	822,883
Total expenditures	5,661,628	1,100,152	405,669	7,167,449
OTHER FINANCING SOURCES (USES)				
Capital lease proceeds	-	-	-	-
Transfers in (out)	(46,118)	-	14,305	(31,813)
Total other financing sources	(46,118)	-	14,305	(31,813)
Net change in fund balances	215,945	22,003	274,190	512,138
Fund balances, beginning	146,963	5,182,145	502,886	5,831,994
Fund balances, ending	$ 362,908	$ 5,204,148	$ 777,076	$ 6,344,132

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 OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ 512,138
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	$ 882,428	
Depreciation expense	(603,935)	278,493
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes:		
Unavailable revenue - property taxes at June 30, 2014	$ 287,534	
Unavailable revenue - property taxes at June 30, 2013	(273,945)	13,589
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Net pension obligation at June 30, 2014	$ (8,869)	
Net pension obligation at June 30, 2013	8,917	48
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 position.		
Capital lease proceeds	$ -	
Principal repayments	91,590	91,590
Change in net position of governmental activities		$ 895,858

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

TELFAIR COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2014

	Business-Type Activity - Enterprise Fund Landfill
ASSETS	
Current assets:	
Cash	$ 11,443
Accounts receivable, net	27,882
Due from other funds	1,033,219
Total current assets	1,072,544
Noncurrent assets -	
Capital assets:	
Land, nondepreciable	707,670
Equipment, depreciable	4,365,877
Buildings and improvements, depreciable	40,257
Less - accumulated depreciation	(2,052,254)
Total noncurrent assets	3,061,550
Total assets	4,134,094
LIABILITIES	
Current liabilities:	
Accounts payable	5,286
Capital lease payable	144,865
Total current liabilities	150,151
Noncurrent liabilities:	
Capital lease payable	260,634
Closure/post closure accrued liability	1,549,245
Total noncurrent liabilities	1,809,879
Total liabilities	1,960,030
NET POSITION	
Net investment in capital assets	2,656,051
Unrestricted	(481,987)
Total net position	$ 2,174,064

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

TELFAIR COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Business-Type Activity - Enterprise Fund
	Landfill
OPERATING REVENUES	
Charges for services	$ 280,555
Miscellaneous	4,950
Total operating revenues	285,505
OPERATING EXPENSES	
Personnel services	97,169
Employee benefits	40,435
Professional services	27,670
Repairs and maintenance	20,758
Communication services	3,245
Other purchased services	11,744
Supplies	16,521
Utilities	5,452
Gasoline / diesel	44,259
Depreciation	218,690
Closure / post closure	(124,075)
Other operating	6,010
Total operating expenses	367,878
Operating income (loss)	(82,373)
NONOPERATING REVENUES (EXPENSES)	
Investment earnings	54
Interest expense	(26,933)
Total nonoperating revenues (expenses)	(26,879)
Income before transfers	(109,252)
Transfers in (out)	31,813
Change in net position	(77,439)
Net position, beginning	2,251,503
Net position, ending	$ 2,174,064

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, 2014

	Business-Type Activity - Enterprise Fund Landfill
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 292,770
Payments to suppliers for goods and services	(131,016)
Payments to employees for services	(97,169)
Payments for employee taxes and benefits	(40,435)
Receipts from other funds	148,032
Net cash provided by operating activities	172,182
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal paid on capital leases	(87,535)
Interest paid on capital leases	(26,933)
Proceeds from the sale of capital assets	-
Acquisition and construction of capital assets	(46,325)
Net cash used by operating activities	(160,793)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	54
Net cash provided by investing activities	54
Net increase in cash	11,443
Cash, beginning of year	-
Cash, end of year	$ 11,443
Reconciliation of income from operations to net cash used by operating activities:	
Income from operations	$ (82,373)
Depreciation	218,690
Change in accounts receivable	7,265
Change in due from other funds	148,032
Change in accounts payable	4,643
Change in accrued closure/post closure	(124,075)
Net cash provided by operating activities	$ 172,182

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, 2014

ASSETS		
Cash	$	212,518
Taxes receivable (net allowance for uncollectible accounts)		420,935
Total assets	$	633,453
LIABILITIES		
Due to expendable trust fund	$	410
Other liabilities		633,043
Total liabilities	$	633,453

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

B. Reporting entity

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 accompanying financial statements present the County and its component units, entities for which the County is considered to be financially accountable.

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 component units are discretely presented and are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the County.

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 assist 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.

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.

C. Basis of presentation – government-wide financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's enterprise fund. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As discussed earlier, the County has four discretely presented component units. While none are considered to be a major component unit, they are nevertheless shown in a separate column in the government-wide financial statements.

D. Basis of presentation – fund financial statements

The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component units. Separate statements for each fund category - governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, Sheriff Commissary Fund, Expendable Trust Fund and Hotel-Motel Tax Fund.

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, T-SPLOST Fund and LMIG Program 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.

During the course of operations the County has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

E. Measurement focus and basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources.* The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the County.

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency funds have no measurement focus but utilizes the *accrual basis of accounting* for reporting their assets and liabilities.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

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 $351,318 and a market value of $351,525.

   The Telfair County Board of Health certificate of deposits balance at 6/30/2014 was $389,073.

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 position. 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, 2014, 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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County compensates all employees for unused vacation at fiscal year-end; therefore, no accrual for vacation is necessary at June 30, 2014.

There is no liability for unpaid accumulated sick leave since the County does not have a policy to pay any amounts when the employees separate from service with the County.

7. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The County has no item that qualifies for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The County has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

8. Fund Equity:

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

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

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

- **Assigned** - fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purpose, but are neither restricted nor committed. Through resolution, the County Commissioners have authorized the Chairman to assign fund balances.

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

9. Fund balance flow assumptions

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

10. Net position flow assumption

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the County's policy to consider restricted – net position to have been depleted before unrestricted - net position is applied.

11. 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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

G. Revenues and expenditures/expenses

1. Program revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the landfill fund are charges to customers for landfill usage. 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 nonoperating revenues and expenses.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary basis of 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.

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.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

C. Expenditures exceed appropriations

During the year ended June 30, 2014, expenditures exceeded appropriations in the following functions:

Fund	Department	Expenditures Over Budget
General	General administration	$ 129,965
	Tax Commissioner	7,599
	General government buildings and plant	1,833
	Superior court	4,044
	Clerk of court	4,430
	Probate court	17,007
	Law enforcement administration	75,753
	Jail operations	27,673
	Fire administration	4,637
	Emergency medical services	135,308
	Enhanced 911	12,498
	Solid waste and recycling	25,955
	Agricultural resources	6,271
	Farmers Market	14,803
	Debt Service -	
	Interest	328
	Capital outlay -	
	Emergency Management Agency	6,682

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Deposits and Investments

A summary of the County's deposits and investments at June 30, 2014 follows:

Account Balances	
Petty cash	$ 854
Demand deposits	7,597,089
Certificates of deposit	1,002,784
Investments	351,318
Total reporting entity	$ 8,952,045

Ownership of Funds	
Primary Government -	
Governmental funds:	
Cash	$ 6,189,148
Certificates of deposit	613,711
Proprietary fund -	
Cash	11,443
Total primary government	$ 6,814,302
Component Units:	
Cash	$ 1,397,352
Certificates of deposit	389,073
Investments	351,318
Total component units	2,137,743
Total reporting entity	$ 8,952,045

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 ACTIVITIES AND 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 F 1.

B. Taxes Receivable and Allowances for Uncollectible Accounts

Taxes receivable and allowances for uncollectible accounts at June 30, 2014 are as follows:

	Receivable	Allowance	Net
General fund-			
Property taxes	$ 398,933	$ (21,281)	$ 377,652
Special purpose local option sales tax	94,091	-	94,091
Transportation SPLOST	42,337	-	42,337
Local option sales taxes	35,262	-	35,262
Total	$ 570,623	$ (21,281)	$ 549,342

Property taxes for 2013-2014 were levied September 30, 2013 and due December 20, 2013 on property valued as of January 1, 2013. The tax rate to finance general governmental services for the fiscal year ended June 30, 2014 was $13.949 per $1,000 of assessed taxable property value for the unincorporated areas of Telfair County, and $13.949 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, 2014 follows:

	Payable to:
Payable from -	Landfill
General fund	$ 1,033,219

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

D. Transfers

A summary of fund transfers for the year ended June 30, 2014 follows:

	Transfer in:		
	Nonmajor Multipurpose Grant	Landfill	Total
Transfer out - General Fund	14,305	31,813	46,118
Total transfer in	$ 14,305	$ 31,813	$ 46,118

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; to move unrestricted revenues collected in the funds to finance various programs accounted for in other funds in accordance with budgetary authorizations; and to segregate money for anticipated capital projects.

The voter referendum which created the SPLOST Fund authorized a portion of the SPLOST proceeds to be used for roads and bridges as well as for the landfill. From time to time, such expenditures of the SPLOST Fund for these approved projects are reported as a transfer out of the SPLOST Fund to either the General Fund or Landfill Fund. Therefore, the related improvements are reported in these respective funds.

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

E. Capital Assets

Following is a summary of changes in Capital Assets:

Primary Government:

	Balance June 30, 2013	Additions	Retirements or Transfers	Balance June 30, 2014
Governmental activities:				
Capital assets, not being depreciated -				
Land	$ 217,535	$ -	$ -	$ 217,535
Total not being depreciated	217,535	-	-	217,535
Capital assets, being depreciated:				
Equipment	5,067,469	106,711	-	5,174,180
Buildings and improvements	4,760,100	775,717	-	5,535,817
Total being depreciated	9,827,569	882,428	-	10,709,997
Less accumulated depreciation for:				
Equipment	3,370,718	429,343	-	3,800,061
Buildings and improvements	696,917	174,592	-	871,509
Total accumulated depreciation	4,067,635	603,935	-	4,671,570
Total being depreciated, net	5,759,934	278,493	-	6,038,427
Governmental activities capital assets, net	$ 5,977,469	$ 278,493	$ -	$ 6,255,962

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

	Balance June 30, 2013	Additions	Retirements or Transfers	Balance June 30, 2014
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	4,319,552	46,325	-	4,365,877
Buildings and improvements	40,257	-	-	40,257
Total being depreciated	4,359,809	46,325	-	4,406,134
Less accumulated depreciation for:				
Equipment	1,815,073	217,684	-	2,032,757
Buildings and improvements	18,491	1,006	-	19,497
Total accumulated depreciation	1,833,564	218,690	-	2,052,254
Total being depreciated, net	2,526,245	(172,365)	-	2,353,880
Business-type activities capital assets, net	$ 3,233,915	$ (172,365)	$ -	$ 3,061,550

Depreciation expense was charged to functions / programs as follows:

Governmental activities:	
General government	$ 67,396
Public safety	157,548
Public works	342,910
Culture and recreation	36,081
Total depreciation expense - governmental activities	$ 603,935
Business-type activities -	
Landfill	$ 218,690
Total depreciation expense - business-type activities	$ 218,690

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

Component Units:

	Balance June 30, 2013	Additions	Retirements or Transfers	Balance June 30, 2014
Capital assets, not being depreciated -				
Land	$ 235,780	$ 59,482	$ -	$ 295,262
Total not being depreciated	235,780	59,482	-	295,262
Capital assets, being depreciated:				
Equipment	75,867	238	-	76,105
Buildings and improvements	1,569,547	-	-	1,569,547
Total being depreciated	1,645,414	238	-	1,645,652
Less accumulated depreciation for:				
Equipment	65,570	2,493	-	68,063
Buildings and improvements	311,849	40,359	-	352,208
Infrastructure	-	-	-	-
Total accumulated depreciation	377,419	42,852	-	420,271
Total being depreciated, net	1,267,995	(42,614)	-	1,225,381
Governmental activities capital assets, net	$ 1,503,775	$ 16,868	$ -	$ 1,520,643

Depreciation expense was charged to functions / programs as follows:

Component units:	
Telfair County Department of Leisure Services	$ 1,435
Telfair County Hospital Authority	12,828
Development Authority of Telfair County	27,531
Telfair County Board of Health	1,058
Total depreciation expense - component units	$ 42,852

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

F. Long-Term Obligations

The following is a summary of changes in long-term obligations of the County for the year ended June 30, 2014

	Beginning Balance	Additions	Payments/ Retirements	Ending Balance	Current Portion	Long-term Portion
Primary Government:						
Governmental activities:						
Capital lease payables	$ 399,821	$ -	$ (78,604)	$ 321,217	$ 142,416	$ 178,801
USDA note payable #1	2,717	-	(2,717)	-	-	-
USDA note payable #2	4,290	-	(1,380)	2,910	1,431	1,479
USDA note payable #3	27,674	-	(8,889)	18,785	9,223	9,562
Governmental activity - long-term liabilities	$ 434,502	$ -	$ (91,590)	$ 342,912	$ 153,070	$ 189,842
Business-type activities -						
Capital lease payables	$ 493,034	$ -	$ (87,535)	$ 405,499	$ 144,865	$ 260,634
Closure/post closure	1,673,320	-	(124,075)	1,549,245	-	1,549,245
Business-type activity - long-term liabilities	$ 2,166,354	$ -	$ (211,610)	$1,954,744	$ 144,865	$ 1,809,879

Capital Leases

During fiscal year 2011 the County entered into a capital lease agreement with TCF Equipment Finance, Inc. for the purchase of a Peterbilt garbage truck for use by the solid waste department with an original amount of $201,140. The agreement calls for five annual payments of $45,104 beginning in October of 2011 and ending in October of 2015 at an interest rate of 3.87%. As of June 30, 2014 the net book value of this leased vehicle was $163,426. This year, $10,057 was included in depreciation expense. The annual requirements to amortize the remaining balance of $85,144 as of June 30, 2014, including interest payments of $5,063 are as follows:

Year Ending June 30	Principal	Interest	Total
2015	$ 41,750	$ 3,354	$ 45,104
2016	43,394	1,709	45,103
Total	$ 85,144	$ 5,063	$ 90,207

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

During fiscal year 2010 the County entered into a capital lease agreement with Caterpillar Financial Services Corporation 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, 2014 the net book value of this leased equipment was $25,207. This year, $11,203 was included in depreciation expense. The annual requirements to amortize the remaining balance of $41,643 as of June 30, 2014, including interest payments of $1,568 are as follows:

Year Ending June 30	Principal	Interest	Total
2015	$ 41,643	$ 1,568	$ 43,211

During fiscal year 2012 the County entered into a capital lease agreement with Caterpillar Financial Services Corporation for the purchase of a Caterpillar 416E Backhoe Loader for use by the highways and streets department with an original amount of $62,263. The agreement calls for five annual payments of $13,770 beginning in June of 2012 and ending in June of 2016 at an interest rate of 3.45%. As of June 30, 2014 the net book value of this leased equipment was $24,905. This year, $12,453 was included in depreciation expense. The annual requirements to amortize the remaining balance of $26,142 as of June 30, 2014, including interest payments of $1,400 are as follows:

Year Ending June 30	Principal	Interest	Total
2015	$ 12,843	$ 927	$ 13,770
2016	13,299	473	13,772
Total	$ 26,142	$ 1,400	$ 27,542

During fiscal year 2012 the County entered into a capital lease agreement with Caterpillar Financial Services Corporation for the purchase of a Caterpillar 12M Motorgrader for use by the highways and streets department with an original amount of $112,498. The agreement calls for five annual payments of $24,958 beginning in June of 2012 and ending in June of 2016 at an interest rate of 3.45%. As of June 30, 2014 the net book value of this leased equipment was $44,999. This year, $22,500 was included in depreciation expense. The annual requirements to amortize the remaining balance of $47,304 as of June 30, 2014, including interest payments of $2,613 are as follows:

Year Ending June 30	Principal	Interest	Total
2015	$ 23,228	$ 1,730	$ 24,958
2016	24,076	883	24,959
Total	$ 47,304	$ 2,613	$ 49,917

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

During fiscal year 2013 the County entered into a capital lease agreement with Caterpillar Financial Services Corporation for the purchase of a Caterpillar 12M2 Motorgrader for use by the highways and streets department with an original amount of $120,984. The agreement calls for five annual payments of $26,146 beginning in July of 2014 and ending in July of 2018 at an interest rate of 2.64%. As of June 30, 2014 the net book value of this leased equipment was $196,432. This year, $50,153 was included in depreciation expense. The annual requirements to amortize the remaining balance of $120,984 as of June 30, 2014, including interest payments of $9,747 are as follows:

Year Ending June 30	Principal	Interest	Total
2015	$ 22,952	$ 3,194	$ 26,146
2016	23,558	2,588	26,146
2017	24,180	1,966	26,146
2018	24,819	1,327	26,146
2019	25,475	672	26,147
Total	$ 120,984	$ 9,747	$ 130,731

During fiscal year 2012 the County entered into a capital lease agreement with Komatsu Financial for the purchase of a Komatsu Dozier for use at the County landfill with an original amount of $132,687. The agreement calls for five annual payments of $24,613 beginning in April of 2012 and ending in April of 2015 and a balloon payment of $56,938 due April 2015 at an interest rate of 5.25%. As of June 30, 2014 the net book value of this leased equipment was $33,172. This year, $33,172 was included in depreciation expense. The annual requirements to amortize the remaining balance of $77,388 as of June 30, 2014, including interest payments of $4,162 are as follows:

Year Ending June 30	Principal	Interest	Total
2015	$ 77,388	$ 4,162	$ 81,550

During fiscal year 2012 the County entered into a capital lease agreement with Chesapeake Industrial Leasing Co., Inc. for the purchase of a Bomag landfill compactor for use at the County landfill with an original amount of $353,940. The agreement calls for sixty monthly payments of $5,743 beginning in May of 2012 and ending in April of 2017 and a balloon payment of $79,588 due April 2017 at an interest rate of 6.209%. As of June 30, 2014 the net book value of this leased equipment was $200,566. This year, $70,788 was included in depreciation expense. The annual requirements to amortize the remaining balance of $240,920 as of June 30, 2014, including interest payments of $28,171 are as follows:

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

Year Ending June 30	Principal	Interest	Total
2015	$ 50,755	$ 12,413	$ 63,168
2016	58,756	10,154	68,910
2017	131,409	5,604	137,013
Total	$ 240,920	$ 28,171	$ 269,091

During fiscal year 2012 the County entered into a capital lease agreement with Komatsu Financial for the purchase of a Komatsu Excavator for use at the County landfill with an original amount of $139,300. The agreement calls for five annual payments of $20,946 beginning in March of 2012 and ending in March of 2016 and a balloon payment of $52,936 due March 2016 at an interest rate of 4.74%. As of June 30, 2014 the net book value of this leased equipment was $76,615. This year, $27,860 was included in depreciation expense. The annual requirements to amortize the remaining balance of $87,191 as of June 30, 2014, including interest payments of $7,637 are as follows:

Year Ending June 30	Principal	Interest	Total
2015	$ 16,722	$ 4,224	$ 20,946
2016	70,469	3,413	73,882
Total	$ 87,191	$ 7,637	$ 94,828

USDA Note Payable #1

During fiscal year 2009, the County received a community facility loan from the USDA in the amount of $12,500 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 loan was paid out during the fiscal year ended June 30, 2014.

USDA Note Payable #2

During fiscal year 2011, the County received a loan from the USDA in the amount of $6,900 for the purchase of public safety equipment. The loan is payable in five annual installments of $1,540 beginning in December 2011 at a rate of 3.75%. The annual requirements to amortize the remaining balance of $2,910 as of June 30, 2014, including interest payments of $170 are as follows:

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

Year Ending June 30	Principal	Interest	Total
2015	$ 1,431	$ 109	$ 1,540
2016	1,479	61	1,540
Total	$ 2,910	$ 170	$ 3,080

USDA Note Payable #3

During fiscal year 2011, the County received a loan from the USDA in the amount of $44,500 for the purchase of public safety equipment. The loan is payable in five annual installments of $9,927 beginning in December 2011 at a rate of 3.75%. The annual requirements to amortize the remaining balance of $18,785 as of June 30, 2014, including interest payments of $1,069 are as follows:

Year Ending June 30	Principal	Interest	Total
2015	$ 9,223	$ 704	$ 9,927
2016	9,562	365	9,927
Total	$ 18,785	$ 1,069	$ 19,854

The following is a summary of changes in long-term obligations of the component units for the year ended June 30, 2014

	Beginning Balance	Additions	Payments/ Retirements	Ending Balance	Current Portion	Long-term Portion
Component Units:						
Development Authority of Telfair County:						
One Georgia loan	312,500	-	-	312,500	-	312,500
Total component units long-term liabilities	$ 312,500	$ -	$ -	$ 312,500	$ -	$ 312,500

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

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		
	Principal	Interest	Total
2015	$ 25,000	$ -	$ 25,000
2016	25,000	-	25,000
2017	25,000	-	25,000
2018	25,000	-	25,000
2019	25,000	-	25,000
2020-2024	125,000	-	125,000
2025-2027	62,500	-	62,500
	$ 312,500	$ -	$ 312,500

G. Fund Equity

Fund Balances:

- ***Nonspendable*** – The following fund balances are nonspendable because they are allocated to:

General fund -

Prepaids	$ 169,518

- ***Restricted*** - The following fund balances are restricted for:

Capital Projects Funds:

Special Purpose Local Option Sales Tax Fund (SPLOST) – used to account for capital projects financed with SPLOST.	$ 5,204,148
Transportation Special Purpose Local Option Sales Tax (T-SPLOST) used to account for capital projects financed with T-SPLOST.	370,375
LMIG Program used to account for road projects financed with LMIG funds.	346,014

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

Special Revenue Funds:

Revolving Loan Fund - used to account for the proceeds of revenue sources legally restricted to expenditures for specific capital or operating projects.	2
Multipurpose Grant Fund - used to account for the proceeds of revenue sources legally restricted to expenditures for specific capital or operating projects.	4,067
Sheriff Commissary - used to account for the activities of the inmate canteen	3,343
Expendable Trust Fund - used to account for the operations of the County law library.	53,275
	$ 5.981,224

Net Position:

Net investment in capital assets reported on the government-wide statement of net position as of June 30, 2014 are as follows:

	Governmental Activities	Business-Type Activities
Net investment in capital assets		
Cost of capital assets	$ 10,927,532	$ 5,113,804
Less accumulated depreciation	(4,671,570)	(2,052,254)
Book value	6,255,962	3,061,550
Less capital related debt	(342,912)	(405,499)
Net investment in capital assets	$ 5,913,050	$ 2,656,051

H. 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.

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

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.

I. 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.

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.

IV. OTHER INFORMATION

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 $2,832,324. 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 54% of the landfill capacity and the landfill has an estimated remaining life of 14.72 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 $6,043 to the RC for the year ended June 30, 2014. 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.

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 a RC beyond its resources. (O.C.G.A. 50-8-39.1)

IV. OTHER INFORMATION

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, 2014, the County received $11,837 in hotel/motel tax. The County distributed $4,596 to the Telfair County Chamber of Commerce for the promotion of tourism and retained $7,241 for general government purposes. The expended amounts total 100% of the amount received by the County.

For the year ended June 30, 2014, the County has complied with the expenditure requirements of code section 48-13-51.

E. Note Receivable

In April 2008, the Development Authority of Telfair County borrowed $90,000 from the Revolving Loan Fund of Telfair County. During the year ended June 30, 2011 the General fund repaid the Georgia Department of Community Affairs (DCA) the remaining balance of this loan of $72,174. The loan to the Development Authority of Telfair County is now being collected and accounted for in the general fund and is due in monthly installments of $954.59. The note bears an interest rate of 3.0%. As of June 30, 2014 the balance on this note was $39,884.

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.

IV. OTHER INFORMATION

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, 2014

Active plan participants	29
Retirees and beneficiaries currently receiving benefits	40
Active or terminated plan participants entitled to, but not yet receiving benefits	38
Disabled pay status	1
Total	108

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

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.

IV. OTHER INFORMATION

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, 2014.

	January 1, 2014	
Actuarial present value of accumulated plan benefits:		
Vested:		
Retirees (and others in pay status)		$ 1,209,040
Deferred vested (former employees)		424,519
Vested active participants		499,374
		2,132,933
Nonvested		39,409
Actuarial present value of accumulated plan benefits	$ 2,172,342	2,172,342
Effect of future salary increases	167,951	
Total actuarial accrued liability	$ 2,340,293	
Net assets available for benefits (including receivables)		1,927,406
Net assets in excess of actuarial present value of accumulated plan benefits		$ (244,936)

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, 2014
Derivation of Net Pension Obligation:	
Net pension obligation as of beginning of prior year	$ 8,917
Annual pension cost for prior year	131,104
Actual contributions to plan for prior year	131,152
Increase in net pension obligation	(48)
Net pension obligation as of beginning of year	$ 8,869
Derivation of Annual Pension Cost	
Annual required contribution	$ 115,554
Interest on net pension obligation	665
Amortization of net pension obligation	(723)
Annual pension cost	$ 115,496

Contributions totaling $115,554 were made in accordance with actuarially determined contribution requirements determined by an actuarial valuation performed as of January 1, 2014. Employer contributions attributable to the 2014 Plan year was made in May 2014. These contributions consist of the following:

Normal cost for the plan year	$ 30,411
Pre-retirement death benefit expense	2,893
Administrative expenses	5,903
Amortization charges	108,161
Total charges	147,368
Amortization credits	(31,814)
Total employer contribution	$ 115,554

IV. OTHER INFORMATION

5. Basis of Valuation

Current valuation date	January 1, 2014
Annual return on invested plan assets	7.50%
Projected annual salary increases	2.0%-4.5% 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)
Amortization periods:	
Initial unfunded actuarial accrued liability	Over 30 years from 1989
Changes in the unfunded actuarial liability (from the end of the year during which such changes arise):	
Actuarial gains and losses	Over 15 years
Plan provisions	Over 20 years
Actuarial assumptions and cost methods	Over 30 years

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
2014	$ 115,496	N/A	N/A	$ 8,869	16.3%
2013	$ 131,104	$ 131,152	100.04%	$ 8,917	17.3%
2012	$ 133,959	$ 134,007	100.04%	$ 8,965	12.7%
2011	$ 105,596	$ 106,289	100.66%	$ 9,658	13.9%
2010	$ 94,421	$ 95,752	101.41%	$ 10,989	14.5%
2009	$ 119,890	$ 76,455	63.77%	$ (32,446)	8.8%
2008	$ 131,568	$ 136,034	103.39%	$ (27,980)	10.8%

IV. OTHER INFORMATION

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]
2013	1,795,916	*	2,235,435	439,519	80.34%	756,495	58.10%

* 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]
2013	1,795,916	*	2,235,435	439,519	80.34%	756,495	58.10%
2012	1,616,708	*	2,145,050	528,342	75.37%	1,056,898	49.99%
2011	1,553,809	*	2,025,573	471,764	76.71%	766,292	61.56%
2010	1,511,244	*	1,918,886	407,642	78.76%	661,085	61.66%
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%

* 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, 2014

	Budgeted Amounts			Variance with Final Budget - Over
	Original	Final	Actual	(Under)
REVENUES				
Taxes	$ 4,511,200	$ 4,511,200	$ 4,648,507	$ 137,307
Charges for services and fines	853,500	853,500	812,965	(40,535)
Other	260,500	260,500	462,219	201,719
Total revenues	5,625,200	5,625,200	5,923,691	298,491
EXPENDITURES				
Current:				
General government:				
General government	130,637	130,637	117,784	(12,853)
Elections	89,844	89,844	83,773	(6,071)
General adminstration	414,213	414,213	544,178	129,965
Tax Commisioner	260,596	239,176	246,775	7,599
Tax Assessor	231,503	231,503	204,269	(27,234)
General government buildings and plant	85,020	85,020	86,853	1,833
Judicial:				
Superior court	144,731	144,731	148,775	4,044
Clerk of court	156,065	156,065	160,495	4,430
Magistrate court	111,822	111,822	111,194	(628)
Probate court	141,592	141,592	158,599	17,007
Public safety:				
Law enforcement administration	799,652	799,652	875,405	75,753
School resources - Sheriff	42,708	43,637	34,665	(8,972)
Jail operations	410,741	410,741	438,414	27,673
Dispatcher	-	-	-	-
Fire administration	16,000	16,000	20,637	4,637
Emergency medical services	634,620	634,620	769,928	135,308
Emergency Management Agency	18,733	18,733	2,417	(16,316)
Coroner / medical examiner	28,024	28,024	24,751	(3,273)
Enhanced 911	179,520	179,520	192,018	12,498
Public works:				
Highways and streets	491,466	491,466	482,561	(8,905)
Solid waste and recycling	43,225	43,225	69,180	25,955
Health and welfare:				
Public health administration	95,010	95,010	95,010	-
Health department building	52,034	52,034	45,737	(6,297)
Intergovernment - Welfare	11,500	11,500	3,595	(7,905)
Senior citizens center	135,509	135,509	122,495	(13,014)

TELFAIR COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts			Variance with Final Budget - Over
	Original	Final	Actual	(Under)
EXPENDITURES (Continued)				
Current:				
Community services	115,015	115,015	70,248	(44,767)
Transportation services	168,833	168,833	99,901	(68,932)
Culture and recreation:				
Culture and recreation administration	112,500	112,500	100,000	(12,500)
Library administration	53,100	53,100	53,100	-
Housing and development:				
Conservation administration	34,871	34,871	34,325	(546)
Agricultural resources	51,934	51,934	58,205	6,271
Forest resources	38,459	38,459	38,222	(237)
Economic development	55,650	55,650	51,150	(4,500)
Airport	50,050	50,050	9,580	(40,470)
Farmers Market	-	-	14,803	14,803
Debt Service:				
Principal	78,605	78,605	40,168	(38,437)
Interest	10,438	10,438	10,766	328
Capital outlay :				
General adminstration	17,980	17,980	-	(17,980)
Tax Assessor	-	-	-	-
Law enforcement administration	50,000	50,000	34,970	(15,030)
Jail operations	18,000	18,000	-	(18,000)
Fire administration	5,000	5,000	-	(5,000)
Emergency Management Agency	-	-	6,682	6,682
Highways and streets	7,000	7,000	-	(7,000)
Total expenditures	5,592,200	5,571,709	5,661,628	89,919
OTHER FINANCING SOURCES (USES)				
Capital lease proceeds	-	-	-	-
Transfers in (out)	-	-	(46,118)	(46,118)
Total other financing sources	-	-	(46,118)	(46,118)
Net change in fund balance	$ 33,000	$ 53,491	215,945	$ 162,454
Fund balance, beginning			146,963	
Fund balance, ending			$ 362,908	

TELFAIR COUNTY, GEORGIA
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - DEPARTMENT OF TRANSPORTATION - SECTION 18
FOR THE YEAR ENDED JUNE 30, 2014

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Over (Under)
REVENUES			
Georgia Department of Transportation	$ 65,000	$ 87,830	$ 22,830
Fares and other	12,000	5,339	(6,661)
Total revenues	77,000	93,169	16,169
EXPENDITURES			
Current:			
Heart of Georgia CAC Administration	165,733	98,362	(67,371)
Repairs and maintenance	3,000	1,539	(1,461)
General supplies and materials	-	-	-
Travel	100	-	(100)
Total expenditures	168,833	99,901	(68,932)
Excess of revenues over/(under) expenditures	$ (91,833)	$ (6,732)	$ 85,101

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, 2014

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Over (Under)
REVENUES			
Council on Aging - receipts	$ 34,000	$ 74,869	$ 40,869
Total revenues	34,000	74,869	40,869
EXPENDITURES			
Current:			
Salaries	73,141	46,207	(26,934)
Employee benefits	42,528	33,088	(9,440)
Repairs and maintenance	3,000	7,270	4,270
Communications	2,000	1,928	(72)
Advertising	-	40	40
Travel	400	179	(221)
Dues and fees	100	-	(100)
Education and training	200	-	(200)
Small equipment	1,100	-	(1,100)
Other purchased services	1,000	22,930	21,930
Supplies and materials	2,000	776	(1,224)
Utilities	10,040	10,077	37
Total expenditures	135,509	122,495	(13,014)
Excess of revenues over/(under) expenditures	$ (101,509)	$ (47,626)	$ 53,883

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
BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Special Revenue		
	Revolving Loan Fund	Multipurpose Grant	Sheriff Commissary
ASSETS			
Cash and cash equivalents	$ 2	$ 4,067	$ 3,679
Taxes receivable, net	-	-	-
Notes receivable, net	-	-	-
Other receivables, net	-	-	-
Total assets	$ 2	$ 4,067	$ 3,679
LIABILITIES			
Accounts payable	$ -	$ -	$ 336
FUND BALANCES			
Restricted	2	4,067	3,343
Total fund balances	2	4,067	3,343
Total liabilities and fund balances	$ 2	$ 4,067	$ 3,679

Special Revenue		Capital Projects		Total Nonmajor
Expendable Trust Fund	Hotel/Motel Tax	T-SPLOST	LMIG Program	Governmental Funds
$ 52,865	$ -	$ 328,038	$ 346,014	$ 734,665
-	-	42,337	-	42,337
-	-	-	-	-
410	-	-	-	410
$ 53,275	$ -	$ 370,375	$ 346,014	$ 777,412
$ -	$ -	$ -	$ -	$ 336
53,275	-	370,375	346,014	777,076
53,275	-	370,375	346,014	777,076
$ 53,275	$ -	$ 370,375	$ 346,014	$ 777,412

TELFAIR COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Special Revenue		
	Revolving Loan Fund	Multipurpose Grant	Sheriff Commissary
REVENUES			
Charges for services	$ -	$ -	$ 22,118
Intergovernmental	-	20,187	-
Other taxes	-	-	-
Investment earnings	2	19	-
Miscellaneous	-	-	-
Total revenues	2	20,206	22,118
EXPENDITURES			
Current:			
General government	-	-	18,775
Judicial	-	-	-
Public works	-	-	-
Health and welfare	-	1,524	-
Housing and development	-	-	-
Debt service:			
Principal	-	12,986	-
Interest	-	1,319	-
Capital outlay :			
General government	-	-	-
Public safety	-	17,893	-
Public works	-	-	-
Total expenditures	-	33,722	18,775
OTHER FINANCING SOURCES			
Transfers in	-	14,305	-
Total other financing sources	-	14,305	-
Net change in fund balances	2	789	3,343
Fund balances, beginning	-	3,278	-
Fund balances, ending	$ 2	$ 4,067	$ 3,343

Special Revenue		Capital Projects		Total Nonmajor
Expendable Trust Fund	Hotel/Motel Tax	T-SPLOST	LMIG Program	Governmental Funds
$ -	$ -	$ -	$ -	$ 22,118
-	-	-	351,866	372,053
-	11,837	252,744	-	264,581
222	-	-	-	243
6,559	-	-	-	6,559
6,781	11,837	252,744	351,866	665,554
-	7,241	-	-	26,016
4,001	-	-	-	4,001
-	-	5,618	406	6,024
-	-	-	-	1,524
-	4,596	-	-	4,596
-	-	-	-	12,986
-	-	-	-	1,319
-	-	-	-	-
-	-	-	-	17,893
-	-	-	331,310	331,310
4,001	11,837	5,618	331,716	405,669
-	-	-	-	14,305
-	-	-	-	14,305
2,780	-	247,126	20,150	274,190
50,495	-	123,249	325,864	502,886
$ 53,275	$ -	$ 370,375	$ 346,014	$ 777,076

TELFAIR COUNTY, GEORGIA
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2014

	Agency Funds					
	Clerk of Superior Court	Sheriff	Judge of Probate Court	Tax Commissioner	Magistrate Court	Total Fiduciary Funds
ASSETS						
Cash	$ 78,421	$ 4,213	$ 9,180	$ 107,460	$ 13,244	$ 212,518
Taxes receivable (net allowance for uncollectible accounts)	-	-	-	420,935	-	420,935
Total assets	$ 78,421	$ 4,213	$ 9,180	$ 528,395	$ 13,244	$ 633,453
LIABILITIES						
Due to expendable trust fund	$ 60	$ -	$ 165	$ -	$ 185	$ 410
Other liabilities	78,361	4,213	9,015	528,395	13,059	633,043
Total liabilities	$ 78,421	$ 4,213	$ 9,180	$ 528,395	$ 13,244	$ 633,453

TELFAIR COUNTY, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Balance June 30, 2013	Additions	Deductions	Balance June 30, 2014
Clerk of Superior Court:				
ASSETS				
Restricted assets -				
Cash	$ 80,770	$ 193,902	$ (196,251)	$ 78,421
Total assets	$ 80,770	$ 193,902	$ (196,251)	$ 78,421
LIABILITIES				
Payable from resticted assets:				
Due to expendable trust fund	$ 105	$ 1,607	$ (1,652)	$ 60
Other liabilities	80,665	192,295	(194,599)	78,361
Total liabilities	$ 80,770	$ 193,902	$ (196,251)	$ 78,421
Sheriff:				
ASSETS				
Restricted assets -				
Cash	$ 39,337	$ 5,394	$ (40,518)	$ 4,213
Total assets	$ 39,337	$ 5,394	$ (40,518)	$ 4,213
LIABILITIES				
Payable from resticted assets -				
Other liabilities	$ 39,337	$ 5,394	$ (40,518)	$ 4,213
Total liabilities	$ 39,337	$ 5,394	$ (40,518)	$ 4,213
Judge of Probate Court:				
ASSETS				
Restricted assets -				
Cash	$ 8,737	$ 56,701	$ (56,258)	$ 9,180
Total assets	$ 8,737	$ 56,701	$ (56,258)	$ 9,180
LIABILITIES				
Payable from resticted assets:				
Due to expendable trust fund	$ 120	$ 2,137	$ (2,092)	$ 165
Other liabilities	8,617	54,564	(54,166)	9,015
Total liabilities	$ 8,737	$ 56,701	$ (56,258)	$ 9,180

TELFAIR COUNTY, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Balance June 30, 2013	Additions	Deductions	Balance June 30, 2014
Tax Commissioner:				
ASSETS				
Restricted assets -				
Cash	$ 91,361	$ 4,870,590	$ (4,854,491)	$ 107,460
Taxes receivable, net	398,532	3,586,234	(3,563,831)	420,935
Total assets	$ 489,893	$ 8,456,824	$ (8,418,322)	$ 528,395
LIABILITIES				
Payable from resticted assets -				
Other liabilities	$ 489,893	$ 4,854,627	$ (4,816,125)	$ 528,395
Total liabilities	$ 489,893	$ 4,854,627	$ (4,816,125)	$ 528,395
Magistrate Court:				
ASSETS				
Restricted assets -				
Cash	$ 12,384	$ 184,618	$ (183,758)	$ 13,244
Total assets	$ 12,384	$ 184,618	$ (183,758)	$ 13,244
LIABILITIES				
Payable from resticted assets:				
Due to expendable trust fund	$ 175	$ 2,245	$ (2,235)	$ 185
Other liabilities	12,209	182,373	(181,523)	13,059
Total liabilities	$ 12,384	$ 184,618	$ (183,758)	$ 13,244

TELFAIR COUNTY, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2014

	Leisure Services	Hospital Authority	Development Authority	County Board of Health	Total
ASSETS					
Cash and cash equivalents	$ 4,006	$ 1,006,450	$ 89,454	$ 686,515	$ 1,786,425
Investments	-	351,318	-	-	351,318
Other receivables, net	-	-	-	4,549	4,549
Capital assets:					
Nondepreciable	-	15,000	280,262	-	295,262
Depreciable, net	4,862	385,044	832,295	3,180	1,225,381
Total assets	8,868	1,757,812	1,202,011	694,244	3,662,935
LIABILITIES					
Accounts payable	1,611	-	-	-	1,611
Other liabilities	2,929	-	-	25,614	28,543
Noncurrent liabilities:					
Due within one year -					
Notes payable	-	-	-	-	-
Due in more than one year -					
Notes payable	-	-	312,500	-	312,500
Total liabilities	4,540	-	312,500	25,614	342,654
NET POSITION					
Net investment in capital assets	4,862	400,044	800,057	3,180	1,208,143
Restricted	-	-	-	156,836	156,836
Unrestricted	(534)	1,357,768	89,454	508,614	1,955,302
Total net position	$ 4,328	$ 1,757,812	$ 889,511	$ 668,630	$ 3,320,281

TELFAIR COUNTY, GEORGIA
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2014

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 Position: Component Units: Leisure Services	Hospital Authority	Development Authority	County Board of Health	Total Component Units
Component units:									
Leisure Services	$ 167,868	$ 20,059	$ 157,620	$ -	$ 9,811	$ -	$ -	$ -	$ 9,811
Hospital Authority	51,866	12,500	-	-	-	(39,366)	-	-	(39,366)
Development Authority	68,246	21,600	54,550	-	-	-	7,904	-	7,904
County Board of Health	405,718	211,122	276,834	-	-	-	-	82,238	82,238
Total component units	$ 693,698	$ 265,281	$ 489,004	$ -	9,811	(39,366)	7,904	82,238	60,587
General revenues:									
Investment earnings					-	14,376	150	-	14,526
Miscellaneous					-	-	18,750	31,741	50,491
Total general revenues					-	14,376	18,900	31,741	65,017
Change in net position					9,811	(24,990)	26,804	113,979	125,604
Net position - beginning					(5,483)	1,782,802	862,707	554,651	3,194,677
Net position - ending					$ 4,328	$ 1,757,812	$ 889,511	$ 668,630	$ 3,320,281

TELFAIR COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2014

Project Description Per SPLOST Referendum	Original Estimated Cost	Expenditures				Estimated Percentage of Completion
		Prior Years	Current Year	Adjustment*	Total	
1999 - SPLOST						
Roads and bridges	$ 1,500,000	$ 1,500,000	$ -	$ -	$ 1,500,000	100.00%
Courthouse renovation	1,000,000	1,000,000	-	-	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	549,254	-	-	549,254	99.86%
Total	$ 4,800,000	$ 4,799,254	$ -	$ -	$ 4,799,254	
2004 - SPLOST						
Roads and bridges	$ 2,250,000	$ 1,708,388	$ 535,513	$ -	$ 2,243,901	99.73%
Courthouse renovation	1,000,000	879,068	-	-	879,068	87.91%
City of McRae	652,925	652,925	-	-	652,925	100.00%
City of Lumber City	303,625	303,625	-	-	303,625	100.00%
City of Helena	561,575	561,575	-	-	561,575	100.00%
City of Milan	140,700	140,700	-	-	140,700	100.00%
City of Scotland	62,475	62,475	-	-	62,475	100.00%
City of Jacksonville	28,700	28,700	-	-	28,700	100.00%
Recreation facility	500,000	491,564	-	-	491,564	98.31%
Total	$ 5,500,000	$ 4,829,020	$ 535,513	$ -	$ 5,364,533	
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	635,531	210,663	-	846,194	93.03%
City of Lumber City	422,800	295,407	97,920	-	393,327	93.03%
City of Helena	782,400	546,658	181,203	-	727,861	93.03%
City of Milan	196,000	136,945	45,393	-	182,338	93.03%
City of Scotland	87,200	60,926	20,196	-	81,122	93.03%
City of Jacksonville	40,000	27,949	9,264	-	37,213	93.03%
Total	$ 6,000,000	$ 1,703,416	$ 564,639	$ -	$ 2,268,055	

TELFAIR COUNTY, GEORGIA
REVOLVING LOAN FUND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

	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	132,992	69,071
Current year program income	-	-
Total program income to date	132,992	69,071
Prior year State loan repayments	(132,992)	(69,071)
Current year State loan repayments	-	-
Total transfers in to date	-	-
Funds available for disposition	$ -	$ -

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, 2014

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	(153,637)	(153,637)
Current year repayment of principal	-	-
Loan balance outstanding	$ 46,363	$ 46,363

II. REPORTS REQUIRED BY GOVERNMENTAL AUDITING STANDARDS

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INDEPENDENT AUDITORS' 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*

To the Board of Commissioners
of Telfair County, Georgia
McRae, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the 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, 2014, and the related notes to the financial statements, which collectively comprise Telfair County, Georgia's basic financial statements and have issued our report thereon dated December 24, 2014.

We did not audit the financial statements of the Telfair County Department of Leisure Services, the Telfair County Hospital Authority, the Development Authority of Telfair County or the Telfair County Board of Health. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component units, is based solely on the reports of the other auditors.

Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings to be material weaknesses (Finding 2014-1). 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

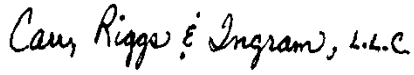
As part of obtaining reasonable assurance about whether Telfair County, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct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

Telfair County, Georgia's Response to Findings

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

Purpose of this Report

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



Carr, Riggs & Ingram, LLC
Certified Public Accountants
December 24, 2014

TELFAIR COUNTY, GEORGIA
SCHEDULE OF FINANCIAL STATEMENT FINDINGS
June 30, 2014

SECTION II - FINANCIAL STATEMENT FINDINGS

Findings noted on the 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.*

2014 - 1

Criteria:

Duties should be segregated between employees so that the responsibility for authorizing transactions, recording transactions, and maintaining custody of assets are assigned to different personnel.

Condition:

Telfair County, Georgia is a small local government and has a limited amount of resources and employees. Therefore, the County does not have an adequate number of employees to provide for the proper segregation of

Cause of Condition:

Since the County is a small local government, it is not financially feasible for the County to hire additional employees to provide for an adequate segregation of duties.

Effect of Condition:

The County's internal control structure does not contain adequate safeguarding controls provided by segregation of duties that would provide for the prevention or timely detection of unauthorized transactions and unauthorized access to assets that could result in losses that are material to the financial statements.

Response of Management:

Management concurs with the finding and is continually working to improve controls to mitigate the risks associated with this condition.

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