TELFAIR COUNTY, GEORGIA

FINANCIAL STATEMENTS
AS OF **JUNE 30, 2015**
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**

CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
202 Love Avenue
Tifton, GA 31794
P.O. Box 7650
Tifton, GA 31793

(229) 382-8576
(229) 238-0643 (fax)
www.cricpa.com

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, 2015, 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, 2015, 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 changes in the net pension liability and related ratios on page 43, the schedule of contributions on page 44, and the budgetary comparison information on pages 45 through 48, as well as the note to required supplementary information on page 49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 50 through 56 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 57 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 58 and the revolving loan fund schedule of program loans on page 59 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.

Implementation of New Accounting Standards

As disclosed in Note I. F to the financial statements, Telfair County, Georgia implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No.68*, during the year ended June 30, 2015.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2016, 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

Tifton, Georgia
February 15, 2016

TELFAIR COUNTY, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2015

	Primary Government			Component
	Governmental Activities	Business-type Activities	Total	Units
ASSETS				
Cash and cash equivalents	$ 8,582,119	$ 30,227	$ 8,612,346	$ 1,844,716
Investments	-	-	-	350,913
Taxes receivable -				
net of uncollectible accounts	638,132	-	638,132	-
Notes receivable	30,203	-	30,203	-
Other receivables	291,965	40,621	332,586	54,191
Internal balances	(908,219)	908,219	-	-
Prepaids	59,522	-	59,522	-
Capital assets:				
Nondepreciable	226,412	707,670	934,082	235,780
Depreciable, net	6,582,126	2,131,040	8,713,166	1,356,804
Total assets	15,502,260	3,817,777	19,320,037	3,842,404
DEFERRED OUTFLOWS OF RESOURCES				
Related to defined benefit pension plan	118,927	8,305	127,232	45,496
LIABILITIES				
Accounts payable	310,096	13,194	323,290	11,920
Other liabilities	67,678	-	67,678	55,439
Noncurrent liabilities:				
Due within one year:				
Capital lease payable	138,770	181,404	320,174	-
Notes payable	11,041	-	11,041	135,012
Due in more than one year:				
Capital lease payable	391,854	131,409	523,263	-
Notes payable	-	-	-	268,750
Closure/post closure accrued liability	-	1,630,512	1,630,512	-
Net pension liability	379,442	26,498	405,940	301,475
Total liabilities	1,298,881	1,983,017	3,281,898	772,596
DEFERRED INFLOWS OF RESOURCES				
Related to defined benefit pension plan	-	-	-	73,581
NET POSITION				
Net investment in capital assets	6,266,873	2,525,897	8,792,770	1,188,822
Restricted:				
Special revenue	72,525	-	72,525	-
Capital projects	7,048,148	-	7,048,148	-
Prior year program income	-	-	-	167,417
Unrestricted	934,760	(682,832)	251,928	1,685,484
Total net position	$ 14,322,306	$ 1,843,065	$ 16,165,371	$ 3,041,723

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, 2015

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions
Primary government:			
Governmental activities:			
General government	$ 1,500,306	$ 21,866	$ -
Judicial	617,586	169,492	-
Public safety	2,600,844	681,021	-
Public works	912,932	9,392	-
Health and welfare	472,530	298,240	-
Culture and recreation	201,681	-	-
Housing and development	231,552	2,251	22,508
Interest on long-term debt	23,151	-	-
Total governmental activities	6,560,582	1,182,262	22,508
Business-type activities -			
Landfill	607,176	285,281	-
Total business-type activities	607,176	285,281	-
Total primary government	7,167,758	1,467,543	22,508
Component units:			
Governmental type	796,026	327,690	515,810
Total component units	$ 796,026	$ 327,690	$ 515,810

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
Prior period adjustment - implementation of GASB 68:
Net pension liability (measurement date)
Deferred outflows - County contributions
Net position - beginning - restated

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
$ -	$ (1,478,440)	$ -	$ (1,478,440)	
-	(448,094)	-	(448,094)	
-	(1,919,823)	-	(1,919,823)	
357,436	(546,104)	-	(546,104)	
11,794	(162,496)	-	(162,496)	
-	(201,681)	-	(201,681)	
-	(206,793)	-	(206,793)	
-	(23,151)	-	(23,151)	
369,230	(4,986,582)	-	(4,986,582)	
-	-	(321,895)	(321,895)	
-	-	(321,895)	(321,895)	
369,230	(4,986,582)	(321,895)	(5,308,477)	
-				47,474
$ -				47,474
	4,498,441	-	4,498,441	-
	166,193	-	166,193	-
	433,878	-	433,878	-
	1,156,990	-	1,156,990	-
	262,663	-	262,663	-
	10,566	-	10,566	-
	5,580	-	5,580	-
	285,786	-	285,786	-
	63,154	-	63,154	-
	4,099	54	4,153	13,593
	173,866	-	173,866	16,194
	-	-	-	
	7,061,216	54	7,061,270	29,787
	2,074,634	(321,841)	1,752,793	77,261
	12,535,847	2,174,064	14,709,911	3,320,281
	(400,170)	(12,717)	(412,887)	(389,231)
	111,995	3,559	115,554	33,412
	12,247,672	2,164,906	14,412,578	2,964,462
	$ 14,322,306	$ 1,843,065	$ 16,165,371	$ 3,041,723

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

TELFAIR COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	General	SPLOST	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 1,598,000	$ 6,218,165	$ 765,954	$ 8,582,119
Taxes receivable - net of allowance for uncollectibles	501,718	93,590	42,824	638,132
Notes receivable, net	30,203	-	-	30,203
Other receivables, net	291,226	320	419	291,965
Prepaids	59,522	-	-	59,522
Total assets	$ 2,480,669	$ 6,312,075	$ 809,197	$ 9,601,941
LIABILITIES				
Accounts payable	$ 309,497	$ -	$ 599	$ 310,096
Other liabilities	67,678	-	-	67,678
Due to other funds	908,219	-	-	908,219
Total liabilities	1,285,394	-	599	1,285,993
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	449,632	-	-	449,632
Total deferred inflows of resources	449,632	-	-	449,632
FUND BALANCES				
Nonspendable	59,522	-	-	59,522
Restricted	-	6,312,075	808,598	7,120,673
Unassigned	686,121	-	-	686,121
Total fund balances	745,643	6,312,075	808,598	7,866,316
Total liabilities, deferred inflows of resources, and fund balances	$ 2,480,669	$ 6,312,075	$ 809,197	$ 9,601,941

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, 2015

Amounts reported for governmental activities in the statement of net position are different because:		
Total governmental fund balances		$ 7,866,316
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.		
Cost of capital assets	$ 11,958,015	
Less accumulated depreciation	(5,149,477)	6,808,538
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.		449,632
Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds.		
Net pension liability		(379,442)
Deferred outflow and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflow of employer contributions after the measurement date		118,927
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.		(541,665)
Net position of governmental activities		$ 14,322,306

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, 2015

	General	SPLOST	Other Governmental Funds	Total Governmental Funds
REVENUES				
General property taxes	$ 4,502,536	$ -	$ -	$ 4,502,536
Other taxes	788,398	1,156,990	273,229	2,218,617
Charges for services	611,770	-	21,183	632,953
Intergovernmental	315,289	-	362,341	677,630
Fines and forfeitures	251,113	-	-	251,113
Investment earnings	3,840	6,889	259	10,988
Miscellaneous	173,866	-	5,415	179,281
Total revenues	6,646,812	1,163,879	662,427	8,473,118
EXPENDITURES				
Current:				
General government	1,426,332	-	27,990	1,454,322
Judicial	617,193	-	3,165	620,358
Public safety	2,480,852	-	-	2,480,852
Public works	505,420	4,100	213	509,733
Health and welfare	471,777	-	2,130	473,907
Culture and recreation	165,600	-	-	165,600
Housing and development	228,205	-	4,094	232,299
Debt service:				
Principal	79,750	62,666	10,654	153,070
Interest	14,918	7,420	813	23,151
Capital outlay :				
Public safety	148,377	8,877	-	157,254
Public works	389,823	84,889	593,313	1,068,025
Health and welfare	114,186	-	-	114,186
Total expenditures	6,642,433	167,952	642,372	7,452,757
OTHER FINANCING SOURCES (USES)				
Capital lease proceeds	351,823	-	-	351,823
Sale of general capital assets	38,000	112,000	-	150,000
Transfers in (out)	(11,467)	-	11,467	-
Total other financing sources	378,356	112,000	11,467	501,823
Net change in fund balances	382,735	1,107,927	31,522	1,522,184
Fund balances, beginning	362,908	5,204,148	777,076	6,344,132
Fund balances, ending	$ 745,643	$ 6,312,075	$ 808,598	$ 7,866,316

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, 2015

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ 1,522,184
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	$ 1,238,405	
Depreciation expense	(636,889)	601,516
In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the assets sold.		(48,940)
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, 2015	$ 449,632	
Unavailable revenue - property taxes at June 30, 2014	(287,534)	162,098
Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.		
Pension contributions	$ 138,047	
Cost of benefits earned net of employee contributions	(101,518)	36,529
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	$ (351,823)	
Principal repayments	153,070	(198,753)
Change in net position of governmental activities		$ 2,074,634

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

TELFAIR COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2015

	Business-Type Activity - Enterprise Fund Landfill
ASSETS	
Current assets:	
Cash	$ 30,227
Accounts receivable, net	40,621
Due from other funds	908,219
Total current assets	979,067
Noncurrent assets -	
Capital assets:	
Land, nondepreciable	707,670
Equipment, depreciable	4,365,877
Buildings and improvements, depreciable	40,257
Less - accumulated depreciation	(2,275,094)
Total noncurrent assets	2,838,710
Total assets	3,817,777
DEFERRED OUTFLOWS OF RESOURCES	8,305
LIABILITIES	
Current liabilities:	
Accounts payable	13,194
Capital lease payable	181,404
Total current liabilities	194,598
Noncurrent liabilities:	
Capital lease payable	131,409
Net pension liability	26,498
Closure/post closure accrued liability	1,630,512
Total noncurrent liabilities	1,788,419
Total liabilities	1,983,017
DEFERRED INFLOWS OF RESOURCES	-
NET POSITION	
Net investment in capital assets	2,525,897
Unrestricted	(682,832)
Total net position	$ 1,843,065

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, 2015

	Business-Type Activity - Enterprise Fund
	Landfill
OPERATING REVENUES	
Charges for services	$ 285,281
Total operating revenues	285,281
OPERATING EXPENSES	
Personnel services	97,748
Employee benefits	54,640
Professional services	25,835
Repairs and maintenance	39,261
Communication services	2,439
Other purchased services	8,666
Supplies	12,361
Utilities	6,393
Gasoline / diesel	28,470
Depreciation	222,840
Closure / post closure	81,267
Other operating	5,473
Total operating expenses	585,393
Operating income (loss)	(300,112)
NONOPERATING REVENUES (EXPENSES)	
Investment earnings	54
Interest expense	(21,783)
Total nonoperating revenues (expenses)	(21,729)
Change in net position	(321,841)
Net position, beginning	2,174,064
Prior period adjustment - Implementation of GASB 68:	
Net pension liability (measurement date)	(12,717)
Deferred outflows - County contributions	3,559
Net position as restated, July 1, 2014	2,164,906
Net position, ending	$ 1,843,065

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, 2015

	Business-Type Activity - Enterprise Fund Landfill
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 272,542
Payments to suppliers for goods and services	(125,736)
Payments to employees for services	(97,748)
Payments for employee taxes and benefits	(40,859)
Receipts from other funds	125,000
Net cash provided by operating activities	133,199
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal paid on capital leases	(92,686)
Interest paid on capital leases	(21,783)
Net cash used by operating activities	(114,469)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	54
Net cash provided by investing activities	54
Net increase in cash	18,784
Cash, beginning of year	11,443
Cash, end of year	$ 30,227
Reconciliation of income from operations to net cash used by operating activities:	
Income from operations	$ (300,112)
Depreciation	222,840
Change in accounts receivable	(12,739)
Change in due from other funds	125,000
Change in accounts payable	7,908
Change in net pension liability and related deferrals	9,035
Change in accrued closure/post closure	81,267
Net cash provided by operating activities	$ 133,199

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, 2015

ASSETS		
Cash	$	234,112
Taxes receivable (net allowance for uncollectible accounts)		444,748
Total assets	$	678,860
LIABILITIES		
Due to expendable trust fund	$	419
Other liabilities		678,441
Total liabilities	$	678,860

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 the 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.

F. Restatement of prior year net position

For fiscal year 2015, the County made a variety of prior period adjustments due to the adoption of GASB Statement No. 68 and GASB Statement No. 71 which require the restatement of the June 30, 2014, net position of the governmental and business-type activities. The result is a decrease in net position at July 1, 2014, of $288,175. These changes are in accordance with generally accepted accounting principles.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

G. 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 6/30/2015 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, 2015, 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, 2015.

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. Under the full accrual method of accounting, the County has reported certain actuarial changes and the contributions to the defined benefit pension plan subsequent to the measurement date and prior to the fiscal year end as deferred outflows of resources.

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 reported various actuarial changes in its defined benefit pension plan. Additionally, 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

H. 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, 2015, expenditures exceeded appropriations in the following functions:

Fund	Department	Expenditures Over Budget
General	General government	$ 3,455
	Elections	4,334
	General administration	182,509
	General government buildings and plant	5,324
	Clerk of court	9,830
	Magistrate court	4,949
	Probate court	6,718
	Law enforcement administration	9,094
	Jail operations	154,084
	Fire administration	6,091
	Emergency medical services	38,091
	Solid waste and recycling	2,030
	Senior citizens center	2,823
	Conservation administration	412
	Forest resources	13,394
	Farmers market	6,154
	Debt Service -	
	Interest	4,749
	Capital outlay:	
	Law enforcement administration	7,350
	Emergency medical services	76,027
	Emergency management agency	10,000
	Highways and streets	384,823

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Deposits and Investments

A summary of the County's deposits and investments at June 30, 2015 follows:

Account Balances		
Petty cash	$	854
Demand deposits		9,837,385
Certificates of deposit		618,823
Investments		350,913
Total reporting entity	$	10,807,975

Ownership of Funds		
Primary Government -		
Governmental funds:		
Cash	$	7,963,296
Certificates of deposit		618,823
Proprietary fund -		
Cash		30,227
Total primary government	$	8,612,346
Component Units:		
Cash and cash equivalents	$	1,844,716
Investments		350,913
Total component units		2,195,629
Total reporting entity	$	10,807,975

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 G 1.

B. Taxes Receivable and Allowances for Uncollectible Accounts

Taxes receivable and allowances for uncollectible accounts at June 30, 2015 are as follows:

	Receivable	Allowance	Net
General fund-			
Property taxes	$ 479,422	$ (12,800)	$ 466,622
Special purpose local option sales tax	93,590	-	93,590
Transportation SPLOST	42,824	-	42,824
Local option sales taxes	35,096	-	35,096
Total	$ 650,932	$ (12,800)	$ 638,132

Property taxes for 2014-2015 were levied October 8, 2014 and due December 20, 2014 on property valued as of January 1, 2013. The tax rate to finance general governmental services for the fiscal year ended June 30, 2015 was $16.200 per $1,000 of assessed taxable property value for the unincorporated areas of Telfair County, and $16.200 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 payables 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, 2015 follows:

	Payable to:
Payable from -	Landfill
General fund	$ 908,219

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

D. Transfers

A summary of fund transfers for the year ended June 30, 2015 follows:

	Transfer in: Nonmajor Multipurpose Grant
Transfer out - General Fund	11,467
Total transfer in	$ 11,467

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, 2014	Additions	Retirements or Transfers	Balance June 30, 2015
Governmental activities:				
Capital assets, not being depreciated -				
Land	$ 217,535	$ -	$ -	$ 217,535
Construction in progress	-	8,877	-	8,877
Total not being depreciated	217,535	8,877	-	226,412
Capital assets, being depreciated:				
Equipment	5,174,180	551,326	(207,922)	5,517,584
Buildings and improvements	5,535,817	678,202	-	6,214,019
Total being depreciated	10,709,997	1,229,528	(207,922)	11,731,603
Less accumulated depreciation for:				
Equipment	3,800,061	410,848	(158,982)	4,051,927
Buildings and improvements	871,509	226,041	-	1,097,550
Total accumulated depreciation	4,671,570	636,889	(158,982)	5,149,477
Total being depreciated, net	6,038,427	592,639	(48,940)	6,582,126
Governmental activities capital assets, net	$ 6,255,962	$ 601,516	$ (48,940)	$ 6,808,538

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

	Balance June 30, 2014	Additions	Retirements or Transfers	Balance June 30, 2015
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	4,365,877	-	-	4,365,877
Buildings and improvements	40,257	-	-	40,257
Total being depreciated	4,406,134	-	-	4,406,134
Less accumulated depreciation for:				
Equipment	2,032,757	221,834	-	2,254,591
Buildings and improvements	19,497	1,006	-	20,503
Total accumulated depreciation	2,052,254	222,840	-	2,275,094
Total being depreciated, net	2,353,880	(222,840)	-	2,131,040
Business-type activities capital assets, net	$ 3,061,550	$ (222,840)	$ -	$ 2,838,710

Depreciation expense was charged to functions / programs as follows:

Governmental activities:	
General government	$ 67,330
Public safety	127,869
Public works	405,609
Culture and recreation	36,081
Total depreciation expense - governmental activities	$ 636,889
Business-type activities -	
Landfill	$ 222,840
Total depreciation expense - business-type activities	$ 222,840

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

Component Units:

	Balance June 30, 2014	Additions	Retirements or Transfers	Balance June 30, 2015
Capital assets, not being depreciated -				
Land	$ 295,262	$ -	$ (59,482)	$ 235,780
Total not being depreciated	295,262	-	(59,482)	235,780
Capital assets, being depreciated:				
Equipment	76,105	-	-	76,105
Buildings and improvements	1,569,547	120,465	59,482	1,749,494
Total being depreciated	1,645,652	120,465	59,482	1,825,599
Less accumulated depreciation for:				
Equipment	68,063	2,491	-	70,554
Buildings and improvements	352,208	46,033	-	398,241
Infrastructure	-	-	-	-
Total accumulated depreciation	420,271	48,524	-	468,795
Total being depreciated, net	1,225,381	71,941	59,482	1,356,804
Governmental activities capital assets, net	$ 1,520,643	$ 71,941	$ -	$ 1,592,584

Depreciation expense was charged to functions / programs as follows:

Component units:	
Telfair County Department of Leisure Services	$ 1,433
Telfair County Hospital Authority	12,828
Development Authority of Telfair County	33,205
Telfair County Board of Health	1,058
Total depreciation expense - component units	$ 48,524

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, 2015

	Beginning Balance	Additions	Payments/ Retirements	Ending Balance	Current Portion	Long-term Portion
Primary Government:						
Governmental activities:						
Capital lease payables	$ 321,217	$ 351,823	$ (142,416)	$ 530,624	$ 138,770	$ 391,854
USDA note payable #2	2,910	-	(1,431)	1,479	1,479	-
USDA note payable #3	18,785	-	(9,223)	9,562	9,562	-
Governmental activity - long-term liabilities	$ 342,912	$ 351,823	$ (153,070)	$ 541,665	$ 149,811	$ 391,854
Business-type activities -						
Capital lease payables	$ 405,499	$ -	$ (92,686)	$ 312,813	$ 181,404	$ 131,409
Closure/post closure	1,549,245	81,267	-	1,630,512	-	1,630,512
Business-type activity - long-term liabilities	$ 1,954,744	$ 81,267	$ (92,686)	$1,943,325	$ 181,404	$ 1,761,921

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, 2015 the net book value of this leased vehicle was $153,369. This year, $10,057 was included in depreciation expense. The annual requirements to amortize the remaining balance of $43,395 as of June 30, 2015, including interest payments of $1,709 are as follows:

Year Ending June 30	Principal	Interest	Total
2016	$ 43,395	$ 1,709	$ 45,104
Total	$ 43,395	$ 1,709	$ 45,104

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 called for five annual payments of $5,211 beginning in September of 2010 and ending in September of 2015 with a balloon payment of $38,000 due October 25, 2015 at an interest rate of 3.45%. As of June 30, 2015 the asset was traded in on the purchase of a new Caterpillar 416 F Backhoe and the note was paid off.

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, 2015 the net book value of this leased equipment was $12,453. This year, $12,453 was included in depreciation expense. The annual requirements to amortize the remaining balance of $13,299 as of June 30, 2015, including interest payments of $473 are as follows:

Year Ending June 30	Principal	Interest	Total
2016	$ 13,299	$ 473	$ 13,772
Total	$ 13,299	$ 473	$ 13,772

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, 2015 the net book value of this leased equipment was $22,500. This year, $22,499 was included in depreciation expense. The annual requirements to amortize the remaining balance of $24,076 as of June 30, 2015, including interest payments of $883 are as follows:

Year Ending June 30	Principal	Interest	Total
2016	$ 24,076	$ 883	$ 24,959
Total	$ 24,076	$ 883	$ 24,959

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 2015 and ending in July of 2018 at an interest rate of 2.64%. As of June 30, 2015 the net book value of this leased equipment was $146,279. This year, $50,153 was included in depreciation expense. The annual requirements to amortize the remaining balance of $98,031 as of June 30, 2015, including interest payments of $6,554 are as follows:

Year Ending June 30	Principal	Interest	Total
2016	$ 23,558	$ 2,588	$ 26,146
2017	24,180	1,966	26,146
2018	24,818	1,328	26,146
2019	25,475	673	26,148
Total	$ 98,031	$ 6,555	$ 104,586

During fiscal year 2015 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 $255,257. The agreement calls for five annual payments of $30,964 beginning in July of 2015 and ending in July of 2019 with a balloon payment of $125,500 due July 2019 at an interest rate of 2.45%. As of June 30, 2015 the net book value of this leased equipment was $147,933. This year, $19,991 was included in depreciation expense. The annual requirements to amortize the remaining balance of $255,257 as of June 30, 2015, including interest payments of $25,064 are as follows:

Year Ending June 30	Principal	Interest	Total
2016	$ 24,710	$ 6,254	$ 30,964
2017	25,316	5,648	30,964
2018	25,936	5,028	30,964
2019	26,572	4,392	30,964
2020	152,723	3,742	156,465
Total	$ 255,257	$ 25,064	$ 280,321

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

During fiscal year 2015 the County entered into a capital lease agreement with Caterpillar Financial Services Corporation for the purchase of a Caterpillar 416F Backhoe for use by the highways and streets department with an original amount of $96,566. The agreement calls for five annual payments of $12,026 beginning in August of 2015 and ending in August of 2019 and a balloon payment of $46,000 due August 2019 at an interest rate of 2.35%. As of June 30, 2015 the net book value of this leased equipment was $105,015. This year, $15,824 was included in depreciation expense. The annual requirements to amortize the remaining balance of $96,566 as of June 30, 2015, including interest payments of $9,191 are as follows:

Year Ending June 30	Principal	Interest	Total
2016	$ 9,732	$ 2,294	$ 12,026
2017	9,963	2,063	12,026
2018	10,200	1,826	12,026
2019	10,442	1,584	12,026
2020	56,229	1,424	57,653
Total	$ 96,566	$ 9,191	$ 105,757

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, 2015 the net book value of this leased equipment was $0. This year, $33,172 was included in depreciation expense. The annual requirements to amortize the remaining balance of $56,938 as of June 30, 2015, including interest payments of $3,062 are as follows:

Year Ending June 30	Principal	Interest	Total
2016	$ 56,938	$ 3,062	$ 60,000

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, 2015 the net book value of this leased equipment was $129,778. This year, $70,788 was included in depreciation expense. The annual requirements to amortize the remaining balance of $185,406 as of June 30, 2015, including interest payments of $14,774 are as follows:

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

Year Ending June 30	Principal	Interest	Total
2016	$ 53,997	$ 9,170	$ 63,167
2017	131,409	5,604	137,013
Total	$ 185,406	$ 14,774	$ 200,180

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, 2015 the net book value of this leased equipment was $48,755. This year, $27,860 was included in depreciation expense. The annual requirements to amortize the remaining balance of $70,468 as of June 30, 2015, including interest payments of $3,414 are as follows:

Year Ending June 30	Principal	Interest	Total
2016	$ 70,469	$ 3,413	$ 73,882
Total	$ 70,469	$ 3,413	$ 73,882

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 $1,479 as of June 30, 2015, including interest payments of $61 are as follows:

Year Ending June 30	Principal	Interest	Total
2016	$ 1,479	$ 61	$ 1,540
Total	$ 1,479	$ 61	$ 1,540

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

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 $9,562 as of June 30, 2015, including interest payments of $365 are as follows:

Year Ending June 30	Principal	Interest	Total
2016	$ 9,562	$ 365	$ 9,927
Total	$ 9,562	$ 365	$ 9,927

The following is a summary of changes in long-term obligations of the component units for the year ended June 30, 2015

	Beginning Balance	Additions	Payments/ Retirements	Ending Balance	Current Portion	Long-term Portion
Component Units:						
Development Authority of Telfair County:						
One Georgia loan	$ 312,500	$ -	$ (18,750)	$ 293,750	$ 25,000	$ 268,750
Security State Bank Loan	-	120,012	(10,000)	110,012	110,012	-
Total component units long-term liabilities	$ 312,500	$ 120,012	$ (28,750)	$ 403,762	$ 135,012	$ 268,750

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			One Georgia Loan		
	Principal	Interest	Total	Principal	Interest	Total
2016	$ 25,000	$ -	$ 25,000	$ 110,012	$ 5,866	$ 115,878
2017	25,000	-	25,000	-	-	-
2018	25,000	-	25,000	-	-	-
2019	25,000	-	25,000	-	-	-
2020	25,000	-	25,000	-	-	-
2021-2025	125,000	-	125,000	-	-	-
2026-2027	43,750	-	43,750	-	-	-
	$ 293,750	$ -	$ 293,750	$ 110,012	$ 5,866	$ 115,878

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

G. Fund Equity

Fund Balances:

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

General fund -	
Prepaids	$ 59,522

- ***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.	$ 6,312,075
Transportation Special Purpose Local Option Sales Tax (T-SPLOST)	
used to account for capital projects financed with T-SPLOST.	561,977
LMIG Program	
used to account for road projects financed with LMIG funds.	174,096
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.	-0-
Multipurpose Grant Fund -	
used to account for the proceeds of revenue sources legally restricted to expenditures for specific capital or operating projects.	13,752
Sheriff Commissary -	
used to account for the activities of the inmate canteen	3,010
Expendable Trust Fund -	
used to account for the operations of the County law library.	55,763
	$ 7,120,673

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

Net Position:

Net investment in capital assets reported on the government-wide statement of net position as of June 30, 2015 are as follows:

	Governmental Activities	Business-Type Activities
Net investment in capital assets		
Cost of capital assets	$ 11,958,015	$ 5,113,804
Less accumulated depreciation	(5,149,477)	(2,275,094)
Book value	6,808,538	2,838,710
Less capital related debt	(541,665)	(312,813)
Net investment in capital assets	$ 6,266,873	$ 2,525,897

H. 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.

IV. OTHER INFORMATION

As part of this risk pool, the Government is obligated to pay all contributions and assessments as prescribed by the pool, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the fund, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the fund being required to pay any claim of loss. The County is also to allow the pool's agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

The responsibilities of the pool are to defend, in the name of and on behalf of the members, any suits or other proceedings which may at any time be instituted against them on account of injuries or death within the preview of the Workers' Compensation Law of Georgia, or on the basis of employer's liability. The pool is to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment and all expenses incurred for investigation, negotiation or defense.

B. Landfill Closure and Post closure Care Costs

Under state and federal laws and regulations, the County is required to place a final cover upon closure and to continue to perform various maintenance and monitoring functions at the landfill site for a period of 30 years after closure. The expense and related liability are based on landfill capacity used to date. The estimated total cost of the landfill closure and postclosure care is estimated to be $2,856,387. 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 56% of the landfill capacity and the landfill has an estimated remaining life of 13.97 years.

C. Joint Venture

Telfair County, in conjunction with cities and counties in the sixteen (16) county Heart of Georgia area are members of the Heart of Georgia Altamaha Regional Commission (RC). Membership in an RC is automatic for each municipality and county in the state. The official Code of Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the RCs. Each county and municipality in the state is required by law to pay minimum annual dues to the RC. The county paid annual dues in the amount of $4,532 to the RC for the year ended June 30, 2015. 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, 2015, the County received $10,566 in hotel/motel tax. The County distributed $4,094 to the Telfair County Chamber of Commerce for the promotion of tourism and retained $6,472 for general government purposes. The expended amounts total 100% of the amount received by the County.

For the year ended June 30, 2015, 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, 2015 the balance on this note was $30,203.

F. Retirement Plan

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, 2015

Active plan participants	29
Retirees and beneficiaries currently receiving benefits	41
Active or terminated plan participants entitled to, but not yet receiving benefits	38
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

Contributions

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

Net Pension Liability

The County's net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The total pension liability in the June 30, 2015 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	3.25%
Salary increases:	3.00% per year with an aged based scale as follows:
Age	Salary increase
Under 30	3.0% rate plus 1.5%
30-39	3.0% rate plus 1.0%
40-49	3.0% rate less 0.5%
50+	3.0% rate less 1.0%
Investment rate of return:	7.50% per year
Mortality rates:	RP-2000, Combined

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The Trustees shall rebalance the portfolio at least annually for asset allocation purposes. The guidelines for allocation are: equities shall not exceed 70% of total plan assets, valued at cost. Fixed income shall be targeted at 30% of total plan assets, valued at cost. The guidelines for asset allocation are as follows:

	Target Allocation	Range
Fixed income:	30%	25% - 35%
Equities:	70%	65% - 75%
Large Cap	30%	25% - 35%
Mid Cap	5%	2.5% - 10%
Small Cap	5%	2.5% - 10%
REIT	5%	2.5% - 10%
International	15%	10% - 20%
Multi Cap	5%	2.5% - 10%
Global allocation	5%	2.5% - 10%

IV. OTHER INFORMATION

Discount rate: The discount rate used to measure the total pension liability was 7.50 %. The discount rate is determined through a blend of using a building blocks approach based on 20-year benchmarks (25%) and 30-year benchmarks (25%), as well as the forward-looking capital market assumptions for a moderate asset allocation (50%), as determined by UBS. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Building block expected return based on 20-year benchmarks	7.44%
Building block expected return based on 30-year benchmarks	9.49%
UBS capital market assumption for a moderate asset allocation	6.30%
20-year building blocks return (7.44% x .25)	1.86%
30-year building blocks return (9.49% x .25)	2.37%
UBS capital market assumption for a moderate asset allocation (6.30% x .50)	3.15%
Discount rate (7.38% rounded to nearest .25%)	7.50%

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at December 31, 2013	$ 2,340,293	$ 1,927,406	$ 412,887
Changes for the year:			
Service cost	$ 30,411	$ -	$ 30,411
Interest	175,522	-	175,522
Differences between expected and actual experience	-	-	-
Contributions - employer	-	115,554	(115,554)
Net investment income	-	140,261	(140,261)
Benefit payments	(147,056)	(141,741)	(5,315)
Administrative expense	-	(5,903)	5,903
Other	-	(42,347)	42,347
Net changes	$ 58,877	$ 65,824	$ (6,947)
Balances at December 31, 2014	$ 2,399,170	$ 1,993,230	$ 405,940

Sensitivity of the net pension liability changes in the discount rate. The following presents the net pension liability of the County, calculated using the discount rate of 7.50%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

IV. OTHER INFORMATION

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Total pension liability	$ 2,642,575	$ 2,399,170	$ 2,191,606
Fiduciary net position	1,993,230	1,993,230	1,993,230
Net pension liability	$ 649,345	$ 405,940	$ 198,376

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued GEBCorp financial report.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2015, the County recognized pension expense of $108,607. At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	-
Employer contributions subsequent to the measurement date	127,232	-
Total	$ 127,232	$ -

The County's contributions subsequent to the measurement date of $127,232 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. There were no other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension.

TELFAIR COUNTY, GEORGIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

	Fiscal Year End									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Total pension liability										
Service cost	$ 30,411									
Interest	175,522									
Differences between expected and actual experience	-	(Historical information prior to implementation of GASB 67/68 is not required)								
Changes of assumptions	-									
Changes of benefit terms	-									
Benefit payments, including refunds of employee contributions	(147,056)									
Net change in total pension liability	58,877	-	-	-	-	-	-	-	-	-
Total pension liability - beginning	2,340,293									
Total pension liability - ending (a)	$ 2,399,170	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Plan fiduciary net position										
Contributions - employer	$ 115,554									
Contributions - employee	-									
Net investment income	140,261									
Benefit payments, including refunds of employee contributions	(141,741)	(Historical information prior to implementation of GASB 67/68 is not required)								
Administrative expense	(5,903)									
Other	(42,347)									
Net change in fiduciary net position	65,824	-	-	-	-	-	-	-	-	-
Plan fiduciary net position - beginning	1,927,406									
Plan fiduciary net position - ending (b)	$ 1,993,230	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net pension liability - ending: (a)-(b)	$ 405,940	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Plan's fiduciary net position as a percentage of the total pension liability	83.08%									
Covered-employee payroll	$ 709,626	(Historical information prior to implementation of GASB 67/68 is not required)								
Net pension liability as a percentage of covered-employee payroll	57.20%									

Refer to Notes To Required Supplementary Information

CITY OF MCRAE-HELENA, GEORGIA
SCHEDULE OF CONTRIBUTIONS

	Fiscal Year End									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	$ 115,554	$ 131,152								
Contributions in relation to the actuarially determined contribution	$ 115,554	131,152								
Contribution deficiency (excess)	-	-	(Historical information prior to implementation of GASB 67/68 is not required)							
Covered-employee payroll	$ 709,626	756,495								
Contributions as a percentage of covered-employee payroll	16.28%	17.34%								

Refer to Notes To Required Supplementary Information

TELFAIR COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts			Variance with Final Budget - Over
	Original	Final	Actual	(Under)
REVENUES				
Taxes	$ 4,976,797	$ 4,976,797	$ 5,290,934	$ 314,137
Charges for services and fines	806,000	806,000	862,883	56,883
Other	278,042	278,042	492,995	214,953
Total revenues	6,060,839	6,060,839	6,646,812	585,973
EXPENDITURES				
Current:				
General government:				
General government	129,781	129,781	133,236	3,455
Elections	86,907	86,907	91,241	4,334
General adminstration	413,705	413,705	596,214	182,509
Tax Commisioner	248,410	269,850	262,181	(7,669)
Tax Assessor	255,749	255,749	251,634	(4,115)
General government buildings and plant	86,502	86,502	91,826	5,324
Judicial:				
Superior court	162,799	162,799	162,247	(552)
Clerk of court	177,171	177,171	187,001	9,830
Magistrate court	107,289	107,289	112,238	4,949
Probate court	148,989	148,989	155,707	6,718
Public safety:				
Law enforcement administration	811,006	825,081	834,175	9,094
School resources - Sheriff	43,169	43,169	12,772	(30,397)
Jail operations	450,681	450,681	604,765	154,084
Dispatcher	-	-	-	-
Fire administration	18,000	18,000	24,091	6,091
Emergency medical services	726,165	726,165	764,256	38,091
Emergency Management Agency	18,733	18,733	8,989	(9,744)
Coroner / medical examiner	26,206	26,206	24,732	(1,474)
Enhanced 911	209,916	209,916	207,072	(2,844)
Public works:				
Highways and streets	495,885	495,885	448,211	(47,674)
Solid waste and recycling	55,179	55,179	57,209	2,030
Health and welfare:				
Public health administration	95,010	95,010	95,010	-
Health department building	41,731	41,731	41,399	(332)
Intergovernment - Welfare	6,000	6,000	2,678	(3,322)
Senior citizens center	140,646	140,646	143,469	2,823

TELFAIR COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts			Variance with Final Budget - Over
	Original	Final	Actual	(Under)
EXPENDITURES (Continued)				
Current:				
Community services	90,147	90,147	72,038	(18,109)
Transportation services	123,300	123,300	117,183	(6,117)
Culture and recreation:				
Culture and recreation administration	112,500	112,500	112,500	-
Library administration	53,100	53,100	53,100	-
Housing and development:				
Conservation administration	32,611	32,611	33,023	412
Agricultural resources	64,279	64,279	63,546	(733)
Forest resources	38,250	38,250	51,644	13,394
Economic development	55,950	55,950	51,150	(4,800)
Airport	50,050	50,050	9,638	(40,412)
Farmers Market	13,050	13,050	19,204	6,154
Debt Service:				
Principal	143,021	143,021	79,750	(63,271)
Interest	10,169	10,169	14,918	4,749
Capital outlay :				
General adminstration	17,980	17,980	-	(17,980)
Tax Assessor	-	-	-	-
Law enforcement administration	50,000	50,000	57,350	7,350
Jail operations	12,000	12,000	-	(12,000)
Emergency medical services	5,000	5,000	81,027	76,027
Emergency Management Agency	-	-	10,000	10,000
Highways and streets	5,000	5,000	389,823	384,823
Community services	120,000	120,000	114,186	(5,814)
Total expenditures	5,952,036	5,987,551	6,642,433	654,882
OTHER FINANCING SOURCES (USES)				
Capital lease proceeds	-	-	351,823	351,823
Sale of general capital assets			38,000	38,000
Transfers in (out)	-	-	(11,467)	(11,467)
Total other financing sources	-	-	378,356	378,356
Net change in fund balance	$ 108,803	$ 73,288	382,735	$ 309,447
Fund balance, beginning			362,908	
Fund balance, ending			$ 745,643	

TELFAIR COUNTY, GEORGIA
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - DEPARTMENT OF TRANSPORTATION - SECTION 18
FOR THE YEAR ENDED JUNE 30, 2015

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Over (Under)
REVENUES			
Georgia Department of Transportation	$ 10,000	$ 192,889	$ 182,889
Fares and other	10,000	17,785	7,785
Total revenues	20,000	210,674	190,674
EXPENDITURES			
Current:			
Heart of Georgia CAC Administration	121,300	107,854	(13,446)
Repairs and maintenance	2,000	9,053	7,053
Other purchased services	-	175	175
General supplies and materials	-	101	101
Travel	-	-	-
Total expenditures	123,300	117,183	(6,117)
Excess of revenues over/(under) expenditures	$ (103,300)	$ 93,491	$ 196,791

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, 2015

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Over (Under)
REVENUES			
Council on Aging - receipts	$ 34,000	$ 87,445	$ 53,445
Total revenues	34,000	87,445	53,445
EXPENDITURES			
Current:			
Salaries	50,000	48,197	(1,803)
Employee benefits	32,306	27,405	(4,901)
Repairs and maintenance	5,250	3,487	(1,763)
Communications	2,000	1,643	(357)
Advertising	50	178	128
Travel	250	129	(121)
Education and training	200	-	(200)
Small equipment	500	665	165
Other purchased services	39,000	50,446	11,446
Supplies and materials	1,590	1,471	(119)
Utilities	9,500	9,848	348
Total expenditures	140,646	143,469	2,823
Excess of revenues over/(under) expenditures	$ (106,646)	$ (56,024)	$ 50,622

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.

PENSION

1. Changes of Assumptions

There were no changes in assumptions or benefits that affect the measurement of the total pension liability since the prior measurement date.

2. Method and Assumptions Used in Calculations of Actuarially Determined Contributions

The actuarially determined contribution rate was determined as of December 31, 2014, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending June 30, 2016.

Actuarial cost method	Entry age normal
Amortization method	Level dollar, open
Remaining amortization period amortization period of 10 years	Remaining amortization period varies for the bases, with a net effective
Asset valuation method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Actuarial assumptions:	
Net investment rate of return	7.50%
Projected salary increases	3.00% plus service based merit increases
Cost of living adjustments	0.00%
Inflation rate	3.25%

BUDGET

1. 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.

TELFAIR COUNTY, GEORGIA
COMBINING BALANCE SHEET
BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Special Revenue		
	Revolving Loan Fund	Multipurpose Grant	Sheriff Commissary
ASSETS			
Cash and cash equivalents	$ -	$ 13,752	$ 3,609
Taxes receivable, net	-	-	-
Notes receivable, net	-	-	-
Other receivables, net	-	-	-
Total assets	$ -	$ 13,752	$ 3,609
LIABILITIES			
Accounts payable	$ -	$ -	$ 599
FUND BALANCES			
Restricted	-	13,752	3,010
Total fund balances	-	13,752	3,010
Total liabilities and fund balances	$ -	$ 13,752	$ 3,609

Special Revenue		Capital Projects		Total Nonmajor
Expendable Trust Fund	Hotel/Motel Tax	T-SPLOST	LMIG Program	Governmental Funds
$ 55,344	$ -	$ 519,153	$ 174,096	$ 765,954
-	-	42,824	-	42,824
-	-	-	-	-
419	-	-	-	419
$ 55,763	$ -	$ 561,977	$ 174,096	$ 809,197
$ -	$ -	$ -	$ -	$ 599
55,763	-	561,977	174,096	808,598
55,763	-	561,977	174,096	808,598
$ 55,763	$ -	$ 561,977	$ 174,096	$ 809,197

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

	Special Revenue		
	Revolving Loan Fund	Multipurpose Grant	Sheriff Commissary
REVENUES			
Charges for services	$ -	$ -	$ 21,183
Intergovernmental	-	11,794	-
Other taxes	-	-	-
Investment earnings	-	21	-
Miscellaneous	-	-	-
Total revenues	-	11,815	21,183
EXPENDITURES			
Current:			
General government	2	-	21,516
Judicial	-	-	-
Public works	-	-	-
Health and welfare	-	2,130	-
Housing and development	-	-	-
Debt service:			
Principal	-	10,654	-
Interest	-	813	-
Capital outlay -			
Public works	-	-	-
Total expenditures	2	13,597	21,516
OTHER FINANCING SOURCES			
Transfers in	-	11,467	-
Total other financing sources	-	11,467	-
Net change in fund balances	(2)	9,685	(333)
Fund balances, beginning	2	4,067	3,343
Fund balances, ending	$ -	$ 13,752	$ 3,010

Special Revenue		Capital Projects		Total Nonmajor
Expendable Trust Fund	Hotel/Motel Tax	T-SPLOST	LMIG Program	Governmental Funds
$ -	$ -	$ -	$ -	$ 21,183
-	-	-	350,547	362,341
-	10,566	262,663	-	273,229
238	-	-	-	259
5,415	-	-	-	5,415
5,653	10,566	262,663	350,547	662,427
-	6,472	-	-	27,990
3,165	-	-	-	3,165
-	-	213	-	213
-	-	-	-	2,130
-	4,094	-	-	4,094
-	-	-	-	10,654
-	-	-	-	813
-	-	70,848	522,465	593,313
3,165	10,566	71,061	522,465	642,372
-	-	-	-	11,467
-	-	-	-	11,467
2,488	-	191,602	(171,918)	31,522
53,275	-	370,375	346,014	777,076
$ 55,763	$ -	$ 561,977	$ 174,096	$ 808,598

TELFAIR COUNTY, GEORGIA
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2015

	Agency Funds					
	Clerk of Superior Court	Sheriff	Judge of Probate Court	Tax Commissioner	Magistrate Court	Total Fiduciary Funds
ASSETS						
Cash	$ 108,725	$ 12,159	$ 5,825	$ 92,655	$ 14,748	$ 234,112
Taxes receivable (net allowance for uncollectible accounts)	-	-	-	444,748	-	444,748
Total assets	$ 108,725	$ 12,159	$ 5,825	$ 537,403	$ 14,748	$ 678,860
LIABILITIES						
Due to expendable trust fund	$ 109	$ -	$ 135	$ -	$ 175	$ 419
Other liabilities	108,616	12,159	5,690	537,403	14,573	678,441
Total liabilities	$ 108,725	$ 12,159	$ 5,825	$ 537,403	$ 14,748	$ 678,860

TELFAIR COUNTY, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Balance June 30, 2014	Additions	Deductions	Balance June 30, 2015
Clerk of Superior Court:				
ASSETS				
Restricted assets -				
Cash	$ 78,421	$ 192,729	$ (162,425)	$ 108,725
Total assets	$ 78,421	$ 192,729	$ (162,425)	$ 108,725
LIABILITIES				
Payable from resticted assets:				
Due to expendable trust fund	$ 60	$ 1,280	$ (1,231)	$ 109
Other liabilities	78,361	191,449	(161,194)	108,616
Total liabilities	$ 78,421	$ 192,729	$ (162,425)	$ 108,725
Sheriff:				
ASSETS				
Restricted assets -				
Cash	$ 4,213	$ 13,674	$ (5,728)	$ 12,159
Total assets	$ 4,213	$ 13,674	$ (5,728)	$ 12,159
LIABILITIES				
Payable from resticted assets -				
Other liabilities	$ 4,213	$ 12,806	$ (4,860)	$ 12,159
Total liabilities	$ 4,213	$ 12,806	$ (4,860)	$ 12,159
Judge of Probate Court:				
ASSETS				
Restricted assets -				
Cash	$ 9,180	$ 50,563	$ (53,918)	$ 5,825
Total assets	$ 9,180	$ 50,563	$ (53,918)	$ 5,825
LIABILITIES				
Payable from resticted assets:				
Due to expendable trust fund	$ 165	$ 1,885	$ (1,915)	$ 135
Other liabilities	9,015	48,678	(52,003)	5,690
Total liabilities	$ 9,180	$ 50,563	$ (53,918)	$ 5,825

TELFAIR COUNTY, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Balance June 30, 2014	Additions	Deductions	Balance June 30, 2015
Tax Commissioner:				
ASSETS				
Restricted assets -				
Cash	$ 107,460	$ 4,977,532	$ (4,992,337)	$ 92,655
Taxes receivable, net	420,935	3,573,703	(3,549,890)	444,748
Total assets	$ 528,395	$ 8,551,235	$ (8,542,227)	$ 537,403
LIABILITIES				
Payable from resticted assets -				
Other liabilities	$ 528,395	$ 4,977,532	$ (4,968,524)	$ 537,403
Total liabilities	$ 528,395	$ 4,977,532	$ (4,968,524)	$ 537,403
Magistrate Court:				
ASSETS				
Restricted assets -				
Cash	$ 13,244	$ 151,753	$ (150,249)	$ 14,748
Total assets	$ 13,244	$ 151,753	$ (150,249)	$ 14,748
LIABILITIES				
Payable from resticted assets:				
Due to expendable trust fund	$ 185	$ 2,250	$ (2,260)	$ 175
Other liabilities	13,059	149,503	(147,989)	14,573
Total liabilities	$ 13,244	$ 151,753	$ (150,249)	$ 14,748

TELFAIR COUNTY, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2015

	Leisure Services	Hospital Authority	Development Authority	County Board of Health	Total
ASSETS					
Cash and cash equivalents	$ 274	$ 974,911	$ 125,988	$ 743,543	$ 1,844,716
Investments	-	350,913	-	-	350,913
Other receivables, net	7,147	-	-	47,044	54,191
Capital assets:					
Nondepreciable	-	15,000	220,780	-	235,780
Depreciable, net	3,429	372,216	979,037	2,122	1,356,804
Total assets	10,850	1,713,040	1,325,805	792,709	3,842,404
DEFERRED OUTFLOWS OF RESOURCES	-	-	-	45,496	45,496
LIABILITIES					
Accounts payable	11,920	-	-	-	11,920
Other liabilities	3,102	-	5,377	46,960	55,439
Noncurrent liabilities:					
Due within one year -					
Notes payable	-	-	135,012	-	135,012
Due in more than one year -					
Notes payable	-	-	268,750	-	268,750
Proportionate share of collective net pension liability	-	-	-	301,475	301,475
Total liabilities	15,022	-	409,139	348,435	772,596
DEFERRED INFLOWS OF RESOURCES	-	-	-	73,581	73,581
NET POSITION					
Net investment in capital assets	3,429	387,216	796,055	2,122	1,188,822
Restricted	-	-	-	167,417	167,417
Unrestricted	(7,601)	1,325,824	120,611	246,650	1,685,484
Total net position	$ (4,172)	$ 1,713,040	$ 916,666	$ 416,189	$ 3,041,723

TELFAIR COUNTY, GEORGIA
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	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	$ 184,524	$ 18,404	$ 157,620	$ -	$ (8,500)	$ -	$ -	$ -	$ (8,500)
Hospital Authority	75,714	17,500	-	-	-	(58,214)	-	-	(58,214)
Development Authority	86,006	57,960	55,050	-	-	-	27,004	-	27,004
County Board of Health	449,782	233,826	303,140	-	-	-	-	87,184	87,184
Total component units	$ 796,026	$ 327,690	$ 515,810	$ -	(8,500)	(58,214)	27,004	87,184	47,474
General revenues:									
Investment earnings					-	13,442	151	-	13,593
Miscellaneous					-	-	-	16,194	16,194
Total general revenues					-	13,442	151	16,194	29,787
Change in net position					(8,500)	(44,772)	27,155	103,378	77,261
Net position - beginning					4,328	1,757,812	889,511	668,630	3,320,281
Prior period adjustment - Implementation of GASB 68:									
Net pension liability (measurement date)					-	-	-	(389,231)	(389,231)
Deferred outflows - contributions made during fiscal year 2014					-	-	-	33,412	33,412
Net position as restated, July 1, 2014					4,328	1,757,812	889,511	312,811	2,964,462
Net position - ending					$ (4,172)	$ 1,713,040	$ 916,666	$ 416,189	$ 3,041,723

TELFAIR COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2015

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	$ 2,243,901	$ 159,075	$ -	$ 2,402,976	106.80%
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	$ 5,364,533	$ 159,075	$ -	$ 5,523,608	
2009 - SPLOST						
Jail (Level 1)	$ 2,000,000	$ -	$ 8,877	$ -	$ 8,877	0.44%
Roads and bridges	912,000	-	-	-	-	0.00%
Landfill	500,000	-	-	-	-	0.00%
Recreation facility	150,000	-	-	-	-	0.00%
City of McRae	909,600	846,194	-	-	846,194	93.03%
City of Lumber City	422,800	393,327	-	-	393,327	93.03%
City of Helena	782,400	727,861	-	-	727,861	93.03%
City of Milan	196,000	182,338	-	-	182,338	93.03%
City of Scotland	87,200	81,122	-	-	81,122	93.03%
City of Jacksonville	40,000	37,213	-	-	37,213	93.03%
Total	$ 6,000,000	$ 2,268,055	$ 8,877	$ -	$ 2,276,932	

TELFAIR COUNTY, GEORGIA
REVOLVING LOAN FUND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

	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, 2015

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

CRI CARR RIGGS & INGRAM
CPAs and Advisors

Carr, Riggs & Ingram, LLC
202 Love Avenue
Tifton, GA 31794
P.O. Box 7650
Tifton, GA 31793

(229) 382-8576
(229) 238-0643 (fax)
www.cricpa.com

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, 2015, 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 February 15, 2016.

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 (Findings 2015-1 and 2015-2).

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, L.L.C.

CARR, RIGGS & INGRAM, LLC

Tifton, Georgia
February 15, 2016

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*.

2015 - 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.

2015 - 2

Criteria:

Governmental fund expenditures and government-wide capital assets should be recognized when the related liability is incurred or a capital asset is acquired.

Condition and Effect:

During our substantive audit procedures, we determined that a capital expenditure was recorded in the incorrect period, resulting in an understatement of accounts payable and capital assets at June 30, 2015.

Response of Management:

Management concurs with the finding and will take necessary steps in the future to ensure that invoices are recorded in the correct period.