TELFAIR COUNTY, GEORGIA

FINANCIAL STATEMENTS
AS OF **JUNE 30, 2018**
TOGETHER WITH AUDITOR'S REPORT

TELFAIR COUNTY, GEORGIA
FINANCIAL STATEMENTS

TABLE OF CONTENTS

FOR THE YEAR ENDED JUNE 30, 2018

	Page(s)
I. FINANCIAL SECTION	
INDEPENDENT AUDITOR'S REPORT	1-3
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements:	
Statement of Net Position	4
Statement of Activities	5
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet - Governmental Funds	6
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	7
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	8
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	9
Proprietary Fund:	
Statement of Net Position - Proprietary Fund	10
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund	11
Statement of Cash Flows - Proprietary Fund	12
Fiduciary Funds -	
Statement of Fiduciary Assets and Liabilities – Agency Funds	13
Notes to the Financial Statements	14-42
REQUIRED SUPPLEMENTARY INFORMATION:	
Schedule of Changes in the Net Pension Liability and Related Ratios	43
Schedule of Contributions	44
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	45-46
Schedule of Revenues and Expenditures – Budget and Actual – Department of Transportation - Section 18	47
Schedule of Revenues and Expenditures – Budget and Actual – Heart of Georgia - Council on Aging	48
Note to required supplementary information	49

TELFAIR COUNTY, GEORGIA
FINANCIAL STATEMENTS

TABLE OF CONTENTS

FOR THE YEAR ENDED JUNE 30, 2018

	Page(s)
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES:	
Combining Balance Sheet - Nonmajor Governmental Funds	50
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	51
Combining Statement of Fiduciary Assets and Liabilities - Agency Funds	52
Statement of Changes in Fiduciary Assets and Liabilities - Agency Funds	53-54
Combining Statement of Net Position - Component Units	55
Combining Statement of Activities - Component Units	56
SUPPLEMENTARY SCHEDULES:	
Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds	57
II. REPORTS REQUIRED BY GOVERNMENTAL AUDITING STANDARDS	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Governmental Auditing Standards*	58-59
Schedule of Financial Statement Findings	60

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, 2018, 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% 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, 2018, 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 combining and individual fund financial statements and the schedule of expenditures of special purpose local option sales tax proceeds, 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual fund financial statements and the schedules of expenditures of special purpose local option sales tax proceeds are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2019, on our consideration of Telfair County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Telfair County, Georgia's 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
March 29, 2019

TELFAIR COUNTY, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2018

	Primary Government			Component
	Governmental Activities	Business-type Activities	Total	Units
ASSETS				
Cash and cash equivalents	$ 8,708,806	$ 118,609	$ 8,827,415	$ 2,954,127
Investments	-	-	-	200,823
Taxes receivable -				
net of uncollectible accounts	956,231	-	956,231	-
Other receivables	156,097	174,064	330,161	48,106
Internal balances	(563,953)	563,953	-	-
Prepaids	77,114	-	77,114	-
Capital assets:				
Nondepreciable	1,260,199	2,158,132	3,418,331	134,368
Depreciable, net	8,185,268	2,767,386	10,952,654	883,686
Total assets	18,779,762	5,782,144	24,561,906	4,221,110
DEFERRED OUTFLOWS OF RESOURCES				
Related to defined benefit pension plan and OPEB	131,007	10,490	141,497	108,762
LIABILITIES				
Accounts payable	285,374	72,102	357,476	8,316
Other liabilities	29,028	-	29,028	63,839
Noncurrent liabilities:				
Due within one year:				
Capital lease payable	99,958	243,655	343,613	-
Notes payable	-	-	-	25,000
Due in more than one year:				
Capital lease payable	381,384	868,189	1,249,573	-
Notes payable	-	1,050,207	1,050,207	193,750
Closure/post closure accrued liability	-	1,977,028	1,977,028	-
Proportionate share of net pension liability	488,530	39,116	527,646	357,722
Proportionate share of net OPEB liability	-	-	-	287,652
Total liabilities	1,284,274	4,250,297	5,534,571	936,279
DEFERRED INFLOWS OF RESOURCES				
Related to defined benefit pension plan and OPEB	60,946	4,880	65,826	30,028
NET POSITION				
Net investment in capital assets	8,964,125	2,763,467	11,727,592	799,304
Restricted:				
Special revenue	114,938	-	114,938	-
Capital projects	5,999,431	-	5,999,431	-
Prior year program income	-	-	-	162,919
Unrestricted	2,487,055	(1,226,010)	1,261,045	2,401,342
Total net position	$ 17,565,549	$ 1,537,457	$ 19,103,006	$ 3,363,565

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, 2018

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions
Primary government:			
Governmental activities:			
General government	$ 1,560,870	$ 94,058	$ -
Judicial	695,896	180,900	-
Public safety	3,273,564	724,348	-
Public works	1,888,234	-	-
Health and welfare	518,434	188,057	-
Culture and recreation	234,156	-	-
Housing and development	224,295	435	-
Interest on long-term debt	23,307	-	-
Total governmental activities	8,418,756	1,187,798	-
Business-type activities -			
Landfill	1,222,600	757,119	-
Total business-type activities	1,222,600	757,119	-
Total primary government	9,641,356	1,944,917	-
Component units:			
Governmental type	803,191	412,104	556,311
Total component units	$ 803,191	$ 412,104	$ 556,311
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			
Total general revenues and transfers			
Change in net position			
Net position - beginning			
Prior period adjustment - Implementation of GASB 75:			
Net OPEB liability			
Deferred outflows of resources			
Net position - beginning, as 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
$ -	$ (1,466,812)	$ -	$ (1,466,812)	
-	(514,996)	-	(514,996)	
19,082	(2,530,134)	-	(2,530,134)	
527,396	(1,360,838)	-	(1,360,838)	
1,500	(328,877)	-	(328,877)	
-	(234,156)	-	(234,156)	
-	(223,860)	-	(223,860)	
-	(23,307)	-	(23,307)	
547,978	(6,682,980)	-	(6,682,980)	
-	-	(465,481)	(465,481)	
-	-	(465,481)	(465,481)	
547,978	(6,682,980)	(465,481)	(7,148,461)	
-				165,224
$ -				165,224
	4,760,366	-	4,760,366	-
	193,706	-	193,706	-
	409,860	-	409,860	-
	1,092,825	-	1,092,825	-
	281,063	-	281,063	-
	14,383	-	14,383	-
	1,410	-	1,410	-
	344,352	-	344,352	-
	36,063	-	36,063	-
	3,106	1,446	4,552	16,663
	225,803	6,351	232,154	66,297
	7,362,937	7,797	7,370,734	82,960
	679,957	(457,684)	222,273	248,184
	16,885,592	1,995,141	18,880,733	3,418,637
	-	-	-	(342,125)
	-	-	-	38,869
	16,885,592	1,995,141	18,880,733	3,115,381
	$ 17,565,549	$ 1,537,457	$ 19,103,006	$ 3,363,565

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

TELFAIR COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

	General	SPLOST
ASSETS		
Cash and cash equivalents	$ 1,580,997	$ 4,916,258
Taxes receivable - net of allowance for uncollectibles	838,326	95,549
Notes receivable, net	-	-
Other receivables, net	155,627	-
Prepaids	77,114	-
Total assets	$ 2,652,064	$ 5,011,807
LIABILITIES		
Accounts payable	$ 219,143	$ 56,547
Other liabilities	29,028	-
Due to other funds	563,953	-
Total liabilities	812,124	56,547
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	734,948	-
Total deferred inflows of resources	734,948	-
FUND BALANCES		
Nonspendable	77,114	-
Restricted	-	4,955,260
Unassigned	1,027,878	-
Total fund balances	1,104,992	4,955,260
Total liabilities, deferred inflows of resources, and fund balances	$ 2,652,064	$ 5,011,807

T-SPLOST	LMIG Program	Other Governmental Funds	Total Governmental Funds
$ 1,023,573	$ 1,067,156	$ 120,822	$ 8,708,806
22,356	-	-	956,231
-	-	-	-
-	-	470	156,097
-	-	-	77,114
$ 1,045,929	$ 1,067,156	$ 121,292	$ 9,898,248
$ 1,758	$ 1,572	$ 6,354	$ 285,374
-	-	-	29,028
-	-	-	563,953
1,758	1,572	6,354	878,355
-	-	-	734,948
-	-	-	734,948
-	-	-	77,114
1,044,171	1,065,584	114,938	7,179,953
-	-	-	1,027,878
1,044,171	1,065,584	114,938	8,284,945
$ 1,045,929	$ 1,067,156	$ 121,292	$ 9,898,248

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, 2018

Amounts reported for governmental activities in the statement of net position are different because:		
Total governmental fund balances		$ 8,284,945
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.		
Cost of capital assets	$ 14,866,035	
Less accumulated depreciation	(5,420,568)	9,445,467
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.		734,948
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		(488,530)
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		102,887
Asset (gain)/loss		(60,948)
Liability (gain)/loss		6,479
(Gain)/loss due to assumption change		21,643
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.		(481,342)
Net position of governmental activities		$ 17,565,549

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

THIS PAGE INTENTIONALLY LEFT BLANK

TELFAIR COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	General	SPLOST
REVENUES		
General property taxes	$ 4,926,780	$ -
Other taxes	791,685	1,092,825
Charges for services	654,128	-
Intergovernmental	166,752	-
Fines and forfeitures	266,155	-
Investment earnings	2,771	101
Miscellaneous	224,647	-
Total revenues	7,032,918	1,092,926
EXPENDITURES		
Current:		
General government	1,357,325	-
Judicial	674,711	-
Public safety	3,063,265	-
Public works	593,116	4,735
Health and welfare	493,995	-
Culture and recreation	200,400	-
Housing and development	216,783	-
Intergovernmental	-	714,553
Debt service:		
Principal	140,783	88,760
Interest	10,592	12,715
Capital outlay :		
Public safety	228,027	429,211
Public works	-	183,327
Total expenditures	6,978,997	1,433,301
OTHER FINANCING SOURCES (USES)		
Capital lease proceeds	48,970	-
Transfers in (out)	(48,597)	85,075
Total other financing sources	373	85,075
Net change in fund balances	54,294	(255,300)
Fund balances, beginning	1,050,698	5,210,560
Fund balances, ending	$ 1,104,992	$ 4,955,260

T-SPLOST	LMIG Program	Other Governmental Funds	Total Governmental Funds
$ -	$ -	$ -	$ 4,926,780
281,063	-	14,383	2,179,956
-	-	93,383	747,511
-	527,295	20,582	714,629
-	-	-	266,155
-	-	335	3,207
-	265	8,270	233,182
281,063	527,560	136,953	9,071,420
-	-	100,789	1,458,114
-	-	4,376	679,087
-	-	1,117	3,064,382
36,596	-	-	634,447
-	-	10,514	504,509
-	-	-	200,400
-	-	5,753	222,536
-	-	-	714,553
-	-	-	229,543
-	-	-	23,307
-	-	-	657,238
221,165	109,514	-	514,006
257,761	109,514	122,549	8,902,122
-	-	-	48,970
(36,478)	-	-	-
(36,478)	-	-	48,970
(13,176)	418,046	14,404	218,268
1,057,347	647,538	100,534	8,066,677
$ 1,044,171	$ 1,065,584	$ 114,938	$ 8,284,945

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, 2018

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ 218,268
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	$ 1,171,244	
Depreciation expense	(827,116)	344,128
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, 2018	$ 734,948	
Unavailable revenue - property taxes at June 30, 2017	(707,656)	27,292
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	$ 102,887	
Cost of benefits earned net of employee contributions	(193,191)	(90,304)
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	$ (48,970)	
Principal repayments	229,543	180,573
Change in net position of governmental activities		$ 679,957

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

TELFAIR COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2018

	Business-Type Activity - Enterprise Fund Landfill
ASSETS	
Current assets:	
Cash	$ 118,609
Accounts receivable, net	174,064
Due from other funds	563,953
Total current assets	856,626
Noncurrent assets -	
Capital assets:	
Land, nondepreciable	707,670
Construction in progress, nondepreciable	1,450,462
Equipment, depreciable	5,330,656
Buildings and improvements, depreciable	40,257
Less - accumulated depreciation	(2,603,527)
Total noncurrent assets	4,925,518
Total assets	5,782,144
DEFERRED OUTFLOWS OF RESOURCES	10,490
LIABILITIES	
Current liabilities:	
Accounts payable	72,102
Capital lease payable	243,655
Total current liabilities	315,757
Noncurrent liabilities:	
Capital lease payable	868,189
Note payable	1,050,207
Net pension liability	39,116
Closure/post closure accrued liability	1,977,028
Total noncurrent liabilities	3,934,540
Total liabilities	4,250,297
DEFERRED INFLOWS OF RESOURCES	4,880
NET POSITION	
Net investment in capital assets	2,763,467
Unrestricted	(1,226,010)
Total net position	$ 1,537,457

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, 2018

	Business-Type Activity - Enterprise Fund
	Landfill
OPERATING REVENUES	
Charges for services	$ 757,119
Miscellaneous	6,351
Total operating revenues	763,470
OPERATING EXPENSES	
Personnel services	104,640
Employee benefits	46,972
Professional services	29,806
Repairs and maintenance	13,221
Communication services	4,906
Other purchased services	377,771
Supplies	4,843
Utilities	6,693
Gasoline / diesel	28,596
Depreciation	303,974
Closure / post closure	172,004
Operating lease payments	3,000
Bad debt expense	85,000
Other operating	4,131
Total operating expenses	1,185,557
Operating income (loss)	(422,087)
NONOPERATING REVENUES (EXPENSES)	
Investment earnings	1,446
Interest expense	(37,043)
Total nonoperating revenues (expenses)	(35,597)
Change in net position	(457,684)
Net position, beginning	1,995,141
Net position, ending	$ 1,537,457

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, 2018

	Business-Type Activity - Enterprise Fund Landfill
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 776,826
Payments to suppliers for goods and services	(543,995)
Payments to employees for services	(104,640)
Payments for employee taxes and benefits	(51,000)
Receipts from other funds	122,259
Net cash used by operating activities	199,450
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal paid on capital leases	(236,947)
Interest paid on capital leases	(37,043)
Proceeds from note payable	1,050,207
Proceeds from the sale of capital assets	-
Acquisition and construction of capital assets	(1,182,032)
Net cash provided by operating activities	(405,815)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	1,446
Net cash provided by investing activities	1,446
Net decrease in cash	(204,919)
Cash, beginning of year	323,528
Cash, end of year	$ 118,609
Reconciliation of income from operations to net cash used by operating activities:	
Income from operations	$ (422,087)
Depreciation	303,974
Change in accounts receivable	13,356
Change in due from other funds	122,259
Change in accounts payable	13,972
Change in net pension liability and related deferrals	(4,028)
Change in accrued closure/post closure	172,004
Net cash provided by operating activities	$ 199,450

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, 2018

ASSETS		
Cash	$	317,929
Taxes receivable (net allowance for uncollectible accounts)		759,690
Total assets	$	1,077,619
LIABILITIES		
Due to expendable trust fund	$	470
Other liabilities		1,077,149
Total liabilities	$	1,077,619

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.

T-SPLOST Fund is a capital projects fund and accounts for 1% sales tax proceeds required to be used for transportation improvement projects.

LMIG Program Fund is a capital projects fund and accounts for Local Maintenance and Improvement Grants received and used for transportation improvement projects.

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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

E. Measurement focus and basis of accounting

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

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

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

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 $200,823 and a market value of $200,668.

   The Telfair County Board of Health certificate of deposits balance at 6/30/2018 was $605,378.

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, 2018, 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, 2018.

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, 2018, expenditures exceeded appropriations in the following functions:

Fund	Department	Expenditures Over Budget
General	General government:	
	Elections	$ 11,181
	Tax Commisioner	13,939
	Judicial:	
	Superior court	5,222
	Probate court	2,625
	Public safety:	
	Jail operations	178,053
	Fire administration	33,360
	Emergency medical services	9,003
	Coroner / medical examiner	884
	Public works -	
	Highways and streets	46,237
	Health and welfare:	
	Health department building	2,148
	Intergovernment - Welfare	441
	Senior citizens center	14,658
	Housing and development:	
	Agricultural resources	938
	Airport	251
	Debt service:	
	Principal	101,012
	Interest	8,088
	Capital outlay:	
	Law enforcement administration	24,344
	Emergency medical services	48,240

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Deposits and Investments

A summary of the County's deposits and investments at June 30, 2018 follows:

Account Balances	
Petty cash	$ 854
Demand deposits	11,139,855
Certificates of deposit	640,833
Investments	200,823
Total reporting entity	$ 11,982,365

Ownership of Funds	
Primary Government -	
Governmental funds:	
Cash and cash equivalents	$ 8,708,806
Proprietary fund -	
Cash	118,609
Total primary government	$ 8,827,415
Component Units:	
Cash and cash equivalents	$ 2,954,127
Investments	200,823
Total component units	3,154,950
Total reporting entity	$ 11,982,365

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. Receivables and Allowances for Uncollectible Accounts

Receivables and allowances for uncollectible accounts at June 30, 2018 are as follows:

	Receivable	Allowance	Net
Governmental activities:			
Property taxes	$ 850,269	$ (47,774)	$ 802,495
Special purpose local option sales tax	95,549	-	95,549
Transportation SPLOST	22,356	-	22,356
Local option sales taxes	35,831	-	35,831
Customers	291,097	(135,000)	156,097
Business-type activities			
Customers	259,064	(85,000)	174,064
Total	$ 1,554,166	$ (267,774)	$ 1,286,392

Property taxes for 2017-2018 were levied September 22, 2017 and due December 20, 2017 on property valued as of January 1, 2017. The tax rate to finance general governmental services for the fiscal year ended June 30, 2018 was $16.433 per $1,000 of assessed taxable property value for the unincorporated areas of Telfair County, and $16.433 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.

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A summary of interfund receivables and payables at June 30, 2018 follows:

Payable from -	Payable to: Landfill	Total
General fund	$ 563,953	$ 563,953

D. Transfers

A summary of fund transfers for the year ended June 30, 2018 follows:

Transfer out:	Transfer in - SPLOST
General fund	$ 48,597
T-SPLOST fund	36,478
Total	$ 85,075

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, 2017	Additions	Retirements or Transfers	Balance June 30, 2018
Governmental activities:				
Capital assets, not being depreciated -				
Land	$ 304,511	$ -	$ -	$ 304,511
Construction in progress	1,061,931	434,896	(541,139)	955,688
Total not being depreciated	1,366,442	434,896	(541,139)	1,260,199
Capital assets, being depreciated:				
Equipment	6,345,172	291,837	(1,949,408)	4,687,601
Buildings and improvements	7,932,584	444,511	541,139	8,918,234
Total being depreciated	14,277,756	736,348	(1,408,269)	13,605,835
Less accumulated depreciation for:				
Equipment	4,829,703	414,461	(1,949,408)	3,294,756
Buildings and improvements	1,713,156	412,655	-	2,125,811
Total accumulated depreciation	6,542,859	827,116	(1,949,408)	5,420,567
Total being depreciated, net	7,734,897	(90,768)	541,139	8,185,268
Governmental activities capital assets, net	$ 9,101,339	$ 344,128	$ -	$ 9,445,467

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

	Balance June 30, 2017	Additions	Retirements or Transfers	Balance June 30, 2018
Business-type activities:				
Capital assets, not being depreciated -				
Land	$ 707,670	$ -	$ -	$ 707,670
Construction in progress	268,430	1,182,032	-	1,450,462
Total not being depreciated	976,100	1,182,032	-	2,158,132
Capital assets, being depreciated:				
Equipment	5,330,656	-	-	5,330,656
Buildings and improvements	40,257	-	-	40,257
Total being depreciated	5,370,913	-	-	5,370,913
Less accumulated depreciation for:				
Equipment	2,277,037	302,968	-	2,580,005
Buildings and improvements	22,516	1,006	-	23,522
Total accumulated depreciation	2,299,553	303,974	-	2,603,527
Total being depreciated, net	3,071,360	(303,974)	-	2,767,386
Business-type activities capital assets, net	$ 4,047,460	$ 878,058	$ -	$ 4,925,518

Depreciation expense was charged to functions / programs as follows:

Governmental activities:	
General government	$ 71,730
Public safety	177,535
Public works	533,490
Health and welfare	10,605
Culture and recreation	33,756
Total depreciation expense - governmental activities	$ 827,116
Business-type activities -	
Landfill	$ 303,974
Total depreciation expense - business-type activities	$ 303,974

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

Component Units:

	Balance June 30, 2017	Additions	Retirements or Transfers	Balance June 30, 2018
Capital assets, not being depreciated -				
Land	$ 134,368	$ -	$ -	$ 134,368
Total not being depreciated	134,368	-	-	134,368
Capital assets, being depreciated:				
Equipment	17,579	61,469	-	79,048
Buildings and improvements	1,101,936	-	-	1,101,936
Total being depreciated	1,119,515	61,469	-	1,180,984
Less accumulated depreciation for:				
Equipment	14,891	5,589	-	20,480
Buildings and improvements	244,679	32,139	-	276,818
Infrastructure	-	-	-	-
Total accumulated depreciation	259,570	37,728	-	297,298
Total being depreciated, net	859,945	23,741	-	883,686
Governmental activities capital assets, net	$ 994,313	$ 23,741	$ -	$ 1,018,054

Depreciation expense was charged to functions / programs as follows:

Component units:	
Telfair County Department of Leisure Services	$ 643
Telfair County Hospital Authority	18,693
Development Authority of Telfair County	17,742
Telfair County Board of Health	650
Total depreciation expense - component units	$ 37,728

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, 2018

	Beginning Balance	Additions	Payments/ Retirements	Ending Balance	Current Portion	Long-term Portion
Primary Government:						
Governmental activities:						
Capital lease payables	$ 529,512	$ 48,970	$ (97,140)	$ 481,342	$ 99,958	$ 381,384
BB&T note payable	132,403	-	(132,403)	-	-	-
Governmental activity - long-term liabilities	$ 661,915	$ 48,970	$ (229,543)	$ 481,342	$ 99,958	$ 381,384
Business-type activities -						
Capital lease payables	$ 1,348,791	$ -	$ (236,947)	$1,111,844	$ 243,655	$ 868,189
Note payable	-	1,050,207	-	1,050,207	-	1,050,207
Closure/post closure	1,805,024	172,004	-	1,977,028	-	1,977,028
Business-type activity - long-term liabilities	$ 3,153,815	$ 1,222,211	$ (236,947)	$4,139,079	$ 243,655	$ 3,895,424

Capital Leases

During fiscal year 2013 the County entered into a capital lease agreement with Caterpillar Financial Services Corporation for the purchase of a Caterpillar 12M2 Motorgrader for use by the highways and streets department with an original amount of $120,984. The agreement calls for five annual payments of $26,146 beginning in July of 2014 and ending in July of 2018 at an interest rate of 2.64%. As of June 30, 2018 the net book value of this leased equipment was $-0-. This year, $45,973 was included in depreciation expense. The annual requirements to amortize the remaining balance of $25,475 as of June 30, 2018, including interest payments of $673 are as follows:

Year Ending June 30	Principal	Interest	Total
2019	$ 25,475	$ 673	$ 26,148
Total	$ 25,475	$ 673	$ 26,148

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 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, 2018 the net book value of this leased equipment was $75,966. This year, $23,989 was included in depreciation expense. The annual requirements to amortize the remaining balance of $179,294 as of June 30, 2018, including interest payments of $8,134 are as follows:

Year Ending June 30	Principal	Interest	Total
2019	$ 26,572	$ 4,393	$ 30,965
2020	152,722	3,741	156,463
Total	$ 179,294	$ 8,134	$ 187,428

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, 2018 the net book value of this leased equipment was $53,227. This year, $17,262 was included in depreciation expense. The annual requirements to amortize the remaining balance of $66,671 as of June 30, 2018, including interest payments of $3,007 are as follows:

Year Ending June 30	Principal	Interest	Total
2019	$ 10,442	$ 1,583	$ 12,025
2020	56,229	1,424	57,653
Total	$ 66,671	$ 3,007	$ 69,678

During fiscal year 2016 the County entered into a capital lease agreement with Caterpillar Financial Services Corporation for the purchase of a Caterpillar wheel loader for use by the highways and streets department with an original amount of $223,797. The agreement calls for five annual payments of $32,339 beginning in August of 2016 and ending in August of 2020 and a balloon payment of $82,000 due August 2020 at an interest rate of 2.30%. As of June 30, 2018 the net book value of this leased equipment was $96,979. This year, $44,759 was included in depreciation expense. The annual requirements to amortize the remaining balance of $169,312 as of June 30, 2018, including interest payments of $9,705 are as follows:

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

Year Ending June 30	Principal	Interest	Total
2019	$ 28,444	$ 3,894	$ 32,338
2020	29,099	3,240	32,339
2021	111,769	2,571	114,340
Total	$ 169,312	$ 9,705	$ 179,017

During fiscal year 2018 the County entered into a capital lease agreement with Stryker Flex Financial for the purchase of power stretchers for use by the EMS department with an original amount of $48,970. The agreement calls for monthly payments of $983 beginning in July of 2017 and ending in June of 2022 at an interest rate of 7.60%. As of June 30, 2018 the net book value of this leased equipment was $39,176. This year, $9,794 was included in depreciation expense. The annual requirements to amortize the remaining balance of $40,590 as of June 30, 2018, including interest payments of $6,612 are as follows:

Year Ending June 30	Principal	Interest	Total
2019	$ 9,025	$ 2,776	$ 11,801
2020	9,735	2,065	11,800
2021	10,501	1,299	11,800
2022	11,329	472	11,801
Total	$ 40,590	$ 6,612	$ 47,202

During fiscal year 2017 the County entered into a capital lease agreement with BancorpSouth for the purchase of a Bomag landfill compactor for use at the County landfill with an original amount of $439,247. The agreement calls for sixty monthly payments of $6,226 beginning in August of 2017 and ending in July of 2022 and a balloon payment of $101,000 due August 2022 at an interest rate of 2.54%. As of June 30, 2018 the net book value of this leased equipment was $351,398. This year, $87,849 was included in depreciation expense. The annual requirements to amortize the remaining balance of $374,946 as of June 30, 2018, including interest payments of $24,906 are as follows:

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

Year Ending June 30	Principal	Interest	Total
2019	$ 65,954	$ 8,759	$ 74,713
2020	67,649	7,064	74,713
2021	69,387	5,326	74,713
2022	71,170	3,543	74,713
2023	100,786	214	101,000
Total	$ 374,946	$ 24,906	$ 399,852

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 $267,200. The agreement calls five annual payments of $43,746 beginning in April of 2016 and ending in April of 2020 and a balloon payment of $80,160 due April 2017 at an interest rate of 4.10%. As of June 30, 2018 the net book value of this leased equipment was $151,413. This year, $53,440 was included in depreciation expense. The annual requirements to amortize the remaining balance of $153,196 as of June 30, 2018, including interest payments of $10,241 are as follows:

Year Ending June 30	Principal	Interest	Total
2019	$ 37,345	$ 6,400	$ 43,745
2020	115,851	3,840	119,691
Total	$ 153,196	$ 10,240	$ 163,436

During fiscal year 2017 the County entered into a capital lease agreement with Caterpillar Financial for the purchase of a Caterpillar 623K Scraper for use at the County landfill with an original amount of $720,500. The agreement calls for five annual payments of $155,532 beginning in July of 2017 and ending in July of 2021 at an interest rate of 2.60%. As of June 30, 2018 the net book value of this leased equipment was $558,000. This year, $72,000 was included in depreciation expense. The annual requirements to amortize the remaining balance of $583,702 as of June 30, 2018, including interest payments of $38,426 are as follows:

Year Ending June 30	Principal	Interest	Total
2019	$ 140,356	$ 15,176	$ 155,532
2020	144,005	11,527	155,532
2021	147,749	7,783	155,532
2022	151,592	3,940	155,532
Total	$ 583,702	$ 38,426	$ 622,128

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

BB&T Note Payable

During fiscal year 2016, the County received a loan from a financial institution in the amount of $200,000 for the purchase of an ambulance and related equipment for use by the EMS department. The loan is payable in quarterly installments of $10,569 beginning in October 2015 and ending in July of 2020 at a rate of 2.13%. During fiscal year 2018 the note was paid off.

Note Payable

During fiscal year 2018, the County received interim financing from a local financial institution with a total credit line available of $1,522,500. The funds are to be used for improvements at the county's landfill. During fiscal year 2018 the County borrowed a total of $1,050,207 on the line. The note is to be repaid upon the County's receipt of a USDA grant/loan and a final amortization schedule will be prepared at that time

The following is a summary of changes in long-term obligations of the component units for the year ended June 30, 2018

	Beginning Balance	Additions	Payments/ Retirements	Ending Balance	Current Portion	Long-term Portion
Component Units:						
Development Authority of Telfair County:						
One Georgia loan	$ 243,750	$ -	$ (25,000)	$ 218,750	$ 25,000	$ 193,750
Total component units long-term liabilities	$ 243,750	$ -	$ (25,000)	$ 218,750	$ 25,000	$ 193,750

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		
	Principal	Interest	Total
2019	$ 25,000	$ -	$ 25,000
2020	25,000	-	25,000
2021	25,000	-	25,000
2022	25,000	-	25,000
2023	25,000	-	25,000
2024-2027	93,750	-	93,750
	$ 218,750	$ -	$ 218,750

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	$ 77,114

- ***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.	$ 4,955,260
Transportation Special Purpose Local Option Sales Tax (T-SPLOST)	
used to account for capital projects financed with T-SPLOST.	1,044,171
LMIG Program	
used to account for road projects financed with LMIG funds.	1,065,584

Special Revenue Funds:

Multipurpose Grant Fund -	
used to account for the proceeds of revenue sources legally restricted to expenditures for specific capital or operating projects.	47,240
Sheriff Commissary -	
used to account for the activities of the inmate canteen	3,748
Expendable Trust Fund -	
used to account for the operations of the County law library.	63,950
	$ 7,179,953

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, 2018 are as follows:

	Governmental Activities	Business-Type Activities
Net investment in capital assets		
Cost of capital assets	$ 14,866,035	$ 7,529,045
Less accumulated depreciation	(5,420,568)	(2,603,527)
Book value	9,445,467	4,925,518
Less capital related debt	(481,342)	(2,162,051)
Net investment in capital assets	$ 8,964,125	$ 2,763,467

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 $2,955,871. 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 64% of the landfill capacity and the landfill has an estimated remaining life of 9.92 years.

C. Joint Venture

Telfair County, in conjunction with cities and counties in the sixteen (16) county Heart of Georgia area are members of the Heart of Georgia Altamaha Regional Commission (RC). Membership in an RC is automatic for each municipality and county in the state. The official Code of Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the RCs. Each county and municipality in the state is required by law to pay minimum annual dues to the RC. The county paid annual dues in the amount of $6,043 to the RC for the year ended June 30, 2018. 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, 2018, the County received $14,383 in hotel/motel tax. The County distributed $5,753 to the Telfair County Chamber of Commerce for the promotion of tourism and retained $8,630 for general government purposes. The expended amounts total 100% of the amount received by the County.

For the year ended June 30, 2018, 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, 2018 the balance on this note was received.

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, 2018

Active plan participants	37
Retirees and beneficiaries currently receiving benefits	46
Active or terminated plan participants entitled to, but not yet receiving benefits	40
Total	123

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. The County's contributions to the Plan totaled $111,125 for the year ended June 30, 2018.

IV. OTHER INFORMATION

Net Pension Liability

The County's net pension liability was measured as of December 31, 2017, 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, 2018 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:	7.25% per year
Mortality rates:	RP-2000, projected with Scale AA

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 7.25 %. 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	6.82%
Building block expected return based on 30-year benchmarks	8.28%
UBS capital market assumption for a moderate asset allocation	6.40%
20-year building blocks return (7.44% x .25)	2.27%
30-year building blocks return (9.49% x .25)	2.76%
UBS capital market assumption for a moderate asset allocation (6.30% x .50)	2.13%
Discount rate (7.16% rounded to nearest .25%)	7.25%

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at December 31, 2016	$ 2,731,504	$ 2,034,267	$ 697,237
Changes for the year:			
Service cost	$ 43,782	$ -	$ 43,782
Interest	192,421	-	192,421
Differences between expected and actual experience	(4,463)	-	(4,463)
Assumption change	5,084	-	5,084
Contributions - employer	-	131,483	(131,483)
Net investment income	-	320,007	(320,007)
Benefit payments	(154,852)	(154,852)	-
Administrative expense	-	(7,650)	7,650
Other	-	(37,425)	37,425
Net changes	$ 81,972	$ 251,563	$ (169,591)
Balances at December 31, 2017	$ 2,813,476	$ 2,285,830	$ 527,646

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 7.25%, 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 (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

IV. OTHER INFORMATION

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Total pension liability	$ 3,086,708	$ 2,813,476	$ 2,580,481
Fiduciary net position	2,285,830	2,285,830	2,285,830
Net pension liability	$ 800,878	$ 527,646	$ 294,651

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, 2018, the County recognized pension expense of $197,402. At June 30, 2018, 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
Asset (Gain)/Loss	$ -	$ (65,826)
Liability (Gain)/Loss	6,997	-
Changes of assumptions	23,375	-
Employer contributions subsequent to the measurement date	111,125	-
Total	$ 141,497	$ (65,826)

The County's contributions subsequent to the measurement date of $111,125 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

IV. OTHER INFORMATION

Year ended June 30:	
2019	$ 30,428
2020	(1,959)
2021	(30,380)
2022	(33,543)
2023	-
Thereafter	-

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

	Fiscal Year End									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Total pension liability										
Service cost	$ 43,782	$ 39,615	$ 35,838	$ 30,411						
Interest	192,421	186,836	174,410	175,522						
Differences between expected and actual experience	(4,463)	29,984	34,367	-						
Changes of assumptions	5,084	62,819	73,656	-						
Changes of benefit terms	-	-	-	-						
Benefit payments, including refunds of employee contributions	(154,852)	(157,785)	(147,406)	(147,056)						
Net change in total pension liability	81,972	161,469	170,865	58,877	-	-	-	-	-	-
Total pension liability - beginning	2,731,504	2,570,035	2,399,170	2,340,293						
Total pension liability - ending (a)	$ 2,813,476	$ 2,731,504	$ 2,570,035	$ 2,399,170	$ -	$ -	$ -	$ -	$ -	$ -
Plan fiduciary net position										
Contributions - employer	$ 131,483	$ 136,495	$ 127,232	$ 115,554						
Contributions - employee	-	-	-	-						
Net investment income	320,007	133,649	15,428	140,261						
Benefit payments, including refunds of employee contributions	(154,852)	(157,785)	(147,406)	(141,741)						
Administrative expense	(7,650)	(10,479)	(6,748)	(5,903)						
Other	(37,425)	(22,227)	(27,122)	(42,347)						
Net change in fiduciary net position	251,563	79,653	(38,616)	65,824	-	-	-	-	-	-
Plan fiduciary net position - beginning	2,034,267	1,954,614	1,993,230	1,927,406						
Plan fiduciary net position - ending (b)	$ 2,285,830	$ 2,034,267	$ 1,954,614	$ 1,993,230	$ -	$ -	$ -	$ -	$ -	$ -
Net pension liability - ending: (a)-(b)	$ 527,646	$ 697,237	$ 615,421	$ 405,940	$ -	$ -	$ -	$ -	$ -	$ -
Plan's fiduciary net position as a percentage of the total pension liability	81.25%	74.47%	76.05%	83.08%						
Covered-employee payroll	$ 1,007,717	$ 881,125	$ 811,582	$ 709,626						
Net pension liability as a percentage of covered-employee payroll	52.36%	79.13%	75.83%	57.20%						

(Historical information prior to implementation of GASB 67/68 is not)

Refer to Notes To Required Supplementary Information

CITY OF MCRAE-HELENA, GEORGIA
SCHEDULE OF CONTRIBUTIONS

	Fiscal Year End									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially determined contribution	$ 131,483	$ 136,495	$ 127,232	$ 115,554	$ 131,152					
Contributions in relation to the actuarially determined contribution	$ 131,483	$ 136,495	$ 127,232	$ 115,554	131,152	(Historical information prior to implementation of GASB 67/68 is not required)				
Contribution deficiency (excess)	-	-	-	-	-					
Covered-employee payroll	$ 1,007,717	$ 881,125	$ 811,582	$ 709,626	756,495					
Contributions as a percentage of covered-employee payroll	13.05%	15.49%	15.68%	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, 2018

	Budgeted Amounts			Variance with Final Budget - Over
	Original	Final	Actual	(Under)
REVENUES				
Taxes	$ 5,413,000	$ 5,413,000	$ 5,718,465	$ 305,465
Charges for services and fines	912,000	912,000	920,283	8,283
Other	392,083	392,083	394,170	2,087
Total revenues	6,717,083	6,717,083	7,032,918	315,835
EXPENDITURES				
Current:				
General government:				
General government	147,577	147,577	119,783	(27,794)
Elections	99,839	99,839	111,020	11,181
General adminstration	568,973	568,973	538,958	(30,015)
Tax Commisioner	290,726	290,726	304,665	13,939
Tax Assessor	257,258	257,258	243,846	(13,412)
General government buildings and plant	42,300	42,300	39,053	(3,247)
Judicial:				
Superior court	173,683	173,683	178,905	5,222
Clerk of court	215,097	215,097	207,781	(7,316)
Board of equalization	1,000	1,000	2,795	1,795
Magistrate court	129,102	129,102	127,617	(1,485)
Probate court	154,988	154,988	157,613	2,625
Public safety:				
Law enforcement administration	893,859	893,859	837,771	(56,088)
Jail operations	815,000	815,000	993,053	178,053
Fire administration	17,250	17,250	50,610	33,360
Emergency medical services	897,698	897,698	906,701	9,003
Emergency Management Agency	19,000	19,000	16,584	(2,416)
Coroner / medical examiner	28,500	28,500	29,384	884
Enhanced 911	230,000	230,000	229,162	(838)
Public works:				
Highways and streets	546,879	546,879	593,116	46,237
Health and welfare:				
Public health administration	95,010	95,010	95,010	-
Health department building	32,290	32,290	34,438	2,148
Intergovernment - Welfare	3,500	3,500	3,941	441
Senior citizens center	150,047	150,047	164,705	14,658

TELFAIR COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts			Variance with Final Budget - Over
	Original	Final	Actual	(Under)
EXPENDITURES (Continued)				
Current:				
Community services	162,800	162,800	80,842	(81,958)
Transportation services	123,500	123,500	115,059	(8,441)
Culture and recreation:				
Culture and recreation administration	140,000	140,000	140,000	-
Library administration	60,400	60,400	60,400	-
Housing and development:				
Conservation administration	34,208	34,208	32,413	(1,795)
Agricultural resources	74,831	74,831	75,769	938
Forest resources	38,250	38,250	38,222	(28)
Economic development	55,650	55,650	51,150	(4,500)
Airport	6,750	6,750	7,001	251
Farmers Market	13,400	13,400	12,228	(1,172)
Debt service:				
Principal	39,771	39,771	140,783	101,012
Interest	2,504	2,504	10,592	8,088
Capital outlay :				
Law enforcement administration	86,141	86,141	110,485	24,344
Emergency medical services	69,302	69,302	117,542	48,240
Total expenditures	6,717,083	6,717,083	6,978,997	261,914
OTHER FINANCING SOURCES (USES)				
Capital lease proceeds	-	-	48,970	48,970
Transfers in (out)	-	-	(48,597)	(48,597)
Total other financing sources	-	-	373	373
Net change in fund balance	$ -	$ -	54,294	$ 54,294
Fund balance, beginning			1,050,698	
Fund balance, ending			$ 1,104,992	

TELFAIR COUNTY, GEORGIA
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - DEPARTMENT OF TRANSPORTATION - SECTION 18
FOR THE YEAR ENDED JUNE 30, 2018

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Over (Under)
REVENUES			
Georgia Department of Transportation	$ 120,000	$ 66,341	$ (53,659)
Fares and other	15,000	21,715	6,715
Total revenues	135,000	88,056	(46,944)
EXPENDITURES			
Current:			
Heart of Georgia CAC Administration	122,000	113,640	(8,360)
Repairs and maintenance	1,000	1,398	398
Other purchased services	250	-	(250)
General supplies and materials	250	21	(229)
Travel	-	-	-
Total expenditures	123,500	115,059	(8,441)
Excess of revenues over/(under) expenditure	$ 11,500	$ (27,003)	$ (38,503)

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, 2018

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Over (Under)
REVENUES			
Council on Aging - receipts	$ 85,000	$ 100,001	$ 15,001
Total revenues	85,000	100,001	15,001
EXPENDITURES			
Current:			
Salaries	49,205	49,562	357
Employee benefits	37,892	33,522	(4,370)
Repairs and maintenance	3,000	8,101	5,101
Communications	1,800	2,094	294
Travel	200	215	15
Other purchased services	48,000	61,126	13,126
Supplies and materials	1,750	1,840	90
Utilities	8,200	8,245	45
Total expenditures	150,047	164,705	14,658
Excess of revenues over/(under) expenditure	$ (65,047)	$ (64,704)	$ 343

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, 2017, 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, 2018.

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	7.25%
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, 2018

	Special Revenue				Total Nonmajor
	Multipurpose Grant	Sheriff Commissary	Expendable Trust Fund	Hotel/Motel Tax	Governmental Funds
ASSETS					
Cash and cash equivalents	$ 47,240	$ 10,102	$ 63,480	$ -	$ 120,822
Other receivables, net	-	-	470	-	470
Total assets	$ 47,240	$ 10,102	$ 63,950	$ -	$ 121,292
LIABILITIES					
Accounts payable	$ -	$ 6,354	$ -	$ -	$ 6,354
FUND BALANCES					
Restricted	47,240	3,748	63,950	-	114,938
Total fund balances	47,240	3,748	63,950	-	114,938
Total liabilities and fund balances	$ 47,240	$ 10,102	$ 63,950	$ -	$ 121,292

TELFAIR COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Special Revenue				Total Nonmajor Governmental Funds
	Multipurpose Grant	Sheriff Commissary	Expendable Trust Fund	Hotel/Motel Tax	
REVENUES					
Charges for services	$ -	$ 93,383	$ -	$ -	$ 93,383
Intergovernmental	20,582	-	-	-	20,582
Other taxes	-	-	-	14,383	14,383
Investment earnings	76	-	259	-	335
Miscellaneous	1,155	-	7,115	-	8,270
Total revenues	21,813	93,383	7,374	14,383	136,953
EXPENDITURES					
Current:					
General government	-	92,159	-	8,630	100,789
Judicial	-	-	4,376	-	4,376
Public safety	1,117	-	-	-	1,117
Health and welfare	10,514	-	-	-	10,514
Housing and development	-	-	-	5,753	5,753
Total expenditures	11,631	92,159	4,376	14,383	122,549
Net change in fund balances	10,182	1,224	2,998	-	14,404
Fund balances, beginning	37,058	2,524	60,952	-	100,534
Fund balances, ending	$ 47,240	$ 3,748	$ 63,950	$ -	$ 114,938

TELFAIR COUNTY, GEORGIA
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2018

	Agency Funds					
	Clerk of Superior Court	Sheriff	Judge of Probate Court	Tax Commissioner	Magistrate Court	Total Fiduciary Funds
ASSETS						
Cash	$ 92,116	$ 105,305	$ 9,039	$ 102,706	$ 8,763	$ 317,929
Taxes receivable (net allowance for uncollectible accounts)	-	-	-	759,690	-	759,690
Total assets	$ 92,116	$ 105,305	$ 9,039	$ 862,396	$ 8,763	$ 1,077,619
LIABILITIES						
Due to expendable trust fund	$ 85	$ -	$ 215	$ -	$ 170	$ 470
Other liabilities	92,031	105,305	8,824	862,396	8,593	1,077,149
Total liabilities	$ 92,116	$ 105,305	$ 9,039	$ 862,396	$ 8,763	$ 1,077,619

TELFAIR COUNTY, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
Clerk of Superior Court:				
ASSETS				
Restricted assets -				
Cash	$ 83,103	$ 159,601	$ (150,588)	$ 92,116
Total assets	$ 83,103	$ 159,601	$ (150,588)	$ 92,116
LIABILITIES				
Payable from resticted assets:				
Due to expendable trust fund	$ 120	$ 1,655	$ (1,690)	$ 85
Other liabilities	82,983	159,862	(150,814)	92,031
Total liabilities	$ 83,103	$ 161,517	$ (152,504)	$ 92,116
Sheriff:				
ASSETS				
Restricted assets -				
Cash	$ 38,887	$ 105,856	$ (39,438)	$ 105,305
Total assets	$ 38,887	$ 105,856	$ (39,438)	$ 105,305
LIABILITIES				
Payable from resticted assets -				
Other liabilities	$ 38,887	$ 105,856	$ (39,438)	$ 105,305
Total liabilities	$ 38,887	$ 105,856	$ (39,438)	$ 105,305
Judge of Probate Court:				
ASSETS				
Restricted assets -				
Cash	$ 3,738	$ 57,796	$ (52,495)	$ 9,039
Total assets	$ 3,738	$ 57,796	$ (52,495)	$ 9,039
LIABILITIES				
Payable from resticted assets:				
Due to expendable trust fund	$ 260	$ 2,510	$ (2,555)	$ 215
Other liabilities	3,478	55,286	(49,940)	8,824
Total liabilities	$ 3,738	$ 57,796	$ (52,495)	$ 9,039

TELFAIR COUNTY, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Balance June 30, 2017	Additions	Deductions	Balance June 30, 2018
Tax Commissioner:				
ASSETS				
Restricted assets -				
Cash	$ 100,455	$ 5,248,515	$ (5,246,264)	$ 102,706
Taxes receivable, net	706,422	3,760,680	(3,707,412)	759,690
Total assets	$ 806,877	$ 9,009,195	$ (8,953,676)	$ 862,396
LIABILITIES				
Payable from resticted assets -				
Other liabilities	$ 806,877	$ 5,248,515	$ (5,192,996)	$ 862,396
Total liabilities	$ 806,877	$ 5,248,515	$ (5,192,996)	$ 862,396
Magistrate Court:				
ASSETS				
Restricted assets -				
Cash	$ 16,514	$ 138,671	$ (146,422)	$ 8,763
Total assets	$ 16,514	$ 138,671	$ (146,422)	$ 8,763
LIABILITIES				
Payable from resticted assets:				
Due to expendable trust fund	$ 175	$ 2,750	$ (2,755)	$ 170
Other liabilities	16,339	135,921	(143,667)	8,593
Total liabilities	$ 16,514	$ 138,671	$ (146,422)	$ 8,763

TELFAIR COUNTY, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2018

	Leisure Services	Hospital Authority	Development Authority	County Board of Health	Total
ASSETS					
Cash and cash equivalents	$ 16,460	$ 1,124,610	$ 853,797	$ 959,260	$ 2,954,127
Investments	-	200,823	-	-	200,823
Other receivables, net	-	-	-	48,106	48,106
Capital assets:					
Nondepreciable	-	15,000	119,368	-	134,368
Depreciable, net	642	411,531	469,441	2,072	883,686
Total assets	17,102	1,751,964	1,442,606	1,009,438	4,221,110
DEFERRED OUTFLOWS OF RESOURCES	-	-	-	108,762	108,762
LIABILITIES					
Accounts payable	8,316	-	-	-	8,316
Other liabilities	2,369	-	-	61,470	63,839
Noncurrent liabilities:					
Due within one year -					
Notes payable	-	-	25,000	-	25,000
Due in more than one year -					
Notes payable	-	-	193,750	-	193,750
Proportionate share of collective net pension liability	-	-	-	357,722	357,722
Proportionate share of collective net OPEB liability	-	-	-	287,652	287,652
Total liabilities	10,685	-	218,750	706,844	936,279
DEFERRED INFLOWS OF RESOURCES	-	-	-	30,028	30,028
NET POSITION					
Net investment in capital assets	642	426,531	370,059	2,072	799,304
Restricted	-	-	-	162,919	162,919
Unrestricted	5,775	1,325,433	853,797	216,337	2,401,342
Total net position	$ 6,417	$ 1,751,964	$ 1,223,856	$ 381,328	$ 3,363,565

TELFAIR COUNTY, GEORGIA
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2018

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	$ 161,659	$ 15,936	$ 185,120	$ -	$ 39,397	$ -	$ -	$ -	$ 39,397
Hospital Authority	41,450	30,600	-	-	-	(10,850)	-	-	(10,850)
Development Authority	70,857	84,755	51,150	-	-	-	65,048	-	65,048
County Board of Health	529,225	280,813	320,041	-	-	-	-	71,629	71,629
Total component units	$ 803,191	$ 412,104	$ 556,311	$ -	39,397	(10,850)	65,048	71,629	165,224
General revenues:									
Investment earnings					-	15,578	1,085	-	16,663
Miscellaneous					-	-	5,700	60,597	66,297
Total general revenues					-	15,578	6,785	60,597	82,960
Change in net position					39,397	4,728	71,833	132,226	248,184
Net position - beginning					(32,980)	1,747,236	1,152,023	552,358	3,418,637
Prior period adjustment - Implementation of GASB 75:									
Net OPEB liability					-	-	-	(342,125)	(342,125)
Deferred outflows of resources					-	-	-	38,869	38,869
Net position - beginning, as restated					(32,980)	1,747,236	1,152,023	249,102	3,115,381
Net position - ending					$ 6,417	$ 1,751,964	$ 1,223,856	$ 381,328	$ 3,363,565

TELFAIR COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2018

Project Description Per SPLOST Referendum	Original Estimated Cost	Amended Estimated Cost	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
2004 - SPLOST						
Roads and bridges	$ 2,250,000	$ 2,402,976	$ 2,402,976	$ -	$ 2,402,976	100.00%
Courthouse renovation	1,000,000	994,855	994,855	-	994,855	100.00%
City of McRae	652,925	652,925	652,925	-	652,925	100.00%
City of Lumber City	303,625	303,625	303,625	-	303,625	100.00%
City of Helena	561,575	561,575	561,575	-	561,575	100.00%
City of Milan	140,700	140,700	140,700	-	140,700	100.00%
City of Scotland	62,475	62,475	62,475	-	62,475	100.00%
City of Jacksonville	28,700	28,700	28,700	-	28,700	100.00%
Recreation facility	500,000	500,000	500,000	-	500,000	100.00%
Total	$ 5,500,000	$ 5,647,831	$ 5,647,831	$ -	$ 5,647,831	
2009 - SPLOST						
Jail (Level 1)	$ 2,000,000	$ 2,000,000	$ 423,220	$ 325,382	$ 748,602	37.43%
Roads and bridges	912,000	929,306	929,306	-	929,306	100.00%
Landfill	500,000	500,000	500,000	-	500,000	100.00%
Recreation facility	150,000	150,000	-	-	-	0.00%
City of McRae	909,600	846,194	846,194	-	846,194	100.00%
City of Lumber City	422,800	393,327	393,327	-	393,327	100.00%
City of Helena	782,400	727,861	727,861	-	727,861	100.00%
City of Milan	196,000	182,338	182,338	-	182,338	100.00%
City of Scotland	87,200	81,122	81,122	-	81,122	100.00%
City of Jacksonville	40,000	37,213	37,213	-	37,213	100.00%
Total	$ 6,000,000	$ 5,847,361	$ 4,120,581	$ 325,382	$ 4,445,963	
2014 - SPLOST						
Jail (Level 1)	$ 2,000,000	$ 2,000,000	$ -	$ -	$ -	0.00%
Roads and bridges	392,800	392,800	535,930	289,537	825,467	210.15%
Landfill	550,000	550,000	-	-	-	0.00%
Recreation facility	250,000	250,000	-	-	-	0.00%
Public safety tower	199,600	199,600	-	103,829	103,829	52.02%
City of McRae Helena	2,090,400	2,090,400	815,623	572,826	1,388,449	66.42%
City of Lumber City	322,000	322,000	125,637	88,237	213,874	66.42%
City of Milan	81,600	81,600	31,838	22,360	54,198	66.42%
City of Scotland	79,600	79,600	31,059	21,813	52,872	66.42%
City of Jacksonville	34,000	34,000	13,267	9,317	22,584	66.42%
Total	$ 6,000,000	$ 6,000,000	$ 1,553,354	$ 1,107,919	$ 2,661,273	

II. REPORTS REQUIRED BY GOVERNMENTAL AUDITING STANDARDS

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, 2018, 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 March 29, 2019. Our report includes a reference to other auditors who audited 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, as described in our report on Telfair County, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit 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.

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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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 have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of financial statement findings that we consider to be a material weakness [2018-1].

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
March 29, 2019

TELFAIR COUNTY, GEORGIA
SCHEDULE OF FINANCIAL STATEMENT FINDINGS
YEAR ENDED JUNE 30, 2018

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

2018 – 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 duties.

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.