TELFAIR COUNTY, GEORGIA

FINANCIAL STATEMENTS
AS OF **JUNE 30, 2019**
TOGETHER WITH AUDITOR'S REPORT

TELFAIR COUNTY, GEORGIA
FINANCIAL STATEMENTS

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FINANCIAL STATEMENTS

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I. FINANCIAL SECTION

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

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Telfair County, Georgia, as of and for the year ended June 30, 2019, 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, 2019, 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 42, the schedule of contributions on page 43, and the budgetary comparison information on pages 44 through 47, as well as the note to required supplementary information on page 48 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 July 15, 2020, 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
August 27, 2020

TELFAIR COUNTY, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2019

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	$ 7,478,673	$ 298,499	$ 7,777,172	$ 3,159,617
Investments	-	-	-	100,857
Taxes receivable -				
net of uncollectible accounts	1,010,799	-	1,010,799	-
Other receivables	215,609	205,458	421,067	45,819
Internal balances	(408,421)	408,421	-	-
Prepaids	206,660	-	206,660	-
Capital assets:				
Nondepreciable	1,791,994	2,507,795	4,299,789	134,368
Depreciable, net	9,444,739	2,494,379	11,939,118	876,716
Total assets	19,740,053	5,914,552	25,654,605	4,317,377
DEFERRED OUTFLOWS OF RESOURCES				
Related to defined benefit pension plan and OPEB	478,160	31,759	509,919	171,290
LIABILITIES				
Accounts payable	436,533	39,210	475,743	16,162
Other liabilities	89,789	-	89,789	63,817
Noncurrent liabilities:				
Due within one year:				
Lease payable	261,171	183,499	444,670	-
Notes payable	9,735	144,005	153,740	25,000
Due in more than one year:				
Lease payable	266,153	241,344	507,497	-
Notes payable	21,830	1,715,292	1,737,122	168,750
Closure/post closure accrued liability	-	2,338,811	2,338,811	-
Proportionate share of net pension liability	884,497	58,748	943,245	378,462
Proportionate share of net OPEB liability	-	-	-	174,647
Total liabilities	1,969,708	4,720,909	6,690,617	826,838
DEFERRED INFLOWS OF RESOURCES				
Related to defined benefit pension plan and OPEB	95,197	6,323	101,520	109,971
NET POSITION				
Net investment in capital assets	10,677,844	2,718,034	13,395,878	817,334
Restricted:				
Special revenue	153,041	-	153,041	-
Capital projects	5,649,002	-	5,649,002	-
Prior year program income	-	-	-	61,830
Unrestricted	1,673,421	(1,498,955)	174,466	2,672,694
Total net position	$ 18,153,308	$ 1,219,079	$ 19,372,387	$ 3,551,858

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, 2019

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions
Primary government:			
Governmental activities:			
General government	$ 1,726,832	$ 84,503	$ -
Judicial	747,496	203,262	-
Public safety	3,397,406	760,262	-
Public works	1,975,287	-	-
Health and welfare	512,165	136,794	-
Culture and recreation	251,656	-	-
Housing and development	235,494	306	-
Interest on long-term debt	21,155	-	-
Total governmental activities	8,867,491	1,185,127	-
Business-type activities -			
Landfill	1,324,568	1,005,781	-
Total business-type activities	1,324,568	1,005,781	-
Total primary government	10,192,059	2,190,908	-
Component units:			
Governmental type	930,406	392,167	599,893
Total component units	$ 930,406	$ 392,167	$ 599,893
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			
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
$ -	$ (1,642,329)	$ -	$ (1,642,329)	
-	(544,234)	-	(544,234)	
40,500	(2,596,644)	-	(2,596,644)	
525,511	(1,449,776)	-	(1,449,776)	
-	(375,371)	-	(375,371)	
-	(251,656)	-	(251,656)	
-	(235,188)	-	(235,188)	
-	(21,155)	-	(21,155)	
566,011	(7,116,353)	-	(7,116,353)	
-	-	(318,787)	(318,787)	
-	-	(318,787)	(318,787)	
566,011	(7,116,353)	(318,787)	(7,435,140)	
-				61,654
$ -				61,654
	4,838,440	-	4,838,440	-
	206,554	-	206,554	-
	410,472	-	410,472	-
	1,094,531	-	1,094,531	-
	451,105	-	451,105	-
	15,091	-	15,091	-
	1,480	-	1,480	-
	374,916	-	374,916	-
	73,305	-	73,305	-
	2,733	409	3,142	22,794
	235,485	-	235,485	103,845
	7,704,112	409	7,704,521	126,639
	587,759	(318,378)	269,381	188,293
	17,565,549	1,537,457	19,103,006	3,363,565
	$ 18,153,308	$ 1,219,079	$ 19,372,387	$ 3,551,858

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

TELFAIR COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	General	SPLOST
ASSETS		
Cash and cash equivalents	$ 1,319,294	$ 4,939,883
Taxes receivable - net of allowance for uncollectibles	896,331	91,959
Notes receivable, net	-	-
Other receivables, net	215,229	-
Prepaids	206,660	-
Total assets	$ 2,637,514	$ 5,031,842
LIABILITIES		
Accounts payable	$ 206,173	$ 214,596
Other liabilities	89,789	-
Due to other funds	408,421	-
Total liabilities	704,383	214,596
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	831,740	-
Total deferred inflows of resources	831,740	-
FUND BALANCES		
Nonspendable	206,660	-
Restricted	-	4,817,246
Unassigned	894,731	-
Total fund balances	1,101,391	4,817,246
Total liabilities, deferred inflows of resources, and fund balances	$ 2,637,514	$ 5,031,842

LMIG Program	Other Governmental Funds	Total Governmental Funds
$ 241,824	$ 977,672	$ 7,478,673
-	22,509	1,010,799
-	-	-
-	380	215,609
-	-	206,660
$ 241,824	$ 1,000,561	$ 8,911,741
$ -	$ 15,764	$ 436,533
-	-	89,789
-	-	408,421
-	15,764	934,743
-	-	831,740
-	-	831,740
-	-	206,660
241,824	984,797	6,043,867
-	-	894,731
241,824	984,797	7,145,258
$ 241,824	$ 1,000,561	$ 8,911,741

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, 2019

Amounts reported for governmental activities in the statement of net position are different because:		
Total governmental fund balances		$ 7,145,258
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.		
Cost of capital assets	$ 17,240,545	
Less accumulated depreciation	(6,003,812)	11,236,733
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds.		831,740
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		(884,497)
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		149,444
Asset (gain)/loss		142,275
Liability (gain)/loss		48,998
(Gain)/loss due to assumption change		42,246
Long-term liabilities, such as compensated absences and lease liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		(558,889)
Net position of governmental activities		$ 18,153,308

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

TELFAIR COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	General	SPLOST
REVENUES		
General property taxes	$ 4,948,202	$ -
Other taxes	860,173	1,094,531
Charges for services	652,137	-
Intergovernmental	107,054	-
Fines and forfeitures	334,303	-
Investment earnings	2,320	16
Miscellaneous	235,485	-
Total revenues	7,139,674	1,094,547
EXPENDITURES		
Current:		
General government	1,539,121	-
Judicial	725,762	-
Public safety	3,174,050	-
Public works	658,164	-
Health and welfare	497,245	-
Culture and recreation	217,900	-
Housing and development	228,149	-
Intergovernmental	-	690,286
Debt service:		
Principal	9,025	-
Interest	10,613	-
Capital outlay :		
Public safety	83,246	542,275
Public works	177,505	-
Total expenditures	7,320,780	1,232,561
OTHER FINANCING SOURCES (USES)		
Lease financing	177,505	-
Total other financing sources	177,505	-
Net change in fund balances	(3,601)	(138,014)
Fund balances, beginning	1,104,992	4,955,260
Fund balances, ending	$ 1,101,391	$ 4,817,246

LMIG Program	Other Governmental Funds	Total Governmental Funds
$ -	$ -	$ 4,948,202
-	466,196	2,420,900
-	84,359	736,496
525,495	40,500	673,049
-	-	334,303
-	413	2,749
-	7,274	242,759
525,495	598,742	9,358,458
-	92,501	1,631,622
-	8,925	734,687
-	-	3,174,050
89	67,520	725,773
-	2,072	499,317
-	-	217,900
-	6,036	234,185
-	-	690,286
-	90,933	99,958
-	10,542	21,155
-	-	625,521
1,349,166	494,525	2,021,196
1,349,255	773,054	10,675,650
-	-	177,505
-	-	177,505
(823,760)	(174,312)	(1,139,687)
1,065,584	1,159,109	8,284,945
$ 241,824	$ 984,797	$ 7,145,258

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, 2019

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ (1,139,687)
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	$ 2,646,717	
Depreciation expense	(855,451)	1,791,266
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, 2019	$ 831,740	
Unavailable revenue - property taxes at June 30, 2018	(734,948)	96,792
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	$ 149,444	
Cost of benefits earned net of employee contributions	(232,509)	(83,065)
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	$ (177,505)	
Principal repayments	99,958	(77,547)
Change in net position of governmental activities		$ 587,759

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

TELFAIR COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2019

	Business-Type Activity - Enterprise Fund Landfill
ASSETS	
Current assets:	
Cash	$ 298,499
Accounts receivable, net	205,458
Due from other funds	408,421
Total current assets	912,378
Noncurrent assets -	
Capital assets:	
Land, nondepreciable	707,670
Construction in progress, nondepreciable	1,800,125
Equipment, depreciable	4,655,204
Buildings and improvements, depreciable	40,257
Intangible asset - leased equipment	706,447
Less - accumulated depreciation/amortization	(2,907,529)
Total noncurrent assets	5,002,174
Total assets	5,914,552
DEFERRED OUTFLOWS OF RESOURCES	31,759
LIABILITIES	
Current liabilities:	
Accounts payable	39,210
Lease payable	183,499
Note payable	144,005
Total current liabilities	366,714
Noncurrent liabilities:	
Lease payable	241,344
Note payable	1,715,292
Net pension liability	58,748
Closure/post closure accrued liability	2,338,811
Total noncurrent liabilities	4,354,195
Total liabilities	4,720,909
DEFERRED INFLOWS OF RESOURCES	6,323
NET POSITION	
Net investment in capital assets	2,718,034
Unrestricted	(1,498,955)
Total net position	$ 1,219,079

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, 2019

	Business-Type Activity - Enterprise Fund
	Landfill
OPERATING REVENUES	
Charges for services	$ 1,005,781
Miscellaneous	-
Total operating revenues	1,005,781
OPERATING EXPENSES	
Personnel services	109,041
Employee benefits	58,033
Professional services	24,858
Repairs and maintenance	23,298
Communication services	8,649
Other purchased services	352,504
Supplies	2,409
Utilities	7,165
Gasoline / diesel	36,636
Depreciation / amortization	304,002
Closure / post closure	361,783
Bad debt expense	1,000
Other operating	4,854
Total operating expenses	1,294,232
Operating income (loss)	(288,451)
NONOPERATING REVENUES (EXPENSES)	
Investment earnings	409
Interest expense	(30,336)
Total nonoperating revenues (expenses)	(29,927)
Change in net position	(318,378)
Net position, beginning	1,537,457
Net position, ending	$ 1,219,079

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, 2019

	Business-Type Activity - Enterprise Fund Landfill
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 974,387
Payments to suppliers for goods and services	(494,265)
Payments to employees for services	(109,041)
Payments for employee taxes and benefits	(58,227)
Receipts from other funds	155,532
Net cash used by operating activities	468,386
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal paid on leases and notes payable	(243,655)
Interest paid on leases and notes payable	(30,336)
Proceeds from note payable	365,744
Acquisition and construction of capital assets	(380,658)
Net cash provided by operating activities	(288,905)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	409
Net cash provided by investing activities	409
Net increase in cash	179,890
Cash, beginning of year	118,609
Cash, end of year	$ 298,499
Reconciliation of income from operations to net cash used by operating activities:	
Loss from operations	$ (288,451)
Depreciation	304,002
Change in accounts receivable	(31,394)
Change in due from other funds	155,532
Change in accounts payable	(32,892)
Change in net pension liability and related deferrals	(194)
Change in accrued closure/post closure	361,783
Net cash provided by operating activities	$ 468,386

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, 2019

ASSETS		
Cash	$	260,916
Taxes receivable (net allowance for uncollectible accounts)		815,878
Total assets	$	1,076,794
LIABILITIES		
Due to expendable trust fund	$	380
Other liabilities		1,076,414
Total liabilities	$	1,076,794

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.

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 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 $100,857 and a market value of $107,999.

   The Telfair County Board of Health certificate of deposits balance at 6/30/2019 was $612,124.

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, 2019, 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, 2019.

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. Long-Term Obligations - In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds and is recorded as an adjustment to interest expense. Bonds payable are reported net of the applicable bond premium or discount. In accordance with GASB Codification Section I30: Interest Costs – Imputation, bond issuance costs are expensed in the period incurred except for prepaid insurance costs.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

8. Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position, and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

9. 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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

10. 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

- **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.

11. 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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

12. 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.

13. 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.

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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I. Subsequent events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, May 12, 2020. See Note IV. F. No subsequent events occurring after this date have been evaluated for inclusion in these consolidated financial statements.

J. *Recently Issued and Implemented Accounting Pronouncements*

In June 2018, the GASB issued Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

In August 2018, the GASB issued Statement No. 90, Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

In May 2019, the GASB issued Statement No. 91, Conduit Debt Obligations. The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

The County is evaluating the requirements of the above statements and the impact on reporting.

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 Error! No document variable supplied., expenditures exceeded appropriations in the following functions:

Fund	Department	Expenditures Over Budget
General	General government:	
	General government	$ 2,344
	Elections	8,135
	General administration	65,193
	Tax Commisioner	28,866
	Tax Assessor	12,620
	General government buildings and plant	14,232
	Judicial:	
	Clerk of court	17,190
	Magistrate court	5,403
	Probate court	11,956
	Public safety:	
	Law enforcement administration	143,554
	Jail operations	45,888
	Emergency medical services	46,222
	Enhanced 911	6,181
	Public works -	
	Highways and streets	97,714
	Housing and development:	
	Agricultural resources	7,522
	Farmers market	480
	Capital outlay -	
	Highways and streets	177,505

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Deposits and Investments

A summary of the County's deposits and investments at Error! No document variable supplied. follows:

Account Balances	
Petty cash	$ 1,073
Demand deposits	10,287,924
Certificates of deposit	647,792
Investments	100,857
Total reporting entity	$ 11,037,646

Ownership of Funds	
Primary Government -	
Governmental funds:	
Cash and cash equivalents	$ 7,478,673
Proprietary fund -	
Cash	298,499
Total primary government	$ 7,777,172
Component Units:	
Cash and cash equivalents	$ 3,159,617
Investments	100,857
Total component units	3,260,474
Total reporting entity	$ 11,037,646

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 Error! No document variable supplied. are as follows:

	Receivable	Allowance	Net
Governmental activities:			
Property taxes	$ 916,299	$ (54,452)	$ 861,847
Special purpose local option sales tax	91,959	-	91,959
Transportation SPLOST	22,509	-	22,509
Local option sales taxes	34,484	-	34,484
Customers	425,609	(210,000)	215,609
Business-type activities			
Customers	291,458	(86,000)	205,458
Total	$ 1,782,318	$ (350,452)	$ 1,431,866

Property taxes for 2018-2019 were levied September 11, 2018 and due December 20, 2018 on property valued as of January 1, 2018. The tax rate to finance general governmental services for the fiscal year ended June 30, 2019 was $16.526 per $1,000 of assessed taxable property value for the unincorporated areas of Telfair County, and $16.526 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, 2019 follows:

	Payable to:	
Payable from -	Landfill	Total
General fund	$ 408,421	$ 408,421

D. Transfers

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, 2018	Additions	Retirements or Transfers	Balance June 30, 2019
Governmental activities:				
Capital assets, not being depreciated -				
Land	$ 304,511	$ -	$ -	$ 304,511
Construction in progress	955,688	825,857	(294,062)	1,487,483
Total not being depreciated	1,260,199	825,857	(294,062)	1,791,994
Capital assets, being depreciated:				
Equipment	3,901,623	158,626	(36,759)	4,023,490
Buildings and improvements	8,940,889	1,500,045	294,062	10,734,996
Intangible lease asset - equipment	763,324	177,505	(250,764)	690,065
Total being depreciated	13,605,836	1,836,176	6,539	15,448,551
Less accumulated depreciation for:				
Equipment	2,734,948	294,681	(21,443)	3,008,186
Buildings and improvements	2,148,467	442,216	-	2,590,683
Intangible lease asset - equipment	537,153	118,554	(250,764)	404,943
Total accumulated depreciation	5,420,568	855,451	(272,207)	6,003,812
Total being depreciated, net	8,185,268	980,725	278,746	9,444,739
Governmental activities capital assets, net	$ 9,445,467	$ 1,806,582	$ (15,316)	$ 11,236,733

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

	Balance June 30, 2018	Additions	Retirements or Transfers	Balance June 30, 2019
Business-type activities:				
Capital assets, not being depreciated -				
Land	$ 707,670	$ -	$ -	$ 707,670
Construction in progress	1,450,462	349,663	-	1,800,125
Total not being depreciated	2,158,132	349,663	-	2,507,795
Capital assets, being depreciated:				
Equipment	4,624,209	30,995	-	4,655,204
Buildings and improvements	40,257	-	-	40,257
Intangible asset - leased equipment	706,447	-	-	706,447
Total being depreciated	5,370,913	30,995	-	5,401,908
Less accumulated depreciation for:				
Equipment	2,376,369	161,705	-	2,538,074
Buildings and improvements	23,522	1,007	-	24,529
Intangible asset - leased equipment	203,636	141,290	-	344,926
Total accumulated depreciation	2,603,527	304,002	-	2,907,529
Total being depreciated, net	2,767,386	(273,007)	-	2,494,379
Business-type activities capital assets, net	$ 4,925,518	$ 76,656	$ -	$ 5,002,174

Depreciation expense was charged to functions / programs as follows:

Governmental activities:	
General government	$ 70,252
Public safety	186,456
Public works	553,182
Health and welfare	11,805
Culture and recreation	33,756
Total depreciation expense - governmental activities	$ 855,451
Business-type activities -	
Landfill	$ 304,002
Total depreciation expense - business-type activities	$ 304,002

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

Component Units:

	Balance June 30, 2018	Additions	Retirements or Transfers	Balance June 30, 2019
Capital assets, not being depreciated -				
Land	$ 134,368	$ -	$ -	$ 134,368
Total not being depreciated	134,368	-	-	134,368
Capital assets, being depreciated:				
Equipment	79,048	18,698	-	97,746
Buildings and improvements	1,101,936	19,500	-	1,121,436
Total being depreciated	1,180,984	38,198	-	1,219,182
Less accumulated depreciation for:				
Equipment	20,480	12,300	-	32,780
Buildings and improvements	276,818	32,868	-	309,686
Infrastructure	-	-	-	-
Total accumulated depreciation	297,298	45,168	-	342,466
Total being depreciated, net	883,686	(6,970)	-	876,716
Governmental activities capital assets, net	$ 1,018,054	$ (6,970)	$ -	$ 1,011,084

Depreciation expense was charged to functions / programs as follows:

Component units:	
Telfair County Department of Leisure Services	$ 2,729
Telfair County Hospital Authority	23,720
Development Authority of Telfair County	17,741
Telfair County Board of Health	978
Total depreciation expense - component units	$ 45,168

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, 2019

	Beginning Balance	Additions	Payments/ Retirements	Ending Balance	Current Portion	Long-term Portion
Primary Government:						
Governmental activities:						
Leases payable	$ 440,752	$ 177,505	$ (90,933)	$ 527,324	$ 261,171	$ 266,153
Note payable	40,590	-	(9,025)	31,565	9,735	21,830
Governmental activity - long-term liabilities	$ 481,342	$ 177,505	$ (99,958)	$ 558,889	$ 270,906	$ 287,983
Business-type activities -						
Leases payable	$ 528,142	$ -	$ (103,299)	$ 424,843	$ 183,499	$ 241,344
Note payable	1,633,909	365,744	(140,356)	1,859,297	144,005	1,715,292
Closure/post closure	1,977,028	361,783	-	2,338,811	-	2,338,811
Business-type activity - long-term liabilities	$ 4,139,079	$ 727,527	$ (243,655)	$4,622,951	$ 327,504	$ 4,295,447

Leases Payable

During fiscal year 2013 the County entered into a 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%. During 2019 this lease terminated and the leased asset was disposed of.

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

During fiscal year 2015 the County entered into a 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, 2019 the net book value of this leased equipment was $51,977. This year, $23,989 was included in depreciation expense. The annual requirements to amortize the remaining balance of $152,723 as of June 30, 2019, including interest payments of $3,742 are as follows:

Year Ending June 30	Principal	Interest	Total
2020	$ 152,723	$ 3,742	$ 156,465
Total	$ 152,723	$ 3,742	$ 156,465

During fiscal year 2015 the County entered into a 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, 2019 the net book value of this leased equipment was $35,964. This year, $17,263 was included in depreciation expense. The annual requirements to amortize the remaining balance of $56,228 as of June 30, 2019, including interest payments of $1,424 are as follows:

Year Ending June 30	Principal	Interest	Total
2020	$ 56,228	$ 1,424	$ 57,652
Total	$ 56,228	$ 1,424	$ 57,652

During fiscal year 2016 the County entered into a 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, 2019 the net book value of this leased equipment was $52,219. This year, $44,760 was included in depreciation expense. The annual requirements to amortize the remaining balance of $140,867 as of June 30, 2019, including interest payments of $5,811 are as follows:

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

Year Ending June 30	Principal	Interest	Total
2020	$ 29,099	$ 3,240	$ 32,339
2021	111,768	2,571	114,339
Total	$ 140,867	$ 5,811	$ 146,678

During fiscal year 2019 the County entered into a lease agreement with Caterpillar Financial Services for the purchase of a Caterpillar 12M3 Motorgrader for use by the highways and streets department with an original amount of $177,505. The agreement calls for annual payments of $48,828 beginning in December of 2019 and ending in December of 2023 at an interest rate of 10.117%. As of June 30, 2019 the net book value of this leased equipment was $144,962. This year, $32,543 was included in depreciation expense. The annual requirements to amortize the remaining balance of $177,505 as of June 30, 2019, including interest payments of $66,633 are as follows:

Year Ending June 30	Principal	Interest	Total
2020	$ 23,121	$ 25,707	$ 48,828
2021	33,208	15,620	48,828
2022	36,568	12,260	48,828
2023	40,267	8,560	48,827
2024	44,341	4,486	48,827
Total	$ 177,505	$ 66,633	$ 244,138

Note Payable

During fiscal year 2018 the County entered into a finance purchase 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%. The annual requirements to amortize the remaining balance of $31,566 as of June 30, 2019, including interest payments of $3,836 are as follows:

Year Ending June 30	Principal	Interest	Total
2020	$ 9,735	$ 2,065	$ 11,800
2021	10,502	1,299	11,801
2022	11,329	472	11,801
Total	$ 31,566	$ 3,836	$ 35,402

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

Leases Payable

During fiscal year 2017 the County entered into a 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, 2019 the net book value of this leased equipment was $263,548. This year, $87,849 was included in depreciation expense. The annual requirements to amortize the remaining balance of $308,992 as of June 30, 2019, including interest payments of $16,147 are as follows:

Year Ending June 30	Principal	Interest	Total
2020	$ 67,648	$ 7,064	$ 74,712
2021	69,387	5,326	74,713
2022	71,170	3,543	74,713
2023	100,787	214	101,001
Total	$ 308,992	$ 16,147	$ 325,139

During fiscal year 2016 the County entered into a 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 2018 at an interest rate of 4.10%. As of June 30, 2019 the net book value of this leased equipment was $97,973. This year, $53,440 was included in depreciation expense. The annual requirements to amortize the remaining balance of $115,851 as of June 30, 2019, including interest payments of $3,840 are as follows:

Year Ending June 30	Principal	Interest	Total
2020	$ 115,851	$ 3,840	$ 119,691
Total	$ 115,851	$ 3,840	$ 119,691

Notes Payable

During fiscal year 2017 the County entered into a finance purchase 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%. The annual requirements to amortize the remaining balance of $443,346 as of June 30, 2019, including interest payments of $23,250 are as follows:

III. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

Year Ending June 30	Principal	Interest	Total
2020	$ 144,005	$ 11,527	$ 155,532
2021	147,749	7,783	155,532
2022	151,592	3,940	155,532
Total	$ 443,346	$ 23,250	$ 466,596

During fiscal year 2019, 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 2019 the County borrowed a total of $1,415,951 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, 2019

	Beginning Balance	Additions	Payments/ Retirements	Ending Balance	Current Portion	Long-term Portion
Component Units:						
Development Authority of Telfair County:						
One Georgia loan	$ 218,750	$ -	$ (25,000)	$ 193,750	$ 25,000	$ 168,750
Total component units long-term liabilities	$ 218,750	$ -	$ (25,000)	$ 193,750	$ 25,000	$ 168,750

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
2020	$ 25,000	$ -	$ 25,000
2021	25,000	-	25,000
2022	25,000	-	25,000
2023	25,000	-	25,000
2024	25,000	-	25,000
2025-2027	68,750	-	68,750
	$ 193,750	$ -	$ 193,750

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	$ 206,660

- ***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.	$ 4,817,246
Transportation Special Purpose Local Option Sales Tax (T-SPLOST)	
used to account for capital projects financed with T-SPLOST.	831,756
LMIG Program	
used to account for road projects financed with LMIG funds.	241,824

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.	85,804
Sheriff Commissary -	
used to account for the activities of the inmate canteen	4,661
Expendable Trust Fund -	
used to account for the operations of the County law library.	62,576
	$ 6,043,867

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, 2019 are as follows:

	Governmental Activities	Business-Type Activities
Net investment in capital assets		
Cost of capital assets	$ 17,240,545	$ 7,909,703
Less accumulated depreciation	(6,003,812)	(2,907,529)
Book value	11,236,733	5,002,174
Less capital related debt	(558,889)	(2,284,140)
Net investment in capital assets	$ 10,677,844	$ 2,718,034

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 $3,020,900. 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 75% of the landfill capacity and the landfill has an estimated remaining life of 4.97 years.

C. Joint Venture

Telfair County, in conjunction with cities and counties in the sixteen (16) county Heart of Georgia area are members of the Heart of Georgia Altamaha Regional Commission (RC). Membership in an RC is automatic for each municipality and county in the state. The official Code of Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the RCs. Each county and municipality in the state is required by law to pay minimum annual dues to the RC. The county paid annual dues in the amount of $6,043 to the RC for the year ended June 30, 2019. 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, 2019, the County received $15,091 in hotel/motel tax. The County distributed $6,036 to the Telfair County Chamber of Commerce for the promotion of tourism and retained $9,055 for general government purposes. The expended amounts total 100% of the amount received by the County.

For the year ended June 30, 2019, the County has complied with the expenditure requirements of code section 48-13-51.

E. 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.

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, 2019

Active plan participants	39
Retirees and beneficiaries currently receiving benefits	49
Active or terminated plan participants entitled to, but not yet receiving benefits	38
Total	126

IV. OTHER INFORMATION

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 $159,370 for the year ended June 30, 2019.

Net Pension Liability

The County's net pension liability was measured as of December 31, 2018, 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, 2019 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 1.0%
30-39	3.0% rate plus 0.5%
40-49	3.0% rate less 0.5%
50+	3.0% rate less 1.0%
Investment rate of return:	7.00% per year
Mortality rates:	RP-2000, projected with Scale AA

IV. OTHER INFORMATION

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%

Discount rate: The discount rate used to measure the total pension liability was 7.00 %. 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%

IV. OTHER INFORMATION

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at December 31, 2017	$ 2,813,476	$ 2,285,830	$ 527,646
Changes for the year:			
Service cost	$ 40,374	$ -	$ 40,374
Interest	197,658	-	197,658
Differences between expected and actual experience	91,105	-	91,105
Assumption change	75,490	-	75,490
Contributions - employer	-	111,125	(111,125)
Net investment income	-	(101,954)	101,954
Benefit payments	(174,337)	(174,337)	-
Administrative expense	-	(10,075)	10,075
Other	-	(10,068)	10,068
Net changes	$ 230,290	$ (185,309)	$ 415,599
Balances at December 31, 2018	$ 3,043,766	$ 2,100,521	$ 943,245

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 7.00%, 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 (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Total pension liability	$ 3,346,690	$ 3,043,766	$ 2,786,697
Fiduciary net position	2,100,521	2,100,521	2,100,521
Net pension liability	$ 1,246,169	$ 943,245	$ 686,176

Pension plan fiduciary net position

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

IV. OTHER INFORMATION

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

For the year ended June 30, 2019, the County recognized pension expense of $242,241. At June 30, 2019, 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	$ 252,352	$ (100,627)
Liability (Gain)/Loss	53,145	(893)
Changes of assumptions	45,052	-
Employer contributions subsequent to the measurement date	159,370	-
Total	$ 509,919	$ (101,520)

The County's contributions subsequent to the measurement date of $159,370 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, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2019	$ (121,888)
2020	(51,820)
2021	(20,890)
2022	(54,431)
2023	-
Thereafter	-

F. Subsequent Events

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the County. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

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

	Fiscal Year End									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Total pension liability										
Service cost	$ 40,374	$ 43,782	$ 39,615	$ 35,838	$ 30,411					
Interest	197,658	192,421	186,836	174,410	175,522					
Differences between expected and actual experience	91,105	(4,463)	29,984	34,367	-					
Changes of assumptions	75,490	5,084	62,819	73,656	-					
Changes of benefit terms	-	-	-	-	-					
Benefit payments, including refunds of employee contributions	(174,337)	(154,852)	(157,785)	(147,406)	(147,056)					
Net change in total pension liability	230,290	81,972	161,469	170,865	58,877	-	-	-	-	-
Total pension liability - beginning	2,813,476	2,731,504	2,570,035	2,399,170	2,340,293					
Total pension liability - ending (a)	$ 3,043,766	$ 2,813,476	$ 2,731,504	$ 2,570,035	$ 2,399,170	$ -	$ -	$ -	$ -	$ -
Plan fiduciary net position										
Contributions - employer	$ 111,125	$ 131,483	$ 136,495	$ 127,232	$ 115,554					
Contributions - employee	-	-	-	-	-					
Net investment income	(101,954)	320,007	133,649	15,428	140,261					
Benefit payments, including refunds of employee contributions	(174,337)	(154,852)	(157,785)	(147,406)	(141,741)					
Administrative expense	(10,075)	(7,650)	(10,479)	(6,748)	(5,903)					
Other	(10,068)	(37,425)	(22,227)	(27,122)	(42,347)					
Net change in fiduciary net position	(185,309)	251,563	79,653	(38,616)	65,824	-	-	-	-	-
Plan fiduciary net position - beginning	2,285,830	2,034,267	1,954,614	1,993,230	1,927,406					
Plan fiduciary net position - ending (b)	$ 2,100,521	$ 2,285,830	$ 2,034,267	$ 1,954,614	$ 1,993,230	$ -	$ -	$ -	$ -	$ -
Net pension liability - ending: (a)-(b)	$ 943,245	$ 527,646	$ 697,237	$ 615,421	$ 405,940	$ -	$ -	$ -	$ -	$ -
Plan's fiduciary net position as a percentage of the total pension liability	69.01%	81.25%	74.47%	76.05%	83.08%					
Covered-employee payroll	$ 1,113,907	$ 1,007,717	$ 881,125	$ 811,582	$ 709,626					
Net pension liability as a percentage of covered-employee payroll	84.68%	52.36%	79.13%	75.83%	57.20%					

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

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

(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									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	$ 104,146	$ 131,483	$ 136,495	$ 127,232	$ 115,554	$ 131,152				
Contributions in relation to the actuarially determined contribution	$ 111,125	$ 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)	(6,979)	-	-	-	-	-				
Covered-employee payroll	$ 1,113,907	$ 1,007,717	$ 881,125	$ 811,582	$ 709,626	756,495				
Contributions as a percentage of covered-employee payroll	9.98%	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, 2019

	Budgeted Amounts			Variance with Final Budget - Over
	Original	Final	Actual	(Under)
REVENUES				
Taxes	$ 5,537,000	$ 5,537,000	$ 5,808,375	$ 271,375
Charges for services and fines	921,500	921,500	986,440	64,940
Other	374,000	374,000	344,859	(29,141)
Total revenues	6,832,500	6,832,500	7,139,674	307,174
EXPENDITURES				
Current:				
General government:				
General government	147,558	147,558	149,902	2,344
Elections	121,185	121,185	129,320	8,135
General adminstration	540,788	540,788	605,981	65,193
Tax Commisioner	300,000	300,000	328,866	28,866
Tax Assessor	260,000	260,000	272,620	12,620
General government buildings and plant	38,200	38,200	52,432	14,232
Judicial:				
Superior court	193,496	193,496	187,580	(5,916)
Clerk of court	216,000	216,000	233,190	17,190
Board of equalization	1,677	1,677	1,722	45
Magistrate court	130,805	130,805	136,208	5,403
Probate court	155,106	155,106	167,062	11,956
Public safety:				
Law enforcement administration	871,000	871,000	1,014,554	143,554
Jail operations	842,300	842,300	888,188	45,888
Fire administration	30,418	30,418	26,835	(3,583)
Emergency medical services	917,642	917,642	963,864	46,222
Emergency Management Agency	18,750	18,750	17,186	(1,564)
Coroner / medical examiner	29,500	29,500	27,242	(2,258)
Enhanced 911	230,000	230,000	236,181	6,181
Public works:				
Highways and streets	560,450	560,450	658,164	97,714
Health and welfare:				
Public health administration	95,010	95,010	95,010	-
Health department building	50,000	50,000	45,844	(4,156)
Intergovernment - Welfare	4,000	4,000	2,966	(1,034)
Senior citizens center	161,484	161,484	149,001	(12,483)

TELFAIR COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			Variance with Final Budget - Over
	Original	Final	Actual	(Under)
EXPENDITURES (Continued)				
Current:				
Community services	163,600	163,600	86,231	(77,369)
Transportation services	121,550	121,550	118,193	(3,357)
Culture and recreation:				
Culture and recreation administration	157,500	157,500	157,500	-
Library administration	60,400	60,400	60,400	-
Housing and development:				
Conservation administration	34,321	34,321	22,178	(12,143)
Agricultural resources	77,843	77,843	85,365	7,522
Forest resources	38,250	38,250	37,091	(1,159)
Economic development	59,500	59,500	54,679	(4,821)
Airport	42,200	42,200	15,056	(27,144)
Farmers Market	13,300	13,300	13,780	480
Debt service:				
Principal	30,624	30,624	9,025	(21,599)
Interest	11,650	11,650	10,613	(1,037)
Capital outlay :				
Law enforcement administration	61,393	61,393	60,251	(1,142)
Emergency medical services	45,000	45,000	22,995	(22,005)
Highways and streets	-	-	177,505	177,505
Total expenditures	6,832,500	6,832,500	7,320,780	488,280
OTHER FINANCING SOURCES (USES)				
Capital lease proceeds	-	-	177,505	177,505
Transfers in (out)	-	-	-	-
Total other financing sources	-	-	177,505	177,505
Net change in fund balance	$ -	$ -	(3,601)	$ (3,601)
Fund balance, beginning			1,104,992	
Fund balance, ending			$ 1,101,391	

TELFAIR COUNTY, GEORGIA
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL - DEPARTMENT OF TRANSPORTATION - SECTION 18
FOR THE YEAR ENDED JUNE 30, 2019

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Over (Under)
REVENUES			
Georgia Department of Transportation	$ 75,000	$ 9,847	$ (65,153)
Fares and other	17,500	29,449	11,949
Total revenues	92,500	39,296	(53,204)
EXPENDITURES			
Current:			
Heart of Georgia CAC Administration	120,000	113,640	(6,360)
Repairs and maintenance	1,500	4,163	2,663
Communication services	-	377	377
General supplies and materials	50	13	(37)
Total expenditures	121,550	118,193	(3,357)
Excess of revenues over/(under) expenditure	$ (29,050)	$ (78,897)	$ (49,847)

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, 2019

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget - Over (Under)
REVENUES			
Council on Aging - receipts	$ 85,000	$ 97,498	$ 12,498
Total revenues	85,000	97,498	12,498
EXPENDITURES			
Current:			
Salaries	50,000	46,786	(3,214)
Employee benefits	39,014	22,579	(16,435)
Repairs and maintenance	3,000	2,531	(469)
Communications	2,120	2,230	110
Travel	250	78	(172)
Advertising	-	586	586
Small equipment	1,600	130	(1,470)
Other purchased services	55,000	63,435	8,435
Supplies and materials	2,200	2,238	38
Utilities	8,300	8,408	108
Total expenditures	161,484	149,001	(12,483)
Excess of revenues over/(under) expenditure	$ (76,484)	$ (51,503)	$ 24,981

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

- Due to the significant surplus in the Pre-Retirement Death Pool, the 2018 expense for the pre-retirement death benefit has been reduced to zero.
- The mortality improvements for the RP-2000 mortality table is projected to 2018 instead of 2017 with Scale AA.
- The investment return assumption was decreased from 7.25% to 7.00%.
- The turnover table was changed to the Vaughn Select and Ultimate Table through age 54.
- The disability table was changed from the 1977 Social Security Table to the 1985 CIDA Table Class 1 through age 59.
- The salary increase assumption was revised as follows:
- The adjustment to the base rate was reduced from 1.5% to 1.0% for participants under age 30 and from 1.0% to 0.5% for participants from ages 30 - 39.
- The base salary scale remained at 3.0%.

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

The actuarially determined contribution rate was determined as of December 31, 2018, 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, 2019.

Actuarial cost method	Entry age normal
Amortization method	Level dollar, open
Remaining amortization period	Remaining amortization period varies for the bases, with a net effective amortization period of 10 years
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	7.00%
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, 2019

	Special Revenue				Capital Projects	Total Nonmajor
	Multipurpose Grant	Sheriff Commissary	Expendable Trust Fund	Hotel/Motel Tax	TSPLOST	Governmental Funds
ASSETS						
Cash and cash equivalents	$ 87,261	$ 13,597	$ 62,196	$ -	$ 814,618	$ 977,672
Taxes receivable, net	-	-	-	-	22,509	22,509
Other receivables, net	-	-	380	-	-	380
Total assets	$ 87,261	$ 13,597	$ 62,576	$ -	$ 837,127	$ 1,000,561
LIABILITIES						
Accounts payable	$ 1,457	$ 8,936	$ -	$ -	$ 5,371	$ 15,764
FUND BALANCES						
Restricted	85,804	4,661	62,576	-	831,756	984,797
Total fund balances	85,804	4,661	62,576	-	831,756	984,797
Total liabilities and fund balances	$ 87,261	$ 13,597	$ 62,576	$ -	$ 837,127	$ 1,000,561

TELFAIR COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Special Revenue				Capital Projects	Total Nonmajor Governmental Funds
	Multipurpose Grant	Sheriff Commissary	Expendable Trust Fund	Hotel/Motel Tax	TSPLOST	
REVENUES						
Charges for services	$ -	$ 84,359	$ -	$ -	$ -	$ 84,359
Intergovernmental	40,500	-	-	-	-	40,500
Other taxes	-	-	-	15,091	451,105	466,196
Investment earnings	136	-	277	-	-	413
Miscellaneous	-	-	7,274	-	-	7,274
Total revenues	40,636	84,359	7,551	15,091	451,105	598,742
EXPENDITURES						
Current:						
General government	-	83,446	-	9,055	-	92,501
Judicial	-	-	8,925	-	-	8,925
Public works	-	-	-	-	67,520	67,520
Health and welfare	2,072	-	-	-	-	2,072
Housing and development	-	-	-	6,036	-	6,036
Debt service:						
Principal	-	-	-	-	90,933	90,933
Interest	-	-	-	-	10,542	10,542
Capital outlay:						
Public works	-	-	-	-	494,525	494,525
Total expenditures	2,072	83,446	8,925	15,091	663,520	773,054
OTHER FINANCING SOURCES						
Transfers in	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-
Net change in fund balances	38,564	913	(1,374)	-	(212,415)	(174,312)
Fund balances, beginning	47,240	3,748	63,950	-	1,044,171	1,159,109
Fund balances, ending	$ 85,804	$ 4,661	$ 62,576	$ -	$ 831,756	$ 984,797

TELFAIR COUNTY, GEORGIA
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2019

	Agency Funds					
	Clerk of Superior Court	Sheriff	Judge of Probate Court	Tax Commissioner	Magistrate Court	Total Fiduciary Funds
ASSETS						
Cash	$ 81,020	$ 69,861	$ 4,125	$ 94,810	$ 11,100	$ 260,916
Taxes receivable (net allowance for uncollectible accounts)	-	-	-	815,878	-	815,878
Total assets	$ 81,020	$ 69,861	$ 4,125	$ 910,688	$ 11,100	$ 1,076,794
LIABILITIES						
Due to expendable trust fund	$ 90	$ -	$ 175	$ -	$ 115	$ 380
Other liabilities	80,930	69,861	3,950	910,688	10,985	1,076,414
Total liabilities	$ 81,020	$ 69,861	$ 4,125	$ 910,688	$ 11,100	$ 1,076,794

TELFAIR COUNTY, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
Clerk of Superior Court:				
ASSETS				
Restricted assets -				
Cash	$ 92,116	$ 130,626	$ (141,722)	$ 81,020
Total assets	$ 92,116	$ 130,626	$ (141,722)	$ 81,020
LIABILITIES				
Payable from resticted assets:				
Due to expendable trust fund	$ 85	$ 1,304	$ (1,299)	$ 90
Other liabilities	92,031	129,322	(140,423)	80,930
Total liabilities	$ 92,116	$ 130,626	$ (141,722)	$ 81,020
Sheriff:				
ASSETS				
Restricted assets -				
Cash	$ 105,305	$ 37,218	$ (72,662)	$ 69,861
Total assets	$ 105,305	$ 37,218	$ (72,662)	$ 69,861
LIABILITIES				
Payable from resticted assets -				
Other liabilities	$ 105,305	$ 37,218	$ (72,662)	$ 69,861
Total liabilities	$ 105,305	$ 37,218	$ (72,662)	$ 69,861
Judge of Probate Court:				
ASSETS				
Restricted assets -				
Cash	$ 9,039	$ 61,099	$ (66,013)	$ 4,125
Total assets	$ 9,039	$ 61,099	$ (66,013)	$ 4,125
LIABILITIES				
Payable from resticted assets:				
Due to expendable trust fund	$ 215	$ 3,175	$ (3,215)	$ 175
Other liabilities	8,824	57,924	(62,798)	3,950
Total liabilities	$ 9,039	$ 61,099	$ (66,013)	$ 4,125

TELFAIR COUNTY, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
Tax Commissioner:				
ASSETS				
Restricted assets -				
Cash	$ 102,706	$ 5,282,575	$ (5,290,471)	$ 94,810
Taxes receivable, net	759,690	3,866,858	(3,810,670)	815,878
Total assets	$ 862,396	$ 9,149,433	$ (9,101,141)	$ 910,688
LIABILITIES				
Payable from resticted assets -				
Other liabilities	$ 862,396	$ 5,282,575	$ (5,234,283)	$ 910,688
Total liabilities	$ 862,396	$ 5,282,575	$ (5,234,283)	$ 910,688
Magistrate Court:				
ASSETS				
Restricted assets -				
Cash	$ 8,763	$ 139,723	$ (137,386)	$ 11,100
Total assets	$ 8,763	$ 139,723	$ (137,386)	$ 11,100
LIABILITIES				
Payable from resticted assets:				
Due to expendable trust fund	$ 170	$ 2,650	$ (2,705)	$ 115
Other liabilities	8,593	137,074	(134,682)	10,985
Total liabilities	$ 8,763	$ 139,724	$ (137,387)	$ 11,100

TELFAIR COUNTY, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2019

	Leisure Services	Hospital Authority	Development Authority	County Board of Health	Total
ASSETS					
Cash and cash equivalents	$ 23,357	$ 1,261,966	$ 936,981	$ 937,313	$ 3,159,617
Investments	-	100,857	-	-	100,857
Other receivables, net	-	-	-	45,819	45,819
Capital assets:					
Nondepreciable	-	15,000	119,368	-	134,368
Depreciable, net	14,731	407,311	451,700	2,974	876,716
Total assets	38,088	1,785,134	1,508,049	986,106	4,317,377
DEFERRED OUTFLOWS OF RESOURCES	-	-	-	171,290	171,290
LIABILITIES					
Accounts payable	16,162	-	-	-	16,162
Other liabilities	2,698	-	-	61,119	63,817
Noncurrent liabilities:					
Due within one year -					
Notes payable	-	-	25,000	-	25,000
Due in more than one year -					
Notes payable	-	-	168,750	-	168,750
Proportionate share of collective net pension liability	-	-	-	378,462	378,462
Proportionate share of collective net OPEB liability	-	-	-	174,647	174,647
Total liabilities	18,860	-	193,750	614,228	826,838
DEFERRED INFLOWS OF RESOURCES	-	-	-	109,971	109,971
NET POSITION					
Net investment in capital assets	14,731	422,311	377,318	2,974	817,334
Restricted	-	-	-	61,830	61,830
Unrestricted	4,497	1,362,823	936,981	368,393	2,672,694
Total net position	$ 19,228	$ 1,785,134	$ 1,314,299	$ 433,197	$ 3,551,858

TELFAIR COUNTY, GEORGIA
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2019

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	$ 208,003	$ 18,194	$ 202,620	$ -	$ 12,811	$ -	$ -	$ -	$ 12,811
Hospital Authority	36,663	31,200	-	-	-	(5,463)	-	-	(5,463)
Development Authority	57,274	86,250	54,679	-	-	-	83,655	-	83,655
County Board of Health	628,466	256,523	342,594	-	-	-	-	(29,349)	(29,349)
Total component units	$ 930,406	$ 392,167	$ 599,893	$ -	12,811	(5,463)	83,655	(29,349)	61,654
General revenues:									
Investment earnings					-	21,706	1,088	-	22,794
Miscellaneous					-	16,927	5,700	81,218	103,845
Total general revenues					-	38,633	6,788	81,218	126,639
Change in net position					12,811	33,170	90,443	51,869	188,293
Net position - beginning					6,417	1,751,964	1,223,856	381,328	3,363,565
Net position - ending					$ 19,228	$ 1,785,134	$ 1,314,299	$ 433,197	$ 3,551,858

TELFAIR COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2019

Project Description Per SPLOST Referendum	Original Estimated Cost	Amended Estimated Cost	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
2009 - SPLOST						
Jail (Level 1)	$ 2,000,000	$ 2,000,000	$ 748,602	$ 542,275	$ 1,290,877	64.54%
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	$ 4,445,963	$ 542,275	$ 4,988,238	
2014 - SPLOST						
Jail (Level 1)	$ 2,000,000	$ 2,000,000	$ -	$ -	$ -	0.00%
Roads and bridges	392,800	392,800	825,467	-	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	1,388,449	482,650	1,871,099	89.51%
City of Lumber City	322,000	322,000	213,874	74,346	288,220	89.51%
City of Milan	81,600	81,600	54,198	18,841	73,039	89.51%
City of Scotland	79,600	79,600	52,872	18,379	71,251	89.51%
City of Jacksonville	34,000	34,000	22,584	7,850	30,434	89.51%
Total	$ 6,000,000	$ 6,000,000	$ 2,661,273	$ 602,066	$ 3,263,339	
2019 - SPLOST						
Roads, bridges and equip	$ 900,000	$ 900,000	$ -	$ -	$ -	0.00%
Landfill, vehicles & equip	600,000	600,000	-	-	-	0.00%
County buildings	250,000	250,000	-	-	-	0.00%
Recreation bldgs & improv	300,000	300,000	-	-	-	0.00%
Healthcare facility and land	412,400	412,400	-			0.00%
Law enforcement center	1,000,000	1,000,000	-			0.00%
City of McRae Helena	3,000,000	3,000,000	-	74,813	74,813	2.49%
City of Lumber City	322,000	322,000	-	8,030	8,030	2.49%
City of Milan	100,000	100,000	-	2,494	2,494	2.49%
City of Scotland	79,600	79,600	-	1,985	1,985	2.49%
City of Jacksonville	36,000	36,000	-	898	898	2.49%
Total	$ 7,000,000	$ 7,000,000	$ -	$ 88,220	$ 88,220	

II. REPORTS REQUIRED BY GOVERNMENTAL AUDITING STANDARDS

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Telfair County, Georgia, as of and for the year ended June 30, 2019, 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 August 27, 2020. 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 [2019-001, 2019-002 and 2019-003].

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
August 27, 2020

TELFAIR COUNTY, GEORGIA
SCHEDULE OF FINANCIAL STATEMENT FINDINGS
YEAR ENDED JUNE 30, 2019

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

2019 – 001

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.

2019 – 002

Criteria:
Duties should be segregated between employees so that proper review procedures are in place.

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 proper review procedures. During the audit of the year ended June 30, 2019, we identified that the County’s policies and controls did not prevent a misstatement in the financial statements.

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 and proper review procedures.

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.

2019-003

Criteria:
Internal controls should be in place to ensure that cash balances are reported accurately

Condition:
Cash balances were not reported accurately at year-end.

Cause of Condition:
Cash balances reported at year-end did not agree with bank statements and bank reconciliations prepared by the County.

Effect of Condition:
Misstatements of cash balances at year-end were not detected in the reporting of the aforementioned items.

Response of Management:
Management concurs with the finding and is implementing new policies and procedures in the year-end reconciliation and closing processes to ensure that that cash is reported accurately in the future.

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