

TOOMBS COUNTY, GEORGIA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2014

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INDEPENDENT AUDITOR'S REPORT

**Board of Commissioners
of Toombs County, Georgia
Lyons, 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 **Toombs County, Georgia** (the "County"), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise Toombs County, Georgia's basic financial statements as listed in the table of contents.

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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Toombs County Board of Health, which represents 5%, 7%, and 51%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Toombs County Board of Health, is based solely on the report 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 presentation of the financial statements.

We believe that the audit evidence that 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 the 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 Toombs County, Georgia as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 10) and Schedule of Funding Progress on page 47 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Toombs County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements of Toombs County, Georgia. The accompanying schedule of expenditures of special purpose local option sales tax proceeds is presented for the purpose of additional analysis as required by the Official Code of Georgia Annotated 48-8-121, and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules and the schedule 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 May 4, 2015, on our consideration of Toombs County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Toombs County, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
May 4, 2015

TOOMBS COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2014

This section of Toombs County, Georgia's ("the County") annual financial report presents a narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2014.

Financial Highlights

- The assets of Toombs County exceeded its liabilities at December 31, 2014, by \$35,364,773 (net position). This represents an increase of \$2,979,193 or 9.2% from the prior year. Of this amount, \$13,428,002 is classified as unrestricted net position, which is an increase in unrestricted net position from the prior year of \$1,003,179.
- At December 31, 2014, the County's total governmental fund balances were \$19,031,464, an increase of \$2,968,673, or 18.5%, from the prior year. Of this amount, \$10,148,967 is unassigned and is reported in the General Fund. Unassigned fund balance increased \$2,486,443 or 32.4% from the prior year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Toombs County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of Toombs County's finances, in a manner similar to a private-sector business. All governmental and business-type activities are consolidated to arrive at a total for the Primary Government. There are two government-wide statements, the statement of net position and the statement of activities, which are described below.

The statement of net position presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. It is important to note that this statement consolidates the governmental funds' current financial resources (short-term) with capital assets and long-term liabilities.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

MANAGEMENT'S DISCUSSION AND ANALYSIS

The governmental activities of the County include general government, judicial, public safety, public works, health and welfare, recreation, and housing and development.

The government-wide financial statements include not only Toombs County itself (known as the primary government), but also the Toombs County Development Authority and the Toombs County Health Department. These are legally separate entities that are component units of the County due to the significance of their operational or financial relationships with the County. Financial information for these component units are reported separately from the financial information presented for the primary government itself.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Toombs County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Toombs County maintains governmental funds to account for the following activities: **General**; **Special Revenue** (Emergency Telephone, Revolving Loan, Jail, Law Library, Jail Commissary, and Multiple Grants); and **Capital Projects** (SPLOST and T-SPLOST).

Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General and SPLOST funds, which are considered major funds. Data from the other governmental funds are combined into a single, aggregated column. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. Toombs County adopts an annual appropriated budget for its general, special revenue and proprietary funds. A budgetary comparison statement has been provided for the General Fund within the basic financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Proprietary funds. Services for which the government charges customers a fee are generally reported in proprietary funds. The Landfill and Ambulance Funds are major enterprise funds and their business-like activities are reported with detail including cash flows.

Fiduciary funds. Agency funds are custodial in nature; the only required financial statements are the balance sheet and statement of fiduciary assets and liabilities. Fiduciary funds are not reflected in the government-wide financial statements.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the financial statements.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Assets exceed liabilities by \$35,364,773 at the close of the most recent fiscal year.

A large portion of the County's net position, 46.6%, reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Toombs County's Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 21,312,275	\$ 18,083,117	\$ 2,566,762	\$ 3,540,575	\$ 23,879,037	\$ 21,623,692
Capital assets	11,800,451	11,010,017	6,635,049	4,004,428	18,435,500	15,014,445
Total assets	<u>33,112,726</u>	<u>29,093,134</u>	<u>9,201,811</u>	<u>7,545,003</u>	<u>42,314,537</u>	<u>36,638,137</u>
Other liabilities	1,335,505	798,441	471,328	211,892	1,806,833	1,010,333
Long-term liabilities outstanding	66,442	130,148	5,076,489	3,112,076	5,142,931	3,242,224
Total liabilities	<u>1,401,947</u>	<u>928,589</u>	<u>5,547,817</u>	<u>3,323,968</u>	<u>6,949,764</u>	<u>4,252,557</u>
Net position:						
Net investment in capital assets	11,670,303	10,818,833	4,808,557	4,004,428	16,478,860	14,823,261
Restricted	5,457,911	5,137,496	-	-	5,457,911	5,137,496
Unrestricted	14,582,565	12,208,216	(1,154,563)	216,607	13,428,002	12,424,823
Total net position	<u>\$ 31,710,779</u>	<u>\$ 28,164,545</u>	<u>\$ 3,653,994</u>	<u>\$ 4,221,035</u>	<u>\$ 35,364,773</u>	<u>\$ 32,385,580</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

At the end of the current fiscal year, Toombs County is able to report positive balances in all categories of net position for the government as a whole.

Toombs County's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues						
Charges for services	\$ 1,708,592	\$ 1,854,388	\$ 3,212,304	\$ 3,001,620	\$ 4,920,896	\$ 4,856,008
Operating grants and contributions	1,113,858	572,516	-	-	1,113,858	572,516
Capital grants and contributions	491,905	434,647	-	-	491,905	434,647
General revenues:						
Property taxes	7,135,775	7,398,802	-	-	7,135,775	7,398,802
Sales taxes	7,217,065	6,948,151	-	-	7,217,065	6,948,151
Other taxes	739,869	696,314	-	-	739,869	696,314
Unrestricted investment earnings	24,817	23,787	1,507	1,502	26,324	25,289
Other revenues	11,010	-	-	-	11,010	-
Total revenues	<u>18,442,891</u>	<u>17,928,605</u>	<u>3,213,811</u>	<u>3,003,122</u>	<u>21,656,702</u>	<u>20,931,727</u>
Expenses:						
General government	6,027,780	5,471,462	-	-	6,027,780	5,471,462
Judicial	1,309,084	1,287,328	-	-	1,309,084	1,287,328
Public safety	4,063,359	3,114,765	-	-	4,063,359	3,114,765
Public works	2,603,869	3,086,167	-	-	2,603,869	3,086,167
Health and welfare	257,573	231,232	-	-	257,573	231,232
Culture and recreation	399,763	192,776	-	-	399,763	192,776
Housing and development	160,897	162,335	-	-	160,897	162,335
Interest on long-term debt	8,145	11,219	-	-	8,145	11,219
Ambulance	-	-	2,361,479	1,894,641	2,361,479	1,894,641
Landfill	-	-	1,485,560	1,550,792	1,485,560	1,550,792
Total expenses	<u>14,830,470</u>	<u>13,557,284</u>	<u>3,847,039</u>	<u>3,445,433</u>	<u>18,677,509</u>	<u>17,002,717</u>
Change in net position before transfers	3,612,421	4,371,321	(633,228)	(442,311)	2,979,193	3,929,010
Transfers	(66,187)	(494,872)	66,187	494,872	-	-
Change in net position	3,546,234	3,876,449	(567,041)	52,561	2,979,193	3,929,010
Net position, beginning of year	28,164,545	24,288,096	4,221,035	4,168,474	32,385,580	28,456,570
Net position, end of year	<u>\$ 31,710,779</u>	<u>\$ 28,164,545</u>	<u>\$ 3,653,994</u>	<u>\$ 4,221,035</u>	<u>\$ 35,364,773</u>	<u>\$ 32,385,580</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

The changes in net position between fiscal years 2014 and 2013 were affected by the following:

- Net change in total revenues is an increase of \$724,975 or 3.5%.
- Operating and capital grants and contributions revenue increased \$541,342 and \$57,258, respectively. This was primarily the result of the receipts of the Local Maintenance and Improvement grant and the Community Development Block grant.
- Property tax revenue decreased 3.6% as a result of the decrease in the County-Wide millage rate.
- Public safety expenditures increased \$948,562 or 30.5%, which resulted from increased capital spending during the current fiscal year.
- Public works expenditures decreased \$482,298 or 15.6% due to fluctuations in the amount and progress of road projects.

Business-type activities.

- The Toombs County Landfill Fund produced an operating loss of \$63,658 before interest, transfers and capital contributions. This loss was partially offset by \$23,675 in capital contributions, allowing for a total decrease in net position of \$53,609 for the current fiscal year.
- The Toombs County Ambulance Fund produced an operating loss of \$555,944 before interest, transfers and capital contributions. This loss was partially offset by \$42,512 in capital contributions, allowing for a total decrease in net position of \$513,432 during the current fiscal year.

Financial Analysis of the Government's Funds

Governmental funds. The focus of Toombs County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

General Fund

The General Fund is the chief operating fund of Toombs County. At the end of the current fiscal year, non-spendable fund balance was \$158,474 for prepaid items, assigned fund balance of the General Fund was \$3,249,997 for landfill post closure care costs and unassigned was \$10,148,967, while the total fund balance was \$13,557,438.

As a measure of the General Fund's liquidity, it may be useful to compare fund balance to total fund expenditures. Non-spendable fund balance represents 1.6% of total General Fund expenditures, assigned fund balance represents 33.1%, and unassigned fund balance represents 103.4%.

MANAGEMENT'S DISCUSSION AND ANALYSIS

SPLOST Fund

The SPLOST (special purpose local option sales tax) referendum passed on June 12, 2008. Proceeds of \$15,770,000 will fund multiple capital projects which began in 2009. At the end of the current fiscal year, SPLOST expenditures were \$4.4 million, revenues were \$4.8 million and the ending fund balance was \$3.6 million. Project spending for the SPLOST Fund is in its sixth year.

Proprietary funds. Toombs County's proprietary fund provides that same type of information found in the government-wide financial statements, but in more detail. The County's only proprietary funds are the Landfill and Ambulance Funds. At the end of the current fiscal year, unrestricted net position for the Landfill and Ambulance funds were \$(1,237,579) and \$83,016, respectively.

General Fund Budgetary Highlights

Over the course of the year, the Board of Commissioners revised the County budget on multiple occasions to avoid budget overruns.

Capital Asset and Debt Administration

Capital assets. Toombs County's investment in capital assets for its governmental activities as of December 31, 2014, amounts to \$11,800,451 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery and equipment, and infrastructure.

Toombs County's Capital Assets (net of accumulated depreciation)

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 406,988	\$ 406,988	\$ 1,420,174	\$ 409,042	\$ 1,827,162	\$ 816,030
Land (landfill)	-	-	3,117,124	1,238,472	3,117,124	1,238,472
Buildings	3,053,022	2,691,583	707,575	757,797	3,760,597	3,449,380
Improvements	586,855	615,567	-	-	586,855	615,567
Infrastructure	5,462,547	5,619,634	-	-	5,462,547	5,619,634
Furniture and fixtures	109,819	123,173	-	-	109,819	123,173
Machinery and equipment	2,181,220	1,553,072	1,390,176	1,599,117	3,571,396	3,152,189
Total	<u>\$ 11,800,451</u>	<u>\$ 11,010,017</u>	<u>\$ 6,635,049</u>	<u>\$ 4,004,428</u>	<u>\$ 18,435,500</u>	<u>\$ 15,014,445</u>

Additional information on the County's capital assets can be found in Note 6 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Long-term Debt. Toombs County's long-term debt for the year ended December 31, 2014, is summarized below.

Toombs County's Long-Term Debt

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Notes payable	\$ 130,148	\$ 191,184	\$ -	\$ -	\$ 130,148	\$ 191,184
Revenue bonds payable	-	-	1,826,492	-	1,826,492	-
Compensated absences	189,120	133,728	28,988	7,669	218,108	141,397
Landfill closure and postclosure costs	-	-	3,300,188	3,156,946	3,300,188	3,156,946
Total	<u>\$ 319,268</u>	<u>\$ 324,912</u>	<u>\$ 5,155,668</u>	<u>\$ 3,164,615</u>	<u>\$ 5,474,936</u>	<u>\$ 3,489,527</u>

The Note payable represents debt to the United States Department of Agriculture for equipment purchases and it matures in 2016.

The Revenue bonds payable represent debt to a financial institution for landfill expansion.

Engineering and post-closure costs associated with closure and post-closure care costs of Toombs County's landfills are estimated to be approximately \$3,300,188 and are recorded as a long-term liability of the Landfill Fund.

Additional information regarding the County's long-term debt can be found in Note 7 of this report.

Economic Factors and Next Year's Budgets

- The millage rate was reduced by 1/10 of a mill.
- Tax Digest decreased 1.77% or \$11.8 million.
- Local Option Sales Tax revenues were up 2% as compared to 2013.
- No new revenue sources.
- Cash Reserves have increased.

These items were taken into account when adopting the general fund budget for 2015.

Most budgeted expenditures are expected to remain constant. The County departments will be expected to use a conservative approach to budgeting.

Requests for Information

This Management Discussion and Analysis and the accompanying financial reports and notes are designed to provide our citizens, taxpayers and elected officials with a general overview and analysis of the County's financial and economic condition. The information contained herein includes analysis of current conditions and representations by the management of Toombs County and we are responsible for their content. It is our mission to ensure that the County be accountable for the revenues we receive from our citizens. If you have any questions or comments about this report, please contact our County Manager at P.O. Box 112, Lyons, GA 30436.

BASIC FINANCIAL STATEMENTS

TOOMBS COUNTY, GEORGIA

**STATEMENT OF NET POSITION
DECEMBER 31, 2014**

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Development Authority	Health Department
ASSETS					
Cash and cash equivalents	\$ 17,468,786	\$ 1,825,071	\$ 19,293,857	\$ 777,971	\$ 428,909
Restricted cash	-	503,010	503,010	-	-
Taxes receivable	1,606,045	-	1,606,045	412,938	-
Accounts receivable, net of allowances	64,143	523,217	587,360	568,379	-
Leases receivable	-	-	-	300,000	-
Due from other governments	770,796	15,500	786,296	-	26,236
Internal balances	300,036	(300,036)	-	-	-
Due from component unit	876,734	-	876,734	-	-
Prepaid items	158,474	-	158,474	945	-
Other current assets	-	-	-	12,500	-
Other noncurrent assets	67,261	-	67,261	275,000	-
Capital assets, non-depreciable	406,988	1,420,174	1,827,162	2,400,688	-
Capital assets, depreciable, net of accumulated depreciation	11,393,463	5,214,875	16,608,338	3,311,856	4,981
Total assets	<u>33,112,726</u>	<u>9,201,811</u>	<u>42,314,537</u>	<u>8,060,277</u>	<u>460,126</u>
LIABILITIES					
Accounts payable	617,653	320,590	938,243	-	-
Accrued liabilities	179,766	71,559	251,325	-	-
Unearned revenues	9,260	-	9,260	-	-
Due to other governments	276,000	-	276,000	-	-
Due to primary government	-	-	-	876,734	-
Borrowings under line of credit	-	-	-	400	-
Compensated absences due within one year	189,120	28,988	218,108	-	23,241
Compensated absences due in more than one year	-	-	-	-	23,242
Notes payable due in within one year	63,706	-	63,706	1,160,282	-
Notes payable due in more than one year	66,442	-	66,442	732,277	-
Bonds payable due in more than one year	-	1,826,492	1,826,492	-	-
Landfill closure and postclosure care due within one year	-	50,191	50,191	-	-
Landfill closure and postclosure care costs due in more than one year	-	3,249,997	3,249,997	-	-
Total liabilities	<u>1,401,947</u>	<u>5,547,817</u>	<u>6,949,764</u>	<u>2,769,693</u>	<u>46,483</u>
NET POSITION					
Net investment in capital assets	11,670,303	4,808,557	16,478,860	3,819,985	4,981
Restricted for:					
Judicial programs	24,057	-	24,057	-	-
Public safety	495,654	-	495,654	-	-
Economic development	876,734	-	876,734	-	-
Capital improvements	4,061,466	-	4,061,466	-	-
Prior year program income	-	-	-	-	205,347
Unrestricted	14,582,565	(1,154,563)	13,428,002	1,470,599	203,315
Total net position	<u>\$ 31,710,779</u>	<u>\$ 3,653,994</u>	<u>\$ 35,364,773</u>	<u>\$ 5,290,584</u>	<u>\$ 413,643</u>

The accompanying notes are an integral part of these financial statements.

TOOMBS COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Development	Health
								Authority	Department
Primary government:									
Governmental activities:									
General government	\$ 6,027,780	\$ 490,722	\$ 1,113,858	\$ 7,155	\$ (4,416,045)	\$ -	\$ (4,416,045)	\$ -	\$ -
Judicial	1,309,084	450,309	-	-	(858,775)	-	(858,775)	-	-
Public safety	4,063,359	767,561	-	-	(3,295,798)	-	(3,295,798)	-	-
Public works	2,603,869	-	-	-	(2,603,869)	-	(2,603,869)	-	-
Health and welfare	257,573	-	-	484,750	227,177	-	227,177	-	-
Culture and recreation	399,763	-	-	-	(399,763)	-	(399,763)	-	-
Housing and development	160,897	-	-	-	(160,897)	-	(160,897)	-	-
Interest on long-term debt	8,145	-	-	-	(8,145)	-	(8,145)	-	-
Total governmental activities	<u>14,830,470</u>	<u>1,708,592</u>	<u>1,113,858</u>	<u>491,905</u>	<u>(11,516,115)</u>	<u>-</u>	<u>(11,516,115)</u>	<u>-</u>	<u>-</u>
Business-type activities:									
Toombs County Landfill	1,485,560	1,406,769	-	-	-	(78,791)	(78,791)	-	-
Toombs County Ambulance	2,361,479	1,805,535	-	-	-	(555,944)	(555,944)	-	-
Total business-type activities	<u>3,847,039</u>	<u>3,212,304</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(634,735)</u>	<u>(634,735)</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 18,677,509</u>	<u>\$ 4,920,896</u>	<u>\$ 1,113,858</u>	<u>\$ 491,905</u>	<u>(11,516,115)</u>	<u>(634,735)</u>	<u>(12,150,850)</u>	<u>-</u>	<u>-</u>
Component units:									
Development Authority	\$ 538,418	\$ -	\$ 822,445	\$ -	-	-	-	284,027	-
Health Department	860,752	241,398	609,051	-	-	-	-	-	(10,303)
Total component units	<u>\$ 1,399,170</u>	<u>\$ 241,398</u>	<u>\$ 1,431,496</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>284,027</u>	<u>(10,303)</u>
General revenues:									
Property taxes					7,135,775	-	7,135,775	-	-
Sales taxes					7,217,065	-	7,217,065	-	-
Insurance premium tax					607,056	-	607,056	-	-
Alcoholic beverages tax					80,425	-	80,425	-	-
Other taxes					52,388	-	52,388	-	-
Unrestricted investment earnings					24,817	1,507	26,324	1,867	-
Gain on sale of capital assets					11,010	-	11,010	-	-
Transfers					(66,187)	66,187	-	-	-
Total general revenues and transfers					<u>15,062,349</u>	<u>67,694</u>	<u>15,130,043</u>	<u>1,867</u>	<u>-</u>
Change in net position					3,546,234	(567,041)	2,979,193	285,894	(10,303)
Net position, beginning of year					28,164,545	4,221,035	32,385,580	5,004,690	423,946
Net position, end of year					<u>\$ 31,710,779</u>	<u>\$ 3,653,994</u>	<u>\$ 35,364,773</u>	<u>\$ 5,290,584</u>	<u>\$ 413,643</u>

The accompanying notes are an integral part of these financial statements.

TOOMBS COUNTY, GEORGIA

**BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2014**

	<u>General</u>	<u>SPLOST</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 13,042,174	\$ 3,431,307	\$ 995,305	\$ 17,468,786
Taxes receivable	1,606,045	-	-	1,606,045
Accounts receivable	-	-	64,143	64,143
Due from other governments	198,956	471,795	100,045	770,796
Due from other funds	411,879	-	-	411,879
Due from component unit	-	-	876,734	876,734
Prepaid items	158,474	-	-	158,474
Total assets	<u>\$ 15,417,528</u>	<u>\$ 3,903,102</u>	<u>\$ 2,036,227</u>	<u>\$ 21,356,857</u>
LIABILITIES				
Accounts payable	\$ 558,041	\$ -	\$ 59,612	\$ 617,653
Accrued liabilities	161,450	-	17,848	179,298
Due to other governments	-	276,000	-	276,000
Due to other funds	-	-	111,843	111,843
Unearned revenue	9,260	-	-	9,260
Total liabilities	<u>728,751</u>	<u>276,000</u>	<u>189,303</u>	<u>1,194,054</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	1,131,339	-	-	1,131,339
Total deferred inflows of resources	<u>1,131,339</u>	<u>-</u>	<u>-</u>	<u>1,131,339</u>
FUND BALANCES				
Fund balances:				
Nonspendable:				
Prepaid items	158,474	-	-	158,474
Restricted for:				
Judicial programs	-	-	24,057	24,057
Public safety	-	-	495,654	495,654
Economic development	-	-	876,734	876,734
Capital improvements	-	3,627,102	434,364	4,061,466
Assigned for:				
Landfill postclosure care costs	3,249,997	-	-	3,249,997
Jail commissary activities	-	-	16,115	16,115
Unassigned	10,148,967	-	-	10,148,967
Total fund balances	<u>13,557,438</u>	<u>3,627,102</u>	<u>1,846,924</u>	<u>19,031,464</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 15,417,528</u>	<u>\$ 3,903,102</u>	<u>\$ 2,036,227</u>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	11,800,451
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	1,131,339
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(319,736)
Net pension assets used in governmental activities are not a financial resource and, therefore, are not reported in the funds.	67,261
Net position of governmental activities	<u>\$ 31,710,779</u>

The accompanying notes are an integral part of these financial statements.

TOOMBS COUNTY, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014**

	<u>General</u>	<u>SPLOST</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues				
Property taxes	\$ 7,354,073	\$ -	\$ -	\$ 7,354,073
Sales taxes	2,030,970	4,816,154	369,941	7,217,065
Other taxes	739,869	-	-	739,869
Licenses and permits	17,291	-	-	17,291
Intergovernmental	1,113,858	-	484,750	1,598,608
Charges for services	640,674	-	453,547	1,094,221
Fines and forfeitures	436,591	-	49,849	486,440
Interest income	14,280	7,155	10,537	31,972
Miscellaneous	97,310	-	13,330	110,640
Total revenues	<u>12,444,916</u>	<u>4,823,309</u>	<u>1,381,954</u>	<u>18,650,179</u>
Expenditures				
Current:				
General government	3,118,466	-	-	3,118,466
Judicial	1,297,705	-	10,929	1,308,634
Public safety	2,957,462	-	686,709	3,644,171
Public works	1,748,318	-	93,110	1,841,428
Health and welfare	200,211	-	-	200,211
Culture and recreation	333,501	-	-	333,501
Housing and development	160,891	-	-	160,891
Intergovernmental	-	2,817,450	-	2,817,450
Capital outlay	-	1,547,043	651,321	2,198,364
Debt service:				
Principal	-	61,036	-	61,036
Interest and fiscal charges	-	8,364	-	8,364
Total expenditures	<u>9,816,554</u>	<u>4,433,893</u>	<u>1,442,069</u>	<u>15,692,516</u>
Other financing sources:				
Proceeds from sale of capital assets	11,010	-	-	11,010
Total other financing sources	<u>11,010</u>	<u>-</u>	<u>-</u>	<u>11,010</u>
Net change in fund balances	2,639,372	389,416	(60,115)	2,968,673
Fund balances, beginning of year	<u>10,918,066</u>	<u>3,237,686</u>	<u>1,907,039</u>	<u>16,062,791</u>
Fund balances, end of year	<u>\$ 13,557,438</u>	<u>\$ 3,627,102</u>	<u>\$ 1,846,924</u>	<u>\$ 19,031,464</u>

The accompanying notes are an integral part of these financial statements.

TOOMBS COUNTY, GEORGIA

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ 2,968,673
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. This is the amount by which capital outlays exceeded depreciation in the current period.	790,434
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(218,298)
The issuance of long-term debt 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. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	61,036
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(55,611)</u>
	<u><u>\$ 3,546,234</u></u>

The accompanying notes are an integral part of these financial statements.

TOOMBS COUNTY, GEORGIA

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues:				
Property taxes	\$ 5,983,000	\$ 6,234,660	\$ 7,354,073	\$ 1,119,413
Sales taxes	1,700,000	1,700,000	2,030,970	330,970
Other taxes	684,000	684,000	739,869	55,869
Licenses and permits	5,000	5,000	17,291	12,291
Intergovernmental	149,150	149,150	1,113,858	964,708
Charges for services	567,000	567,000	640,674	73,674
Fines and forfeitures	448,000	448,000	436,591	(11,409)
Investment income	10,000	10,000	14,280	4,280
Miscellaneous	25,000	64,950	97,310	32,360
Total revenues	9,571,150	9,862,760	12,444,916	2,582,156
Expenditures:				
Current:				
General government:				
County commissioners	73,367	73,367	59,469	13,898
County manager	94,758	94,758	93,215	1,543
Elections	176,671	176,671	153,994	22,677
General administration	1,791,116	1,609,556	1,534,605	74,951
Financial administration	185,485	185,485	176,189	9,296
Law	20,000	20,000	18,918	1,082
Tax commissioner	257,616	266,616	269,895	(3,279)
Tax assessor	313,697	313,697	306,544	7,153
Board of equalization	5,000	5,000	4,146	854
Public buildings	445,905	456,905	501,491	(44,586)
Total general government	3,363,615	3,202,055	3,118,466	83,589
Judicial:				
Superior court	97,285	97,285	84,829	12,456
Clerk of superior court	352,145	352,145	343,215	8,930
District attorney	210,758	210,758	175,853	34,905
State court	112,129	112,129	107,118	5,011
Magistrate court	193,900	193,900	195,108	(1,208)
Probate court	183,870	183,870	119,586	64,284
Public defender	131,509	150,309	150,307	2
Solicitor	86,563	86,563	86,427	136
Juvenile court	37,204	37,204	35,262	1,942
Total judicial	1,405,363	1,424,163	1,297,705	126,458
Public safety:				
Sheriff	1,117,075	1,219,075	1,241,691	(22,616)
Jail	1,317,084	1,382,584	1,387,247	(4,663)
Court security	31,234	38,575	38,846	(271)
Fire	104,840	107,840	109,158	(1,318)
Coroner	26,890	26,890	27,397	(507)
Animal control	71,520	71,520	70,809	711
Emergency management	71,836	82,321	82,314	7
Total public safety	2,740,479	2,928,805	2,957,462	(28,657)
Public works:				
Highways and streets	1,000,214	1,111,214	1,310,869	(199,655)
Solid waste collection	434,151	434,151	369,785	64,366
Maintenance and shop	65,200	66,953	67,664	(711)
Total public works	1,499,565	1,612,318	1,748,318	(136,000)

(Continued)

TOOMBS COUNTY, GEORGIA

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Expenditures (continued):				
Current (continued):				
Health and welfare:				
Health department buildings	\$ 131,190	\$ 131,190	\$ 130,840	\$ 350
DFCS	54,850	59,350	60,447	(1,097)
Community services	9,171	9,367	8,924	443
Total health and welfare	<u>195,211</u>	<u>199,907</u>	<u>200,211</u>	<u>(304)</u>
Culture and recreation:				
Recreation	95,250	97,750	97,187	563
Library	36,000	236,314	236,314	-
Total culture and recreation	<u>131,250</u>	<u>334,064</u>	<u>333,501</u>	<u>563</u>
Housing and development:				
Extension service	69,572	69,572	69,831	(259)
Georgia Forestry Commission	15,706	15,706	15,706	-
Code enforcement	41,164	44,393	44,921	(528)
Economic development	11,700	11,700	11,700	-
Community development	15,879	19,079	18,733	346
Total housing and development	<u>154,021</u>	<u>160,450</u>	<u>160,891</u>	<u>(441)</u>
Total expenditures	<u>9,489,504</u>	<u>9,861,762</u>	<u>9,816,554</u>	<u>45,208</u>
Excess of revenues over expenditures	<u>81,646</u>	<u>998</u>	<u>2,628,362</u>	<u>2,627,364</u>
Other financing sources (uses):				
Transfers out	(81,646)	-	-	-
Proceeds from sale of assets	-	-	11,010	11,010
Total other financing sources (uses)	<u>(81,646)</u>	<u>-</u>	<u>11,010</u>	<u>11,010</u>
Net change in fund balance	<u>-</u>	<u>998</u>	<u>2,639,372</u>	<u>2,638,374</u>
Fund balance, beginning of year	<u>10,918,066</u>	<u>10,918,066</u>	<u>10,918,066</u>	<u>-</u>
Fund balance, end of year	<u>\$ 10,918,066</u>	<u>\$ 10,919,064</u>	<u>\$ 13,557,438</u>	<u>\$ 2,638,374</u>

The accompanying notes are an integral part of these financial statements.

TOOMBS COUNTY, GEORGIA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2014**

ASSETS	Landfill	Ambulance	Totals
CURRENT ASSETS			
Cash	\$ 1,686,630	\$ 138,441	\$ 1,825,071
Restricted cash	503,010	-	503,010
Accounts receivable	222,255	300,962	523,217
Due from other governments	-	15,500	15,500
Total current assets	<u>2,411,895</u>	<u>454,903</u>	<u>2,866,798</u>
NONCURRENT ASSETS			
Capital assets:			
Non-depreciable	1,420,174	-	1,420,174
Depreciable, net of accumulated depreciation	4,570,902	643,973	5,214,875
Total capital assets	<u>5,991,076</u>	<u>643,973</u>	<u>6,635,049</u>
Total noncurrent assets	<u>5,991,076</u>	<u>643,973</u>	<u>6,635,049</u>
Total assets	<u>\$ 8,402,971</u>	<u>\$ 1,098,876</u>	<u>\$ 9,501,847</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	\$ 271,624	\$ 48,966	\$ 320,590
Accrued liabilities	6,894	64,665	71,559
Compensated absences payable, current	9,817	19,171	28,988
Due to other funds	60,951	239,085	300,036
Accrued closure / post-closure costs, current portion	50,191	-	50,191
Total current liabilities	<u>399,477</u>	<u>371,887</u>	<u>771,364</u>
LONG-TERM LIABILITIES			
Revenue bonds payable, net of current portion	1,826,492	-	1,826,492
Accrued closure / post-closure costs	3,249,997	-	3,249,997
Total long-term liabilities	<u>5,076,489</u>	<u>-</u>	<u>5,076,489</u>
Total liabilities	<u>5,475,966</u>	<u>371,887</u>	<u>5,847,853</u>
NET POSITION			
Net investment in capital assets	4,164,584	643,973	4,808,557
Unrestricted	(1,237,579)	83,016	(1,154,563)
Total net position	<u>\$ 2,927,005</u>	<u>\$ 726,989</u>	<u>\$ 3,653,994</u>

The accompanying notes are an integral part of these financial statements.

TOOMBS COUNTY, GEORGIA

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014**

	<u>Landfill</u>	<u>Ambulance</u>	<u>Totals</u>
Operating revenues:			
Charges for services:			
Landfill use fees	\$ 1,310,131	\$ -	\$ 1,310,131
Ambulance services	-	1,626,640	1,626,640
Miscellaneous	96,638	-	96,638
Intergovernmental revenues	-	178,895	178,895
Total operating revenues	<u>1,406,769</u>	<u>1,805,535</u>	<u>3,212,304</u>
Operating expenses:			
Personal services	283,242	1,713,565	1,996,807
Purchased/contracted services	508,178	120,428	628,606
Supplies and materials	119,623	133,146	252,769
Repairs and maintenance	-	145,579	145,579
Utilities	102,934	120,308	223,242
Depreciation	456,450	128,453	584,903
Total operating expenses	<u>1,470,427</u>	<u>2,361,479</u>	<u>3,831,906</u>
Operating loss	<u>(63,658)</u>	<u>(555,944)</u>	<u>(619,602)</u>
Nonoperating revenue (expense):			
Investment income	1,507	-	1,507
Interest expense	(15,133)	-	(15,133)
Total nonoperating expense, net	<u>(13,626)</u>	<u>-</u>	<u>(13,626)</u>
Loss before contributions	(77,284)	(555,944)	(633,228)
Capital contributions	<u>23,675</u>	<u>42,512</u>	<u>66,187</u>
Change in net position	<u>(53,609)</u>	<u>(513,432)</u>	<u>(567,041)</u>
Net position, beginning of year	<u>2,980,614</u>	<u>1,240,421</u>	<u>4,221,035</u>
Net position, end of year	<u>\$ 2,927,005</u>	<u>\$ 726,989</u>	<u>\$ 3,653,994</u>

The accompanying notes are an integral part of these financial statements.

TOOMBS COUNTY, GEORGIA

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014**

	Landfill	Ambulance	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 1,357,116	\$ 1,806,410	\$ 3,163,526
Payments to suppliers and service providers	(308,323)	(276,192)	(584,515)
Payments to employees	(277,185)	(1,687,911)	(1,965,096)
Receipts from interfund services provided	-	475	475
Net cash provided by (used in) operating activities	771,608	(157,218)	614,390
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of property and equipment	(3,083,451)	(65,885)	(3,149,336)
Proceeds from the issuance of revenue bonds	1,826,492	-	1,826,492
Interest paid	(15,133)	-	(15,133)
Net cash used in capital and related financing activities	(1,272,092)	(65,885)	(1,337,977)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	1,507	-	1,507
Net cash provided by investing activities	1,507	-	1,507
Net decrease in cash and cash equivalents	(498,977)	(223,103)	(722,080)
Cash and cash equivalents:			
Beginning of year	2,688,617	361,544	3,050,161
End of year	\$ 2,189,640	\$ 138,441	\$ 2,328,081
Classified as:			
Cash	1,686,630	138,441	1,825,071
Restricted cash	503,010	-	503,010
	\$ 2,189,640	\$ 138,441	\$ 2,328,081
Reconciliation of operating loss to net cash provided by (used in) operating activities:			
Operating loss	\$ (63,658)	\$ (555,944)	\$ (619,602)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:			
Depreciation	456,450	128,453	584,903
(Increase) decrease in:			
Accounts receivable	(49,653)	875	(48,778)
Increase in:			
Accounts payable	218,219	4,184	222,403
Accrued liabilities	678	9,714	10,392
Compensated absences	5,379	15,940	21,319
Due to other funds	60,951	239,085	300,036
Accrued closure/post-closure costs	143,242	-	143,242
Net cash provided by (used in) operating activities	\$ 771,608	\$ (157,218)	\$ 614,390
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Purchase of assets by other funds	\$ 23,675	\$ 42,512	\$ 66,187
Total noncash investing, capital and financing activities	\$ 23,675	\$ 42,512	\$ 66,187

The accompanying notes are an integral part of these financial statements.

TOOMBS COUNTY, GEORGIA

**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
DECEMBER 31, 2014**

	Agency Funds
ASSETS	
Cash	\$ 2,582,175
Taxes receivable	1,650,406
Total assets	<u>\$ 4,232,581</u>
LIABILITIES	
Due to others	\$ 2,582,175
Uncollected taxes	1,650,406
Total liabilities	<u>\$ 4,232,581</u>

The accompanying notes are an integral part of these financial statements.

TOOMBS COUNTY, GEORGIA

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Toombs County, Georgia (the "County") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governments. The Governmental Auditing Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

A. The Reporting Entity

Toombs County was established under the provisions of an act of the General Assembly of Georgia on August 18, 1905. The County operates under a County Commissioner form of government (five commissioners are elected by district with the Chairman elected at large from the county), and provides the following services as authorized by state law: public safety (police and fire), highways and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of Toombs County, Georgia (the "primary government") and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationship with the County. In conformity with accounting principles generally accepted in the United States of America, as set forth in Governmental Accounting Standards Board Statement No. 14, as amended by Statements No. 39 and 61, the financial statements of the component units are discretely presented in the government-wide financial statements.

Toombs County Health Department

The Toombs County Health Department (the "Health Department") provides public health services to the residents of Toombs County under a contract with the Georgia Department of Human Resources. Although the County does not have the authority to approve or modify the budget of the Health Department, the County is obligated to provide financial support to the Health Department. The Health Department has a June 30th year-end. The Health Department's statements have been prepared separately and can be obtained by writing to the Toombs County Health Department, 714 NW Broad Street, Lyons, Georgia 30436.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. The Reporting Entity (Continued)

Development Authority of Toombs County, Georgia

The governing board of the Development Authority of Toombs County, Georgia (the "Development Authority") consists of seven members appointed by the Toombs County Board of Commissioners. The Development Authority is responsible for promoting industrial and commercial development within Toombs County. Although the County does not have the authority to approve or modify the budget of the Development Authority, the County does provide financial support to the Development Authority and is obligated to provide funding to repay the Development Authority's bonded debt. Separately issued financial statements are not available for the Development Authority.

B. Government-wide and Fund 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 non-fiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and the fiduciary fund financial statements, which have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the 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.

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 County 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.

Property taxes, sales taxes, intergovernmental grants, and investment income 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. All other revenue items are considered to be measurable and available only when cash is received by the County.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The County reports the following major governmental funds:

The **General Fund** is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **Special Purpose Local Option Sales Tax Fund** accounts for the proceeds of a 1% Special Purpose Local Option Sales Tax. Funds are used for road and drainage improvements, public safety projects, recreation projects, public building projects, County administration projects, debt service, and other City projects within Toombs County.

The County reports the following major proprietary funds:

The **Landfill Fund** accounts for the costs of providing solid waste management services to residents of the County through the operation of the Toombs County Landfill, sanitation services, and collection centers.

The **Ambulance Fund** accounts for the costs of providing transportation services to the citizens of Toombs County who are in need of medical assistance.

Additionally, the County reports the following fund types:

The **special revenue funds** account for specific revenues that are legally restricted to expenditures for particular purposes.

The **capital project funds** are used for the acquisition or construction of capital facilities.

The **agency funds** are used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals, such as cash bonds, traffic fines, support payments and ad valorem and property taxes.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the County's solid waste functions and the other functions of the government. Elimination of these charges would distort the direct costs reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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 enterprise funds are charges for goods and services provided. Operating expenses of the enterprise funds include the cost of these goods and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Cash and Cash Equivalents

The County and discretely presented component units' cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

E. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

F. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. For the most part, the effect of interfund activity has been removed from the government-wide statement of net position. In the fund financial statements, these receivables and payables are classified as "due from other funds" or "due to other funds."

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Interfund Receivables and Payables (Continued)

In the government-wide financial statements, any residual balances outstanding between the governmental activities and business-type activities are reported as "internal balances".

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The County has retroactively reported major general infrastructure assets. In this case, the County chose to include all items regardless of their acquisition date. The County was able to estimate the historical cost for the initial reporting of these assets through back trending.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

Capital assets of the primary government are depreciated using the straight line method over the following useful lives:

<u>Asset Category</u>	<u>Years</u>
Buildings	50
Improvements	40
Land (landfill)	4-6
Infrastructure	40
Furniture and Fixtures	5-10
Machinery and Equipment	5-20

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets (Continued)

Capital assets of the Development Authority are depreciated using the straight line method over the following useful lives:

<u>Asset Category</u>	<u>Years</u>
Buildings	50
Infrastructure	10-50
Furniture and Fixtures	5-10
Machinery and Equipment	5-10

H. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the County does not have a policy to pay any amount when employees separate from service with the County. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

I. 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.

In the fund financial statements, governmental fund types report the face amount of the debt issued as other financing sources.

J. Deferred Outflows / Inflows of Resources

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Deferred Outflows / Inflows of Resources (Continued)

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

K. 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 assets and liabilities under the current financial resources measurement focus of accounting. 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 (i.e., 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 Board of Commissioners through the adoption of a resolution. Only the Board of Commissioners 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 purposes, but are neither restricted nor committed. Through resolution, the Board of Commissioners has authorized the Finance Director to assign fund balances.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Fund Equity (Continued)

- **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 balance may be reported in all funds.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County’s policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County’s policy to use fund balance in the following order: 1) committed, 2) assigned, and 3) unassigned.

Net Position – Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the County has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

L. Use of 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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from these estimates.

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.”

NOTES TO FINANCIAL STATEMENTS

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position (Continued)

The details of this \$319,736 difference are as follows:

Accrued interest	\$ (468)
Compensated absences	(189,120)
Notes payable	<u>(130,148)</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	<u><u>\$ (319,736)</u></u>

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “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.” The details of this \$790,434 difference are as follows:

Capital outlay	\$ 1,620,542
Depreciation expense	<u>(830,108)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at change in net position - <i>governmental activities</i>	<u><u>\$ 790,434</u></u>

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this \$55,611 difference are as follows:

Change in accrued interest	\$ 219
Change in compensated absences	(55,392)
Change in net pension asset	<u>(438)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i> .	<u><u>\$ (55,611)</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 3. LEGAL COMPLIANCE – BUDGETS

A. Budgets and Budgetary Accounting

Budgetary Data. The annual budget document is the financial plan for the operation of Toombs County. The budget process exists for the purpose of providing a professional management approach to the establishment of priorities and the implementation of work programs while providing an orderly means for control and evaluation of the financial posture of the County. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). An annual operating budget is prepared for all governmental funds except capital project funds and the Multiple Grants Fund. Capital projects funds use project-length budgets.

Department heads submit to the County Manager a proposed operating budget for the fiscal year commencing the following January 1. The proposed budgets are then submitted to the Board of Commissioners by the County Manager for study. Public hearings are conducted to obtain taxpayer comments. Prior to January 1, the budget is legally adopted by the Board of Commissioners.

The legal level of control for each legally adopted annual budget is the department level. Supplemental appropriations out of the County's General Fund contingency account may be made by the Board of Commissioners to fund unforeseen expenditures within the County's governmental funds at any time during the year. The Board of Commissioners must approve any department level changes to a previously adopted budget. Management may amend the budget without seeking the approval of the Board of Commissioners at any level below the departmental level.

All final budget amounts presented in the accompanying financial statements have been adjusted for legally authorized revisions of the annual budget during the year. The supplementary budgetary appropriations made were not material. All unexpended appropriations provided in the annual budget lapse at year-end.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

B. Excess Expenditures over Appropriations

For the year ended December 31, 2014, expenditures exceeded budget in the applicable governmental funds, as follows:

Department	Excess
General Fund	
Tax commissioner	\$ 3,279
Public buildings	44,586
Magistrate court	1,208
Sheriff	22,616
Jail	4,663
Court Security	271
Fire	1,318
Coroner	507
Highways and streets	199,655
Maintenance and shop	711
DFCS	1,097
Extension service	259
Code enforcement	528
Emergency Telephone System Fund	
Public Safety	32,621
Jail Fund	
Public Safety	5,800
Law Library Fund	
Judicial	929
Multiple Grants	
Capital Outlay	484,750

These over expenditures were funded by additional unanticipated revenues.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS

Credit risk. State statutes authorize the County to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. It is the County's policy to limit its investments to those allowed and authorized by state law. As of year end, the County held no investments.

Custodial credit risk – deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of December 31, 2014, the County's deposits were properly insured and collateralized as defined by GASB pronouncements and the official code of the State of Georgia.

Interest rate risk. The County's investment policy is a means of managing its exposure to fair value losses arising from increasing interest rates. As such, they adhere to the following criteria regarding investments as outlined in the County's policies and procedures manual: the investment must always be concerned with the preservation of principal; all investments must be relatively liquid; and there must be a realization of competitive interest rates relative to the risk assumed. The County Manager is authorized to make all investment decisions on behalf of the County.

NOTE 5. RECEIVABLES

Receivables at December 31, 2014, consist of the following:

	General Fund	SPLOST Fund	Landfill Fund	Ambulance Fund	Other Governmental Funds	Total
Receivables:						
Taxes	\$ 1,606,045	\$ -	\$ -	\$ -	\$ -	\$ 1,606,045
Accounts	-	-	222,255	300,962	64,143	587,360
Due from other governments	198,956	471,795	-	15,500	100,045	786,296
Gross receivables	1,805,001	471,795	222,255	316,462	164,188	2,979,701
Less allowance	-	-	-	-	-	-
Net receivables	<u>\$ 1,805,001</u>	<u>\$ 471,795</u>	<u>\$ 222,255</u>	<u>\$ 316,462</u>	<u>\$ 164,188</u>	<u>\$ 2,979,701</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. RECEIVABLES (CONTINUED)

Property taxes were levied on September 9, 2014. Bills are payable on or before December 20, 2014, after which the applicable property is subject to lien and penalties and interest are assessed. Property taxes attached as an enforceable lien on property as of December 20, 2014. The County bills and collects its own property taxes. Property taxes levied for 2014 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during the year ended December 31, 2014 and collected by February 28, 2015 are recognized as revenues in the year ended December 31, 2014. Net receivables estimated to be collected subsequent to February 28, 2015 are deferred as of December 31, 2014 and recorded as revenue when received. Prior year levies were recorded using substantially the same principles, and remaining receivables are reevaluated annually.

NOTE 6. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the fiscal year ended December 31, 2014, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 406,988	\$ -	\$ -	\$ 406,988
Total	<u>406,988</u>	<u>-</u>	<u>-</u>	<u>406,988</u>
Capital assets, being depreciated:				
Buildings	5,331,387	470,000	-	5,801,387
Improvements	770,106	-	-	770,106
Infrastructure	14,491,003	-	-	14,491,003
Furniture and fixtures	419,903	-	-	419,903
Machinery and equipment	5,307,207	1,216,729	(294,990)	6,228,946
Total	<u>26,319,606</u>	<u>1,686,729</u>	<u>(294,990)</u>	<u>27,711,345</u>
Less accumulated depreciation for:				
Buildings	(2,639,804)	(108,561)	-	(2,748,365)
Improvements	(154,539)	(28,712)	-	(183,251)
Infrastructure	(8,871,369)	(157,087)	-	(9,028,456)
Furniture and fixtures	(296,730)	(13,354)	-	(310,084)
Machinery and equipment	(3,754,135)	(522,394)	228,803	(4,047,726)
Total	<u>(15,716,577)</u>	<u>(830,108)</u>	<u>228,803</u>	<u>(16,317,882)</u>
Total capital assets, being depreciated, net	<u>10,603,029</u>	<u>856,621</u>	<u>(66,187)</u>	<u>11,393,463</u>
Governmental activities capital assets, net	<u>\$ 11,010,017</u>	<u>\$ 856,621</u>	<u>\$ (66,187)</u>	<u>\$ 11,800,451</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 409,042	\$ 1,011,132	\$ -	\$ 1,420,174
Total	<u>409,042</u>	<u>1,011,132</u>	<u>-</u>	<u>1,420,174</u>
Capital assets, being depreciated:				
Land (landfill)	7,862,041	2,072,319	-	9,934,360
Buildings	1,640,197	-	-	1,640,197
Machinery and equipment	3,452,064	132,073	-	3,584,137
Total	<u>12,954,302</u>	<u>2,204,392</u>	<u>-</u>	<u>15,158,694</u>
Less accumulated depreciation for:				
Land (landfill)	(6,623,569)	(193,667)	-	(6,817,236)
Buildings	(882,400)	(50,222)	-	(932,622)
Machinery and equipment	(1,852,947)	(341,014)	-	(2,193,961)
Total	<u>(9,358,916)</u>	<u>(584,903)</u>	<u>-</u>	<u>(9,943,819)</u>
Total capital assets, being depreciated, net	<u>3,595,386</u>	<u>1,619,489</u>	<u>-</u>	<u>5,214,875</u>
Business-type activities capital assets, net	<u>\$ 4,004,428</u>	<u>\$ 2,630,621</u>	<u>\$ -</u>	<u>\$ 6,635,049</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

Depreciation expense was charged to functions/programs of the County as follows:

Governmental activities:	
General government	\$ 84,350
Judicial	379
Public safety	336,333
Public works	371,423
Health and welfare	37,362
Culture and recreation	261
Total depreciation expense - governmental activities	<u>\$ 830,108</u>
Business-type activities:	
Landfill	\$ 456,450
Ambulance Fund	128,453
Total depreciation expense - business-type activities	<u>\$ 584,903</u>

B. Discretely Presented Component Unit – Development Authority

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 2,407,884	\$ -	\$ (7,196)	\$ 2,400,688
Total	<u>2,407,884</u>	<u>-</u>	<u>(7,196)</u>	<u>2,400,688</u>
Capital assets, being depreciated:				
Buildings	896,104	2,429,148	-	3,325,252
Infrastructure	540,000	-	-	540,000
Furniture and fixtures	100,000	-	-	100,000
Equipment	191,724	-	-	191,724
Total	<u>1,727,828</u>	<u>2,429,148</u>	<u>-</u>	<u>4,156,976</u>
Less accumulated depreciation for:				
Buildings	(93,762)	(22,414)	-	(116,176)
Infrastructure	(152,365)	(20,000)	-	(172,365)
Furniture and fixtures	(100,000)	-	-	(100,000)
Equipment	(450,228)	(6,351)	-	(456,579)
Total	<u>(796,355)</u>	<u>(48,765)</u>	<u>-</u>	<u>(845,120)</u>
Total capital assets, being depreciated, net	<u>931,473</u>	<u>2,380,383</u>	<u>-</u>	<u>3,311,856</u>
Development Authority capital assets, net	<u>\$ 3,339,357</u>	<u>\$ 2,380,383</u>	<u>\$ (7,196)</u>	<u>\$ 5,712,544</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

C. Discretely Presented Component Unit – Toombs County Health Department

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Machinery and equipment	\$ 252,635	\$ -	\$ -	\$ 252,635
Total capital assets, being depreciated	252,635	-	-	252,635
Less accumulated depreciation for:				
Machinery and equipment	(243,766)	(3,888)	-	(247,654)
Total accumulated depreciation	(243,766)	(3,888)	-	(247,654)
Total capital assets, net	\$ 8,869	\$ (3,888)	\$ -	\$ 4,981

NOTE 7. LONG-TERM DEBT

A. Primary Government

The following is a summary of long-term debt activity for the primary government for the year ended December 31, 2014:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Notes payable	\$ 191,184	\$ -	\$ (61,036)	\$ 130,148	\$ 63,706
Compensated absences	133,728	141,044	(85,652)	189,120	189,120
Governmental activities Long-term liabilities	\$ 324,912	\$ 141,044	\$ (146,688)	\$ 319,268	\$ 252,826
Business-type activities:					
Landfill closure and postclosure costs	\$ 3,156,946	\$ 191,696	\$ (48,454)	\$ 3,300,188	\$ 50,191
Revenue bonds	-	1,826,492	-	1,826,492	-
Compensated absences	7,669	33,692	(12,373)	28,988	28,988
Business-type activities Long-term liabilities	\$ 3,164,615	\$ 2,051,880	\$ (60,827)	\$ 5,155,668	\$ 79,179

For governmental activities, compensated absences are generally liquidated by the General Fund and the E911 Fund. For business-type activities, compensated absences are liquidated by the Landfill Fund and the Ambulance Fund.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Note payable. The County has incurred debt to the United States Department of Agriculture for equipment purchases. This note is as follows at December 31, 2014:

<u>Original Amount</u>	<u>Interest Rate</u>	<u>Due Date</u>	<u>Amount</u>
\$ 552,500	4.375%	2016	\$ 130,148
		Less current portion	<u>(63,706)</u>
			<u><u>\$ 66,442</u></u>

The County's note payable debt service requirements to maturity are as follows:

<u>Fiscal Year Payable</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 63,706	\$ 5,694	\$ 69,400
2016	<u>66,442</u>	<u>2,907</u>	<u>69,349</u>
	<u><u>\$ 130,148</u></u>	<u><u>\$ 8,601</u></u>	<u><u>\$ 138,749</u></u>

Landfill Closure and Postclosure Costs. Effective June 1998, the Toombs County Landfill Phase II was closed and no additional waste has been accepted. According to state and federal laws and regulations, the County must perform certain maintenance and monitoring functions at the site for a minimum of 30 years. Engineering studies estimate postclosure costs of approximately \$1,212,671 over the remaining 20-year period. These costs are based on what it would cost to perform all postclosure care in 1994, adjusted annually for inflation. Actual costs may be higher due to changes in inflation, changes in technology, or changes in regulations. Should any problems occur during this postclosure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

State and federal laws and regulations require the County to place a final cover on its Construction and Demolition Landfill and on its Landfill Phase III site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, which occurred in 2014 for the Construction and Demolition Landfill and in 2026 for the Landfill Phase III, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Landfill Closure and Postclosure Costs (continued). While the total estimated liability for closure and postclosure care of the Construction and Demolition Landfill and the Landfill Phase III is \$691,054 and \$3,032,749, respectively, at December 31, 2014, the cumulative amount of the liability at December 31, 2014, which is based on the use of approximately 83.5% of the Construction and Demolition Landfill and 49.8% of the Landfill Phase III, is \$577,333 and \$1,510,184, respectively. The County will recognize the remaining estimated cost of closure and postclosure care of \$113,721 and \$1,522,565, respectively, as the remaining estimated capacity is filled. These costs are based on what it would cost to perform all closure and postclosure care in 2014. Actual costs may be higher due to inflation, changes in technology, or changes in regulation. Should any problems occur during the period, the costs and time period required for maintenance and monitoring functions may increase.

Revenue bonds payable. In 2014 the County issued Toombs County Solid Waste Revenue Bonds, Series 2014 to fund the expansion of the municipal solid waste landfill. The bonds were issued as a draw-down bond issue such that the principal amount of the bonds will increase as advances are made to the County to fund the costs of the project, not to exceed \$5,000,000. The expansion project remained ongoing as of December 31, 2014, and the County continues to draw funds for completion. Upon completion of the expansion project, an amortization schedule is to be created for the total amount of principal drawn for the project with interest and principal payments due monthly for a term of 14 years. For the year ended December 31, 2014, the County made no principal payments and minimal interest payments on the bonds. The interest rate on the bonds is variable and is based on the Federal Reserve's ten year swap rate plus .45% not to exceed 6.0% per annum. As of December 31, 2014 the County had drawn \$1,826,492 of the \$5,000,000 available for the project.

B. Discretely Presented Component Unit – Development Authority

The following is a summary of long-term debt activity for the Development Authority for the year ended December 31, 2014:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Development Authority					
Notes payable	\$ 1,022,882	\$ 1,072,639	\$ (202,962)	\$ 1,892,559	\$ 1,160,282
Line of credit	-	400	-	400	400
Development Authority Long-term liabilities	<u>\$ 1,022,882</u>	<u>\$ 1,073,039</u>	<u>\$ (202,962)</u>	<u>\$ 1,892,959</u>	<u>\$ 1,160,682</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

B. Discretely Presented Component Unit – Development Authority (Continued)

Notes Payable. Included within notes payable is a note due to the One Georgia Authority. This note had an original balance of \$500,000 and was used to construct a new speculative building for future economic development. Quarterly installments of \$8,333 are due, maturing in April 2027. This note does not bear interest. As of December 31, 2014, the principal balance of this note was \$237,500.

Included within notes payable is a note obtained in December 2010 due to an individual. This note had an original balance of \$900,000 and was used to purchase land for future economic development. Monthly payments of \$9,112 including interest at 4% are due through maturity in December 2020. As of December 31, 2014, the principal balance of this note was \$582,420.

Included within notes payable is a note obtained in May 2014 due to a financial institution. This note represents a construction loan with a maximum principal balance of \$2,200,000 of which \$1,072,639 had been drawn by the Development Authority as of December 31, 2014. The entire outstanding balance plus accrued interest is due on or before June 4, 2015. Interest on the note is variable based on 80% of the prime rate. As of the date of the loan this rate was 2.60% per annum.

The Authority's notes payable debt service requirements to maturity are as follows:

<u>Fiscal Year Payable</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 1,160,282	\$ 21,702	\$ 1,181,984
2016	91,214	18,131	109,345
2017	94,930	14,415	109,345
2018	98,798	10,547	109,345
2019	102,823	6,522	109,345
2020 - 2024	163,262	2,331	165,593
2025 - 2029	125,000	-	125,000
2030 - 2032	56,250	-	56,250
	<u>\$ 1,892,559</u>	<u>\$ 73,648</u>	<u>\$ 1,966,207</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. INTERFUND RECEIVABLES AND PAYABLES

The composition of interfund balances as of December 31, 2014 is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor governmental fund	\$ 111,843
General Fund	Landfill Fund	60,951
General Fund	Ambulance Fund	239,085
		<u>\$ 411,879</u>

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

NOTE 9. JOINT VENTURE

Under Georgia law, the County is a participating member of the Heart of Georgia Altamaha Regional Commission (RC) and is required to pay annual dues thereto. During its year ended December 31, 2014, the County paid \$12,218 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts and obligations of an RC. Separate financial statements may be obtained from: Heart of Georgia Altamaha Regional Commission, 5405 Oak Street, Eastman, Georgia 31023.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED BENEFIT PENSION PLAN

Plan Description

The County sponsors the Association County Commissioners of Georgia Restated Pension Plan for Toombs 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 is affiliated with the Association County Commissioners of Georgia 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. Complete financial statements for the Association County Commissioners of Georgia (ACCG) Defined Benefit Pension Plan can be obtained from Pension Service Company, 1100 Circle 75 Parkway, Suite 300, Atlanta, Georgia 30339.

Funding Policy

The County is required to contribute an actuarially determined amount annually to The Plan's trust. A contribution amount is determined using actuarial methods and assumptions approved by The ACCG Plan trustees and intended to satisfy the minimum contribution requirements as set forth in controlling State of Georgia statutes. Plan participants are not required to contribute to the plan.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Annual Pension Cost

The County's annual pension cost and net pension obligation for the pension plan for the year beginning January 1, 2014, (the most recent actuarial valuation date) are as follows:

	January 1, 2014
<u>Derivation of Annual Pension Cost</u>	
Annual Required Contribution	\$ 294,603
Interest on Net Pension Obligation	(5,077)
Amortization of Net Pension Obligation	5,515
Annual Pension Cost	\$ 295,041

<u>Derivation of Net Pension Obligation</u>	
Net Pension Asset as of Beginning of Year	\$ (67,699)
Annual Pension Cost	295,041
Actual Contributions to Plan	294,603
Decrease in Net Pension Asset	438
Net Pension Asset as of End of Year	\$ (67,261)

Basis of Valuation

Current Valuation Date	January 1, 2014
Annual Return on Invested Plan Assets	7.50%
Projected Annual Salary Increases	2.5%-5.0% based on age
Expected Annual Inflation	3.0%
Actuarial Value of Assets	Market Value
Actuarial Funding Method	Projected Unit Credit
Amortization Method	Level Percent of Pay (Closed)
Remaining Amortization Period	25 years

Trend Information for The Plan

Fiscal Year Beginning	Annual Pension Cost (APC)	Actual County Contribution	Percentage of APC Contributed	Net Pension Asset
1/1/14	\$ 295,041	\$ 294,603	100 %	\$ (67,261)
1/1/13	304,021	303,652	100	(67,699)
1/1/12	273,546	278,309	102	(68,068)
1/1/11	238,456	240,984	101	(63,305)
1/1/10	214,522	218,923	102	(60,777)
1/1/09	256,189	266,909	104	(56,376)

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

As of the most recent valuation date, January 1, 2014, the funded status of the Plan was as follows:

Fiscal Year Ending	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
12/31/13	\$ 3,850,030	\$ 4,396,658	\$ 546,628	87.6 %	\$ 3,266,740	16.7 %

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan net assets is increasing or decreasing over time relative to the actuarial liability. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect long-term perspective. Calculations are based on the substantive plan in effect as of January 1, 2014.

NOTE 11. RETIREMENT PLAN - COMPONENT UNIT

All employees of the Health Department participate in the Georgia State Employees Retirement System (ERS), a cost-sharing multi-employer public employee retirement system covering employees of local boards of health and various agencies and departments of the State of Georgia. ERS is funded through employer and employee contributions and the Health Department has no legal obligation for paying benefits. The Plan is administered by the State of Georgia, and accumulated benefits and Plan assets are not determined or allocated to the individual participating governmental entities.

All full-time employees who are hired for Merit System classified positions are eligible to participate in ERS. Participants have a partial vested right to retirement benefits after 10 years of service and become fully vested after 34 years of service. Employees are required to pay 1.25% of gross earnings to the retirement account. The Health Department contributed 13.71%, 18.46% and 15.18% of covered compensation for the fiscal year for participants in the old, new and GSEPS plans. During the year, the Health Department contributed \$75,291. Contributions by employees are withheld by the Health Department. The Health Department has no other liability under the plan.

Ten-year historical trend information and relevant actuarial information may be obtained from the Employees' Retirement System of Georgia, which issues a publicly available financial report that includes financial statements and required supplementary information for ERS. That report may be obtained by writing to the Employees' Retirement System, Two Northside 75, Suite 300, Atlanta, Georgia 30318-7778 or calling 1-404-352-6400.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which, except as described in the following paragraph, the County carries commercial insurance in amounts deemed prudent by County management.

The County participates in the Association of County Commissioners of Georgia Group Self-Insurance Workers' Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

As part of this risk pool, the County 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 fund.

The fund is to defend and protect the members of the fund against liability or loss as prescribed in the member government contract and in accordance with the Workers' Compensation law of Georgia. The fund 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.

There have been no significant reductions of insurance coverage from coverage in the prior year, and settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 13. CONTINGENCIES AND COMMITMENTS

Grant Contingencies:

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their representatives. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, County management believes such disallowances, if any, will not be significant.

Litigation:

The County is involved in several pending lawsuits. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the County.

REQUIRED SUPPLEMENTARY INFORMATION

**TOOMBS COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS**

Fiscal Year Ending	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Annual Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
12/31/13	\$ 3,850,030	\$ 4,396,658	\$ 546,628	87.6 %	\$ 3,266,740	16.7 %
12/31/12	3,403,736	4,192,292	788,556	81.2	3,180,744	24.8
12/31/11	3,223,902	3,903,429	679,527	82.6	2,574,931	26.4
12/31/10	3,115,503	3,703,964	588,461	84.1	2,383,013	24.7
12/31/09	2,990,712	3,654,388	663,676	81.8	2,675,610	24.8
12/31/08	2,730,642	3,368,596	637,954	81.1	2,587,615	24.7

The assumptions used in the preparation of the above schedule are disclosed in Note 10 in the Notes to the Financial Statements.

**TOOMBS COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS**

Special Revenue Funds

Emergency Telephone System Fund is used to account for the cost of operating and maintaining the Toombs County E-911 System. Financing is provided by a charge to each telephone subscriber whose exchange access lines are in the areas served by the Toombs County E-911 system and by a transfer from the General Fund.

Revolving Loan Fund is used to account for residual Employment Incentive Grant Funds awarded to the County to loan for economic development with principle retained for future development activities. The fund is administered by contract with the Toombs County Development Authority.

Jail Fund is used to account for the expenditures made towards maintenance and operations of the County jail.

Law Library Fund is used to account for costs of operating and maintaining the County Law Library. Financing is provided from a charge added to and collected on all costs in civil and criminal cases.

Jail Commissary Fund is used to account for proceeds from jail inmate commissary sales.

Multiple Grants Fund is used to account for federal and state grant revenues to be used for County expenditures.

Capital Projects Fund

T-SPLOST Fund accounts for the proceeds of the Transportation Special Purpose Local Option Sales Tax. Funds are used for various transportation projects within Toombs County.

TOOMBS COUNTY, GEORGIA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2014**

	Special Revenue Funds				
	Emergency Telephone System	Revolving Loan Fund	Jail Fund	Law Library	Jail Commissary
ASSETS					
Cash	\$ 355,222	\$ -	\$ 212,486	\$ 23,901	\$ 14,891
Accounts receivable	62,763	-	-	156	1,224
Due from other governments	-	-	-	-	-
Due from component unit	-	876,734	-	-	-
Total assets	\$ 417,985	\$ 876,734	\$ 212,486	\$ 24,057	\$ 16,115
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 5,126	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	17,848	-	-	-	-
Due to other funds	111,843	-	-	-	-
Total liabilities	134,817	-	-	-	-
FUND BALANCES					
Restricted for:					
Judicial programs	-	-	-	24,057	-
Public safety	283,168	-	212,486	-	-
Economic development	-	876,734	-	-	-
Capital improvements	-	-	-	-	-
Assigned for:					
Jail commissary activities	-	-	-	-	16,115
Total fund balances	283,168	876,734	212,486	24,057	16,115
Total liabilities and fund balances	\$ 417,985	\$ 876,734	\$ 212,486	\$ 24,057	\$ 16,115

	Capital Projects Fund	Total Nonmajor Governmental Funds
Multiple Grants Fund	T-SPLOST Fund	
\$ -	\$ 388,805	\$ 995,305
-	-	64,143
54,208	45,837	100,045
-	-	876,734
<u>\$ 54,208</u>	<u>\$ 434,642</u>	<u>\$ 2,036,227</u>
\$ 54,208	\$ 278	\$ 59,612
-	-	17,848
-	-	111,843
<u>54,208</u>	<u>278</u>	<u>189,303</u>
-	-	24,057
-	-	495,654
-	-	876,734
-	434,364	434,364
-	-	16,115
<u>-</u>	<u>434,364</u>	<u>1,846,924</u>
<u>\$ 54,208</u>	<u>\$ 434,642</u>	<u>\$ 2,036,227</u>

TOOMBS COUNTY, GEORGIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014**

	Special Revenue Funds				
	Emergency Telephone System	Revolving Loan Fund	Jail Fund	Law Library	Jail Commissary
Revenues:					
Sales taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Fines and forfeitures	-	-	36,251	13,598	-
Charges for services	453,547	-	-	-	-
Interest income	-	10,528	-	-	9
Miscellaneous	27	-	-	-	13,303
Total revenues	<u>453,574</u>	<u>10,528</u>	<u>36,251</u>	<u>13,598</u>	<u>13,312</u>
Expenditures:					
Current:					
Judicial	-	-	-	10,929	-
Public safety	666,483	-	15,800	-	4,426
Public works	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>666,483</u>	<u>-</u>	<u>15,800</u>	<u>10,929</u>	<u>4,426</u>
Net change in fund balances	(212,909)	10,528	20,451	2,669	8,886
Fund balances, beginning of year	<u>496,077</u>	<u>866,206</u>	<u>192,035</u>	<u>21,388</u>	<u>7,229</u>
Fund balances, end of year	<u>\$ 283,168</u>	<u>\$ 876,734</u>	<u>\$ 212,486</u>	<u>\$ 24,057</u>	<u>\$ 16,115</u>

	Capital Projects Fund	Total Nonmajor Governmental Funds
Multiple Grants Fund	T-SPLOST Fund	
\$ -	\$ 369,941	\$ 369,941
484,750	-	484,750
-	-	49,849
-	-	453,547
-	-	10,537
-	-	13,330
484,750	369,941	1,381,954
-	-	10,929
-	-	686,709
-	93,110	93,110
484,750	166,571	651,321
484,750	259,681	1,442,069
-	110,260	(60,115)
-	324,104	1,907,039
\$ -	\$ 434,364	\$ 1,846,924

TOOMBS COUNTY, GEORGIA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 21, 2014**

	Emergency Telephone System Fund		
	Original and Final Budget	Actual	Variance
REVENUES			
Intergovernmental	-	-	-
Fines and forfeitures	\$ -	\$ -	\$ -
Charges for services	547,800	453,547	(94,253)
Interest income	-	-	-
Miscellaneous	-	27	27
Total revenues	<u>547,800</u>	<u>453,574</u>	<u>(94,226)</u>
EXPENDITURES			
Judicial	-	-	-
Public safety	633,862	666,483	(32,621)
Capital outlay	-	-	-
Total expenditures	<u>633,862</u>	<u>666,483</u>	<u>(32,621)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(86,062)</u>	<u>(212,909)</u>	<u>(126,847)</u>
OTHER FINANCING SOURCES			
Transfers in	108,862	-	(108,862)
Total other financing sources	<u>108,862</u>	<u>-</u>	<u>(108,862)</u>
Net changes in fund balance	<u>22,800</u>	<u>(212,909)</u>	<u>(235,709)</u>
Fund balance, beginning of year	<u>496,077</u>	<u>496,077</u>	<u>-</u>
Fund balance, end of year	<u>\$ 518,877</u>	<u>\$ 283,168</u>	<u>\$ (235,709)</u>

Revolving Loan Fund			Jail Fund		
Original and Final Budget	Actual	Variance	Original and Final Budget	Actual	Variance
-	-	-	-	-	-
\$ -	\$ -	\$ -	\$ 80,000	\$ 36,251	(43,749)
-	-	-	-	-	-
12,000	10,528	(1,472)	-	-	-
-	-	-	-	-	-
<u>12,000</u>	<u>10,528</u>	<u>(1,472)</u>	<u>80,000</u>	<u>36,251</u>	<u>(43,749)</u>
-	-	-	-	-	-
-	-	-	10,000	15,800	(5,800)
-	-	-	-	-	-
-	-	-	<u>10,000</u>	<u>15,800</u>	<u>(5,800)</u>
12,000	10,528	(1,472)	<u>70,000</u>	<u>20,451</u>	<u>(49,549)</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>12,000</u>	<u>10,528</u>	<u>(1,472)</u>	<u>70,000</u>	<u>20,451</u>	<u>(49,549)</u>
<u>866,206</u>	<u>866,206</u>	<u>-</u>	<u>192,035</u>	<u>192,035</u>	<u>-</u>
<u>\$ 878,206</u>	<u>\$ 876,734</u>	<u>\$ (1,472)</u>	<u>\$ 262,035</u>	<u>\$ 212,486</u>	<u>\$ (49,549)</u>

TOOMBS COUNTY, GEORGIA

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014**

	Law Library Fund		
	Original and Final Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ -	\$ -	\$ -
Fines and forfeitures	15,000	13,598	(1,402)
Charges for services	-	-	-
Interest income	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>15,000</u>	<u>13,598</u>	<u>(1,402)</u>
EXPENDITURES			
Judicial	10,000	10,929	(929)
Public safety	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>10,000</u>	<u>10,929</u>	<u>(929)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,000</u>	<u>2,669</u>	<u>(2,331)</u>
OTHER FINANCING SOURCES			
Transfers in	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balance	<u>5,000</u>	<u>2,669</u>	<u>(2,331)</u>
Fund balance, beginning of year	<u>21,388</u>	<u>21,388</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 26,388</u></u>	<u><u>\$ 24,057</u></u>	<u><u>\$ (2,331)</u></u>

Jail Commissary Fund			Multiple Grants Fund		
Original and Final Budget	Actual	Variance	Original and Final Budget	Actual	Variance
\$ -	\$ -	\$ -	\$ -	\$ 484,750	\$ 484,750
-	-	-	-	-	-
-	-	-	-	-	-
-	9	9	-	-	-
20,000	13,303	(6,697)	-	-	-
20,000	13,312	(6,688)	-	484,750	484,750
-	-	-	-	-	-
18,000	4,426	13,574	-	-	-
-	-	-	-	484,750	(484,750)
18,000	4,426	13,574	-	484,750	(484,750)
2,000	8,886	6,886	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,000	8,886	6,886	-	-	-
7,229	7,229	-	-	-	-
\$ 9,229	\$ 16,115	\$ 6,886	\$ -	\$ -	\$ -

TOOMBS COUNTY, GEORGIA

**SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2008 ISSUE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014**

<u>Project Description</u>	<u>Original Estimated Cost</u>	<u>Revised Estimated Cost</u>	<u>Expenditures</u>		
			<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Landfill Cell Construction	\$ 105,000	\$ 105,000	\$ 1,347,937	\$ -	\$ 1,347,937
Convenience Center Construction	108,096	2,000,000	454,914	73,296	528,210
Roads, Bridges, and Sidewalks	-	2,200,000	810,150	184,167	994,317
Sheriff Annex	-	2,800,000	605,342	-	605,342
Machinery and Equipment	67,189	3,000,000	3,021,267	733,284	3,754,551
Vehicles	76,962	76,962	720,896	490,296	1,211,192
Recreation Allocations	74,833	1,000,000	328,590	66,000	394,590
City of Vidalia	15,770,000	15,770,000	9,465,999	1,998,704	11,464,703
City of Lyons	6,080,000	6,080,000	3,649,541	770,585	4,420,126
City of Santa Claus	380,000	380,000	228,116	48,161	276,277
Total	\$ 22,662,080	\$ 33,411,962	\$ 20,632,752	\$ 4,364,493	\$ 24,997,245

Reconciliation of SPLOST schedule to financial statements:

Total of SPLOST expenditures above	<u>\$ 4,364,493</u>
Total Expenditures - SPLOST Fund	\$ 4,433,893
Debt Service Payments	<u>(69,400)</u>
	<u>\$ 4,364,493</u>

**TOOMBS COUNTY, GEORGIA
AGENCY FUNDS**

Tax Commissioner – To account for the collection and payment to Toombs County and other taxing units of the property taxes levied, billed, and collected by the Tax Commissioner on behalf of Toombs County and other taxing units.

Clerk of Superior Court – To account for all monies received by the Clerk of Superior Court on behalf of individuals, private organizations, other governmental units, and other funds.

Probate Court – To account for all monies received by the Probate Court on behalf of individuals, private organizations, other governmental units, and other funds.

Magistrate Court – To account for all monies received by the Magistrate Court on behalf of individuals, private organizations, other governmental units, and other funds.

Sheriff – To account for all monies received by the Sheriff's Department on behalf of individuals, private organizations, other governmental units, and other funds.

TOOMBS COUNTY, GEORGIA

**COMBINING BALANCE SHEET
AGENCY FUNDS
DECEMBER 31, 2014**

ASSETS	Tax Commissioner	Clerk of Superior Court	Probate Court	Magistrate Court	Sheriff	Total
Cash	\$ 2,360,384	\$ 96,960	\$ 1,626	\$ 30,552	\$ 92,653	\$ 2,582,175
Taxes receivable	<u>1,650,406</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,650,406</u>
Total assets	<u>\$ 4,010,790</u>	<u>\$ 96,960</u>	<u>\$ 1,626</u>	<u>\$ 30,552</u>	<u>\$ 92,653</u>	<u>\$ 4,232,581</u>
 LIABILITIES						
Due to others	\$ 2,360,384	\$ 96,960	\$ 1,626	\$ 30,552	\$ 92,653	\$ 2,582,175
Uncollected taxes	<u>1,650,406</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,650,406</u>
Total liabilities	<u>\$ 4,010,790</u>	<u>\$ 96,960</u>	<u>\$ 1,626</u>	<u>\$ 30,552</u>	<u>\$ 92,653</u>	<u>\$ 4,232,581</u>

COMPLIANCE SECTION



**INDEPENDENT AUDITOR'S 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**

**Board of Commissioners
of Toombs County, Georgia
Lyons, Georgia**

We have audited, 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, 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 Toombs County, Georgia as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise Toombs County, Georgia's basic financial statements, and have issued our report thereon dated May 4, 2015. Our report includes a reference to other auditors who audited the financial statements of the Toombs County Health Department, as described in our report on the County'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 Toombs 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 Toombs County, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of Toombs County, Georgia's internal control.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2014-2, 2014-3, 2014-4, 2014-5 and 2014-6 to be material weaknesses.

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. We consider the deficiency described in the accompanying schedule of findings and responses as item 2014-1 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Toombs 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2014-7.

Toombs County, Georgia's Responses to Findings

Toombs County, Georgia's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. Toombs County, Georgia's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 result 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.

Mauldin & Jenkins, LLC

Macon, Georgia
May 4, 2015

TOOMBS COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

SECTION I SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting: Material weaknesses identified?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no
Significant deficiencies identified not considered to be material weaknesses?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> none reported
Noncompliance material to financial statements noted?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no

Federal Awards

There was not an audit of major federal award programs as of December 31, 2014 due to the total amount expended being less than \$500,000.

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES

2014-1. Segregation of Duties

Criteria: Internal controls should be in place to provide reasonable assurance that an individual cannot misappropriate funds without such actions being detected during the normal course of business.

Condition: Appropriate segregation of duties among recording, distribution, and reconciliation of cash accounts and other operational functions does not exist within the offices of the Sheriff, Tax Commissioner, Clerk of Court, Probate Court, and the Magistrate Court.

Context: Several instances of overlapping duties were noted during interviews regarding internal control procedures.

Effect: Failure to properly segregate duties among recording, distribution, and reconciliation of accounts can lead to misappropriation of funds that is not detected during the normal course of business.

Cause: The lack of segregation of duties is due to the failure to properly develop an integrated work plan with appropriate controls and an improper allocation of available resources.

Recommendation: The duties of recording, distribution, and reconciliation of accounts should be segregated among employees.

TOOMBS COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)

2014-1. Segregation of Duties (continued)

Views of Responsible Officials and Planned Corrective Action: We concur. The offices listed above are in the process of reviewing their respective systems to evaluate and determine the most efficient and effective solution to properly segregate duties among recording, distribution, and reconciliation of accounts to provide reasonable assurance that an individual cannot misappropriate funds without being detected during the normal course of business.

2014-2. Management of Accounts Receivable and Revenue

Criteria: Generally accepted accounting principles require revenues to be recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. As a part of these processes, the County should review all revenue transactions to determine reporting in the proper period.

Condition: Appropriate reconciliation procedures were not followed, resulting in an understatement of revenue and accounts receivable in the T-SPLOST and SPLOST Funds and an overstatement of revenue and accounts receivable in the Emergency Telephone System Fund.

Effect: An audit adjustment to increase accounts receivable and increase revenues in the net amounts of \$369,942 and \$38,364 was required to be reported in the T-SPLOST and SPLOST Funds, respectively, and an audit adjustment to decrease accounts receivable and decrease revenue in the amount of \$12,802 was required to be reported within the Emergency Telephone System Fund as of December 31, 2014.

Cause: The receivable accounts were not reconciled timely and appropriately, causing the overstatements and the understatement of revenue and receivables in the above mentioned funds.

Recommendation: The County should strengthen controls to ensure a proper reconciliation of accounts receivable is performed monthly.

Views of Responsible Officials and Planned Corrective Action: We concur. The County will follow proper reconciliation procedures to ensure all receivables and revenues are reported in the proper period.

TOOMBS COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)

2014-3. Management of Capital Assets

Criteria: Generally accepted accounting principles require items purchased with a measurable future economic value to be recorded as capital assets and depreciated over their useful life.

Condition: Capital assets were improperly recorded in the Ambulance and Landfill Funds. Also, depreciation expense was incorrectly recorded in the Landfill and Ambulance Funds and capital assets were improperly recorded in the General Fund.

Effect: An audit adjustment to increase depreciation expense, accumulated depreciation, capital assets, and capital contributions and decrease expenses in the amounts of \$456,450, \$456,450, \$9,942, \$23,675, and \$13,733, respectively, was required to be reported in the Landfill Fund and an audit adjustment to increase capital assets, depreciation expense, accumulated depreciation, capital contributions, and expenses in the amounts of \$65,887, \$128,453, \$128,453, \$42,512, and \$23,375, respectively, were required to be reported in the Ambulance Fund as of December 31, 2014. Additionally, capital assets in the amount of \$25,455 were improperly recorded in the General Fund as of December 31, 2014.

Cause: The capital asset accounts were not properly reconciled in a timely manner.

Recommendation: The County should strengthen controls to ensure a proper reconciliation of capital assets is performed monthly.

Views of Responsible Officials and Planned Corrective Action: We concur. The County will follow proper reconciliation procedures to ensure all capital assets are properly capitalized, asset deletions are recorded and depreciation expense is computed accurately and properly recorded.

2014-4. Management of Accounts Payable

Criteria: Generally accepted accounting principles require reporting of all current liabilities whose liquidation is expected to require the use of current assets when the goods have been received or services have been performed.

Condition: The County did not properly address the above criteria as of December 31, 2014 as it relates to accounts payable within the General, Landfill, and Ambulance Funds.

Context: We addressed this matter with County officials and they were able to determine the amount of accounts payable that should be recorded in these funds as of December 31, 2014.

TOOMBS COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)

2014-4. Management of Accounts Payable (Continued)

Effect: An audit adjustment to increase expenditures and accounts payable in the amount of \$52,580 was required to be reported within the General Fund as of December 31, 2014. An audit adjustment to increase expenses in the amount of \$10,346, capital assets in the amount of \$28,713, and accounts payable in the amount of \$35,059 was required to be reported within the Ambulance Fund as of December 31, 2014. An audit adjustment to increase capital assets and accounts payable in the amount of \$268,646 was required to be reported within the Landfill Fund as of December 31, 2014.

Cause: Reconciliations of accounts payable are not being performed on an annual basis.

Recommendation: We recommend the County implement procedures to reconcile all accounts payable subsidiary ledgers to the general ledger on an annual basis.

Views of Responsible Officials and Planned Corrective Action: We concur. We will establish procedures to reconcile subsidiary ledgers with the general ledger on an annual basis.

2014-5. Management of Prepaid Expenditures

Criteria: Generally accepted accounting principles require reporting of all expenditures paid in advance of receiving the benefit as an asset, which is then expensed over time as the benefit is received.

Condition: The County did not properly reconcile prepaid expenditures as of December 31, 2014 within the General Fund.

Context: We addressed this matter with County officials and they were able to determine the amount of prepaid expenditures that should be recorded in the General Fund as of December 31, 2014.

Effect: An audit adjustment to decrease prepaid expenditures and increase expenditures was required to be reported within the General Fund in the amount of \$53,638 as of December 31, 2014.

Cause: Reconciliations of prepaid expenditures are not being performed on an annual basis.

Recommendation: We recommend the County implement procedures to reconcile all prepaid expenditure subsidiary ledgers to the general ledger on an annual basis.

Views of Responsible Officials and Planned Corrective Action: We concur. We will establish procedures to reconcile subsidiary ledgers with the general ledger on an annual basis.

TOOMBS COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)

2014-6. Management of Grants Receipts and Disbursements

Criteria: Generally accepted accounting principles require all transactions to be accounted for. Revenues are to be recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. All current liabilities whose liquidation is expected to require the use of current assets when the goods have been received or services have been performed. All expenditures are to be reported in the period incurred. As a part of these processes, the County should review all transactions involving grant receipts and disbursements to determine reporting in the proper period.

Condition: Appropriate recording and reconciliation procedures were not followed, resulting in an understatement of revenue, accounts receivable, accounts payable, and expenditures in the Multiple Grants Fund.

Effect: An audit adjustment to increase accounts receivable and increase revenues in the net amounts of \$54,208 and \$484,750, respectively, was required to be reported in the Multiple Grants Fund. An audit adjustment to increase accounts payable and increase expenditures in the amounts of \$54,208 and \$484,750, respectively, was required to be reported within the Multiple Grants Fund as of December 31, 2014.

Cause: The transactions related to one of the County's grants were not recorded and reconciled in the general ledger, causing the understatements of revenue, receivables, payables, and expenditures in the above mentioned fund.

Recommendation: The County should strengthen controls to ensure the proper inclusion of all transaction in the general ledger.

Views of Responsible Officials and Planned Corrective Action: We concur. The County will follow proper recording and reconciliation procedures to ensure all transactions are recorded.

TOOMBS COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (Continued)

2014-7. Compliance with State Law

Criteria: The State of Georgia requires all county and municipal governments to adopt an annual balanced budget for the general fund, each special revenue fund, and each debt service fund and requires a project length balanced budget for each capital projects fund as set forth by section 36-81-3 of the Official Code of Georgia.

Condition: For the fiscal year ended December 31, 2014 the County did not adopt a budget for the Multiple Grant Fund.

Recommendation: We recommend the County adopt a budget for the Multiple Grants Fund as required by the Official Code of Georgia.

Views of Responsible Officials: We concur. The County will make every effort to adopt budgets for those funds requiring an annual adopted budget as required by the Official Code of Georgia.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Not applicable.

TOOMBS COUNTY, GEORGIA

SUMMARY OF PRIOR YEAR FINDINGS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

2013-1. Segregation of Duties

Criteria: Internal controls should be in place to provide reasonable assurance that an individual cannot misappropriate funds without such actions being detected during the normal course of business.

Condition: Appropriate segregation of duties among recording, distribution, and reconciliation of cash accounts and other operational functions does not exist within the offices of the Sheriff, Tax Commissioner, Clerk of Court, Probate Court, and the Magistrate Court.

Auditee Response/Status: Unresolved. See current year finding 2014-1

2013-2. Management of Accounts Receivable Accounts

Criteria: Generally accepted accounting principles require revenues to be recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. As a part of these processes, the County should review all revenue transactions to determine reporting in the proper period.

Condition: Appropriate reconciliation procedures were not followed, resulting in an understatement of revenue and accounts receivable in the T-SPLOST and Ambulance Funds and an overstatement of revenue and accounts receivable in the Emergency Telephone System Fund.

Auditee Response/Status: Partially resolved. See current year finding 2014-2.

2013-3. Management of Capital Assets

Criteria: Generally accepted accounting principles require items purchased with a measurable future economic value to be recorded as a capital asset and depreciated over its useful life.

Condition: Capital assets were improperly expensed in the Ambulance fund and deletions of assets in the Landfill Fund were not properly reflected in the accounting records. Also, depreciation expense was incorrectly recorded in the Landfill and Ambulance Funds and capital assets were improperly recorded in the General Fund.

Auditee Response/Status: Partially resolved. See current year finding 2014-3.

2013-4. Management of Accounts Payable

Criteria: Generally accepted accounting principles require reporting of all current liabilities whose liquidation is expected to require the use of current assets when the goods have been received or services have been performed.

Condition: The County did not properly address the above criteria as of December 31, 2013 as it relates to accounts payable within the General, Emergency Telephone System, SPLOST, Landfill and Ambulance Funds.

Auditee Response/Status: Partially resolved. See current year finding 2014-4.