

SOUTHERN GEORGIA REGIONAL
COMMISSION
VALDOSTA, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2014

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INDEPENDENT AUDITOR'S REPORT

To the Council Members
Southern Georgia Regional Commission
Valdosta, 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 unit, each major fund, and the aggregate remaining fund information of the Southern Georgia Regional Commission (“the RC”) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the RC’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 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, 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 unit, each major fund, and the aggregate remaining fund information of the RC, as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the schedule of retirement funding progress on pages *vii – xv*, pages 47 – 51, and page 52 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 the RC'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. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards 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 the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2014, on our consideration of the RC'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 the RC's internal control over financial reporting and compliance.

Valenti, Rackley & Assoc., LLC

Valenti, Rackley & Associates, LLC
Certified Public Accountants

December 11, 2014

SOUTHERN GEORGIA REGIONAL COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2014

The Southern Georgia Regional Commission ("the RC") presents a discussion and analysis of its financial activities for the fiscal year ended June 30, 2014. Please read it in conjunction with the RC's Financial Statements, which begin on page 1, and the Notes to the Financial Statements, which begin on page 12.

FINANCIAL HIGHLIGHTS

- The assets of the RC exceeded its liabilities at the end of the fiscal year by \$7,746,752 (net position). Net position is comprised of the following:
 - \$828,530, which represents the RC's investments in land, structures and equipment (net investment in capital assets).
 - \$4,385,342, which is restricted as to use by grant agreements, contracts, and laws and regulations, and can only be used for specific purposes (restricted for programs).
 - \$2,532,880, which may be used to meet the RC's ongoing obligations (unrestricted net position).

- Total combined revenues for governmental and business-type activities were \$14,804,115.

- The RC's expenses in governmental activities during the year were \$13,517,557, while revenues were \$13,793,090, resulting in an increase of \$275,553 for the year.

- The RC's business type activities expenses were \$1,181,674, while revenues were \$1,011,025, resulting in a decrease of \$170,649 for the year.

- The RC's governmental activities transferred \$191,791 to business type activities.

- The RC's net position increased \$104,884 over the previous fiscal year.

- At the end of the fiscal year, the General Fund total fund balance was \$2,499,793.

USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to the Southern Georgia Regional Commission's basic financial statements. The basic financial statements are made up of three components: 1) Statement of Net Position and the Statement of Activities (pages 1 and 2) which provide information about the RC as a whole in a government-wide format; 2) Fund Financial Statements (pages 3 through 11) which provide detailed information on the RC's most significant funds; and 3) notes to the financial statements (pages 12 through 45). The government-wide financial statements are designed to provide readers with a broad overview of the RC's financial position. The Statement of Net Position presents information on all of the RC's assets and liabilities, with the difference between the two reported as net position, while the Statement of Activities presents information showing how the RC's net position changed during the most recent fiscal year. Fund financial statements report the RC's operations in more detail than the government-wide statements by providing information about the RC's most significant funds.

SOUTHERN GEORGIA REGIONAL COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2014

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities comprise the government-wide financial statements and can be found on pages 1 and 2. The Statement of Net Position provides information on all assets and liabilities, with the difference being net position. The Statement of Activities provides information on all expenses and revenues for the fiscal year, and shows the change in net position from one year to the next. These two statements help answer the question "Is the RC as a whole better off or worse off as a result of the year's activities?" The accrual basis of accounting is used, which means that all current year revenues and expenses are taken into account, whether or not cash has been paid or received.

These two statements report the RC's net position and changes in them. You can think of the RC's net position – the difference between assets and liabilities – as one way to measure the RC's financial position. Over time, increases or decreases in net position can indicate whether the financial position of the RC has improved or deteriorated. Other non-financial factors, such as changes in the local government dues base, population of the region, the region's economy, and grants and contracts awarded by federal and state agencies, also need to be applied to determine the full financial health of the RC.

The government-wide financial statements, the Statement of Net Position and Statement of Activities, segregate functions of the RC into three activities:

- Governmental activities – The RC reports its basic services here, including the administration of direct federal and state grants, contracts with local governments as well as general administration. Local dues and federal and state grants finance most of these activities. The major funds are the General Fund, Planning and Technical Assistance Fund, Job Development and Training Fund, Coordinated Transportation Fund and Aging Fund.
- Business-type activities –The RC charges a fee to customers of the Information Technology Services Fund, and Revolving Loan Fund to help cover most of the cost of services provided and are accounted for in the Enterprise Fund.
- Component Units – The RC has one component unit, the Southern Georgia Area Development Corporation (ADC), which the RC is financially accountable for. The ADC is presented in a separate column in the basic financial statements.

REPORTING THE RC's MOST SIGNIFICANT FUNDS

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 and/or objectives. The RC uses fund accounting to ensure compliance with finance related legal requirements. All of the funds can be divided into the three activities listed above. The analysis and fund financial statements of the RC's major funds begin on page 3 and provide information on the most significant funds, and not the RC as a whole.

SOUTHERN GEORGIA REGIONAL COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2014

Governmental Funds. Most of the RC's basic services are reported as governmental funds, and are used to account for inflows and outflows of spendable resources and the balances of spendable resources available at the end of the year. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. Governmental fund statements provide a detailed short-term view of the RC's general government operations and the basic services it provides. Governmental fund information helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the RC's programs. The focus of the governmental funds financial statements is narrower than the government-wide financial statements. The relationship between the government-wide (reported in the Statement of Net Position and Statement of Activities) and governmental funds (reported in the Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances) is described in the reconciliation at the bottom of the governmental fund balance sheet on pages 3 and 5.

Proprietary Funds. The RC has two types of proprietary funds, Enterprise funds and Internal Service Funds. Proprietary funds are reported in the same way that all activities are reported in the Government-Wide Statement of Net Position and the Statement of Activities. Enterprise funds are used to account for charges to outside customers and are presented as a business type activity in the governmental financial statements, but with much more detail than the government-wide financials. Internal Service Funds are used to accumulate and allocate fringe and indirect costs internally among the RC's various functions. The assets and liabilities of the internal service fund are included in the balance sheet of the governmental activities due to the fact that these costs are fully allocated to the various RC funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The RC's net position is listed below in Table 1. The RC's Total Net Position (governmental and business-type activities) was \$7,746,752 at the close of the fiscal year, June 30, 2014. The RC's assets exceeded liabilities by this amount. Unrestricted net position, the portion of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements were \$2,532,880 at the end of this year.

The largest category of net position is the business type RLF restricted which represents 57% of total net position. These business-type assets, \$4,385,342, are restricted due to promissory agreements with the U.S. Department of Agriculture, and can only be used for the specific purpose of funding the Revolving Loan Fund.

The second category of net position is unrestricted, which represents 33% of the total resources. Unrestricted assets are the accumulated resources that are available and may be used to meet the RC's future funding needs, without any constraints. The remaining amount is Net Investment in Capital Assets, which represents 10% of net position. These assets include investment in land, buildings, equipment and vehicles less any debt used to acquire these assets that remains outstanding. The RC used these capital assets to provide services to its member governments; therefore, these assets are not available for future spending. Although the RC's investment in 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.

SOUTHERN GEORGIA REGIONAL COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2014

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	FY 2014	FY 2013	FY 2014	FY 2013	FY 2014	FY 2013
Current and other assets	\$4,211,010	\$ 4,493,335	\$ 5,365,543	\$ 5,430,741	\$ 9,576,553	\$ 9,924,076
Capital assets	808,468	866,980	65,659	107,875	874,127	974,855
Total Assets	5,019,478	5,360,315	5,431,202	5,538,616	10,450,680	10,898,931
Long-term debt outstanding	(255,106)	(362,219)	(1,021,672)	(1,146,926)	(1,276,778)	(1,509,145)
Other liabilities	(1,402,962)	(1,720,428)	(24,188)	(27,490)	(1,427,150)	(1,747,918)
Total Liabilities	(1,658,068)	(2,082,647)	(1,045,860)	(1,174,416)	(2,703,928)	(3,257,063)
Net Position:						
Net investment in capital assets	762,871	732,946	65,659	12,800	828,530	745,746
Restricted	-	-	4,385,342	4,351,400	4,385,342	4,351,400
Unrestricted	2,598,539	2,544,722	(65,659)	-	2,532,880	2,544,722
Total Net Position	\$3,361,410	\$ 3,277,668	\$ 4,385,342	\$ 4,364,200	\$ 7,746,752	\$ 7,641,868

The RC's Changes in Net Position is listed below in Table 2. The RC's total change in net position was an increase of \$104,884 from the previous fiscal year as a result of its governmental and business-type activities. Governmental activities increased net position by \$83,742, while business-type activities increased net position by \$21,142.

The governmental activities accounted for 93% of the revenue generated, and 92% of the program expenses. The RC's governmental activities generated the majority of its revenue (91%) from operating grants, and the remainder was generated from a combination of local government dues and other revenues.

In the business-type activities, the Information Technology Service accounted for 83% of the revenue generated during FY 2014, and 88% of the expenses for the year.

SOUTHERN GEORGIA REGIONAL COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2014

Table 2
Changes in Net Position

	Governmental Activities		Business-Type Activities		Total Primary Government	
	FY 2014	FY 2013	FY 2014	FY 2013	FY 2014	FY 2013
Revenues						
Program Revenues:						
Charges for services	\$ 747,091	\$ 923,906	\$ 1,010,469	\$ 1,104,740	\$ 1,757,560	\$ 2,028,646
Operating grants	12,529,954	13,737,155	-	-	12,529,954	13,737,155
General Revenues:						
Dues	516,045	515,978	-	-	516,045	515,978
Other general revenues	-	-	556	684	556	684
Total Revenues	13,793,090	15,177,039	1,011,025	1,105,424	14,804,115	16,282,463
Program Expenses						
Solid waste and recycling	25,177	25,338	-	-	25,177	25,338
Planning & zoning	1,455,650	1,460,165	-	-	1,455,650	1,460,165
Economic development and assistance	320,053	309,824	-	-	320,053	309,824
Urban redevelopment	4,479	4,389	-	-	4,479	4,389
Economic opportunity	3,075,149	4,072,202	-	-	3,075,149	4,072,202
Conservation	252,434	250,375	-	-	252,434	250,375
Community Service	8,384,615	8,846,399	-	-	8,384,615	8,846,399
Information technology service	-	-	1,040,469	1,055,882	1,040,469	1,055,882
Revolving loan program	-	-	141,205	210,732	141,205	210,732
Total Expenses	13,517,557	14,968,692	1,181,674	1,266,614	14,699,231	16,235,306
Change in Net Position						
Before Transfers	275,533	208,347	(170,649)	(161,190)	104,884	47,157
Transfers	(191,791)	-	191,791	-	-	-
Change in Net Position	83,742	208,347	21,142	(161,190)	104,884	47,157
Net Position - Beginning	3,277,668	3,069,321	4,364,200	4,525,390	7,641,868	7,594,711
Net Position - Ending	\$ 3,361,410	\$3,277,668	\$ 4,385,342	\$ 4,364,200	\$ 7,746,752	\$ 7,641,868

GOVERNMENTAL FUNDS

The objective of the RC's governmental funds is to provide information on near-term activity and balances of spendable resources. Such information is useful in assessing the RC's financial requirements. The RC uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund balance at the close of the fiscal year should be large enough to provide adequate financial resources to cover general government operations for the next fiscal year. The RC ended the 2014 fiscal year with a balance of \$2,813,909 in its governmental funds as shown in Table 3 listed below. The Proprietary Funds ended with a fund equity balance of \$4,385,342, with all of the balance being restricted.

SOUTHERN GEORGIA REGIONAL COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2014

Table 3
Balance Sheet/Statement of Net Position

	Governmental Funds		Proprietary Funds		Total Primary Government	
	FY 2014	FY 2013	FY 2014	FY 2013	FY 2014	FY 2013
Current and other assets	\$ 4,633,016	\$ 5,094,114	\$ 5,802,662	\$ 5,829,919	\$ 10,435,678	\$ 10,924,033
Net capital assets	-	-	65,659	107,875	65,659	107,875
Total Assets	4,633,016	5,094,114	5,868,321	5,937,794	10,501,337	11,031,908
Long-term debt outstanding	-	-	1,021,672	1,146,926	1,021,672	1,146,926
Other liabilities	1,819,107	2,370,517	461,307	426,668	2,280,414	2,797,185
Total Liabilities	1,819,107	2,370,517	1,482,979	1,573,594	3,302,086	3,944,111
Net Position						
Net investment in capital assets			65,659	-	65,659	-
Restricted for RLF	-	-	4,385,342	4,351,400	4,385,342	4,351,400
Unrestricted	-	-	(65,659)	12,800	(65,659)	12,800
Fund Balance						
Nonspendable - prepaid	2,640					
Assigned	314,116	314,116	-	-	314,116	314,116
Unassigned	2,497,153	2,409,481	-	-	2,497,153	2,409,481
Total Fund Balance/						
Net Position	\$ 2,813,909	\$ 2,723,597	\$ 4,385,342	\$ 4,364,200	\$ 7,196,611	\$ 7,087,797

The Governmental Funds increased the RC's Governmental fund balance by \$90,312, accounting for a 3% growth of the fund balance of the RC as shown in Table 4. For the most part, it is difficult to correlate the revenues and expenses reported in governmental activities on a year-to-year basis, as several significant revenue sources are dependent upon the availability of federal and state grants each year. Revenues decreased by 11% (\$1.7M) and expenses decreased by 12% (\$1.8M) in the RC Primary Government when comparing FY 2014 to FY 2013. The 2014 Federal Sequestration either reduced or delayed federal grant funds in the Job Development and Training Fund and the Aging Fund. In addition, Aging Fund revenues were reduced by a change in the intrastate funding formula due to State population changes.

General Fund – The general fund is the operating fund of the RC. At the end of the current year, the fund balance was \$2,499,793, all of which is designated as unassigned as described on page 22 of the notes. New fund balance classifications per GASB Statement No. 54 were instituted for governmental fund balances starting in FY11.

Special Revenue Fund – The Special Revenue Fund of the RC accounts for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes. This includes all grants and contracts received by the RC. The RC uses cost centers and elements in its accounting system to account for each grant or contract in the special revenue fund. Additional information on the Special

SOUTHERN GEORGIA REGIONAL COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2014

Revenue Fund can be found starting on page 46. The major funds for FY 2014 are the General Fund, Planning and Technical Assistance Fund, Job Development and Training Fund, Coordinated Transportation Fund and Aging Fund.

Proprietary Fund - The RC's enterprise funds had an increase in the net fund balance of \$21,142, as shown in Table 4. Revenues in the business-type activities (Table 4) decreased by 8.5% (\$1.010 million in FY 2014 compared to \$1.105 million in FY 2013), and expenses decreased by 6.6%, or \$83,430. The major funds for FY 2014 are Information Technology Services Fund and the Revolving Loan Fund.

Table 4

Statement of Revenues, Expenditures and Changes in Fund Balances/Net Position

	Governmental Funds		Proprietary Funds		Total Primary Government	
	FY 2014	FY 2013	FY 2014	FY 2013	FY 2014	FY 2013
Revenues						
Intergovernmental	\$12,265,312	\$13,737,155	\$ -	\$ -	\$12,265,312	\$13,737,155
Dues	516,045	515,978	-	-	516,045	515,978
Charges for service	-	-	835,878	923,381	835,878	923,381
Investment earnings	-	-	-	-	-	-
In-kind	264,642	320,463	-	-	264,642	320,463
Program/other Income	747,091	923,906	174,591	181,359	921,682	1,105,265
Total Revenues	13,793,090	15,497,502	1,010,469	1,104,740	14,803,559	16,602,242
Expenditures						
Current	13,510,987	15,310,092	1,170,254	1,253,684	14,681,241	16,563,776
Total Expenditures	13,510,987	15,310,092	1,170,254	1,253,684	14,681,241	16,563,776
Non-Operating Revenue (Expense)						
Transfer in	-	-	191,791	-	191,791	-
Interest income	-	-	556	684	556	684
Interest expense	-	-	(11,420)	(12,930)	(11,420)	(12,930)
Total Non-Operating Revenue (Expense)			180,927	(12,246)	180,927	(12,246)
Other Financing Sources						
Transfer in	423,954	518,916	-	-	423,954	518,916
Transfer out	(615,745)	(518,916)	-	-	(615,745)	(518,916)
Total Other Financing Sources	(191,791)	-	-	-	(191,791)	-
Net Change In Fund Balances/Net Position	90,312	187,410	21,142	(161,190)	111,454	26,220
Fund Balances/Net Position						
Beginning	2,723,597	2,536,187	4,364,200	4,525,390	7,087,797	7,061,577
Ending	\$ 2,813,909	\$ 2,723,597	\$4,385,342	\$4,364,200	\$ 7,199,251	\$ 7,087,797

SOUTHERN GEORGIA REGIONAL COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2014

GENERAL FUND BUDGETARY HIGHLIGHTS

The FY 2014 RC annual Budget was adopted by the RC Council at its June 27, 2013 meeting as required by the Georgia State Planning Act of 1989. The Council amended its original FY 2014 budget on April 24, 2014. The amended budget reflected a decrease in revenues and expenditures as a result of decreased grant and contract funding and correlating expenses.

CAPITAL ASSET AND DEBT ADMINISTRATION

The RC's net position in net investment in capital assets for its governmental and business type activities as of June 30, 2014, was \$828,530, net of accumulated depreciation of \$1,604,683 (as shown on page 31) and related debt of \$45,597 (as shown on page 37). This investment in capital assets includes land, buildings/leasehold improvements and equipment and vehicles.

At June 30, 2014 the present value of net future minimum lease payments due on the building capital lease was \$45,597 as shown on page 38. Additional information on Long-Term Debt can be found in Note 10 of the Notes to Financial Statements, beginning on page 35.

The RC does not own any infrastructure assets such as roads, bridges, curbs, gutters, storm drains, and so forth.

Total capital assets net of additions, retirements and depreciation, decreased by \$58,512 for Governmental Activities. Depreciation expense for Governmental Activities for the period was \$106,916. Depreciation expense for Business-type Activities was \$42,216. Additional information on Capital Assets can be found in Note 8 of the Notes to Financial Statements, beginning on page 31.

Long-Term Debt

At the end of the fiscal year, the RC had \$45,597 outstanding in Governmental Activities long-term debt of which, \$45,597 is due within one year. The debt of the RC represents obligations under a capital lease for the Waycross office building. The office building capital lease is with the Waycross-Ware County Development Authority. Lease payments are billed in the RC's Internal Service fund. Resources of the Internal Service Fund are expected to be used to make the lease payments and the debt is recorded in the Internal Service Fund as a capital lease obligation.

As of June 30, 2014 the RC had \$1,021,672 outstanding in its business-type activities. This long-term debt is comprised of four Promissory Agreements with the U.S. Department of Agriculture for IRP funds used in the Revolving Loan Program. The four loans are all 30-year notes, at 1% interest, with principal and interest paid annually. Additional information on Long-Term Debt can be found in Note 10 of the Notes to Financial Statements, beginning on page 35.

SOUTHERN GEORGIA REGIONAL COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2014

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The RC's Council had to consider many factors when setting the Fiscal Year 2015 budget, including, but not limited to, dues and fee for services contracts from member governments and grants and contracts from Federal and State sources which will be received and administered as programs. The current condition of the State and National economy plays a significant role when preparing the budget. For example, the effects of the federal sequestration were significant during FY14 and may have a similar impact during FY15 for those programs funded primarily with federal funds. The RC intends to closely monitor the regional demand for services that continues to rise, as does the expense to provide those services, and whether Federal, State, and local programs, grants and contracts increase, decrease or remain constant and intends to adjust to these changes by adjusting staff and services to match the available funding.

The RC actively participates in regional planning with State and Federal agencies and counties and municipalities within the RC to maximize service to the region's citizens and to provide those services as economically reasonable as possible.

CONTACTING THE RC'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the RC's finances for all those with an interest in the RC's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Director of the Southern Georgia Regional Commission, 327 W. Savannah Avenue, Valdosta, Georgia, 31601.

SOUTHERN GEORGIA REGIONAL COMMISSION
GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2014

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash	\$ 1,835,771	\$ -	\$ 1,835,771	\$ -
Accounts receivable	1,800,581	159,174	1,959,755	-
Due from primary government	-	-	-	63,200
Unamortized advances	52,079	-	52,079	-
Prepaid expenses	85,460	967	86,427	-
Notes receivable, net	-	3,922,713	3,922,713	-
Restricted cash	-	1,719,808	1,719,808	-
Internal balances	437,119	(437,119)	-	-
Capital assets:				
Land	14,000	-	14,000	-
Other capital assets, net of depreciation	794,468	65,659	860,127	-
Total capital assets	<u>808,468</u>	<u>65,659</u>	<u>874,127</u>	<u>-</u>
Total assets	<u>5,019,478</u>	<u>5,431,202</u>	<u>10,450,680</u>	<u>63,200</u>
LIABILITIES				
Accounts payable and other accrued expenses	1,249,841	23,943	1,273,784	-
Accounts payable - component unit	63,200	-	63,200	-
Unearned revenue	89,921	245	90,166	-
Long-term liabilities:				
Compensated absences	209,509	-	209,509	-
Due within one year	45,597	105,159	150,756	-
Due in more than one year	-	916,513	916,513	-
Total liabilities	<u>1,658,068</u>	<u>1,045,860</u>	<u>2,703,928</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	762,871	65,659	828,530	-
Restricted for programs:				
Economic development - revolving loan	-	4,385,342	4,385,342	-
Southern Georgia Area Development Corp.	-	-	-	63,200
Unrestricted	2,598,539	(65,659)	2,532,880	-
Total net position	<u>\$ 3,361,410</u>	<u>\$ 4,385,342</u>	<u>\$ 7,746,752</u>	<u>\$ 63,200</u>

SOUTHERN GEORGIA REGIONAL COMMISSION
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

Function/Programs:			Program Revenues		Net (Expense) Revenue and Changes in Net Position			Component Unit
	Direct Expenses	Indirect/Expense Allocation	Charges for Services	Operating Grants/Contributions	Primary Government		Total	
					Governmental Activities	Business -type Activities		
PRIMARY GOVERNMENT:								
Governmental activities:								
General government	\$ 1,028,642	\$ (1,030,733)	\$ -	\$ -	\$ 2,091		\$ 2,091	
Community service	7,999,520	385,095	624,676	7,719,142	(40,797)		(40,797)	
Solid waste and recycling	22,404	2,773	25,176	-	(1)		(1)	
Planning and zoning	1,135,133	320,517	97,239	1,144,792	(213,619)		(213,619)	
Economic development	245,063	74,990	-	362,850	42,797		42,797	
Urban redevelopment	3,410	1,069	-	4,091	(388)		(388)	
Economic opportunity	2,933,397	141,752	-	3,065,490	(9,659)		(9,659)	
Conservation	218,570	33,864	-	233,589	(18,845)		(18,845)	
Interest on long-term debt	2,091	-	-	-	(2,091)		(2,091)	
Total governmental activities	<u>13,588,230</u>	<u>(70,673)</u>	<u>747,091</u>	<u>12,529,954</u>	<u>(240,512)</u>		<u>(240,512)</u>	
Business-type activities:								
Information technology	1,019,782	20,687	835,878	-	-	(204,591)	(204,591)	
Revolving loan program	109,746	31,459	174,591	-	-	33,386	33,386	
Total business-type activities	<u>1,129,528</u>	<u>52,146</u>	<u>1,010,469</u>	<u>-</u>	<u>-</u>	<u>(171,205)</u>	<u>(171,205)</u>	
Total primary government	<u>\$ 14,717,758</u>	<u>\$ (18,527)</u>	<u>\$ 1,757,560</u>	<u>\$ 12,529,954</u>	<u>(240,512)</u>	<u>(171,205)</u>	<u>(411,717)</u>	
COMPONENT UNIT:								
Southern Georgia Area Dev. Corp.	\$ 61,015	\$ 18,527	\$ 99,196	\$ -				\$ 19,654
General revenues:								
Local dues					516,045	-	516,045	-
Investment earnings					-	556	556	-
Total general revenues					<u>516,045</u>	<u>556</u>	<u>516,601</u>	<u>-</u>
Transfers					(191,791)	191,791	-	-
Change in net position					83,742	21,142	104,884	19,654
Net position - beginning					3,277,668	4,364,200	7,641,868	43,546
Net position - ending					<u>\$ 3,361,410</u>	<u>\$ 4,385,342</u>	<u>\$ 7,746,752</u>	<u>\$ 63,200</u>

SOUTHERN GEORGIA REGIONAL COMMISSION
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2014

	General Fund	Planning and Technical Assistance Fund	Job Development and Training Fund	Coordinated Transportation Fund	Aging Fund	Nonmajor Funds	Total Governmental Funds
ASSETS							
Receivables	\$ -	\$ 203,920	\$ 264,478	\$ 163,542	\$ 1,022,541	\$ 120,982	\$ 1,775,463
Unamortized advances	-	-	-	-	52,079	-	52,079
Prepaid expenses	-	-	-	-	2,640	-	2,640
Interfund balances	2,499,793	-	-	303,041	-	-	2,802,834
Total assets	<u>\$ 2,499,793</u>	<u>\$ 203,920</u>	<u>\$ 264,478</u>	<u>\$ 466,583</u>	<u>\$ 1,077,260</u>	<u>\$ 120,982</u>	<u>\$ 4,633,016</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ -	\$ 2,062	\$ 236,968	\$ 152,467	\$ 731,835	\$ 5,666	\$ 1,128,998
Unamortized advances	-	-	-	-	72,293	-	72,293
Due to other governments	-	3,185	-	-	25,085	-	28,270
Unearned revenue	-	32,806	-	-	37,526	19,589	89,921
Interfund balances	-	165,867	27,510	-	210,521	95,727	499,625
Total liabilities	-	203,920	264,478	152,467	1,077,260	120,982	1,819,107
Fund balances:							
Nonspendable - prepaid items	-	-	-	-	2,640	-	2,640
Assigned for transportation program	-	-	-	314,116	-	-	314,116
Unassigned	2,499,793	-	-	-	(2,640)	-	2,497,153
Total fund balances	2,499,793	-	-	314,116	-	-	2,813,909
Total liabilities and fund balances	<u>\$ 2,499,793</u>	<u>\$ 203,920</u>	<u>\$ 264,478</u>	<u>\$ 466,583</u>	<u>\$ 1,077,260</u>	<u>\$ 120,982</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.

119,152

An internal service fund is used by management to charge indirect costs and fringe benefits to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.

428,349

Net position of governmental activities

\$ 3,361,410

SOUTHERN GEORGIA REGIONAL COMMISSION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	General Fund	Planning and Technical Assistance Fund	Job Development and Training Fund	Coordinated Transportation Fund	Aging Fund	Nonmajor Funds	Total Governmental Funds
REVENUES							
Intergovernmental	\$ -	\$ 820,580	\$ 3,065,490	\$ 1,749,835	\$ 5,781,854	\$ 847,553	\$ 12,265,312
Dues	516,045	-	-	-	-	-	516,045
In-kind contributions	-	77,189	-	36,666	150,787	-	264,642
Program/other income	-	37,099	-	-	624,676	85,316	747,091
Total revenues	<u>516,045</u>	<u>934,868</u>	<u>3,065,490</u>	<u>1,786,501</u>	<u>6,557,317</u>	<u>932,869</u>	<u>13,793,090</u>
EXPENDITURES							
Current:							
Community services	-	-	-	1,766,465	6,619,361	-	8,385,826
Economic opportunity	-	-	3,065,490	-	-	-	3,065,490
Planning and zoning	-	800,336	-	-	-	657,194	1,457,530
Conservation	-	252,434	-	-	-	-	252,434
Economic development and assistance	-	78,222	-	-	-	241,830	320,052
Urban redevelopment and housing	-	4,478	-	-	-	-	4,478
Solid waste and recycling	-	25,177	-	-	-	-	25,177
Total expenditures	<u>-</u>	<u>1,160,647</u>	<u>3,065,490</u>	<u>1,766,465</u>	<u>6,619,361</u>	<u>899,024</u>	<u>13,510,987</u>
Excess (deficiency) of revenues over (under) expenditures	516,045	(225,779)	-	20,036	(62,044)	33,845	282,103
OTHER FINANCING SOURCES (USES)							
Transfers in	95,006	233,420	-	-	62,044	33,484	423,954
Transfers out	(520,739)	(7,641)	-	(20,036)	-	(67,329)	(615,745)
Total other financing sources and uses	<u>(425,733)</u>	<u>225,779</u>	<u>-</u>	<u>(20,036)</u>	<u>62,044</u>	<u>(33,845)</u>	<u>(191,791)</u>
Net change in fund balances	90,312	-	-	-	-	-	90,312
Fund balances - beginning	2,409,481	-	-	314,116	-	-	2,723,597
Fund balances - ending	<u>\$ 2,499,793</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 314,116</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,813,909</u>

SOUTHERN GEORGIA REGIONAL COMMISSION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

Net change in fund balances - total governmental funds	\$ 90,312
 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 depreciation (\$22,807) exceeded capital outlay (\$16,237) in the current period.	 <u>(6,570)</u>
Change in net position of governmental activities	<u><u>\$ 83,742</u></u>

SOUTHERN GEORGIA REGIONAL COMMISSION
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
JUNE 30, 2014

	Enterprise Funds			Governmental Fund
	Information Technology Services Fund	Southern Georgia Revolving Loan Fund	Totals	Internal Service Funds
ASSETS				
Current assets:				
Cash	\$ -	\$ -	\$ -	\$ 1,835,771
Restricted cash	-	1,719,808	1,719,808	-
Accounts receivable	159,174	-	159,174	24,030
Notes receivable - current portion	-	391,110	391,110	-
Allowance for loan loss	-	(145,341)	(145,341)	-
Interest receivable	-	-	-	-
Prepaid expenses	967	-	967	82,820
Due from employees	-	-	-	1,088
Interfund balances	-	-	-	50,921
Total current assets	<u>160,141</u>	<u>1,965,577</u>	<u>2,125,718</u>	<u>1,994,630</u>
Noncurrent assets:				
Notes receivables, less current portion	-	3,676,944	3,676,944	-
Capital assets:				
Land	-	-	-	14,000
Equipment and vehicles	315,357	-	315,357	483,309
Buildings	-	-	-	1,220,909
Less accumulated depreciation	(249,698)	-	(249,698)	(1,028,900)
Total noncurrent assets	<u>65,659</u>	<u>3,676,944</u>	<u>3,742,603</u>	<u>689,318</u>
Total assets	<u>225,800</u>	<u>5,642,521</u>	<u>5,868,321</u>	<u>2,683,948</u>

SOUTHERN GEORGIA REGIONAL COMMISSION
STATEMENT OF NET POSITION – PROPRIETARY FUNDS (CONTINUED)
JUNE 30, 2014

	Enterprise Funds			Governmental Fund
	Information Technology Services Fund	Southern Georgia Revolving Loan Fund	Totals	Internal Service Funds
LIABILITIES				
Current liabilities:				
Accounts payable	3,745	-	3,745	19,846
Accrued expenses	-	5,167	5,167	-
Interfund balances	206,810	230,309	437,119	1,917,011
Current portion:				
Capital lease payable	-	-	-	45,597
Notes payable	-	105,159	105,159	-
Total current liabilities	<u>210,555</u>	<u>340,635</u>	<u>551,190</u>	<u>1,982,454</u>
Noncurrent liabilities:				
Accounts payable - component unit	-	-	-	63,200
Unearned revenue	245	-	245	-
Due to other governments	15,000	31	15,031	436
Compensated absences	-	-	-	209,509
Capital lease payable, less current portion	-	-	-	-
Notes payable, less current portion	-	916,513	916,513	-
Total noncurrent liabilities	<u>15,245</u>	<u>916,544</u>	<u>931,789</u>	<u>273,145</u>
Total liabilities	<u>225,800</u>	<u>1,257,179</u>	<u>1,482,979</u>	<u>2,255,599</u>
NET POSITION				
Net investment in capital assets	65,659	-	65,659	643,721
Restricted for revolving loan program	-	4,385,342	4,385,342	-
Unrestricted	(65,659)	-	(65,659)	(215,372)
Total net position	<u>\$ -</u>	<u>\$ 4,385,342</u>	<u>\$ 4,385,342</u>	<u>\$ 428,349</u>

SOUTHERN GEORGIA REGIONAL COMMISSION
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Enterprise Funds			Governmental Fund
	Information Technology Services Fund	Southern Georgia Revolving Loan Fund	Totals	Internal Service Funds
OPERATING REVENUES				
Charges for services	\$ 835,878	\$ -	\$ 835,878	\$ 2,800,148
Interest on notes receivable	-	162,180	162,180	-
Other income	-	12,411	12,411	28,452
Total operating revenue	<u>835,878</u>	<u>174,591</u>	<u>1,010,469</u>	<u>2,828,600</u>
OPERATING EXPENSES				
Personnel services	841,699	94,835	936,534	2,306,070
Indirect cost allocation	20,687	31,459	52,146	-
Depreciation	42,216	-	42,216	84,109
Computer maintenance/charges	23,528	-	23,528	35,512
Supplies and materials	17,127	-	17,127	35,593
Utilities	22,501	-	22,501	40,260
Administrative expense	16,800	-	16,800	-
Telecommunications/internet	11,113	-	11,113	25,396
Contract services	9,082	-	9,082	-
Repairs and maintenance	8,193	-	8,193	35,702
Motor pool costs	10,710	871	11,581	-
Rent	7,197	-	7,197	19,091
Other	4,379	2,514	6,893	9,716
Training and education	2,692	-	2,692	3,953
Per diem and fees	385	765	1,150	37,375
Travel	1,501	-	1,501	18,275
Memberships and subscriptions	-	-	-	11,628
Insurance and bonding	-	-	-	28,181
Fuel	-	-	-	31,455
Work experience benefits	-	-	-	49,648

SOUTHERN GEORGIA REGIONAL COMMISSION
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2014

	Enterprise Funds			Governmental Fund
	Information Technology Services Fund	Southern Georgia Revolving Loan Fund	Totals	Internal Service Funds
OPERATING EXPENSES (CONTINUED)				
Job training participant support	-	-	-	56,904
Total operating expenses	<u>1,039,810</u>	<u>130,444</u>	<u>1,170,254</u>	<u>2,828,868</u>
Operating income (loss)	<u>(203,932)</u>	<u>44,147</u>	<u>(159,785)</u>	<u>(268)</u>
NONOPERATING REVENUES (EXPENSES) AND TRANSFERS				
Gain on disposal of capital assets	-	-	-	2,359
Transfer in	191,791	-	191,791	-
Interest income	-	556	556	-
Interest expense	<u>(659)</u>	<u>(10,761)</u>	<u>(11,420)</u>	<u>(2,091)</u>
	<u>191,132</u>	<u>(10,205)</u>	<u>180,927</u>	<u>268</u>
Change in net position	<u>(12,800)</u>	<u>33,942</u>	<u>21,142</u>	<u>-</u>
Total net position - beginning	<u>12,800</u>	<u>4,351,400</u>	<u>4,364,200</u>	<u>428,349</u>
Total net position - ending	<u>\$ -</u>	<u>\$ 4,385,342</u>	<u>\$ 4,385,342</u>	<u>\$ 428,349</u>

**SOUTHERN GEORGIA REGIONAL COMMISSION
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014**

	Enterprise Funds			Governmental Fund
	Information Tech.	Southern Georgia	Total	Internal
	Services Fund	Revolving Loan Fund		Service Fund
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts from:				
Customers and borrowers	\$ 832,452	\$ 500,312	\$ 1,332,764	\$ -
Other	-	-	-	28,452
Internal activity: receipts (payments)	186,901	42,831	229,732	3,252,965
Payments to:				
Borrowers for loans	-	(1,037,551)	(1,037,551)	-
Employees or for their benefit	(841,699)	(94,835)	(936,534)	(2,368,530)
Suppliers/job training participant support	(438,850)	(35,596)	(474,446)	(506,996)
Net cash provided (used) by operating activities	<u>(261,196)</u>	<u>(624,839)</u>	<u>(886,035)</u>	<u>405,891</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	-	-	-	(32,167)
Proceeds from sale of capital assets	-	-	-	2,359
Principal paid on capital debt	(20,939)	(104,315)	(125,254)	(88,437)
Interest paid on capital debt	(659)	(11,226)	(11,885)	(2,091)
Net cash provided (used) by capital and related financing activities	<u>(21,598)</u>	<u>(115,541)</u>	<u>(137,139)</u>	<u>(120,336)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	-	556	556	-
Net cash provided by investing activities	<u>-</u>	<u>556</u>	<u>556</u>	<u>-</u>
Net (decrease) in cash and cash equivalents	(282,794)	(739,824)	(1,022,618)	285,555
Balances - beginning	<u>-</u>	<u>2,459,632</u>	<u>2,459,632</u>	<u>1,550,216</u>
Balances - ending	<u>\$ (282,794)</u>	<u>\$ 1,719,808</u>	<u>\$ 1,437,014</u>	<u>\$ 1,835,771</u>

SOUTHERN GEORGIA REGIONAL COMMISSION
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2014

	Enterprise Funds			Governmental Fund
	Information Tech. Services Fund	Southern Georgia Revolving Loan Fund	Total	Internal Service Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (203,932)	\$ 44,147	\$ (159,785)	\$ (268)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	42,216	-	42,216	84,109
Transfer in	191,791	-	191,791	-
Change in assets and liabilities:				
Receivables, net	(3,426)	(711,830)	(715,256)	49,098
Prepaid expenses	-	-	-	6,825
Change interfund balances	(4,890)	42,831	37,941	403,719
Change in deferred revenue	-	-	-	-
Accounts and other payables	(161)	13	(148)	(137,592)
Net cash provided by operating activities	<u>\$ 21,598</u>	<u>\$ (624,839)</u>	<u>\$ (603,241)</u>	<u>\$ 405,891</u>

Non-cash activity. Capital assets in the Information Technology Fund and Internal Service Fund with costs of \$3,322 and \$49,812 and accumulated depreciation of \$3,322 and \$49,812, respectively, were disposed of in the current year.

SOUTHERN GEORGIA REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 1 - Summary of Significant Accounting Policies

The Southern Georgia Regional Commission (hereafter referred to as the RC) is one of twelve similar entities in Georgia. The RC was created by state legislation, as amended by House Bill 1216, requiring that the South Georgia Regional Development Center and Southeast Georgia Regional Development Center be combined as of July 1, 2009 to form a Regional Commission for Region 11. The Official Code of Georgia Annotated (OCGA) Section 50-8-41 provided for the succession. As a result, both Centers were legally dissolved and all the assets, liabilities, contracts and staff and records of the dissolved Centers were transferred to a Regional Commission with offices in Valdosta and Waycross, Georgia. This new governmental entity serves the areas previously served by the South Georgia and Southeast Georgia Regional Development Centers.

The RC is a quasi-governmental regional planning organization created and managed by the member local governments and it serves forty-five municipalities and eighteen counties (members) in South Georgia, including Atkinson, Bacon, Ben Hill, Berrien, Brantley, Brooks, Charlton, Clinch, Coffee, Cook, Echols, Irwin, Lanier, Lowndes, Pierce, Tift, Turner, and Ware counties. The responsibilities and authority of regional commissions are contained in Sections 50-8-30 through 50-8-67 of O.C.G.A. For more than forty years, the RC and former Regional Development Centers have provided a comprehensive array of services and resources in response to the needs of member local governments. Staff, including technical experts in a number of specialized fields, team with local governments to solve problems and to increase the prosperity and quality of life in the region.

The RC is a multi-funded organization receiving funds from federal, state, and local agencies, plus member governments. In some cases, federal grants may be passed through and administered by a state agency via a contractual relationship with the RC. Additionally, state agencies contract with the RC to perform certain services. These contracts are funded with money appropriated by the Georgia Legislature. Additionally, member governments provide funds to the RC through quarterly dues or contracts with the RC for a specific product or service.

The RC's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The more significant accounting policies, established in GAAP and used by the RC, are discussed below.

A. Reporting Entity

The Southern Georgia Regional Commission includes the general operations authorized and/or mandated by statute, programs and projects in which goals and objectives as well as funding is specified in grant contracts, and such proprietary fund type activities as have been established by the Council.

SOUTHERN GEORGIA REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 1 - Summary of Significant Accounting Policies (Continued)

The Governmental Accounting Standards Board sets forth criteria for determining whether related organizations are included in the reporting entity. The definition of the financial reporting entity is primarily based on the concept of financial accountability. Financial accountability exists if the primary government appoints a majority of an organization's governing body, and is either able to impose its will on the organization or there is potential for the organization to provide a specific benefit to, or impose specific burdens on, the primary government.

Based on the above criteria, the financial statements of the RC include the Southern Georgia Area Resource Development Agency, Inc. as a blended component unit and The Southern Georgia Area Development Corporation as a discretely presented component unit. The Southern Georgia Area Development Corporation administers the Small Business Administration Loan Programs for the Commission. Separate financial statements are not issued by these component units.

There are no potential units which are excluded from the RC's reporting entity.

B. Basic Financial Statements – Government-wide Statements

The RC's basic financial statements include both government-wide (reporting the RC as a whole) and fund financial statements (reporting the RC's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The RC's Planning & Technical Assistance Fund, Job Development & Training Fund, Coordinated Transportation Fund, Aging Fund, Community Development Fund, Data Management Fund and General Fund are classified as governmental activities. The RC's Revolving Loan Fund and Information Technology Services Fund are classified as business-type activities. Neither fiduciary funds nor component units that are fiduciary in nature are included.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The RC's net position is reported in three parts – net investment in capital assets, restricted, and unrestricted. Restricted assets are liquid assets (generated from revenues and not bond proceeds) that have third party (statutory, bond covenant, or granting agency) limitation on their use. The RC would typically use restricted assets first, as appropriate opportunities arise, but reserve the right to selectively defer the use thereof to a future project or replacement equipment acquisition.

The government-wide Statement of Activities reports both the gross and net cost of each of the RC's functions and business-type activities (grant administration, revolving loan program, etc.). The functions are also supported by general government revenues (dues, investment earnings, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (community service, economic development, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

SOUTHERN GEORGIA REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 1 - Summary of Significant Accounting Policies (Continued)

The net costs (by function or business-type activity) are normally covered by general revenue (dues, investment earnings, etc.).

The RC does not have excess indirect costs to allocate in preparing government-wide statements. Administrative service fees are charged by the internal service funds to the other operating funds in preparing the government-wide financial statements. These fees and associated costs are eliminated like a reimbursement (reducing the revenue and expense in the internal service funds) to recover the direct costs of the internal service funds services provided.

The government-wide focus is more on the sustainability of the RC as an entity and the change in the RC's net position resulting from the current year's activity.

C. Basic Financial Statements – Fund Financial Statements

The financial transactions of the RC are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expense of either fund category or the governmental and enterprise combined) for the determination of major funds. The RC's major funds are the General Fund, Planning and Technical Assistance Fund, Job Development and Training Fund, Coordinated Transportation Fund, Aging Fund, Information Technology Services Fund, and Southern Georgia Revolving Loan Fund.

The following fund types are used by the RC:

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the RC:

The **General Fund** is used to account for all activities of the Commission not accounted for in some other fund. Specifically, this fund recognizes as revenue dues paid by the RC's member governments. These dues are principally used as matching funds for grants and contracts and, additionally, to fund projects or activities which are not funded by other sources. Matching funds for grants and contracts are transferred to the special revenue funds through transfers.

SOUTHERN GEORGIA REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 1 - Summary of Significant Accounting Policies (Continued)

Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes, other than debt service or capital projects. Activities for grants, contracts, and special projects are accounted for in these funds.

- (a) Planning and Technical Assistance Fund - Used to account for revenues and expenditures related to planning and technical assistance activities.
- (b) Job Development and Training Fund - Used to account for revenues and expenditures related to job development and training activities.
- (c) Aging Fund – Used to account for revenues and expenditures related to services that assist older individuals, at-risk adults, persons with disabilities, their families, and caregivers.
- (d) Coordinated Transportation Fund – Used to account for revenues and expenditures related to coordinating and providing transportation needs for elderly individuals, individuals with disabilities, and other DHS clientele.
- (e) Community Development Fund - Used to account for revenues and expenditures related to administration of community development grants and activities.
- (f) Data Management Fund - Used to account for revenues and expenditures related to computerized data management activities.

2. Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position and cash flows. Goods or services from such activities provided to outside parties are accounted for in enterprise funds. The generally accepted accounting principles applicable are similar to businesses in the private sector. The following is a description of the proprietary funds of the RC:

Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities. Nonoperating revenues and expenses include subsidies, interest expense from financing and investment earnings resulting from nonexchange transactions or auxiliary activities.

SOUTHERN GEORGIA REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 1 - Summary of Significant Accounting Policies (Continued)

- (a) Information Technology Services Fund - Used to account for revenues and expenses relating to computer programming and data processing services to entities within the RC's service area.
- (b) Southern Georgia Revolving Loan Fund - Used to account for revenues and expenses related to administering a revolving loan fund. Loans are made to qualifying businesses in the RC's service area. Interest, principal and fees received are used to pay administrative costs and to reinvest in the fund for additional lending. The original source of funds loaned is federal grants and loans.

Internal service funds are used to account for the financing of goods or services provided by an activity to other departments, funds or component units of the RC on a cost-reimbursement basis.

The RC's internal service funds are presented in the proprietary funds financial statements. Because the principal users of the internal services are the RC's governmental activities, the financial statements of the internal service funds are consolidated into the governmental column when presented in the government-wide financial statements. The cost of these services is reported in the appropriate functional activity (community service, economic development, etc.)

- (a) Administrative Services Fund - Used to account for costs pooled and charged to benefiting programs accounted for in other RC funds. Costs pooled and recovered from benefiting funds, grants and projects include fringe benefits, compensated absences and indirect costs.
- (b) Motor Pool Fund - Used to accumulate costs of the RC's motor vehicles. Costs are pooled and recovered from benefiting funds, grants and projects based on vehicle usage.
- (c) Payroll Services Fund - Used to account for costs of direct payroll expenses relative to the Workforce Investment Act.

SOUTHERN GEORGIA REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 1 - Summary of Significant Accounting Policies (Continued)

D. Measurement Focus and Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurement made regardless of the measurement focus applied.

1. Government-wide and Proprietary Funds Financial Statements:

The government-wide and proprietary financial statements are reported using the economic resources measurement focus. The government-wide, proprietary fund and fiduciary fund financial statements use the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the RC gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants, entitlements and donations. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

2. Governmental Fund Financial Statements:

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within one year. Revenues of the governmental funds susceptible to accrual are dues from member county and municipal governments, earned portion of grant contracts and interest on invested funds. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

E. Other Significant Accounting Policies

Recognized costs of grant contracts are used as the basis of recording revenues from the grantor. Accounts receivable will reflect amounts earned which are undrawn and unapplied funds will show balances of advance contract receipts which have not been earned.

The accrual basis of accounting is also used by the Southern Georgia Area Development Corporation, shown as a discretely presented component unit.

SOUTHERN GEORGIA REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 1 - Summary of Significant Accounting Policies (Continued)

F. Cash and Equivalents

Cash and equivalents shown on the balance sheet and the statement of cash flows include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the RC.

G. Investments

Investments are stated at cost or amortized cost. The RC's policy is to invest only in the type of investments permitted by state law pertaining to local governments. Such investments are limited to obligations of the State of Georgia or other states; obligations issued by the U. S. Government or by one of its agencies or corporations; 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.

H. Notes Receivable and Allowance for Uncollectible Notes

Notes receivable are stated at net collectible amounts, and bad debts are recorded by the allowance method in the proprietary and fiduciary fund types. Doubtful loans are written off against the allowance after an adequate collection effort is exhausted.

I. Inventories

The RC does not show inventories on its balance sheet. The costs of governmental fund type inventories are recorded as expenditures when purchased rather than when consumed. The proprietary fund has no inventory.

J. Prepaid Items

Payments made to vendors for services that will benefit subsequent periods are generally recorded as prepaid items. An exception exists for equipment maintenance agreements which are charged to expenditures in the year paid in governmental fund types.

K. Receivables and Payables

Local participation includes amounts assessed to member cities and counties (refer to the Schedule of City/County Dues and Assessments in the State Compliance Section) and amounts earned on local contracts.

Federal grants include amounts earned on approved federal grant contracts (includes federal grants which may be passed through State agencies).

State grants include amounts earned on grant contracts which do not contain federal fund participation.

Notes receivable include all amounts due where debt is evidenced by a note signed by debtor.

SOUTHERN GEORGIA REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 1 - Summary of Significant Accounting Policies (Continued)

Accounts payable - operating includes obligations for invoices billed by vendors for materials, supplies and services.

Deferred revenue includes amounts due to grantor agencies where funds were received in advance and balances remain which are unearned.

L. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are valued at their fair market value on the date donated. Repairs cost and maintenance are recorded as expenses. Renewals and betterments are capitalized. The RC has a capitalization threshold of \$2,000. No Interest has been capitalized during the construction period on property, plant, and equipment.

Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives used are as follows:

Buildings and improvements	10-50 yrs
Furnishings and equipment	3-15 yrs
Vehicles	3-5 yrs

The RC has no public domain or infrastructure capital assets, such as roads and bridges.

Capital assets acquired with grantor agency funds are charged as direct costs to the particular grant and/or contract in the fund level financial statements. The RC does not consider itself as holding clear legal title to these assets, although Federal regulations (United States Office of Management and Budget (OMB) Circular A-102) states that "Title - Subject to the obligations and conditions set forth in this section, title to equipment acquired under a grant or sub grant will vest upon acquisition in the grantee or sub grantee respectively. Additionally, Georgia Department of Labor regulations state that the State of Georgia retains an interest in non-expendable personal property purchased with Workforce Investment Act funds and that if the RC ceases to exist or the WIA program ends, the property or its residual value will be returned to the State. Notwithstanding that residual rights are retained by these grantor agencies, the RC accounts for these capital assets in its governmental activities as reported in the statement of net position. The RC maintains a separate inventory and accountability of these capital assets. Detailed below are the balances at June 30, 2014 recorded as capital assets and the agency which retains an interest in or residual right to the capital assets:

SOUTHERN GEORGIA REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 1 - Summary of Significant Accounting Policies (Continued)

Agency	Amount
Georgia Department of Labor	\$ 58,782
Georgia Department of Community Affairs	14,273
Georgia Department of Human Services	14,466
	\$ 87,521

The RC recognizes depreciation in its indirect cost allocation plan as an allowable cost in accordance with United States Office of Management and Budget Circular A-87. The depreciation charge is recovered as a reimbursable cost from benefiting activities. The costs of normal maintenance and repairs which do not add to the value of the assets or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

M. Compensated Absences and Employee Benefits

The RC charges employee benefits and compensated absences in accordance with its cost allocation plan (see Note 1, Q) as an allowable reimbursable cost under the provisions of OMB Circular A-87.

Total compensated absences and employee benefits incurred by the RC in its cost allocation plan for the year are reported on the schedule of employee benefit cost pool – actual rates in the state compliance section.

The RC provides the following compensated absences and employee benefits:

Vacation Leave

Employees are awarded 10-23 days per year of vacation leave depending on the employee’s length of service, and an employee may accumulate up to 40 days of vacation leave. Upon termination of employment, employees are allowed to be reimbursed for accumulated vacation leave up to a maximum of 40 days. Vested or accumulated vacation leave that is expected to be liquidated with available financial resources is reported as an expenditure and fund liability of the governmental fund that will pay it.

Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

Sick Leave

Full-Time employees accrue sick leave at the rate of 1 day per calendar month worked and may accumulate up to 65 days. The cost of sick leave is recognized as it is taken by the employee.

SOUTHERN GEORGIA REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 1 - Summary of Significant Accounting Policies (Continued)

In accordance with the provisions of Statement of Financial Accounting Standards No. 43, Accounting for Compensated Absences, no liability is recorded for non-vesting accumulating rights to sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that is estimated will be taken as “terminal leave” prior to retirement. The RC does not pay for accumulated sick leave at employment termination.

Holiday

Employees are awarded 10 days per year as holidays for the first twenty-four months of employment and 11 days per year thereafter. The cost of holiday leave is recorded when it is taken by the employee.

Insurance

The RC maintains a contributory group insurance plan, as well as workers compensation coverage, for all employees.

Cafeteria Plan

The RC maintains a Cafeteria Plan under Section 125 of the Internal Revenue Code of 1986, which is funded through voluntary employee salary reductions. Employees are eligible upon employment.

The following are benefits employees may choose under the plan:

- a) Child Care Assistance
- b) Medical and Dental Expense Reimbursement
- c) Cancer Insurance
- d) Hospital and Accidental Supplement Insurance
- e) Major Medical Insurance

Payroll Taxes

The RC, acting as a local government entity, is a participant in the State of Georgia Employee’s Retirement System, which administers FICA and Medicare taxes for local governments of Georgia. However, payroll tax payments are made to the Internal Revenue Service in accordance with IRS regulations.

SOUTHERN GEORGIA REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 1 - Summary of Significant Accounting Policies (Continued)

Retirement Benefits

Defined Benefit Pension Plan. The RC maintains a non-contributory defined benefit pension plan. (Please refer to Note 11 for additional plan information.)

Other Retirement Plans. The RC maintains a deferred compensation plan in accordance with Internal Revenue Code Section 457 that permits employees to defer a portion of compensation until future years. The RC maintains a money purchase plan in accordance with Internal Revenue Code Section 401(a). (Please refer to Note 12 for additional information.)

N. Long-Term Obligations

All debt is reported in the government-wide statement of net position. Long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available resources is reported as a fund liability of a governmental fund. Debt expected to be paid with the resources of proprietary funds is reported in those funds.

O. Fund Balances and Net Position

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

1. 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.
2. Restricted – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the entity or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
3. 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 Council through the adoption of a resolution. The Council also may modify or rescind the commitment.
4. Assigned – Fund balances are reported as assigned when amounts are constrained by the RC's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution the Council can authorize the finance committee or executive director to assign fund balances.
5. Unassigned – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion.

Flow assumption. When both restricted and unrestricted amounts of fund balance or net position are available for use for expenditures or expenses incurred, it is the RC's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the RC's policy to use fund balances in the following order: (a) committed, (b) assigned, (c) unassigned.

SOUTHERN GEORGIA REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 1 - Summary of Significant Accounting Policies (Continued)

Net Position. Contributed capital is recorded in proprietary funds that have received grants from federal, state or private sources designated for the specific activity or monies received from other fund entities of the RC. These contributions are combined with net position of the enterprise activity.

P. Interfund Transactions

Interfund activities are reported as loans, as services provided, reimbursements or transfers. Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

The principal purpose of the RC's interfund transfers is to satisfy grant contracts that require a percentage of the costs to be expended from local resources. Local dues, which are transferred from the general fund to the special revenue funds, are used as matching funds for grants and contracts.

Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements. The principal purpose of interfund balances is to provide working capital in the funds where management deems appropriate.

Receipts and/or payments to or from other governmental units not included in the reporting entity of the RC are not reported as transfers. They are classified according to the purpose for which the receipt or payment has been made.

Q. Direct Costs/Indirect Costs

Costs that can be identified specifically with a particular cost objective are considered direct costs and are charged directly to the applicable grant or contract. Costs that are incurred for a common or joint purpose, benefiting more than one objective and not readily assignable to the cost objectives specifically benefited without effort disproportionate to the results achieved, are considered indirect costs. These indirect costs are recorded in an internal service fund by the RC's accounting system and allocated to the individual specific revenue funds based on an indirect cost rate. The RC's actual indirect cost rate is based upon the current year's cost experience, documented by a cost allocation plan, in accordance with the provisions of U. S. Office of Management and Budget Circular A-87.

SOUTHERN GEORGIA REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 1 - Summary of Significant Accounting Policies (Continued)

The following is a summary of significant cost allocation policies:

Cost allocation operates in accordance with an indirect cost proposal developed annually. The proposal identifies shared costs and the financial bases for cost-sharing. It also identifies various non-financial bases for allocating certain joint or common costs as direct costs. The concepts in the proposal were used by the accounting system and produced the following actual results for the fiscal year.

1. Leave benefits consist of accrued annual leave and other types of leave granted, i.e. sick, holiday and jury leave. Leave costs are accumulated in an organizational leave pool and distributed to activities based on year-to-date in-service salary costs. This distribution results in all activities bearing an equitable share of leave costs and diminishes the circumstantial effects of timing associated with leave usage.

Actual leave rates by employee classification (which reflects leave eligibility) are developed and applied to the year-to-date base of in-service salaries in each project to determine its share of leave costs. (Note: Separate classes may be necessary if leave benefit eligibility differs among employees.)

2. Employees are defined by class based upon fringe benefit eligibility. Employee fringe benefits are accumulated in an organizational pool as they are incurred. Fringe costs are prorated by employee class (i.e. eligibility) based on its year-to-date proportionate share of salaries to total year-to-date organizational salaries.

WIA Cost Pools

Non-administrative costs associated with the RC's Workforce Investment Act (WIA) program are pooled in accordance with federal regulations. The WIA non-administrative costs are allocated to specific WIA funding sources based on a plan for allocating these costs.

SOUTHERN GEORGIA REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 1 - Summary of Significant Accounting Policies (Continued)

The fringe benefit eligibility matrix and actual fringe benefit costs and final rates for the year are as follows:

	<u>Class 1</u>	<u>Class 2</u>	<u>Class 3</u>	<u>Class 4</u>	<u>Total</u>
FICA contributions	Y	Y	N	Y	N/A
Medicare contributions	Y	Y	Y	Y	N/A
Group health insurance	Y	Y	Y	N	N/A
Group life insurance	Y	Y	Y	N	N/A
Retirement - Valdosta	Y	Y	N	N	N/A
Retirement - Waycross	N	N	Y	N	N/A
Unemployment insurance	Y	Y	Y	Y	N/A
Workers compensation	Y	Y	Y	Y	N/A
FICA contributions	\$ 113,936	\$ 13,487	\$ -	\$ 1,435	\$ 128,858
Medicare contributions	27,030	3,200	16,612	340	47,182
Group health insurance	264,976	31,367	162,842	-	459,185
Group life insurance	13,572	1,607	8,340	-	23,519
Retirement - Valdosta	351,729	41,637	-	-	393,366
Retirement - Waycross	-	-	257,499	-	257,499
Unemployment insurance	9,229	1,093	5,672	116	16,110
Workers compensation	9,618	1,138	5,911	121	16,788
Total fringe benefit costs	<u>\$ 790,090</u>	<u>\$ 93,529</u>	<u>\$ 456,876</u>	<u>\$ 2,012</u>	<u>\$ 1,342,507</u>
Total salaries	\$ 1,964,022	\$ 232,496	\$ 1,207,001	\$ 24,729	\$ 3,428,248
Fringe benefits rates (final)	40.2%	40.2%	37.9%	8.1%	39.2%

These final rates were applied to the year-to-date salaries based by class in each project to determine its share of fringe benefit costs. In the aggregate, \$1,342,507 was charged among all programs operated during the fiscal year. The use of the pool and year-to-date financial activity results in an equitable distribution among all activities regardless of individual contract periods or monthly expenditure levels.

SOUTHERN GEORGIA REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 1 - Summary of Significant Accounting Policies (Continued)

3. Indirect costs consist of salaries and fringe benefits of central organization personnel who perform management and administrative functions necessary and beneficial to all activities. Also included are joint or common costs supporting all programs, or the central administrative portions of these costs. Indirect costs were accumulated in an organizational pool and distributed to activities/programs based on year-to-date direct salaries, fringe benefits and in-kind salaries in conformance with the organization's indirect cost allocation plan. Please refer to the schedule of indirect cost pool – actual rates in the table of contents for actual indirect costs and the final rate for the year.

The final rate was applied to the year-to-date base in each project to determine its share of indirect costs. In the aggregate, actual costs of \$1,030,733 were charged among all programs operated during the fiscal year. The use of year-to-date financial information arrayed costs equitably regardless of individual contract periods or monthly expenditure levels.

4. Motor Pool Cost – the RC pools the cost of operation and maintenance of its automobiles. Miles driven are logged and identified by the programmatic functions for which the automobile was driven. The expenses are allocated based on the miles driven.

5. Financial reporting - projects completed during the fiscal year may have reported interim costs to grantor agencies, pending the determination of financial costs at June 30, the end of the organization's fiscal period. Interim reports may show higher or lower allocated costs which reflect changing rates after project termination. Final costs for completed projects can only be determined at the end of the organization's fiscal year.

R. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Southern Georgia Regional Commission and is presented on the modified accrual basis. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

SOUTHERN GEORGIA REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 2 - Cash and Equivalents, Custodial Risk and Interest Rate Risk

The RC maintains a pool of cash and investments for all funds except for the Revolving Loan Fund, the Public Funds and Payroll Services Fund. The zero balance accounts and the daily sweeps allow the RC's portfolio to be fully invested at all times. The RC allocates income earned on federal advances from pooled cash investments. The allocation method is the actual monthly rate of return times the federal cash advance balance.

Cash and equivalents are comprised of the following:

	Carrying Amount	Bank Balance
Primary government		
Pooled cash and investments		
Internal Service Fund		
Administrative Services Fund	\$1,772,439	\$2,168,010
Deposits		
Internal Service Funds		
Public Fund	60,641	60,641
Payroll Services Fund	2,691	2,691
Enterprise Fund		
Revolving Loan Fund	1,719,808	1,719,808
 Total cash and cash equivalents	 \$3,555,579	 \$3,951,150

Custodial Credit Risk

Custodial risk is the risk that in the event of a bank failure, the RC's deposits may not be returned to it. Collateral is required for demand deposits, certificates of deposit and repurchase agreements at 100 percent of all amounts not covered by federal deposit insurance. Pledged securities are held at the Federal Reserve Bank in the bank's name and pledged at the Federal Reserve in the name of the RC. Obligations that may be pledged as collateral are obligations of the United States and its agencies and subdivisions.

Of the carrying amount and bank balance, all was fully insured or collateralized.

SOUTHERN GEORGIA REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 2 - Cash and Equivalents, Custodial Risk and Interest Rate Risk (Continued)

Interest Rate Risk

The RC does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rate risk. However the RC has made no investments that would subject it to interest rate risk.

Note 3 – Restricted Cash

Cash in the amount of \$1,719,808 is restricted for use in the Revolving Loan Fund.

Note 4 - Receivables

Accounts receivable balances are as follows:

	Governmental Funds	Business - Type Activities	Total
Economic Development Administration	\$ 22,640	\$ -	\$ 22,640
Georgia Department of:			
Human Services - Aging program	997,181	-	997,181
GOWD - WIA	264,478	-	264,478
Human Services - Transportation program	163,542	-	163,542
Natural Resources	4,320	-	4,320
Community Affairs	54,145	-	54,145
Transportation	32,936	-	32,936
Other grants and contracts receivable	236,221	159,174	395,395
Other receivables - internal service funds	25,118	-	25,118
Total receivables	\$ 1,800,581	\$ 159,174	\$ 1,959,755

SOUTHERN GEORGIA REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 4 - Receivables (Continued)

Loans Receivable - Business – type activities:

Proprietary fund

Loans receivable consist of balances of revolving loan funds loaned to area businesses. As of June 30, 2014 the balances on these loans were \$4,068,054 with an allowance for loan loss of \$145,341. There was no change in the allowance for loan loss.

Note 5 - Unearned Revenue (eligibility requirements not met)

Unearned revenue is as follows:

	Governmental Activities	Business-type Activities	Total
Planning and Technical Assistance	\$ 32,806	\$ -	\$ 32,806
Aging	37,526	-	37,526
Nonmajor funds	19,589	-	19,589
ITS	-	245	245
Total deferred revenue	\$ 89,921	\$ 245	\$ 90,166

Note 6 - Lease Arrangements

Rental expenditures/expenses included the following real estate rentals:

Information Technology Services (enterprise fund)- McKey Street Property, Valdosta, Georgia	\$ 5,280
Job Development and Training Fund (special revenue fund)- N. Highway 41, Tifton, Georgia (career net center)	<u>6,400</u>
	<u>\$11,680</u>

The McKey Street rental expense is an interfund charge from the Planning and Technical Assistance Fund to the Information Technology Services Fund.

SOUTHERN GEORGIA REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 7 –Fund Balances and Net Position

Proprietary Fund/Net Position

Restricted for Revolving Loan Fund - The RC has established a revolving loan fund to stimulate economic development and to create job opportunities through the U. S. Department of Commerce and the U. S. Department of Agriculture. The grant funds increase or decrease by the results of restricted grant operations. The U. S. Department of Commerce's and U. S. Department of Agriculture's revolving loan funds are recorded in the proprietary fund.

SOUTHERN GEORGIA REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 8 – Capital Assets

The following is a summary of changes in capital assets during the fiscal year. Depreciation on all capital assets is provided on the straight-line basis:

	<u>Balance 7/1/2013</u>	<u>Additions</u>	<u>Disposals/ Retirements</u>	<u>Balance 6/30/2014</u>
Governmental activities:				
Land	\$ 14,000	\$ -	\$ -	\$ 14,000
Buildings and improvements	1,426,779	31,723	-	1,458,502
Equipment and autos	767,022	16,681	(92,752)	690,951
Total depreciable capital assets	2,193,801	48,404	(92,752)	2,149,453
Less accumulated depreciation for:				
Buildings and improvements	(742,279)	(56,755)	-	(799,034)
Equipment	(598,542)	(50,161)	92,752	(555,951)
Total accumulated depreciation	<u>(1,340,821)</u>	<u>(106,916)</u>	<u>92,752</u>	<u>(1,354,985)</u>
Total governmental activities, capital assets, net	<u>\$ 866,980</u>	<u>\$ (58,512)</u>	<u>\$ -</u>	<u>\$ 808,468</u>
Business-type activities:				
Equipment	\$ 318,679	\$ -	\$ (3,322)	\$ 315,357
Less accumulated depreciation	<u>(210,804)</u>	<u>(42,216)</u>	<u>3,322</u>	<u>(249,698)</u>
Total business-type activities, capital assets, net	<u>\$ 107,875</u>	<u>\$ (42,216)</u>	<u>\$ -</u>	<u>\$ 65,659</u>

SOUTHERN GEORGIA REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 8 – Capital Assets (Continued)

Depreciation was charged to functions as follows:

	Governmental Activities	Business-Type Activities
Economic opportunity	\$ 9,660	\$ -
Planning and zoning	11,274	-
Community service	1,873	-
Information Technology	-	42,216
 In addition, depreciation on capital assets held by the RC's internal service fund is charged to various functions based on their usage of the assets.	 84,109	 -
 Total depreciation expense	 \$ 106,916	 \$ \$ 42,216

SOUTHERN GEORGIA REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 9 - Interfund Balances and Transfers

Interfund balances consisted of the following:

Fund	Receivable	Payable	Net
Governmental Activities:			
General:			
Planning and Tech. Assist.	\$ 165,867	\$ -	\$ 165,867
Job Development & Training	27,510	-	27,510
Aging	210,521	-	210,521
Nonmajor governmental	95,727	-	95,727
S. Georgia Revolving Loan	230,309	-	230,309
Information Technology	206,810	-	206,810
Internal Service	1,563,049	-	1,563,049
Planning and Tech. Assist.:			
General	-	(165,867)	(165,867)
Job Dev. & Training:			
General	-	(27,510)	(27,510)
Coordinated Transportation			
Internal Service	303,041	-	303,041
Aging:			
Internal Service	-	(210,521)	(210,521)
Nonmajor governmental:			
General	-	(95,727)	(95,727)
Subtotal	<u>2,802,834</u>	<u>(499,625)</u>	<u>2,303,209</u>
Internal Service Fund:			
General	-	(1,563,049)	(1,563,049)
Coordinated Transportation	-	(303,041)	(303,041)
Subtotal	<u>-</u>	<u>(1,866,090)</u>	<u>(1,866,090)</u>
Total governmental activities	<u>\$ 2,802,834</u>	<u>\$ (2,365,715)</u>	<u>\$ 437,119</u>
Business-type Activities:			
Information Technology:			
General	\$ -	\$ (206,810)	\$ (206,810)
S. Georgia Revolving Loan:			
General	-	(230,309)	(230,309)
Total business-type activities	<u>\$ -</u>	<u>\$ (437,119)</u>	<u>\$ (437,119)</u>

SOUTHERN GEORGIA REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 9 - Interfund Balances and Transfers (Continued)

All remaining interfund 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 and are not expected to be repaid within one year.

	Transfers		
	In	Out	Net
Governmental funds:			
General Fund			
Planning and Technical Assist.:	\$ 7,641	\$ (233,420)	\$ (225,779)
Aging Fund	-	(62,044)	(62,044)
Coordinated Transportation	20,036	-	20,036
Nonmajor governmental funds	67,329	(33,484)	33,845
Information Technology Services	-	(191,791)	(191,791)
Planning and Technical Assist.:			
General Fund	233,420	(7,641)	225,779
Aging Fund:			
General Fund	62,044	-	62,044
Coordinated Transportation:			
General Fund	-	(20,036)	(20,036)
Nonmajor governmental funds:			
General Fund	33,484	(67,329)	(33,845)
Transfers - governmental funds	<u>\$ 423,954</u>	<u>\$ (615,745)</u>	<u>\$ (191,791)</u>
Business-type Activities:			
Information Technology Services:			
General Fund	<u>\$ 191,791</u>	<u>\$ -</u>	<u>\$ 191,791</u>

SOUTHERN GEORGIA REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 10 – Long-Term Debt

Notes Payable – Business – Type Activities - Southern Georgia Revolving Fund

IRP #1: Promissory agreement between the U.S. Department of Agriculture/Rural Economic & Community Development Administration and the Southern Georgia Area Resource Development Agency, Inc. for \$750,000 of loan proceeds, solely for activities as set forth in its “Intermediary Relending Program Application”, with interest at 1%, due in annual payments of \$29,925, which include interest, beginning on January 1, 1991 and thereafter until January 1, 2018, collateralized by all loan proceeds deposited and all receivables, accounts, notes, contract rights, other assets, tangible or intangible, now or thereafter acquired or generated by the Intermediary Relending Program Loan agreement, dated February 16, 1989.

IRP #2: Promissory agreement between the U.S. Department of Agriculture/Rural Economic & Community Development Administration and the Southern Georgia Area Resource Development Agency, Inc. for \$1,250,000 of loan proceeds, solely for activities as set forth in its “Intermediary Relending Program Application”, with interest at 1%, due in annual payments of \$48,438, which include interest, beginning on January 1, 1992 and thereafter until January 1, 2021, collateralized by all loan proceeds deposited and all receivables, accounts, notes, contract rights, other assets, tangible or intangible, now or thereafter acquired or generated by the Intermediary Relending Program Loan agreement, dated September 21, 1991.

IRP #3: Promissory agreement between the U.S. Department of Agriculture/Rural Economic & Community Development Administration and the Southern Georgia Area Resource Development Agency, Inc. for \$399,790 of loan proceeds, solely for activities as set forth in its “Intermediary Relending Program Application,” at 1% interest, due in annual payments of \$15,952, which include interest, beginning on May 28, 1999 and thereafter until May 28, 2027, collateralized by all loan proceeds deposited and all receivables, accounts, notes, contract rights, other assets, tangible or intangible, now or thereafter acquired or generated by the Intermediary Relending Program Loan agreement, dated May 28, 1997.

IRP #4: Promissory agreement between the U.S. Department of Agriculture/Rural Economic & Community Development Administration and the Southern Georgia Area Resource Development Agency, Inc. for \$500,000 of loan proceeds, solely for activities as set forth in its “Intermediary Relending Program Application”, with interest at 1%, due in annual payments of \$21,225, which include interest, beginning on January 28, 2005 and thereafter until January 28, 2031, collateralized by all loan proceeds deposited and all receivables, accounts, notes, contract rights, other assets, tangible or intangible, now or thereafter acquired or generated by the Intermediary Relending Program Loan agreement, dated January 31, 2001.

SOUTHERN GEORGIA REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 10 – Long-Term Debt (Continued)

Capital Leases Payable

Information Technology Fund

Capital lease payable to IBM Corporation, for \$62,669.10 dated January 5, 2012, with interest at 3.1%, due installments of \$21,597.71, which includes interest, beginning February 1, 2012 and thereafter until February 1, 2014.

Internal Service Fund

The RC leases its Waycross building under a capital lease arrangement with the Waycross-Ware County Development Authority with the financing agreement being administered through SunTrust Bank.

Capital lease payable to Waycross-Ware County Development Authority for \$850,000 dated January 2000 with interest of 5.78%, due in monthly installments of \$7,109.15, which includes interest, beginning January 20, 2000 and thereafter until December 2015. The interest rate is adjusted at each five year anniversary date of the lease under a formula multiplying the prime interest rate in effect times .68. The first anniversary date of the lease was January 20, 2005. The interest rate was adjusted to 3.57%, and the new payment amount was \$7,544.03. The second anniversary date of the lease was January 20, 2010. The interest rate was adjusted to 2.21% and the monthly payment remained unchanged.

The RC recorded the capital lease as a capital asset in the Internal Service Fund at the present value of the net minimum lease payments.

During the term of the lease, the RC covenants and agrees that it will cause its budget officer (i) to include in the budget for adoption by the RC's governing Council a request or requests for the amount necessary to pay the rental and the reasonably estimated additional rentals for the facilities during the next succeeding renewal term, and (ii) to take such further action (or cause the same to be taken) as may be necessary or desirable to assure that availability of moneys appropriated to pay such rentals and additional rentals for each such term, including all such actions for such purpose as may be required under Section 36-60-13 of the Official Code of Georgia Annotated, as amended.

It is the intention of the RC and Authority that the lease not constitute a true lease for certain purposes and, therefore, it is the intention of the parties that the RC be considered the owner of the leased premises for certain purposes, but not for Georgia law purposes relating to title and other matters as herein provided. To the extent lawfully permissible, the RC, and not the Authority, will be considered the owner of the lease premises for liability and insurance purposes.

The Authority grants to the RC the right and option to purchase the leased premises at any time during the term of the lease at a purchase price of one dollar and the unpaid principal balance with all accrued interest to date of payments due by the Authority upon the Note and Deed to Secure Debt.

SOUTHERN GEORGIA REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 10 – Long-Term Debt (Continued)

Long-term Debt Activity

The following is a summary of long-term debt transactions for the year.

	Balance 7/1/2013	Additions	Reductions	Balance 6/30/2014	Due Within One Year
Business-Type Activities					
U.S. Department of Agriculture/FHA					
IRP #1	\$ 172,619	\$ -	\$ (28,203)	\$ 144,416	\$ 28,480
IRP#2	404,227	-	(44,428)	359,799	44,838
IRP#3	204,441	-	(13,897)	190,544	14,046
IRP#4	344,700	-	(17,787)	326,913	17,795
Subtotal	<u>1,125,987</u>	<u>-</u>	<u>(104,315)</u>	<u>1,021,672</u>	<u>105,159</u>
Capital lease					
IBM	<u>20,939</u>	<u>-</u>	<u>(20,939)</u>	<u>-</u>	<u>-</u>
Total business activities	<u>\$ 1,146,926</u>	<u>\$ -</u>	<u>\$ (125,254)</u>	<u>\$ 1,021,672</u>	<u>\$ 105,159</u>
Governmental Activities					
Capital lease obligation - building					
	\$ 134,034	\$ -	\$ (88,437)	\$ 45,597	\$ 45,597
Compensated absences payable					
	<u>228,185</u>	<u>508,648</u>	<u>(527,324)</u>	<u>209,509</u>	<u>-</u>
Total governmental activities	<u>\$ 362,219</u>	<u>\$ 508,648</u>	<u>\$ (615,761)</u>	<u>\$ 255,106</u>	<u>\$ 45,597</u>

SOUTHERN GEORGIA REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 10 – Long-Term Debt (Continued)

Business-type Activities: interest of \$10,761 on the IRP loans was incurred and charged to direct function expense of the Southern Georgia Revolving Fund for the year ended June 30, 2014. The Enterprise fund, Revolving Loan Fund, has been used to liquidate the above IRP liabilities. Interest of \$659 was incurred and charged to expense regarding the IBM capital lease for the year ended June 30, 2014. The Information Technology Service Fund has been used in the past to liquidate the above lease liability.

Governmental Activities: interest of \$2,091 was incurred and charged to expense regarding the building capital lease for the year ended June 30, 2014. The Internal Service Fund has been used in the past to liquidate the above capital lease liability and the compensated absences liability.

The annual requirements to amortize the capital leases are as follows:

Governmental Activities – Internal Service Fund

Year Ended June 30	Principal	Interest	Future Minimum Lease Payments
2015	<u>\$ 45,597</u>	<u>\$ 294</u>	<u>\$ 45,891</u>
Total	<u><u>\$ 45,597</u></u>	<u><u>\$ 294</u></u>	45,891
Less imputed interest			(294)
Present value of net future minimum lease payments			<u><u>\$ 45,597</u></u>

Internal service fund assets acquired through capital leases are as follows:

Internal service fund assets:	
Building	\$ 894,461
Accumulated depreciation	<u>(429,341)</u>
Internal service fund assets, net of accumulated amortization, acquired through capital leases	<u><u>\$ 465,120</u></u>

The expense resulting from amortization of assets recorded under capital leases is included in depreciation expense.

SOUTHERN GEORGIA REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 10 – Long-Term Debt (Continued)

The expense resulting from amortization of assets recorded under capital leases is included in depreciation expense.

Payments on notes payable are due as follows:

Year Ended June 30	Notes Payable		
	Principal	Interest	Total
2015	105,159	10,230	115,389
2016	106,211	9,178	115,389
2017	107,272	8,117	115,389
2018	108,346	7,043	115,389
2019	108,568	5,960	114,528
2020 - 2024	301,785	16,945	318,730
2025 - 2029	143,857	5,946	149,803
2030 - 2031	40,474	624	41,098
Total	<u>\$ 1,021,672</u>	<u>\$ 64,043</u>	<u>\$ 1,085,715</u>

SOUTHERN GEORGIA REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 11 – Defined Benefit Pension Plan

Plan Description

The Southern Georgia Regional Commission Retirement Plan is a participating member of the Georgia Municipal Employees Benefit System (GMEBS), a noncontributory agent multiple-employer public employer retirement system that acts as a common investment and administrative agent for governmental entities in the State of Georgia. The defined benefit pension plan provides retirement and disability benefits and death benefits to plan members and beneficiaries. The plan is administered by the Board of Trustees of GMEBS. Benefit provisions and all other requirements are established by state statute. Plan features, including benefit provisions, are established by the plan Board of Trustees. Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained from the Georgia Municipal Association, 201 Pryor Street S.W., Atlanta, Georgia 30303-3606.

Recommended Contribution

The Board of Trustees of the Georgia Municipal Employees Benefit System has adopted an actuarial funding policy for the determination of annual contributions and the systematic funding of liabilities arising under the plan. The annual minimum contribution is the sum of 1) the normal cost (including administrative expenses), 2) the closed level dollar amortization of the unfunded actuarial accrued liability (initial unfunded actuarial accrued liability over 30 years from 1981 and changes in the unfunded actuarial accrued liability over 15 years for actuarial gains and losses, 20 years for plan provisions and 30 years for actuarial assumptions and cost methods from the end of the year during which such changes arise), and 3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly). The total level dollar amortization must be within a corridor of the 10-year and 30-year amortization of the unfunded (surplus) actuarial accrued liability.

The plan is subject to minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section 47-20-10).

The recommended employer contribution in accordance with the funding policy of the plan is \$644,872 and \$654,190, for years ended June 30, 2014 and June 30, 2015, respectively.

SOUTHERN GEORGIA REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 11 – Defined Benefit Pension Plan (Continued)

Actuarial Assumptions

Valuation date	January 1, 2014
Actuarial cost method	Projected Unit Credit
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	Remaining amortization period varies for the bases, with a net effective amortization period of 10 years.
Asset valuation method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Actuarial Assumptions:	
Net investment rate of return	7.75%
Projected salary increases	3.5% plus age and service based merit increases
Inflation	3.50%
Cost of living adjustments	0%
Membership of the Plan	
Retirees and beneficiaries	36
Terminated plan members entitled to, but not yet receiving benefits	43
Active plan members	<u>66</u>
Total	<u>145</u>

SOUTHERN GEORGIA REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 11 – Defined Benefit Pension Plan (Continued)

The significant actuarial assumptions used to compute the actuarial accrued liability and the annual recommended contribution of the plan meet the Actuarial Standards of Practice No. 4, Measuring Pension Obligations, establishing generally accepted actuarial principles and practices.

Information regarding the funded status of the plan is provided below.

Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded (Excess) Actuarial Liability (UAAL) (b) - (a)	Funded Ratio (a)/(b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll * [(b)-(a)]/(c)]
1/1/14	\$ 8,751,102	\$ 11,025,808	\$ 2,274,706	79.37%	\$ 3,218,317	70.68%

Please refer to the Schedule of Funding Progress – Last Three Years following the notes to the financial statements for multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Three Year Trend Information

Fiscal Year End June 30	Annual Pension Cost	Contribution Made	Percentage of APC Contributed	Pension Obligation
2014	\$ 644,872	\$ 644,872	100%	\$ -
2013	\$ 587,473	\$ 587,473	100%	\$ -
2012	\$ 490,254	\$ 490,254	100%	\$ -

SOUTHERN GEORGIA REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 12 – Other Retirement Plans

Plan provisions and contribution requirements of the plans below are established by the Commission's Council and may be amended by the Commission's Council. The plans are administered by independent plan administrators through administrative service agreements. The RC staff administrative involvement is limited to transmitting amounts withheld from payroll to the plan administrator who performs investing functions. The RC Council approved plan amendments such that plan assets are held in trust for the benefit of the plan participants and their beneficiaries. The assets will not be diverted to any other purpose. Therefore, the financial activities of these plans are not reported in the RC's financial statements.

Section 457 Plans. The Southern Georgia Regional Commission Deferred Compensation plans are available to all eligible employees for voluntary contributions only. Compensation that is deferred will not be available to employees until termination, retirement, death, disability or an unforeseeable emergency. The plans are administered by the Variable Insurance Annuity Life Insurance Company (VALIC), AXA Equitable Life Insurance Company, and the Georgia Municipal Association and are available to eligible employees.

Section 401(a) Plan. The Southern Georgia Regional Commission Defined Contribution Plan is available to senior management and only allows for employer contributions. The RC is required to contribute \$5,993 for the current executive director annually until his separation from the RC. The plan is administered by Variable Insurance Annuity Life Insurance Company (VALIC) and is available to senior management. Employer contributions for the year were \$5,993.

Note 13 – Schedule of Nonpublic Funds

The employees and representatives of Southern Georgia Regional Commission are authorized to expend nonpublic funds for the business meals and incidental expenses of bona fide industrial prospects and other persons who attend any meeting at their request to discuss the location or development of new business, industry, or tourism within the region of the RC, in accordance with the Official Code of Georgia Annotated, Section 50-8-35. Nonpublic funds are defined by state law as the servicing fees which are received by a nonprofit corporation for administering federal or state revolving loan programs or loan packaging programs. According to the Official Code of Georgia Annotated, Section 50-8-35(f)(2), a schedule is required to be included within the annual audit of each nonprofit corporation which reports the beginning balance of unexpended nonpublic funds; the date, amount, and source of all receipts of nonpublic funds; the date, place, purpose and persons for whom expenditures were made for all such expenditures of nonpublic funds; and the ending balance of unexpended nonpublic funds. This schedule may be found in the State Compliance Section of this report.

The Schedule of Nonpublic Funds is prepared in accordance with the accrual basis of accounting.

SOUTHERN GEORGIA REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 14 - Risk Financing Activities

Major categories of risk to which the entity is exposed consist of property damage from casualties such as fire or other causes, liability for injuries to employees while on the job, liability for injuries to others for which the organization is responsible, losses due to theft or illegal acts by RC employees, errors and omissions and natural disasters. The RC reduces these risks of loss by purchasing insurance coverage through the Georgia Municipal Association Group Self-Insurance Workers Compensation Fund and the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments.

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

These pools are to defend and protect the members of the pools against liability or loss as prescribed in the member government contract and in accordance with the worker's compensation law of Georgia. The pools are to pay all cost 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.

Settled claims in the past three years have not exceeded the coverage and there was no significant reduction in insurance coverage.

The RC is self-insured with regard to unemployment claims of terminated employees. During the year ended June 30, 2014, \$16,110 was paid by the RC.

SOUTHERN GEORGIA REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Note 15 - Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time although the RC's management expects such amounts, if any, to be immaterial.

Use of federal, state and locally administered federal and other grant funds is subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. To the extent that such disallowances involve expenditures under subcontracted arrangements, the RC generally has the right of recovery from such third parties. Circular A-133 requires certain governmental and non-profit subrecipients to have periodic independent audits of their operations. Circular A-133 requires the RC to rely on such audits if they meet the requirements of the Circular. Accordingly, the RC's compliance with this Circular A-133 requirement will be established at some future date. The amount, if any, of subrecipient expenditures which may be disallowed to the RC after reviewing these subrecipients' audits cannot be determined at this time, although the RC expects such amounts, if any, to be immaterial. Based upon prior experience and audit results, management believes that the RC will not incur significant losses on possible grant disallowances.

REQUIRED SUPPLEMENTARY INFORMATION

SOUTHERN GEORGIA REGIONAL COMMISSION
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts (Budgetary Basis)	
Budgetary fund balance, July 1	\$2,409,481	\$2,409,481	\$2,409,481	\$ -
Resources (inflows):				
Local government dues	516,045	516,045	516,045	-
Amounts available for appropriation	<u>2,925,526</u>	<u>2,925,526</u>	<u>2,925,526</u>	<u>-</u>
Charges to appropriation (outflows):				
Transfers to other funds, net	480,707	491,619	425,733	65,886
Total charges to appropriations	<u>480,707</u>	<u>491,619</u>	<u>425,733</u>	<u>65,886</u>
Budgetary fund balance, June 30	<u>\$2,444,819</u>	<u>\$2,433,907</u>	<u>\$2,499,793</u>	<u>\$ 65,886</u>

SOUTHERN GEORGIA REGIONAL COMMISSION
 BUDGETARY COMPARISON SCHEDULE
 PLANNING AND TECHNICAL ASSISTANCE FUND
 FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Budgetary fund balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental grants and contracts	889,158	915,829	820,580	(95,249)
In-kind contributions	-	-	77,189	77,189
Program/other income	-	-	37,099	37,099
Investment earnings	-	-	-	-
Transfers from other funds, net	121,170	99,853	225,779	125,926
Amounts available for appropriation	<u>1,010,328</u>	<u>1,015,682</u>	<u>1,160,647</u>	<u>144,965</u>
Charges to appropriation (outflows):				
General government				
Direct				
Personnel services	631,555	617,279	677,216	(59,937)
Operating expenditures	162,996	189,035	245,633	(56,598)
Indirect				
Cost allocation plan	215,777	209,368	224,645	(15,277)
Capital outlay	-	-	13,153	(13,153)
Total charges to appropriations	<u>1,010,328</u>	<u>1,015,682</u>	<u>1,160,647</u>	<u>(144,965)</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SOUTHERN GEORGIA REGIONAL COMMISSION
 BUDGETARY COMPARISON SCHEDULE
 JOB DEVELOPMENT AND TRAINING FUND
 FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Budgetary fund balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental grants and contracts	3,541,424	3,177,710	3,065,490	(112,220)
Amounts available for appropriation	3,541,424	3,177,710	3,065,490	(112,220)
Charges to appropriation (outflows):				
General government				
Direct				
Personnel services	697,081	595,079	595,346	(267)
Operating expenditures	97,322	92,087	141,893	(49,806)
Contractual	2,566,164	2,346,150	2,186,499	159,651
Indirect				
Cost allocation plan	180,857	144,394	141,752	2,642
Total charges to appropriations	3,541,424	3,177,710	3,065,490	112,220
Budgetary fund balance, June 30	\$ -	\$ -	\$ -	\$ -

SOUTHERN GEORGIA REGIONAL COMMISSION
 BUDGETARY COMPARISON SCHEDULE
 COORDINATED TRANSPORTATION FUND
 FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Budgetary fund balance, July 1	\$ 314,116	\$ 314,116	\$ 314,116	\$ -
Resources (inflows):				
Intergovernmental grants and contracts	1,730,345	1,749,866	1,749,835	(31)
In-kind contributions	-	-	36,666	36,666
Amounts available for appropriation	<u>2,044,461</u>	<u>2,063,982</u>	<u>2,100,617</u>	<u>36,635</u>
Charges to appropriation (outflows):				
General government				
Direct				
Personnel services	76,008	74,582	72,798	1,784
Operating expenditures	7,975	2,952	37,927	(34,975)
Contractual	1,620,393	1,647,036	1,631,592	15,444
Indirect				
Cost allocation plan	25,969	25,296	24,148	1,148
Transfer out to other funds	-	-	20,036	(20,036)
Total charges to appropriations	<u>1,730,345</u>	<u>1,749,866</u>	<u>1,786,501</u>	<u>(36,635)</u>
Budgetary fund balance, June 30	<u>\$ 314,116</u>	<u>\$ 314,116</u>	<u>\$ 314,116</u>	<u>\$ -</u>

SOUTHERN GEORGIA REGIONAL COMMISSION
 BUDGETARY COMPARISON SCHEDULE
 AGING FUND
 FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Budgetary fund balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental grants and contracts	6,775,933	6,597,323	5,781,854	(815,469)
In-kind contributions	-	-	150,787	150,787
Program/other income	9,500	14,000	624,676	610,676
Transfers from other funds	82,971	60,768	62,044	1,276
Amounts available for appropriation	<u>6,868,404</u>	<u>6,672,091</u>	<u>6,619,361</u>	<u>(52,730)</u>
Charges to appropriation (outflows):				
General government				
Direct				
Personnel services	1,110,442	1,098,233	1,088,112	10,121
Operating expenditures	252,650	237,078	402,925	(165,847)
Contractual	5,125,919	4,964,282	4,764,293	199,989
Indirect				
Cost allocation plan	379,393	372,498	360,947	11,551
Capital outlay	-	-	3,084	(3,084)
Total charges to appropriations	<u>6,868,404</u>	<u>6,672,091</u>	<u>6,619,361</u>	<u>52,730</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SOUTHERN GEORGIA REGIONAL COMMISSION
SCHEDULE OF FUNDING PROGRESS – RETIREMENT PLAN
LAST THREE YEARS
JUNE 30, 2014

Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded (Excess) Actuarial Liability (UAAL) (b) - (a)	Funded Ratio (a)/(b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll * [(b)-(a)]/(c)]
1/1/14	\$ 8,751,102	\$ 11,025,808	\$ 2,274,706	79.37%	\$ 3,218,317	70.68%
1/1/13	\$ 8,187,438	\$ 10,463,999	\$ 2,276,561	78.24%	\$ 3,243,643	70.19%
1/1/12	\$ 7,818,499	\$ 10,088,951	\$ 2,270,452	77.50%	\$ 2,947,951	77.02%

* *Not less than zero*

SOUTHERN GEORGIA REGIONAL COMMISSION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2014

NOTE A – BUDGETS

The Official Code of Georgia Annotated (OCGA) Section 50-8-34 paragraph (g) provides for the Council to adopt an annual budget and work program for the RC. Budgets are adopted for all funds. RC policy calls for adoption of an annual budget prior to July 1. The departments, with approval of the Executive Director, can amend their budgets without Council approval on all expenditures except personnel services. The budget is a planning device and does not represent a legal spending limit.

The RC prepares its annual budget on a basis (budget basis) which differs from generally accepted accounting principles (GAAP basis). The major funds' budget and all transactions are presented in accordance with the RC's method (budget basis) in the Budgetary Comparison Schedules to provide a meaningful comparison of actual results with the budget. The major differences between budget and GAAP basis in the General Fund and other major funds are listed on the Budget-to-Actual Reconciliation following the Budgetary Comparison Schedules.

The budget for the year ended June 30, 2014 was adopted by the Council on June 27, 2013. Amendments were made and adopted by the Council on April 24, 2014. All appropriations lapse at year end.

SOUTHERN GEORGIA REGIONAL COMMISSION
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2014

NOTE B – BUDGET-TO-ACTUAL RECONCILIATION

An explanation of the differences between budgetary inflows and outflows and revenues and expenditures determined in accordance with generally accepted accounting principles follows:

	General Fund	Planning & Tech. Assist. Fund	Job Dev. and Training Fund	Coordinated Trans. Fund	Aging Fund
Sources/inflows of resources:					
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 2,925,526	\$ 1,160,647	\$ 3,065,490	\$ 2,100,617	\$ 6,619,361
Differences - budget to GAAP:					
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes	(2,409,481)	-	-	(314,116)	-
Transfers from other funds are inflows of budgetary resources but are regarded as a "special item", rather than revenue, for financial reporting purposes	-	(225,779)	-	-	(62,044)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 516,045</u>	<u>\$ 934,868</u>	<u>\$ 3,065,490</u>	<u>\$ 1,786,501</u>	<u>\$ 6,557,317</u>
Uses/outflows of resources:					
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 425,733	\$ 1,160,647	\$ 3,065,490	\$ 1,786,501	\$ 6,619,361
Difference - budget to GAAP					
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(425,733)	-	-	(20,036)	-
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ -</u>	<u>\$ 1,160,647</u>	<u>\$ 3,065,490</u>	<u>\$ 1,766,465</u>	<u>\$ 6,619,361</u>

COMBINING AND INDIVIDUAL FUND SCHEDULES

SOUTHERN GEORGIA REGIONAL COMMISSION
 COMBINING SCHEDULE OF ASSETS, LIABILITIES AND FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2014

	Data Management Fund	Community Development Fund	Total
ASSETS			
Receivables	\$ 18,004	\$ 102,978	\$ 120,982
Total assets	<u>18,004</u>	<u>102,978</u>	<u>120,982</u>
LIABILITIES			
Accounts payable	5,666	-	5,666
Deferred revenue	10,136	9,453	19,589
Interfund balances	2,202	93,525	95,727
Total liabilities	<u>18,004</u>	<u>102,978</u>	<u>120,982</u>
FUND BALANCES			
Unassigned	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 18,004</u>	<u>\$ 102,978</u>	<u>\$ 120,982</u>

SOUTHERN GEORGIA REGIONAL COMMISSION
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	Data Management Fund	Community Development Fund	Total Governmental Funds
REVENUES			
Intergovernmental	\$ 539,459	\$ 308,094	\$ 847,553
Other income	85,316	-	85,316
Total revenues	<u>624,775</u>	<u>308,094</u>	<u>932,869</u>
EXPENDITURES			
Current:			
Planning and zoning	657,194	-	657,194
Economic development and assistance	-	241,830	241,830
Total expenditures	<u>657,194</u>	<u>241,830</u>	<u>899,024</u>
Excess (deficiency) of revenues over (under) expenditures	(32,419)	66,264	33,845
OTHER FINANCING SOURCES (USES)			
Transfers in	32,419	1,065	33,484
Transfers out	-	(67,329)	(67,329)
Total other financing sources and uses	<u>32,419</u>	<u>(66,264)</u>	<u>(33,845)</u>
Net change in fund balances	-	-	-
Fund balances - beginning	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SOUTHERN GEORGIA REGIONAL COMMISSION
 COMBINING SCHEDULE OF NET POSITION
 SOUTHERN GEORGIA REVOLVING LOAN FUND - ENTERPRISE FUND
 JUNE 30, 2014

	Economic Development Administration	RECD-IRP	RECD-IDG & RBEG	Total
ASSETS				
Current assets:				
Restricted cash	\$ 1,475,951	\$ 115,908	\$ 127,949	\$ 1,719,808
Notes receivable - current	212,793	175,611	2,706	391,110
Allowance for loan loss	(110,341)	(35,000)	-	(145,341)
Interfund balances	-	-	47,000	47,000
Total current assets	<u>1,578,403</u>	<u>256,519</u>	<u>177,655</u>	<u>2,012,577</u>
Noncurrent assets:				
Notes receivable, less current portion	<u>2,125,549</u>	<u>1,474,050</u>	<u>77,345</u>	<u>3,676,944</u>
Total assets	<u>3,703,952</u>	<u>1,730,569</u>	<u>255,000</u>	<u>5,689,521</u>
LIABILITIES				
Current liabilities:				
Current portion of long-term debt	-	105,159	-	105,159
Due to other governments	31	-	-	31
Accrued interest	-	5,167	-	5,167
Total current liabilities	<u>31</u>	<u>110,326</u>	<u>-</u>	<u>110,357</u>
Noncurrent liabilities:				
Long-term debt, less current portion	-	916,513	-	916,513
Interfund balances	6,909	243,489	26,911	277,309
Total liabilities	<u>6,940</u>	<u>1,270,328</u>	<u>26,911</u>	<u>1,304,179</u>
NET POSITION				
Restricted for revolving loan program	<u>3,697,012</u>	<u>460,241</u>	<u>228,089</u>	<u>4,385,342</u>
Total net position	<u>\$ 3,697,012</u>	<u>\$ 460,241</u>	<u>\$ 228,089</u>	<u>\$ 4,385,342</u>

SOUTHERN GEORGIA REGIONAL COMMISSION
 COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET
 POSITION
 SOUTHERN GEORGIA REVOLVING LOAN FUND – ENTERPRISE FUND
 FOR THE YEAR ENDED JUNE 30, 2014

	Economic Development Administration	RECD-IRP	RECD-IDG & RBEG	Total
OPERATING REVENUE				
Interest on notes receivable	\$ 87,794	\$ 72,279	\$ 2,107	\$ 162,180
Other income	8,410	3,389	612	12,411
Total operating revenue	<u>96,204</u>	<u>75,668</u>	<u>2,719</u>	<u>174,591</u>
OPERATING EXPENSES				
Personnel services	63,478	28,701	2,656	94,835
Indirect cost allocation	21,057	9,521	881	31,459
Per diem and fees	512	242	11	765
Other	1,291	1,119	104	2,514
Motor pool costs	783	81	7	871
Bad debt	-	-	-	-
Total operating expenses	<u>87,121</u>	<u>39,664</u>	<u>3,659</u>	<u>130,444</u>
Operating income (loss)	<u>9,083</u>	<u>36,004</u>	<u>(940)</u>	<u>44,147</u>
NON-OPERATING REVENUE (EXPENSE)				
Interest revenue	556	-	-	556
Interest expense	-	(10,761)	-	(10,761)
Total non-operating revenue (expense)	<u>556</u>	<u>(10,761)</u>	<u>-</u>	<u>(10,205)</u>
Change in net position	9,639	25,243	(940)	33,942
Total net position - beginning	<u>3,687,373</u>	<u>434,998</u>	<u>229,029</u>	<u>4,351,400</u>
Total net position - ending	<u>\$ 3,697,012</u>	<u>\$ 460,241</u>	<u>\$ 228,089</u>	<u>\$ 4,385,342</u>

SOUTHERN GEORGIA REGIONAL COMMISSION
 COMBINING SCHEDULE OF NET POSITION
 INTERNAL SERVICE FUNDS
 JUNE 30, 2014

	Administrative Services Fund	Motor Pool Fund	Payroll Services	Total
ASSETS				
Cash	\$ 1,833,080	\$ -	\$ 2,691	\$ 1,835,771
Accounts receivable	24,030	-	-	24,030
Prepaid expenses	82,820	-	-	82,820
Due from employees	1,088	-	-	1,088
Interfund balances	-	50,921	-	50,921
Capital assets:				
Land	14,000	-	-	14,000
Equipment	143,693	-	-	143,693
Vehicles	-	339,616	-	339,616
Buildings	1,220,909	-	-	1,220,909
Less accumulated depreciation	(757,719)	(271,181)	-	(1,028,900)
Total assets	<u>2,561,901</u>	<u>119,356</u>	<u>2,691</u>	<u>2,683,948</u>
LIABILITIES				
Accounts payable	16,841	3,005	-	19,846
Accounts payable - component unit	63,200	-	-	63,200
Due to other governments	436	-	-	436
Interfund balances	1,914,320	-	2,691	1,917,011
Compensated absences payable	209,509	-	-	209,509
Capital lease payable	45,597	-	-	45,597
Total liabilities	<u>2,249,903</u>	<u>3,005</u>	<u>2,691</u>	<u>2,255,599</u>
NET POSITION				
Net investment in capital assets	575,286	68,435	-	643,721
Unrestricted	(263,288)	47,916	-	(215,372)
Total net position	<u>\$ 311,998</u>	<u>\$ 116,351</u>	<u>\$ -</u>	<u>\$ 428,349</u>

SOUTHERN GEORGIA REGIONAL COMMISSION
 COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET
 POSITION
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	Administrative Services Fund	Motor Pool Fund	Payroll Services	Total
OPERATING REVENUE				
Charges for services	\$ 2,620,653	\$ 73,393	\$ 106,102	\$ 2,800,148
Other income	28,002	-	450	28,452
Total operating revenue	<u>2,648,655</u>	<u>73,393</u>	<u>106,552</u>	<u>2,828,600</u>
OPERATING EXPENSES				
Personnel services	2,306,070	-	-	2,306,070
Depreciation	58,083	26,026	-	84,109
Job training participant support	-	-	56,904	56,904
Work experience benefits	-	-	49,648	49,648
Utilities	40,260	-	-	40,260
Per diem and fees	37,375	-	-	37,375
Repairs and maintenance	25,877	9,825	-	35,702
Supplies and materials	35,451	142	-	35,593
Computer charges	35,512	-	-	35,512
Fuel	-	31,455	-	31,455
Insurance and bonding	19,877	8,304	-	28,181
Telecommunications/internet	25,396	-	-	25,396
Rent	19,091	-	-	19,091
Travel	18,275	-	-	18,275
Membership and subscriptions	11,628	-	-	11,628
Postage and freight	8,791	-	-	8,791
Training and education	3,953	-	-	3,953
Other	925	-	-	925
Total operating expenses	<u>2,646,564</u>	<u>75,752</u>	<u>106,552</u>	<u>2,828,868</u>
Operating income (loss)	<u>2,091</u>	<u>(2,359)</u>	<u>-</u>	<u>(268)</u>
NON-OPERATING REVENUE (EXPENSE)				
Gain on disposal of capital asset	-	2,359	-	2,359
Interest expense	(2,091)	-	-	(2,091)
Total non-operating rev. (expense)	<u>(2,091)</u>	<u>2,359</u>	<u>-</u>	<u>268</u>
Change in net position	-	-	-	-
Total net position - beginning	<u>311,998</u>	<u>116,351</u>	<u>-</u>	<u>428,349</u>
Total net position - ending	<u>\$ 311,998</u>	<u>\$ 116,351</u>	<u>\$ -</u>	<u>\$ 428,349</u>

BUDGETARY COMPARISON SCHEDULES – NONMAJOR FUNDS

SOUTHERN GEORGIA REGIONAL COMMISSION
 BUDGETARY COMPARISON SCHEDULE – DATA MANAGEMENT
 FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Budgetary fund balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Contracts	615,766	623,316	539,459	(83,857)
Other income	-	-	85,316	85,316
Transfers from other funds	58,387	54,974	32,419	(22,555)
Amounts available for appropriation	<u>674,153</u>	<u>678,290</u>	<u>657,194</u>	<u>(21,096)</u>
Charges to appropriation (outflows):				
General government				
Direct				
Personnel services	457,978	452,167	452,052	115
Operating expenditures	55,953	69,007	55,188	13,819
Indirect				
Cost allocation plan	156,472	153,366	149,954	3,412
Capital Outlay	3,750	3,750	-	3,750
Transfers to other funds	-	-	-	-
Total charges to appropriations	<u>674,153</u>	<u>678,290</u>	<u>657,194</u>	<u>21,096</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SOUTHERN GEORGIA REGIONAL COMMISSION
 BUDGETARY COMPARISON SCHEDULE – COMMUNITY DEVELOPMENT FUND
 FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		
Budgetary fund balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental grants and contracts	248,722	248,092	308,094	60,002
Transfers from other funds	-	-	-	-
Amounts available for appropriation	<u>248,722</u>	<u>248,092</u>	<u>308,094</u>	<u>60,002</u>
Charges to appropriation (outflows):				
General government				
Direct				
Personnel services	180,216	180,643	176,696	3,947
Operating expenditures	6,933	6,178	6,521	(343)
Indirect				
Cost allocation plan	61,573	61,271	58,613	2,658
Transfers to other funds, net	-	-	66,264	(66,264)
Total charges to appropriations	<u>248,722</u>	<u>248,092</u>	<u>308,094</u>	<u>(60,002)</u>
Budgetary fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATE COMPLIANCE SECTION

SOUTHERN GEORGIA REGIONAL COMMISSION
SOUTHERN GEORGIA AREA DEVELOPMENT CORPORATION
SCHEDULE OF NONPUBLIC FUNDS
FOR THE PERIOD ENDED JUNE 30, 2014

	<u>Date Received</u> <u>or Paid</u>			
Beginning Fund Balance - Nonpublic Funds				<u>\$ 43,545.95</u>
Revenues - Nonpublic Funds:				
Wells Fargo	7/3/2013	Loan Servicing Fee	2,878.06	
Wells Fargo	8/5/2013	Loan Servicing Fee	2,792.81	
Wells Fargo	9/9/2013	Loan Servicing Fee	2,792.81	
Wells Fargo	10/3/2013	Loan Servicing Fee	2,792.81	
Wells Fargo	11/5/2013	Loan Servicing Fee	2,792.81	
Wells Fargo	12/4/2013	Loan Servicing Fee	2,722.82	
Wells Fargo	12/12/2013	504 Loan Processing Fee	45,393.32	
Wells Fargo	1/6/2014	Loan Servicing Fee	4,018.66	
Wells Fargo	1/16/2014	504 Loan Processing Fee	2,365.16	
Wells Fargo	2/5/2014	Loan Servicing Fee	4,087.42	
Wells Fargo	3/5/2014	Loan Servicing Fee	4,087.42	
Wells Fargo	4/3/2014	Loan Servicing Fee	4,070.14	
Wells Fargo	4/17/2014	504 Loan Processing Fee	9,609.71	
Wells Fargo	5/5/2014	Loan Servicing Fee	4,345.56	
Wells Fargo	5/9/2014	Loan Payoff Fee	243.96	
Wells Fargo	6/4/2014	Loan Servicing Fee	<u>4,202.06</u>	
Total Revenues				<u>99,195.53</u>
Disbursements - Nonpublic Funds				
OCGA 50-8-35 Qualifying Expenditures (All expenses for administration of SBA Loan Program located at the Southern Georgia Regional Commission)				
Salaries and wages (for administering the SBA Loan Program)				39,828.45
Fringe benefits allocated (for administering the SBA Loan Program)				16,022.25
Motor vehicle expenditures/expenses				606.16
Motor Pool Expense	7/31/2013		14.26	
Motor Pool Expense	8/31/2013		14.84	
Motor Pool Expense	9/30/2013		36.25	
Motor Pool Expense	10/30/2013		101.45	
Motor Pool Expense	12/31/2013		142.87	
Motor Pool Expense	1/31/2014		75.88	
Motor Pool Expense	2/28/2014		15.91	
Motor Pool Expense	3/31/2014		13.92	
Motor Pool Expense	4/30/2014		77.46	
Motor Pool Expense	5/31/2014		37.87	
Motor Pool Expense	6/30/2014		75.45	

SOUTHERN GEORGIA REGIONAL COMMISSION
SOUTHERN GEORGIA AREA DEVELOPMENT CORPORATION
SCHEDULE OF NONPUBLIC FUNDS (CONTINUED)
FOR THE PERIOD ENDED JUNE 30, 2014

	<u>Date Received or Paid</u>		
Board meeting expense			28.60
Western Sizzlin	11/15/2013	28.60	
Computer charges			1,376.50
ITS Charges	9/3/2013	492.50	
ITS Charges	10/31/2013	65.00	
ITS Charges	11/30/2013	260.00	
ITS Charges	12/31/2013	97.50	
ITS Charges	3/31/2014	140.00	
ITS Charges	4/30/2014	153.00	
ITS Charges	6/30/2014	168.50	
Membership and subscriptions			1,000.00
NADCO	12/17/2012	1,000.00	
Per Diem and fees			1,755.39
Equifax Information Svcs., LLC	7/31/2013	115.00	
Equifax Information Svcs., LLC	8/27/2013	115.58	
Smart Business Report/Regions Card	9/16/2013	34.95	
Equifax Information Svcs., LLC	10/3/2013	115.00	
Lowndes County Clerk of Superior Court	10/23/2013	54.00	
Equifax Information Svcs., LLC	10/31/2013	115.00	
Equifax Information Svcs., LLC	12/4/2013	115.00	
Equifax Information Svcs., LLC	1/6/2014	115.58	
Crisp County Clerk of Superior Court	1/22/2014	24.00	
Smart Business Report/Regions Card	1/31/2014	34.95	
Equifax Information Svcs., LLC	2/4/2014	115.00	
Tift County Clerk of Court	2/7/2014	24.00	
Cook County Clerk of Court	2/12/2014	26.00	
Equifax Information Svcs., LLC	2/26/2014	115.00	
Equifax Information Svcs., LLC	3/27/2014	115.00	
Crisp County Clerk of Superior Court	4/12/2014	(24.00)	
Credit Bureau Association	4/29/2014	73.33	
Equifax Information Svcs., LLC	4/30/2014	115.00	
Georgia Secretary of State/Regions Card	5/14/2014	85.00	
Georgia Secretary of State/Regions Card	5/14/2014	30.00	
Equifax Information Svcs., LLC	5/28/2014	115.00	
Lowndes County Clerk of Superior Court	5/28/2014	12.00	
Equifax Information Svcs., LLC	6/30/2014	115.00	
Postage and Freight			30.39
Fed-Ex Dallas	6/23/2014	30.39	
Publications and Printing			119.00
The Risk Management Assoc.	2/12/2014	119.00	
Software, License, Mtn & Support			214.38
Dell Marketing	9/18/2013	48.48	
GovConnection, Inc.	10/8/2013	72.90	
GovConnection, Inc.	10/8/2013	93.00	

SOUTHERN GEORGIA REGIONAL COMMISSION
SOUTHERN GEORGIA AREA DEVELOPMENT CORPORATION
SCHEDULE OF NONPUBLIC FUNDS (CONTINUED)
FOR THE PERIOD ENDED JUNE 30, 2014

	<u>Date Received or Paid</u>		
Supplies & Materials		33.19	
Quill Corporation	9/11/2013	7.19	
Harmon's Awards	12/17/2013	26.00	
Indirect cost allocated (for administering the SBA Loan Program)		<u>18,526.72</u>	
Total Disbursements - Nonpublic Funds			<u>79,541.03</u>
Excess of revenues (disbursements) over disbursements (revenues)			<u>19,654.50</u>
Ending Fund Balance - Nonpublic funds			<u><u>\$ 63,200.45</u></u>

INDEPENDENT AUDITOR'S OPINION ON SCHEDULE OF NONPUBLIC FUNDS

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Southern Georgia Regional Commission for the year ended June 30, 2014, and have issued our report thereon dated December 11, 2014. We have also audited the Schedule of Nonpublic Funds of Southern Georgia Area Development Corporation, a component unit of Southern Georgia Regional Commission, as required by the Official Code of Georgia Annotated, Section 50-8-35. This Schedule is the responsibility of management. Our responsibility is to express an opinion on this Schedule based on our audit.

We conducted our audit of the Schedule in accordance with auditing standards generally accepted in the United States of America and *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 Schedule of Nonpublic Funds is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Schedule presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Schedule of Nonpublic Funds was prepared to present the beginning balance, revenues, expenses and ending balance of nonpublic funds in accordance with the Official Code of Georgia Annotated, Section 50-8-35 for the year ended June 30, 2014 in conformity with generally accepted accounting principles. The presentation is not intended to be a complete presentation of the entity's assets, liabilities, revenues and expenses.

In our opinion, the Schedule of Nonpublic Funds referred to above presents fairly, in all material respects, the beginning balance, revenues, expenses and ending balance of nonpublic funds as required by the Official Code of Georgia Annotated, Section 50-8-35 for the year ended June 30, 2014 in conformity with generally accepted accounting principles.

This report is intended solely for the information and use of management, the audit committee, federal awarding agencies, participating counties and municipalities and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

Valenti, Rackley & Assoc., LLC

Valenti, Rackley & Associates, LLC
Certified Public Accountants

December 11, 2014

SOUTHERN GEORGIA REGIONAL COMMISSION
 SCHEDULE OF EMPLOYEE BENEFIT COST POOL – ACTUAL RATES
 FOR THE YEAR ENDED JUNE 30, 2014

Annual leave used	\$	251,127
Sick leave granted		144,935
Holiday leave granted		142,054
Annual leave termination		4,518
Other leave granted		3,365
Change in annual leave liability		(18,675)
Total compensated absences	\$	<u>527,324</u>
Computation of actual employee benefit rate		
Gross Salaries	\$	3,428,248
Less: Compensated absences		<u>527,324</u>
Allocation base - chargeable salaries	\$	<u>2,900,924</u>
Leave costs - final rate		<u>18.1778%</u>
Total fringe benefits	\$	<u>1,342,507</u>
Final rate		<u>39.1601%</u>

SOUTHERN GEORGIA REGIONAL COMMISSION
SCHEDULE OF INDIRECT COST POOL – ACTUAL RATES
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Amount</u>	<u>Rate</u>
Indirect costs:		
Salaries and compensated absences	\$ 515,679	
Fringe benefits allocated	200,471	
Depreciation	58,083	
Utilities	40,260	
Per diem and fees	37,375	
Supplies and materials	35,451	
Repairs and maintenance	25,877	
Telecommunications/internet	25,396	
Insurance and bonding	19,877	
Rent	19,091	
Software, license, maintenance and supply	17,767	
Computer charges	17,745	
Travel	13,316	
Membership and subscriptions	11,628	
Postage and freight	8,791	
Motor vehicle expense	4,959	
Training and education	3,953	
Interest expense	2,091	
Other expenses	925	
Other income and reimbursement of overhead costs	(28,002)	
Total indirect costs	<u>\$ 1,030,733</u>	<u>33.1719%</u>
Summary of costs in computation of indirect cost rate		
Chargeable salaries	\$ 2,900,924	
Chargeable compensated absences and fringe benefits	1,869,831	
Total personnel costs	<u>4,770,755</u>	
Personnel costs excluded from indirect cost pool:		
Indirect	(716,150)	
Career net centers	(168,019)	
Information Technology Services	<u>(779,335)</u>	
Net personnel costs - allocation base	<u>\$ 3,107,251</u>	

**SOUTHERN GEORGIA REGIONAL COMMISSION
SCHEDULE OF CITY/COUNTY DUES AND ASSESSMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

Government	Amount Due July 1, 2013	Total Billed For FY 2014 - \$1.25 per Capita	Amount Collected FY 2014	Balance Due June 30, 2014
Atkinson County	\$ -	\$ 6,025.00	\$ 6,025.00	\$ -
City of Pearson	-	2,616.24	2,616.24	-
City of Willacoochee	-	1,713.76	1,713.76	-
Bacon County	2,330.83	9,600.00	9,530.83	2,400.00
City of Alma	-	4,397.52	4,397.52	-
Ben Hill County	-	10,961.24	10,961.24	-
City of Fitzgerald	-	10,961.24	10,961.24	-
Berrien County	-	13,810.00	13,810.00	-
City of Alapaha	-	815.00	815.00	-
City of Enigma	1,250.64	1,621.24	2,466.57	405.31
City of Nashville	-	6,232.52	6,232.52	-
City of Ray City	-	1,322.52	1,322.52	-
Brantley County	-	21,205.00	15,903.75	5,301.25
City of Hoboken	-	665.00	665.00	-
City of Nahunta	-	1,363.76	1,363.76	-
Brooks County	-	12,495.68	12,495.68	-
City of Quitman	-	6,758.08	6,758.08	-
Charlton County	-	8,736.24	8,736.24	-
City of Folkston	-	6,772.52	6,772.52	-
City of Homeland	-	1,110.00	1,110.00	-
Clinch County	-	5,367.52	5,367.52	-
City of Homerville	-	3,030.00	3,030.00	-
Coffee County	-	39,170.00	39,170.00	-
City of Douglas	-	14,792.52	14,792.52	-
Cook County	-	10,576.88	10,576.88	-
City of Adel	-	10,576.88	10,576.88	-
Echols County	-	4,985.00	4,985.00	-
Irwin County	-	7,248.00	5,436.00	1,812.00
City of Ocilla	-	4,752.00	4,752.00	-
Lanier County	-	6,500.00	6,500.00	-
City of Lakeland	-	6,500.00	6,500.00	-
Lowndes County	-	69,228.12	69,228.12	-
City of Valdosta	-	73,961.88	73,961.88	-
Pierce County	-	17,730.00	17,730.00	-
City of Blackshear	-	4,360.00	4,360.00	-
City of Offerman	-	547.52	547.52	-
City of Patterson	-	917.52	917.52	-
Tift County	-	25,665.00	25,665.00	-
City of Tifton	-	25,665.00	25,665.00	-
Turner County	-	5,477.00	5,477.00	-
City of Ashburn	-	5,035.48	5,035.48	-
Ware County	-	26,873.76	26,873.76	-
City of Waycross	-	17,902.52	17,902.52	-
Total	<u>\$ 3,581.47</u>	<u>\$ 516,045.16</u>	<u>\$ 509,708.07</u>	<u>\$ 9,918.56</u>

**SOUTHERN GEORGIA REGIONAL COMMISSION
SCHEDULE OF REVENUE EARNED AND MATCHING FUNDS APPLIED
FOR THE YEAR ENDED JUNE 30, 2014**

Name of Grant/Contract/Program	Unearned Revenue June 30, 2013	Current Year Award/ Adjustments	Total Funds Available	Required Matching %	Total Program Cost June 30, 2014	Revenue Earned	Program/ Other Income Earned	In-Kind Income	Matching Funds Applied	Deobligated	Unearned Revenue June 30, 2014
PLANNING & TECHNICAL ASSISTANCE											
EDA											
Planning - 2013	\$ 149,116	\$ -	\$ 149,116	30%	\$ 78,222	\$ 54,756	\$ -	\$ -	\$ 23,467	\$ -	\$ 94,360.00
DCA											
Coord. Planning	-	216,578	216,578	10%	245,151	216,578	355	-	28,217	-	-
GTA Digital Economy Regional Plan	-	75,000	75,000	0%	36,806	36,806	-	-	-	-	38,194
DOT											
Transp. Planning Services	-	89,600	89,600	20%	99,272	79,418	-	-	19,854	10,182	-
FTA 5303 Transit Plan FY14	-	28,125	28,125	10%	26,088	23,479	2,609	-	-	4,646	-
FTA 5303 Supplemental FY13	27,990	-	27,990	10%	31,049	27,936	3,104	-	10	54	-
MPO - City of Valdosta	-	236,605	236,605	20%	144,340	115,472	28,868	-	-	121,133	-
DNR											
Historic Preservation	-	4,091	4,091	0%	4,478	4,091	-	-	388	-	-
Environmental Protection Div.:											
Section 319(h) Ph III Coastal	29,689	-	29,689	40%	17,043	14,442	-	-	2,601	15,247	-
Withlacoochee WIP 319	9,955	-	9,955	40%	15,391	9,955	-	988	4,448	-	-
Waycross Drainage WIP 319	69,224	-	69,224	40%	134,813	69,224	-	61,174	4,415	-	-
Pride Branch WMP 319(h)	14,156	-	14,156	40%	26,166	14,156	-	4,629	7,381	-	-
Franks Creek WIP 319	130,779	-	130,779	8%	59,021	48,622	-	10,399	-	-	82,157
LOCAL											
Special Projects	-	-	-	0%	52,413	-	6,923	-	45,491	-	-
Regional Solid Waste Auth.	-	-	-	0%	25,177	-	25,177	-	-	-	-
GA Muni Assoc Health Prom.	-	-	-	0%	5,009	-	5,000	-	9	-	-
City of Homerville - URP	-	7,100	7,100	0%	4,432	4,432	-	-	-	-	2,668
Tift Co. Planning Project	-	1,745	1,745	0%	1,739	1,745	-	-	(6)	-	-
Tifton Planning/Zoning	-	399	399	0%	388	399	-	-	(11)	-	-
Tifton LWCF	-	1,003	1,003	0%	1,003	1,003	-	-	-	-	-
Coffee Co. Land Dev Code	22,500	-	22,500	0%	4,454	11,250	-	-	(6,796)	-	11,250
Dasher Planning Project	-	752	752	0%	749	752	-	-	(4)	-	-

**SOUTHERN GEORGIA REGIONAL COMMISSION
SCHEDULE OF REVENUE EARNED AND MATCHING FUNDS APPLIED
FOR THE YEAR ENDED JUNE 30, 2014**

Name of Grant/Contract/Program	Unearned Revenue June 30, 2013	Current Year Award/ Adjustments	Total Funds Available	Required Matching %	Total Program Cost June 30, 2013	Revenue Earned	Program/ Other Income Earned	In-Kind Income	Matching Funds Applied	Deobligated	Unearned Revenue June 30, 2014
PLANNING & TECHNICAL ASSISTANCE											
LOCAL (Continued)											
Douglas Planning/Zoning	-	2,559	2,559	0%	2,538	2,559	-	-	(22)	-	-
Douglas Planning/Zoning LWCF	-	3,628	3,628	0%	3,620	3,628	-	-	(8)	-	-
Douglas Grant Application	-	156	156	0%	155	156	-	-	(1)	-	-
Berrien Co. Planning Project	-	7,500	7,500	0%	4,147	4,147	-	-	-	-	3,353
Berrien JLUS	-	1,416	1,416	0%	1,416	1,416	-	-	(1)	-	-
Brooks Co. Planning Project	-	1,758	1,758	0%	1,750	1,758	-	-	(8)	-	-
Broxtown Zoning	-	10,182	10,182	0%	10,324	10,182	-	-	142	-	-
Lake Park Planning Projects	-	955	955	0%	952	955	-	-	(2)	-	-
Lakeland Planning	-	34	34	0%	34	34	-	-	-	-	-
Nashville Planning	-	1,500	1,500	0%	608	750	-	-	(142)	-	750
Irwin County Planning	-	4,611	4,611	0%	4,531	4,611	-	-	(80)	-	-
Lanier County Planning	-	218	218	0%	261	218	-	-	44	-	-
Nahunta Planning	-	333	333	0%	312	333	-	-	(21)	-	-
Folkston Planning	-	40,000	40,000	0%	14,228	14,228	-	-	-	-	25,772
Pre-Disaster Mitigation Plans	6,151	-	6,151	0%	25,231	6,151	-	-	19,080	-	-
Local Gov. Tech. Assist.	-	-	-	0%	77,334	-	-	-	77,334	-	-
TOTAL PLANNING AND TECHNICAL ASSIST.	459,560	735,848	1,195,408		1,160,645	785,642	72,036	77,190	225,779	151,262	258,504

**SOUTHERN GEORGIA REGIONAL COMMISSION
SCHEDULE OF REVENUE EARNED AND MATCHING FUNDS APPLIED
FOR THE YEAR ENDED JUNE 30, 2014**

Name of Grant/Contract/Program	Revenue June 30, 2013	Award/ Adjustments	Funds Available	Matching %	Program Cost June 30, 2014	Revenue Earned	Other Income Earned	In-Kind Income	Funds Applied	Deobligated	Revenue June 30, 2014
COMMUNITY DEVELOPMENT											
EDA											
Adel	12,663	-	12,663	0%	11,052	11,052	-	-	-	-	1,611
Nashville	-	25,000	25,000	0%	2,681	2,681	-	-	-	-	22,319
CDBG											
Adel	-	29,405	29,405	0%	2,060	2,060	-	-	-	-	27,345
Alapaha FY13	25,364	-	25,364	0%	7,897	7,897	-	-	-	-	17,467
Ambrose	3,331	-	3,331	0%	3,091	3,331	-	-	(240)	-	-
Atkinson County	7,837	-	7,837	0%	397	4,336	-	-	(3,939)	-	3,501
Berrien Co. FY12	10,345	-	10,345	0%	5,088	10,345	-	-	(5,257)	-	-
Berrien Co. FY13	21,763	-	21,763	0%	7,495	7,495	-	-	-	-	14,268
Blackshear FY13	26,059	-	26,059	0%	9,868	9,868	-	-	-	-	16,191
Brantley County	15,979	-	15,979	0%	12,765	12,765	-	-	-	-	3,214
Brooks County FY13	24,670	-	24,670	0%	5,606	5,606	-	-	-	-	19,064
Broxtown FY14	-	29,413	29,413	0%	4,116	4,116	-	-	-	-	25,297
Coffee County FY13	27,246	-	27,246	0%	18,803	18,803	-	-	-	-	8,443
Cook County FY12	12,896	-	12,896	0%	9,705	9,705	-	-	-	-	3,191
Echols County FY11	14,076	-	14,076	0%	628	14,076	-	-	(13,449)	-	-
Folkston FY14	-	30,000	30,000	0%	4,014	4,014	-	-	-	-	25,986
Homeland FY12	11,242	-	11,242	0%	5,576	5,576	-	-	-	-	5,666
Homerville FY12	9,600	-	9,600	0%	7,020	9,600	-	-	(2,579)	-	-
Homerville FY14	-	30,000	30,000	0%	4,167	4,167	-	-	-	-	25,833
Irwin County FY14	-	30,000	30,000	0%	4,212	4,212	-	-	-	-	25,788
Lowndes Co. FY14	-	28,715	28,715	0%	2,519	2,519	-	-	-	-	26,196
Nahunta FY14	-	30,000	30,000	0%	2,414	2,414	-	-	-	-	27,586
Nashville FY12	8,000	-	8,000	0%	4,694	8,000	-	-	(3,306)	-	-
Nashville RDF	2,731	-	2,731	0%	3,596	2,731	-	-	865	-	-
Nashville FY13	23,685	-	23,685	0%	6,720	6,720	-	-	-	-	16,965
Ocilla FY12	13,792	-	13,792	0%	7,539	13,792	-	-	(6,253)	-	-

SOUTHERN GEORGIA REGIONAL COMMISSION
SCHEDULE OF REVENUE EARNED AND MATCHING FUNDS APPLIED
FOR THE YEAR ENDED JUNE 30, 2014

Name of Grant/Contract/Program	Unearned Revenue June 30, 2013	Current Year Award/ Adjustments	Total Funds Available	Required Matching %	Total Program Cost June 30, 2014	Revenue Earned	Program/ Other Income Earned	In-Kind Income	Matching Funds Applied	Deobligated	Unearned Revenue June 30, 2014
CDBG (Continued)											
Omega FY14	-	28,650	28,650	0%	4,906	4,906	-	-	-	-	23,744
Pierce County	18,269	-	18,269	0%	10,368	18,269	-	-	(7,901)	-	-
Ray City FY11	2,000	-	2,000	0%	696	2,000	-	-	(1,304)	-	-
Remerton FY13	21,031	-	21,031	0%	12,505	12,504	-	-	-	-	8,527
Waycross FY13	22,898	-	22,898	0%	6,943	22,898	-	-	(15,955)	-	-
EIP:											
Alma	15,088	-	15,088	0%	10,017	13,588	-	-	(3,571)	-	1,500
Cook County	28,007	-	28,007	0%	14,434	18,007	-	-	(3,572)	-	10,000
Quitman	-	7,500	7,500	0%	1,836	1,836	-	-	-	-	5,664
Ray City EDSI	732	-	732	0%	660	660	-	-	-	-	72
OTHER											
Adel TE	12,064	-	12,064	0%	1,102	1,102	-	-	-	-	10,962
Blackshear TE	25,503	-	25,503	0%	1,035	1,035	-	-	-	-	24,468
Enigma TE	10,656	-	10,656	0%	1,332	1,332	-	-	-	-	9,324
Folkston TE	10,791	-	10,791	0%	1,645	1,645	-	-	-	-	9,146
Hahira TE	12,123	-	12,123	0%	3,906	3,906	-	-	-	-	8,217
Nashville TE FY12	11,916	-	11,916	0%	2,085	2,085	-	-	-	-	9,831
Ocilla TE	21,879	-	21,879	0%	2,777	2,777	-	-	-	-	19,102
Patterson TE	-	-	-	0%	200	-	-	-	200	-	-
Pearson TE	9,074	-	9,074	0%	2,068	2,068	-	-	-	-	7,006
Ray City TE FY12	8,528	-	8,528	0%	310	310	-	-	-	-	8,218
Remerton TE	4,061	-	4,061	0%	2,963	2,963	-	-	-	-	1,098
Tifton Farmer's Market	-	1,118	1,118	0%	1,116	1,118	-	-	(2)	-	-
Tifton TE	30,683	-	30,683	0%	5,204	5,204	-	-	-	-	25,479
TOTAL COMMUNITY DEVELOPMENT	536,582	269,801	806,383		241,831	308,094	-	-	(66,263)	-	498,289

SOUTHERN GEORGIA REGIONAL COMMISSION
SCHEDULE OF REVENUE EARNED AND MATCHING FUNDS APPLIED
FOR THE YEAR ENDED JUNE 30, 2014

Name of Grant/Contract/Program	Unearned Revenue June 30, 2013	Current Year Award/ Adjustments	Total Funds Available	Required Matching %	Total Program Cost June 30, 2014	Revenue Earned	Program/ Other Income Earned	In-Kind Income	Matching Funds Applied	Deobligated	Unearned Revenue June 30, 2014
DATA MANAGEMENT											
Valor	-	494,566	494,566	0%	505,332	494,566	590	-	10,175	-	-
Regional GIS	-	44,893	44,893	0%	151,862	44,893	84,726	-	22,243	-	-
TOTAL DATA MGT	-	539,459	539,459		657,194	539,459	85,316	-	32,418	-	-
TRANSPORTATION											
Department of Human Serv.											
Coordinated Transportation	-	2,158,504	2,158,504	2%	1,766,465	1,749,834	-	36,666	(20,036)	408,670	-
TOTAL TRANSPORTATION	-	2,158,504	2,158,504		1,766,465	1,749,834	-	36,666	(20,036)	408,670	-
AGING											
Department of Health & Human Services:											
OAA Title III Part A	-	94,447	94,447	25%	117,487	88,115	-	-	29,372	6,332	-
OAA Title III Part B	-	295,707	295,707	10%	237,606	213,740	107	21,587	2,172	81,967	-
OAA Title III Part C	-	875,230	875,230	10%	1,398,406	760,876	553,081	84,449	-	114,354	-
OAA Title III Part D	-	33,528	33,528	10%	32,021	28,819	-	3,202	-	4,709	-
OAA Title III Part E Admin	-	39,909	39,909	25%	49,660	37,245	-	-	12,415	2,664	-
OAA Title III Part E	-	174,842	174,842	10%	186,992	167,018	1,416	18,558	-	7,824	-
OAA Title XIX - CCSP	-	2,691,044	2,691,044	0%	2,666,615	2,666,615	-	-	-	24,429	-
LTCO III B	-	45,000	45,000	10%	49,362	44,426	-	4,936	-	574	-
LTCO State Support	-	85,254	85,254	0%	85,254	85,254	-	-	-	-	-
LTCO Activities	-	22,571	22,571	10%	25,079	22,571	-	2,508	-	-	-
SSBG	-	302,237	302,237	12%	326,339	300,059	132	15,548	10,600	2,178	-
Caregiver Education	-	30,394	30,394	25%	22,616	16,962	-	5,654	-	-	13,432
NSIP	-	194,925	194,925	0%	195,003	194,925	78	-	-	-	-
MIPPA	-	62,559	62,559	0%	24,999	24,999	-	-	-	-	37,560
ADRC - MIPPA	3,823	-	3,823	0%	1,969	1,969	-	-	-	-	1,854

**SOUTHERN GEORGIA REGIONAL COMMISSION
SCHEDULE OF REVENUE EARNED AND MATCHING FUNDS APPLIED
FOR THE YEAR ENDED JUNE 30, 2014**

Name of Grant/Contract/Program	Unearned Revenue June 30, 2013	Current Year Award/ Adjustments	Total Funds Available	Required Matching %	Total Program Cost June 30, 2014	Revenue Earned	Program/ Other Income Earned	In-Kind Income	Matching Funds Applied	Deobligated	Unearned Revenue June 30, 2014
AGING (Continued)											
ADRC	-	47,705	47,705	0%	36,669	36,669	-	-	-	11,036	-
Georgia Cares - SMP AoA	-	12,500	12,500	0%	12,339	12,339	-	-	-	161	-
Georgia Cares - SHIP	-	7,000	7,000	0%	7,195	6,909	286	-	-	91	-
Aging Wellness CDSME	-	13,603	13,603	0%	7,861	7,861	-	-	-	5,742	-
Georgia Cares-CMS	-	59,788	59,788	0%	58,132	50,647	-	-	7,485	9,141	-
Money Follows the Person	-	121,256	121,256	0%	112,559	112,559	-	-	-	8,697	-
Alzheimer's Program	-	129,857	129,857	0%	130,326	128,148	2,178	-	-	1,709	-
CBS	-	776,402	776,402	0%	829,672	769,166	60,506	-	-	7,236	-
Income Tax Check Off	-	3,963	3,963	0%	5,196	3,963	1,233	-	-	-	-
TOTAL AGING	3,823	6,119,721	6,123,544		6,619,357	5,781,854	619,017	156,442	62,044	288,844	52,846
DEPARTMENT OF LABOR											
JOB DEVELOPMENT											
AND TRAINING											
WORKFORCE INVESTMENT											
ACT											
Adult:											
#11-12-12-11-019	7,195	-	7,195	0%	7,195	7,195	-	-	-	-	-
#11-12-13-11-018	71,518	-	71,518	0%	71,518	71,518	-	-	-	-	-
#11-12-13-11-019	330,620	24,613	355,233	0%	355,233	355,233	-	-	-	-	-
#11-13-13-11-018	-	86,566	86,566	0%	77,910	77,910	-	-	-	-	8,656
#11-13-14-11-018	-	1,494,636	1,494,636	0%	830,384	830,384	-	-	-	-	664,252
Youth:											
#15-12-11-11-018	230,564	-	230,564	0%	230,564	230,564	-	-	-	-	-
#15-12-11-11-019	254,731	27,166	281,897	0%	281,897	281,897	-	-	-	-	-
#15-13-11-11-018	1,137,578	-	1,137,578	0%	669,457	669,457	-	-	-	-	468,121
#15-14-14-11-018	-	1,226,439	1,226,439	0%	-	-	-	-	-	-	1,226,439

**SOUTHERN GEORGIA REGIONAL COMMISSION
SCHEDULE OF REVENUE EARNED AND MATCHING FUNDS APPLIED
FOR THE YEAR ENDED JUNE 30, 2014**

Name of Grant/Contract/Program	Unearned Revenue June 30, 2013	Current Year Award/ Adjustments	Total Funds Available	Required Matching %	Total Program Cost June 30, 2014	Revenue Earned	Program/ Other Income Earned	In-Kind Income	Matching Funds Applied	Deobligated	Unearned Revenue June 30, 2014
WORKFORCE INVESTMENT											
ACT (Continued)											
Dislocated Worker:											
#31-12-12-11-019	3,602	-	3,602	0%	3,602	3,602	-	-	-	-	-
#31-12-13-11-018	95,094	-	95,094	0%	95,094	95,094	-	-	-	-	-
#31-12-13-11-019	107,240	23,654	130,894	0%	130,894	130,894	-	-	-	-	-
#31-13-13-11-018	-	55,877	55,877	0%	55,877	55,877	-	-	-	-	-
#31-13-14-11-018	-	576,726	576,726	0%	255,865	255,865	-	-	-	-	320,861
#44-13-13-11-018	-	23,766	23,766	0%	-	-	-	-	-	-	23,766
#44-13-14-11-018	-	95,065	95,065	0%	-	-	-	-	-	-	95,065
TOTAL JOB DEV. AND TRAINING	<u>2,238,142</u>	<u>3,634,508</u>	<u>5,872,650</u>		<u>3,065,490</u>	<u>3,065,490</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,807,160</u>
Totals	<u>\$ 3,238,107</u>	<u>\$ 13,457,841</u>	<u>\$ 16,695,948</u>		<u>\$ 13,510,982</u>	<u>\$ 12,230,373</u>	<u>\$ 776,369</u>	<u>\$ 270,298</u>	<u>\$ 233,942</u>	<u>\$ 848,776</u>	<u>\$ 3,616,799</u>

SOUTHERN GEORGIA REGIONAL COMMISSION
STATEMENT OF AUDITOR'S PROPOSED FINANCIAL SETTLEMENT
"AS REQUIRED BY THE GEORGIA DEPARTMENT OF HUMAN SERVICES"
FOR THE YEAR ENDED JUNE 30, 2014

Contract Name	Contract Number	Due from DHS	Due to DHS
Aging Program:			
Various	427-373-0000020099	\$ 997,181	\$ -
Various	427-9361080	-	1,007
Various	427-9381274	-	10,772
Various	427-9311391	-	40
Various	427-9325242	-	4,989
Various	427-9335210	-	626
Various	427-93-05050219-99	-	5,599
Aging Program:			
Title III E	427-93-06060271-99	-	113
Title V	427-93-06060271-99	-	250
CBS	427-93-06060271-99	-	939
IIIB	427-93-06060271-99	-	<u>7</u>
Subtotal			1,309
Aging Program:			
CCSP	427-93-07070239-99	-	370
CBS GA Cares	427-93-07070239-99	-	7
CBS	427-93-07070239-99	-	<u>35</u>
Subtotal			412
Aging Program:			
SSBG	427-93-08080187-99	-	202
CBS	427-93-08080187-99	-	<u>8</u>
Subtotal			210
Aging Program:			
Title III D	427-93-09090176-99	-	5
SSBG	427-93-09090176-99	-	<u>116</u>
Subtotal			<u>121</u>
Total		<u><u>\$ 997,181</u></u>	<u><u>\$ 25,085</u></u>

SOUTHERN GEORGIA REGIONAL COMMISSION
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Contract Number</u>	<u>Total Funds Available (Note 3)</u>	<u>Revenue Earned</u>	<u>Expenditures Incurred</u>	<u>State Agency</u>	
					<u>Due From</u>	<u>Due To</u>
Department of Community Affairs						
Coordinated Planning	None	\$ 216,578	\$ 216,578	\$ 245,151	\$ 54,145	\$ -
Department of Transportation						
Transportation Related Services - Planning	PI #0012864	89,600	79,418	99,272	32,936	-
Department of Natural Resources						
Historic Preservation	None	4,091	4,091	4,478	-	-
GOWD (Note 2)						
Workforce Investment Act	Various (Note 1)	5,872,650	3,065,490	3,065,490	262,814	-
Department of Human Services (Note 2)						
Coordinated Transportation	42700-362-0000023230	2,158,504	1,749,834	1,766,465	163,542	-
Aging Programs	42700-373-0000020099	6,044,431	5,737,924	6,569,778	997,181	-
Aging Programs	various contracts	81,134	43,930	49,584	-	25,085
Total Expenditures of State Awards		<u>\$ 14,466,988</u>	<u>\$ 10,897,265</u>	<u>\$ 11,800,218</u>	<u>\$ 1,510,618</u>	<u>\$ 25,085</u>

Note 1: Grant numbers are identified for each grant on the schedule of expenditures of federal awards.

Note 2: Includes federal funds that passed through state agencies.

Note 3: Total Funds Available consist of current year grant awards plus unearned revenue from prior year, if applicable.

SOUTHERN GEORGIA REGIONAL COMMISSION
 AREA AGENCY ON AGING
 SCHEDULE OF UNITS/PERSONS SERVED FOR STATE FISCAL YEAR 2014
 FOR THE YEAR ENDED JUNE 30, 2014

Service	Units Served	Persons Served
SSBG		
Adult Day Care	1,046.00	8
Telephone Reassurance	4,293.00	38
Congregate meals	81,285.00	586
Home delivered meals	113,022.00	574
Information and Assistance	9,672.00	7,757
Title IIIB		
Adult Day Care	441.50	8
Homemaker	3,750.00	48
Personal Care	2,313.50	36
Transportation	59,223.00	2,127
Alzheimer's Adult Day Care	1,665.00	9
Alzheimer's In-Home Respite	5,190.00	34
CBS		
Adult Day Care	548.00	6
Alzheimer's Respite	605.50	13
Case Management	1,137.00	1,064
Home Modification	15.00	15
Nutritional Counseling	24.00	13
Respite	4,467.75	41
Title IIIE		
Adult Day Care	720.00	6
Case Management	88.00	84
Home Modification	29.00	29
Respite	5,402.00	45
Legal Services		
Community Education	20.00	543
Counseling Cases Opened	186.00	169
Info & Referral	991.00	991

FEDERAL COMPLIANCE SECTIONS

SOUTHERN GEORGIA REGIONAL COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

Federal Grantor/Pass-Through Grantor/Program Titles	Federal CFDA #	Grant/Contract Number	Expenditures
U.S. Department of Agriculture			
Direct Programs			
Intermediary Relending Programs (IRP)	10.767	10-092-0580942510	\$ 1,754,963
Rural Development Grants (IDG/RBEG)	10.769	10-92-580942510	99,006
Total U.S. Department of Agriculture			<u>1,853,969</u>
U.S. Department of Commerce			
Direct Programs - Economic Development Adm.			
Economic Development - Support for Planning	11.302	04-83-06740	78,222
Economic Adjustment Assist. - RLF (EDA)	11.307	04-39-02010	3,316,202
Passed through State Dept. of Economic Dev., passed through member local governments:			
Invest. in Public Works and Eco. Dev. Facilities:			
Adel	11.300	04-01-06513	11,052
Nashville	11.300	04-01-06881	<u>2,681</u>
Subtotal Economic Develop. cluster			3,329,935
Passed through National Telecommunications and Information Administration, passed through Middle Georgia Regional Commission:			
GTA Digital Economy Regional Plan	11.549	98000-501-000008284	<u>36,806</u>
Total U.S. Dept. of Commerce			<u>3,444,963</u>
U.S. Department of Labor			
Passed through GOWD			
Workforce Investment Act			
Adult Program	17.258	11-12-12-11-019	7,195
Adult Program	17.258	11-12-13-11-018	71,518
Adult Program	17.258	11-12-13-11-019	355,233
Adult Program	17.258	11-13-13-11-018	77,910
Adult Program	17.258	11-13-14-11-018	<u>830,385</u>
Subtotal Adult Program			<u>1,342,241</u>
Youth Activities	17.259	15-12-11-11-018	230,564
Youth Activities	17.259	15-12-11-11-019	281,897
Youth Activities	17.259	15-13-11-11-018	<u>669,457</u>
Subtotal Youth Activities			<u>1,181,918</u>

SOUTHERN GEORGIA REGIONAL COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2014

Federal Grantor/Pass-Through Grantor/Program Titles	Federal CFDA #	Grant/Contract Number	Expenditures
U.S. Department of Labor (Continued)			
Passed through State Department of Labor			
Dislocated Worker Formula Grants	17.278	31-12-12-11-019	3,602
Dislocated Worker Formula Grants	17.278	31-12-13-11-018	95,094
Dislocated Worker Formula Grants	17.278	31-12-13-11-019	130,894
Dislocated Worker Formula Grants	17.278	31-13-13-11-018	55,877
Dislocated Worker Formula Grants	17.278	31-13-14-11-018	255,865
Subtotal Dislocated Worker Form. Grants			<u>541,332</u>
Subtotal WIA cluster			3,065,491
Total U. S. Department of Labor			<u>3,065,491</u>
U. S. Dept. of Health & Human Services			
Passed through State Dept. of Human Services:			
Aging Title III Part A & B	93.044	427-373-0000020099	355,093
Aging Title III Part B - Coord. Transportation	93.044	427-362-0000023230	171,616
Aging Title III Part C	93.045	427-373-0000020099	1,398,406
Aging Nutrition Services Incentive Program	93.053	427-373-0000020099	195,003
Subtotal Aging cluster			2,120,118
Aging Title VII - LTCO	93.042	427-373-0000020099	74,441
Aging Title III Part D	93.043	427-373-0000020099	32,021
Aging Title IV and II Disc Proj - Caregiver Ed	93.048	427-373-0000025101	22,616
Aging Title IV and II Disc Proj - Wellness	93.048	427-373-0000020099	36,669
Aging Title IV and II Disc Proj - GA Cares	93.048	427-373-0000020099	12,339
Subtotal Aging Title IV and II			71,624
Aging Title III Part E	93.052	427-373-0000020099	236,652
Aging Medicare Enrollment Assist. ADRC	93.071	427-373-0000012543	1,969
Aging Medicare Enrollment Assist. MIPPA	93.071	0000292527	24,999
Subtotal Aging Medicare Enrollment Assist.			26,968
TANF - Coordinated Transportation	93.558	427-362-0000023230	990,311
Aging Affordable Care Act	93.609	427-373-0000020099	26,515
SSBG - Aging Program	93.667	427-373-0000020099	326,339
SSBG - Coordinated Transportation	93.667	427-362-0000023230	151,586
Subtotal SSBG			477,925
Aging Empowering Older Adults	93.734	427-373-0000020099	7,861
Aging Title XIX CCSP	93.778	427-373-0000020099	2,640,100
Aging GA Cares SHP CMS	93.779	427-373-0000020099	58,132
Aging SHIP GA CARES	93.779	427-373-0000020099	7,195
Subtotal			65,327

SOUTHERN GEORGIA REGIONAL COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2014

Federal Grantor/Pass-Through Grantor/Program Titles	Federal CFDA #	Grant/Contract Number	Expenditures
U. S. Dept. of Health & Human Services (Continued)			
Passed through State Dept. of Human Services (Continued):			
Money Follows the Person	93.791	427-373-0000020099	112,559
Total U. S. Dept. of Health & Human Serv.			<u>6,882,422</u>
U. S. Department of Transportation			
Passed through State Dept. of Transportation:			
Highway Planning and Construction	20.205	PI12864	99,272
Met. Transp. Planning	20.505	PL1100806	144,340
Met. Transp. Planning - FTA 5303	20.505	T004947	26,088
Met. Transp. Planning - FTA 5303 Supp	20.505	T004633	31,049
Subtotal			<u>201,477</u>
Capital Assist. Program - Coord. Transp.	20.513	427-362-0000023230	95,992
Job Access Reverse Comm - Coord. Transp.	20.516	427-362-0000023230	161,351
New Freedom Program - Coord. Transp.	20.521	427-362-0000023230	28,223
Subtotal cluster			<u>285,566</u>
Total U.S. Department of Transportation			<u>586,315</u>
U.S. Department of Environmental Protection			
Passed through State Dept. of Natural Resources, passed through member local governments:			
Phase III Coastal OSDS	66.460	751-100061	17,043
Pride Branch WMP	66.460	751-130122	26,166
Section 319(h):			
Withlacoochee WIP	66.460	751-120155	15,391
Waycross Drainage Canal WIP	66.460	751-120153	134,813
Seven Rivers Franks Crk WIP 319	66.460	751-130100	59,021
Total U.S. Dept. of Environmental Protection			<u>252,434</u>
U.S. Small Business Administration			
Direct Programs			
Certified Development Corporation	59.041	04-235	21,929

SOUTHERN GEORGIA REGIONAL COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2014

Federal Grantor/Pass-Through Grantor/Program Titles	Federal CFDA #	Grant/Contract Number	Expenditures
U.S. Dept. of Housing and Urban Dev.			
Passed through State Dept. of Community Affairs, passed through member local governments:			
Community Dev. Block Grant/Small Cities Program			
Adel FY14	14.228	13p-x-037-2-5597	2,060
Alapaha FY13	14.228	12p-x-010-2-5459	7,897
Ambrose FY11	14.228	10p-x-034-2-5289	3,091
Atkinson County FY09	14.228	09p-y-002-1-5173	397
Berrien County FY12	14.228	11p-y-010-1-5403	5,088
Berrien County FY13	14.228	12p-y-010-1-5478	7,495
Blackshear FY13	14.228	12p-x-113-2-5458	9,868
Brantley County FY12	14.228	11p-y-013-1-5402	12,765
Brooks County FY13	14.228	12p-y-014-1-5490	5,606
Broxton FY14	14.228	13p-x-034-5-5586	4,116
Coffee County FY13	14.228	12p-y-034-1-5474	18,803
Cook County FY12	14.228	11p-y-037-1-5396	9,705
Echols County FY11	14.228	10p-y-050-1-5293	628
Folkston FY14	14.228	13p-x-024-2-5587	4,014
Homeland FY12	14.228	11p-x-024-2-5394	5,576
Homerville FY12	14.228	11p-x-032-2-5395	7,020
Homerville FY14	14.228	13p-x-032-5-5588	4,167
Irwin County FY14	14.228	13p-y-077-1-5593	4,212
Lowndes County FY14	14.228	13p-y-092-1-5596	2,519
Nahunta FY14	14.228	13p-x-013-2-5595	2,414
Nashville FY12	14.228	11p-x-010-2-5397	4,694
Nashville RDF	14.228	11rd-x-010-2-5434	3,596
Nashville FY13	14.228	12p-x-010-2-5460	6,720
Ocilla FY12	14.228	11p-x-077-2-5400	7,539
Omega FY14	14.228	13p-x-137-5-5594	4,906
Pierce County FY12	14.228	11p-y-113-1-5392	10,368
Ray City FY11	14.228	10p-x-010-2-5285	696
Remerton FY13	14.228	12p-x-092-2-5477	12,505
Waycross FY13	14.228	12p-x-148-2-5476	6,943

SOUTHERN GEORGIA REGIONAL COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2014

Federal Grantor/Pass-Through Grantor/Program Titles	Federal CFDA #	Grant/Contract Number	Expenditures
U.S. Dept. of Housing and Urban Dev. (Continued)			
Passed through State Dept. of Community Affairs, passed through member local governments:			
Community Dev. Block Grant/Small Cities Program			
Alma EIP	14.228	12q-x-003-2-5537	10,017
Cook County EIP	14.228	12q-y-037-1-5525	14,434
Quitman EIP	14.228	13q-x-014-5-5615	1,836
Subtotal CDBG			<u>201,695</u>
Subtotal Community Dev. Block Grant			201,695
Ray City ESDI	14.251	B-10-SP-GA-0136	660
Total U. S. Dept. of Housing Urban Dev.			<u>202,355</u>
Total Federal Financial Assistance			<u><u>\$ 16,309,878</u></u>

Notes to Schedule:

1. The RC follows the modified accrual basis of accounting in preparing this schedule. This method is consistent with the preparation of the RC's financial statements.

SOUTHERN GEORGIA REGIONAL COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2014

2. The RC provided federal awards to subrecipients as follows:

		Amount Provided
Aging Programs		
Title III, Part B	93.044	\$ 238,620
Title III, Part C	93.045	438,698
Title III, Part D	93.043	28,819
Title III, Part E	93.052	167,018
Title XIX CCSP	93.778	1,869,092
Powerful Tools for Caregivers	93.048	16,962
SSBG	93.667	49,709
Title VII LTCO	93.042	22,571
Wellness Grant	93.734	7,861
Title XIX CCSP, PHQ-9	93.609	26,515
Money Follows the Person	93.791	11,273
Subtotal Aging Program		2,877,138
Workforce Investment Act		
Adult formula grants	17.258	1,079,666
Youth formula grants	17.259	795,721
Dislocated worker formula grants	17.278	311,112
Subtotal Workforce Investment Act		2,186,499
Total provided to subrecipients		\$ 5,063,637

3. Expenditures of federal awards for revolving loan funds are calculated as follows:

	EDA	IRP	IDG/RBEG
Note receivable balances at:			
Beginning of year		\$ 1,384,539	\$ 37,581
End of year	\$ 2,338,342		
New loans made during current year		320,000	57,766
Loans written off in current year	-	-	-
Cash and investment balance at end of year	1,475,951		
Current year expenditures (cash basis)	87,121	50,424	3,659
	3,901,414	1,754,963	99,006
Times applicable %*	85%		
Expenditures of federal awards	\$ 3,316,202	\$ 1,754,963	\$ 99,006

* [(sum of all EDA dollars from all grantee's RLF awards)/(sum of all project dollars for all grantee's RLF awards)]

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*

To the Council Members
Southern Georgia Regional Commission
Valdosta, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Southern Georgia Regional Commission ("the RC"), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the RC's basic financial statements, and have issued our report thereon dated December 11, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the RC'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 the RC's internal control. Accordingly, we do not express an opinion on the effectiveness of the RC's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

Valenti, Rackley & Assoc., LLC

Valenti, Rackley & Associates, LLC
Certified Public Accountants

December 11, 2014

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Council Members
Southern Georgia Regional Commission
Valdosta, Georgia

Report on Compliance for Each Major Federal Program

We have audited the Southern Georgia Regional Commission's ("the RC") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the RC's major federal programs for the year ended June 30, 2014. The RC's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the RC's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the RC's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the RC's compliance.

Opinion on Each Major Federal Program

In our opinion, the RC, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance that are required to be reported in accordance with OMB Circular A-133.

Report on Internal Control Over Compliance

Management of the RC is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the RC's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the RC's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

Valenti, Rackley & Assoc., LLC

Valenti, Rackley & Associates, LLC
Certified Public Accountants

December 11, 2014

SOUTHERN GEORGIA REGIONAL COMMISSION
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2014

None reported.