MERIWETHER COUNTY, GEORGIA

FINANCIAL STATEMENTS

Year Ended September 30, 2018

AJK

MERIWETHER COUNTY, GEORGIA
FINANCIAL STATEMENTS
Year Ended September 30, 2018

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AJK

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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Meriwether County
Greenville, Georgia 30222

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Meriwether County, Georgia, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Meriwether County Department of Public Health, which represent 3.4 percent, negative 10.5 percent, and 57.1 percent, respectively, of the assets, net position, and revenues of the component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Meriwether County Department of Public Health, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information and the respective budgetary comparison for the General Fund, of Meriwether County, Georgia, as of September 30, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Meriwether County, Georgia basic financial statements. The combining, individual nonmajor fund financial statements, and other supplemental information 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 title 2 U.S. *Code of Federal Regulation* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining, individual nonmajor fund financial statements, other supplemental information, 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining, individual nonmajor fund financial statements, other supplemental information, 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 March 26, 2019 on our consideration of Meriwether County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Meriwether County, Georgia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Meriwether County, Georgia's internal control over financial reporting and compliance.

AJK, LLC

Manchester, Georgia
March 26, 2019

MERIWETHER COUNTY, GEORGIA
STATEMENT OF NET POSITION
September 30, 2018

	Primary Government	Component Units		
	Governmental Activities	Department of Public Health	Industrial Development Authority	Meriwether Water and Sewerage Authority
Assets				
Cash and cash equivalents	$ 5,042,664	$ 546,427	$ 238,510	$ 1,629,965
Investments	934,356			172,093
Receivables (net of allowances for uncollectible)	1,959,784			13,919
Due from component unit	94,226			
Due from primary government				507,318
Inventory	88,377			
Prepaid items	257,491			6,446
Prepaid bond insurance, net of accumulated amortization	29,282			124,113
Capital assets (not being depreciated)	1,822,151		6,473,917	
Capital assets, being depreciated net of accumulated depreciation	10,855,290	33,581	1,692,076	5,492,246
Total assets	21,083,621	580,008	8,404,503	7,946,100
Deferred outflows of resources				
Deferred charge on refunding				780,767
Employer pension contributions		89,441		
Changes of assumptions - pension plan		1,309		
Difference between expected and actual experience - pension plan		6,298		
Employer OPEB contributions		61,332		
Difference between projected and actual earnings - OPEB		2,146		
Change in proportion share of contributions - OPEB		1,956		
Total deferred outflows of resources	-	162,482	-	780,767

Continued...

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

MERIWETHER COUNTY, GEORGIA
STATEMENT OF NET POSITION
September 30, 2018
(Continued)

	Primary Government	Component Units		
	Governmental Activities	Department of Public Health	Industrial Development Authority	Meriwether Water and Sewerage Authority
Liabilities				
Accounts payable	412,728		8,767	18,365
Accrued payroll	232,500		3,277	
Unearned revenue	816,281			
Due to component units	507,318			
Due to primary government				94,226
Accrued interest on bonds	36,354			92,050
Short-term notes payable	46,721			
Long-term liabilities:				
Due within one year	2,152,602	21,353	7,647	320,000
Due in more than one year	8,562,145	36,996	955,000	10,464,420
Net pension liability		574,801		
Net OPEB liability		443,256		
Total liabilities	12,766,649	1,076,406	974,691	10,989,061
Deferred inflows of resources				
Proportionate share of deferred inflows of resources - pension plan		43,710		
Difference between projected and actual earnings - pension plan		1,436		
Changes of assumptions - OPEB		36,278		
Change in proportionate share of contributions - OPEB		65,619		
Difference between projected and actual earnings - OPEB		8,812		
Total deferred inflows of resources	-	155,855	-	-
Net Position				
Net investment in capital assets	3,085,369	33,581	7,210,993	(3,084,143)
Restricted:				
Capital projects	4,706,994			1,603,611
Public safety	1,067,792			
Planning and development	1,912			
Judicial	10,548			
Prior year program income		499,721		
Other		29,599		
Unrestricted	(555,643)	(1,052,672)	218,819	(781,662)
Total net position	$ 8,316,972	$ (489,771)	$ 7,429,812	$ (2,262,194)

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

MERIWETHER COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
Year Ended September 30, 2018

Functions/Programs	Expenses	Program Revenues: Charges for Services, Fees Fines and Forfeitures	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes Net Position: Governmental Activities	Component Units: Department of Public Health	Component Units: Industrial Development Authority	Component Units: Meriwether Water and Sewerage Authority
Primary government:								
Governmental activities:								
General government	$ 3,375,209	$ 719,214			$ (2,655,995)			
Public safety	6,176,204	1,886,828	$ 105,220	$ 15,000	(4,169,156)			
Public works	3,270,999	380	929,002	25,340	(2,316,277)			
Planning and development	684,615		260,284		(424,331)			
Public welfare	515,570	192,302	65,018		(258,250)			
Culture and recreation	298,772	15,486		47,000	(236,286)			
Judicial	1,290,570		32,025		(1,258,545)			
Interest on long-term debt	290,493				(290,493)			
Total governmental activities and primary government	$ 15,902,432	$ 2,814,210	$ 1,391,549	$ 87,340	(11,609,333)			
Component units:								
Department of Public Health	$ 737,740	$ 519,145	$ 466,443			$ 247,848		
Industrial Development Authority	370,111		521,580				$ 151,469	
Meriwether Water and Sewerage Authority	795,661	170,373	677,622					$ 52,334
Total component units	$ 1,903,512	$ 689,518	$ 1,665,645	$ -		247,848	151,469	52,334
General revenues:								
Taxes:								
Property					8,475,397			
Sales					2,928,110			
Insurance premiums					864,140			
Motor vehicle and mobile home					1,177,305			
Alcoholic beverage					22,075			
Other					242,557			
Gain (loss) on sale of capital assets					(38,014)		(639,900)	
Miscellaneous revenue					118,352			
Interest revenue					28,344	425	525	9,854
Total general revenues					13,818,266	425	(639,375)	9,854
Change in net position					2,208,933	248,273	(487,906)	62,188
Net position at beginning of year, restated					6,108,039	(738,044)	7,917,718	(2,324,382)
Net position at end of year					$ 8,316,972	$ (489,771)	$ 7,429,812	$ (2,262,194)

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

MERIWETHER COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2018

	Major Governmental Fund Types				Nonmajor Governmental Fund Types	
		Capital Project Funds				
	General	SPLOST	Fire District Bond	Landfill SPLOST	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	$ 505,311	$ 1,837,683	$ 1,646,218		$ 1,053,452	$ 5,042,664
Investments				$ 934,356		934,356
Receivables (net of allowance for uncollectibles)	1,595,171	315,203			49,410	1,959,784
Due from other funds	5,220		1,530		1,841	8,591
Due from component units	94,226					94,226
Inventory, at cost	88,377					88,377
Prepaid items	257,491					257,491
Prepaid bond insurance, net of accumulated amortization			29,282			29,282
Total assets	$ 2,545,796	$ 2,152,886	$ 1,677,030	$ 934,356	$ 1,104,703	$ 8,414,771
Liabilities						
Accounts payable	$ 339,590		$ 57,278		$ 15,860	$ 412,728
Accrued payroll	232,500					232,500
Unearned revenue	816,281					816,281
Due to other funds					8,591	8,591
Due to component units	507,318					507,318
Short-term notes payable	46,721					46,721
Total liabilities	1,942,410	-	57,278	$ -	24,451	2,024,139
Fund Balances						
Nonspendable for:						
Inventory	88,377					88,377
Prepaids	257,491					257,491
Restricted for:						
Public safety					1,067,792	1,067,792
Judicial					10,548	10,548
Planning and development					1,912	1,912
Capital projects		2,152,886	1,619,752	934,356		4,706,994
Unassigned	257,518					257,518
Total fund balances	603,386	2,152,886	1,619,752	934,356	1,080,252	6,390,632
Total liabilities and fund balances	$ 2,545,796	$ 2,152,886	$ 1,677,030	$ 934,356	$ 1,104,703	$ 8,414,771

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

MERIWETHER COUNTY, GEORGIA
RECONCILIATION OF FUND BALANCES ON THE BALANCE SHEET FOR GOVERNMENTAL FUNDS
TO NET POSITION OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET POSITION
September 30, 2018

Fund balances -Total governmental funds		$ 6,390,632
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:		
Add, capital assets		29,866,766
Deduct, accumulated depreciation		(17,189,325)
Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position. Balances at September 30, 2018 are:		
Accrued interest payable		(36,354)
General obligation bonds	$ (6,480,000)	
Issuance premium	(198,903)	
Capital leases	(735,921)	
Compensated absences	(272,228)	
Intergovernmental agreement	(955,000)	
Landfill post-closure costs	(2,072,695)	
Total long-term liabilities		(10,714,747)
Net position of governmental activities		$ 8,316,972

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

MERIWETHER COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended September 30, 2018

	Major Governmental Fund Types				Nonmajor Governmental Fund Types	
		Capital Project Funds				
	General	SPLOST	Fire District Bond	Landfill SPLOST	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes:						
Property	$ 7,071,116				$ 1,404,281	$ 8,475,397
Sales	1,097,421	$ 1,830,689				2,928,110
Insurance premium	864,140					864,140
Motor vehicle/mobile home	1,177,305					1,177,305
Alcoholic beverage	22,075					22,075
Other	238,716				3,841	242,557
Licenses and permits	132,263					132,263
Charges for services	1,403,356				306,577	1,709,933
Fines, forfeitures and court fees	613,420				92,589	706,009
Rents and royalties	209,343					209,343
Grants and subsidies	1,438,549		$ 5,000			1,443,549
Investment earnings	3,401	25,340	3,137	$ 19,773	2,033	53,684
Other revenue	172,254				2,760	175,014
Total revenues	14,443,359	1,856,029	8,137	19,773	1,812,081	18,139,379
Expenditures:						
Current:						
General government	3,075,729					3,075,729
Public safety	4,296,386				1,353,134	5,649,520
Public works	2,606,603					2,606,603
Planning and development	682,615				2,000	684,615
Public welfare	399,482					399,482
Culture and recreation	287,053					287,053
Judicial	1,279,160				798	1,279,958
Capital outlay	350,123	497,991	1,911,614		31,263	2,790,991
Debt service:						
Principal payments	311,411	1,525,000			185,000	2,021,411
Interest payments	88,318	117,250			121,600	327,168
Total expenditures	13,376,880	2,140,241	1,911,614	-	1,693,795	19,122,530
Excess (deficiency) of revenues over (under) expenditures	1,066,479	(284,212)	(1,903,477)	19,773	118,286	(983,151)
Other financing sources (uses):						
Sale of general capital assets					7,822	7,822
Transfers in					637,017	637,017
Transfers out	(637,017)					(637,017)
Total other financing sources (uses)	(637,017)	-	-	-	644,839	7,822
Net change in fund balances	429,462	(284,212)	(1,903,477)	19,773	763,125	(975,329)
Fund balances, beginning of year	173,924	2,437,098	3,523,229	914,583	317,127	7,365,961
Fund balances, end of year	$ 603,386	$ 2,152,886	$ 1,619,752	$ 934,356	$ 1,080,252	$ 6,390,632

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

MERIWETHER COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended September 30, 2018

Net change in fund balances - Total governmental funds		$ (975,329)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay ($2,284,657) exceeded depreciation ($1,093,887) in the current period.		1,190,770
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net position.		(35,836)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This adjustment consists of the following changes:		
General obligation bonds	$ 1,710,000	
Issuance premium	14,734	
Capital leases	119,153	
Intergovernmental agreement	170,000	2,013,887
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This adjustment consists of the change of three balances:		
Accrued interest on bonds	$ 36,675	
Compensated absences	(43,492)	
Landfill post-closure costs	22,258	15,441
Change in net position of governmental activities		$ 2,208,933

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

MERIWETHER COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
Year Ended September 30, 2018

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues				
Taxes:				
Property	$ 6,974,273	$ 7,064,273	$ 7,071,116	$ 6,843
Sales	950,000	1,090,000	1,097,421	7,421
Insurance premium	806,880	856,880	864,140	7,260
Motor vehicle and mobile home	985,000	1,165,000	1,177,305	12,305
Alcoholic beverage	27,500	27,500	22,075	(5,425)
Other	259,039	259,039	238,716	(20,323)
Licenses and permits	110,500	110,500	132,263	21,763
Charges for services	1,477,500	1,477,500	1,403,356	(74,144)
Fines, forfeitures and court fees	690,000	690,000	613,420	(76,580)
Rents and royalties	80,000	80,000	209,343	129,343
Grants and subsidies	745,306	1,332,265	1,438,549	106,284
Investment earnings	3,000	3,000	3,401	401
Other revenue	61,500	61,500	172,254	110,754
Total revenues	13,170,498	14,217,457	14,443,359	225,902
Expenditures				
Current:				
General government:				
General government	1,574,056	1,347,361	1,329,364	17,997
County commissioners	298,539	328,475	328,475	-
Tax commissioners	351,543	369,033	369,033	-
Tax assessors	257,575	283,034	283,034	-
Voter registration/election	137,455	138,579	125,297	13,282
Building department	158,762	165,263	165,263	-
Buildings and grounds	81,500	90,767	90,767	-
Finance	220,872	225,372	225,372	-
Information technology	209,838	210,955	159,124	51,831
Total general government	3,290,140	3,158,839	3,075,729	83,110
Public safety:				
Public safety	1,315,788	1,299,996	1,227,055	72,941
EMS	201,900	201,900	201,572	328
Fire department	-	603	603	-
Sheriff's department	2,436,209	2,483,665	2,401,750	81,915
Jail	37,300	37,300	26,430	10,870
Coroner	45,716	49,017	49,017	-
Inmate care	347,400	388,523	388,523	-
EMA	6,850	6,850	1,436	5,414
Total public safety	4,391,163	4,467,854	4,296,386	171,468
Public works:				
Public works department	2,127,518	2,606,603	2,606,603	-
Total public works	2,127,518	2,606,603	2,606,603	-

(Continued...)

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

MERIWETHER COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
Year Ended September 30, 2018
(Continued)

Expenditures	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Planning and development:				
Welcome center and tourism	23,000	23,000	23,000	-
County agents	56,106	56,463	43,078	13,385
Industrial Development Authority	294,000	294,000	294,000	-
Airport	-	322,537	322,537	-
Total planning and development	373,106	696,000	682,615	13,385
Public welfare:				
Animal control	162,316	183,295	183,295	-
Health and welfare	172,500	172,500	172,500	-
Senior citizens program	19,500	19,500	19,500	-
Forestry	24,372	24,372	24,187	185
Total public welfare	378,688	399,667	399,482	185
Culture and recreation:				
Recreation	234,433	234,433	202,053	32,380
Library	85,000	85,000	85,000	-
Total culture and recreation	319,433	319,433	287,053	32,380
Judicial:				
Probate Court	204,831	199,294	176,919	22,375
Clerk of Court	393,987	405,920	405,920	-
Juvenile Court	92,693	93,086	93,086	-
Magistrate Court	138,895	141,693	139,799	1,894
District Attorney	198,273	198,276	198,276	-
Court services	101,536	101,536	96,764	4,772
Public defender	165,412	166,078	166,078	-
Board of equalization	6,450	6,450	2,318	4,132
Total judicial	1,302,077	1,312,333	1,279,160	33,173
Capital outlay	127,250	350,123	350,123	-
Debt Service:				
Debt service - Principal	311,411	311,411	311,411	-
Debt service - Interest	58,043	88,318	88,318	-
Total debt service	369,454	399,729	399,729	-
Total expenditures	12,678,829	13,710,581	13,376,880	333,701
Excess (deficiency) of revenues over (under) expenditures	491,669	506,876	1,066,479	559,603
Other financing sources (uses):				
Sale of general capital assets				-
Transfers out	(491,669)	(506,876)	(637,017)	(130,141)
Total other financing sources (uses)	(491,669)	(506,876)	(637,017)	(130,141)
Net change in fund balances	-	-	429,462	429,462
Fund balance at beginning of year	173,924	173,924	173,924	-
Fund balance at end of year	$ 173,924	$ 173,924	$ 603,386	$ 429,462

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

MERIWETHER COUNTY, GEORGIA
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
September 30, 2018

	Agency Funds
Assets	
Cash	$ 615,469
Taxes receivable	63,462
Total assets	$ 678,931
Liabilities	
Due to others	$ 678,931
Total liabilities	$ 678,931

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Meriwether County, Georgia (the County) complies with *Generally Accepted Accounting Principles* (GAAP). The County's reporting entity applies all relevant *Governmental Accounting Standards Board* (GASB) pronouncements.

Meriwether County, Georgia operates under a Board of Commissioners and provides the following services:

Public Safety
Roads
Public improvements
Planning and Zoning
Courts
Tax Assessment and Collection
Health and Social Services
Culture-Recreation
General Administrative Services

The following is a summary of the County's more significant accounting policies used in the preparation of the accompanying financial statements.

A. The Reporting Entity

The accompanying financial statements present the County's primary government and component units over which the County exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the County (as distinct from legal relationships).

➢ **Discretely Presented Component Units** - Meriwether County Department of Public Health and Meriwether County Industrial Development Authority issue separately audited financial statements. Copies of these financial statements may be obtained from the County Commissioners' office. The Meriwether County Water and Sewerage Authority does not issue separate financial statements. The County has omitted all of the disclosures related to the Meriwether County Department of Public Health except those considered to be significant to the County's financial statements.

Component units reported in the County's financial statements are listed below:

Discretely Presented Component Units	Brief Description of Activities and Relationship to the County
Meriwether County Department of Public Health	The Department of Public Health provides medical services and health education to the citizens of Meriwether County. The County Board of Commissioners has the authority to modify and approve the Department of Public Health budget and have committed to provide significant financial support. It is reported as a governmental fund with a June 30 year end.
Meriwether County Industrial Development Authority	The Industrial Development Authority seeks new industry and promotes existing industry in Meriwether County. The Authority is fiscally dependent upon the County. It is reported as a governmental fund with a September 30 year end.
Meriwether County Water and Sewerage Authority	The Water and Sewerage Authority was formed to provide water and sewerage services to the citizens of Meriwether County. It is currently providing services to the businesses in the Meriwether Industrial Park. The Authority is fiscally dependent upon the County. It is reported as an enterprise fund with a September 30 year end.

Based on the GASB criteria, the following related organizations are not under the oversight responsibilities of the Board of Commissioners and their operations are not included in the financial statements.

Meriwether County Board of Education
Meriwether County Department of Family and Children Services
Meriwether County Public Library
Meriwether County Senior Center

Disbursements to these units based on contractual agreements have been budgeted and expended as a part of the regular operations of the County.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. The effect of interfund activity has been removed from these statements. *Governmental activities* are supported by taxes and intergovernmental revenues. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column on the governmental fund financial statements.

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting.* Revenues are recognized as soon as they are both measurable and available. Revenues, including property taxes, are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, grants from other governments, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

SPLOST Fund - The SPLOST Fund is a capital projects fund established to account for major capital expenditures financed by special purpose local option sales tax receipts.

Fire District Bond Fund – The Fire District Bond Fund is used to account for major capital expenditures for the fire district financed by bond proceeds.

Landfill SPLOST – The Landfill SPLOST Fund is used to account for expenditures and revenues of the SPLOST received for the landfill.

The County also reports the following fiduciary fund type:

Agency Funds - Agency Funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Current Agency Funds held by the County are as follows:

Tax Commissioner
Sheriff
Magistrate Court
Probate Court
Superior Court

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as *program revenues*. Likewise, general revenues include all taxes.

The County's net position are reported in three parts - 1) net investment in capital assets 2) restricted net position; and 3) unrestricted net position. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Budgets and Budgetary Accounting

The County prepares and adopts its general fund budget and special revenue funds budgets which complies with the auditing requirements for local governments so as to provide local taxpayers with an opportunity to gain information concerning the purposes for which local revenues are proposed to be spent and are actually spent and to assist local governments in generally improving local financial management practices while maintaining, preserving, and encouraging the principle of home rule over local matters. The procedures are as follows:

1. The Budget officer submits, to the Board of Commissioners, a proposed operating budget for the following fiscal year. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of an ordinance. All appropriations lapse at year end. The legal level of control (level at which expenditures may not legally exceed the budget) is exercised by the Board of Commissioners on a departmental basis.
4. The budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
5. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year by approval of the Board of Commissioners.

The Special Purpose Local Option Sales Tax Multipurpose Fund (SPLOST), the Landfill SPLOST Fund, and the Fire District Bond Fund are capital project funds and have not included Budget and Actual Statements since their budgets are on a project-length basis instead of an annual basis.

Encumbrance accounting is not used by Meriwether County, Georgia.

E. Deposits and Investments

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the County, and nonnegotiable certificates of deposits regardless of date of maturity.

Statutes authorize the County to invest in obligations of the United States and of its agencies and certificates of deposit of banks insured by the FDIC provided, however, that the portion of such certificates of deposit in excess of the amount insured by the FDIC is adequately collateralized. Investments are stated at fair value based upon quoted market prices.

F. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivable/payables" (i.e., the current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

All trade and property tax receivables are shown net of an allowance for uncollectibles. The allowances for uncollectibles on receivable balances represent estimates based on historical collection rates and account balance aging reports.

The County's property tax is levied on approximately October 15 on the assessed values for all real and personal property, including mobile homes and motor vehicles located in the County. The billings are considered due December 20. At December 21, the bill becomes delinquent, the applicable property is subject to lien, and penalties and interest may be assessed by the County.

G. Inventory

Inventory is valued at the lower of cost (first-in, first-out) or market and consists of expendable supplies. The County uses the "consumption" method to record inventory.

H. Prepaid Items

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

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the time of acquisition plus any ancillary charges incurred to put the asset into service.

The County is classified as a phase 3 government due to its revenue and classification by GASB 34. The County has opted not to retroactively report infrastructure, but will report all infrastructure additions and related improvements after October 1, 2003.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government, as well as the component units are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings and building improvements	20-40
Public domain infrastructure	40
System infrastructure	40
Vehicles	3-5
Equipment	5-15

J. Deferred outflows/inflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. Currently, the County has no items that qualify for reporting as a deferred outflow of resources. The Meriwether County Department of Public Health has six items which reflect pension and OPEB related items. The Meriwether Water and Sewerage Authority has one item which reflects deferred charge on refunding which is the difference in the carrying value of refunded debt and its reacquisition price.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. Currently, the County has no items that qualify for reporting as a deferred inflow of resources. The Meriwether County Department of Public Health has five items which reflects pension and OPEB related items.

K. Compensated Absences

Employees can accrue a maximum of 240 hours of vacation pay, depending upon the length of service, which can be taken either through time off or by payment upon termination. Sick leave benefits do not vest; therefore, unused sick leave is not recorded in the financial statements.

The County accrues a liability for compensated absences which meet the following criteria:

1. The County's obligation relating to employees' rights to receive compensation.
2. The obligation relates to rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated.

L. Long-Term Obligations

In the government-wide financial statements and proprietary fund types, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities column of the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

M. Fund Equity

Beginning with the year ended September 30, 2011 the County implemented GASB *Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions.* This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on government's fund balance more transparent. The following classifications describe the relative strength to the spending constraints placed on the purposes for which resources can be used:

- **Nonspendable Fund Balance** – Amounts that are not in a spendable form (such as inventory or prepaid items) or are required to be maintained intact;
- **Restricted Fund Balance** – Amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government), through constitutional provisions, or by enabling legislation;
- **Committed Fund Balance** – Amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority. To be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- **Assigned Fund Balance** – Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- **Unassigned Fund Balance** – Amounts that are available for any purpose; positive amounts are reported only in the general fund.

The Board of Commissioners establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board of Commissioners through adoption or amendment of the budget as intended for specific purpose (such as purchase of capital assets, construction, debt service or for other purposes). It is the County's policy to use restricted fund balance first, followed by committed, assigned, and then unassigned amounts, respectively.

N. Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

O. Use of Estimates to Prepare Financial Statements

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

P. Subsequent Events

Subsequent events have been evaluated by management through March 26, 2019 which is the date the financial statements were available to be issued.

2. DEPOSITS AND INVESTMENTS

Primary Government

At year end, the County had $1,000 in petty cash, $1,837,683 in short-term investments (cash equivalents), and the carrying amount of deposits (checking, savings and certificates of deposit) was $3,819,450. The short-term investments were invested 100% in a U.S. Treasury portfolio that had a bank balance of $1,837,683. For the County's deposits the bank balance was $4,596,856 of which $1,727,916 was covered by FDIC insurance and $1,017,115 was covered by collateral held in the pledging bank's trust department or by its agent in the County's name, and $1,851,825 is covered by a multiple financial institution collateral pool. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits in the excess of FDIC insurance may not be returned to it. The County does not have a deposit policy for custodial credit risk.

As of September 30, 2018, the County had the following investments. All investments are in an external investment pool - Pooled Investments, regulated by the Office of the State Treasurer. The fair value of the position in the pool reported below is the same as the value of the pool shares at September 30, 2018.

Investments	Fair Value
Georgia Fund 1	$ 934,356

Interest Rate Risk - The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Weighted average maturity (WAM) is the method used for reporting purposes for Georgia Fund 1. At June 30, 2018, the plan had 10 day WAM.

Credit Risk - State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The County has no investment policy that would further limit its investment choices. As of June 30, 2018 the County's investment in the state investment pool was rated AAA by *Standard & Poor's.*

Discretely Presented Component Units

Custodial credit risk is the risk that in the event of a bank failure, the component unit's deposits may not be returned to it. None of the component units have a deposit policy for custodial credit risk. The exposure to custodial credit risk for each component unit is listed below.

Meriwether County Department of Public Health - The Department's deposits at June 30, 2018 were entirely covered by federal depository insurance and collateral held by the Health Department's custodial bank in the Health Department's name.

Meriwether County Industrial Development Authority - The Authority has $238,510 as the carrying amount of deposits and the bank balance was $241,112 as of September 30, 2018. The entire bank balance was FDIC insured.

Meriwether County Water and Sewerage Authority - The Authority has $1,629,965 as the carrying amount of deposits and the bank balance was $1,687,315 as of September 30, 2018. Of the bank balance, $333,705 was covered by FDIC insurance and $1,353,610 was covered by the Georgia Secure Deposit Program which is a multiple financial institution collateral pool that covers amounts in excess of FDIC insurance limits.

3. RECEIVABLES

Primary Government

Amounts are aggregated into a single accounts receivable (net of allowance for uncollectibles) line for certain funds and aggregated columns. Below is the detail of receivables for the general and SPLOST funds and the nonmajor governmental funds in the aggregate, including the applicable allowances for uncollectible accounts:

	General	SPLOST	Nonmajor Governmental	Total
Accounts	$ 522,646		$ 49,410	$ 572,056
Sales taxes	189,127	$ 315,203		504,330
Property taxes	382,344			382,344
Grants and subsidies	778,662			778,662
Tipping fees	386,527			386,627
Other	31,959			31,959
	2,291,265	315,203	49,410	2,655,878
Less: allowance for uncollectibles	(696,094)	-	-	(696,094)
Net receivable	$ 1,595,171	$ 315,203	$ 49,410	$ 1,959,784

Discretely Presented Component Units

Meriwether Water and Sewerage Authority – The balance of accounts receivable for water and sewerage billings at September 30, 2018 was $13,919.

4. CAPITAL ASSETS

Primary Government

Capital asset activity for the year ended September 30, 2018 was as follows:

	Beginning Balance	Additions	Dispositions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 383,681	$ 22,280		$ 405,961
Construction in progress	620,295	1,427,402	$ (631,507)	1,416,190
Total capital assets not being depreciated	1,003,976	1,449,682	(631,507)	1,822,151
Capital assets, being depreciated:				
Buildings and improvements	11,130,488	627,503		11,757,991
Machinery and equipment	11,191,733	848,979	(214,970)	11,825,742
Infrastructure	4,460,882			4,460,882
Total capital assets being depreciated	26,783,103	1,476,482	(214,970)	28,044,615
Less, accumulated depreciation for:				
Buildings and improvements	(7,087,317)	(297,983)		(7,385,300)
Machinery and equipment	(8,428,060)	(684,381)	169,134	(8,943,307)
Infrastructure	(749,195)	(111,523)		(860,718)
Total accumulated depreciation	(16,264,572)	(1,093,887)	169,134	(17,189,325)
Total capital assets, being depreciated, net	10,518,531	382,595	(45,836)	10,855,290
Governmental activities capital assets, net	$ 11,522,507	$ 1,832,277	$ (677,343)	$ 12,677,441

Depreciation expense was charged to functions of the primary government as follows:

Governmental activities:	
General government	$ 255,988
Public safety	515,190
Public works	184,290
Public welfare	116,088
Culture and recreation	11,719
Judicial	10,612
Total depreciation expense - Governmental activities	$ 1,093,887

Discretely Presented Component Units

The Meriwether County Department of Public Health's capital asset activity for the year ended June 30, 2018 was as follows:

	Beginning Balance	Additions	Dispositions	Ending Balance
Capital assets, being depreciated:				
Machinery and equipment	$ 194,556	$ 6,626	$ (3,000)	$ 198,182
Less, accumulated depreciation:				
Machinery and equipment	(150,895)	(16,706)	3,000	(164,601)
Governmental activities capital assets, net	$ 43,661	$ (10,080)	$ -	$ 33,581

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

Governmental activities:	
Health	$ 16,706

The Meriwether County Industrial Development Authority's capital asset activity for the year ended September 30, 2018 was as follows:

	Beginning Balance	Additions	Dispositions	Ending Balance
Capital assets, not being depreciated:				
Land	$ 7,191,817		$ (717,900)	$6,473,917
Total capital assets not being depreciated	7,191,817	$ -	(717,900)	6,473,917
Capital assets, being depreciated:				
Furniture and equipment	88,711			88,711
Infrastructure	2,043,829			2,043,829
Total capital assets being depreciated	2,132,540	-	-	2,132,540
Less, accumulated depreciation for:				
Furniture and equipment	(49,418)	(7,827)		(57,245)
Infrastructure	(332,123)	(51,096)		(383,219)
Total accumulated depreciation	(381,541)	(58,923)		(440,464)
Total capital assets being depreciated, net	1,750,999	(58,923)	-	1,692,076
Governmental activity capital assets, net	$ 8,942,816	$ (58,923)	$ (717,900)	$8,165,993

Depreciation expense was charged to functions as follows:

General and administrative	$ 7,827
Business promotion	51,096
	$ 58,923

The Meriwether County Water and Sewerage Authority's capital asset activity for the year ended September 30, 2018 was as follows:

	Beginning Balance	Additions	Dispositions	Ending Balance
Business-type activities:				
Capital assets being depreciated:				
Water system	$ 4,801,449			$ 4,801,449
Sewer system	1,668,576			1,668,576
Furniture and equipment	126,527		$ (15,000)	111,527
Total capital assets being depreciated	6,596,552	$ -	(15,000)	6,581,552
Less, accumulated depreciation for:				
Water system	(635,562)	(120,036)		(755,598)
Sewer system	(250,284)	(41,714)		(291,998)
Furniture and equipment	(42,729)	(13,981)	15,000	(41,710)
Total accumulated depreciation	(928,575)	(175,731)	15,000	(1,089,306)
Total capital assets being depreciated, net	5,667,977	(175,731)	-	5,492,246
Business-type activities capital assets, net	$ 5,667,977	$ (175,731)	$ -	$ 5,492,246

Depreciation expense was charged to functions as follows:

Business-type activities:	
Water system	$ 134,017
Sewer system	41,714
	$ 175,731

5. SHORT-TERM DEBT

Primary Government

At September 30, 2018, the County had tax anticipation notes (TAN) totaling $2,000,000 which matures at December 31, 2018 at an interest rate of 2.47%. At September 30, 2018, the County had not drawn any of the available note. These notes are used for meeting general operating expenses of the County and are expected to be repaid through property tax collections to be received after year end by the general fund.

At September 30, 2018 the County had a note with a local bank for the purchase of vehicles for a total of $121,448. This loan matures at December 31, 2018 with an interest rate of 4%. The note is expected to be repaid through the general fund.

	Beginning Balance	Additions	Reductions	Ending Balance
Vehicle note	$ 132,890	$ 121,448	$ 207,617	$ 46,721

6. LONG-TERM DEBT

A. General Obligation Bonds

Primary Government

The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities of Meriwether County, Georgia. The original amount of general obligation bonds issued in prior years was $9,000.000. See Note #15 for an explanation of the intergovernmental agreement that is security for these bonds.

The County issued general obligation bonds of $3,500,000 for acquisition, construction, and/or renovation of existing fire stations and acquisition of fire trucks and equipment for use within the Fire District. The County will levy an ad valorem tax on all taxable property within the Fire District subject to taxation in an amount sufficient to pay the principal and interest on the Series 2017 bonds.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds currently outstanding are as follows:

Purpose	Interest Rates	Amount
Governmental activities:		
Capital outlay projects, Series 2014	2.50%	$ 3,165,000
Capital project Fire District, Series 2017	2.00% - 4.00%	3,315,000
		$ 6,480,000

Annual debt service requirements to maturity for general obligation bonds are as follows:

	Governmental Activities	
	Principal	Interest
Year ending September 30:		
2019	$ 1,750,000	$ 197,025
2020	1,790,000	153,200
2021	195,000	107,425
2022	205,000	101,425
2023	210,000	95,200
2024-2028	1,195,000	348,375
2029-2032	1,135,000	93,100
	$ 6,480,000	$ 1,095,750

B. Revenue Bonds

Discretely Presented Component Units

The Meriwether County Industrial Development Authority has revenue bonds issued to provide funds for road and gas system improvements at the North Meriwether Industrial Park. Repayment of debt will be funded through an intergovernmental agreement with Meriwether County.

The original amount of revenue bonds was $2,375,000. Revenue bonds outstanding at year end are as follows:

Purpose	Interest Rates	Amounts
Industrial Park improvements	4.24%	$ 955,000

Revenue bond debt service requirements to maturity are as follows:

	Governmental Activities	
	Principal	Interest
Year ending September 30:		
2019	$ -	$ 20,246
2020	175,000	36,782
2021	185,000	29,150
2022	190,000	21,200
2023	200,000	12,932
2024	205,000	4,346
	$ 955,000	$ 124,656

The Meriwether County Water & Sewerage Authority issued Refunding Revenue Bonds, Series 2016A & Series 2016B of $9,320,000 and $1,485,000, respectively. The County is contingently liable for this bond issue if the Authority is unable to service the debt.

Revenue bonds outstanding at year end is as follows:

Purpose	Interest Rates	Amounts
Water & Sewer	Variable, 1.60% to 3.50%	$ 10,180,000

Revenue bond debt service requirements to maturity are as follows:

	Business-Type Activities	
	Principal	Interest
Year ending September 30:		
2019	$ 320,000	$ 368,200
2020	330,000	361,800
2021	335,000	354,375
2022	345,000	344,125
2023	350,000	337,225
2024-2028	1,955,000	1,497,425
2029-2033	2,360,000	1,079,475
2034-2038	2,880,000	567,475
2039-2040	1,305,000	68,775
	$ 10,180,000	$ 4,978,875

In prior years, the Authority defeased revenue bonds by placing the proceeds of new bonds and cash the Authority had on hand in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Authority's financial statements. At September 30, 2018, $11,865,000 of defeased bonds remain outstanding.

C. Capital Leases

Primary Government

The County has entered into a lease agreement as lessee for financing the acquisition of equipment for the governmental activities. This lease is being paid by the general fund. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at present value of their future

minimum lease payments as of the inception date. The expense resulting from amortization of assets recorded under capital leases is included in depreciation expense.

The assets acquired through capital leases are as follows:

	Governmental Type Activities
Asset:	
Machinery and equipment	$ 1,392,507
Less, accumulated depreciation	(618,893)
Total	$ 773,614

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2018, were as follows:

	Governmental Type Activities
Year ending September 30:	
2019	$ 157,834
2020	159,199
2021	160,577
2022	161,965
2023	163,366
2024	27,267
Total minimum lease payments	830,208
Less, amount representing interest	(94,287)
Present value of minimum lease payments	$ 735,921

E. Compensated Absences

Primary Government and Component Units

The County and its component units accrue compensated absences for their employees. The governmental activities of the County, Meriwether County Industrial Development Authority, and the Department of Public Health have compensated absences at September 30, 2018 and June 30, 2018, respectively. The Meriwether County Water and Sewerage Authority did not have any compensated absences at September 30, 2018. Accrued compensated absences from the governmental activities of the County are repaid through the general fund. Compensated absences for the Meriwether County Industrial Development Authority are repaid through the component unit's general fund. The Department of Public Health compensated absences are repaid through the component unit's general fund.

F. Intergovernmental Agreements

Primary Government

Meriwether County entered into an intergovernmental contract dated November 12, 2008 with the Meriwether County Industrial Development Authority obligating the County to service the principal and interest on the Authority's Series 2008 Revenue Bonds. The bond proceeds were used for road improvements and to install gas lines at North Meriwether Industrial Park. The County will fund these bonds through the assignment of one mill of property tax.

Annual debt service requirements to maturity for the intergovernmental agreement are as follows:

	Governmental Activities	
	Principal	Interest
Year ending September 30:		
2019	$ -	$ 20,246
2020	175,000	36,782
2021	185,000	29,150
2022	190,000	21,200
2023	200,000	12,932
2024	205,000	4,346
	$ 955,000	$ 124,656

G. Changes in Long-Term Liabilities

Primary Government

Long-term liability activity for the year ended September 30, 2018 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	$ 8,190,000		$(1,710,000)	$ 6,480,000	$ 1,750,000
Premium	213,637		(14,734)	198,903	
Total bonds payable	8,403,637		(1,724,734)	6,678,903	1,750,000
Capital leases	855,074		(119,153)	735,921	126,209
Compensated absences	228,736	$ 207,466	(163,974)	272,228	163,337
Intergovernmental agreements	1,125,000		(170,000)	955,000	-
Landfill postclosure costs	2,094,953		(22,258)	2,072,695	113,056
Governmental type activity, long-term liabilities	$ 12,707,400	$ 207,466	$(2,200,119)	$ 10,714,747	$ 2,152,602

The County's portion of the $9,000,000 of general obligation bonds to use for SPLOST capital projects is 65%. At September 30, 2018, the County had $1,837,683 in cash not used for SPLOST capital projects and $1,646,218 in cash not used for Fire District capital projects.

The County made the debt payment due October 1, 2018 on the intergovernmental agreement in September of 2018. Therefore, there is no principal due until the year ending September 30, 2020.

Discretely Presented Component Units

The following is a summary of changes in long-term debt for the Meriwether County Department of Public Health for the year ended June 30, 2018:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	$ 57,753	$ 42,116	$ (41,520)	$ 58,349	$ 21,353

The following is a summary of changes in long-term debt for the Meriwether County Industrial Development Authority for the year ended September 30, 2018:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue bonds	$ 1,125,000		$ (170,000)	$ 955,000	
Compensated absences	5,839	$ 6,730	(4,922)	7,647	$ 7,647
	$ 1,130,839	$ 6,730	$ (174,922)	$ 962,647	$ 7,647

The following is a summary of changes in long-term debt for the Meriwether Water and Sewerage Authority for the year ended September 30, 2018:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue bonds	$10,495,000		$ (315,000)	$10,180,000	$ 320,000
Plus unamortized premium	632,532		(28,112)	604,420	
Total bonds payable	$11,127,532	$ -	$ (343,112)	$10,784,420	$ 320,000

The Authority had $1,603,611 in cash at September 30, 2018 not used for capital projects.

7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund balances for the year ended September 30, 2018 consisted of the following:

Due to/from other funds:

Payable Fund	Receivable Fund	Amount
Nonmajor Governmental Funds	Fire District Bond	$ 1,530
Nonmajor Governmental Funds	General Fund	5,220
Nonmajor Governmental Funds	Nonmajor Governmental Funds	1,841
		$ 8,591

The outstanding balances between funds result from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur and when payments between funds are made. All due to/from balances are expected to be repaid within one year.

Interfund transfers for the year ended September 30, 2018, consisted of the following:

	Transfer In	
Transfer Out	Nonmajor Governmental Funds	Totals
General Fund	$ 637,017	$ 637,017

Interfund transfers are made for the purpose of General Fund supplemented a nonmajor governmental fund for operations.

8. PENSION PLAN AND OTHER RETIREMENT BENEFITS

Primary Government

A. Pension Plan

County employees are covered by the *Meriwether County Employee's Retirement Plan*, a defined contribution and profit-sharing plan for full-time County employees who have attained age 18 and have completed 90 days of service, and worked at least 1,000 hours a year. Under the plan, the County contributes nonelective contributions of 3% of employee compensation. For the year ending September 30, 2018, the County contributed 3% of employee's gross pay to the 401a fund for all eligible employees. For Elected Officials and Department Heads, the vested interest in these nonelective contributions in the employee

account is 100%. For all other employees, the vested interest is 0% until the employee has completed three years of service, at which time the account becomes 100% vested. In addition to the nonelective contributions made by the County, the employee can elect to contribute from 0% to 100% of their compensation to the plan as an after-tax contribution. Mass Mutual has been selected to administer the plan and act as trustee. Plan provisions and contribution requirements are established or amended by a resolution of the County Commissioners.

The County's contribution to these plans for the year ended September 30, 2018, was approximately $256,872 and employees contributed approximately $6,837. Total payroll for the year ended September 30, 2018, was approximately $6,099,138. Approximately 170 employees participated in the plan for the year ended September 30, 2018.

B. Deferred Compensation

Meriwether County employees may elect to participate in a deferred compensation plan through Mass Mutual, the administrator. Participating employees may elect to defer up to $18,500 of their includible compensation as provided in IRC Section 457. Meriwether County is not required to contribute to the plan and has made no contributions for the current year or prior years. Employees have contributed approximately $233,044 during fiscal year ending September 30, 2018. Approximately 151 employees participated in the plan for the year ended September 30, 2018.

C. Other Retirement Benefits

The County participates in the following cost-sharing, multiple employer defined benefit pension plans with a special funding situation. Each fund issues plan reports which can be obtained from the plan administrators:

Sheriff's Retirement Fund of Georgia
Judges of the Probate Courts Retirement Fund of Georgia
Peace Officers' Annuity and Benefit Fund
Superior Court Clerks' Retirement Fund of Georgia
Magistrates Retirement Fund of Georgia

9. CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The $2,072,695 reported in the governmental activities liabilities on the government-wide financials as landfill closure and postclosure care liability at September 30, 2018, represents the cumulative amount reported to date based on the use of 100% of the estimated capacity of the landfill. This estimate was revised based on an engineering study done in April 2009.

There is no unrecognized estimated closure and postclosure care cost at September 30, 2018. These amounts are based on what it would cost to perform all closure and postclosure care in 2018. Actual costs may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. The County has met certain financial tests which it feels meet the financial assurance requirements for closure and postclosure care.

10. TAX ABATEMENTS

Discretely Presented Component Units

The Meriwether County Industrial Development Authority is authorized under Title 36 Chapter 62 of the Official Code of Georgia to issue its revenue bonds to finance "projects" in order to promote and expand industry and trade within the County to reduce unemployment to the greatest extent possible. To encourage industries to

locate their projects within the County, the Authority allows for ad valorem tax abatement through a sale-leaseback arrangement. Under this arrangement, the Authority has transferred ownership of the "project" being financed by the revenue bonds, and the bonds are then amortized by the lease payments. Once the bonds have been repaid, ownership is transferred back to the company and the ad valorem taxes are no longer abated.

For the duration of time the taxes are being abated, the company financing their project is required to meet certain goals in order to remain eligible to receive the abatement. The goals the Authority requires the companies to meet are the community jobs goal, and the community investment goal. The number of jobs and amount of investment required by these goals vary between agreements. If these goals are not met, a provision for the recapture of a portion of the value of the incentive being provided to the company is available. Also, the Authority has the right to terminate this agreement without any further liability effective immediately upon giving written notice to the other parties involved.

Tax abatements are based on a savings schedule which is agreed upon by the Authority and the company. Savings schedules vary by agreement, but are the same in the concept that the company will pay a percentage of ad valorem tax that would be due if the legal title of the project were vested in the company. These payments are considered to be in lieu of ad valorem taxes.

For the year ended September 30, 2018, the Authority abated ad valorem taxes totaling $1,477,536 under the program previously described. Included in that amount, the following tax abatement agreements that each exceeded 10 percent of the total amount abated were:

Tax Abatement Project	Percentage Abated	Amount of Taxes Abated
Mando America Corporation Project	95.14%	$ 1,139,579
Dongwon Autopart Technology Georgia, LLC Project	66.38%	293,097
		$ 1,432,676

11. LITIGATION

Any lawsuits pending at September 30, 2018 are covered by insurance and should not materially affect the financial statements of Meriwether County, Georgia.

12. COMMITMENTS AND CONTINGENCIES

The activities of the General Fund include revenues received from Federal and State governments and expenditures related to Federal and State funded grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies audits cannot be determined at this time, although the County believes it is in compliance with all related program requirements.

During the fiscal year ending September 30, 2012, the County entered into a Purchase and Sale Agreement with Greenland, LLC to purchase three tracts of land in the North Meriwether Industrial Park. In exchange for the tracts of land, the County assigned the host fees, which were due from Greenland, LLC for years 2013, 2014, 2018, and 2019 at $700,000 each year. The tracts of land were given to a joint development authority overseeing the building project at the Industrial Park.

During the fiscal year ending September 30, 2013, the County entered into a Purchase and Sale Agreement with Greenland, LLC to purchase approximately forty-three acres of land at the North Meriwether Industrial Park. In exchange for the land, the County assigned the host fees which were due from Greenland, LLC for years 2015 and 2016 at $700,000 each year. At closing, the land was transferred to the Meriwether County Industrial Development Authority.

13. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. The County participates in the *Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund*, a public entity risk pool operated by the Association County Commissioners of Georgia (ACCG) as a risk management and insurance program. The County pays an annual premium to ACCG for it general insurance coverage. The above entity risk pool is self-sustaining through member premiums.

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

The funds are to defend and protect the members of the pool against liability or loss as prescribed in the member government contract. The funds 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.

The County carries commercial insurance for other risks of loss such as employee health insurance and workers compensation.

There were no significant reductions of insurance coverage from coverage in the prior year. Management believes that the coverage is adequate to preclude any significant uninsured risk exposure to the County. Settled claims in the past three years have not exceeded the coverages.

14. JOINT VENTURE

Under Georgia law, the County, in conjunction with other cities and counties in the Central Georgia area, is a member of the Three Rivers Regional Commission (RC) and is required to pay annual dues thereto. During its year ended September 30, 2018 the County paid $13,865 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

Three Rivers Regional Commission
13273 Highway 34
P.O. Box 1600
Franklin, GA 30217

In prior years the County entered into a Section 5311 Public Transportation Service Agreement with Three Rivers Regional Commission (TRRC) for operation of the Three Rivers Regional Transit System. The TRRC manage the day-to-day operations, retains and monitors a third party operator, and manages the financial reporting and statistical analysis. The County paid $5,500 in fees to the TRRC during fiscal year September 30, 2018.

15. INTERGOVERNMENTAL AGREEMENTS

On March 1, 2014, Meriwether County (the "County") entered into a Sales and Use Tax Intergovernmental Agreement with the various municipalities in the County relating to the imposition of a one percent county special purpose local option sales and use tax (SPLOST) for the purpose of financing capital outlay projects. The County issued General Obligation Sales Tax Bonds, Series 2014 for $9,000,000 in March 2014. The cities were advanced

their pro rata share of the net bond proceeds. The Bonds are secured first by the proceeds of SPLOST revenue received by the County, then from general funds of the County as well as the municipalities. Each city is responsible for the payment of that portion of the Bonds allocable to its projects, should the SPLOST revenue be inadequate to service the debt. The County's share is 65%.

16. RESTATEMENT OF NET POSITION-BEGINNING

Discretely Presented Component Units

Meriwether County Department of Public Health's net position-beginning is restated due to the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement requires the recording of Employer Proportion of the Net OPEB Liability for Defined Benefit Health and Life Insurance Plans. The implementation of GASBS 75 requires retroactive application and restatement of all periods presented.

The effect of this change on Net Position-Beginning is:

Net Position as originally reported June 30, 2017	$ (184,826)
Effect of restatement:	
Net OPEB Liability - Health Insurance	(660,935)
Deferred Outflows of Health Insurance Contributions	61,256
Net OPEB Liability - Life Insurance	46,461
Net Position as restated June 30, 2017	$ (738,044)

17. SUBSEQUENT EVENT

Discretely Presented Component Units

After year end, Meriwether County Water and Sewage Authority complied with an intergovernmental agreement with the City of Hogansville in which the Authority contributed $1,600,000 toward the construction of a Waste Water Treatment Plant.

MERIWETHER COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2018

	Special Revenue Funds							Total Nonmajor Governmental Funds
	Fire District	Drug Fund	Jail Fund	Sheriff Drug Forfeiture	Law Library	E-911	Hotel/Motel	
Assets								
Cash	$ 752,625	$ 29,290	$ 56,354	$ 138,902	$ 10,548	$ 63,821	$ 1,912	$ 1,053,452
Receivables (net where applicable of allowance for uncollectibles):								
E-911						49,410		49,410
Due from other funds		472				1,369		1,841
Total assets	$ 752,625	$ 29,762	$ 56,354	$ 138,902	$ 10,548	$ 114,600	$ 1,912	$ 1,104,703
Liabilities								
Accounts payable	$ 15,652		$ 208					$ 15,860
Due to other funds	3,277		5,314					8,591
Total liabilities	18,929	$ -	5,522	$ -	$ -	$ -	$ -	24,451
Fund Balances								
Fund balances restricted for:								
Public safety	733,696	29,762	50,832	138,902		114,600		1,067,792
Judicial					10,548			10,548
Planning and development							1,912	1,912
Total fund balances	733,696	29,762	50,832	138,902	10,548	114,600	1,912	1,080,252
Total liabilities and fund balances	$ 752,625	$ 29,762	$ 56,354	$ 138,902	$ 10,548	$ 114,600	$ 1,912	$ 1,104,703

MERIWETHER COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended September 30, 2018

	Special Revenue Funds							
	Fire District	Drug Fund	Jail Fund	Sheriff Drug Forfeiture	Law Library	E-911	Hotel/ Motel	Total Nonmajor Governmental Funds
Revenues:								
Taxes:								
Property	$ 1,404,281							$ 1,404,281
Hotel/motel							$ 3,841	3,841
Charges for services						$ 306,577		306,577
Fines, forfeitures, and court fees		$ 20,465	$ 46,707	$ 20,975	$ 4,442			92,589
Miscellaneous				2,760				2,760
Investment earnings	1,684			97		252		2,033
Total revenues	1,405,965	20,465	46,707	23,832	4,442	306,829	3,841	1,812,081
Expenditures:								
Current:								
Public safety	355,599	25,223	39,491	22,806		910,015		1,353,134
Planning and development							2,000	2,000
Judicial					798			798
Capital outlay	10,070		12,646			8,547		31,263
Debt service:								
Principal	185,000							185,000
Interest	121,600							121,600
Total expenditures	672,269	25,223	52,137	22,806	798	918,562	2,000	1,693,795
Excess (deficiency) of revenues over (under) expenditures	733,696	(4,758)	(5,430)	1,026	3,644	(611,733)	1,841	118,286
Other financing sources (uses):								
Transfers in						637,017		637,017
Sale of general capital assets				7,822				7,822
Total other financing sources (uses)	-	-	-	7,822	-	637,017	-	644,839
Net change in fund balances	733,696	(4,758)	(5,430)	8,848	3,644	25,284	1,841	763,125
Fund balances, beginning of year		34,520	56,262	130,054	6,904	89,316	71	317,127
Fund balances, end of year	$ 733,696	$ 29,762	$ 50,832	$ 138,902	$ 10,548	$ 114,600	$ 1,912	$ 1,080,252

MERIWETHER COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FIRE DISTRICT FUND
Year Ended September 30, 2018

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes:				
Property taxes	$ 1,394,586	$ 1,394,586	$ 1,404,281	$ 9,695
Investment earnings			1,684	1,684
Total revenues	1,394,586	1,394,586	1,405,965	11,379
Expenditures:				
Current:				
Fire	1,080,886	1,077,916	355,599	722,317
Capital outlay	7,700	10,070	10,070	-
Debt service:				
Principal	185,000	185,000	185,000	-
Interest	121,000	121,600	121,600	-
Total expenditures	1,394,586	1,394,586	672,269	722,317
Excess (deficiency) of revenues over (under) expenditures	-	-	733,696	733,696
Net change in fund balances	-	-	733,696	733,696
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	$ -	$ -	$ 733,696	$ 733,696

MERIWETHER COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
DRUG FUND
Year Ended September 30, 2018

	Original and Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, forfeitures, and court fees	$ 30,000	$ 20,465	$ (9,535)
Total revenues	30,000	20,465	(9,535)
Expenditures:			
Current:			
Sheriff	30,000	25,223	4,777
Total expenditures	30,000	25,223	4,777
Excess (deficiency) of revenues over (under) expenditures	-	(4,758)	(4,758)
Net change in fund balances	-	(4,758)	(4,758)
Fund balance at beginning of year		34,520	34,520
Fund balance at end of year	$ -	$ 29,762	$ 29,762

MERIWETHER COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
JAIL FUND
Year Ended September 30, 2018

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:				
Fines, forfeitures, and court fees	$ 50,000	$ 52,646	$ 46,707	$ (5,939)
Total revenues	50,000	52,646	46,707	(5,939)
Expenditures:				
Current:				
Jail	50,000	40,000	39,491	509
Capital outlay		12,646	12,646	-
Total expenditures	50,000	52,646	52,137	509
Excess (deficiency) of revenues over (under) expenditures	-	-	(5,430)	(5,430)
Net change in fund balances	-	-	(5,430)	(5,430)
Fund balance at beginning of year		-	56,262	56,262
Fund balance at end of year	$ -	$ -	$ 50,832	$ 50,832

MERIWETHER COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SHERIFF DRUG FORFEITURE
Year Ended September 30, 2018

	Original and Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, forfeitures, and court fees	$ 20,975	$ 20,975	$ -
Miscellaneous	2,760	2,760	-
Investment earnings	97	97	-
Total revenues	23,832	23,832	-
Expenditures:			
Current:			
Sheriff	22,806	22,806	-
Total expenditures	22,806	22,806	-
Excess (deficiency) of revenues over (under) expenditures	1,026	1,026	-
Other financing sources (uses):			
Sale of general capital assets	7,822	7,822	-
Net change in fund balances	8,848	8,848	-
Fund balance at beginning of year	130,054	130,054	-
Fund balance at end of year	$ 138,902	$ 138,902	$ -

MERIWETHER COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
LAW LIBRARY
Year Ended September 30, 2018

	Original and Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, forfeitures, and court fees	$ 4,000	$ 4,442	$ 442
Total revenues	4,000	4,442	442
Expenditures:			
Current:			
Judicial:			
Court services	4,000	798	3,202
Total expenditures	4,000	798	3,202
Excess (deficiency) of revenues over (under) expenditures	-	3,644	3,644
Net change in fund balances	-	3,644	3,644
Fund balance at beginning of year		6,904	6,904
Fund balance at end of year	$ -	$ 10,548	$ 10,548

MERIWETHER COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
E-911
Year Ended September 30, 2018

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for services	$ 300,000	$ 300,000	$ 306,577	$ 6,577
Investment earnings			252	252
Total revenues	300,000	300,000	306,829	6,829
Expenditures:				
Current:				
Public safety:				
E-911	856,876	910,015	910,015	-
Capital outlay		8,547	8,547	-
Total expenditures	856,876	918,562	918,562	-
Excess (deficiency) of revenues over (under) expenditures	(556,876)	(618,562)	(611,733)	6,829
Other financing sources (uses):				
Transfers in	650,000	650,000	637,017	(12,983)
Total other financing sources (uses)	650,000	650,000	637,017	(12,983)
Net change in fund balance	93,124	31,438	25,284	(6,154)
Fund balance at the beginning of year	89,316	89,316	89,316	-
Fund balance at end of year	$ 182,440	$ 120,754	$ 114,600	$ (6,154)

MERIWETHER COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
HOTEL/MOTEL
Year Ended September 30, 2018

	Original and Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes:			
Hotel/motel	$ 5,000	$ 3,841	$ (1,159)
Total revenues	5,000	3,841	(1,159)
Expenditures:			
Current:			
Tourism and promotions	5,000	2,000	3,000
Total expenditures	5,000	2,000	3,000
Excess (deficiency) of revenues over (under) expenditures	-	1,841	1,841
Net change in fund balances	-	1,841	1,841
Fund balance at beginning of year		71	71
Fund balance at end of year	$ -	$ 1,912	$ 1,912

MERIWETHER COUNTY, GEORGIA
FIDUCIARY FUNDS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
September 30, 2018

	Agency Fund					
	Tax Commissioner	Superior Court	Probate Court	Magistrate Court	Sheriff	Total
Assets						
Cash	$ 405,858	$ 95,752	$ 10,152	$ 11,992	$ 91,715	$ 615,469
Taxes receivable	63,462					63,462
Total assets	$ 469,320	$ 95,752	$ 10,152	$ 11,992	$ 91,715	$ 678,931
Liabilities						
Due to others	$ 469,320	$ 95,752	$ 10,152	$ 11,992	$ 91,715	$ 678,931
Total liabilities	$ 469,320	$ 95,752	$ 10,152	$ 11,992	$ 91,715	$ 678,931

MERIWETHER COUNTY, GEORGIA
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILTIES
Year Ended September 30, 2018

	Balance October 1, 2017	Additions	Deductions	Balance September 30, 2018
Tax Commissioner:				
Assets				
Cash	$ 250,664	$ 24,289,193	$ 24,133,999	$ 405,858
Taxes receivable	131,417	63,462	131,417	63,462
	$ 382,081	$ 24,352,655	$ 24,265,416	$ 469,320
Liabilities				
Due to others	$ 382,081	$ 24,352,655	$ 24,265,416	$ 469,320
Clerk of Superior Court:				
Assets				
Cash	$ 93,845	$ 821,703	$ 819,796	$ 95,752
Liabilities				
Due to others	$ 93,845	$ 821,703	$ 819,796	$ 95,752
Probate Court:				
Assets				
Cash	$ 10,152	$ 495,192	$ 495,192	$ 10,152
Liabilities				
Due to others	$ 10,152	$ 495,192	$ 495,192	$ 10,152
Magistrate Court:				
Assets				
Cash	$ 12,513	$ 184,312	$ 184,833	$ 11,992
Liabilities				
Due to others	$ 12,513	$ 184,312	$ 184,833	$ 11,992
Sheriff:				
Assets				
Cash	$ 77,816	$ 390,320	$ 376,421	$ 91,715
Liabilities				
Due to others	$ 77,816	$ 390,320	$ 376,421	$ 91,715

MERIWETHER COUNTY, GEORGIA
SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX
September 30, 2018

Project	Estimated Percentage of Completion	Original Estimated Project Amount	Current Estimated Project Amount	Amount Expended Prior Years	Amount Expended Current Year
Resolution #082592:					
Construction and maintenance of sanitary landfill	94%	$ 6,000,000	$ 6,000,000	$ 5,616,257	
Resolution #110513:					
Building renovation	149.92%	462,774	462,774	676,645	$ 17,137
Construction of ambulance station	37.69%	462,774	462,774	174,430	
Roads	55.74%	3,321,630	3,321,630	1,371,461	480,106
Public safety equipment	358.09%	231,387	231,387	828,566	
Public works equipment	61.07%	462,774	462,774	282,620	
Information technology and communications equipment	53.04%	1,307,436	1,307,436	693,469	
GIS technology	73.81%	231,387	231,387	170,045	748
Recreation	8.56%	149,838	149,838	12,831	
City of Greenville	87%	414,222	414,222	358,171	
City of Gay	87%	41,922	41,922	36,403	
City of Lone Oak	87%	43,860	43,860	37,637	
City of Luthersville	87%	413,202	413,202	357,245	
City of Manchester	87%	2,000,730	2,000,730	1,729,152	
City of Warm Springs	87%	201,042	201,042	173,686	
City of Woodbury	87%	455,022	455,022	392,723	
Debt service				5,119,165	1,642,250
					$ 2,140,241

MERIWETHER COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended September 30, 2018

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA #	Pass-Through Entity ID #	Federal Expenditures
U.S. Department of Homeland Security:			
Passed through Georgia Emergency Management Agency:			
Disaster Grants Public Assistance (Presidentially Declared Disaster)	97.036	FEMA-DR-4259-DR-GA	$ 685,941
Passed through Georgia Emergency Management Agency:			
Emergency Management Performance Grant	97.042	OEM 17-101501	8,511
Total U.S. Department of Homeland Security			694,452
U.S. Department of Transportation:			
Passed through Georgia Department of Transportation:			
Airport Improvement Grants	20.106	AP017-9029-12	275,347
Passed through Georgia Department of Natural Resources:			
Recreational Trails Program	20.219	NRT-14 (22)	50,795
Total U.S. Department of Transportation			326,142
U.S. Department of Justice:			
Passed through Upson County, Georgia:			
Edward Bryne Memorial Justice Assistance Grant	16.738	2016-DJ-BK-0104	20,711
Direct Award:			
Federal Seized Funds	16.922	-	1,550
Total U.S. Department of Justice			22,261
Total expenditures of federal awards			$ 1,042,855

See accompanying notes to schedule of expenditures of federal awards.

MERIWETHER COUNTY, GEORGIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended September 30, 2018

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Meriwether County, Georgia, under programs of the federal government for the year ended September 30, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Meriwether County, Georgia, it is not intended to and does not present the financial position, changes in net position, or cash flows of Meriwether County, Georgia.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

2. Pass-through entity identifying numbers are presented where available.

NOTE C - INDIRECT COST RATE

Meriwether County, Georgia has not elected to use the 10% de minimis cost rate allowed under the Uniform Guidance.

MERIWETHER COUNTY, GEORGIA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended September 30, 2018

FINDINGS - FINANCIAL STATEMENT AUDIT

17-1 Segregation of Duties

Condition and Criteria: Due to the small size of the County's staff and constitutional officers' staff, controls are not practical to provide adequate segregation of duties in the cash receipts and cash disbursements functions. Management should implement other internal controls in areas where segregation of duties are not practical.

Recommendation: We recommend the County implement other internal controls in areas where segregation of duties is not practical

Current Status: County management continues to try to implement off setting controls when practical and cost effective. This is a repeat finding.

17-2 Controls Over Financial Statement Preparation

Condition and Criteria: County personnel do not currently possess the skills necessary to prepare the financial statements and related footnote disclosure in accordance with generally accepted accounting principles. This could result in the omission of a material financial statement element or disclosure that might not be detected by management.

Recommendation: The County should consider additional training that would provide accounting personnel with the skills to detect and correct misstatements in the financial statements.

Current Status: County management continues to evaluate the cost effectiveness of implementing the controls. This is a repeat finding.

AJK

AJK, LLC
CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 609 ☐ 405 Second Street ☐ Manchester, GA 31816
(706) 846-8401 ☐ Fax (706) 846-3370

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

To the Board of Commissioners
Meriwether County, Georgia
Greenville, Georgia 30222

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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Meriwether County, Georgia, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise Meriwether County, Georgia's basic financial statements and have issued our report thereon dated March 26, 2019. Our report includes a reference to other auditors who audited the financial statements of Meriwether County Department of Public Health, as described in our report on Meriwether County, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered Meriwether County, Georgia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Meriwether County, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of Meriwether County, Georgia's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies, as items 18-1 through 18-3.

COMPLIANCE AND OTHER MATTERS

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

MERIWETHER COUNTY, GEORGIA'S RESPONSE TO FINDINGS

Meriwether County, Georgia's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Meriwether County, Georgia's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

PURPOSE OF THIS REPORT

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

AJK, LLC

Manchester, Georgia
March 26, 2019

AJK

AJK, LLC
CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 609 ☐ 405 Second Street ☐ Manchester, GA 31816
(706) 846-8401 ☐ Fax (706) 846-3370

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Commissioners
Meriwether County, Georgia
Greenville, Georgia 30222

Report on Compliance for Each Major Federal Program

We have audited Meriwether County, Georgia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Meriwether County, Georgia's major federal programs for the year ended September 30, 2018. Meriwether County, Georgia's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Meriwether County, Georgia'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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 Meriwether County, Georgia'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 Meriwether County, Georgia's compliance.

Opinion on Each Major Federal Program

In our opinion, Meriwether County, Georgia, 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 September 30, 2018.

Report on Internal Control over Compliance

Management of Meriwether County, Georgia, 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 Meriwether County, Georgia'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 the Uniform Guidance, 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 Meriwether County, Georgia'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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

AJK, LLC

Manchester, Georgia
March 26, 2019

A. SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unmodified opinion on whether the financial statements of Meriwether County, Georgia were prepared in accordance with GAAP.

2. No material weaknesses and three significant deficiencies were disclosed during the audit of the financial statements.

3. No instances of noncompliance material to the financial statements of Meriwether County, Georgia, which are required to be reported in accordance with *Government Auditing Standards* was disclosed during the audit.

4. No material weaknesses or significant deficiencies in internal control over major federal award programs were disclosed during the audit.

5. The auditors' report on compliance for the major federal award programs for Meriwether County, Georgia expresses an unmodified opinion.

6. No audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in Part C of this schedule.

7. The program tested as a major program is:
   U.S. Department of Homeland Security
   Disaster Grants Public Assistance, CFDA #97.036

8. The threshold for distinguishing types A and B programs was $750,000.

9. Meriwether County, Georgia was not determined to be a low risk auditee.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

SIGNIFICANT DEFICIENCIES

18-1 Reconciliation of Bank Accounts

Condition and Criteria:	During our audit, we noted one bank account had not been reconciled during the fiscal year ending September 30, 2018. Also, some reconciliations were not performed in a timely manner.
Effect:	The failure to perform timely bank reconciliations could result in errors that might be material to the financial statements.
Recommendation:	Each month bank reconciliations should be prepared for all bank accounts in a timely manner.
Response:	We concur. We will ensure all bank accounts are reconciled during the following month.

18-2 Segregation of Duties

Condition and Criteria:	Due to the small size of the County's staff and constitutional officers' staff, controls are not practical to provide adequate segregation of duties in the cash receipts and cash disbursements functions. Management should implement other internal controls in areas where segregation of duties are not practical.
Effect:	Failure to implement offsetting controls in the cash receipts and disbursements functions could result in unauthorized or fraudulent transactions.
Recommendation:	We recommend the County implement other internal controls in areas where segregation of duties is not practical
Response:	We concur. We will continue requiring dual signatures on all checks. We will implement off setting controls when practical and cost effective.

18-3 Controls Over Financial Statement Preparation

Condition and Criteria:	County personnel do not currently possess the skills necessary to prepare the financial statements and related footnote disclosure in accordance with generally accepted accounting principles. This could result in the omission of a material financial statement element or disclosure that might not be detected by management.
Effect:	The deficiency identified above could result in a material misstatement to the County's financial statements that would not be prevented or detected on a timely basis.
Recommendation:	The County should consider additional training that would provide accounting personnel with the skills to detect and correct misstatements in the financial statements.
Response:	We concur. We will evaluate the cost effectiveness of implementing the control and act accordingly.

C. FINDINGS AND QUESTIONED COSTS - MAJOR AWARDS AUDIT

NONE.

Shirley Hines, Chairman
Dist.1 GRANTVILLE, GA

Beth Neely-Hadley, Vice Chairman
Dist. 5 WARM SPRINGS, GA

Board of Commissioners

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Mary Bray
District 2 GREENVILLE, GA

Alfred Buster McCoy
District 3 GAY, GA

Bryan Threadgill
District 4 MANCHESTER, GA

Theron Gay
COUNTY ADMINISTRATOR

Beverly A. Thomas
COUNTY CLERK

Nathan T. Lee
ATTORNEY

CORRECTIVE ACTION PLAN

March 26, 2019

U.S. Department of Homeland Security

Meriwether County, Georgia respectfully submits the following corrective action plan for the year ended September 30, 2018.

Name and address of independent accounting firm:

AJK, LLC
P.O. Box 609
Manchester, Georgia 31816

Audit period: September 30, 2018

The findings from the September 30, 2018 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS – FEDERAL AWARD PROGRAM AUDITS

NONE.

FINDINGS – FINANCIAL STATEMENT AUDIT

SIGNIFICANT DEFICIENCES

18-1 Reconciliation of Bank Accounts

Recommendation: Each month bank reconciliations should be prepared for all bank accounts in a timely manner.

Action Taken: We concur. We will insure all bank accounts are reconciled by the following month.

18-2 Segregation of Duties

Recommendation:	We recommend the County implement other internal controls in areas where segregation of duties is not practical.
Action Taken:	We concur. We will continue requiring dual signatures on all checks. We will implement off setting controls when practical and cost effective.

18-3 Controls Over Financial Statement Preparation

Recommendation:	The County should consider additional training that would provide accounting personnel with the skills to detect and correct misstatements in the financial statements.
Action Taken:	We concur. We will evaluate the cost effectiveness of implementing the control and act accordingly.

If the U.S. Department of Homeland Security has questions regarding this plan, please call Bill Gregory at 706-672-3468.

Sincerely yours,

Bill Gregory
Finance and Budget Director