WASHINGTON COUNTY, GEORGIA

FINANCIAL STATEMENTS

For the Year Ended June 30, 2019

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INDEPENDENT AUDITOR'S REPORT

To the County Commissioners
Washington County, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Washington County, Georgia, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Washington County Board of Health which represents 3 percent, 2 percent, and 24 percent of the assets, fund balance, and revenues, respectively, of the discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Washington County Board of Health is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, and each major fund, of Washington County, Georgia, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 13 and the budgetary comparison information and statements of changes in pension liability and OPEB liability on pages 59 through 64 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Washington County, Georgia's basic financial statements. The combining nonmajor fund financial statements, the fiduciary funds combining statement of net position, the schedule of projects constructed with special sales tax proceeds and the other schedules included in other supplementary information as described in the accompanying table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements, the fiduciary funds combining statement of net position, the schedule of projects constructed with special sales tax proceeds, and the other schedules included in other supplementary information as described in the accompanying table of contents is the responsibility of management and was derived from and relates 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 or to the basic financial statements themselves, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have issued our report dated December 30, 2019 on our consideration of Washington 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 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 Washington County, Georgia's internal control over financial reporting and compliance.

Wright & Wright, P.C.

December 30, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Washington County's financial performance provides an overview of the County's financial activities for the year ended June 30, 2019. Please read it in conjunction with the County's financial statements which begin on page 14.

1. USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net position and the Statement of Activities (on pages 14 and 15) provide information about activities of the County as a whole and present a longer-term view of the County's finances. Fund financial statements start on page 16. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. The remaining statements provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside of the government.

Reporting the County as a Whole

The Statement of Net Position and the Statement of Activities

Our analysis of the County as a whole begins on page 7. One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse off as a result of the year's activities?" The Statement of Net position and the Statement of Activities report information about the County as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the County's net position and changes in them. You can think of the County's net position – the difference between assets and liabilities – as one way to measure the County's financial health, or financial position. Over time, increases or decreases in the County's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider nonfinancial factors such as changes in the County's property tax base and the condition of the County's roads and other physical assets to assess the overall health of the County.

In the Statement of Net position and the Statement of Activities, we divide the County into three kinds of activities:

- Governmental activities – Most of the County's basic services are reported here, including public safety, court system, public works, health & welfare and general administration. Taxes, court fines and intergovernmental revenue finance most of these activities.
- Business-type activities – The County charges a fee to customers to help it cover all or most of the cost of certain services it provides. The County's landfill is reported here.
- The County includes three separate legal entities in its report - the Washington County Health Department, the Washington County Public Facilities Authority, and the Development Authority of Washington County, Georgia. Although legally separate, these "component units" are important because the County is financially accountable for them. Complete financial statements may be obtained at 201 Morningside Drive, Sandersville, Georgia 31082.

To aid in the understanding of the Statement of Activities some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenses, and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense)/ Revenue. The reason for this kind of format is to highlight the relative financial burden of each of the functions on the County's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants. Some of the individual line item revenues reported for each function are:

General government	Business licenses and permits; Qualifying fees; Intangible recording taxes
Public safety	Fines and forfeits; E911 telephone charges and city charges; Housing prisoners; State reimbursements for training
Judicial	All court fines and forfeits; Law library revenue
Public works	Georgia Department of Transportation reimbursements; Pipe and driveway installations
Culture/recreation	Recreation department charges for services; Payments from the County and cities to the Recreation department

All other governmental revenues are reported as general. It is important to note that all taxes are classified as general revenue even if restricted for a specific purpose.

Business-type Activities

The Landfill Fund has historically collected revenue amounting to approximately half of the total operating expenditures, including depreciation. The General Fund transfers money to the Landfill Fund to cover the remaining operating costs. During the year ended June 30, 2019, the General Fund transferred $258,387 to the Landfill Fund for operating expenditures.

Reporting the County's Most Significant Funds

Fund Financial Statements

The fund financial statements begin on page 16 and provide detailed information about the most significant funds—not the County as a whole. Some funds are required to be established by State law and by bond covenants. However, the County Commissioners establish other funds to help them control and manage money for particular purposes or to show that they are meeting legal responsibilities for using certain taxes, grants, and other money (like the Emergency 911 Telephone Fund and the Capital Projects Fund which account for special purpose local option sales tax revenue). The County's two kinds of funds—governmental and proprietary—use different accounting approaches.

- Governmental funds—Most of the County's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net position and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.

- Proprietary funds—When the County charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net position and the Statement of Activities. In fact, the County's enterprise fund (a component of proprietary funds) is the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows.

The County as Trustee

Reporting the County's Fiduciary Responsibilities

The County is the trustee, or fiduciary, for the offices of Tax Commissioner, Probate Court, Clerk of Courts, Sheriff and Magistrate Court. All of the County's fiduciary activities are reported in a separate Statement of Fiduciary Net position on page 23. We exclude these activities from the County's other financial statements because the County cannot use these assets to finance its operations. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

2. FINANCIAL HIGHLIGHTS

Net position may serve over time as a useful indicator of a government's financial position. In the case of Washington County, assets exceeded liabilities by $35,892,455 as of June 30, 2019.

The largest portion of the County's net position (85%) reflects its investment in capital assets (e.g., land, building, equipment, improvements, construction in progress and infrastructure), less any debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently these assets are not available for future spending.

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	$ 19,934,770	$ 19,898,124	$ 830,991	$ 912,425	$ 20,765,761	$ 20,810,549
Capital assets	29,400,506	29,374,154	3,604,947	3,622,400	33,005,453	32,996,554
Total assets	49,335,276	49,272,278	4,435,938	4,534,825	53,771,214	53,807,103
Current liabilities	328,998	254,021	326,362	335,668	655,360	589,689
Long-term liabilities	14,898,866	13,252,619	2,324,533	2,677,174	17,223,399	15,929,793
Total liabilities	15,227,864	13,506,640	2,650,895	3,012,842	17,878,759	16,519,482
Net position:						
Investment in capital assets	29,400,506	29,374,154	1,117,492	871,048	30,517,998	30,245,202
Restricted	6,645,074	8,139,088	104,453	189,719	6,749,527	8,328,807
Unrestricted	(1,938,168)	(1,747,604)	563,098	461,216	(1,375,070)	(1,286,388)
Total net position	$ 34,107,412	$ 35,765,638	$ 1,785,043	$ 1,521,983	$ 35,892,455	$ 37,287,621

As a whole the Government's financial position declined during fiscal 2019. Total net position decreased $1,395,166 or 3.7% during 2019. Net position for governmental activities decreased $1,658,226 or 4.6% which was largely due a $1.1 million loss for the difference between the amount contributed to the Hospital and the property tax collections designated for the Hospital. Without this adjustment, net position would have decreased by approximately $570,000. The net position for business-type activities increased $263,060 or 17.3%.

The following table provides a summary of the County's operations for the year ended June 30, 2019 with comparative totals for year ended June 30, 2018.

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
REVENUES:						
Program revenues:						
Charges for services	$ 1,229,403	$ 1,310,250	$ 661,943	$ 654,646	$ 1,891,346	$ 1,964,896
Operating grants and contributions	2,881,499	2,867,235	-	-	2,881,499	2,867,235
Capital grants and contributions	-	-	-	-	-	-
General revenues:						
Property taxes	8,503,146	8,456,994	-	-	8,503,146	8,456,994
Local option sales tax	1,316,435	1,202,835	-	-	1,316,435	1,202,835
SPLOST revenue	2,475,671	2,261,810	-	-	2,475,671	2,261,810
Other taxes	2,045,689	2,048,161	-	-	2,045,689	2,048,161
Other	607,897	75,710	41,974	5,516	649,871	81,226
Total revenues	19,059,740	18,222,995	703,917	660,162	19,763,657	18,883,157
EXPENSES:						
General government	4,808,254	4,676,534	-	-	4,808,254	4,676,534
Public safety	5,667,585	7,188,013	-	-	5,667,585	7,188,013
Judicial	1,362,472	1,239,801	-	-	1,362,472	1,239,801
Public works	4,324,271	4,180,210	-	-	4,324,271	4,180,210
Health and welfare	3,285,603	3,507,640	-	-	3,285,603	3,507,640
Culture/Recreation	841,894	891,568	-	-	841,894	891,568
Interest on long-term debt	169,500	169,500	-	-	169,500	169,500
Landfill	-	-	699,244	716,185	699,244	716,185
Total expenses	20,459,579	21,853,266	699,244	716,185	21,158,823	22,569,451
Increase (decrease) in net position before transfers	(1,399,839)	(3,630,271)	4,673	(56,023)	(1,395,166)	(3,686,294)
TRANSFERS	(258,387)	(567,965)	258,387	567,965	-	-
Increase (decrease) in net position	(1,658,226)	(4,198,236)	263,060	511,942	(1,395,166)	(3,686,294)
NET POSITION, beginning of year	35,765,638	39,871,104	1,521,983	1,010,041	37,287,621	40,881,145
NET POSITION, end of year	$ 34,107,412	$ 35,672,868	$ 1,785,043	$ 1,521,983	$ 35,892,455	$ 37,194,851

3. FUND FINANCIAL INFORMATION

Major Governmental Funds

General Fund

The central operating fund for Washington County, the General Fund, had total assets of $11,198,647 and total liabilities and deferred inflows of resources of $167,071 at the end of fiscal year 2019. Total revenues and other financing sources of $11,849,657 exceeded expenditures and other financing uses for fiscal year 2019 of $11,478,825.

Other Major Governmental Funds

The fund balance for the Capital Projects Fund (2009) decreased $897,796 since the County has finished receiving special local option sales tax revenue from this referendum and is spending the remaining balance on capital projects.

On November 1, 2016, the County issued the $5,255,000 Washington County, Georgia, General Obligation Bonds, Series 2016 to provide operating funds to the Washington County Hospital Authority. The County created a Debt Service Fund to record the activity related to this bond. During the year ended June 30, 2019, the Debt Service Fund contributed $2,953,912 to the Hospital.

Major Proprietary Funds

Landfill Fund

Total assets were $4,435,938, total liabilities were $2,650,895, and net position was $1,785,043 at the end of fiscal year 2019, an increase of $263,060 from the prior year.

4. GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the County Commissioners had one revision through a budget amendment to the General Fund budget.

General Fund revenues for the year of $11,433,132 were 96.9% of budgeted revenues due mainly to the County receiving less in property taxes than was budgeted.

Total General Fund expenditures for fiscal year 2019 were 96.0% of the final budget. Expenditures for all functional areas except one department were less than the budget.

5. CAPITAL ASSET AND DEBT ADMINISTRATION

Debt

At June 30, 2019, the County had $7,742,455 of outstanding long-term debt including $5,255,000 of general obligation bonds to provide operating support to the Washington County Hospital Authority, and a $2,487,455 GEFA note payable to finance a portion of the closure costs of the County landfill. See Note 8 for further information.

Capital Assets

At the end of June 30, 2019, the County had $33.0 million invested in capital assets including equipment, buildings, infrastructure, park facilities, and landfills (See table below.) This represents a net increase of $8,899 or 0.0% compared to last year as depreciation kept pace with capital purchases.

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	$ 1,118,084	$ 1,118,084	$ 3,497,037	$ 3,495,037	$ 4,615,121	$ 4,613,121
Infrastructure	11,671,001	12,118,226	-	-	11,671,001	12,118,226
Buildings	11,093,453	11,511,294	18,177	19,758	11,111,630	11,531,052
Equipment	4,109,613	4,061,083	89,733	107,605	4,199,346	4,168,688
Construction in progress	1,408,355	565,467	-	-	1,408,355	565,467
Total	$29,400,506	$29,374,154	$ 3,604,947	$ 3,622,400	$33,005,453	$32,996,554

This year's major additions included:

(2) Sheriff's department vehicles paid with General Fund revenues	$ 60,595
(2) Sheriff's department vehicles paid with SPLOST revenues	71,348
Road department equipment paid with SPLOST revenues	251,547
Paving of dirt roads paid for with SPLOST revenues	821,063
	$ 1,204,553

Additional information on Washington County's capital assets can be found in Note 6 on page 35 of this report.

6. ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Washington County is a rural county located in East Central Georgia along the Fall Line, a geologic line that separates the Piedmont Plateau from the Coastal Plain. It lies half way between Atlanta and Savannah (about 120 miles from each). It also lies half way between Macon and Augusta (about 60 miles from each).

The 2010 Census shows that the County's population was 21,187, an increase of only 11 persons over the 2000 Census population. The population in the unincorporated areas of the County was 10,730 in 2010.

There are seven municipalities in the County with the following populations:

City	Population
Davisboro	2,010 *
Deepstep	131
Harrison	489
Oconee	252
Riddleville	96
Sandersville (the County Seat)	5,912
Tennille	1,539

* Approximately 1,500 persons of the population of Davisboro are inmates at Washington State Prison.

Washington County is known as the "Kaolin Capital of the World." Kaolin is a white alumina-silica clay mined and extensively processed throughout Middle Georgia. It is used in hundreds of products including paper, paint, plastics, ceramics, food, fracking materials and medicine. The Kaolin industry has declined in recent times from its peak in the 1990s, but still a primary economic driver in the County. Beyond kaolin, key industries include trucking, plastics manufacturing, battery manufacturing, timber, agriculture, medical services and government. The district Georgia Department of Transportation office is located in Tennille and Washington State Prison in Davisboro, while Oconee Fall Line Technical College and Georgia Military College are located in Sandersville. Most of the County's industry is located in Sandersville or nearby Tennille.

State Route 15 connects the County to Interstate 20, approximately 40 miles north, and Interstate 16, approximately 40 miles south. Portions of Highway 15 will be four-laned within the next 8 years, which include truck routes around Sandersville and Tennille by 2022. The Fall Line Freeway is four-laned from Macon to Augusta, with only a small section of the route in Washington County that remains to be completed. Washington County has an approximate total of 1,100 lane miles in its unincorporated areas, among the highest in Georgia, and over 700 miles of roads maintained by the County.

At Kaolin Field, an Airport Improvement Plan was completed in 2014, which began with a $2.2 million parallel taxiway that was completed in 2014. The runway crack-seal project was completed, along with re-striping of the runway in late 2016, placing the runway in excellent condition for the next several years. The preparation of the corporate hangar site was completed in early 2017, with plans to construct a corporate hangar within the next 5 years. A runway extension was completed in 2019 that added an extension of 500 feet, making the runway reach a total of 5,518 feet. The runway extension projected was completed for a cost of approximately $1 million. Washington County is also fortunate to have the main Norfolk-Southern railway that runs through Tennille. This railway supplies connections to the local Sandersville Railroad Company, which serves the kaolin, timber, and other industries in transporting goods to the Port of Savannah and other locations across the state and region. Washington County has not fully recovered from the "Great Recession" and the decline in the Kaolin industry, but the recent economic uptick has provided some relief over the past year. According to the Bureau of Labor Statistics, the unemployment rate in Washington County in May 2019 was 4.4%, compared to a rate of 6.4% in June 2017. According to the US Census Bureau, the per capita personal income is currently $19,238, up from $18,285, and median household income is $38,097 an increase from $37,932, when comparing 2017 to 2016 dollars. In addition, sales tax receipts have increased just over 9% over the past 12 months. Those

statistics show improvement in the local economy, although Washington County is well behind the State of Georgia averages for per capita personal income and median household income, which are $28,015 and $52,977, respectively. The percentage of citizens living in poverty in Washington County is 26.7%, an increase from the 26.3% the prior year, compared to 14.9% for the State of Georgia.

Workforce employment is comprised of the following categories:

- Goods-producing: 15.1%
- Service-providing: 54.8%
- Government: 29.8%

[Georgia Department of Labor Area Labor Profile, Updated November 2019]

In recent years, the county commissioners have made numerous budget cuts and adjustments to various departments. In addition to these cuts, the County acquired new revenue sources. A Garbage fee for homeowners in unincorporated areas was established in FY2013. The TIA Act of 2010 (i.e. the TSPLOST) passed in July 2012 and the County began receiving a portion of a regional sales tax paid in to the CSRA Regions in March 2013. Since then, the county commissioners have been using half of these funds to re-surface County paved roads, and other transportation projects, and the other half to pay for regular road maintenance conducted by the Road Department.

The citizens of Washington County passed a referendum in May 2016 to fund the Washington County Regional Medical Center using bond proceeds of up to $15.9 million, of which $6.5 is for operations and debt service, with the remaining obligated for capital improvements. The bond debt will be repaid by 3.0 mills of property tax dedicated for that purpose. The County had reserve funds available which were substantial enough to fund the amount that the hospital required for operations and debt in the first year of the agreement, which will save the County an estimated $1.1 million in interest payments since no further bond proceeds will be required. The funds collected by the dedicated millage will reimburse the County's reserves once feasible. The hospital endured an unfortunate 2017 fiscal year, losing over $4 million. This loss, coupled with failure to meet certain improvement targets, influenced the hospital to contract with a management company (ERH) to improve its operations, revenue, and overall efficiency. ERH will require funding to implement their plan for improvement, staying within the boundaries of the amount previously approved by the voters of Washington County. For FY2019, the hospital improved its bottom line significantly compared to FY2017, losing just over $1 million as opposed to more than $4 million.

The County completed the permanent closure of the local landfill in late 2017 following the procurement of a loan from the Georgia Environmental Finance Authority at a rate of 1.94% over ten years to soften the impact of an estimated $2.795 million cost to complete the closure, with a final completion cost just over $3 million. The County has roughly $750 thousand in its landfill post-closure fund to allocate toward the repayment of the loan and monitoring costs. Approximately $230 thousand of the post-closure funds were used to pay for landfill closure costs beyond the original GEFA loan amount of $2.795 million. The FY2019 expenditure budgets for the Landfill and General Fund are nearly identical with those from the FY2019 budget, as repayment is a fixed amount over the life of the loan. Sales taxes are budgeted to increase slightly from FY2019 as the economy has exhibited growth over the past several months, while remaining revenues are expected to be comparable to the previous year's budget. The Recreation Department is continuing its development of Linton Park. New trees and plants were added to provide shade and improved aesthetics. Long term plans

for Linton Park include a pavilion, walking trail, dog park, handicap-accessible playground, a second paved parking lot, and more trees. In addition, maintenance and replacement of fixtures at Kaolin Park will begin to take place, as there is need for new lighting and fencing for the baseball fields, and interior improvements for the multi-purpose building. New lighting for the gymnasiums and the tennis court were installed in 2019. The County will continue to levy the one-half mill of property tax to directly fund the Industrial Development Authority, as well as provide funding from the general fund budget for the Chamber of Commerce. These funds are intended to increase economic development activity and improve the competitiveness of Washington County in Georgia and abroad. The expenditure budget for FY2020 will increase by approximately 2.0% over the final FY2019 budget, which is largely due to personnel expenses associated with salaries and benefits increases. A cost of living adjustment is budgeted for all full-time county employees at 2.0%. Employee health insurance costs will decrease by 5.5% over the previous year. The County will pay a higher portion to the former employee retirement fund in FY2020 compared to the prior year, as the actuarial analyses indicates longer life spans. The amount will increase by approximately $133,000 due to a statute that states "since the plan's funding ratio is less than 75%, the jurisdiction's contribution must equal or exceed the recommended contribution." Employees under the current retirement plan will continue to receive the percentages designated in the plan. All costs will continue to be scrutinized for reduction or elimination, as expenditure increases continue to outpace increases in revenues.

SPLOST (#6) ended September 2014 and SPLOST (#7) began in October 2014. Final expenditures for SPLOST (#6) were used for the construction of Lamar's Creek Road, as that project experienced numerous issues that increased the contract price. Included in SPLOST (#7) are funds to provide principle and interest payments for bond debt incurred by the Public Facilities Authority to construct a new law enforcement center. The need for a larger jail was identified and placed on the SPLOST ballot in 2013, in which the voters approved, spurring the Public Facilities Authority to sell bonds to raise roughly $16 million for the new facility. The principle and interest payments are guaranteed by the County over an 18-year period, with payments ending in the year 2032. The first six years will be paid from SPLOST (#7), with an expectation that the remaining payments will be made by subsequent SPLOST editions. SPLOST (#8) passed in 2019 and will provide the County with estimated sales tax revenues in the amount of approximately $11.3 million to make the bond payments on the law enforcement center, new radios for the emergency communication system, as well as projects for transportation, fire equipment, Sheriff's office equipment, Road Department equipment, recreation improvements, EMS equipment, and assist with an addition to the Animal Control facility.

7. CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Commissioner's Office at 119 Jones Street, Sandersville, Georgia.

Dustin Peebles
County Administrator/Clerk

BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by the Governmental Accounting Standards Board ("GASB"). The sets of statements include:

- Government-wide financial statements
- Fund financial statements:
  - Governmental funds
  - Proprietary (enterprise) fund
  - Fiduciary funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

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

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Health Department	Development Authority	Public Facilities
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:						
Current assets:						
Cash and cash equivalents	$ 9,941,206	$ 252,779	$ 10,193,985	$ 102,631	$ 642,714	$ 13,936
Investments	6,916,743	574,960	7,491,703	848,827	-	-
Accounts receivable, net	327,913	3,252	331,165	51,114	97,445	-
Receivable from other governments	561,176	-	561,176	-	92	-
Inventories	189,980	-	189,980	-	-	-
Prepaid expenses	-	-	-	-	3,300	-
Total current assets	17,937,018	830,991	18,768,009	1,002,572	743,551	13,936
Noncurrent assets:						
Nondepreciable	2,526,439	3,497,037	6,023,476	-	1,339,986	55,300
Depreciable capital assets, net of accumulated depreciation	26,874,067	107,910	26,981,977	14,930	13,434,099	19,152,129
Total noncurrent assets	29,400,506	3,604,947	33,005,453	14,930	14,774,085	19,207,429
Deferred outflows of resources	1,997,752	-	1,997,752	273,463	-	256,663
Total assets and deferred outflows of resources	49,335,276	4,435,938	53,771,214	1,290,965	15,517,636	19,478,028
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:						
Current liabilities:						
Accounts payable	209,605	56,569	266,174	10,002	94,841	6,097
Current portion of long-term debt	-	267,375	267,375	-	486,244	976,363
Other accrued liabilities	6,866	-	6,866	11,349	-	-
Accrued compensated absences	112,527	2,418	114,945	63,976	-	-
Total current liabilities	328,998	326,362	655,360	85,327	581,085	982,460
Noncurrent liabilities:						
Long-term debt, less current portion	5,753,328	2,220,080	7,973,408	-	8,528,985	15,246,847
Net pension & OPEB liability	8,219,282	-	8,219,282	775,165	-	-
Landfill closure & postclosure costs	-	104,453	104,453	-	-	-
Total noncurrent liabilities	13,972,610	2,324,533	16,297,143	775,165	8,528,985	15,246,847
Deferred inflows of resources	926,256	-	926,256	154,105	-	-
Total liabilities & deferred inflows of resources	15,227,864	2,650,895	17,878,759	1,014,597	9,110,070	16,229,307
NET POSITION:						
Investment in capital assets	29,400,506	1,117,492	30,517,998	14,930	5,758,856	2,984,219
Restricted for:						
Capital projects	2,974,498	-	2,974,498	-	-	-
Debt service	710,476	-	710,476	-	-	-
Public safety	680,205	-	680,205	-	-	-
Transportation	2,174,345	-	2,174,345	-	-	-
Culture and recreation	105,550	-	105,550	-	-	-
Closure and post-closure costs	-	104,453	104,453	-	-	-
Unrestricted	(1,938,168)	563,098	(1,375,070)	261,438	648,710	264,502
	$ 34,107,412	$ 1,785,043	$ 35,892,455	$ 276,368	$ 6,407,566	$ 3,248,721

See accompanying notes to the basic financial statements

WASHINGTON COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units
Primary government:								
Governmental activities:								
General government	$ 4,808,254	$ 304,800	$ 996	$ -	$ (4,502,458)	$ -	$ (4,502,458)	
Public safety	5,667,585	401,195	179,160	-	(5,087,230)	-	(5,087,230)	
Judicial	1,362,472	443,533	-	-	(918,939)	-	(918,939)	
Public works	4,324,271	26,273	2,578,881	-	(1,719,117)	-	(1,719,117)	
Health and welfare	3,285,603	-	-	-	(3,285,603)	-	(3,285,603)	
Culture and recreation	841,894	53,602	122,462	-	(665,830)	-	(665,830)	
Interest on long-term debt	169,500	-	-	-	(169,500)	-	(169,500)	
Total governmental activities	20,459,579	1,229,403	2,881,499	-	(16,348,677)	-	(16,348,677)	
Business-type activities:								
Landfill	699,244	661,943	-	-	-	(37,301)	(37,301)	
Total business-type activities	699,244	661,943	-	-	-	(37,301)	(37,301)	
Total primary government	$ 21,158,823	$ 1,891,346	$ 2,881,499	$ -	(16,348,677)	(37,301)	(16,385,978)	
Component units:								
Health department	$ 864,596	$ 441,199	$ 501,854	$ -				$ 78,457
Development authoirty	1,830,288	1,164,338	834,786	-				168,836
Public facilities authority	1,274,776	388,500	1,284,938	-				398,662
	$ 3,969,660	$ 1,994,037	$ 2,621,578	$ -				645,955
General revenues:								
Taxes:								
Property taxes					8,503,146	-	8,503,146	-
General sales and use tax					1,316,435	-	1,316,435	-
Special local option sales tax					2,475,671	-	2,475,671	-
Other taxes					2,045,689	-	2,045,689	-
Investment income (loss)					388,322	14,814	403,136	20,414
Miscellaneous					219,575	27,160	246,735	9,700
Transfers					(258,387)	258,387	-	-
Total general revenues and transfers					14,690,451	300,361	14,990,812	30,114
Change in net position					(1,658,226)	263,060	(1,395,166)	676,069
Net position, beginning					35,765,638	1,521,983	37,287,621	9,256,586
Net position, ending					$ 34,107,412	$ 1,785,043	$ 35,892,455	$ 9,932,655

See accompanying notes to the basic financial statements

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

	General Fund	Capital Projects Fund (2009)	Capital Projects Fund (2014)	Trans-portation Fund	2016 GO Bonds Debt Service Fund	Other Govern-mental Funds	Total Govern-mental Funds
ASSETS:							
Cash and cash equivalents	$ 3,840,981	$ 1,292,250	$ 1,479,003	$ 2,128,962	$ 516,285	$ 683,725	$ 9,941,206
Investments	5,732,852	-	-	-	1,183,891	-	6,916,743
Accounts receivable, net	287,377	-	-	-	10,300	30,236	327,913
Receivables from other funds	1,000,000	-	-	-	-	-	1,000,000
Receivables from other governments	225,891	-	204,405	128,938	-	1,942	561,176
Prepaid expenses	-	-	-	-	-	-	-
Inventories	111,546	-	-	-	-	78,434	189,980
Total assets	$ 11,198,647	$ 1,292,250	$ 1,683,408	$ 2,257,900	$ 1,710,476	$ 794,337	$ 18,937,018
LIABILITIES:							
Accounts payable	$ 123,174	$ 1,160	$ -	$ 83,555	$ -	$ 8,582	$ 216,471
Payable to other funds	-	-	-	-	1,000,000	-	1,000,000
Total liabilities	123,174	1,160	-	83,555	1,000,000	8,582	1,216,471
DEFERRED INFLOWS OF RESOURCES:							
Property taxes	43,897	-	-	-	-	-	43,897
FUND BALANCES:							
Non-spendable fund balance:							
Prepaid expenses	-	-	-	-	-	-	-
Restricted fund balance:							
Capital projects	-	1,291,090	1,683,408	-	-	-	2,974,498
Public safety	-	-	-	-	-	-	-
Transportation	-	-	-	2,174,345	-	-	2,174,345
Debt service	-	-	-	-	710,476	-	710,476
Committed fund balance	-	-	-	-	-	-	-
Assigned fund balance:							
Public safety	-	-	-	-	-	680,205	680,205
Culture and recreation	-	-	-	-	-	105,550	105,550
Unassigned fund balance	11,031,576	-	-	-	-	-	11,031,576
Total fund balances	11,031,576	1,291,090	1,683,408	2,174,345	710,476	785,755	17,676,650
Total liabilities, deferred inflows of resources and fund balance	$ 11,198,647	$ 1,292,250	$ 1,683,408	$ 2,257,900	$ 1,710,476	$ 794,337	$ 18,937,018

(Continued)

See accompanying notes to the basic financial statements

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

Fund balances - total governmental funds	$	17,676,650
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, net of accumulated depreciation of $18,624,384		29,400,506
Net OPEB obligations are not due and payable in the current period and, therefore are not reported in the funds		(2,943,829)
Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore are not reported in the funds:		
Net pension liability		(4,203,957)
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Accounts receivable, net of allowance for doubtful accounts of $0		43,897
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the funds:		
Total long-term debt, governmental activities		(5,753,328)
Compensated absences		(112,527)
Net position of governmental activities	$	34,107,412

See accompanying notes to the basic financial statements

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

	General Fund	Capital Projects Fund (2009)	Capital Projects Fund (2014)	Trans-portation Fund	2016 GO Bond Debt Service Fund	Other Govern-mental Funds	Total Govern-mental Funds
REVENUES:							
Taxes	$ 9,858,781	$ -	$ 2,475,671	$ 1,582,242	$ 1,994,935	$ -	$ 15,911,629
Licenses and permits	60,849	-	-	-	-	-	60,849
Intergovernmental	231,586	-	-	813,511	-	274,413	1,319,510
Fees and fines	466,021	-	-	-	-	-	466,021
Charges for services	113,516	-	-	-	-	398,223	511,739
Other	702,379	-	-	-	43,094	32,965	778,438
Total revenues	11,433,132	-	2,475,671	2,395,753	2,038,029	705,601	19,048,186
EXPENDITURES:							
Current operating:							
General government	3,846,662	-	-	-	-	-	3,846,662
Public safety	3,590,403	-	1,332,637	-	-	552,800	5,475,840
Judicial	1,180,991	-	-	-	-	5,257	1,186,248
Public works	1,885,160	54,908	2,900	1,510,201	-	-	3,453,169
Health and welfare	362,144	-	-	-	2,953,912	-	3,316,056
Culture/recreation	613,465	-	-	-	-	153,009	766,474
Intergovernmental	-	-	467,370	-	-	-	467,370
Debt service:							
Principal	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	169,500	-	169,500
Capital outlays	-	842,888	322,010	-	-	13,772	1,178,670
Total expenditures	11,478,825	897,796	2,124,917	1,510,201	3,123,412	724,838	19,859,989
Excess (deficiency) of revenues over expenditures	(45,693)	(897,796)	350,754	885,552	(1,085,383)	(19,237)	(811,803)
OTHER FINANCING SOURCES (USES):							
Loan proceeds	-	-	-	-	-	-	-
Transfers in (out)	416,525	-	-	(762,000)	-	87,088	(258,387)
Total other financing sources and uses	416,525	-	-	(762,000)	-	87,088	(258,387)
Net change in fund balance	370,832	(897,796)	350,754	123,552	(1,085,383)	67,851	(1,070,190)
FUND BALANCE, beginning	10,660,744	2,188,886	1,332,654	2,050,793	1,795,859	717,904	18,746,840
FUND BALANCE, ending	$ 11,031,576	$ 1,291,090	$ 1,683,408	$ 2,174,345	$ 710,476	$ 785,755	$ 17,676,650

(Continued)

See accompanying notes to the basic financial statements

WASHINGTON COUNTY, GEORGIA, GEORGIA

STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2019

Net change in fund balances - total governmental funds	$ (1,070,190)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Capital outlays	1,318,928
Depreciation	(1,427,022)
	(108,094)
The effect of various capital asset disposals and sales, net of accumulated depreciation	134,446
Governmental funds report pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense:	
Cost of benefits net of employee contributions	(682,047)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	(10,501)
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. Below are the amounts of these differences in treatment of long-term debt:	
Current year amortization of premium	62,291
Current year principal repayments	-
	62,291
Compensated absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds	4,315
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds	11,554
	$ (1,658,226)

See accompanying notes to the basic financial statements

WASHINGTON COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019

	Landfill Enterprise Fund
ASSETS	
CURRENT ASSETS:	
Cash in bank	$ 252,779
Investments	574,960
Accounts receivable, net of allowance	3,252
Total current assets	830,991
LONG-TERM ASSETS:	
Capital Assets:	
Land and improvements	3,497,037
Buildings	48,061
Equipment	994,628
Vehicles	29,018
Construction in progress	-
	4,568,744
Less accumulated depreciation	(963,797)
Total capital assets	3,604,947
Total assets	4,435,938
LIABILITIES	
CURRENT LIABILITIES:	
Accounts payable	56,569
Current portion of note payable	267,375
Compensated absences	2,418
Total current liabilities	326,362
LONG-TERM LIABILITIES:	
Note payable, net of current portion	2,220,080
Closure and post-closure costs	104,453
Total noncurrent liabilities	2,324,533
Total liabilities	2,650,895
NET POSITION	
INVESTMENT IN CAPITAL ASSETS	1,117,492
RESTRICTED FOR CLOSURE AND POST-CLOSURE COSTS	104,453
UNRESTRICTED	563,098
Total net position	$ 1,785,043

See accompanying notes to the basic financial statements

WASHINGTON COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Landfill Enterprise Fund
OPERATING REVENUES:	
Charges for services - landfill use fees	$ 57,805
Residential County garbage fee	604,138
Other	27,160
Total operating revenues	689,103
OPERATING EXPENSES:	
Personal services and employee benefits	58,493
Purchased/contract services	573,551
Supplies	13,285
Depreciation	19,453
Other costs	-
Total operating expenses	664,782
OPERATING INCOME (LOSS)	24,321
NON-OPERATING REVENUES (EXPENSES):	
Interest expense	(34,462)
Investment income (loss)	(8,978)
Interest income	23,792
Total non-operating revenues (expenses)	(19,648)
NET INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	4,673
CAPITAL CONTRIBUTIONS	-
NET INCOME (LOSS) BEFORE TRANSFERS	4,673
TRANSFERS IN (OUT)	258,387
CHANGE IN NET POSITION	263,060
NET POSITION, beginning of year	1,521,983
NET POSITION, end of year	$ 1,785,043

See accompanying notes to the basic financial statements

WASHINGTON COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Landfill Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	$ 697,648
Cash paid to suppliers for goods and services	(761,895)
Cash paid to employees	(58,342)
Net cash provided by (used for) operating activities	(122,589)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Transfer from (to) other funds	258,387
Net cash provided by (used for) noncapital financing activities	258,387
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchase of capital assets	(2,000)
Net cash provided by (used for) capital and related financing activities	(2,000)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest paid	(34,462)
Repayment of long-term debt	(263,897)
Proceeds from long-term debt	-
Interest received	14,814
Net cash provided by (used for) investing activities	(283,545)
NET INCREASE (DECREASE) IN CASH	(149,747)
CASH AND CASH EQUIVALENTS, beginning of year	402,526
CASH AND CASH EQUIVALENTS, end of year	$ 252,779
RECONCILIATION OF NET INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:	
Net operating income (loss)	$ 24,321
Adjustments to reconcile net operating income (loss) to net cash provided by operating activities:	
Cash flows reported in other categories:	
Depreciation expense	19,453
Changes in assets and liabilities:	
Accounts receivable	8,545
Accounts payable	(12,935)
Landfill closure/postclosure care costs	(162,124)
Compensated absences	151
Net cash provided by (used for) operating activities	$ (122,589)

See accompanying notes to the basic financial statements

WASHINGTON COUNTY, GEORGIA
FIDUCIARY FUNDS - AGENCY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2019

	Agency Funds
ASSETS:	
Cash in bank	$ 208,383
Property taxes receivable	216,750
Other receivables	1,146
Total assets	$ 426,279
LIABILITIES:	
Due to others	$ 209,529
Due to other governments	216,750
Total liabilities	$ 426,279

See accompanying notes to the basic financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The financial statements of Washington County (the "County") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to government units. As required by GAAP, these financial statements present the County and its component units, entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the County's operations and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize they are legally separate from the County.

Included as blended component units because they are, in substance, part of the County's operation:

> Washington County Recreation Commission - The Recreation Commission was created by a resolution of the Washington County Board of Commissioners on June 9, 1977, under provisions of Act. No. 622 of the Georgia Municipal law as approved February 1, 1946, to operate through a full time staff a county-wide recreation program. The County has one representative on the Recreation Commission board, acts as a conduit for funds contributed by both the County and cities within Washington County for operation of the Recreation Commission and pays directly salaries of its full-time employees. The Commission does not issue financial statements separate from the County.

Included as a discretely presented component unit in a separate column in the government-wide financial statements to emphasize it is legally separate from the County:

> Washington County Health Department - The financial operations of the Washington County Health Department (the Department) are presented as a governmental fund type. The County appoints four of the seven Department board members, funds a portion of the Department's budget, and can approve environmental health service fees charged by the Department. Another auditor, whose report was unmodified, audited the Health Department's financial statements. Complete financial statements may be obtained at 201 Morningside Drive, Sandersville, Georgia 31082.
>
> Washington County Development Authority - The Development Authority's purpose is to promote trade, commerce, industry and employment opportunities in the County. The County appoints the Board members. Complete financial statements can be obtained from the Washington County Clerk at 119 Jones Street, Sandersville, Georgia 31082.

Washington County Public Facilities Authority - The Public Facilities Authority's purpose is to promote trade, commerce, industry and employment opportunities in the County. The County appoints the Board members. Complete financial statements can be obtained from the Washington County Clerk at 119 Jones Street, Sandersville, Georgia 31082.

Excluded from the reporting entity:

Because they are operated as agencies controlled and/or funded by other government agencies, the Washington County Board of Education, the Washington County Library and the Department of Family and Children Services are not included in the County's reporting entity.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the County (the primary government) and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the County is reported separately from certain legally separate component units for which the County is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The County has elected not to allocate indirect costs among the programs, functions and segments. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions 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 as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. 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 are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, including accrued interest on general long-term debt, is recognized when due, and certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Those revenues susceptible to accrual are property taxes, interest, and charges for services. Other receipts and taxes become measurable and available when cash is received by the County and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The County reports the following major governmental funds:

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

The Capital Projects Fund (SPLOST 2009) accounts for capital outlay and other transactions related to the additional one-percent local option sales tax in effect for the period January 1, 2010 to December 31, 2014.

The Capital Projects Fund (SPLOST 2014) accounts for capital outlay and other transactions related to the additional one-percent local option sales tax in effect for the period October 1, 2014 to September 30, 2020.

The Transportation Special Revenue Fund accounts for capital outlay and other transportation improvements related to the additional one-percent local option sales tax in effect for the period January 1, 2013 to December 31, 2022.

The 2016 General Obligation Bonds Debt Service Fund accounts for the accumulation of financial resources for the payment of principal and interest on the 2016 General Obligation Bonds.

The County reports the following major proprietary fund:

The Landfill Fund is used to account for the provision of solid waste disposal services to businesses and residents of the County. All activities necessary to provide such services are accounted for in the fund, including but not limited to, administration, operation, financing and related debt services, and billing and collections.

Additionally, the County reports the following fund type:

> Fiduciary funds account for assets held by the County in a trustee capacity or as an agent on behalf of others. The County's fiduciary funds include the following fund type:
>
> > Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. The funds are used to account for assets that the County holds for others in an agency capacity.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's proprietary funds are charges to customers for sales and services; operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Cash 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.

Georgia law authorizes the County to invest in the following type of obligations:

- Obligations of the State of Georgia or of any other states
- Obligations of the United States Government
- Obligations fully insured or guaranteed by the government or governmental agency
- Obligations of any corporation of the government
- Prime bankers' acceptances
- The State of Georgia local government investment pool (i.e., Georgia Fund I)
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

Any investment or deposit in excess of the Federal Deposit Insurance Corporation (FDIC) insured amount must be secured by 110% of an equivalent amount of State or U.S. obligations.

E. Inventory

Inventory is valued at cost, which approximates market, using the first-in/first-out method. The cost of governmental fund-type inventory is recorded as an expenditure when consumed rather than when purchased.

Materials purchased in the proprietary fund are expensed as purchased and are not inventoried at year end due to lack of materiality.

F. Prepaid Items

Prepaid balances, if any, are for payments made by the County in the current year to provide services occurring in the subsequent fiscal year, and a reserve for prepaid items is recognized to signify that a portion of fund balance is not available for other subsequent expenditures.

G. Capital Assets and Depreciation

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an estimated useful life in excess of two years and an original cost of $2,000 or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Beginning July 1, 2002, GASBS No. 34 required the County to report and depreciate all new governmental funds' infrastructure assets. GASBS No. 34 also required governments to retroactively report infrastructure assets constructed between 1980 and 2002. This retroactive reporting is subject to an extended implementation period and is first effective for the County for the year ended June 30, 2008. Accordingly, the County fully implemented the retroactive infrastructure provisions in the fiscal year ending June 30, 2008. Infrastructure assets totaling $0 were completed during the year ended June 30, 2019. At June 30, 2019, $1,161,101 of construction-in-progress was related to infrastructure assets.

The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend assets lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction period of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. During the year ended June 30, 2019, interest expense incurred by the County's business-type activities was $34,462. Of this amount, none was applicable to construction of capital assets.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows

Buildings	30-40 Years
Depreciable land improvements	8 - 20 years
Equipment	5 - 25 years
Infrastructure	50 - 60 years

H. Compensated Absences

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

Full time employees of the Washington County Health Department (the "Department") earn leave time, which may either be taken or accumulated until paid upon termination or retirement. Unused leave time may be accumulated to a specific maximum amount and is paid upon termination, retirement or death to Department employees. In accordance with generally accepted accounting principles as applicable to the Department, an accrual for compensated absences is reflected in the accompanying general purpose financial statements as liability for compensated absences.

I. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, 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 reported as deferred charged and amortized over the term of the related debt.

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 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.

J. Equity Classifications

The County has implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. This new standard changed the overall definitions and classifications of governmental fund balances.

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund Balance

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

Nonspendable - Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e. items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

Restricted - Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Committed - Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the County Commissioners through the adoption of a resolution. Only the County Commissioners may modify or rescind the commitment.

Assigned - Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the County Commissioners have authorized the County Clerk to assign fund balances.

Unassigned - Fund balances are reported as unassigned when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the General Fund. Negative unassigned balances may be reported in all funds.

The County uses restricted amounts to be spent first when both restricted and unrestricted fund balances are available, unless there are legal documents/contracts that prohibit the use of restricted fund balances, such as grant agreements that require a dollar match. Additionally, the County would then use committed, assigned and lastly unassigned amounts from the unrestricted fund balance when expending funds.

The County does not have a formal minimum fund balance policy; however, the County Commissioners address various target reserve positions which are reviewed periodically.

Net Position

Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position – All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

K. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly chargeable to another fund, are recorded as expenditures/ expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Basis

GAAP is the budgetary basis used in the preparation of these statements.

Budget Requirements, Accounting and Reporting

The County follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to year end the County Administrator submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. The Board of Commissioners holds a public hearing on the budget, giving notice thereof at least ten days in advance by publication in the official organ of Washington County.
3. The budget is then revised and adopted or amended by the Board of Commissioners at a regular meeting early in the year to which it applies.

4. The budget so adopted may be revised during the year only by formal action of the Board of Commissioners in a regular meeting and no increase shall be made therein without provision also being made for financing same.
5. The legal level of budgetary control is the department level within the General Fund. Increases in the total appropriations of a department, whether accomplished through an increase in estimated revenues or through a transfer of appropriations among departments, require the approval of the Board of Commissioners.
6. Formal budgetary integration is employed as a management control device during the year for the General Fund. The budgets for the General Fund and Special Revenue Funds are adopted on a basis consistent with GAAP.
7. Budgeted amounts are as originally adopted, or as amended by the Board of Commissioners. Individual amendments were not material in relation to the original appropriations which were amended.

Excesses of Expenditures over Appropriations in Individual Funds

	Final Budget	Actual Expenditures	Excess
Major Funds:			
General Fund:			
Public safety	$3,447,000	$3,464,923	$ 17,923

3. DEPOSITS AND INVESTMENTS

Primary Government

Deposits - Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County limits its exposure to custodial credit risk by requiring deposits to be collateralized in accordance with State law. The County does not have a deposit policy for custodial credit risk. As of June 30, 2019, none of the County's $10,193,985 was exposed to custodial credit risk.

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 increased interest rates.

Credit Risk - Statutes authorize the County to invest in obligations of the State of Georgia, other states, or the United States Government; obligations fully insured or guaranteed by the United Sates Government or an agency or corporation of the United States Government; and/or repurchase agreements and certificates of deposit which are secured by direct obligations of Georgia or the investments in US Agencies (Federal Home Loan Bank) are rated AAA by Standard and Poor's and AAA by Moody's Investors Service.

Custodial Credit Risk - For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County had no policy on custodial credit risk. As of June 30, 2019, all of the deposits of the County were properly insured and collateralized as required by the Official Code of Georgia Annotated (OCGA) Section 45-8-12I and as defined by GASB pronouncements.

Concentration of Credit Risk - The County places no limit on the amount that the County may invest in any one issuer.

Investments - At June 30, 2019, the County had the following investments and maturities.

Investment	Maturities	Fair Value
Federal Home Loan Bank	9/13/2019	$ 1,004,450
Federal Home Loan Bank	10/01/2020	1,008,573
US Treasury Notes	6/30/2021	705,032
Freddie Mac	1/13/2022	1,014,774
Federal Home Loan Bank	06/10/2022	574,960
US Treasury Notes	02/15/2020	1,183,891
Federal Farm Credit Bank	04/11/2023	1,000,017
Federal Farm Credit Bank	01/11/2038	1,000,006
		$ 7,491,703

Investments - Discretely Presented Component Unit

The Washington County Board of Health participates in the Georgia Fund I Investment Pool. As of June 30, 2019, the Board of Health had $848,827 invested in the pool which carries a credit rating of AAAf with a weighted average maturity of 39 days.

4. PROPERTY TAXES

The value of all real and business personal property located in the County is assessed (appraised) as of each January 1. Taxable assessed value represents the appraisal value less applicable exemptions authorized by the County Commissioners. Appraised values are established by the Washington County Tax Assessors at 40% of estimated fair market value. Taxes were levied when the mileage rate was set on or about September 3, 2017. Taxes were billed on or about September 21, 2017 and were due December 10, 2017 after which date penalties and interest were assessed. Property on which taxes are not paid within 60 days of mailing may then be levied on by the County. Current tax collections for the years ended June 30, 2019, were 99.1% of the tax levy.

Property taxes are recorded as receivables and deferred at the time the tax levy is billed. Revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible within sixty days following the close of the fiscal year, and therefore susceptible to accrual in accordance with GAAP have been recognized as revenue.

The County is subject to tax abatements granted by the Development Authority of Washington County for the purpose of economic development and revitalization of the employment in the area.

For the year ended June 30, 2019, the County had the following property tax abatements:

- Trojan Battery has a 100% property tax abatement on the first $10,000,000 of personal property. The abatement began in 2013 and expires in 2020. The property tax reduction totaled $71,879 for the fiscal year ended June 30, 2019.

- Azalea Solar has a 100% property tax abatement on personal property which began in 2013 and expires in 2019. The property tax reduction totaled $70,153 for the fiscal year ended June 30, 2019.

- AL Sandersville has a 1% abatement on the fair market value of its buildings and personal property. The abatement phases out in 2022. The property tax reduction totaled $2,987 for fiscal year ended June 30, 2019.

5. ACCOUNTS RECEIVABLE

At June 30, 2019, accounts receivable consisted of the following:

	Governmental Activities	Business-type Activities	Total
General Fund:			
Property tax	$ 86,206	$ -	$ 86,206
Local option sales tax	225,891	-	225,891
Miscellaneous	209,895	-	209,895
2016 GO Bond Debt Service Fund:			
Property tax	10,300	-	10,300
Capital Projects Fund (2014):			
Special local option sales tax	204,405	-	204,405
Transportation Fund:			
Special local option sales tax	128,938	-	128,938
Emergency 911 Telephone Fund:			
Intergovernmental	30,236	-	30,236
DATE Fund:			
Intergovernmental	1,000	-	1,000
Law Library Fund:			
Intergovernmental	942	-	942
Landfill Fund:			
Landfill fees	-	3,252	3,252
	897,813	3,252	901,065
Allowance for doubtful accounts	(8,724)	-	(8,724)
	$ 889,089	$ 3,252	$ 892,341

6. CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Not being depreciated:				
Land	$ 1,118,084	$ -	$ -	$ 1,118,084
Construction-in-progress	565,467	842,888	-	1,408,355
Subtotal	1,683,551	842,888	-	2,526,439
Other capital assets:				
Infrastructure	19,447,555	-	-	19,447,555
Buildings & land improvements	16,718,470	2,405	-	16,720,875
Equipment	9,270,619	630,642	(571,240)	9,330,021
Subtotal	47,120,195	1,475,935	(571,240)	48,024,890
Accumulated depreciation:				
Infrastructure	7,329,329	447,225	-	7,776,554
Buildings & land improvements	5,207,176	420,246	-	5,627,422
Equipment	5,209,536	559,551	(548,679)	5,220,408
Subtotal	17,746,041	1,427,022	(548,679)	18,624,384
Net capital assets	$ 29,374,154	$ 48,913	$ (22,561)	$ 29,400,506
Business-type activities:				
Not being depreciated:				
Land	$ 3,495,037	$ 2,000	$ -	$ 3,497,037
Construction-in-progress	-	-	-	-
Subtotal	3,495,037	2,000	-	3,497,037
Other capital assets:				
Buildings & land improvements	48,061	-	-	48,061
Equipment	1,023,646	-		1,023,646
Subtotal	4,566,744	2,000	-	4,568,744
Accumulated depreciation:				
Buildings & land improvements	28,303	1,581		29,884
Equipment	916,041	17,872		933,913
Subtotal	944,344	19,453	-	963,797
Net capital assets	$ 3,622,400	$ (17,453)	$ -	$ 3,604,947

Depreciation was charged to functions as follows:

Governmental activities:	
General government	$ 322,164
Judicial	4,166
Public safety	260,413
Public works	718,243
Health and welfare	31,838
Culture/recreation	90,198
	$ 1,427,022

7. CHANGES IN GENERAL CAPITAL ASSETS - DISCRETELY PRESENTED COMPONENT UNIT

Changes in equipment of the Washington County Health Department are detailed below:

	Balance June 30, 2018	Increases	Decreases	Balance June 30, 2019
Capital assets being depreciated:				
Equipment	$ 112,186	$ 6,037	$ -	$ 118,223
Less accumulated depreciation	(94,895)	(8,398)	-	(103,293)
Net capital assets	$ 17,291	$ (2,361)	$ -	$ 14,930

Changes in equipment of the Washington County Development Authority are detailed below:

Not being depreciated:				
Land	$ 1,354,486	$ 8,000	$ (22,500)	$ 1,339,986
Construction in progress	-	-	-	-
Subtotal	1,354,486	8,000	(22,500)	1,354,486
Depreciable capital assets:				
Buildings	18,870,875	13,094	-	18,883,969
Equipment	18,037	-	-	18,037
Subtotal	18,888,912	13,094	-	18,902,006
Accumulated depreciation:				
Buildings	4,984,951	479,769	-	5,464,720
Equipment	1,383	1,804	-	3,187
Subtotal	4,986,334	481,573	-	5,467,907
Net capital assets	$15,257,064	$ (460,479)	$ (22,500)	$14,774,085

Changes in equipment of the Washington County Public Facilities Authority are detailed below:

Not being depreciated:				
Land	$ 55,300	$ -	$ -	$ 55,300
Construction in process	-	-	-	-
Subtotal	55,300	-	-	55,300
Depreciable capital assets:				
Buildings	20,863,582	-	-	20,863,582
Equipment	273,440	-	-	273,440
Subtotal	21,137,022	-	-	21,137,022
Accumulated depreciation:				
Buildings	1,406,666	521,590	-	1,928,256
Equipment	33,940	22,697	-	56,637
Subtotal	1,440,606	544,287	-	1,984,893
Net capital assets	$19,751,716	$ (544,287)	$ -	$19,207,429

8. LONG-TERM LIABILITIES

A. General Obligation Bonds Series 2016 – serviced by property taxes dedicated for debt service

On November 1, 2016, the County issued the $5,255,000 Washington County, Georgia, General Obligation Bonds, Series 2016, with interest rates ranging between 2.0% and 4.0%. The Series 2016 Bonds were issued to provide funds for capital improvements to the Washington County Hospital Authority. Interest on the Series 2016 bonds is to be paid semiannually on February 1 and August 1 and principal is due beginning in 2024.

The annual principal and interest requirements for the County's outstanding General Obligation Bonds, Series 2016, are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	$ -	$ 169,500	$ 169,500
2021	-	169,500	169,500
2022	-	169,500	169,500
2023	-	169,500	169,500
2024	85,000	169,500	254,500
2025 - 2027	5,170,000	361,000	5,531,000
	$ 5,255,000	$1,208,500	$ 6,463,500

B. Landfill Fund – GEFA Loan

On September 8, 2016, the County secured a $2,795,000 loan from the Georgia Environmental Finance Authority (GEFA) to finance a portion of the closure costs of the County's landfill. The note bears interest at 1.31% and is scheduled to be repaid over 10 years in monthly principal and interest payments which began March 2019

The annual principal and interest requirements for the County's outstanding GEFA loan balance are as follows:

Year Ending June 30,	Principal	Interest	Total
2020	$ 267,375	$ 30,984	$ 298,359
2021	270,899	27,460	298,359
2022	274,469	23,890	298,359
2023	278,086	20,273	298,359
2024	281,751	16,608	298,359
2025 - 2028	1,114,875	28,839	1,143,714
	$ 2,487,455	$ 148,054	$ 2,635,509

Following is a summary of changes in long-term liabilities for the year ended June 30, 2019:

	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Amount Due in One Year
Governmental type activities:					
GO Bonds payable	$ 5,255,000	$ -	$ -	$ 5,255,000	$ -
Net pension liability	3,839,197	1,681,160	-	5,520,357	-
Net OPEB liability	2,767,753	-	(68,828)	2,698,925	
Compensated absences	116,842		(4,315)	112,527	112,527
Bond issuance premium	560,619	-	(62,291)	498,328	-
Total long-term liabilities	$12,539,411	$1,681,160	$ (135,434)	$14,085,137	$112,527
Business type activities:					
GEFA Note payable	$ 2,751,352	$ -	$ (263,897)	$ 2,487,455	$ 267,375
Compensated absences	2,267	151	-	2,418	2,418
	$ 2,753,619	$ 151	$ (263,897)	$ 2,489,873	$ 269,793
Discretely presented component unit: Health Department					
Net pension liability	$ 491,665	$ 35,369	$ -	$ 527,034	$ -
Net OPEB liability	404,502	-	(156,371)	248,131	-
Compensated absences	61,417	37,873	(35,314)	63,976	-
Total long-term liabilities	$ 957,584	$ 73,242	$ (191,685)	$ 839,141	$ -
Discretely presented component unit - Development Authority:					
Revenue bonds	$9,468,219	$ -	$ (452,990)	$ 9,015,229	$ 486,244
Discretely presented component unit - Public Facilities Authority:					
Revenue Bonds	$ 2,768,672	$ -	$ (194,317)	$ 2,574,355	$ 201,363
2013 Series Bonds	14,480,000	-	(760,000)	13,720,000	775,000
	17,248,672	-	(954,317)	16,294,355	976,363
Less: Unamortized discount	72,043	-	(898)	71,145	-
	$17,176,629	$ -	$ (953,419)	$16,223,210	$ 976,363

Bonds payable, net pension liability, net OPEB liability, and compensated absences are generally liquidated by the General Fund.

9. CLOSURE AND POST-CLOSURE COSTS

Following is a summary of changes in closure and post-closure accrued costs for the year ended June 30, 2019:

	Balance June 30, 2018	Increases	Retirements	Adjustments	Balance June 30, 2019	Amount Due Within One Year
Business-type Activities:						
Fund closure and post- closure accrued costs	$ 189,719	$ -	$ (85,266)	$ -	$ 104,453	$ -

10. SEGMENT INFORMATION - ENTERPRISE FUNDS

The County maintains only one Enterprise Fund, the Landfill Fund; therefore segment reporting is not applicable.

11. FUND DEFICITS

No fund had a deficit fund balance or net asset balance at June 30, 2019.

12. INTERFUND TRANSACTIONS AND BALANCES

Transfers for the year ended June 30, 2019 consisted of the following:

	Transfers From	
	General Fund	Transportation Fund
Transfers to:		
E911 Fund	$ 87,088	$ -
Landfill Fund	258,387	-
General Fund	-	$ 762,000
	$ 345,475	$ 762,000

Transfers are used to move unrestricted revenue to finance various programs that the government must account for in other funds in accordance with budgetary authorizations.

Balances due to/from other funds at June 30, 2019, consist of the following -

	Due From	Due To
2016 GO Bonds Debt Service Fund	$ 1,000,000	$ -
General Fund	-	1,000,000
	$ 1,000,000	$ 1,000,000

The outstanding balances due to the General Fund result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

All amounts due to the General Fund are expected to be repaid during fiscal year 2020.

13. CONTINGENT LIABILITIES - LITIGATION

Amounts expended or payable from federal grantor agencies are subject to audit and adjustment. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

Various claims and lawsuits are pending against the County. In the opinion of County management, after consultation with legal counsel, the potential loss on all claims and lawsuits will not materially effect the County's financial position.

The County and the City of Sandersville are equal guarantors on a Washington County Development Authority $2,300,000 revenue bond for purchase of an industrial building, in the event the Authority has insufficient funds to service the debt.

The County and the City of Sandersville are equal guarantors on a Washington County Development Authority $7,342,000 revenue bond for purchase of an industrial building, in the event the Authority has insufficient funds to service the debt.

The County is the guarantor on a Washington County Development Authority $1,978,000 revenue bond for purchase of an industrial building, in the event the Authority has insufficient funds to service the debt.

The County and the City of Sandersville are equal guarantors on a Washington County Public Facilities Authority $3,612,000 revenue bond for purchase of an industrial building, in the event the Authority has insufficient funds to service the debt.

The County is the guarantor on a Washington County Public Facilities Authority $16,690,000 revenue bond for construction of a new jail, in the event the Authority has insufficient funds to service the debt. Repayment of the bonds is being funded for the first six years by a 1% special local option sales tax.

14. RETIREMENT BENEFITS

The following pension and retirement plans are in effect but are not under the direct control of the County:

Probate Judge's Retirement Fund of Georgia

The Probate Judge is covered under a pension plan which requires that certain sums from marriage licenses and fines or bond forfeitures be remitted to the pension plan before the payment of any costs or other claims.

Clerk of Superior Court Retirement Fund

The Clerk of Superior Court is covered under a pension plan which requires that certain sums from fees and fines or bond forfeitures be remitted to the pension plan before the payment of any costs or other claims.

Sheriff's Retirement Fund/Peace Officer's Annuity and Benefit Fund

The Sheriff and sheriff deputies are covered under separate pension plans which require that certain sums from fines or bond forfeitures be remitted by the Probate Judge or Clerk of Superior Court to the pension plan before the payment of any costs or other claims.

Defined Contribution Plan

The County and its qualified employees participate in the Washington County Defined Contribution Plan, a defined contribution pension plan, in accordance with Section 401(a) of the Internal Revenue Code. GEBCorp serves as the plan administrator, and acts as the public plan sponsor for employees participating in the 401(a) retirement plan of the County with the responsibility to obtain investment alternatives and services for employees participating in the plan. GEBCorp provides at least 16 investment options covering a variety of asset classes ranging from aggressive growth equity mutual funds to bond mutual funds to stable value and money market funds. Full-time employees and certain elected officials, as provided by the Plan, who are hired or rehired after October 11, 2011, are eligible to participate. The County will contribute an amount equal to 3% of compensation, and participants are required to make a mandatory contribution equal to 3% of compensation the Plan. The County will make an additional matching contribution equal to 50% of the first 6% of an employee's contribution the 457(b) Deferred Compensation Plan (up to a maximum of an additional 3% from the County).

During the year ended June 30, 2019, the County contributed $70,244, and employees contributed $55,952 to the defined contribution plan.

Deferred Compensation Plan

The County has adopted a deferred compensation plan, the Washington County Deferred Compensation Plan, in accordance with Section 457 of the Internal Revenue Code. The plan allows any employee participant to defer gross compensation in an amount not to exceed $18,000 per year. Any employee participant who reaches age 50 before the end of the calendar year is eligible to contribute an additional amount not to exceed $6,000 per year. All administration costs of the plan are deducted from the participants' accounts. Benefit payments are payable upon termination of employment, unforeseeable emergency, retirement or death. The Custodial Account Agreement requires the County to set aside assets and income from the plan in trust for exclusive benefit of the participants and their beneficiaries. The County is in compliance with the agreement.

The County believes that it has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor.
Investments are managed by the Plan Administrator, GEBCorp. GEBCorp provides at least 16 investment options covering a variety of asset classes ranging from aggressive growth equity mutual funds to bond mutual funds to stable value and money market funds. Employees can invest in one or all of the funds.
For the year ended June 30, 2019, employees contributed $32,470 to the deferred compensation plan. No other contributions are made to the plan.

Defined Benefit Pension Plan

The following information is as of December 31, 2018, the most recent year end of the described benefit pension plan.

A. Plan Description

The County contributes to the Association County Commissioners of Georgia (ACCG) Defined Benefit Plan (Plan), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agency for participating counties in Georgia.

The specific benefit provisions of the County's plan were established by an adoption agreement executed by the County Board of Commissioners. The plan provides for benefits upon retirement, death, disablement, and termination of employment, if certain eligibility conditions are met.

The County's payroll for employees participating in the Plan as of January 1, 2018, the date of the latest actuarial valuation study, was $1,982,754 (based on W-2 earnings for the preceding year). All full-time County employees are eligible to participate in the Plan on the January 1st that coincides with or follows the date the employee completes six months of service. Employees with a date of hire or a date of rehire on or after October 1, 2011 shall not be permitted to enter or reenter the plan. Benefits are fully vested after five years of service. Participants become eligible to retire at age 65 with five years of participation in the Plan.

Upon eligibility to retire, participants are entitled to an annual benefit in the amount of 2.25% of average annual compensation plus $250 multiplied by years of service payable as a life annuity. Compensation is calculated as the highest average of the participant's compensation over five consecutive plan years during the ten plan years preceding retirement or termination. The Plan also provides benefits in the event of death or disability. These benefit provisions were established by an adoption agreement executed by the County Board of Commissioners.

ACCG issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by writing to GEBCorp, 400 Galleria Parkway, Suite 1250, Atlanta, Georgia 30339 or by calling (800) 736-7166.

Plan membership data related to the current plan membership at January 1, 2019, was as follows:

Retirees and beneficiaries currently receiving benefits	52
Terminated employees entitled to benefits but not yet receiving them	21
Active employees participating in the Plan:	48
Total number of Plan participants	121

B. Summary of Significant Accounting Policies

The Plan's financial statements are prepared on an accrual basis, modified to include unrealized gains or losses on marketable securities owned by the Plan.

Plan member contributions are recognized in the period in which contributions are due. County contributions are recognized when due and the County has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable.

Investments in securities are valued at current market prices. The trust fund is invested, approximately, in 70% equities and 30% fixed income securities on a cost basis. The trustees shall rebalance the portfolio at least annually for asset allocation purposes.

Plan assets do not include any loans, notes, bonds, or other instruments or securities of the County or related parties.

C. Contributions

The County is required to contribute at an actuarially determined rate. Section 47-20 of the Georgia Code sets forth minimum funding standards for state and local governmental pension plans. Administrative expenses are based on total covered compensation of active plan participants and are added to the state-required annual funding requirement.

County employees are required to contribute 7% of pay to the Plan. The annual County contribution to the Plan is determined using actuarial methods and assumptions approved by the ACCG Plan trustees and must satisfy the minimum contribution requirement contained in the State of Georgia Statute 47-20. The required contribution for the 2018 plan year was $562,273. This amount represents 28.4% of covered payroll.

The Georgia Constitution enables the governing authority of the County, the Board of Commissioners, to establish and amend from time-to-time, the contribution rates for the County and its plan participants.

D. Actuarial Methods and Assumptions

Valuation date	January 1, 2018
Mortality rates	RP-2000 projected with Scale AA to 2018
Actuarial cost method	Entry age method
Asset valuation method	Five-year smoothed market
Investment rate of return	7.25% per annum
Projected salary increases	3.0% - 5.0% per annum
Inflation	3.0%
Cost of Living Adjustment	N/A

The actuarial assumptions used in the January 1, 2018 valuation were based on the results of a February 2019 actuarial experience study.

E. Changes in the Net Pension Liability

	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2017	$ 15,746,397	$ 11,907,200	$ 3,839,197
Changes for the year:			
Service cost	217,894	-	217,894
Interest	1,113,033	-	1,113,033
Liability experience (gain)/loss	(303,001)	-	(303,001)
Assumption change	861,233	-	861,233
Employer contributions	-	651,107	(651,107)
Employee contributions	-	153,530	(153,530)
Net investment income	-	(511,857)	511,857
Benefit payments	(788,446)	(788,446)	-
Administrative expense	-	(15,601)	15,601
Other	-	(69,180)	69,180
Net changes	1,100,713	(580,447)	1,681,160
Balances at December 31, 2018	$ 16,847,110	$ 11,326,753	$ 5,520,357

F. Discount Rate

The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

G. Sensitivity Analysis for the Measurement Period Ended December 31, 2018

The following presents the County's net pension liability calculated using the discount rate of 7.0%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.0%) and 1-percentage point higher (8.0%) than the current rate:

	6.0%	7.0%	8.0%
Total Pension Liability	$ 18,627,296	$ 16,847,110	$ 15,323,182
Fiduciary Net Position	$ 11,326,753	$ 11,326,753	$ 11,326,753
Net Pension Liability	$ 7,300,543	$ 5,520,357	$ 3,996,429

H. Summary of Net Deferred Outflows and Inflows of Resources

At June 30, 2019 the County reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between expected and actual earnings on pension plan investments	$ 1,297,622	$ (489,631)
Differences in expected and actual experience	110,073	(181,801)
(Gain)/Loss due to Assumption change	580,137	-
Net position restricted for pensions	$ 1,987,832	$ (671,432)

The net amount of the County's balances of deferred outflows and inflows that will be recognized in the County's pension expense is as follows:

Year ending June 30:	
2020	$ 329,100
2021	329,100
2022	329,100
2023	329,100
	$ 1,316,400

I. Pension Expense for the Measurement Period Ended December 31, 2018

Service cost	$ 217,894
Interest on TPL	1,113,033
Amortization of:	
Liability experience (gain)/loss	110,031
Change in assumption	567,723
Asset (gain)/loss	278,471
Employee contributions	(153,530)
Projected earnings on plan investments	(833,494)
Administrative expense	15,601
Other change in FNP	17,424
Total expense	$ 1,333,153

J. Asset Allocation Policy

The Trustees rebalance the the portfolio at least annually for asset allocation purposes. The guidelines for allocations are: equities shall not exceed 70% of total Plan assets, valued at cost. Fixed Income shall be targeted at 30% of total Plan assets, valued at cost.

The long-term expected rate of return on pension plan investments was determined through a blend of using a building blocks approach based on 20-year benchmarks (33.33%) and 30-year benchmarks (33.33%), as well as the forward-looking capital market assumptions for a moderate asset allocation (33.33%), as determined by UBS. Expected future rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2018, are summarized as follows:

	Target Allocation	Range
Fixed Income	30%	25% - 35%
Large Cap equity	30%	25% - 35%
International equity	15%	2.5% - 10%
Other equity	20%	2.5% - 10%
Real estate	5%	2.5% - 10%
	100%	

15. LANDFILL CLOSURE AND POSTCLOSURE COSTS

The County opened a new solid waste landfill in December 1993. State and federal regulations will require the County to place a final cover on the landfill 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 the landfill stops accepting waste, the County will report a portion of these closure and postclosure care costs as an expenditure in each period based on landfill capacity used as of each balance sheet date.

The County stopped receiving waste in the landfill in April 2016. The closure and post-closure accrual at June 30, 2015 was $1,422,194. At June 30, 2016, the State's estimated total accrual was $3,629,147. Therefore, the remaining $2,206,953 was accrued to reflect the total estimated closure and post-closure costs in the County's financial statements during the year ended June 30, 2016. During 2019, the County completed the closure process and spent $85,266 toward closure costs.

16. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors of omissions, job related illnesses or injuries to employees; natural disaster; and unemployment compensation.

The County is a member of Association County Commissioners of Georgia Interlocal Risk Management Agency (ACCG-IRMA), through which it shares liability, crime, motor vehicles and property damage risks. Coverages are as follows:

Property:	
Building and contents	$44,366,980
Automobile physical damage and mobile equipment	Per Schedule on File with ACCG-IRMA
Casualty:	
Comprehensive general liability and law enforcement liability	$3,000,000
Automobile liability	$3,000,000
Public officials error and omission liability	$3,000,000
Employee benefits liability	$3,000,000
Crime:	
Blanket bond	Per State Law or Local Ordinance
Depositors forgery	$ 150,000
Money and securities (inside and outside premises)	$ 150,000 each
Deductible:	
Per occurrence or claim	$ 25,000
Coverage Exceptions:	
Retroactive date to which coverage exception are subject	January 12, 1988

The Association County Commissioners of Georgia Interlocal Risk Management was created pursuant to Chapter 85 of Title 36 of the Official Code of Georgia Annotated to function as an unincorporated nonprofit instrumentality of its member counties. ACCG-IRMA was established to administer one or more group self insurance funds and a risk management service to prevent or lessen the incidence and severity of casualty and property losses occurring in the operation of county governments. It also exists to defend and protect, in accordance with each member government contract, ACCG-IRMA members against liability or loss.

The County is obligated as follows under the intergovernmental contract of ACCG-IRMA:

- To participate at all times in at least one Fund which is established by the Board
- To pay all contributions, assessments or other sums due to ACCG-IRMA at such times and in such amounts as shall be established by the Board
- To select a person to serve as a Member representative
- To allow the Board and its agents reasonable access to all facilities of the Member and all records, including but not limited to financial records, which relate to the purposes of ACCG-IRMA
- To allow attorneys appointed by ACCG-IRMA to represent the Member in investigation, settlement discussions and all levels of litigation arising out of any claim made against a Member within the scope of loss protection furnished by the Fund or Funds established by ACCG-IRMA
- To assist and cooperate in the defense and settlement of claims against the Member
- To furnish full cooperation to ACCG-IRMA's attorneys, claims adjusters, Service Company, and any agent, employee, officer or independent contractor of ACCG-IRMA relating to the purposes of ACCG-IRMA
- To follow all loss reduction and prevention procedures established by ACCG-IRMA
- To furnish to ACCG-IRMA such budget, operating and underwriting information as may be requested by the Board
- To report as promptly as possible, and in accordance with any Coverage Descriptions issued, all incidents which could result in ACCG-IRMA or any Fund established by ACCG-IRMA being required to pay claim for loss or injuries to municipal property or injuries to persons or property when such loss or injury is within the scope of the protection of a Fund or Funds in which the Member participates

The County retains the first $25,000 of each risk of loss in the form of a deductible. The County files all claims with ACCG-IRMA who then bills the County for any risk loss up to the $25,000 deductible.

The basis for estimating the liabilities for unpaid claims is "IBNR" established by an actuary.

The County has not compiled a record of the claims paid up to the applicable deductible for the current fiscal year. The County is aware of no claims which the County is liable for (up to the applicable deductible) which were outstanding and unpaid at June 30, 2019. No provision has been made in the financial statements for the year ended June 30, 2019, for any estimate of potential unpaid claims.

The County is self-insured with regard to unemployment compensation claims. The County accounts for claims with expenditures and liabilities being reported when it is probable that a loss has occurred, and the amount of that loss can be reasonably estimated.

For its workers' compensation coverage, the County is a participant in the Association County Commissioners Self-Insurance Fund (the Fund), a public entity risk pool operated for the benefit of county government units located in Georgia. The County's General Fund pays an annual premium to the Fund for this coverage. The Fund provides excess insurance coverage for protection of members against excess losses and initial excess coverage is statutory specific and unlimited aggregate accounts. Government members of the Fund are jointly and severally liable for claims not covered by the Fund.

17. OTHER POSTEMPLOYMENT BENEFITS

In accordance with GASB 75 requirements, the County is required to attribute the cost of postretirement benefits to the time during which the employee is working for the employer. GASB 75 requires allocation of the costs of a postretirement benefit plan onto the years of active employment; it does note require the funding of such benefits. GASB 75 requirements have been implemented by the County for the year ended June 30, 2019. The County has elected not to establish a separate trust fund to account for other post-employment benefits, and has not funded the plan as of June 30, 2019.

The County provides postretirement health care benefits, as per the requirements of a resolution for certain retirees. The provisions and obligations to contribute are established and may be amended by the Washington County Board of Commissioners. To be eligible to continue in the County's Group Health Insurance Plan, an employee of elected official has to have participated in the County's Health Insurance Program for at least sixteen years prior to retirement. The County will pay the total premium cost of the first year after retirement. The retiree must then begin paying his/her share of the premium cost at the beginning of the second year of retirement. As the premiums increase, the retiree's portion of the premium is expected to remain unchanged. These postretirement benefits are funded on a pay-as-you-go basis. In 2019, the net cost of premiums for providing postretirement benefits for retirees was $106,864.

Total OPEB Liability

The County's total OPEB liability of $2,698,925 was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs

The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.0%
Real wage growth	0.00%
Wage inflation	3.00%
Salary increases, including wage inflation	3.00% - 5.50%
Municipal Bond Index Rate:	
Prior measurement date	3.56%
Measurement date	3.87%
Health Care Cost Trends:	
Pre-Medicare	7.50% for 2017 decreasing to an ultimate rate of 5.00% by 2023
Medicare	5.50% for 2017 decreasing to an ultimate rate of 5.00% by 2020

The discount rate used to measure the TOL was based on the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Bond Buyer.

Mortality rates were based on the RP-2000 Combined Mortality Scale projected with Scale AA to 2017.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2017 valuation were based on the pension valuation prepared by GEBCorp as of December 31, 2017.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, etc.) used in the June 30, 2017 valuation were based on a review of recent plan experience done concurrently with the June 30, 2017 valuation.

The actuarial valuation was prepared on the projected benefit basis, which is used to determine the present value of each member's expected benefit payable at retirement, disability or death.

The employer contributions required to support the benefits of the Plan are determined following a level funding approach.

The actuarial accrued liability and the normal contribution are determined using the "entry age normal" method.

The following schedule (derived from the most recent actuarial report) reflects membership for the OPEB Health Care Plan as of June 30, 2017.

Inactive members or beneficiaries currently receiving benefits	18
Inactive members entitled to but not yet receiving benefits	0
Active members	134
Total membership	152

Changes in the Total OPEB Liability (TOL)

Balance at June 30, 2017	$ 2,767,753
Changes for the year:	
Service costs (including interest for the year)	60,379
Interest on TOL and Cash Flows	96,646
Changes in benefit terms	-
Differences between expected and actual experience	(13,265)
Changes in assumptions or other inputs	(105,724)
Benefit payments	(106,864)
Net changes	(68,828)
Balance at June 30, 2018	$ 2,698,925

Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a health care cost trend rate that is 1% lower or 1% higher than the current rate:

	1% Decrease	Current	1% Increase
Total OPEB Liability	$ 2,354,456	$ 2,698,925	$ 3,123,254

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.87%) or 1% higher (4.87%) than the current discount rate:

	2.87%	3.87%	4.87%
Total OPEB Liability	$ 3,064,194	$ 2,698,925	$ 2,397,181

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in expected and actual experience	$ 9,920	$ 11,562
Changes of assumptions or other inputs	-	243,262
Total	$ 9,920	$ 254,824

The net amount of the County's balances of deferred outflows and inflows that will be recognized in the County's OPEB expense is as follows:

Year ending June 30:	
2019	$ (39,660)
2020	(39,660)
2021	(39,660)
2022	(39,660)
2023	(39,660)
Thereafter	(46,604)
	$ (244,904)

The calculation of the OPEB Expense for the year ended June 30, 2019 is shown in the following table:

Service Cost at end of year	$ 60,379
Interest on the Total OPEB Liability	96,646
Current-period benefit changes	-
Expenses portion of current-period difference between expected and actual experience in the Total OPEB Liability	(1,703)
Expensed portion of current-period changes of assumptions or other inputs	(13,572)
Administrative costs	-
Other	-
Recognition of beginning Deferred Outflows of Resources as OPEB Expense	1,713
Recognition of beginning Deferred Inflows of Resources as OPEB Expense	(26,098)
	$ 117,365

18. JOINT VENTURE

Under Georgia law, the County in conjunction with other cities and counties in the fourteen county east central Georgia area, is a member of the Central Savannah River Area Regional Commission and is required to pay annual dues thereto. During its year ended June 30, 2019, the County paid $11,188 in such dues. Membership in a Regional Commission is required by the OCGA Section 50-8-34 which provides for the organizational structure of the Regional Commission in Georgia. The Regional Commission 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 a Regional Commission. Separate financial statements may be obtained from:

Central Savannah River Area Regional Commission
2123 Wrightsboro Road
P.O. Box 2800
Augusta, Georgia 30914-2800

19. SUBSEQUENT EVENTS

Subsequent events were evaluated through December 30, 2019, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule of Changes in Net Pension Liability and Related Ratios
- Schedule of County Contributions and Related Notes
- Schedule of Changes in the County's Total OPEB Liability and Related Ratios
- Budgetary Comparison Schedules – General Fund, 2016 GO Bonds Debt Service Fund and Transportation Special Revenue Fund

WASHINGTON COUNTY, GEORGIA
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED NOTES
FOR THE YEARS ENDED JUNE 30,

	2018	2017	2016	2015	2014
Total Pension Liability, beginning of year (1)	$ 15,746,397	$ 15,086,324	$ 13,572,220	$ 12,547,196	$ 11,891,171
Service cost	217,894	200,613	227,639	261,781	254,818
Interest	1,113,033	1,065,870	1,017,917	941,040	891,838
Plan chage	-	-	-	-	-
Changes of assumptions	861,233	27,012	388,937	406,681	-
Benefit payments (adjusted for interest)	(788,446)	(769,335)	(720,741)	(609,556)	(490,631)
Experience (gain)/(loss)	(303,001)	135,913	600,352	25,078	-
Total pension liability as of end of year (2)	$ 16,847,110	$ 15,746,397	$ 15,086,324	$ 13,572,220	$ 12,547,196
Fiduciary Net Position, beginning of year (3)	$ 11,907,200	$ 10,399,846	$ 9,952,931	$ 9,864,025	$ 9,071,605
Contributions - employer	651,107	635,271	400,000	532,872	559,560
Contributions - employee (includes buyback)	153,530	163,784	166,347	181,325	186,777
Net investment income	(511,857)	1,590,779	677,627	63,675	637,290
Benefit payments	(788,446)	(769,335)	(694,690)	(587,524)	(472,897)
Employee contribution refunds	-	-	-	-	(32,251)
Administrative expense	(15,601)	(13,601)	(18,083)	(17,013)	(15,489)
Other	(69,180)	(99,544)	(84,286)	(84,429)	(70,570)
Fiduciary net position as of end of year (4)	$ 11,326,753	$ 11,907,200	$ 10,399,846	$ 9,952,931	$ 9,864,025
Net pension liability, beginning of year (1)-(3)	$ 3,839,197	$ 4,686,478	$ 3,619,289	$ 2,683,171	$ 2,819,566
Net pension liability as of end of year (2)-(4)	$ 5,520,357	$ 3,839,197	$ 4,686,478	$ 3,619,289	$ 2,683,171
Fiduciary Net Position as % of Total Pension Liability (4)/(2)	67.2%	75.6%	68.9%	73.3%	78.6%
Covered payroll	$ 1,982,754	$ 2,014,513	$ 2,203,776	$ 2,587,248	$ 2,553,077
Net pension liability as a % of covered payroll	278.4%	190.6%	212.7%	139.9%	105.1%

Notes to the schedule

The schedule will present 10 years of information once it is accumulated.

WASHINGTON COUNTY, GEORGIA
SCHEDULE OF COUNTY CONTRIBUTIONS AND RELATED NOTES
FOR THE YEARS ENDED JUNE 30,

	2018	2017	2016	2015
Actuarially determined contribution	$ 562,273	$ 619,988	$ 579,821	$ 512,558
Contributions in relation to the actuarially determined contribution	651,112	635,271	400,000	532,872
Contribution deficiency (excess)	$ (88,839)	$ (15,283)	$ 179,821	$ (20,314)
Covered payroll	1,982,754	2,014,513	2,203,776	2,587,248
Contribution as a % of covered payroll	32.84%	31.53%	18.15%	20.60%

Notes to the Schedule

Valuation Date	January 1, 2018
Cost Method	Entry Age Normal
Actuarial Asset Valuation Method	Smoothed market with a 5-year smoothing period
Assumed Rate of Return on Investments	7.0%
Projected Salary Increases	3.0% - 5.0% per annum
Inflation	3.00%
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	None remaining

The schedule will present 10 years of information once accumulated

WASHINGTON COUNTY, GEORGIA
SCHEDULE OF CHANGES IN THE COUNTY'S OPEB LIABILITY AND RELATED NOTES
FOR THE YEARS ENDED JUNE 30,

	2018	2017
Total OPEB Liability, beginning of year	$ 2,767,753	$ 2,929,145
Service cost	60,379	67,807
Interest	96,646	86,292
Plan change	-	-
Changes of benefit terms	-	-
Differences between expected and actual experience	(13,265)	13,346
Changes of assumptions or other inputs	(105,724)	(203,306)
Benefit payments	(106,864)	(125,531)
Net change in total OPEB liability	(68,828)	(161,392)
Total OPEB liability, beginning of year	2,767,753	2,929,145
Total OPEB liability, end of year	2,698,925	2,767,753
Covered payroll	$ 4,649,288	$ 4,649,288
Total OPEB liability as a % of covered payroll	58.05%	59.53%

Notes to the schedule
The schedule will present 10 years of information once it is accumulated.

WASHINGTON COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes:				
General property taxes	$ 6,850,000	$ 6,850,000	$ 6,496,657	$ (353,343)
General sales and use tax	1,185,000	1,300,000	1,316,435	16,435
Selective sales and use tax	32,000	32,000	28,405	(3,595)
Title ad valorem tax	455,000	530,000	556,161	26,161
Business tax	675,000	693,700	693,655	(45)
Other taxes	425,000	437,000	678,686	241,686
Penalties and interest on delinquent taxes	100,000	100,000	88,782	(11,218)
	9,722,000	9,942,700	9,858,781	(83,919)
Licenses and Permits:				
Business licenses and permits	56,500	56,500	49,132	(7,368)
Non-business licenses and permits	6,000	6,000	11,717	5,717
	62,500	62,500	60,849	(1,651)
Intergovernmental:				
Federal grants	-	178,800	158,767	(20,033)
State grants	-	27,200	24,361	(2,839)
Local government grants:				
Recreation	55,000	55,000	47,462	(7,538)
Airport	1,500	1,500	996	(504)
	56,500	262,500	231,586	(30,914)
Charges for services:				
General government	85,500	85,500	76,035	(9,465)
Prisoner housing	35,000	35,000	11,208	(23,792)
Roads and public improvements	15,000	15,000	26,273	11,273
	135,500	135,500	113,516	(21,984)
Fees and fines:				
Superior Court	98,000	118,000	29,464	(88,536)
State Court	117,000	214,000	198,914	(15,086)
Probate Court	41,000	45,000	43,553	(1,447)
Clerk of Courts	80,000	80,000	88,895	8,895
Magistrate Court	84,000	84,000	74,023	(9,977)
Sheriff	105,000	109,000	29,929	(79,071)
Qualifying fees	-	-	1,243	1,243
	525,000	650,000	466,021	(183,979)
Investment income	150,000	158,000	345,228	187,228
Miscellaneous:				
Rent	359,000	359,000	167,916	(191,084)
Other	132,000	225,000	189,235	(35,765)
	491,000	584,000	357,151	(226,849)
Total revenues	11,142,500	11,795,200	11,433,132	(362,068)

WASHINGTON COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
EXPENDITURES:				
Current Operating:				
General government	$ 4,158,100	$ 4,232,000	$ 3,846,662	$ 385,338
Public safety	3,422,000	3,447,000	3,464,923	(17,923)
Judicial	1,147,500	1,204,100	1,180,991	23,109
Public works	1,891,400	1,896,400	1,885,160	11,240
Health and welfare	362,100	362,300	362,144	156
Culture/recreation	627,700	627,700	598,687	29,013
Total operating expenditures	11,608,800	11,769,500	11,338,567	430,933
Capital Outlays:				
General government	6,000	6,000	-	6,000
Public safety	100,000	135,000	125,480	9,520
Judicial	1,500	1,500	-	1,500
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture/recreation	40,000	40,000	14,778	25,222
Total capital expenditures	147,500	182,500	140,258	42,242
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total debt service	-	-	-	-
Total expenditures	11,756,300	11,952,000	11,478,825	473,175
Excess (deficiency) of revenues over expenditures	(613,800)	(156,800)	(45,693)	111,107
OTHER FINANCING SOURCES (USES):				
Interfund transfers:				
Transportation SPLOST Fund	705,000	762,000	762,000	-
Emergency 911 Telephone Fund	(141,000)	(144,000)	(87,088)	56,912
Landfill Fund	(288,000)	(288,000)	(258,387)	29,613
	276,000	330,000	416,525	86,525
Excess (deficiency) of revenues over expenditures and other financing sources	(337,800)	173,200	370,832	197,632
FUND BALANCE, beginning of year	10,660,744	10,660,744	10,660,744	-
FUND BALANCE, end of year	$ 10,322,944	$ 10,833,944	$ 11,031,576	$ 197,632

WASHINGTON COUNTY, GEORGIA
2016 GENERAL OBLIGATION BOND DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental revenue	$ 2,000,000	$ 2,000,000	$ 1,994,935	$ (5,065)
Investment income	50,000	50,000	43,094	(6,906)
Other	-	-	-	-
	2,050,000	2,050,000	2,038,029	(11,971)
EXPENDITURES:				
Current operating:				
Contribution to hospital	3,000,000	3,000,000	2,950,000	50,000
Other	10,000	10,000	3,912	6,088
Debt service:				-
Principal	-	-	-	-
Interest	170,000	170,000	169,500	500
Total expenditures	3,180,000	3,180,000	3,123,412	56,588
Excess revenues over (under) expenditures	(1,130,000)	(1,130,000)	(1,085,383)	44,617
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	1,130,000	1,130,000	-	(1,130,000)
Proceeds from debt issuance	-	-	-	-
Total other financing sources (uses)	1,130,000	1,130,000	-	(1,130,000)
Excess revenues and other financing sources (uses) over (under) expenditures	-	-	(1,085,383)	(1,085,383)
FUND BALANCE, beginning of year	1,795,859	1,795,859	1,795,859	-
FUND BALANCE, end of year	$ 1,795,859	$ 1,795,859	$ 710,476	$ (1,085,383)

WASHINGTON COUNTY, GEORGIA
TRANSPORTATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes	$ 2,200,000	$ 2,200,000	$ 1,582,242	$ (617,758)
Intergovernmental	1,000,000	1,000,000	813,511	(186,489)
	3,200,000	3,200,000	2,395,753	(804,247)
EXPENDITURES:				
Current operating:				
Transportation improvements	2,400,000	2,400,000	1,510,201	889,799
Capital outlays	150,000	150,000	-	150,000
Total expenditures	2,550,000	2,550,000	1,510,201	1,039,799
Excess revenues over (under) expenditures	650,000	650,000	885,552	235,552
OTHER FINANCING SOURCES (USES)				
Transfers to General Fund	(650,000)	(650,000)	(762,000)	(112,000)
Excess revenues and other financing sources (uses) over (under) expenditures	-	-	123,552	123,552
FUND BALANCE, beginning of year	2,050,793	2,050,793	2,050,793	-
FUND BALANCE, end of year	$ 2,050,793	$ 2,050,793	$ 2,174,345	$ 123,552

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements not required by the GASB, nor are a part of the basic financial statements, but are presented for purposes of additional analysis. Such information includes:

- Combining Statements – Nonmajor governmental funds
- Combining Statements – Fiduciary funds
- General Fund Statement of Expenditures (Final Budget to Actual) Detailed by Department
- Schedule of Projects Constructed with Special Sales Tax Proceeds
- Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*
- Schedule of Findings and Questioned Costs

WASHINGTON COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2019

	SPECIAL REVENUE				Total Nonmajor Governmental Funds
	Recreation	Law Library	DATE Fund	E911 Telephone Fund	
ASSETS:					
Cash and cash equivalents	$ 29,788	$ 41,065	$ 35,806	$ 577,066	$ 683,725
Investments	-	-	-	-	-
Receivables from other governments	-	942	1,000	-	1,942
Accounts receivables, net	-	-	-	30,236	30,236
Inventories	78,434	-	-	-	78,434
Total assets	$ 108,222	$ 42,007	$ 36,806	$ 607,302	$ 794,337
LIABILITIES:					
Accounts payable	$ 2,672	$ -	$ -	$ 5,910	$ 8,582
Due to other funds	-	-	-	-	-
Total liabilities	2,672	-	-	5,910	8,582
FUND BALANCES:					
Non-spendable fund balance:					
Restricted fund balance:					
Capital projects	-	-	-	-	-
Transportation	-	-	-	-	-
Committed fund balance	-	-	-	-	-
Assigned fund balance:					
Public safety	-	42,007	36,806	601,392	680,205
Culture and recreation	105,550	-	-	-	105,550
Unassigned fund balance	-	-	-	-	-
Total fund balances	105,550	42,007	36,806	601,392	785,755
Total liabilities and fund balance	$ 108,222	$ 42,007	$ 36,806	$ 607,302	$ 794,337

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

	SPECIAL REVENUE				Total
	Recreation	Law Library	DATE Fund	E911 Telephone Fund	Nonmajor Governmental Funds
REVENUES:					
Taxes	$ -	$ -	$ -	$ -	$ -
Intergovernmental	75,000	7,441	12,812	179,160	274,413
Charges for services	53,602	-	-	344,621	398,223
Other	30,340	-	2,625	-	32,965
Total revenues	158,942	7,441	15,437	523,781	705,601
EXPENDITURES:					
Current operating:					
General government	-	-	-	-	-
Culture/recreation	153,009	-	-	-	153,009
Court system	-	5,257	-	-	5,257
Public safety	-	-	8,653	544,147	552,800
Transportation improvements	-	-	-	-	-
Capital outlays	-	-	-	13,772	13,772
Debt service	-	-	-	-	-
Total expenditures	153,009	5,257	8,653	557,919	724,838
Excess (deficiency) of revenues over expenditures	5,933	2,184	6,784	(34,138)	(19,237)
OTHER FINANCING SOURCES (USES):					
Transfers in (out)	-	-	-	87,088	87,088
Total other financing sources and uses	-	-	-	87,088	87,088
Net change in fund balance	5,933	2,184	6,784	52,950	67,851
FUND BALANCE, beginning	99,617	39,823	30,022	548,442	717,904
FUND BALANCE, ending	$ 105,550	$ 42,007	$ 36,806	$ 601,392	$ 785,755

WASHINGTON COUNTY, GEORGIA
RECREATION DEPARTMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Charges for services:				
Recreation fees	$ 60,000	$ 60,000	$ 53,602	$ (6,398)
Intergovernmental:				
Contribution from County	75,000	75,000	75,000	-
Other income	26,900	26,900	30,340	3,440
Total revenue	161,900	161,900	158,942	(2,958)
EXPENDITURES:				
Current operating:				
Personal services and employee benefits	-	-	-	-
Purchased/contracted services	111,900	111,900	108,868	3,032
Supplies	45,000	45,000	44,141	859
Capital outlays	5,000	5,000	-	5,000
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	161,900	161,900	153,009	8,891
Excess revenues over (under) expenditures	-	-	5,933	5,933
OTHER FINANCING SOURCES (USES):				
Transfers in (out)	-	-	-	-
Excess revenues and other financing sources (uses) over (under) expenditures	-	-	5,933	5,933
FUND BALANCE, beginning of year	99,617	99,617	99,617	-
FUND BALANCE, end of year	$ 99,617	$ 99,617	$ 105,550	$ 5,933

WASHINGTON COUNTY, GEORGIA
LAW LIBRARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	$ 9,000	$ 9,000	$ 7,441	$ (1,559)
Other	-	-	-	-
	9,000	9,000	7,441	(1,559)
EXPENDITURES:				
Current operating:				
Purchased/contracted services	5,000	5,000	4,150	850
Supplies	3,000	3,000	1,107	1,893
Capital outlays	1,000	1,000	-	1,000
Total expenditures	9,000	9,000	5,257	3,743
Excess revenues over (under) expenditures	-	-	2,184	2,184
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Excess revenues and other financing sources (uses) over (under) expenditures	-	-	2,184	2,184
FUND BALANCE, beginning of year	39,823	39,823	39,823	-
FUND BALANCE, end of year	$ 39,823	$ 39,823	$ 42,007	$ 2,184

WASHINGTON COUNTY, GEORGIA
EMERGENCY 911 TELEPHONE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Charges for services:				
E-911 fees	$ 315,000	$ 315,000	$ 344,621	$ 29,621
Intergovernmental:				
Contribution from cities	181,000	164,256	179,160	14,904
Investment income:				
Interest earned	-	-	-	-
Other	-	-	-	-
	496,000	479,256	523,781	44,525
EXPENDITURES:				
Current operating:				
Personal services and employee benefits	489,200	489,200	454,972	34,228
Purchased/contracted services	89,000	89,000	87,012	1,988
Supplies	3,950	3,950	2,163	1,787
Capital outlays	110,000	90,000	13,772	76,228
Debt service:				-
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	692,150	672,150	557,919	114,231
Excess revenues over (under) expenditures	(196,150)	(192,894)	(34,138)	158,756
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	153,650	166,744	87,088	(79,656)
Excess revenues and other financing sources (uses) over (under) expenditures	(42,500)	(26,150)	52,950	79,100
FUND BALANCE, beginning of year	548,442	548,442	548,442	-
FUND BALANCE, end of year	$ 505,942	$ 522,292	$ 601,392	$ 79,100

WASHINGTON COUNTY, GEORGIA
FIDUCIARY FUNDS - AGENCY FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2019

	Tax Commissioner	Probate Court	Clerk of Courts	Sheriff	Magistrate Court	Total
ASSETS						
Cash	$ -	$ 11,057	$ 121,210	$ 60,146	$ 15,970	$ 208,383
Property taxes receivable	216,750	-	-	-	-	216,750
Other receivables	-	1,146	-	-	-	1,146
Total assets	$ 216,750	$ 10,291	$ 121,210	$ 60,146	$ 15,970	$ 426,279
LIABILITIES:						
Due to others	$ -	$ 12,203	$ 121,210	$ 60,146	$ 15,970	$ 209,529
Due to other governments	216,750	-	-	-	-	216,750
Total liabilities	$ 216,750	$ 12,203	$ 121,210	$ 60,146	$ 15,970	$ 426,279

WASHINGTON COUNTY, GEORGIA

GENERAL FUND

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)

FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
GENERAL GOVERNMENT:				
Board of Commissioners:				
Personal services	$ 341,300	$ 341,300	$ 315,180	$ 26,120
Purchased/contracted services	35,000	41,400	46,735	(5,335)
Supplies	4,500	4,500	3,760	740
Capital outlays	4,000	4,000	-	4,000
Debt service	-	-	-	-
	384,800	391,200	365,675	25,525
Tax Commissioner:				
Personal services	229,300	229,300	213,589	15,711
Purchased/contracted services	43,500	43,500	36,381	7,119
Supplies	15,000	15,000	22,258	(7,258)
Capital outlays	-	-	-	-
Debt service	-	-	-	-
	287,800	287,800	272,228	15,572
Tax Assessors:				
Personal services	226,000	226,000	179,815	46,185
Purchased/contracted services	85,600	85,600	81,194	4,406
Supplies	17,500	17,500	18,776	(1,276)
Capital outlays	2,000	2,000	-	2,000
	331,100	331,100	279,785	51,315
Elections:				
Personal services	$ 71,000	$ 113,500	$ 106,358	$ 7,142
Purchased/contracted services	1,600	13,600	14,004	(404)
Supplies	5,500	5,500	4,345	1,155
Capital outlays	-	-	-	-
	78,100	132,600	124,707	7,893
Coroner:				
Personal services	27,300	27,300	25,058	2,242
Purchased/contracted services	10,800	10,800	7,029	3,771
Supplies	-	-	-	-
Capital outlays	-	-	-	-
	38,100	38,100	32,087	6,013
Public Building and Property:				
Personal services	-	-	-	-
Purchased/contracted services	413,300	426,300	399,466	26,834
Supplies	41,300	41,300	45,193	(3,893)
Capital outlays	-	-	-	-
	454,600	467,600	444,659	22,941

WASHINGTON COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
Miscellaneous General Government:				
County Agent:				
Personal services	51,100	51,100	51,676	(576)
Purchased/contracted services	9,400	9,400	7,762	1,638
Supplies	5,400	5,400	5,973	(573)
Code enforcement:				
Personal services	33,400	33,400	29,907	3,493
Purchased/contracted services	6,650	6,650	11,948	(5,298)
Supplies	7,250	7,250	6,068	1,182
Airport:				
Purchased/contracted services	32,000	32,000	31,464	536
Property and employee insurance and bonds	236,000	236,000	267,281	(31,281)
Employee fringe benefits	1,625,000	1,625,000	1,623,431	1,569
Regional development commission dues	11,000	11,000	12,758	(1,758)
Auditing	41,000	41,000	37,500	3,500
Legal and consulting services	80,000	80,000	60,730	19,270
Economic development	211,800	211,800	24,313	187,487
Other	239,600	239,600	156,710	82,890
	2,589,600	2,589,600	2,327,521	262,079
Total general government	4,164,100	4,238,000	3,846,662	391,338
PUBLIC SAFETY:				
Sheriff's Office:				
Personal services	1,444,600	1,444,600	1,471,124	(26,524)
Purchased/contracted services	153,400	153,400	165,779	(12,379)
Supplies	129,000	129,000	148,959	(19,959)
Capital outlays	75,000	110,000	102,178	7,822
	1,802,000	1,837,000	1,888,040	(51,040)
Jail:				
Personal services	888,100	903,100	922,825	(19,725)
Purchased/contracted services	219,500	229,500	216,529	12,971
Supplies	282,000	282,000	249,812	32,188
Capital outlays	-	-	-	-
	1,389,600	1,414,600	1,389,166	25,434
EMA:				
Personal services	35,700	35,700	35,602	98
Purchased/contracted services	17,400	17,400	2,732	14,668
Supplies	2,300	2,300	1,561	739
Capital outlays	25,000	25,000	23,302	1,698
	80,400	80,400	63,197	17,203
Rural Fire Support:				
Operating expenses	250,000	250,000	250,000	-
Total public safety	3,522,000	3,582,000	3,590,403	(8,403)

WASHINGTON COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
JUDICIAL SYSTEM:				
Superior Court:				
Personal services	$ 247,100	$ 247,100	$ 256,529	$ (9,429)
Purchased/contracted services	421,600	421,600	398,388	23,212
Supplies	13,500	13,500	20,604	(7,104)
Capital outlays	-	-	-	-
	682,200	682,200	675,521	6,679
Probate Court:				
Personal services	142,100	142,100	138,397	3,703
Purchased/contracted services	1,100	1,100	1,356	(256)
Supplies	3,800	3,800	2,214	1,586
Capital outlays	500	500	-	500
	147,500	147,500	141,967	5,533
State Court:				
Personal services	80,200	91,700	89,895	1,805
Purchased/contracted services	12,500	54,500	51,974	2,526
Supplies	-	-	-	-
Capital outlays	-	-	-	-
	92,700	146,200	141,869	4,331
Magistrate Court:				
Personal services	212,200	212,200	204,382	7,818
Purchased/contracted services	6,400	9,500	10,422	(922)
Supplies	7,000	7,000	6,830	170
Capital outlays	1,000	1,000	-	1,000
	226,600	229,700	221,634	8,066
Total Judicial	1,149,000	1,205,600	1,180,991	24,609
PUBLIC WORKS:				
Road Department:				
Personal services	1,076,500	1,076,500	1,042,028	34,472
Purchased/contracted services	461,300	466,300	384,199	82,101
Supplies	353,600	353,600	458,933	(105,333)
Capital outlays	-	-	-	-
Total Public Works	1,891,400	1,896,400	1,885,160	11,240
HEALTH AND WELFARE:				
Public Health:				
Contribution to Board of Health	51,000	51,200	51,044	156
Contribution to Hospital	-	-	-	-
Supplies	-	-	-	-
Capital outlays	-	-	-	-
	51,000	51,200	51,044	156

WASHINGTON COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
Family and Children Services:				
Personal services	$ -	$ -	$ -	$ -
Purchased/contracted services	16,100	16,100	16,100	-
Supplies	-	-	-	-
Capital outlays	-	-	-	-
	16,100	16,100	16,100	-
Ambulance Service:				
Personal services	-	-	-	-
Purchased/contracted services	295,000	295,000	295,000	-
Supplies	-	-	-	-
Capital outlays	-	-	-	-
	295,000	295,000	295,000	-
Total Health and Welfare	362,100	362,300	362,144	156
CULTURE/RECREATION:				
Recreation:				
Personal services	430,200	430,200	431,153	(953)
Purchased/contracted services	128,000	128,000	103,566	24,434
Supplies	7,500	7,500	12,854	(5,354)
Capital outlays	40,000	40,000	14,778	25,222
	605,700	605,700	562,351	43,349
Library contributions	62,000	62,000	51,114	10,886
Capital outlays	-	-	-	-
	62,000	62,000	51,114	10,886
Total Culture/Recreation	667,700	667,700	613,465	54,235
GRAND TOTAL	$ 11,756,300	$ 11,952,000	$ 11,478,825	$ 473,175

WASHINGTON COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
For the Year Ended June 30, 2019

Project	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
2009 Tax:						
Industrial park improvements	$ 750,000	$ 750,000	$ 338,889	$ -	$ 338,889	45.19%
Airport improvements	170,000	2,500,000	2,375,497	-	2,375,497	95.02%
Rural fire support	630,000	630,000	630,000	-	630,000	100.00%
County road projects	7,000,000	5,000,000	2,681,773	897,796	3,579,569	71.59%
Hospital improvements	3,000,000	2,850,000	2,850,000		2,850,000	100.00%
Sheriff's department equipment	650,000	650,000	461,060	-	461,060	70.93%
Recreation equipment	200,000	404,304	404,304	-	404,304	100.00%
Ambulances and equipment	350,000	350,000	243,638	-	243,638	69.61%
Public works equipment	2,000,000	2,000,000	1,133,880	-	1,133,880	56.69%
General government construction	-	150,000	77,701	-	77,701	51.80%
E911 equipment	-	100,000	35,536		35,536	35.54%
Landfill improvements	-	500,000	238,561	-	238,561	47.71%
City projects:						
City of Davisboro	250,000	185,943	185,943	-	185,943	100.00%
Town of Deepstep	137,500	102,273	102,273	-	102,273	100.00%
Town of Harrison	325,000	241,724	241,724	-	241,724	100.00%
City of Oconee	200,000	148,755	148,755	-	148,755	100.00%
Town of Riddleville	137,500	102,273	102,273	-	102,273	100.00%
City of Sandersville	3,100,000	2,305,675	2,305,675	-	2,305,675	100.00%
City of Tennille	850,000	632,173	632,173	-	632,173	100.00%

WASHINGTON COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
For the Year Ended June 30, 2019

Project	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
2014 Tax:						
Industrial park improvements	$ 150,000	$ 150,000	$ -	$ -	$ -	0.00%
Rural fire support	760,000	760,000	331,929	47,700	379,629	49.95%
County road projects	2,800,000	2,800,000	-	2,900	2,900	0.10%
Hospital improvements	840,000	340,000	317,878	-	317,878	93.49%
Sheriff's department equipment	400,000	900,000	713,289	71,348	784,637	87.18%
Recreation equipment	100,000	100,000	96,935	-	96,935	96.94%
Jail construction	6,500,000	6,500,000	4,058,363	1,284,937	5,343,301	82.20%
Public works equipment	500,000	500,000	195,298	250,662	445,960	89.19%
General government construction	100,000	100,000	70,225	-	70,225	70.23%
Landfill improvements	500,000	500,000	-	-	-	0.00%
City projects:						
City of Davisboro	250,000	250,000	107,147	28,243	135,390	54.16%
Town of Deepstep	91,300	91,300	39,014	10,248	49,262	53.96%
Town of Harrison	218,200	218,200	93,616	24,707	118,323	54.23%
City of Oconee	133,500	133,500	57,287	15,123	72,410	54.24%
Town of Riddleville	85,100	85,100	36,648	9,707	46,355	54.47%
City of Sandersville	2,521,700	2,521,700	1,081,332	285,210	1,366,542	54.19%
City of Tennille	832,700	832,700	356,987	94,132	451,119	54.18%

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

To the County Commissioners
Washington County, Georgia

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Washington County, Georgia as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Washington County, Georgia's basic financial statements and have issued our report thereon dated December 30, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Washington 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 Washington County, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of Washington County'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 were considered to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

We did identify certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs, that we consider to be significant deficiencies in internal control over financial reporting noted as items 19-1 through 19-2.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Washington 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 19-3.

Washington County, Georgia's Response to Findings

Washington County, Georgia's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. Washington 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.

Wright & Wright, P.C.

December 30, 2019

WASHINGTON COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2019

19-1 Segregation of Duties

Condition

Because of a limited number of available personnel in some of the Agency Funds, it is not always possible to adequately segregate certain incompatible duties, so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction.

Criteria

The County has a one employee in some of the Agency Funds who performs all financial duties, including receiving and depositing funds, writing checks and reconciling bank accounts. Items are approved for disbursement by the elected official, who signs checks.

Effect

Because of the lack of segregation of duties, the possibility exists that unintentional or intentional errors or irregularities could exist and not be promptly detected.

Recommendation

We recommend that management continue to exercise alert supervision of employees in order to protect the assets of the County.

Response of Responsible Officials

We concur with and plan to implement the recommendations.

19-2 Controls Over Financial Statement Presentation

Condition

The County's financial statements and related footnotes are not prepared by County employees.

Criteria

County personnel do not currently possess the professional skills necessary to prepare the year end financial statements in sufficient detail to detect material misstatements in the financial statements and related footnotes.

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 of Responsible Officials

We concur. We will evaluate the cost effectiveness of implementing the control and act accordingly.

19-3 Budgetary

Condition

In the County's General Fund actual expenditures exceeded budget appropriations in a department.

Criteria

Departmental expenditures which exceed budgeted appropriations are a violation of state law.

Effect

Fiscal control and accountability over departmental expenditures may be jeopardized.

Recommendation

The County should monitor the budget and amend it when appropriate.

Response of Responsible Officials

The County Commissioners will analyze budgetary financial data periodically and amend the budget when appropriate.