

PEACH COUNTY, GEORGIA

Annual Financial Report

For the fiscal year ended September 30, 2018

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PEACH COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
For the fiscal year ended September 30, 2018

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Independent Auditor's Report

Honorable Chairman and
Board of Commissioners
Peach 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 Peach County, Georgia, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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 Peach County Health Department, a component unit of Peach County, Georgia, which represent 15.2 percent, (2.6 percent), and 46.5 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Peach County Health Department, 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 of 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 County'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, each major fund, and the aggregate remaining fund information of Peach County, Georgia, as of September 30, 2018, and the respective changes in the financial position and, where applicable, cash flows thereof, and the budgetary comparison of the General Fund 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 and the required supplementary information on pages 4 through 18 and 82 through 91, respectively, 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 Peach County, Georgia's basic financial statements. The combining and individual fund financial statements and schedules and the state reporting section with the schedule of projects financed with special purpose local option sales tax are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and the schedule of projects financed with special purpose local option sales tax are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and the schedule of projects financed with special purpose local option sales tax are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 8, 2019, on our consideration of Peach County, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 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 Peach County, Georgia's internal control over financial reporting and compliance.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
February 8, 2019

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of Peach County, Georgia (the "County"), we offer readers of Peach County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements, and the notes to the financial statements.

Financial Highlights

- The assets and deferred outflows of resources of Peach County exceeded its liabilities and deferred inflows of resources at September 30, 2018 by \$52,708,193 (net position). Of this amount, \$2,888,382 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The Primary Government's total net position increased by \$723,853 for the year ended September 30, 2018.
- At September 30, 2018, the total net position at the government-wide level consisted of \$46,327,929 in net investment in capital assets, \$3,491,882 in restricted net position, and \$2,888,382 in unrestricted net position. The County's General Fund reported a fund balance of \$7,737,027, an increase of \$1,112,763 or 16.5% above the last fiscal year.
- Peach County's total long-term debt decreased by \$289,909 during the current fiscal year due to regularly scheduled payments of principal and no issued debt in the current fiscal year.

Overview of the Financial Statements

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

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of Peach County's finances, in a manner similar to a private-sector business. There are two government-wide statements, the statement of net position and the statement of activities, which are described below.

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

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

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, judicial, public safety, public works, health and welfare, culture and recreation, and housing and development services. The business-type activities of Peach County include solid waste collection. The government-wide financial statements include not only Peach County itself (known as the primary government), but also a legally separate development authority, a legally separate library, and a legally

separate health department, for which the County is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Peach County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of Peach County can be divided into three (3) categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

For the fiscal year ended September 30, 2018, the County maintained thirteen (13) individual governmental funds to account for the following activities: General; Special Revenues (Law Library, Transit System, Drug, Federal Drug, Jail Inmate Canteen, Juvenile, Hotel/Motel Tax, and Emergency 911); Capital Projects (1994 SPLOST for Landfills and Buildings, the 2004 SPLOST, the 2008 SPLOST, and the 2015 SPLOST). Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the 2008 SPLOST Fund, and the 2015 SPLOST Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated column. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for the General Fund and Special Revenue Funds. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with budget requirements. Budgets are adopted for Capital Project Funds on a project-length basis.

Proprietary Funds. Proprietary funds may be either Enterprise Funds or Internal Service Funds. However, Peach County only maintains one Enterprise Fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Peach County uses an enterprise fund to account for its solid waste collection operation. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Peach County's solid waste collection operation, which is considered to be a major fund of Peach County. Individual fund data for this enterprise fund is provided in the government-wide financial statements on pages 19 - 21. The basic proprietary fund financial statements can be found on pages 28 - 30.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on page 31.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 35 - 81 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning defined benefit pension and OPEB plans for Peach County and Peach Public Libraries. Required supplementary information can be found on pages 82 - 91 of this report. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Peach County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$52,708,193 at the close of the most recent fiscal year.

By far the largest portion of the County's net position (88%) reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. A portion of Peach County's net position (7%) represents resources that are subject to external restrictions on how they may be used. A large portion of these funds are to be used for capital projects designated in one of four different Special Purpose Local Option Sales Tax Funds (1994, 2004, 2008, and 2015). Restricted net position decreased \$567,026 and includes funds received from the Georgia Department of Transportation Local Maintenance and Improvement Grant to increase available funding for road projects currently underway. The remaining balance of unrestricted net position totaling \$2,888,382 may be used to meet the government's ongoing obligations to citizens and creditors.

Peach County's Net Position

	Governmental Activities		Business-Type Activities		Total Activities	
	2018	2017	2018	2017	2018	2017
Current assets	\$ 21,446,095	\$ 20,591,821	\$ 2,072,443	\$ 1,939,614	\$ 23,518,538	\$ 22,531,435
Capital assets	\$ 49,881,932	\$ 49,875,295	\$ 0	\$ 0	\$ 49,881,932	\$ 49,875,295
Total assets	\$ 71,328,027	\$ 70,467,116	\$ 2,072,443	\$ 1,939,614	\$ 73,400,470	\$ 72,406,730
Deferred outflows of resources	\$ 834,966	\$ 1,526,038	\$ 13,467	\$ 24,602	\$ 848,433	\$ 1,550,640
Current liabilities	\$ 1,674,235	\$ 1,444,002	\$ 1,114,722	\$ 1,205,049	\$ 2,788,957	\$ 2,649,051
Noncurrent liabilities	\$ 8,922,305	\$ 10,362,626	\$ 29,836	\$ 47,778	\$ 8,952,141	\$ 10,410,404
Total liabilities	\$ 10,596,540	\$ 11,806,628	\$ 1,144,558	\$ 1,252,827	\$ 11,741,098	\$ 13,059,455
Deferred inflows of resources	\$ 9,787,331	\$ 8,856,100	\$ 12,281	\$ 1,674	\$ 9,799,612	\$ 8,857,774
Net position:						
Net investment in capital assets	\$ 46,327,929	\$ 46,260,081	\$ 0	\$ 0	\$ 46,327,929	\$ 46,260,081
Restricted	\$ 3,491,882	\$ 4,058,908	\$ 0	\$ 0	\$ 3,491,882	\$ 4,058,908
Unrestricted	\$ 1,959,311	\$ 1,011,437	\$ 929,071	\$ 709,715	\$ 2,888,382	\$ 1,721,152
Total net position	\$ 51,779,122	\$ 51,330,426	\$ 929,071	\$ 709,715	\$ 52,708,193	\$ 52,040,141

Noncurrent liabilities decreased by \$1,458,263 as of September 30, 2018, as compared to 2017. The decrease is primarily the result of a decrease in the net pension liability of \$1,112,383. A more detailed explanation of the County's noncurrent liabilities is provided later in this discussion.

At the end of the current fiscal year, Peach County reports a positive balance in both "Governmental Activities" and Business-Type Activities" categories of net position. Revenues in governmental activities exceeded expenses and transfers out by \$555,008, while revenues and transfers into business-type activities exceeded expenses by \$168,845. The government's overall net position increased by \$723,853.

Peach County's Change in Net Position

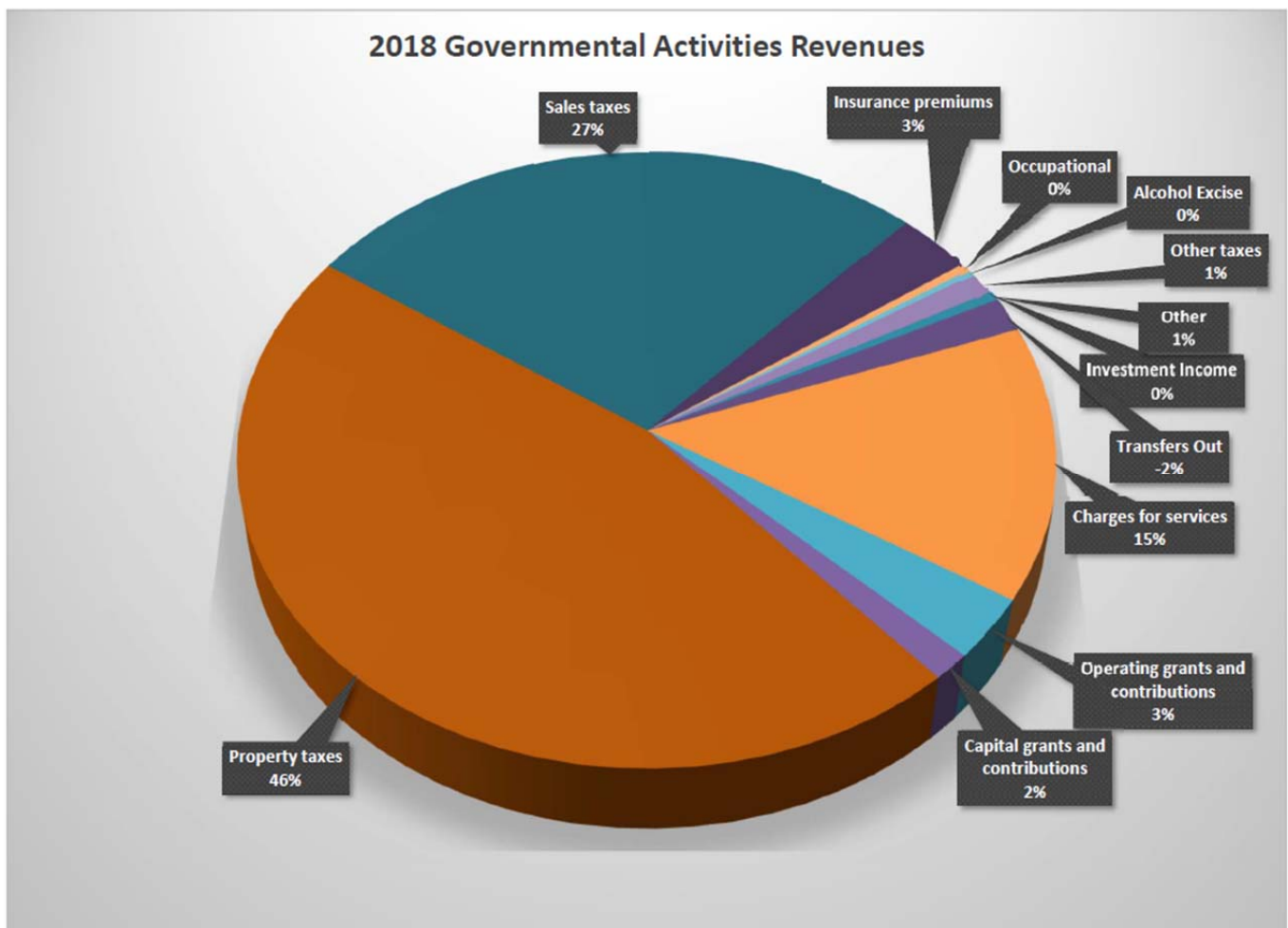
	Governmental Activities		Business-Type Activities		Total Activities	
	2018	2017	2018	2017	2018	2017
Revenues						
Program revenues:						
Charges for services	\$ 3,342,426	\$ 3,107,586	\$ 1,007,393	\$ 1,073,484	\$ 4,349,819	\$ 4,181,070
Operating grants and contributions	\$ 749,322	\$ 256,772	\$ 0	\$ 0	\$ 749,322	\$ 256,772
Capital grants and contributions	\$ 331,233	\$ 621,690	\$ 0	\$ 0	\$ 331,233	\$ 621,690
Total program revenues	\$ 4,422,981	\$ 3,986,048	\$ 1,007,393	\$ 1,073,484	\$ 5,430,374	\$ 5,059,532
General revenues:						
Taxes						
Property	\$ 10,681,593	\$ 10,436,145	\$ 0	\$ 0	\$ 10,681,593	\$ 10,436,145
Sales	\$ 6,325,722	\$ 5,346,313	\$ 0	\$ 0	\$ 6,325,722	\$ 5,346,313
Insurance premium	\$ 771,906	\$ 722,768	\$ 0	\$ 0	\$ 771,906	\$ 722,768
Occupational	\$ 95,020	\$ 94,402	\$ 0	\$ 0	\$ 95,020	\$ 94,402
Alcohol excise	\$ 70,560	\$ 69,984	\$ 0	\$ 0	\$ 70,560	\$ 69,984
Other	\$ 273,743	\$ 323,790	\$ 0	\$ 0	\$ 273,743	\$ 323,790
Investment income	\$ 1,584	\$ 2,332	\$ 0	\$ 0	\$ 1,584	\$ 2,332
Other	\$ 115,629	\$ 157,778	\$ 0	\$ 0	\$ 115,629	\$ 157,778
Total general revenues	\$ 18,335,757	\$ 17,153,512	\$ 0	\$ 0	\$ 18,335,757	\$ 17,153,512
Total revenues	\$ 22,758,738	\$ 21,139,560	\$ 1,007,393	\$ 1,073,484	\$ 23,766,131	\$ 22,213,044
Expenses						
General government	\$ 3,910,563	\$ 3,754,396	\$ 0	\$ 0	\$ 3,910,563	\$ 3,754,396
Judicial	\$ 1,748,336	\$ 1,665,536	\$ 0	\$ 0	\$ 1,748,336	\$ 1,665,536
Public safety	\$ 9,560,482	\$ 9,489,416	\$ 0	\$ 0	\$ 9,560,482	\$ 9,489,416
Public works	\$ 4,792,855	\$ 3,529,125	\$ 0	\$ 0	\$ 4,792,855	\$ 3,529,125
Health and welfare	\$ 340,161	\$ 288,609	\$ 0	\$ 0	\$ 340,161	\$ 288,609
Culture and recreation	\$ 818,330	\$ 828,046	\$ 0	\$ 0	\$ 818,330	\$ 828,046
Housing and development	\$ 519,287	\$ 2,152,561	\$ 0	\$ 0	\$ 519,287	\$ 2,152,561
Solid waste	\$ 0	\$ 0	\$ 1,260,319	\$ 1,285,525	\$ 1,260,319	\$ 1,285,525
Interest on long-term debt	\$ 91,945	\$ 99,368	\$ 0	\$ 0	\$ 91,945	\$ 99,368
Total expenses	\$ 21,781,959	\$ 21,807,057	\$ 1,260,319	\$ 1,285,525	\$ 23,042,278	\$ 23,092,582
Change in net position before transfers	\$ 976,779	\$ (667,497)	\$ (252,926)	\$ (212,041)	\$ 723,853	\$ (879,538)
Transfers	\$ (421,771)	\$ (463,467)	\$ 421,771	\$ 463,467	\$ 0	\$ 0
Change in net position	\$ 555,008	\$ (1,130,964)	\$ 168,845	\$ 251,426	\$ 723,853	\$ (879,538)
Net position, beginning of year	\$ 51,330,426	\$ 52,461,390	\$ 709,715	\$ 458,289	\$ 52,040,141	\$ 52,919,679
Prior period adjustments	\$ (106,312)	\$ 0	\$ 50,511	\$ 0	\$ (55,801)	\$ 0
Net position, end of year	\$ 51,779,122	\$ 51,330,426	\$ 929,071	\$ 709,715	\$ 52,708,193	\$ 52,040,141

Governmental Activities. Governmental activities increased the County's net position by \$555,008 during fiscal year 2018 and business-type activities increased the County's net position by \$168,845. Key elements of this increase are noted below:

Peach County's 2018 revenues for governmental activities increased approximately 8% over 2017 revenues. While 2018 property tax collections and revenues from charges for services, operating grants and contributions, and all taxes other than other taxes saw increases, capital grants and contributions, other taxes, investment income and other revenues declined from 2017 collections, as follows:

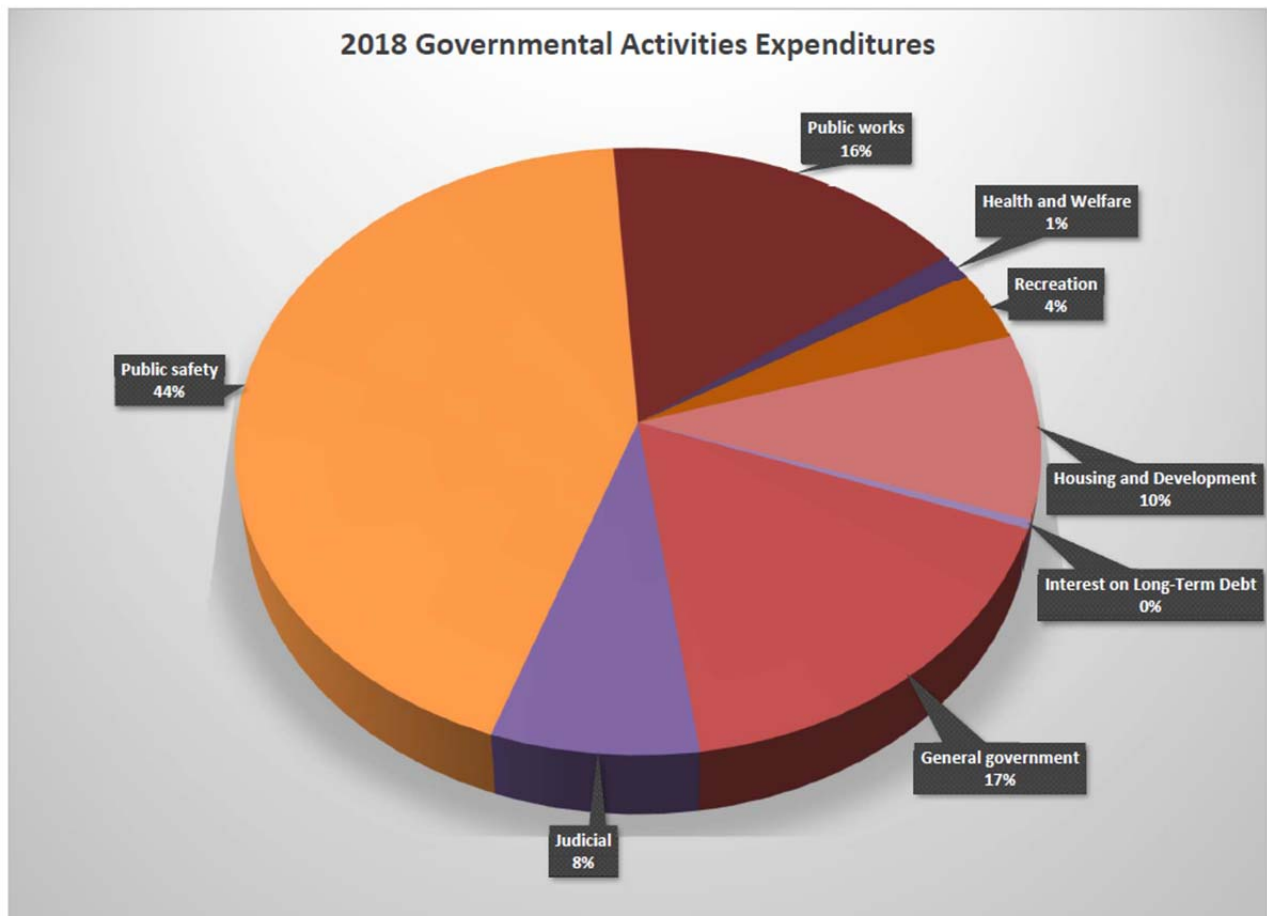
Program revenues:			
Charges for services	Increase	8%	
Operating grants and contributions	Increase	192%	
Capital grants and contributions	Decrease	-47%	
General revenues:			
Property taxes	Increase	2%	
Sales taxes	Increase	18%	
Insurance premium taxes	Increase	7%	
Occupational taxes	Increase	1%	
Alcohol excise taxes	Decrease	1%	
Other taxes	Increase	-16%	
Investment income	Increase	-32%	
Other	Increase	-27%	

While the downturn in the economy has shown a slight recovery in the preceding year, consumer confidence has not yet been fully restored. Also, this recovery has not yet been reflected in investment opportunities, which accounts for the decline in investment income.

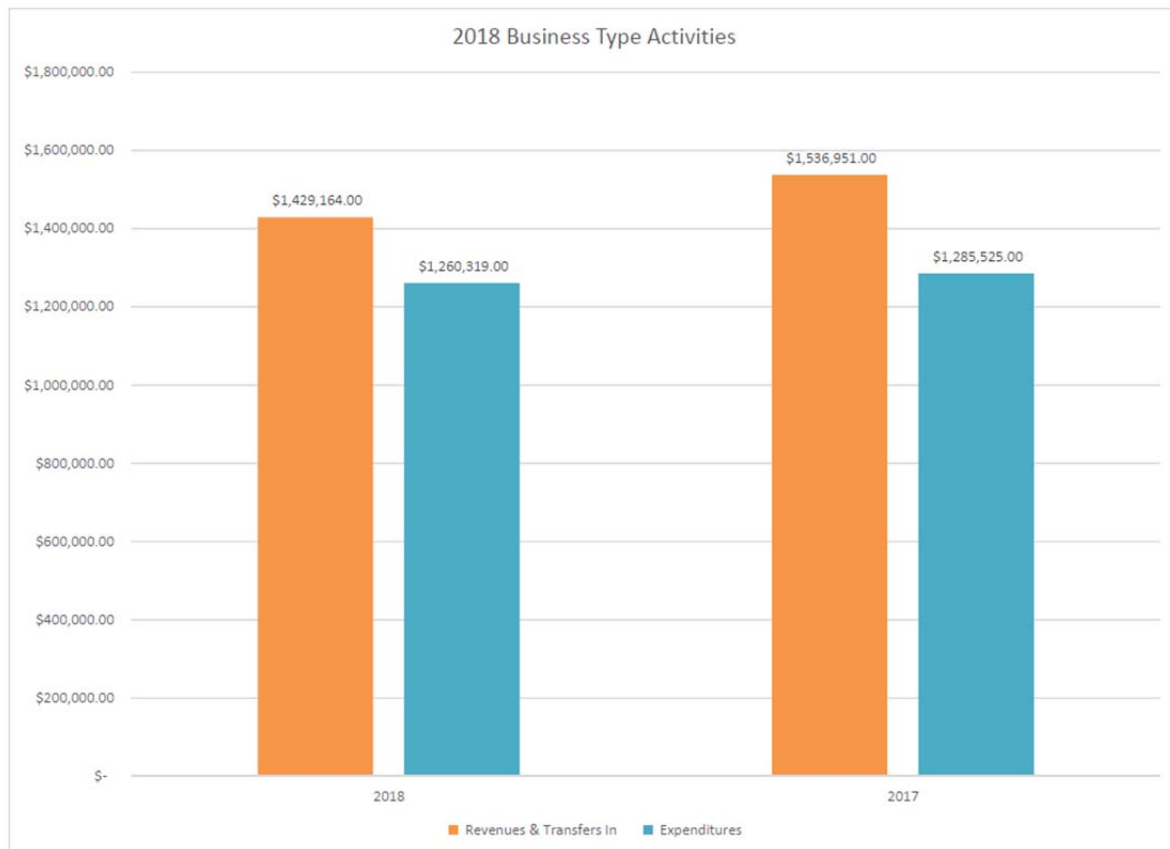


Peach County's overall expenses for governmental activities decreased 0.1% in 2018 as compared with 2017. The County's General Fund expenditures decreased by 2% and include the debt service made for major capital purchases under the capital lease program for County facility systems upgrades. Expenditures in the 1994, 2004, 2008, and 2015 SPLOST Funds increased by \$2,429,433 in total, representing a 99% increase from 2017, indicating the continued expenditures on major capital projects approved in the referendums.

Overall, General Government expenses for 2018 increased 4% when compared to those recorded for 2017. Judicial expenses increased 5%, Public Safety expenses increased 1%, Public Works expenses increased 36%, Health and Welfare expenses increased 18%, Culture and Recreation expenses decreased 1%, Housing and Development expenses decreased 76%, and Interest on Long-Term Debt decreased 8% when compared to 2017.



Business-Type Activities: Peach County's solid waste collection service is shown under Business-Type Activities. As a separate unit, this service includes door to door household garbage and yard waste collection, County recycling operations, stormwater management operations, and a separate contract for inmate crews to provide roadside and drainage cleanup. These services are being paid by an annual \$204 solid waste fee included on the tax billing for each residential unit in the unincorporated area of Peach County. In addition, a 1 mill increase was approved to be applied to the 2015 tax digest, of which 40% was designated specifically to assist with the cost of closure and post closure care costs for the Houser's Mill Landfill, the Powersville Landfill, and the County's pro rata responsibility for the Macon County Landfill. This is reflected as a \$431,146 transfer out from the General Fund to the Solid Waste Enterprise Fund. In 2018, business-type activities incurred expenses of \$1,260,319. Revenues received from the solid waste fee totaled \$1,007,393. Net position for business-type activities was a positive \$929,071 at September 30, 2018.



Financial Analysis of the Government's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Fund balance is one of the most commonly used pieces of governmental financial information and is considered key information for users of governmental financial statements that are trying to identify resources that are liquid and available to be used to provide services. The Governmental Accounting Standards Board has issued GASB Statement No. 54, which requires fund balance for governmental funds be reported in classifications that "comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent." Fund balance is first categorized as non-spendable or spendable, with non-spendable fund balance being those amounts that are not in spendable form or are legally or contractually required to be maintained intact. Fund balance that is categorized as spendable will then be further classified as restricted, committed, assigned, or unassigned based on

the relative strength of the constraints that control how the specific amounts can be spent. Fund balance should be reported as restricted when the constraints on the use of its resources are either: (1) externally imposed by grantors, contributors, creditors, or laws and regulations; or (2) imposed by law through enabling legislation. These resources can be expended only for the stipulated purpose. Committed fund balance includes amounts that can be used only for the specific purpose determined by a formal action of the government's highest decision making authority. Constraints on committed amounts are imposed internally and are not legally enforceable, as with restricted amounts. Assigned fund balance amounts are intended to be used by the government for specific purposes, but do not meet the criteria to be classified as restricted or committed. "Assigned" fund balance is a term that replaces the former term "designated" fund balance. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts that are not contained in the other classifications.

As of September 30, 2018, the County's governmental funds reported combined ending fund balances of \$11,229,927, representing an increase of 5% from 2017.

**Peach County's Governmental Funds Fund Balances
September 30, 2018**

FUND BALANCES:	General Fund	2008 SPLOST Fund	2015 SPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds	% TOTAL
Nonspendable:						
Prepaid items	\$ 554,176	\$ 0	\$ 0	\$ 0	\$ 554,176	4.93%
Restricted for:						
Law library operations	\$ 0	\$ 0	\$ 0	\$ 54,104	\$ 54,104	0.48%
Juvenile programs	\$ 0	\$ 0	\$ 0	\$ 2,745	\$ 2,745	0.02%
Sheriff facilities, equipment, and operations	\$ 0	\$ 0	\$ 0	\$ 201,558	\$ 201,558	1.79%
Transit system operations	\$ 0	\$ 0	\$ 0	\$ 142	\$ 142	0.00%
LMIG projects	\$ 0	\$ 0	\$ 534,135	\$ 0	\$ 534,135	4.76%
Capital outlay	\$ 0	\$ 967,600	\$ 1,166,305	\$ 565,293	\$ 2,699,198	24.04%
Assigned for:						
Buildings and plants	\$ 40,021				\$ 40,021	0.36%
Roads and bridges	\$ 200,836	\$ 0	\$ 0	\$ 0	\$ 200,836	1.79%
Tourism	\$ 0	\$ 0	\$ 0	\$ 1,018	\$ 1,018	0.01%
Subsequent budget	\$ 487,466				\$ 487,466	4.34%
Unassigned	\$ 6,454,528	\$ 0	\$ 0	\$ 0	\$ 6,454,528	57.48%
TOTALS	\$ 7,737,027	\$ 967,600	\$ 1,700,440	\$ 824,860	\$ 11,229,927	100.00%

At the end of the current fiscal year, Peach County reports a positive balance in all categories of fund balance in the governmental funds.

The General Fund is the chief operating fund of Peach County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$6,454,528, representing a 13% increase from 2017. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total General Fund expenditures (\$16,425,633). Unassigned fund balance represents 39% of total General Fund expenditures. The total fund balance of the County's General Fund increased by \$1,112,763, representing an increase of 17%. Current year expenditures of \$16,425,633 represented a 2% decrease from 2017 expenditures. The most significant item leading to this decrease was the issuance of the contract payable in the prior year related to the Joint Development Authority of Peach County and the City of Warner Robins bond issuance. Current year revenues of \$18,037,682 represented an increase (10%) over 2017 revenues. The increase in revenues was due mostly to increased local option sales tax revenues and a grant received for storm cleanup. The millage rate remained the same in 2018. There was a 3% cost of living adjustment awarded to all regular full-time and regular part-time employees for 2018.

The fund balance for the 2008 SPLOST Fund was \$967,600 at September 30, 2018. The SPLOST called for a total collection of \$24,000,000, to be applied to the following project areas:

APPROVED 2008 SPLOST DISTRIBUTION

	Peach County	Fort Valley	Byron	Total
Road, Street, and Bridge Purposes	\$ 3,000,000	\$ -	\$ 1,566,000	\$ 4,566,000
Buildings - Law Enforcement Center	\$ 9,000,000	\$ -	\$ -	\$ 9,000,000
Buildings - County Courthouse	\$ 130,000	\$ -	\$ -	\$ 130,000
Buildings - Spruce Street Complex	\$ 395,000	\$ -	\$ -	\$ 395,000
Buildings - Thomas Public Library	\$ 25,000	\$ -	\$ -	\$ 25,000
Cultural, Historical and Recreation Facilities	\$ 700,000	\$ 75,000	\$ 75,000	\$ 850,000
Water, Sewer, & Stormwater Projects	\$ -	\$ 2,500,000	\$ 1,044,000	\$ 3,544,000
Debt Retirement – County	\$ 1,325,000	\$ -	\$ -	\$ 1,325,000
Public Safety Facilities	\$ 475,000	\$ -	\$ -	\$ 475,000
Public Safety Equipment	\$ 1,002,000	\$ 500,000	\$ -	\$ 1,502,000
Animal Control Facilities/ Vehicles, Equipment	\$ 400,000	\$ -	\$ -	\$ 400,000
Bond Interest and Costs of Issuance	\$ 1,398,000	\$ -	\$ 390,000	\$ 1,788,000
Totals	\$ 17,850,000	\$ 3,075,000	\$ 3,075,000	\$ 24,000,000

In 2009, Peach County issued general obligation bonds in the amount of \$15,015,000, which included the election of the City of Byron to receive its 2008 SPLOST collection of \$2,582,417 at the time the bonds were issued, with the County assuming all bond costs to be paid from future 2008 SPLOST revenues. The County's bond proceeds have been used to finance the acquisition and construction of a number of the capital projects listed above, to include the expansion and renovation of the Peach County Law Enforcement Center, further renovations at the Spruce Street Complex, the construction of a new Public Safety Facility, and the purchase of public safety equipment. Sales tax collections for the 2008 Special Purpose Local Option Sales Tax concluded in March 2015, with total tax collections of \$22,284,313, which fell short of original projections by 7%. The City of Fort Valley received a payout of \$2,429,422 in 2015, bringing its total 2008 SPLOST distribution to \$2,785,539. The County's total 2008 SPLOST distribution over the term of the SPLOST totaled \$16,916,357.

The 2015 SPLOST referendum was placed on the ballot and approved by the voters on March 6, 2012. Collections began in April 2015, and will fund a continuation of many of the projects included in the 2008 SPLOST. Projects included in the 2015 Special Purpose Local Option Sales Tax are:

	PEACH COUNTY	FORT VALLEY	BYRON	TOTAL
<i>Capital Outlay Projects for Road, Street, and Bridge Purposes (Includes Stormwater and Drainage)</i>	\$ 3,800,000	\$ 1,453,000	\$ 2,815,575	\$ 8,068,575
<i>Capital Outlay Projects for Courthouses, Administrative Buildings, Civic Centers, Library, Detention Facility, Solid Waste Facility</i>	\$ 4,140,000	\$ 1,151,000	\$ 32,550	\$ 5,323,550
<i>Capital Outlay Projects to be owned or operated or both either by the County, one or more qualified municipalities, one or more local authorities, or any combination thereof</i>	\$ 2,075,000	\$ 0	\$ 651,000	\$ 2,726,000
<i>Capital Outlay Projects for Cultural Facilities, Recreation Facilities, or Historic Facilities</i>	\$ 400,000	\$ 651,000	\$ 32,550	\$ 1,083,550
<i>Capital Outlay Projects consisting of public safety facilities, airport facilities, or related capital equipment used in the operation of public safety or airport facilities, or any combination of such purposes</i>	\$ 3,348,000	\$ 651,000	\$ 374,325	\$ 4,373,325
<i>Capital Outlay Projects consisting of capital equipment for use in voting in official elections or referendums</i>	\$ 125,000	\$ 0	\$ 0	\$ 125,000
<i>Totals</i>	\$ 13,888,000	\$ 3,906,000	\$ 3,906,000	\$ 21,700,000

The Southwest Peach Sewer Project has now entered Phase II and is funded from the 2015 SPLOST. Initially, this project was funded from the 2000 SPLOST, which has been expended.

The telephone landline and wireless service fees charged to customers and paid back to Peach County to fund E911 services are insufficient to cover the entire cost of operating E911. The General Fund supplements the E911 operation to cover costs not funded by these fees. In 2018, the General Fund supplemented E911 operations by \$735,934, representing 62% of the total E911 expenditures of \$1,187,161. The fee to Peach County residents for landline and wireless is \$1.50 per line per month.

Proprietary funds. Peach County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Solid Waste Fund at the end of the fiscal year was \$929,071. Other factors concerning the finances for this fund have already been addressed in the discussion of Peach County's business-type activities.

General Fund Budgetary Highlights

All budget amendments are presented and approved by the governing body. Differences between the original budget and the final amended budget can be briefly summarized as follows:

- Decrease in general government functions - \$3,535,101;
- Decreases in judicial functions - \$31,608;
- Decreases in public safety functions - \$360,543;
- Decrease in public works functions - \$131,124;
- Increase in health and welfare functions - \$38,115;
- Decrease in culture and recreation functions - \$4,587;
- Increase in housing and development functions - \$32,198; and,
- Increase in debt service - \$308,596.

At the time that the 2018 budget was originally adopted, all employee benefits, including health insurance, FICA, workers' compensation, etc., were included in their entirety in the general government budget. A budget amendment was processed to reallocate these budget amounts at the department level, which accounts for the majority of the adjustments listed above.

During the current year, revenues exceeded General Fund budgetary estimates by \$263,407. Expenditures fell short of budgetary estimates by \$124,524.

Capital Assets and Debt Administration

Capital Assets. Peach County's investment in capital assets for its governmental activities as of September 30, 2018 amounted to \$49,881,932 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, and infrastructure, such as roads and bridges. There are no capital assets assigned to business-type activities.

Peach County's Capital Asset Additions in 2018

ID #	CAPITAL PROJECT	FUNDING SOURCE	AMOUNT
1671	Byron EMS Station New Roof	2004 SPLOST	\$12,318
1672	Fire Alarm Courthouse	2004 SPLOST	\$54,300
1669	Rescue Tools	General Fund	\$28,606
1677	SCBA Compressor	2015 SPLOST	\$29,969
1680	1200-gal Tank with Standard Features	2015 SPLOST	\$7,908
1678	x-Series Defibrillators	2015 SPLOST	\$26,743
1679	x-Series Defibrillators	2015 SPLOST	\$26,743
1682	Case 84" Roller Compacter Model SY212	2015 SPLOST	\$71,715
1676	North Peach Park Apron Entrance	2008 SPLOST	\$8,455
1668	Firewall Replacement Courthouse	General Fund	\$5,504

Peach County's Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total Activities	
	2018	2017	2018	2017	2018	2017
Capital assets not being depreciated	\$ 8,599,866	\$ 6,231,357	\$ 0	\$ 0	\$ 8,599,866	\$ 6,231,357
Buildings	\$ 18,805,967	\$ 19,362,157	\$ 0	\$ 0	\$ 18,805,967	\$ 19,362,157
Improvements other than buildings	\$ 1,587,645	\$ 1,548,238	\$ 0	\$ 0	\$ 1,158,238	\$ 1,548,238
Infrastructure	\$ 16,005,720	\$ 17,265,867	\$ 0	\$ 0	\$ 17,265,867	\$ 17,265,867
Equipment	\$ 4,882,734	\$ 5,467,676	\$ 0	\$ 0	\$ 5,467,676	\$ 5,467,676
Total	\$ 49,881,932	\$ 49,875,295	\$ 0	\$ 0	\$ 49,875,295	\$ 49,875,295

Major construction in progress projects that began, were continued, or were completed in 2018 included the following:

- At September 30, 2018, work is nearing completion on the conversion of the old Fire Station #3 Building into a Public Works Operations Center to provide needed space for Public Works Building and Road Crews to work and perform necessary administrative duties. No additional expenditures were made toward the completion of this project in 2018. Therefore, construction in progress on this project remained at \$9,788 at the close of 2018.
- At September 30, 2018, engineering is complete on the design of new walking trails for the South Peach Recreation Park. General revenues will be combined with funding from a Trails Grant through the Georgia Department of Natural Resources to extend walking trails throughout the park. Construction in progress on this project was at \$30,156 at the close of 2018.
- As stated previously, construction work is completed on Phase I and is nearing completion on Phase II of the Southwest Peach County Sanitary Sewer Project, which will provide needed sewer infrastructure in and around the Ponderosa Subdivision. No additional funding was applied to this project in 2018, the total for Construction in Progress for this project to \$4,702,324 at September 30, 2018.
- Work is continuing to improve drainage and make road improvements to Gracewood Road, Fullwood Road, Clint Howard Road, Brock Road, Preston Road, Sharon Road, and Smyrna Church Road, Vinson Road, Taylors Mill Road. These improvements are being funded from the 2004 and 2008 SPLOST Funds in combination with Local Maintenance and Improvement Grant Funding from the Georgia Department of Transportation. Costs applied to construction in progress on these roadways for 2018 was \$198,967 for a total of \$697,967 construction in progress at September 30, 2018.

- Work has been completed on Barrow Road and Lake Side Dr. These projects were funded with the 2004 SPLOST funds in combination with Local Maintenance Improvement Grant Funding from the Georgia Department of Transportation in the amount of \$200,940.
- At September 30, 2016, engineered drawings had been completed for the construction of an Animal Control Facility that will be located adjacent to the Peach County Law Enforcement Center on Spruce Street. This project was approved in the 2008 Special Purpose Local Option Sales Tax referendum. This project was put out for bid in 2011, but bids received exceeded available funding. Plans are being re-engineered to bring costs more in line with available funding. No additional expenditures were made toward the completion of this project in 2017. Therefore, construction in progress on this project remained at \$31,123 at the close of 2018.
- Work is just underway to construct an alternate entrance into South Peach Recreation Park. The proposed design has the new entrance coming off of Courtland Avenue in Fort Valley. Peach County obtained the majority of land needed for the road through a land transfer with the City of Fort Valley. Peach County agreed to exchange its property located on Jailhouse Alley where the Fort Valley station of the Peach County Emergency Medical Service was located prior to moving to the new Public Safety Facility on Highway 341 South in Fort Valley. The project is nearing the completion of the design phase. This project was recorded at \$15,853 construction in progress at September 30, 2018.
- Work in underway to install ten additional sirens in various county locations, the total increase in construction in progress at the end of September 30, 2018 was \$167,935. Completion of sirens is expected in FY19.
- Work is underway to repair and resurface Smith Road. Smith Road will be repaired and resurfaces in three phases. Funding for this improvement is a combination of 2008 SPLOST funds 2016 Local Maintenance and Improvement Grant Funding from the Georgia Department of Transportation. As of September 30, 2018, the Construction in Progress has recorded a total of \$21,962 for this improvement.
- The Board of Commissioners approved to hire Triple Point Engineering Firm to perform surveys and investigative engineering to address the drainage issues on Beverly Road. As of September 30, 2018, the Construction in Progress has recorded a total of \$11,250 for this project.
- The Board of Commissioners approved funding to address security measures at the Peach County Courthouse, the construction in progress reported \$115,197 for this project as of September 30, 2018.

Capital assets that are no longer providing a benefit to the County or serving a useful purpose due to age and/or condition are formally declared surplus and removed from the listing of capital assets. The capital assets disposed in 2018 include the following:

Disposed	Acquisition Date	Cost
1998 John Deere Wide Smooth Drum	4/1/2006	\$40,000
1982 Grunman Grove Ladder Truck	4/1/2002	\$74,925
2011 Crown Vic	3/16/2011	\$32,604
1997 Ford Truck Ranger	4/1/2000	\$7,000
1998 Ford Crown Vic	4/1/1998	\$19,166
1984 International Dump Truck	4/1/1984	\$14,100
2001 Ford Crown Vic	4/1/2001	\$20,113
1993 Dodge Dakota P/U	3/17/2008	\$5,000
2001 Ford Crown Vic	4/1/2000	\$21,215
2007 Ford Crown Vic	4/1/2007	\$20,588
2005 Ford Crown Vic	4/1/2005	\$28,411
2001 International Dump Truck	4/1/2006	\$18,500

Construction in Progress at 9/30/18

1575	Public Works Operations Center	General Revenues	\$9,788
1631	South Peach Park Trail	General Revenues	\$30,156
1661	Beverly Road Drain	General Revenues	\$23,184
1423	Road Improvements - Gracewood	2004 SPLOST	\$21,879
1426	Road Improvements - Fullwood Road	2004 SPLOST	\$189,830
1428	Road Improvements - Clint Howard Road	2004 SPLOST	\$42,858
1441	Road Improvements - Brock Road	2004 SPLOST	\$4,500
1608	Road Improvements - Preston Road	2004 SPLOST	\$78,862
1609	Road Improvements - Sharon Road	2004 SPLOST	\$18,799
1667	Road Improvement – Vinson Rd	2004 SPLOST	\$150,308
1973	Control System Courthouse	2004 SPLOST	\$39,040
1436	Road Improvements - Smyrna Church Road	2008 SPLOST	\$152,067
1516	Animal Control Facility	2008 SPLOST	\$31,123
1583	South Peach Recreation Park - New Entrance Road	2008 SPLOST	\$15,854
1634	Smith Road	2008 SPLOST	\$21,962
1663	Sirens	2008 SPLOST	\$213,115
1591	Southwest Peach County Sanitary Sewer Project	2015 SPLOST	\$4,702,324
1674	Video Security System Courthouse	2004 SPLOST	\$61,403
1675	Video Security Magistrate Court	2004 SPLOST	\$14,754
1681	Taylor's Mill Culvert Replacement	2015 SPLOST	\$6,400
1683	Storage Building South Peach Park	2015 SPLOST	\$6,987
1684	E911 Telephone Consoles	2015 SPLOST	\$146,399
1685	E911 Radio Consoles	2015 SPLOST	\$123,825

Additional information on the County's capital assets can be found in Note 9 of this report.

Long-Term Debt. As of September 30, 2018, Peach County's long-term debt for Governmental Activities totaled \$7,565,326, which consisted of the following items:

In 2015, Peach County entered into a three (3) year capital lease with Bancorp South to purchase heavy road equipment, totaling \$228,127, including a Case 750M Dozer for \$90,447 and a Case 210 Excavator for \$137,980. Principal payments totaling \$71,639 were made in 2018 toward this capital lease from 2015 Special Purpose Local Option Sales Tax Funds, paying the balances in full as of September 30, 2018.

In 2016, Peach County entered into a fifteen (15) year capital lease at a fixed 2.66% interest rate with Bank of America for a total of \$3,677,397, to purchase and upgrade various facility systems including HVAC, lighting, electrical, computer technology infrastructure, and systems controls throughout County facilities. Principal payments totaling \$218,270 toward this capital lease were made from the 2015 Special Purpose Local Option Sales Tax Fund, bringing the balance down to \$3,296,508 at September 30, 2018.

Contracts payable, a joint undertaking with the Development Authority of Peach County and the City of Warner Robins via intergovernmental agreement to pay for \$1,680,000 (70%) of the total \$2,400,000 Industrial Development Revenue Bond, to finance part of a purchase of land.

Landfill post-closure care costs were recorded at \$2,149,963 as of September 30, 2018. This includes an estimate of \$1,416,800 in post closure care costs over the remaining seven (7) years of a thirty (30) year obligation on the Housers Mill Landfill, which began when the landfill was closed in 1995. Also included is \$733,163 in post-closure care costs, which represents Peach County's 47.93% pro rata ownership in the Macon County Landfill through an

agreement with the Middle Georgia Regional Solid Waste Management Authority, which includes Macon County, Dooly County, and Peach County.

Compensated absences were recorded at \$438,855 as of September 30, 2018. This includes the value of accrued and unused annual leave for all regular employees at the close of the budget year on September 30, 2018.

Additional information on the County's long-term debt and the County's relationship and financial responsibility to the Middle Georgia Regional Solid Waste Management Authority can be found in Note 11 and Note 13 of this report.

Economic Factors and Next Year's Budgets

- The Georgia Department of Labor has indicated that the December 2018 unemployment rate for Peach County is 4.6%, which has continued to show improvement when compared to the 5.2% rate recorded for December 2017 and the 6.6% rate recorded for December 2016. However, Peach County's unemployment rate still falls short of the 4.1% rate recorded at December 2018 for the middle Georgia region, the statewide rate of 3.6%, and the national rate of 3.9%.
- Central Georgia Technical College has partnered with Peach County to open a new Regional Workforce Development Center in Peach County. The facility has been constructed with a combination of funding, including a \$500,000 Employment Incentive Program Grant, an additional grant award of \$500,000 through the OneGeorgia Authority, and \$3,000,000 approved for this purpose in the 2015 Special Purpose Local Option Sales Tax. The Development Authority of Peach County donated approximately ten (10) acres of land in the South Peach Industrial Park on James E. Khoury Drive for the facility. The primary focus of this project is to enhance the local workforce by providing even more accessible educational opportunities to reduce the unemployment rates of individuals living in the middle Georgia area.
- Construction has been completion of Phase I of the Southwest Peach County Sanitary Sewer Project to install needed sewer infrastructure in and around the Ponderosa Subdivision in Fort Valley, Georgia, which was funded by the 2000 SPLOST Fund and \$500,000 from a Community Development Block Grant to assist in a portion of the project area where residents met low to moderate income requirements. Phase 2 is nearing its completion of the project, which is to be funded with an additional \$2,000,000 approved by the voters in the 2015 Special Purpose Local Option Sales Tax referendum. At the conclusion of the project, the infrastructure will be donated to the City of Fort Valley, and the sewer system will be operated by the Fort Valley Utility Commission. It is anticipated that the City of Fort Valley will annex the project area into the incorporated limits of Fort Valley, and property owners in the project area will thereafter be required to pay property taxes levied by the City of Fort Valley and will be eligible to receive services provided by the City of Fort Valley.
- In 2014, the Peach County Board of Commissioners increased the millage rate by one mil, which has generated approximately \$650,000 in additional tax revenues annually. At this time, 40% of the one mil increase is dedicated to funding closure and post closure care costs. This increase in conjunction with the increase in the solid waste fee from \$144 to \$204 annually for providing door to door residential solid waste collection in the unincorporated areas of Peach County is believed to be sufficient to eliminate the annual reduction in the County's fund balance and provide the County a greater level of financial stability.

Requests for Information

This financial report is designed to provide a general overview of Peach County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Michaela Jones, Peach County Administrator, Peach County, 213 Persons Street, Fort Valley, Georgia 31030.

BASIC FINANCIAL STATEMENTS

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

	Primary Government			Component
	Governmental	Business-type	Total	Units
	Activities	Activities		
ASSETS				
Current assets				
Cash and cash equivalents	\$ 10,544,970	\$ 360,645	\$ 10,905,615	\$ 1,527,858
Investments	0	0	0	808,115
Receivables (net)				
Accounts	544,203	1,377,014	1,921,217	9,598
Intergovernmental	600,424	0	600,424	435,362
Taxes	9,537,106	0	9,537,106	0
Prepaid items	554,176	0	554,176	6,106
Internal balances	(334,784)	334,784	0	0
Total current assets	21,446,095	2,072,443	23,518,538	2,787,039
Noncurrent assets				
Capital assets				
Non-depreciable	8,599,866	0	8,599,866	484,671
Depreciable (net)	41,282,066	0	41,282,066	1,606,977
Notes receivable	0	0	0	200,000
Total noncurrent assets	49,881,932	0	49,881,932	2,291,648
Total assets	71,328,027	2,072,443	73,400,470	5,078,687
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources - pension	834,966	13,467	848,433	230,893
Deferred outflows of resources - OPEB	0	0	0	7,432
Total deferred outflows of resources	834,966	13,467	848,433	238,325
LIABILITIES				
Current liabilities				
Payables				
Accounts	807,516	97,984	905,500	177,633
Retainages	112,255	0	112,255	19,219
Interest	10,246	0	10,246	0
Accrued liabilities	226,391	4,785	231,176	12,415
Compensated absences	87,771	0	87,771	7,276
Unearned revenue	0	1,011,953	1,011,953	0
Capital leases payable	227,656	0	227,656	0
Landfill post-closure care costs	202,400	0	202,400	0
Total current liabilities	1,674,235	1,114,722	2,788,957	216,543
Noncurrent liabilities				
Compensated absences	351,084	0	351,084	62,782
Net pension liability	1,874,806	29,836	1,904,642	823,905
Net OPEB liability	0	0	0	658,998
Capital leases payable	3,068,852	0	3,068,852	0
Contracts payable	1,680,000	0	1,680,000	0
Landfill post-closure care costs	1,947,563	0	1,947,563	0
Total noncurrent liabilities	8,922,305	29,836	8,952,141	1,545,685
Total liabilities	10,596,540	1,144,558	11,741,098	1,762,228

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

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied for subsequent year	\$ 9,026,664	\$ 0	\$ 9,026,664	\$ 0
Deferred inflows of resources - pension	760,667	12,281	772,948	91,995
Deferred inflows of resources - OPEB	0	0	0	94,108
Total deferred inflows of resources	9,787,331	12,281	9,799,612	186,103
NET POSITION				
Net investment in capital assets	46,327,929	0	46,327,929	1,939,464
Restricted for:				
Law library operations	54,104	0	54,104	0
Juvenile programs	2,745	0	2,745	0
Sheriff facilities, equipment, and operations	201,558	0	201,558	0
Transit system operations	142	0	142	0
LMIG projects	534,135	0	534,135	0
Capital outlay	2,699,198	0	2,699,198	0
Permanent fund	0	0	0	30,922
Unrestricted	1,959,311	929,071	2,888,382	1,398,295
Total net position	\$ 51,779,122	\$ 929,071	\$ 52,708,193	\$ 3,368,681

PEACH COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For the fiscal year ended September 30, 2018

FUNCTIONS/PROGRAMS	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities					
General Government	\$ 3,910,563	\$ 305,919	\$ 1,425	\$ 0	\$ (3,603,219)
Judicial	1,748,336	401,188	28,959	0	(1,318,189)
Public Safety	9,560,482	2,486,421	15,354	40,847	(7,017,860)
Public Works	4,792,855	99,470	632,766	290,386	(3,770,233)
Health and Welfare	340,161	0	70,818	0	(269,343)
Culture and Recreation	818,330	49,428	0	0	(768,902)
Housing and Development	519,287	0	0	0	(519,287)
Interest on long-term debt	91,945	0	0	0	(91,945)
Total governmental activities	21,781,959	3,342,426	749,322	331,233	(17,358,978)
Business-type activities					
Solid Waste	1,260,319	1,007,393	0	0	(252,926)
Total primary government	23,042,278	4,349,819	749,322	331,233	(17,611,904)
Component Units					
Development Authority					
Housing and Development	1,774,454	0	351,098	0	(1,423,356)
Peach Public Libraries					
Culture and Recreation	456,111	24,562	428,917	30,974	28,342
Health Department					
Health and Welfare	630,463	277,050	449,640	0	96,227
Total component units	2,861,028	301,612	1,229,655	30,974	(1,298,787)
Change in net position					
Net (expense) revenue	\$ (17,358,978)	\$ (252,926)	\$ (17,611,904)	\$ (1,298,787)	
General revenues					
Taxes					
Property	10,681,593	0	10,681,593	0	
Sales	6,325,722	0	6,325,722	0	
Insurance premium	771,906	0	771,906	0	
Occupational	95,020	0	95,020	0	
Alcohol Excise	70,560	0	70,560	0	
Other	273,743	0	273,743	0	
Interest and investment earnings	1,584	0	1,584	2,018	
Other	115,629	0	115,629	0	
Transfers	(421,771)	421,771	0	0	
Total general revenues and transfers	17,913,986	421,771	18,335,757	2,018	
Change in net position	555,008	168,845	723,853	(1,296,769)	
Net position - beginning (original)	51,330,426	709,715	52,040,141	5,393,851	
Prior period adjustments	(106,312)	50,511	(55,801)	(728,401)	
Net position - beginning (restated)	51,224,114	760,226	51,984,340	4,665,450	
Net position - ending	\$ 51,779,122	\$ 929,071	\$ 52,708,193	\$ 3,368,681	

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

	General	2008 SPLOST	2015 SPLOST	Nonmajor Governmental Funds	Totals
ASSETS					
Cash and cash equivalents	\$ 6,924,306	\$ 967,600	\$ 1,831,110	\$ 821,954	\$ 10,544,970
Receivables (net)					
Accounts	464,608	0	0	79,595	544,203
Intergovernmental	600,424	0	0	0	600,424
Taxes	9,183,429	0	352,968	709	9,537,106
Due from other funds	76,653	0	0	0	76,653
Prepaid items	554,176	0	0	0	554,176
Total assets	\$ 17,803,596	\$ 967,600	\$ 2,184,078	\$ 902,258	\$ 21,857,532
LIABILITIES					
Accounts payable	\$ 435,388	\$ 0	\$ 371,383	\$ 745	\$ 807,516
Retainages payable	0	0	112,255	0	112,255
Accrued liabilities	226,391	0	0	0	226,391
Due to other funds	334,784	0	0	76,653	411,437
Total liabilities	996,563	0	483,638	77,398	1,557,599
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	9,070,006	0	0	0	9,070,006
FUND BALANCES					
Nonspendable					
Prepaid items	554,176	0	0	0	554,176
Restricted for:					
Law library operations	0	0	0	54,104	54,104
Juvenile programs	0	0	0	2,745	2,745
Sheriff facilities, equipment, and operations	0	0	0	201,558	201,558
Transit system operations	0	0	0	142	142
LMIG projects	0	0	534,135	0	534,135
Capital outlay	0	967,600	1,166,305	565,293	2,699,198
Assigned for:					
General government buildings and plants	40,021	0	0	0	40,021
Roads and bridges	200,836	0	0	0	200,836
Tourism	0	0	0	1,018	1,018
Subsequent budget	487,466	0	0	0	487,466
Unassigned	6,454,528	0	0	0	6,454,528
Total fund balances	7,737,027	967,600	1,700,440	824,860	11,229,927
Total liabilities, deferred inflows of resources, and fund balances	\$ 17,803,596	\$ 967,600	\$ 2,184,078	\$ 902,258	\$ 21,857,532

PEACH COUNTY, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
September 30, 2018

Total fund balances - total governmental funds	\$	11,229,927
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Amounts reported for governmental activities in the statement of net position are different because:

Some assets are not financial resources and therefore are not reported in the funds.
These are:

Capital assets, net of accumulated depreciation		49,881,932
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		43,342
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Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds. These are:

Deferred outflows of resources - pension	\$ 834,966	
Deferred inflows of resources - pension	<u>(760,667)</u>	74,299

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These are:

Accrued interest	(10,246)	
Compensated absences	(438,855)	
Net pension liability	(1,874,806)	
Capital leases payable	(3,296,508)	
Contracts payable	(1,680,000)	
Landfill post-closure care costs	<u>(2,149,963)</u>	(9,450,378)

Net position of governmental activities	<u><u>\$</u></u>	<u><u>51,779,122</u></u>
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PEACH COUNTY, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the fiscal year ended September 30, 2018

	General	2008 SPLOST	2015 SPLOST	Nonmajor Governmental Funds	Totals
REVENUES					
Taxes	\$ 14,376,687	\$ 0	\$ 3,970,905	\$ 9,160	\$ 18,356,752
Licenses and permits	107,270	0	0	0	107,270
Fines, fees and forfeitures	746,646	0	0	36,407	783,053
Charges for services	1,970,648	0	0	481,452	2,452,100
Intergovernmental	677,079	0	290,386	70,818	1,038,283
Interest	1,451	0	0	133	1,584
Contributions	42,272	0	0	0	42,272
Other	115,629	0	0	0	115,629
Total revenues	18,037,682	0	4,261,291	597,970	22,896,943
EXPENDITURES					
Current					
General Government	3,361,785	0	0	0	3,361,785
Judicial	1,718,574	0	0	8,919	1,727,493
Public Safety	8,161,036	0	0	462,077	8,623,113
Public Works	1,883,200	0	0	0	1,883,200
Health and Welfare	180,477	0	0	153,226	333,703
Culture and Recreation	717,133	0	0	0	717,133
Housing and Development	403,428	0	0	11,077	414,505
Capital outlay	0	36,431	2,388,092	648,240	3,072,763
Debt service	0	0	382,617	0	382,617
Intergovernmental	0	0	1,429,525	0	1,429,525
Total expenditures	16,425,633	36,431	4,200,234	1,283,539	21,945,837
Excess (deficiency) of revenues over (under) expenditures	1,612,049	(36,431)	61,057	(685,569)	951,106
Other financing sources (uses)					
Transfers in	0	0	9,375	84,542	93,917
Transfers out	(515,688)	0	0	0	(515,688)
Proceeds from sale of capital assets	16,402	0	0	0	16,402
Total other financing sources (uses)	(499,286)	0	9,375	84,542	(405,369)
Net change in fund balance	1,112,763	(36,431)	70,432	(601,027)	545,737
Fund balances, October 1 (original)	6,730,576	1,004,031	1,630,008	1,425,887	10,790,502
Prior period adjustments	(106,312)	0	0	0	(106,312)
Fund balances, October 1 (restated)	6,624,264	1,004,031	1,630,008	1,425,887	10,684,190
Fund balances, September 30	\$ 7,737,027	\$ 967,600	\$ 1,700,440	\$ 824,860	\$ 11,229,927

PEACH COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the fiscal year ended September 30, 2018

Net change in fund balances - total governmental funds **\$ 545,737**

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlays	\$ 2,842,309	
Depreciation	(2,812,956)	29,353

In the statement of activities, the gain/loss on the disposal of assets is reported, whereas in the governmental funds, the proceeds from the sale of capital assets increases financial resources.

Cost of assets disposed	(301,572)	
Related accumulated depreciation	278,856	(22,716)

Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

Pension contributions	492,064	
Cost of benefits earned net of employee contributions	(727,632)	(235,568)

The proceeds of debt issuance, net of premiums, discounts and issuance costs provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In addition, interest on long-term debt is not recognized in the governmental funds until due, but is recognized in the statement of activities as it accrues.

Debt principal payments	289,909	
Net change in interest payable	763	290,672

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These include recognition of unavailable revenue. (138,207)

Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.

Compensated absences	(21,100)	
Landfill post-closure care costs	106,837	85,737

Change in net position of governmental activities	\$	<u><u>555,008</u></u>
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PEACH COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended September 30, 2018

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 13,457,554	\$ 14,146,505	\$ 14,376,687	\$ 230,182
Licenses and permits	71,453	107,270	107,270	0
Fines, fees and forfeitures	485,922	746,644	746,646	2
Charges for services	2,006,208	1,934,739	1,970,648	35,909
Intergovernmental	85,116	677,076	677,079	3
Interest	2,272	1,451	1,451	0
Contributions	0	42,271	42,272	1
Other	72,288	118,319	115,629	(2,690)
Total revenues	16,180,813	17,774,275	18,037,682	263,407
EXPENDITURES				
Current				
General Government				
County Commissioners	584,527	717,000	716,902	98
Elections	133,731	179,348	179,337	11
Board of Equalization	11,560	2,180	2,178	2
Data Processing	305,736	266,918	266,914	4
Human Resources	2,839,403	17,180	17,152	28
Tax Commissioner	249,408	316,116	316,107	9
Tax Assessor	402,394	484,623	484,610	13
Risk Management	432,500	444,209	444,208	1
General Government Buildings and Plant	567,637	800,000	799,750	250
Other General Government	101,973	134,631	134,627	4
Judicial				
Superior Court	106,947	136,397	133,060	3,337
Clerk of Superior Court	215,636	275,478	275,222	256
District Attorney	201,817	223,869	223,860	9
District Attorney - Victim Witness	80,370	78,550	78,537	13
Magistrate Court	214,468	277,027	277,017	10
Probate Court	198,887	258,836	258,827	9
Juvenile Court	88,617	112,294	112,285	9
Public Defender	353,483	359,766	359,766	0
Public Safety				
Sheriff	1,804,438	2,284,578	2,282,692	1,886
Jail	1,742,467	2,186,583	2,186,203	380
Drug Rehab and Training	69,583	84,528	84,405	123
Probation	1,311	1,547	1,547	0
Fire Department	964,026	1,233,116	1,222,963	10,153
Emergency Medical Services	1,169,305	1,526,169	1,524,194	1,975
Coroner	33,056	38,107	38,103	4
E911	454,543	735,948	735,934	14
Emergency Management	72,460	85,004	84,995	9
Public Works				
Public Works Department	155,537	273,499	229,214	44,285
Roadways and Walkways	771,823	1,692,446	1,630,843	61,603
Solid Waste Disposal	18,500	23,143	23,143	0

PEACH COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended September 30, 2018

	Budget			Variance with
	Original	Final	Actual	Final Budget
EXPENDITURES (continued)				
Current				
Health and Welfare				
Health	\$ 100,300	\$ 100,000	\$ 100,000	\$ 0
Welfare	23,600	20,700	20,700	0
Community Services	44,460	59,785	59,777	8
Culture and Recreation				
Recreation Department	364,827	424,220	424,215	5
Libraries	291,396	292,920	292,918	2
Housing and Development				
County Agent	42,537	46,267	46,264	3
Georgia Forestry Commission	3,042	3,042	3,042	0
Planning and Zoning	186,654	241,603	241,593	10
Economic Development Administration	108,014	108,030	108,029	1
Economic Opportunity	4,500	4,500	4,500	0
Total expenditures	15,515,473	16,550,157	16,425,633	124,524
Excess (deficiency) of revenues over expenditures	665,340	1,224,118	1,612,049	387,931
Other financing sources (uses)				
Transfers out	(482,294)	(515,688)	(515,688)	0
Proceeds from sales of capital assets	0	13,709	16,402	2,693
Contingency	(683,046)	(722,139)	0	722,139
Total other financing sources (uses)	(1,165,340)	(1,224,118)	(499,286)	724,832
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(500,000)	0	1,112,763	1,112,763
Fund balances, October 1 (original)	500,000	0	6,730,576	6,730,576
Prior period adjustments	0	0	(106,312)	(106,312)
Fund balances, October 1 (restated)	500,000	0	6,624,264	6,624,264
Fund balances, September 30	\$ 0	\$ 0	\$ 7,737,027	\$ 7,737,027

PEACH COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2018

	Solid Waste
ASSETS	
Current assets	
Cash and cash equivalents	\$ 360,645
Accounts receivable (net)	1,377,014
Due from other funds	<u>334,784</u>
Total assets	<u>2,072,443</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - pension	<u>13,467</u>
LIABILITIES	
Current liabilities	
Accounts payable	97,984
Accrued liabilities	4,785
Unearned revenue	<u>1,011,953</u>
Total current liabilities	1,114,722
Noncurrent liabilities	
Net pension liability	<u>29,836</u>
Total liabilities	<u>1,144,558</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - pension	<u>12,281</u>
NET POSITION	
Unrestricted	<u>929,071</u>
Total net position	<u><u>\$ 929,071</u></u>

PEACH COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the fiscal year ended September 30, 2018

	Solid Waste
OPERATING REVENUES	
Refuse collection fees	\$ 1,003,084
Other	<u>4,309</u>
Total operating revenues	<u>1,007,393</u>
OPERATING EXPENSES	
Salaries and benefits	197,386
Contract services	1,038,884
Supplies	<u>24,049</u>
Total operating expenses	<u>1,260,319</u>
Net income (loss) before transfers	<u>(252,926)</u>
Transfers in (out)	
Transfers in	431,146
Transfers out	<u>(9,375)</u>
Total transfers in (out)	<u>421,771</u>
Change in net position	<u>168,845</u>
Net position, October 1 (original)	709,715
Prior period adjustments	<u>50,511</u>
Net position, October 1 (restated)	<u>760,226</u>
Net position, September 30	<u><u>\$ 929,071</u></u>

PEACH COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended September 30, 2018

	Solid Waste
Cash flows from operating activities:	
Receipts from customers	\$ 731,384
Payments to employees	(194,107)
Payments to suppliers	(1,205,441)
Other receipts	4,309
	<u> </u>
Net cash provided (used) by operating activities	<u>(663,855)</u>
Cash flows from non-capital financing activities:	
Receipts from other funds	431,146
Payments to other funds	(309,329)
	<u> </u>
Net cash provided (used) by non-capital financing activities	<u>121,817</u>
Cash flows from capital and related financing activities:	
Payments to other funds	(9,375)
	<u> </u>
Net increase (decrease) in cash and cash equivalents	(551,413)
Cash and cash equivalents, October 1	<u>912,058</u>
Cash and cash equivalents, September 30	<u><u>\$ 360,645</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	<u>\$ (252,926)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
(Increase) decrease in accounts receivable	(324,402)
(Increase) decrease in deferred outflows of resources - pension	11,135
Increase (decrease) in accounts payable	(142,508)
Increase (decrease) in accrued liabilities	(521)
Increase (decrease) in unearned revenue	52,702
Increase (decrease) in deferred inflows of resources - pension	10,607
Increase (decrease) in net pension liability	<u>(17,942)</u>
Total adjustments	<u>(410,929)</u>
Net cash provided (used) by operating activities	<u><u>\$ (663,855)</u></u>

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

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 1,700,989
Taxes receivable, net	<u>21,101,697</u>
Total assets	<u><u>\$ 22,802,686</u></u>
LIABILITIES	
Due to others	<u>\$ 22,802,686</u>
Total liabilities	<u><u>\$ 22,802,686</u></u>

PEACH COUNTY, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
September 30, 2018

	<u>Development Authority</u>	<u>Peach Public Libraries</u>	<u>Health Department</u>	<u>Totals</u>
ASSETS				
Current assets				
Cash and cash equivalents	\$ 663,293	\$ 121,805	\$ 742,760	\$ 1,527,858
Investments	523,946	284,169	0	808,115
Accounts receivable (net)	355	9,243	0	9,598
Intergovernmental receivables	406,810	0	28,552	435,362
Prepaid items	6,106	0	0	6,106
Total current assets	<u>1,600,510</u>	<u>415,217</u>	<u>771,312</u>	<u>2,787,039</u>
Noncurrent assets				
Capital assets				
Non-depreciable	317,671	167,000	0	484,671
Depreciable (net)	72,924	1,533,446	607	1,606,977
Notes receivable	200,000	0	0	200,000
Total noncurrent assets	<u>590,595</u>	<u>1,700,446</u>	<u>607</u>	<u>2,291,648</u>
Total assets	<u>2,191,105</u>	<u>2,115,663</u>	<u>771,919</u>	<u>5,078,687</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources - pension	0	91,828	139,065	230,893
Deferred outflows of resources - OPEB	0	7,432	0	7,432
Total deferred outflows of resources	<u>0</u>	<u>99,260</u>	<u>139,065</u>	<u>238,325</u>
LIABILITIES				
Current liabilities				
Accounts payable	145,317	3,231	29,085	177,633
Retainages payable	19,219	0	0	19,219
Accrued liabilities	4,552	660	7,203	12,415
Compensated absences	0	7,276	0	7,276
Total current liabilities	<u>169,088</u>	<u>11,167</u>	<u>36,288</u>	<u>216,543</u>
Noncurrent liabilities				
Compensated absences	0	15,990	46,792	62,782
Net pension liability	0	358,882	465,023	823,905
Net OPEB liability	0	257,676	401,322	658,998
Total noncurrent liabilities	<u>0</u>	<u>632,548</u>	<u>913,137</u>	<u>1,545,685</u>
Total liabilities	<u>169,088</u>	<u>643,715</u>	<u>949,425</u>	<u>1,762,228</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - pension	0	43,953	48,042	91,995
Deferred inflows of resources - OPEB	0	94,108	0	94,108
Total deferred inflows of resources	<u>0</u>	<u>138,061</u>	<u>48,042</u>	<u>186,103</u>

PEACH COUNTY, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
September 30, 2018

	Development Authority	Peach Public Libraries	Health Department	Totals
NET POSITION				
Net investment in capital assets	\$ 238,411	\$ 1,700,446	\$ 607	\$ 1,939,464
Restricted for permanent fund	0	30,922	0	30,922
Unrestricted	1,783,606	(298,221)	(87,090)	1,398,295
Total net position	<u>\$ 2,022,017</u>	<u>\$ 1,433,147</u>	<u>\$ (86,483)</u>	<u>\$ 3,368,681</u>

PEACH COUNTY, GEORGIA
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the fiscal year ended September 30, 2018

	Development Authority	Peach Public Libraries	Health Department	Totals
Expenses				
Health and Welfare	\$ 0	\$ 0	\$ 630,463	\$ 630,463
Culture and Recreation	0	456,111	0	456,111
Housing and Development	1,774,454	0	0	1,774,454
Total expenses	1,774,454	456,111	630,463	2,861,028
Program revenues				
Charges for services	0	24,562	277,050	301,612
Operating grants and contributions	351,098	428,917	449,640	1,229,655
Capital grants and contributions	0	30,974	0	30,974
Total program revenues	351,098	484,453	726,690	1,562,241
Net (expense) revenue	(1,423,356)	28,342	96,227	(1,298,787)
General revenues				
Interest and investment earnings	1,207	428	383	2,018
Change in net position	(1,422,149)	28,770	96,610	(1,296,769)
Net position - beginning (original)	3,444,166	1,710,966	238,719	5,393,851
Prior period adjustments	0	(306,589)	(421,812)	(728,401)
Net position - beginning (restated)	3,444,166	1,404,377	(183,093)	4,665,450
Net position - ending	\$ 2,022,017	\$ 1,433,147	\$ (86,483)	\$ 3,368,681

PEACH COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

1. Description of Government Unit

Peach County, Georgia was created by a legislative act in the State of Georgia on November 4, 1924. The County operates under a five member Commission appointed-Administrator form of government. The County provides the following services: public safety, public works, recreation, health and welfare services, conservation and development, and general administrative services.

2. Summary of Significant Accounting Policies

A. Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

B. Reporting Entity

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of Peach County (the primary government) and material component units. The component units discussed below are included in the County's reporting entity because of the significance of its operational and financial relationship with the County.

In conformity with generally accepted accounting principles, as set forth in Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, as amended by Statement No. 61, the financial statements of component units have been included either as blended or discretely presented component units.

Blended Component Units – Blended component units, although legally separate entities, are, in substance, part of the Government's operations.

PEACH COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

Discretely Presented Component Units – Discretely presented component units are reported in a separate column in the combined financial statements to emphasize it is legally separate from the government.

Peach County Health Department – The Health Department is governed by a seven member board, of which five members are either County officials or members appointed by the governing authority of the County. The two remaining members are appointed by the City of Fort Valley. Although the County does not have the authority to modify and approve the Health Department's budget, the County provides financial support to the Health Department. The Health Department has a June 30th year-end and is presented as a governmental type component unit. The Health Department's financial statements can be obtained by writing to the Peach County Health Department, 406 E Church Street, Fort Valley, Georgia 31030.

Development Authority of Peach County – The Development Authority is responsible for promoting industrial and commercial development within the City of Fort Valley and Peach County. The Development Authority is responsible for adopting its own annual budget and making its own operating decisions. The members of the governing board of the Development Authority are appointed by the Board of Commissioners of Peach County. Peach County provides substantially all funding for the Development Authority's annual budget and has contractually obligated itself to use its taxing powers to guarantee repayment of principal and interest on certain revenue bonds issued by the Development Authority; therefore, the Development Authority is fiscally dependent on Peach County. Separate financial statements for the Development Authority were not prepared. Financial information for the Development Authority is included in Peach County, Georgia's Annual Financial Report.

Peach Public Libraries – The Library operates to provide public library services for the citizens of Peach County. The Library Board consists of nine members appointed by the Board of Commissioners of Peach County. The Library is without authority to determine the amount of its funding; therefore, the Library is fiscally dependent on Peach County. Separate financial statements for the Library were not prepared. Financial information for the Peach Public Libraries is included in Peach County, Georgia's Annual Financial Report.

PEACH COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

2. Summary of Significant Accounting Policies (continued)

C. Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As discussed earlier, the government has two discretely presented component units. While they are not considered to be major component units, they are nevertheless aggregated and shown in a separate column in the government-wide financial statements.

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

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

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

2008 Special Purpose Local Option Sales Tax Capital Projects Fund – This fund is used to account for the revenues and expenditures relating to the County's 2008 one percent Special Purpose Local Option Sales Tax.

PEACH COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

2015 Special Purpose Local Option Sales Tax Capital Projects Fund – This fund is used to account for the revenues and expenditures relating to the County's 2015 one percent Special Purpose Local Option Sales Tax.

The County reports the following major proprietary funds:

Solid Waste Enterprise Fund – This fund is used to account for the fees and expenses associated with garbage collection and disposal services provided to the residents in the unincorporated areas of the County.

Additionally, the County reports the following fund types:

Governmental Fund Types

Special Revenue Funds - This fund type is used to account for specific revenues that are legally or donor restricted or committed to expenditure for particular purposes.

Capital Projects Funds - This fund type is used to account for financial resources to be used for the acquisition or construction of specifically planned projects (other than those financed by proprietary funds).

Fiduciary Fund Types

Agency Funds –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. These funds are used to account for assets that are held by the County as an agent to be expended in accordance with the conditions of its agency capacity.

PEACH COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

PEACH COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

2. Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting, continued

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

PEACH COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

2. Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting, continued

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

F. Revenues and Expenditures/Expenses

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. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 Solid Waste, Industrial Building, and Development Authority Enterprise Funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal services funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

G. Budgetary Information

Formal budgetary accounting is employed as a management control device for the General Fund, Special Revenue Funds, and Capital Projects Funds. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required for the General Fund and Special Revenue Funds and the same basis of accounting is used to reflect actual revenues and expenditures/expenses recognized on a generally accepted accounting principle basis.

PEACH COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

2. Summary of Significant Accounting Policies (continued)

G. Budgetary Information, continued

For the current fiscal year, annual budgets were adopted for the General Fund and all Special Revenue Funds. Budgets for the Capital Projects Funds are adopted on a project basis, spanning more than one fiscal year. The County Commission must approve any amendments to the budget. The County follows the following procedures in establishing budgetary data reflected in the financial statements:

1. During the first week of June, the Board of Commissioners meets with department heads for budget hearings.
2. Prior to July 1, the Finance Director submits to the Board of Commissioners a proposed operating budget for each department for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
3. The Board of Commissioners makes any necessary revisions to the budget before finalizing and the final budget is advertised during early July.
4. In late July, a public hearing is conducted to obtain taxpayer comments, giving notice thereof at least seven days in advance by publication in the official organ of the County.
5. Prior to the end of July, the budget is then adopted by the Board of Commissioners at a called meeting.
6. Budget amounts can be transferred between line items within any department with the exception of personnel, capital outlay, training, utilities, or telephone. Revisions to exceptions above or to the budget in total must be amended by formal action of the Board of Commissioners in a regular meeting.
7. Budget amounts are adopted on a basis consistent with generally accepted accounting principles (GAAP). Annual budgets are adopted for the General Fund and special revenue funds.
8. Formal budgetary integration is employed as a measurement control device during the year for the General Fund, the special revenue funds, and capital project funds. All appropriations lapse at year end.

Budget amounts are as originally adopted, or as amended by the Board of Commissioners. The supplementary budgetary appropriations made are reflected in the final budget amounts.

PEACH COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

2. Summary of Significant Accounting Policies (continued)

H. Cash and Investments

Cash and equivalents, as reported in the statement of cash flows, includes amounts in demand deposits, amounts with fiscal agents, and investments with an original maturity at three months or less. Investments are reported at fair value with accrued interest shown under a separate caption on the balance sheet. Reinvested interest on certain debt service and capital projects investments is included in the investment accounts.

I. Intergovernmental Receivables

Receivables from state, federal, and local governments are recorded as revenue for the period of the allocation or as earned based on expenditures made for which reimbursement is due.

J. Inventories

Inventories are valued at cost on the first-in, first-out method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

K. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the current fiscal year are recorded as prepaid items. The costs of governmental fund-type prepaid items are recorded as expenditures when consumed rather than when purchased.

PEACH COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

2. Summary of Significant Accounting Policies (continued)

L. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, not including infrastructure are defined by the County as assets with an initial, individual cost of \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. The County has elected to capitalize all general infrastructure assets regardless of the acquisition date and has used the estimated historical cost to value these assets.

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

The costs of normal maintenance and repairs that do not add value or materiality extend the life of the asset are charged to operations as incurred. Costs of major additions and improvements are capitalized.

Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets ranging as follows:

	Useful Life in Years
Land	N/A
Buildings	20-50
Improvements other than buildings	20-50
Infrastructure	20-50
Equipment	5-20

PEACH COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

2. Summary of Significant Accounting Policies (continued)

L. Capital Assets, continued

Depreciation for the component units is computed using the straight-line method over the estimated useful lives of the respective assets ranging as follows:

	Useful Life in Years
Development Authority:	
Buildings and improvements	40
Vehicles and equipment	5
Peach Public Libraries:	
Buildings	60
Library books and materials	10
Health Department:	
Computer equipment	5
Furniture and other equipment	10

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The County reports deferred outflows of resources related to their defined benefit pension plan.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has one type of item that arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and intergovernmental. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The County also reports deferred inflows of resources related to their defined benefit pension plan.

PEACH COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

2. Summary of Significant Accounting Policies (continued)

N. 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 non-vesting accumulated rights to receive sick pay benefits since the County does not have a policy to pay any amounts when employees separate from service with the County. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

O. Net Position Flow Assumption

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

P. Fund Balance Flow Assumption

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

PEACH COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

2. Summary of Significant Accounting Policies (continued)

Q. Restricted Assets and Restricted Net Position

Restricted assets represent certain resources restricted by funding source or required to be set aside for the repayment of debt. They are maintained in a separate bank account and their use is limited.

Restricted net position is equal to the excess of the restricted assets funded from operations over the liabilities to be paid with restricted assets which are due in one year or less. Restricted assets exclude bond proceeds for calculation of restricted net position.

R. Fund Balances – Governmental Funds

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 and deferred inflows of resources under the current financial resources management 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 purpose for which amounts in those funds can be spent.

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. All amounts reported as nonspendable at the end of the current fiscal year by the County are nonspendable in form. The County has not reported any amounts that are legally or contractually required to be maintained intact.

PEACH COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

2. Summary of Significant Accounting Policies (continued)

R. Fund Balances – Governmental Funds, continued

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Commissioners, the County's highest level of decision making authority, which include the language "committed for the purpose of". Commitments may be modified or rescinded only through adoption of a subsequent resolution, which shall refer to the original resolution by its number.

Assigned – includes amounts that are intended to be used by the County for a specific purpose, but do not meet the definition of restricted or committed fund balance. Intent can only be expressed by the Board of Commissioners or their designee. Assigned Fund Balance differs from Committed Fund Balance in that assignments do not require a resolution.

Unassigned – includes amounts that do not fall into one of the above four categories. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. In addition, any remaining deficits in the County's governmental funds which remain after all other fund balances have been exhausted are classified as unassigned.

For the purposes of fund balance classification, the County considers restricted amounts spent first when an expenditure is incurred for which both restricted and unrestricted fund balance is available. Furthermore, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance can be used, then committed amounts are spent first, followed by assigned amounts, and then unassigned amounts.

PEACH COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

2. Summary of Significant Accounting Policies (continued)

S. Net Position

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

T. Long-Term Obligations

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

In the fund financial statements, governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. The face amount of debt issued is reported as any other financing source. Premiums received on debt issuances are reported as other financial sources while discounts on debt issuances are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

U. Capital Contributions

Federal, state and local government assistance in the form of grants that are permanent in nature and restricted for the construction or acquisition of specific property and equipment is recorded as an asset and as non-operating revenue.

PEACH COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

2. Summary of Significant Accounting Policies (continued)

V. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures/expenses during the period. Actual results could differ from those estimates.

3. Deposit and Investment Risk

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the County's deposits may not be returned. The County follows the State of Georgia requirement that all deposits be federally insured or fully collateralized.

Interest Rate Risk

In accordance with its investment policy, the County shall seek to ladder the maturities of its portfolio to correspond with known project cash flow needs, taking into consideration large recurring expenditure items, such as payroll and bond disbursements. The County shall seek to maintain a weighted-average maturity of the total portfolio not to exceed one year.

Credit Risk, Concentration of Credit Risk, and Foreign Currency Risk

State of Georgia law limits investments to include certificates of deposit, prime bankers' acceptances, repurchase agreements, direct and agency obligations of the United States, obligations of any corporation of the United States government, obligations of the State of Georgia or other states, obligations of other political subdivisions of the State of Georgia, and pooled investment programs of the State of Georgia. The County investment policy does not further limit its investment choices other than a requirement that no instruments rated below an AAA rating may be purchased. All investments reported in the financial statements are certificates of deposit reported at fair value. The County investment policy does not restrict the amount the County may invest in any one issuer. The County has no investments denominated in a foreign currency.

PEACH COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

4. Accounts Receivable

Net accounts receivable at the end of the current fiscal year consist of the following:

Primary Government:

Major Funds

General Fund		\$	464,608
Solid Waste Enterprise Fund			1,377,014

Nonmajor Funds

Jail Inmate Canteen Special Revenue Fund	\$	4,676	
E911 Special Revenue Fund		74,919	79,595

Total primary government			<u>\$ 1,921,217</u>
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Component Units

Development Authority		\$	355
Peach Public Libraries			<u>9,243</u>

Total component units		\$	<u>9,598</u>
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5. Intergovernmental Receivables

Intergovernmental receivables at the end of the current fiscal year consist of the following:

Primary Government:

Major Funds

General Fund			
Georgia Emergency Management Agency	\$	562,103	
Georgia Department of Corrections		53	
Crawford County, Georgia		8,068	
Peach County Board of Education		18,572	
City of Byron, Georgia		5,356	
City of Fort Valley, Georgia		<u>6,272</u>	<u>\$ 600,424</u>

Total primary government			<u>\$ 600,424</u>
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Component Units:

Development Authority			
JDA of Peach County and the City of Warner Robins	\$	250,000	
OneGeorgia Authority		<u>156,810</u>	<u>\$ 406,810</u>

Health Department			
Georgia Department of Public Health			<u>28,552</u>

Total component units			<u>\$ 435,362</u>
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PEACH COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

6. Property Taxes

Property taxes for the current fiscal year were levied on August 10, 2017 and billed on September 18, 2017. Property values were assessed as of January 1, 2017. Bills are payable on or before December 20, 2017, after which the applicable property is subject to lien and penalties and interest as assessed. Property taxes levied during 2017 are for fiscal year 2018.

7. Interfund Receivables and Payables

A summary of interfund receivables and payables as of the end of the current fiscal year follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Nonmajor Governmental	\$ 76,653
Solid Waste	General	334,784
		<u>\$ 411,437</u>

The balances reported as Due to/Due from resulted from the time lag between the dates that transactions are recorded in the accounting system and payments between the funds are made. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

8. Interfund Transfers

A summary of interfund transfers for the current fiscal year follows:

<u>Transfer Out Fund</u>	<u>Transfer In Fund</u>	<u>Amount</u>
General	Solid Waste	\$ 431,146
	Nonmajor Governmental	84,542
Solid Waste	2015 SPLOST	9,375
		<u>\$ 525,063</u>

Interfund transfers are used to 1) move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them, 2) use unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations, and 3) move capital assets between governmental activities and business-type activities.

PEACH COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

8. Interfund Transfers (continued)

Transfers are eliminated in the government-wide financial statements if the interfund transfer is within the governmental fund group or business-type fund group.

9. Capital Assets

Capital asset activity for the primary government for the current fiscal year follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Non-depreciable assets				
Land	\$ 2,494,449	\$ 0	\$ 0	\$ 2,494,449
Construction in progress	3,736,908	2,569,449	(200,940)	6,105,417
Total non-depreciable assets	6,231,357	2,569,449	(200,940)	8,599,866
Depreciable assets				
Buildings	24,443,982	67,218	0	24,511,200
Improvements other than buildings	3,253,180	209,394	0	3,462,574
Infrastructure	54,445,829	0	0	54,445,829
Equipment	14,687,356	197,188	(301,572)	14,582,972
Total depreciable assets	96,830,347	473,800	(301,572)	97,002,575
Less accumulated depreciation				
Buildings	(5,081,825)	(623,408)	0	(5,705,233)
Improvements other than buildings	(1,704,942)	(169,987)	0	(1,874,929)
Infrastructure	(37,179,962)	(1,260,147)	0	(38,440,109)
Equipment	(9,219,680)	(759,414)	278,856	(9,700,238)
Total accumulated depreciation	(53,186,409)	(2,812,956)	278,856	(55,720,509)
Total depreciable assets, net	43,643,938	(2,339,156)	(22,716)	41,282,066
Governmental activities capital assets, net	\$ 49,875,295	\$ 230,293	\$ (223,656)	\$ 49,881,932

PEACH COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

9. Capital Assets (continued)

Capital asset activity for the discretely presented component units for the respective year ends follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Development Authority				
Non-depreciable assets				
Land	\$ 331,178	\$ 53,477	\$ (66,984)	\$ 317,671
Total non-depreciable assets	331,178	53,477	(66,984)	317,671
Depreciable assets				
Buildings	1,693,121	0	(1,693,121)	0
Equipment	69,595	26,765	(4,595)	91,765
Vehicles	22,040	28,400	(22,040)	28,400
Total depreciable assets	1,784,756	55,165	(1,719,756)	120,165
Less accumulated depreciation				
Buildings	(380,952)	(35,273)	416,225	0
Equipment	(35,393)	(13,130)	4,595	(43,928)
Vehicles	(22,040)	(3,313)	22,040	(3,313)
Total accumulated depreciation	(438,385)	(51,716)	442,860	(47,241)
Total depreciable assets, net	1,346,371	3,449	(1,276,896)	72,924
Development Authority capital assets, net	<u>\$ 1,677,549</u>	<u>\$ 56,926</u>	<u>\$ (1,343,880)</u>	<u>\$ 390,595</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Peach Public Libraries				
Non-depreciable assets				
Land	\$ 167,000	\$ 0	\$ 0	\$ 167,000
Total non-depreciable assets	167,000	0	0	167,000
Depreciable assets				
Buildings	2,099,984	5,706	0	2,105,690
Library books and materials	747,641	35,776	(853)	782,564
Total depreciable assets	2,847,625	41,482	(853)	2,888,254
Less accumulated depreciation				
Buildings	(703,615)	(38,903)	0	(742,518)
Library books and materials	(584,553)	(28,590)	853	(612,290)
Total accumulated depreciation	(1,288,168)	(67,493)	853	(1,354,808)
Total depreciable assets, net	1,559,457	(26,011)	0	1,533,446
Peach Public Libraries capital assets, net	<u>\$ 1,726,457</u>	<u>\$ (26,011)</u>	<u>\$ 0</u>	<u>\$ 1,700,446</u>

PEACH COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

9. Capital Assets (continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Health Department				
Depreciable assets				
Machinery and equipment	\$ 50,351	\$ 0	\$ 0	\$ 50,351
Less accumulated depreciation				
Machinery and equipment	(49,192)	(552)	0	(49,744)
Health Department capital assets, net	<u>\$ 1,159</u>	<u>\$ (552)</u>	<u>\$ 0</u>	<u>\$ 607</u>

Depreciation expense was charged to functions/programs as follows:

Primary Government

Governmental activities

General Government	\$ 387,887
Public Safety	790,534
Public Works	1,436,075
Health and Welfare	5,092
Culture and Recreation	94,188
Housing and Development	99,180
Total depreciation expense for governmental activities	<u>\$ 2,812,956</u>

Component units

Development Authority	\$ 51,716
Peach Public Libraries	67,493
Health Department	552
Total depreciation expense for component units	<u>\$ 119,761</u>

PEACH COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

10. Capital Lease Agreements

Governmental Activities

The County has entered into lease-purchase agreements to finance the acquisition of vehicles and equipment. The terms of the agreements meet the criteria of capital leases as defined by Statement of Financial Accounting Standards No. 13, which defines a capital lease generally as one which transfers benefits and risk of ownership to the lessee. The balance of the leases at the end of the current fiscal year is \$3,296,508 for governmental activities. At the end of the current fiscal year, the County had \$1,887,267 of vehicles and equipment, with associated accumulated depreciation of \$392,248 financed under the capital leases. Depreciation expense for the current fiscal year on the leased assets totaled \$196,124.

The following is a schedule of the future minimum lease payments together with the present value of the net minimum lease payments as of the end of the current fiscal year:

Fiscal Year Ending September 30,	Governmental Activities
2019	\$ 313,839
2020	318,173
2021	214,947
2022	325,207
2023	327,786
2024 - 2028	1,547,630
2029 - 2031	868,133
	<u>3,915,715</u>
Less amounts representing interest	<u>(619,207)</u>
Present value of minimum lease payments	<u><u>\$ 3,296,508</u></u>

The County's lease agreements, other than such agreements described above, are relatively minor commitments and are in compliance with state law.

PEACH COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

11. Long-Term Debt

Contracts Payable

Joint Development Authority of Peach County and the City of Warner Robins Taxable Industrial Development Revenue Bond, Series 2017: In June 2017, the County entered into an intergovernmental contract with the Joint Development Authority of Peach County and the City of Warner Robins (JDA). to pay for \$1,680,000 (70%) of the total \$2,400,000 in JDA Industrial Development Revenue Bond, Series 2017. Under the terms of the contract, Peach County is obligated to make payments to the JDA sufficient to pay seventy percent of the principal of, interest on, and other amounts with respect to, the Series 2017 Bond as the same shall become due. The bond in the amount of \$2,400,000 was issued to finance all of a part of the purchase price of land, along with due diligence, land preparation, closing costs, and related expenses. The bond was issued with an interest rate of 4.36%, to be paid quarterly commencing October 1, 2017. Annual principal payments commence October 1, 2020 with the final payment July 1, 2030.

In September 2017, the Joint Development Authority of Peach County and the City of Warner Robins, the Development Authority of the City of Warner Robins, the Development Authority of Peach County, the City of Warner Robins, and Peach County entered into an intergovernmental contract to confirm timing of payments required by the previous intergovernmental contracts, use of the proceeds from the sale of the land, and reimbursement of previous payments made by the parties to the contracts.

For the current fiscal year, the Joint Development Authority of Peach County and the City of Warner Robins made all interest payments and paid the accrued interest payable at the end of the current fiscal year. Therefore, Peach County does not reflect interest expense or accrued interest payable related to the contract.

In October 2018, the JDA Industrial Development Revenue Bond, Series 2017 was refunded. See additional information regarding the subsequent event in Note 22.

PEACH COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

11. Long-Term Debt (continued)

Contracts Payable (continued)

The annual requirements to amortize contracts payable as of the end of the current fiscal year follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2019	\$ 0	\$ 73,248	\$ 73,248
2020	33,732	73,248	106,980
2021	138,646	69,531	208,177
2022	144,790	63,386	208,176
2023	151,207	56,970	208,177
2024 - 2028	862,694	178,189	1,040,883
2029 - 2030	348,931	15,378	364,309
Totals	\$ 1,680,000	\$ 529,950	\$ 2,209,950

Changes in Long - Term Debt

The following is a summary of changes in long-term debt for the current fiscal year:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
Capital leases payable	\$ 3,586,417	\$ 0	\$ 289,909	\$ 3,296,508	\$ 227,656
Contracts payable	1,680,000	0	0	1,680,000	0
Landfill post-closure care costs	2,256,800	12,963	119,800	2,149,963	202,400
Compensated absences	417,755	388,724	367,624	438,855	87,771
Total governmental activities	\$ 7,940,972	\$ 401,687	\$ 777,333	\$ 7,565,326	\$ 517,827
Component Units					
Peach Public Libraries					
Compensated absences	\$ 21,979	\$ 20,570	\$ 19,283	\$ 23,266	\$ 7,276
Health Department					
Compensated absences	50,569	21,244	25,021	46,792	0
Total component units	\$ 72,548	\$ 41,814	\$ 44,304	\$ 70,058	\$ 7,276

PEACH COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

11. Long-Term Debt (continued)

Changes in Long - Term Debt (continued)

Bond discounts/premiums are amortized over the life of the related debt using the straight-line method. For governmental activities, compensated absences and landfill post-closure care costs are liquidated by the General Fund. The total interest incurred and charged to expense for the current fiscal year was \$91,945 for governmental activities.

12. Conduit Debt

Development Authority Component Unit

The Development Authority has issued revenue bonds to provide financial assistance to a nonprofit corporation and an exempt organization for the acquisition and construction of student housing facilities. The bonds are secured by the property financed and are payable solely from the payments received on the underlying loan agreement. Upon repayment of the bonds, ownership of the acquired facilities transfers to the exempt organization served by the bond issuance. The Development Authority is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The amount of conduit debt revenue bond obligations outstanding as of the end of the current fiscal year is \$18,830,000.

13. Landfill Closure and Post-Closure Care Costs

Houser's Mill – Peach County has closed its landfill located on Houser's Mill Road. State and Federal regulations require that the County place a final cover on its landfill and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. At this time, engineering studies estimate post-closure costs of approximately \$1,416,800 over the next 7 years. These costs are based on the amount that would be paid if all equipment, facilities, and services required to monitor and maintain the landfill were acquired as of the end of the current fiscal year. However, actual costs may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. Should any problems occur during this post-closure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

PEACH COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

13. Landfill Closure and Post-Closure Care Costs (continued)

Middle Georgia Regional Municipal Solid Waste Landfill – Peach County entered into an agreement in August 1993 to share the costs associated with the Middle Georgia Regional Municipal Solid Waste Landfill (MGRMSWL). State and Federal regulations require that the County place a final cover on its landfill and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. At this time, engineering studies estimate the County's portion of closure and post-closure costs of approximately \$733,163. These costs are based on the amount that would be paid if all equipment, facilities, and services required to monitor and maintain the landfill were acquired as of the end of the current fiscal year. However, actual costs may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. Should any problems occur during this post-closure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

14. Net Investment in Capital Assets

The net investment in capital assets reported on the government-wide statement of net position is calculated as follows at the end of the current fiscal year:

	Governmental Activities
Cost of capital assets	\$ 105,602,441
Accumulated depreciation	(55,720,509)
Book value	49,881,932
Capital-related accounts payable	(145,240)
Capital-related retainages payable	(112,255)
Capital-related capital leases payable	(3,296,508)
Net investment in capital assets	\$ 46,327,929

PEACH COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

15. Retirement Plans

County Defined Benefit Pension Plan

On October 1, 2006, the County began sponsoring the Association County Commissioners of Georgia Peach County Defined Benefit Plan (The Plan), which is a defined benefit pension plan.

Plan Description. The Plan provides retirement, disability and death benefits to plan participants and beneficiaries. The Plan, through execution of the adoption agreement, is affiliated with the Association County Commissioners of Georgia Third Restated Defined Benefit Plan (the ACCG Plan), an agent multiple-employer defined benefit pension plan administered by GEBCorp. The ACCG, in its role as the Plan sponsor, has the sole authority to amend the provisions of the ACCG Plan, as provided in Section 19.03 of the ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of the Plan. A separately issued financial report for the Plan may be obtained by writing GEBCORP at 3625 Cumberland Boulevard, Suite 825, Atlanta, Georgia 30339.

Participant counts and covered compensation (based on covered earnings for the preceding year) as of January 1, 2017, the date of the most recent actuarial valuation, are as follows:

Retirees, beneficiaries and disablees receiving benefits	28
Terminated plan participants entitled to but not yet receiving benefits	103
Active employees participating in the plan	<u>141</u>
Total number of plan participants	<u><u>272</u></u>

PEACH COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

15. Retirement Plans (continued)

County Defined Benefit Pension Plan, continued

Benefits Provided. Any full-time employee meeting the provisions as set out in the Adoption Agreement is eligible to participate. Members who have attained age 65 are eligible for normal retirement. Members who have attained age 55 with 10 years of service are eligible for reduced, early retirement. Participants are 100% vested after 5 years of service. Benefits are based on years of credited service. The benefit is payable monthly for life equal to the participant's accrued benefit at retirement. Accrued benefit is calculated as 1.75% of average annual compensation multiplied by years of service limited. Commissioners receive a benefit equal to \$360 per year multiplied by years of service.

Contributions. The County is required to contribute at an actuarially determined rate. The County's actuarially determined contribution rate for the current fiscal year was \$570,746. The County made actual contributions of \$500,000, or 7.91% of covered payroll. Section 47-20 of the Georgia Code sets forth the 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.

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.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At the end of the current fiscal year, the County reported a net pension liability of \$1,904,642. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017. For the current fiscal year, the County recognized pension expense of \$739,369. For governmental activities, the net pension liability is liquidated by the General Fund.

PEACH COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

15. Retirement Plans (continued)

County Defined Benefit Pension Plan, continued

The components of the net pension liability are as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at December 31, 2016	\$ 14,300,061	\$ 11,265,094	\$ 3,034,967
Changes for the year:			
Service cost	354,064	0	354,064
Interest	1,026,379	0	1,026,379
Liability experience (gain) / loss	(326,265)	0	(326,265)
Assumption change	31,109	0	31,109
Employer contributions	0	500,000	(500,000)
Net investment income	0	1,804,386	(1,804,386)
Benefit payments	(286,203)	(286,203)	0
Administrative expense	0	(31,303)	31,303
Other changes	0	(57,471)	57,471
Net changes	<u>799,084</u>	<u>1,929,409</u>	<u>(1,130,325)</u>
Balances at December 31, 2017	\$ 15,099,145	\$ 13,194,503	\$ 1,904,642

Plan fiduciary net position as a percentage of the total pension liability	87.39%
Covered payroll	\$ 5,929,904
Net pension liability as a percentage of covered payroll	32.12%

At the end of the current fiscal year, the County reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 0	\$ (437,679)
Differences between expected and actual experience	339,498	(335,269)
Changes of assumptions	508,935	0
Totals	<u>\$ 848,433</u>	<u>\$ (772,948)</u>

PEACH COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

15. Retirement Plans (continued)

County Defined Benefit Pension Plan, continued

The amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending September 30	
2019	\$ 132,832
2020	121,474
2021	(20,695)
2022	<u>(158,126)</u>
Totals	<u><u>\$ 75,485</u></u>

Actuarial Assumptions. The total pension liability in the January 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Future salary increases	5.50% per year with an age based scale
Cost of living adjustments	N/A
Net investment rate of return	7.25%

Healthy mortality rates were based on the RP-2000 Combined Healthy Mortality Table. Disabled rates were derived from a 1977 Social Security Administration study.

PEACH COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

15. Retirement Plans (continued)

County Defined Benefit Pension Plan, continued

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, 2017 are summarized in the following table:

Benchmark	Asset Allocation	Average 20 Year Return	Weighted 20 Year Return	Average 30 Year Return	Weighted 30 Year Return
S&P 500	30%	7.91%	2.37%	10.22%	3.07%
Barlay's Agg.	30%	5.60%	1.68%	6.56%	1.97%
MSCI EAFE	15%	4.29%	0.64%	5.73%	0.86%
Citi Non US WEBI	5%	4.66%	0.23%	5.98%	0.30%
NAREIT Equity	5%	10.79%	0.54%	10.44%	0.52%
Russell 2000	5%	8.06%	0.40%	9.33%	0.47%
Russell 3000	5%	8.03%	0.40%	10.14%	0.51%
S&P Mid Cap	5%	11.22%	0.56%	11.53%	0.58%
Weighted Return			<u>6.82%</u>		<u>8.28%</u>

Discount Rate. The discount rate used to measure the total pension liability was 7.25 percent. The discount rate is 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 (33.34%), as determined by UBS. The projection of cash flows used to determine the discount rate assumed that contributions from employer will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents what the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.25 percent) or one percentage-point higher (8.25 percent) than the current rate:

	Discount Rate	Net Pension Liability
1% decrease	6.25%	\$ 4,046,576
Current discount rate	7.25%	1,904,642
1% increase	8.25%	120,914

PEACH COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

15. Retirement Plans (continued)

County Defined Benefit Pension Plan, continued

Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued Association County Commissioners of Georgia GEBCorp financial report.

County Defined Contribution Plan

The County also offers its employees a deferred compensation, defined contribution plan created under Internal Revenue Code Section 457. The Plan is administered by the Government Employee Benefits Corporation of Georgia (GEBCORP) as the third party service provider and The Charles Schwab Trust Company serves as the trustee of the trust fund under the Plan. Under the terms of the Plan, employees may defer a portion of their salary through voluntary contributions to the Plan. Employee contributions are limited to the maximum allowed by the Internal Revenue Code.

Funds are vested 100% at the time of contribution. Amounts held in the Plan are not available to the employees until termination, retirement, death, or unforeseeable emergency. During the current fiscal year, Plan members made voluntary contributions of \$61,400.

The County has no fiduciary relationship with the plan, and plan assets are not available to the County or its general creditors. The Plan assets are held in trust by the administrator for the exclusive benefit of the participants of the Plan. The County Commission provides for the policy through a County ordinance and maintains the authority to change the policy. Separate financial statements are not issued for the Plan.

PEACH COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

15. Retirement Plans (continued)

Other County Plans

In addition to the plan above, various County employees are covered under the following plans: Georgia Firefighters' Pension Fund, Georgia State Employees' Retirement System (ERS), Magistrates' Retirement Fund of Georgia, Peace Officers' Annuity and Benefit Fund of Georgia, Probate Judges' Retirement Fund of Georgia, Sheriffs' Retirement Fund of Georgia, and Superior Court Clerks' Retirement Fund of Georgia. Further information regarding these plans can be obtained from the plans' annual reports. These plans are immaterial to the financial statements.

Peach Public Libraries Retirement Plan

Plan Description. Eligible employees of the Peach Public Libraries participate in the Teachers Retirement System of Georgia (TRS), a statewide, cost-sharing multiple-employer defined benefit plan. The Plan is administered by the TRS Board of Trustees (TRS Board). Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions of the State Legislature.

Benefits Provided. Any TRS provides service retirement, disability retirement, and death benefits. Normal retirement benefits are determined as 2% of the average of the employee's two highest paid consecutive years of service, multiplied by the number of years of creditable service up to 40 years. An employee is eligible for normal service retirement after 30 years of creditable service, regardless of age, or after 10 years of service and attainment of age 60. Ten years of service is required for disability and death benefits eligibility. Disability benefits are based on the employee's creditable service and compensation up to the time of disability. Death benefits equal the amount that would be payable to the employee's beneficiary had the employee retired on the date of death. Death benefits are based on the employee's creditable service and compensation up to the date of death.

PEACH COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

15. Retirement Plans (continued)

Peach Public Libraries Retirement Plan, continued

Contributions. Per Title 47 of the O.C.G.A., contribution requirements of active employees and participating employers, as actuarially determined, are established and may be amended by the TRS Board. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees were required to contribute 6.00% of their annual pay during the current fiscal year. During the current fiscal year, Peach Public Libraries contributed \$40,548, or 17.86% of covered payroll.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At the end of the current fiscal year, Peach Public Libraries reported a liability of \$358,882 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2016. An expected total pension liability as of June 30, 2017 was determined using standard roll-forward techniques. The Library's proportion of the net pension liability was based on contributions to TRS during the period of July 1, 2016 through June 30, 2017. At June 30, 2017, the Library's proportion was 0.001931%, which was a decrease of 0.000114% from its proportion measured as of June 30, 2016. Peach Public Libraries recognized pension expense of \$35,913 for the current fiscal year.

At the end of the current fiscal year, Peach Public Libraries reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 0	\$ (2,470)
Differences between expected and actual experience	13,424	(1,354)
Changes in proportion and differences between district contributions and proportionate share of contributions	20,546	(40,129)
Changes of assumptions	7,867	0
Contributions subsequent to the measurement date	49,991	0
Totals	<u>\$ 91,828</u>	<u>\$ (43,953)</u>

PEACH COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

15. Retirement Plans (continued)

Peach Public Libraries Retirement Plan, continued

The \$49,991 of deferred outflows of resources resulting from the Library's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending June 30	
2019	\$ (5,721)
2020	10,156
2021	6,149
2022	(12,532)
2023	<u>(168)</u>
Totals	<u><u>\$ (2,116)</u></u>

Actuarial Assumptions. The total pension liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Future salary increases	3.25% - 9.00%, average, including inflation
Investment rate of return	7.50%, net of pension plan investment expense

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females set forward one year for males.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected normal returns, net of pension plan investment expense and the assumed rate of 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 be adding expected inflation.

PEACH COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

15. Retirement Plans (continued)

Peach Public Libraries Retirement Plan, continued

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	30%	-0.50%
Domestic large equities	40%	9.00%
Domestic mid equities	4%	12.00%
Domestic small equities	2%	13.50%
International development market equities	19%	8.00%
International emerging market equities	6%	12.00%
Total	100%	

Discount Rate. The discount rate used to measure the total pension liability was 7.50 percent. 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 employer and State of Georgia 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 benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents what Peach Public Libraries' proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.50 percent) or one percentage-point higher (8.50 percent) than the current rate:

	Discount Rate	Net Pension Liability
1% decrease	6.50%	\$ 588,968
Current discount rate	7.50%	358,882
1% increase	8.50%	169,343

PEACH COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

15. Retirement Plans (continued)

Peach Public Libraries Retirement Plan, continued

Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued financial report and can be downloaded at www.trsga.com/publications.

Peach County Board of Health Retirement Plan

Eligible employees of the Peach County Board of Health participate in the Georgia State Employees' Retirement System (ERS), a statewide cost-sharing multiple-employer defined benefit public employee retirement system. During the fiscal year ended June 30, 2018, the Health Department contributed \$68,223. As of June 30, 2018, the Health Department reported a liability in the amount of \$465,023 for its proportionate share (0.011450%) of the net pension liability. The Health Department recognized pension expense of \$79,127 for the fiscal year ended June 30, 2018. Further information regarding the plan can be obtained from the Department's annual audit report by contacting Peach County Health Department, P.O. Box 1149, Fort Valley, Georgia 31030.

16. Other Post-Employment Benefits

Peach Public Libraries – Georgia School Personnel Post-Employment Health Benefit Fund

Plan Description. The Library participates in the Georgia School Personnel Post-Employment Health Benefit Fund (School OPEB Fund), a cost-sharing multiple-employer defined benefit post-employment healthcare plan that covers eligible former employees of public school systems, libraries, and regional educational service agencies. The School OPEB Fund provides health insurance benefits to eligible former employees and their qualified beneficiaries through the State Employees Health Benefit Plan administered by the Department of Community Health. The Official Code of Georgia Annotated (O.C.G.A.) assigns the authority to establish and amend the benefit provisions of the group health plans, including benefits for retirees, to the Department of Community Health (Board).

PEACH COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

16. Other Post-Employment Benefits (continued)

Peach Public Libraries – Georgia School Personnel Post-Employment Health Benefit Fund, continued

The Department of Community Health, which includes the School OPEB Fund, issues a separate stand-alone financial audit report and a copy can be obtained from the Georgia Department of Audits and Accounts.

Contributions. The contribution requirements of plan members and participating employers are established by the Board in accordance with the current Appropriations Act and may be amended by the Board. Contributions of plan members or beneficiaries receiving benefits vary based on plan election, dependent coverage, and Medicare eligibility and election. For members with fewer than five years of service as of January 1, 2012, contributions also vary based on years of service. On average, members with five years or more of service as of January 1, 2012, pay approximately 25 percent of the cost of the health insurance coverage. In accordance with the Board resolution dated December 8, 2011, for members with fewer than five years of service as of January 1, 2012, the state provides a premium subsidy in retirement that ranges from 0% for fewer than 10 years of service to 75% (but no greater than the subsidy percentage offered to active employees) for 30 or more years of service. The subsidy for eligible dependents ranges from 0% to 55% (but no greater than the subsidy percentage offered to dependents of active employees minus 20%). No subsidy is available to Medicare eligible members not enrolled in a Medicare Advantage Option. The Board sets all member premiums by resolution and in accordance with the law and applicable revenue and expense projections. Any subsidy policy adopted by the Board may be changed at any time by Board resolution and does not constitute a contract or promise of any amount of subsidy. Participating employers, including public library systems, are statutorily required to contribute in accordance with the employer contribution rates established by the Board. The contribution rates are established to fund all benefits due under the health insurance plans for both active and retired employees based on projected “pay-as-you-go” financing requirements. Contributions are not based on the actuarially calculated annual required contribution (ARC), which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. During the current fiscal year, Peach Public Libraries contributed \$4,943, or 4.36% of covered payroll.

PEACH COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

16. Other Post-Employment Benefits (continued)

Peach Public Libraries – Georgia School Personnel Post-Employment Health Benefit Fund, continued

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB. At the end of the current fiscal year, Peach Public Libraries reported a liability of \$257,676 for its proportionate share of the collective net OPEB liability. The net OPEB liability was measured as of June 30, 2017. The total OPEB liability used to calculate the net OPEB liability was based on an actuarial valuation as of June 30, 2016. At June 30, 2017, the Library's proportion was 0.001834%, which was a decrease of 0.000593% from its proportion measured as of June 30, 2016. Peach Public Libraries recognized OPEB expense of \$1,583 for the current fiscal year. At the end of the current fiscal year, Peach Public Libraries reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on OPEB plan investments	\$ 75	\$ 0
Changes in proportion and differences between employer contributions and proportionate share of contributions	0	(74,487)
Changes of assumptions	0	(19,621)
Contributions subsequent to the measurement date	7,357	0
Totals	<u>\$ 7,432</u>	<u>\$ (94,108)</u>

The \$7,357 of deferred outflows of resources resulting from the Library's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the subsequent fiscal year.

PEACH COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

16. Other Post-Employment Benefits (continued)

Peach Public Libraries – Georgia School Personnel Post-Employment Health Benefit Fund, continued

Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

Year Ending June 30	
2019	\$ (16,907)
2020	(16,907)
2021	(16,907)
2022	(16,907)
2023	(16,926)
2024	(9,479)
Totals	<u>\$ (94,033)</u>

Actuarial Assumptions. The total OPEB liability in the June 30, 2017 actuarial valuation was determined based on an actuarial valuation prepared as of June 30, 2016, using the following actuarial assumptions and other inputs, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2017:

Inflation	2.75%
Projected salary increases	3.25% to 9.00%, including inflation
Discount rate	3.58%
Actuarial cost method	Entry age normal
Healthcare cost trend rates	Pre-Medicare: 7.75% trend down to 5.00% by 2022 Medicare: 5.75% trend down to 5.00% by 2022
Healthy mortality rates	RP-2000 White Collar Mortality Table with sex-distinct rates, set forward one year for males
Disabled mortality rates	RP-2000 Disabled Mortality Table with sex-distinct rates, set forward two years for males and four years for females

PEACH COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

16. Other Post-Employment Benefits (continued)

Peach Public Libraries – Georgia School Personnel Post-Employment Health Benefit Fund, continued

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of the most recent actuarial experience studies for the pension systems, which covered the five year period ending June 30, 2014.

Development of Long-Term Rate. The long-term expected rate of return on OPEB plan investments was determined based on the allocation of assets by asset class and by the mean and variance of real returns as determined by the investment advisor. The target asset allocation, as provided by the investment consultant, is summarized in the following table. The expected real rate of return, as provided by the investment consultant, is 0.094% per month:

Asset Class	Target Allocation
Fixed income	
Agency	18.05%
U.S. Treasury	9.27%
Cash	70.40%
Asset-Backed Securities	2.28%
Total	100%

Discount Rate. The discount rate used to measure the Total OPEB liability was 3.58%. The projection of cash flows used to determine the discount rate assume that plan contributions from members and the State of Georgia will be made at the current level as budgeted and then averaged over the prior five years.

Sensitivity of the Library's Proportionate Share of the Collective Net OPEB Liability to Changes in the Discount Rate or Changes in the Healthcare Cost Trend Rate. The following presents what the Library's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower (2.58%) or one percentage-point higher (4.58%) than the current rate. Also shown is the Library's proportionate share of the collective net OPEB liability as if it were calculated using healthcare cost trend rates that were one percentage-point lower or one percentage-point higher than the current healthcare trend rates.

PEACH COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

16. Other Post-Employment Benefits (continued)

Peach Public Libraries – Georgia School Personnel Post-Employment Health Benefit Fund, continued

<u>Discount Rate</u>			
1% decrease	2.58%	\$	305,944
Current discount rate	3.58%		257,676
1% increase	4.58%		219,583
 <u>Healthcare Cost Trend Rates</u>			
1% decrease		\$	213,584
Current discount rate			257,676
1% increase			315,084

OPEB Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued GASB Statement No. 75 Report for the Georgia School Employees Post-Employment Health Benefit Fund.

Peach County Board of Health OPEB Plans

Eligible employees of the Peach County Board of Health are provided OPEB through the State of Georgia OPEB Fund, a cost-sharing multiple-employer defined benefit post-employment healthcare plan and life insurance through the SEAD-OPEB Fund, a cost-sharing multiple-employer defined benefit post-employment benefit plan. During the fiscal year ended June 30, 2018, the Health Department contributed \$49,928. As of June 30, 2018, the Health Department reported a net liability in the amount of \$401,322 for its proportionate share (0.010526% for the State of Georgia OPEB Fund and 0.010592% for the SEAD-OPEB Fund) of the net OPEB liability. The Health Department recognized OPEB expense of \$14,555 for the fiscal year ended June 30, 2018. Further information regarding the plan can be obtained from the Department's annual audit report by contacting Peach County Health Department, P.O. Box 1149, Fort Valley, Georgia 31030.

PEACH COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

17. Hotel/Motel Lodging Tax

The County has levied a 5% lodging tax in accordance with OCGA 48-13-51. A summary of the transactions for the current fiscal year follows:

Lodging Tax Receipts	\$ 8,943
Disbursements for trade and tourism	\$ 3,577 40% of tax receipts

18. Joint Ventures

Under Georgia law, the County, in conjunction with other cities and counties in the middle Georgia area, is a member of the Middle Georgia Regional Commission (MGRC) and is required to pay annual dues thereto. During the current fiscal year, the County paid \$16,822 in such dues. Membership in the RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official in each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. A copy of the MGRC financial statements can be obtained from MGRC, 175-C Emery Highway, Macon, Georgia 31217.

The Middle Georgia Regional Solid Waste Management Authority (the "Authority") was activated by the Board of Commissioners of Peach County, Macon County, and Dooly County on August 30, 1993, under the provisions of the Regional Solid Waste Management Authority Act (Ga. Laws 1990, page 412). The Middle Georgia Regional Solid Waste Management Authority operates under a Board of Directors, which consists of seven directors, with two directors representing each county and one director appointed by the directors themselves.

The Authority is designed to research, study, and plan for the solid waste management needs of the participating counties. The Authority is responsible for gathering data and researching all phases of the solid waste management needs of the participating counties. The Authority does not have the power to borrow money, issue bonds, or enter into any financial obligations without the authorization of the participating counties who will be involved in the repayment of such obligations.

PEACH COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

18. Joint Ventures (continued)

The total costs of the annual administrative budget is to be allocated among the participants such that each participant is allocated a fraction of such costs, the numerator of which is the total population of such participant, and the denominator of which is the total population of all participants. In recent years, an allocation of the annual administrative budget has not been necessary as the Authority has covered operating expenses with operating revenues.

The County is required to report 47.93% of the Middle Georgia Solid Waste Management Authority Landfill within its annual financial statements. Information concerning the financial statements may be obtained from the Middle Georgia Regional Solid Waste Management Authority, Oglethorpe, Georgia.

19. Risk Management

The County is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; natural disasters; injuries to employees; and losses resulting from providing accident and health benefits to employees and their dependents.

The County purchases insurance from a private carrier for coverage of general liability, property, and casualty coverage. The private insurance covers claims arising from general liability, automobile liability, errors and omissions, law enforcement liability, and property risks. Additionally, as of October 1, 2001, the County purchases health insurance from a private carrier. No reduction in insurance coverage has occurred since the previous year, and not settlements in excess of coverage have been paid in the past three years.

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

PEACH COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

19. Risk Management (continued)

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

The fund is to defend and protect the members of the fund against liability or loss as prescribed in the member government contract and in accordance with the workers' compensation law of Georgia. The funds are to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

Settled claims have not exceeded insurance coverage in any of the past three years.

20. Commitments and Contingencies

Commitments

At the end of the current fiscal year, the County has outstanding agreements with contractors for future work on existing construction projects in the approximate amount of \$822,080.

Contingencies

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

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

PEACH COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

21. Changes in Beginning Balances

Governmental Activities

General Fund

A prior period adjustment has been made to record an interfund payable at September 30, 2017. This adjustment decreased beginning fund balance by \$25,455.

A prior period adjustment has been made to record an intergovernmental payable at September 30, 2017. This adjustment decreased beginning fund balance by \$80,857.

The net effect of these adjustments decreased beginning fund balance in the General Fund by \$106,312.

Business-Type Activities

Solid Waste Enterprise Fund

A prior period adjustment has been made to correct accounts receivable at September 30, 2017. This adjustment increased beginning net position by \$25,056.

A prior period adjustment has been made to record an interfund receivable at September 30, 2017. This adjustment increased beginning net position by \$25,455.

The net effect of these adjustments increased beginning net position in the Solid Waste Enterprise Fund by \$50,511.

Peach Public Libraries Component Unit

A prior period adjustment has been made to record the proportionate share of the collective net OPEB liability and related deferred outflows/inflows of resources at September 30, 2017. This adjustment was required with the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This adjustment decreased beginning net position by \$347,712.

PEACH COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2018

21. Changes in Beginning Balances (continued)

Peach Public Libraries Component Unit, continued

A prior period adjustment has been made to adjust deferred outflows of resources related to the defined benefit pension plan at September 30, 2017. This adjustment increased beginning net position by \$41,123.

The net effect of these adjustments decreased beginning net position in the Peach Public Libraries Component Unit by \$306,589.

22. Subsequent Event

In October 2018, the Joint Development Authority of Peach County and the City of Warner Robins issued \$7,300,000 of Series 2018 Taxable Industrial Development Revenue Bonds (Park Project). The Series 2018 Bonds were issued in order to (i) refund and refinance the Authority's Taxable Industrial Development Revenue Bond, Series 2017, (ii) finance, in part, the cost of the development, acquisition, constructing, and leasing of an industrial building and related property to be located on land owned by the Authority, and (iii) pay the costs of issuance of the Series 2018 Bonds. The County has entered into a contract for these bonds similar to the contract described in Note 11 for the Series 2017 Bonds.

23. New Accounting Standards

Peach Public Libraries implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective for the Library's current fiscal year.

The County early implemented GASB Statement No. 89, *Accounting for Interest Cost incurred before the End of a Construction Period*, effective for the County's current fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION

PEACH COUNTY, GEORGIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
LAST TEN FISCAL YEARS
September 30, 2018
(Unaudited)

	Fiscal Year End			
	2015	2016	2017	2018
Total pension liability				
Service cost	\$ 309,486	\$ 314,168	\$ 354,632	\$ 354,064
Interest	769,579	826,007	911,371	1,026,379
Liability experience (gain) / loss	0	(159,544)	539,204	(326,265)
Assumption change	0	393,549	462,185	31,109
Benefit payments	(209,637)	(234,116)	(237,874)	(286,203)
Net change in total pension liability	869,428	1,140,064	2,029,518	799,084
Total pension liability - beginning	10,261,051	11,130,479	12,270,543	14,300,061
Total pension liability - ending (a)	\$ 11,130,479	\$ 12,270,543	\$ 14,300,061	\$ 15,099,145
Plan fiduciary net position				
Contributions - employer	\$ 500,000	\$ 500,000	\$ 1,000,000	\$ 500,000
Net investment income	650,296	80,263	749,294	1,804,386
Benefit payments	(202,060)	(234,116)	(237,874)	(286,203)
Administrative expense	(30,461)	(32,345)	(36,499)	(31,303)
Other	(44,616)	(44,610)	(51,194)	(57,471)
Net change in plan fiduciary net position	873,159	269,192	1,423,727	1,929,409
Plan fiduciary net position - beginning	8,699,016	9,572,175	9,841,367	11,265,094
Plan fiduciary net position - ending (b)	\$ 9,572,175	\$ 9,841,367	\$ 11,265,094	\$ 13,194,503
Net pension liability (asset) - ending : (a) - (b)	\$ 1,558,304	\$ 2,429,176	\$ 3,034,967	\$ 1,904,642
Plan's fiduciary net position as a percentage of the total pension liability	86.00%	80.20%	78.78%	87.39%
Covered payroll	\$ 5,880,243	\$ 5,990,378	\$ 6,285,287	\$ 5,929,904
Net pension liability as a percentage of covered payroll	26.50%	40.55%	48.29%	32.12%

Note: Fiscal year 2015 was the first year of implementation. Therefore, fiscal years prior are not reported.

PEACH COUNTY, GEORGIA
SCHEDULE OF PENSION CONTRIBUTIONS
LAST TEN FISCAL YEARS
September 30, 2018
(Unaudited)

	Fiscal Year End			
	2015	2016	2017	2018
Actuarially determined contribution	\$ 469,956	\$ 453,525	\$ 562,073	\$ 570,746
Contributions in relation to the actuarially determined contribution	<u>(500,000)</u>	<u>(500,000)</u>	<u>(1,000,000)</u>	<u>(500,000)</u>
Contribution deficiency (excess)	<u>\$ (30,044)</u>	<u>\$ (46,475)</u>	<u>\$ (437,927)</u>	<u>\$ 70,746</u>
Covered payroll	\$ 6,079,827	\$ 6,149,549	\$ 5,914,249	\$ 6,324,942
Contributions as a percentage of covered payroll	8.22%	8.13%	16.91%	7.91%

Note: Fiscal year 2015 was the first year of implementation. Therefore, fiscal years prior are not reported.

PEACH COUNTY, GEORGIA
PEACH PUBLIC LIBRARIES COMPONENT UNIT
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST TEN FISCAL YEARS
September 30, 2018
(Unaudited)

	Fiscal Year End			
	2015	2016	2017	2018
System's proportion of the net pension liability	0.002304%	0.001967%	0.002045%	0.001931%
System's proportionate share of the net pension liability	\$ 291,080	\$ 299,456	\$ 421,906	\$ 358,882
System's covered payroll during the measurement period	\$ 235,075	\$ 207,585	\$ 224,348	\$ 222,004
System's proportionate share of the net pension liability as a percentage of its covered payroll	123.82%	144.26%	188.06%	161.66%
Plan fiduciary net position as a percentage of the total pension liability	84.03%	81.44%	76.06%	79.33%

Note: Fiscal year 2015 was the first year of implementation. Therefore, fiscal years prior are not reported.

PEACH COUNTY, GEORGIA
PEACH PUBLIC LIBRARIES COMPONENT UNIT
SCHEDULE OF PENSION CONTRIBUTIONS
LAST TEN FISCAL YEARS
September 30, 2018
(Unaudited)

	Fiscal Year End			
	2015	2016	2017	2018
Contractually required contribution	\$ 27,618	\$ 32,087	\$ 33,228	\$ 40,548
Contributions in relation to the contractually determined contribution	(27,618)	(32,087)	(33,228)	(40,548)
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Library's covered payroll	\$ 205,352	\$ 224,856	\$ 222,857	\$ 227,069
Contributions as a percentage of covered payroll	13.45%	14.27%	14.91%	17.86%

Note: Fiscal year 2015 was the first year of implementation. Therefore, fiscal years prior are not reported.

PEACH COUNTY, GEORGIA
PEACH PUBLIC LIBRARIES COMPONENT UNIT
SCHEDULE OF PROPORTIONATE SHARE OF THE COLLECTIVE NET OPEB LIABILITY
LAST TEN FISCAL YEARS
September 30, 2018
(Unaudited)

	Fiscal Year End
	2018
Employer's proportion of the collective net OPEB liability	0.001834%
Employer's proportionate share of the collective net OPEB liability	\$ 257,676
Employer's covered payroll during the measurement period	\$ 142,702
Employer's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	180.57%
Plan fiduciary net position as a percentage of the total collective OPEB liability	1.61%

Note: Fiscal year 2018 was the first year of implementation. Therefore, fiscal years prior are not reported.

PEACH COUNTY, GEORGIA
PEACH PUBLIC LIBRARIES COMPONENT UNIT
SCHEDULE OF OPEB CONTRIBUTIONS
LAST TEN FISCAL YEARS
September 30, 2018
(Unaudited)

	<u>Fiscal Year End</u>
	<u>2018</u>
Actuarially determined contribution	\$ 4,943
Contributions in relation to the actuarially determined contribution	<u>(4,943)</u>
Contribution deficiency (excess)	<u>\$ 0</u>
Library's covered payroll	113,437
Contributions as a percentage of covered payroll	4.36%

Note: Fiscal year 2018 was the first year of implementation. Therefore, fiscal years prior are not reported.

PEACH COUNTY, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2018

Peach County Pension Plan

1. Valuation Date

The actuarially determined contribution rate was determined as of December 31, 2017, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending September 30, 2019.

2. Methods and Assumptions Used to Determine Contribution Rates

Actuarial cost method = Entry Age Normal

Amortization method = Closed level dollar for remaining unfunded liability

Remaining amortization period = Remaining amortization period varies for the bases, with a net effective amortization period of 15 years

Asset valuation method = Smoothed market value with a 5-year smoothing period.

Net investment rate of return = 7.25%

Future salary increases = 5.50% per year with an age based scale

Inflation = 3.00%

Cost of living adjustments = N/A

Normal retirement age = 65

Mortality = Healthy mortality rates were based on the RP-2000 Combined Healthy Mortality Table. Disabled mortality rates were derived from a 1977 Social Security Administration study.

PEACH COUNTY, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2018

Peach County Pension Plan (continued)

3. Changes in Benefits

There have been no substantive changes since the last actuarial valuation.

4. Changes of Assumptions

There have been no substantive changes since the last actuarial valuation.

Peach Public Libraries Pension Plan

1. Valuation Date

The actuarially determined contribution rate was measured as of June 30, 2017, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending September 30, 2019.

2. Methods and Assumptions Used to Determine Contribution Rates

Net investment rate of return = 7.50%, net of pension plan investment expense

Future salary increases = 3.25% - 9.00%, average, including inflation

Inflation = 2.75%

Mortality = Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females set forward one year for males.

3. Changes in Benefits

There have been no substantive changes since the last actuarial valuation.

PEACH COUNTY, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2018

Peach Public Libraries Pension Plan (continued)

4. Changes of Assumptions

There have been no substantive changes since the last actuarial valuation.

Peach Public Libraries OPEB Plan

1. Valuation Date

The actuarially determined contribution rate was measured as of June 30, 2017, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending September 30, 2019.

2. Methods and Assumptions Used to Determine Contribution Rates

Inflation = 2.75%

Projected salary increases = 3.25% to 9.00%, including inflation

Discount rate = 3.58%

Actuarial cost method = Entry age normal

Healthcare cost trend rates = Pre-Medicare: 7.75% trend down to 5.00% by 2022; Medicare: 5.75% trend down to 5.00% by 2022

Healthy mortality rates = RP-2000 White Collar Mortality Table with sex-distinct rates, set forward one year for males

Disabled mortality rates = RP-2000 Disabled Mortality Table with sex-distinct rates, set forward two years for males and four years for females

PEACH COUNTY, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2018

Peach Public Libraries OPEB Plan (continued)

3. Changes in Benefits

There have been no benefit changes since GASB 75 implementation.

4. Changes of Assumptions

There have been no assumption changes since GASB 75 implementation.

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally or donor restricted or committed to expenditure for particular purposes.

Law Library Fund – This fund is used to account for costs of operating and maintaining the County Law Library. Financing is provided from a \$2 charge added to and collected on all costs in civil and criminal cases. A separate Board of Trustees has control of the Law Library funds and has authority to expend the funds in accordance with provisions of the act establishing the County Law Library. All books, reports, texts, and periodicals purchased from these funds become the property of the County.

Transit System Fund – This fund is used to account for the operations of the Peach County Transit System. Financing is provided under an agreement with the Georgia Department of Transportation to receive funding under Section 18 of the Urban Mass Transportation Act of 1964, from operating transfers from the General Fund of Peach County, and from user fares.

Drug Fund – This fund is used to account for monies deemed as forfeited property by courts to Peach County from cases related to illegal drug activity. These forfeited funds are used to expand the County's efforts to reduce illegal drug activity in the County.

Federal Drug Fund – This fund is used to account for monies deemed as forfeited property by Federal Courts to Peach County from cases related to illegal drug activity.

Jail Inmate Canteen Fund – This fund is used to account for operations of the jail inmate store. Purchases of supplies for sale to inmates, as well as proceeds received from the sale of these supplies, are reflected in the Jail Inmate Fund.

Juvenile Fund – This fund is used to account for revenues received from the collection of Juvenile Court supervision fees in accordance with OCGA 15-11-71 to use those fees to expand the provision of the ancillary services as described in the code.

Hotel/Motel Tax Fund – This fund is used to account for revenues received from the levy of a hotel/motel tax in accordance with the provisions of OCGA 48-13-51 to be used for the promotion of tourism, conventions, and trade shows in Peach County.

E911 Fund – This fund is used to account for the costs of operating and maintaining the 911 Emergency Communication System for Peach County. Financing is provided by a charge to each telephone subscriber whose exchange access lines are in areas served by the Peach County "911" service, by contributions from the City of Fort Valley and the City of Byron.

NONMAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUNDS

Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of specifically planned projects (other than those financed by proprietary funds).

Sales Tax Fund – This fund is used to account for the landfill and County building improvement expenditures as called for by the County referendum. Financing is being provided by a special purpose sales and use tax and proceeds from a GEFA note payable.

2004 SPLOST Fund – This fund is used to account for the revenues and expenditures associated with the 2004 one percent special purpose local option sales tax.

COMBINING STATEMENTS

Nonmajor Governmental Funds

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

	Special Revenue				
	Law Library	Transit System	Drug	Federal Drug	Jail Inmate Canteen
ASSETS					
Cash and cash equivalents	\$ 54,104	\$ 142	\$ 28,344	\$ 82,491	\$ 86,047
Receivables					
Accounts	0	0	0	0	4,676
Taxes	0	0	0	0	0
Total assets	<u>\$ 54,104</u>	<u>\$ 142</u>	<u>\$ 28,344</u>	<u>\$ 82,491</u>	<u>\$ 90,723</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Due to other funds	0	0	0	0	0
Total liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances					
Restricted for:					
Law library operations	54,104	0	0	0	0
Juvenile programs	0	0	0	0	0
Sheriff facilities, equipment and operations	0	0	28,344	82,491	90,723
Transit system operations	0	142	0	0	0
Capital outlay	0	0	0	0	0
Assigned for tourism	0	0	0	0	0
Total fund balances	<u>54,104</u>	<u>142</u>	<u>28,344</u>	<u>82,491</u>	<u>90,723</u>
Total liabilities and fund balances	<u>\$ 54,104</u>	<u>\$ 142</u>	<u>\$ 28,344</u>	<u>\$ 82,491</u>	<u>\$ 90,723</u>

Special Revenue			Capital Projects		Total Nonmajor Governmental Funds
Juvenile	Hotel/ Motel Tax	E911	Sales Tax	2004 SPLOST	
\$ 2,935	\$ 864	\$ 0	\$ 201,619	\$ 365,408	\$ 821,954
0	0	74,919	0	0	79,595
0	709	0	0	0	709
<u>\$ 2,935</u>	<u>\$ 1,573</u>	<u>\$ 74,919</u>	<u>\$ 201,619</u>	<u>\$ 365,408</u>	<u>\$ 902,258</u>
\$ 190	\$ 555	\$ 0	\$ 0	\$ 0	\$ 745
0	0	74,919	1,734	0	76,653
<u>190</u>	<u>555</u>	<u>74,919</u>	<u>1,734</u>	<u>0</u>	<u>77,398</u>
0	0	0	0	0	54,104
2,745	0	0	0	0	2,745
0	0	0	0	0	201,558
0	0	0	0	0	142
0	0	0	199,885	365,408	565,293
0	1,018	0	0	0	1,018
<u>2,745</u>	<u>1,018</u>	<u>0</u>	<u>199,885</u>	<u>365,408</u>	<u>824,860</u>
<u>\$ 2,935</u>	<u>\$ 1,573</u>	<u>\$ 74,919</u>	<u>\$ 201,619</u>	<u>\$ 365,408</u>	<u>\$ 902,258</u>

PEACH COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended September 30, 2018

	Special Revenue				
	Law Library	Transit System	Drug	Federal Drug	Jail Inmate Canteen
REVENUES					
Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Fines, fees, and forfeitures	23,960	0	12,447	0	0
Charges for services	0	0	0	0	28,092
Intergovernmental	0	70,818	0	0	0
Interest	122	0	3	8	0
Total revenues	<u>24,082</u>	<u>70,818</u>	<u>12,450</u>	<u>8</u>	<u>28,092</u>
EXPENDITURES					
Current					
Judicial	8,359	0	0	0	0
Public Safety	0	0	5,931	500	4,419
Health and Welfare	0	153,226	0	0	0
Housing and Development	0	0	0	0	0
Capital outlay	0	0	0	0	0
Total expenditures	<u>8,359</u>	<u>153,226</u>	<u>5,931</u>	<u>500</u>	<u>4,419</u>
Excess (deficiency) of revenues over (under) expenditures	15,723	(82,408)	6,519	(492)	23,673
Other financing sources (uses)					
Transfers in	<u>0</u>	<u>82,408</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	15,723	0	6,519	(492)	23,673
Fund balances, October 1	<u>38,381</u>	<u>142</u>	<u>21,825</u>	<u>82,983</u>	<u>67,050</u>
Fund balances, September 30	<u><u>\$ 54,104</u></u>	<u><u>\$ 142</u></u>	<u><u>\$ 28,344</u></u>	<u><u>\$ 82,491</u></u>	<u><u>\$ 90,723</u></u>

Special Revenue			Capital Projects		Total Nonmajor Governmental Funds
Juvenile	Hotel/ Motel Tax	E911	Sales Tax	2004 SPLOST	
\$ 0	\$ 8,943	\$ 217	\$ 0	\$ 0	\$ 9,160
0	0	0	0	0	36,407
2,350	0	451,010	0	0	481,452
0	0	0	0	0	70,818
0	0	0	0	0	133
2,350	8,943	451,227	0	0	597,970
560	0	0	0	0	8,919
0	0	451,227	0	0	462,077
0	0	0	0	0	153,226
0	11,077	0	0	0	11,077
0	0	0	98,652	549,588	648,240
560	11,077	451,227	98,652	549,588	1,283,539
1,790	(2,134)	0	(98,652)	(549,588)	(685,569)
0	2,134	0	0	0	84,542
1,790	0	0	(98,652)	(549,588)	(601,027)
955	1,018	0	298,537	914,996	1,425,887
<u>\$ 2,745</u>	<u>\$ 1,018</u>	<u>\$ 0</u>	<u>\$ 199,885</u>	<u>\$ 365,408</u>	<u>\$ 824,860</u>

**PEACH COUNTY, GEORGIA
LAW LIBRARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended September 30, 2018**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines and forfeitures	\$ 9,408	\$ 23,960	\$ 14,552
Interest	61	122	61
	<u>9,469</u>	<u>24,082</u>	<u>14,613</u>
EXPENDITURES			
Current			
Judicial			
Contract services	8,045	0	8,045
Materials and supplies	1,424	8,359	(6,935)
	<u>9,469</u>	<u>8,359</u>	<u>1,110</u>
Excess (deficiency) of revenues over (under) expenditures	0	15,723	15,723
Fund balances, October 1	0	38,381	38,381
Fund balances, September 30	<u><u>\$ 0</u></u>	<u><u>\$ 54,104</u></u>	<u><u>\$ 54,104</u></u>

PEACH COUNTY, GEORGIA
TRANSIT SYSTEM SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended September 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 70,818	\$ 70,818	\$ 0
Total revenues	<u>70,818</u>	<u>70,818</u>	<u>0</u>
EXPENDITURES			
Current			
Health and Welfare			
Payments to others	<u>153,226</u>	<u>153,226</u>	<u>0</u>
Total expenditures	<u>153,226</u>	<u>153,226</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	(82,408)	(82,408)	0
Other financing sources (uses)			
Transfers in (out)			
General Fund	<u>82,408</u>	<u>82,408</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	0
Fund balances, October 1	<u>0</u>	<u>142</u>	<u>142</u>
Fund balances, September 30	<u><u>\$ 0</u></u>	<u><u>\$ 142</u></u>	<u><u>\$ 142</u></u>

**PEACH COUNTY, GEORGIA
DRUG SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended September 30, 2018**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines, fees, and forfeitures	\$ 19,809	\$ 12,447	\$ (7,362)
Interest	5	3	(2)
	<u>19,814</u>	<u>12,450</u>	<u>(7,364)</u>
Total revenues			
	<u>19,814</u>	<u>12,450</u>	<u>(7,364)</u>
EXPENDITURES			
Current			
Public Safety			
Materials and supplies	19,814	5,931	13,883
Capital outlay	0	0	0
	<u>19,814</u>	<u>5,931</u>	<u>13,883</u>
Total expenditures			
	<u>19,814</u>	<u>5,931</u>	<u>13,883</u>
Excess (deficiency) of revenues over (under) expenditures	0	6,519	6,519
Fund balances, October 1	<u>0</u>	<u>21,825</u>	<u>21,825</u>
Fund balances, September 30	<u><u>\$ 0</u></u>	<u><u>\$ 28,344</u></u>	<u><u>\$ 28,344</u></u>

PEACH COUNTY, GEORGIA
FEDERAL DRUG SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended September 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines, fees, and forfeitures	\$ 14,020	\$ 0	\$ (14,020)
Interest	5	8	3
	<u>14,025</u>	<u>8</u>	<u>(14,017)</u>
Total revenues			
EXPENDITURES			
Current			
Public Safety			
Materials and supplies	14,025	500	13,525
	<u>14,025</u>	<u>500</u>	<u>13,525</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	0	(492)	(492)
Fund balances, October 1	<u>0</u>	<u>82,983</u>	<u>82,983</u>
Fund balances, September 30	<u><u>\$ 0</u></u>	<u><u>\$ 82,491</u></u>	<u><u>\$ 82,491</u></u>

PEACH COUNTY, GEORGIA
JAIL INMATE CANTEEN SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended September 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 11,000	\$ 28,092	\$ 17,092
Total revenues	<u>11,000</u>	<u>28,092</u>	<u>17,092</u>
EXPENDITURES			
Current			
Public Safety			
Contract services	4,500	0	4,500
Materials and supplies	6,500	4,419	2,081
Total expenditures	<u>11,000</u>	<u>4,419</u>	<u>6,581</u>
Excess (deficiency) of revenues over (under) expenditures	0	23,673	23,673
Fund balances, October 1	<u>0</u>	<u>67,050</u>	<u>67,050</u>
Fund balances, September 30	<u><u>\$ 0</u></u>	<u><u>\$ 90,723</u></u>	<u><u>\$ 90,723</u></u>

**PEACH COUNTY, GEORGIA
JUVENILE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended September 30, 2018**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 2,350	\$ 2,350	\$ 0
Total revenues	<u>2,350</u>	<u>2,350</u>	<u>0</u>
EXPENDITURES			
Current			
Judicial			
Payments to others	<u>2,350</u>	<u>560</u>	<u>1,790</u>
Total expenditures	<u>2,350</u>	<u>560</u>	<u>1,790</u>
Excess (deficiency) of revenues over (under) expenditures	0	1,790	1,790
Fund balances, October 1	<u>0</u>	<u>955</u>	<u>955</u>
Fund balances, September 30	<u><u>\$ 0</u></u>	<u><u>\$ 2,745</u></u>	<u><u>\$ 2,745</u></u>

PEACH COUNTY, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended September 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Hotel/motel taxes	\$ 8,943	\$ 8,943	\$ 0
Total revenues	<u>8,943</u>	<u>8,943</u>	<u>0</u>
EXPENDITURES			
Current			
Housing and Development			
Payments to others	<u>11,077</u>	<u>11,077</u>	<u>0</u>
Total expenditures	<u>11,077</u>	<u>11,077</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	(2,134)	(2,134)	0
Other financing sources (uses)			
Transfers in (out)			
General Fund	<u>2,134</u>	<u>2,134</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	0
Fund balances, October 1	<u>0</u>	<u>1,018</u>	<u>1,018</u>
Fund balances, September 30	<u><u>\$ 0</u></u>	<u><u>\$ 1,018</u></u>	<u><u>\$ 1,018</u></u>

PEACH COUNTY, GEORGIA
E-911 SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended September 30, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Taxes	\$ 217	\$ 217	\$ 0
Charges for services	<u>451,010</u>	<u>451,010</u>	<u>0</u>
Total revenues	<u>451,227</u>	<u>451,227</u>	<u>0</u>
EXPENDITURES			
Current			
Public Safety			
Personal services	<u>451,227</u>	<u>451,227</u>	<u>0</u>
Total expenditures	<u>451,227</u>	<u>451,227</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	0	0	0
Fund balances, October 1	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances, September 30	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

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AGENCY FUNDS

These funds are used to account for assets held by the County as an agent to be expended in accordance with the conditions of its agency capacity.

Tax Commissioner - This fund accounts for assets and related liabilities for the collection of taxes and tag and title fees.

Sheriff's Office - This fund accounts for all monies received by the Sheriff's Department on behalf of individuals, private organizations, other governmental units, and other funds..

Clerk of Superior Court, Probate Court, and Magistrate Court - These funds account for assets and related liabilities for the collection of court related fees.

Jail Inmate - This fund accounts for all monies held on behalf of the inmates of the Peach County Jail.

**PEACH COUNTY, GEORGIA
AGENCY FUNDS
COMBINING BALANCE SHEET
September 30, 2018**

	<u>Tax Commissioner</u>	<u>Sheriff's Office</u>
ASSETS		
Cash and cash equivalents	\$ 822,852	\$ 291,313
Taxes receivable, net	<u>21,101,697</u>	<u>0</u>
Total assets	<u><u>\$ 21,924,549</u></u>	<u><u>\$ 291,313</u></u>
LIABILITIES		
Due to others	<u>\$ 21,924,549</u>	<u>\$ 291,313</u>
Total liabilities	<u><u>\$ 21,924,549</u></u>	<u><u>\$ 291,313</u></u>

Clerk of Superior Court	Probate Court	Magistrate Court	Jail Inmate	Totals
\$ 396,717 0	\$ 135,652 0	\$ 35,304 0	\$ 19,151 0	\$ 1,700,989 21,101,697
<u>\$ 396,717</u>	<u>\$ 135,652</u>	<u>\$ 35,304</u>	<u>\$ 19,151</u>	<u>\$ 22,802,686</u>
<u>\$ 396,717</u>	<u>\$ 135,652</u>	<u>\$ 35,304</u>	<u>\$ 19,151</u>	<u>\$ 22,802,686</u>
<u>\$ 396,717</u>	<u>\$ 135,652</u>	<u>\$ 35,304</u>	<u>\$ 19,151</u>	<u>\$ 22,802,686</u>

PEACH COUNTY, GEORGIA
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the fiscal year ended September 30, 2018

	Balance October 1	Additions	Deletions	Balance September 30
TAX COMMISSIONER				
ASSETS				
Cash and cash equivalents	\$ 843,663	\$ 29,333,762	\$ 29,354,573	\$ 822,852
Taxes receivable, net	20,231,855	20,393,654	19,523,812	21,101,697
Total	<u>\$ 21,075,518</u>	<u>\$ 49,727,416</u>	<u>\$ 48,878,385</u>	<u>\$ 21,924,549</u>
LIABILITIES				
Due to others	<u>\$ 21,075,518</u>	<u>\$ 49,727,416</u>	<u>\$ 48,878,385</u>	<u>\$ 21,924,549</u>
SHERIFF'S OFFICE				
ASSETS				
Cash and cash equivalents	<u>\$ 423,778</u>	<u>\$ 509,049</u>	<u>\$ 641,514</u>	<u>\$ 291,313</u>
LIABILITIES				
Due to others	<u>\$ 423,778</u>	<u>\$ 509,049</u>	<u>\$ 641,514</u>	<u>\$ 291,313</u>
CLERK OF SUPERIOR COURT				
ASSETS				
Cash and cash equivalents	<u>\$ 360,185</u>	<u>\$ 809,024</u>	<u>\$ 772,492</u>	<u>\$ 396,717</u>
LIABILITIES				
Due to others	<u>\$ 360,185</u>	<u>\$ 809,024</u>	<u>\$ 772,492</u>	<u>\$ 396,717</u>
PROBATE COURT				
ASSETS				
Cash and cash equivalents	<u>\$ 128,224</u>	<u>\$ 1,166,413</u>	<u>\$ 1,158,985</u>	<u>\$ 135,652</u>
LIABILITIES				
Due to others	<u>\$ 128,224</u>	<u>\$ 1,166,413</u>	<u>\$ 1,158,985</u>	<u>\$ 135,652</u>
MAGISTRATE COURT				
ASSETS				
Cash and cash equivalents	<u>\$ 39,245</u>	<u>\$ 359,917</u>	<u>\$ 363,858</u>	<u>\$ 35,304</u>
LIABILITIES				
Due to others	<u>\$ 39,245</u>	<u>\$ 359,917</u>	<u>\$ 363,858</u>	<u>\$ 35,304</u>
JAIL INMATE				
ASSETS				
Cash and cash equivalents	<u>\$ 15,346</u>	<u>\$ 214,703</u>	<u>\$ 210,898</u>	<u>\$ 19,151</u>
LIABILITIES				
Due to others	<u>\$ 15,346</u>	<u>\$ 214,703</u>	<u>\$ 210,898</u>	<u>\$ 19,151</u>
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	\$ 1,810,441	\$ 32,392,868	\$ 32,502,320	\$ 1,700,989
Taxes receivable, net	20,231,855	20,393,654	19,523,812	21,101,697
Total	<u>\$ 22,042,296</u>	<u>\$ 52,786,522</u>	<u>\$ 52,026,132</u>	<u>\$ 22,802,686</u>
LIABILITIES				
Due to others	<u>\$ 22,042,296</u>	<u>\$ 52,786,522</u>	<u>\$ 52,026,132</u>	<u>\$ 22,802,686</u>

COMPONENT UNIT – PEACH PUBLIC LIBRARIES

PEACH COUNTY, GEORGIA
PEACH PUBLIC LIBRARIES COMPONENT UNIT
COMBINING BALANCE SHEET
September 30, 2018

	General Fund	Lula Thomas Library Fund	Total Library Funds
ASSETS			
Cash and cash equivalents	\$ 116,726	\$ 5,079	\$ 121,805
Investments	253,247	30,922	284,169
Accounts receivable	9,243	0	9,243
Total assets	\$ 379,216	\$ 36,001	\$ 415,217
LIABILITIES			
Accounts payable	\$ 3,231	\$ 0	\$ 3,231
Other payroll liabilities	660	0	660
Total liabilities	3,891	0	3,891
FUND BALANCES			
Nonspendable:			
Lula Thomas CD	0	30,922	30,922
Committed for compensated absences	23,266	0	23,266
Assigned for general library operations	0	5,079	5,079
Unassigned	352,059	0	352,059
Total fund balances	375,325	36,001	411,326
Total liabilities and fund balances	\$ 379,216	\$ 36,001	\$ 415,217

PEACH COUNTY, GEORGIA
PEACH PUBLIC LIBRARIES COMPONENT UNIT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal year ended September 30, 2018

	General Fund	Lula Thomas Library Fund	Total Library Funds
REVENUES			
Charges for services	\$ 16,318	\$ 0	\$ 16,318
Intergovernmental	428,412	0	428,412
Interest	371	57	428
Contributions	505	0	505
Other	8,244	0	8,244
	<hr/>	<hr/>	<hr/>
Total revenues	453,850	57	453,907
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current			
Public services	156,847	0	156,847
Technical services	47,712	0	47,712
Support services	149,965	0	149,965
Maintenance and operations	28,925	0	28,925
Information technology	22,340	0	22,340
	<hr/>	<hr/>	<hr/>
Total expenditures	405,789	0	405,789
	<hr/>	<hr/>	<hr/>
Net change in fund balance	48,061	57	48,118
	<hr/>	<hr/>	<hr/>
Fund balances, October 1	327,264	35,944	363,208
	<hr/>	<hr/>	<hr/>
Fund balances, September 30	<u>\$ 375,325</u>	<u>\$ 36,001</u>	<u>\$ 411,326</u>

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OTHER REPORTING SECTION

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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*

Honorable Chairman and
Board of Commissioners
Peach County, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Peach County, Georgia, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise Peach County, Georgia's basic financial statements and have issued our report thereon dated February 8, 2019. Our report includes a reference to other auditors who audited the financial statements of the Peach County Health Department, as described in our report on Peach County, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that were reported on separately by those auditors.

Internal Control over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiency to be a material weakness:

2018-001

Condition: The prior fiscal year financial statements were restated for errors and incorrectly reported amounts in the General Fund, Solid Waste Enterprise Fund, and Peach Public Libraries Component Unit.

Criteria: Generally accepted accounting principles require that accruals be properly calculated and recorded.

Effect: Failure to properly apply generally accepted accounting principles led to financial statements that were materially misstated.

Recommendation: Management should review their year-end procedures for recording assets and liabilities.

2018-001, continued

Management Response: Management concurs with this finding. Management will review all year-end accruals to ensure they are properly calculated and recorded. This action was taken immediately upon receipt of the comment from our auditors.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies to be significant deficiencies:

2018-002

Condition: Appropriate segregation of duties does not exist among recording, distribution, reconciliation of cash accounts and other operational functions in the various funds maintained by the County. This is especially prominent in the office of the Clerk of Superior Court and Peach Public Libraries Component Unit.

Criteria: Segregation of employees' duties is a common practice in an effective internal control structure. Segregation of duties is when specific employee functions related to important accounting areas (such as cash receipting and cash disbursements) are separated among different individuals to significantly reduce the risk that any one individual could intentionally or unintentionally misappropriate assets.

Effect: Failure to maintain adequate segregation of duties exposes the assets of the County to greater risk of misappropriation.

Recommendation: We recommend that each County office review its policies and procedures to determine where it can adequately segregate duties to alleviate the segregation of duties issues.

Management Response: Management has provided a copy of this finding to the appropriate Elected Officials, Department Heads, and Peach Public Libraries Management and they concur with this finding. Action was taken immediately upon receipt of this comment from our auditors.

2018-003

Condition: While performing audit procedures at the Clerk of Superior Court's office, we noted instances where deposits were not made timely. Receipts were held for more than seven days before depositing in 10 of 26 (38%) receipts tested.

Criteria: Proper internal controls require that cash receipts be deposited and transactions recorded in a timely manner.

Effect: Failure to deposit cash receipts in a timely manner exposes the County's assets to a greater risk of loss due to fraud.

Recommendation: At a minimum, deposits should be made weekly.

Management Response: Management has provided a copy of this finding to the appropriate Elected Official and they concur with this finding. Action was taken immediately upon receipt of this comment from our auditors.

2018-004

Condition: While performing audit procedures at the Clerk of Superior Court's office, we noted no evidence of approval for 4 of 15 (27%) voided transactions tested. We also noted no supporting documentation for 2 of 15 (13%) voided transactions tested.

Criteria: Proper internal controls require that all voided transactions are properly approved.

2018-004, continued

Effect: Failure to maintain proper supporting documentation with evidence of approval for voided transactions subjects the assets of the County to greater risk of misappropriation.

Recommendation: Supporting documentation with evidence of approval should be retained at the Clerk's office.

Management Response: Management has provided a copy of this finding to the appropriate Elected Official and they concur with this finding. Action was taken immediately upon receipt of this comment from our auditors.

2018-005

Condition: While performing audit procedures at the Probate Court, we noted no evidence of approval or supporting documentation for 8 of 10 (80%) voided transactions tested.

Criteria: Proper internal controls require that all voided transactions are properly approved.

Effect: Failure to maintain proper supporting documentation with evidence of approval for voided transactions subjects the assets of the County to greater risk of misappropriation.

Recommendation: Supporting documentation with evidence of approval should be retained at the Probate Court.

Management Response: Management has provided a copy of this finding to the appropriate Elected Official and they concur with this finding. Action was taken immediately upon receipt of this comment from our auditors.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Peach County, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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 the following instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

2018-006

Condition: While performing audit procedures at the Tax Commissioner's office, we noted the monthly payouts of title ad valorem tax were incorrectly calculated.

Criteria: State of Georgia Code provides guidelines regarding the calculation of title ad valorem tax payouts.

Effect: Incorrect payouts of title ad valorem tax will place the County in violation of state law.

Recommendation: The Tax Commissioner's office should review and correct the calculation of title ad valorem tax payouts.

Management Response: Management has provided a copy of this finding to the appropriate Elected Official and they concur with this finding. The appropriate Elected Official will implement the recommendation.

Peach County, Georgia's Responses to Findings

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

Purpose of this Report

This report is intended 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 Peach County, Georgia'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
February 8, 2019

STATE REPORTING SECTION

This section contains additional reports required by the State of Georgia.

PEACH COUNTY, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended September 30, 2018

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
<u>1994 Issue</u>					
Sanitary Landfill	\$ 3,000,000	\$ 3,000,000	\$ 4,306,479	\$ 0	\$ 4,306,479
County Buildings	1,750,000	1,750,000	1,787,502	98,652	1,886,154
Total	<u>\$ 4,750,000</u>	<u>\$ 4,750,000</u>	<u>\$ 6,093,981</u>	<u>\$ 98,652</u>	<u>\$ 6,192,633</u>
<u>2004 Issue</u>					
Roads, Streets, and Bridges	\$ 4,120,000	\$ 4,120,000	\$ 4,802,523	\$ 366,957	\$ 5,169,480
Administrative and Detention Facilities	2,185,000	2,185,000	1,198,536	169,713	1,368,249
Industrial Building	2,000,000	2,000,000	2,000,000	0	2,000,000
Recreation and Cultural Facilities	1,300,000	1,300,000	1,365,439	0	1,365,439
Public Safety Facilities and Equipment	1,195,000	1,195,000	2,349,868	12,918	2,362,786
Hospital Facility	2,000,000	2,000,000	2,000,000	0	2,000,000
City of Byron	1,250,000	1,250,000	1,305,865	0	1,305,865
City of Fort Valley	1,250,000	1,250,000	1,305,865	0	1,305,865
Total	<u>\$ 15,300,000</u>	<u>\$ 15,300,000</u>	<u>\$ 16,328,096</u>	<u>\$ 549,588</u>	<u>\$ 16,877,684</u>
<u>2008 Issue</u>					
Georgia Environmental Facilities Loan - 2007	\$ 1,125,000	\$ 1,125,000	\$ 1,133,361	\$ 0	\$ 1,133,361
Previously Incurred Debt for Byron Redevelopment Authority	200,000	200,000	223,228	0	223,228
Road, Street, and Bridge Purposes	3,000,000	3,000,000	839,798	36,431	876,229
County Buildings	550,000	550,000	128,604	0	128,604
Improvements and Expansion of Peach Recreation Parks	700,000	700,000	500,841	0	500,841
Public Safety Facilities and Equipment	10,477,000	10,477,000	10,952,647	0	10,952,647
Interest and Costs of Issuance of Debt	1,398,000	1,398,000	3,194,858	0	3,194,858
City of Byron	3,475,000	3,475,000	2,582,417	0	2,582,417
City of Fort Valley	3,075,000	3,075,000	2,860,380	0	2,860,380
Total	<u>\$ 24,000,000</u>	<u>\$ 24,000,000</u>	<u>\$ 22,416,134</u>	<u>\$ 36,431</u>	<u>\$ 22,452,565</u>

PEACH COUNTY, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended September 30, 2018

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
<u>2015 Issue</u>					
Road, Street, and Bridge Purposes	\$ 3,800,000	\$ 3,800,000	\$ 406,679	\$ 48,240	\$ 454,919
Construction, Renovation and/or Upgrade of Courthouse and Administrative Facilities	1,000,000	1,000,000	73,278	0	73,278
Solid Waste/Recycling Equipment	140,000	140,000	33,378	0	33,378
Construction of Workforce Development Center	3,000,000	3,000,000	3,988,341	0	3,988,341
Library Computers	50,000	50,000	0	0	0
Administrative Vehicles	25,000	25,000	0	0	0
Sewer Project - Southwest Peach County	2,000,000	2,000,000	132,876	1,716,365	1,849,241
Recreation Park Improvements	400,000	400,000	0	6,987	6,987
Public Safety Facilities and Equipment	3,348,000	3,348,000	656,699	440,106	1,096,805
Elections Equipment	125,000	125,000	11,358	0	11,358
City of Byron	3,906,000	3,906,000	1,495,184	714,762	2,209,946
City of Fort Valley	3,906,000	3,906,000	1,495,183	714,763	2,209,946
Total	\$ 21,700,000	\$ 21,700,000	\$ 8,292,976	\$ 3,641,223	\$ 11,934,199
Repayment of Principal on Debt; Proceeds Included in Projects Above				289,909	
Expenditures Financed by Other Revenues and Transfers from Other Funds				269,102	
Total 2015 SPLOST Fund Expenditures				\$ 4,200,234	

* Estimated cost represents the portion of these projects to be financed with Special Purpose Local Option Sales Tax. Actual costs that are in excess of these amounts have been financed through alternative funds.

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