

MERIWETHER COUNTY, GEORGIA

**REPORT OF INDEPENDENT CERTIFIED
PUBLIC ACCOUNTANTS IN ACCORDANCE WITH
THE UNIFORM GUIDANCE AND
*GOVERNMENT AUDITING STANDARDS***

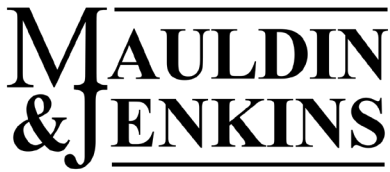
FOR THE YEAR ENDED SEPTEMBER 30, 2020

MERIWETHER COUNTY, GEORGIA
FOR THE YEAR ENDED SEPTEMBER 30, 2020

TABLE OF CONTENTS

Page

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	1 and 2
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE	3-5
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	6
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS.....	7
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	8-16
SCHEDULE OF PRIOR YEAR FINDINGS.....	17 and 18
MANAGEMENT'S CORRECTIVE ACTION PLAN	19 and 20



CPAs & ADVISORS

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

To the Board of Commissioners of
Meriwether County, Georgia
Greenville, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Meriwether County, Georgia (the "County") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated August 18, 2021. Our report includes a reference to other auditors who audited the financial statements of the Meriwether County Department of Public Health, as described in our report on the County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs, as items 2020-001, 2020-002, and 2020-003, that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2020-004.

Meriwether County, Georgia's Responses to the Findings

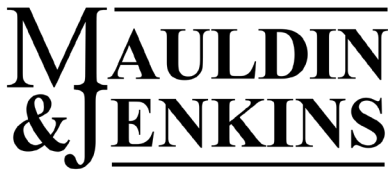
The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs and management's corrective action. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly,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

Purpose of this Report

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
August 18, 2021



CPAs & ADVISORS

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

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

Report on Compliance for Each Major Federal Program

We have audited Meriwether County, Georgia's (the "County's") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended September 30, 2020. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2020.

Report on Internal Control Over Compliance

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

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Meriwether County, Georgia as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated August 18, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Mauldin & Jenkins, LLC

Atlanta, Georgia
August 18, 2021

MERIWETHER COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED SEPTEMBER 30, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Contract or Project Number	Total Expenditures
U.S. DEPARTMENT OF JUSTICE			
Edward Byrne Memorial Justice Assistance Grant	16.738	B19-8-005	\$ 33,000
Total U.S. Department of Justice			33,000
U.S. DEPARTMENT OF TRANSPORTATION			
Federal Aviation Administration			
Passed through Georgia Department of Transportation (GDOT)			
COVID-19 Airport 30 CARES Act	20.106	AP020-90CA-14(199)	20,000
Airport Engineering Design	20.106	AP019-9036-13(199)	455,241
Total U.S. Department of Transportation			475,241
U.S. DEPARTMENT OF HOMELAND SECURITY			
Staffing for Adequate Fire and Emergency Response (SAFER) Grant	97.083	EMW-2017-FH-00570	237,467
Total U.S. Department of Homeland Security			237,467
U.S. DEPARTMENT OF TREASURY			
Passed through State of Georgia Governor's Office of Planning and Budget			
COVID-19 Coronavirus Relief Fund	21.019	14636-CRF	736,689
Total U.S. Department of Treasury			736,689
Total Expenditures of Federal Awards			\$ 1,482,397

MERIWETHER COUNTY, GEORGIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED SEPTEMBER 30, 2020

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Meriwether County, Georgia and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

NOTE 2. DE MINIMIS INDIRECT COST RATE

The County did not utilize the 10% de minimis indirect cost rate for the year ended September 30, 2020 as permitted by the Uniform Guidance.

MERIWETHER COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:
Material weakness(es) identified? yes no

Significant deficiency(ies) identified? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major federal programs:
Material weakness(es) identified? yes no

Significant deficiency(ies) identified? yes none reported

Type of auditor's report issued on compliance for major federal programs Unmodified

Any audit findings disclosed that are required to reported in accordance with 2 CFR 200.516(a)? yes no

Identification of major federal programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
21.019	COVID-19 Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? yes no

MERIWETHER COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED SEPTEMBER 30, 2020

SECTION II FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

2020-001 Segregation of Duties

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

Condition: The size of the County's accounting and administrative staff preclude internal controls that would be preferred if the office staff were large enough, to provide optimum segregation of duties. Issues with segregation of duties was noted within the following areas: (1) the cash receipting, recording and reconciliation process, including within the various court operations and Building and Zoning department; (2) supporting documentation and review of manual journal entries; and (3) all financial recording and authorization functions within the County's Industrial Development Authority (IDA) and Water & Sewerage Authority (W&S Authority).

Context/Cause: Although the small size of the County's staff limits the segregation of duties, it is important that incompatible duties be assigned to different individuals and/or compensating controls implemented. No one employee should have access to both physical assets and the related accounting records, or to all phases of a transaction. During the course of our test-work, we noted the following areas where the County's control procedures were not sufficient to mitigate risks created due to insufficient oversight:

- During our walkthrough procedures, it was noted that the County's Building and Zoning department, Magistrate Court, Probate Court and Clerk of Superior Court do not have a documented independent review of the bank reconciliations. We recommend the County require the reviewer to document their review of the bank reconciliation on the reconciliation itself.
- During our review of the County's manual journal entries and the IDA and W&S Authority manual journal entries, all of which are posted to the County's general ledger, we noted not all entries have support maintained for the entry, and not all journal entries are reviewed and approved by someone other than the preparer. As a matter of improved documentation, we recommend the County maintain, either in paper or electronic format, supporting calculations and evidence of the required journal entry, as well as the documented review and approval of the entry by a knowledgeable independent individual, prior to the entry being posted to the general ledger.

Effects: Failure to properly segregate duties or implement compensating controls can lead to misappropriation of funds or abuse of the system that is not detected in a timely manner by employees in the normal course of performing their assigned functions.

Recommendation: We recommend the County segregate duties and/or implement compensating controls in the key areas noted above.

Auditee's Response: We concur. We will implement mitigating controls when practical and cost effective.

MERIWETHER COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED SEPTEMBER 30, 2020

SECTION II FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2020-002 Restatement of Opening Balances

Criteria: Internal controls should be in place to ensure that financial statements properly present the financial position and results of operations of the County and its component units.

Condition: Internal controls were not sufficient to detect material misstatements in the financial statements of the County and its component units for the year ended September 30, 2019, resulting in several prior period adjustments during the current year.

Context/Cause: During our audit for the year ended September 30, 2020, we identified the following items that resulted in the need to restate opening fund balance(s) and net position:

- A misstatement occurred as a result of the County accrual of two months of sales tax due from the State at September 30, 2019, when only one month should have been accrued. As a result, fund balance of the General Fund and SPLOST Fund, as well as net position of governmental activities was overstated at September 30, 2019.
- A misstatement occurred as a result of recording prepaid bond insurance (long-term asset) related to the County's Series 2017 General Obligation Bonds in the Fire District Bond Fund (governmental fund), resulting in an overstatement of fund balance of the fund as of September 30, 2019.
- Misstatements occurred in the reporting of the financial activity of the County's Industrial Development Authority (IDA) due to the following:
 - In prior years, the IDA was reported as a discretely presented component unit, but due to the nature of its relationship with the County (County is responsible for the repayment of the IDA's long-term debt) the IDA should be reported as a blended component unit. This change resulted in a new governmental fund being established for the IDA.
 - Debt service payments made on the IDA's Series 2008 bonds were prepaid in the prior year; however, the payments were improperly recorded as debt service payments and a reduction of bonds payable as of September 30, 2019.
 - Land held for development by the IDA was improperly reported as an element of capital assets as of September 30, 2019. The land should be reported as Land held for Development on the balance sheet of the IDA governmental fund, as well as on the IDA's government-wide statement of net position.

MERIWETHER COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED SEPTEMBER 30, 2020

SECTION II FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2020-002 Restatement of Opening Balances (Continued)

- A misstatement occurred as a result of not adjusting the County's liability for landfill postclosure care costs in prior years. Estimated costs of postclosure as calculated by the County's outside engineers resulted in the need to reduce the September 30, 2019 balance of the liability and increase net position of governmental activities.
- A misstatement occurred in the amortization of the Meriwether Water & Sewerage Authority's bond premium on its Series 2016A and 2016B bonds. The County had previously amortized the premium using the straight-line method, which is materially different from the effective interest method. A prior period adjustment has been recorded to adjust the unamortized balance of the bond premium to the balance as calculated under the effective interest method.

Effects: As a result of the misstatements identified, total adjustments across the fund(s) and/or net position(s) as of September 30, 2019 were as follows:

- Entries of \$104,660 in the General Fund, \$174,298 in the SPLOST Fund, and \$278,958 in governmental activities were required to correct opening fund balances and net position in the current year for the over accrual of taxes receivable related to LOST and SPLOST.
- An entry of \$27,113 was required for the removal of prepaid bond insurance from the Fire District Bond Fund and to correct opening fund balance.
- A prior period adjustment to record the IDA's opening fund balance of \$270,178 in a new governmental fund, prepaid debt service payments of \$195,246, and land held for sale of \$6,413,917 and increasing fund balance by the same amount were necessary to properly reflect the IDA as a blended component unit for the year ended September 30, 2020. Additionally, the reporting of the IDA as a blended component unit resulted in restatements on beginning net position of governmental activities. The opening balances of capital assets and compensated absences in the amounts of \$1,633,153 and \$9,569, respectively, were required to be recorded and net position was adjusted by \$1,642,722.
- An entry for \$1,772,695 was required to reduce the opening balance of the County's landfill postclosure care cost liability and increase opening net position of governmental activities.
- An entry for approximately \$42,441 was required to correct the Water & Sewerage Authority's bond premium balance and opening net position.

MERIWETHER COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED SEPTEMBER 30, 2020

SECTION II FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2020-002 Restatement of Opening Balances (Continued)

Recommendation: We recommend the County carefully review the financial statements and applicable reporting requirements of the state of Georgia and under generally accepted accounting principles (GAAP) to ensure that all information and financial data is being reported properly as well as annually evaluate the nature of any component units reported by the County.

Auditee's Response: We concur. In previous years, we misinterpreted the accrual period related to these sources and the reporting requirements.

2020-003 General Accounting Matters/Close-Out Procedures

Criteria: Internal control is a process designed to provide reasonable assurance about the achievement of an entity's objectives with regard to the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. Internal control is also a process of safeguarding assets against unauthorized acquisition, use, or disposition, and includes controls related to financial reporting and operational objectives. Generally accepted accounting principles require assets, liabilities, revenues and expenditures to be recognized in the accounting period in which they become both measurable (and available). Further, a fundamental principle in accounting and financial reporting is the notion of timely recognition and recording of financial and non-financial transactions and activities.

Condition: During our audit, we noted several areas in which accounting for, and recording of year-end accruals and other transactions was not properly performed, requiring additional time to close the County's 2020 fiscal year. A number of adjustments were determined and required to be recorded during the audit process as follows.

- Adjustments to reverse prior year and record current year accrued payroll resulting in a net decrease to fund balance of \$58,594 in the General Fund and \$9,126 in the Fire District O&M Fund, and an increase of \$1,517 for the IDA.
- Adjustments in several funds to reverse prior year and record current year accounts receivable, deferred revenues, amounts due from elected officials, and current year revenues. These adjustments had a net effect on each fund as follows:
 - General Fund: Reduction of fund balance by \$630,527;
 - E-911 Fund: Increase to fund balance of \$1,796;
 - Fire O&M Fund: Reduction to fund balance of \$233,022;
 - TSPLOST Fund: Increase to fund balance of \$149,655;
 - Water and Sewer Authority: Reduction to net position of \$146,063; and
 - Drug Abuse Treatment Education Fund: Increase to fund balance of \$3,898

MERIWETHER COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED SEPTEMBER 30, 2020

SECTION II FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2020-003 General Accounting Matters/Close-Out Procedures (Continued)

- Adjustments to reverse prior year and record current year accounts payable resulting in a net increase in fund balance in the General Fund of \$24,557, and a net decrease in fund balance of the Fire Bond Fund and TSPLOST Fund of \$60,021 and \$124,610, respectively;
- Adjustments to reduce prepaid items in the General Fund resulting in a net increase to fund balance of \$17,257;
- Adjustments in the General Fund to record the issuance of capital leases for vehicles in the amount of \$278,614. No net effect on fund balance;
- An adjustment to correct beginning fund balance of the General Fund and current year transfers to other funds resulting in a net increase to fund balance of \$882,537;
- Adjustments to correct cash balances in the General Fund and TSPLOST Fund resulting in increases to fund balance of \$40,768 and \$7,449, respectively;
- Adjustments to the IDA to properly reflect various transactions involving land held for development, resulting in a net reduction of fund balance of \$59,075;
- Adjustments to Water and Sewer Authority capital assets and related depreciation resulting in a reduction of net position in the amount of \$159,015;
- Adjustments to properly record long-term debt related transactions of the IDA and Water and Sewer Authority resulting in an increase to fund balance of the IDA in the amount of \$218,072 and a decrease to net position of \$381,183 for the Water and Sewer Authority; and
- Adjustments to transfer E-911 related expenditures from the General Fund to the E-911 Fund. No net effect on fund balance of either fund.

Context: We addressed the matter with the County to determine the appropriate steps to be taken so as to properly complete general accounting matters and close-out procedures at September 30, 2020.

Effects: The ultimate effect of the above condition is the potential for errors and irregularities to occur and not be detected and corrected in a timely manner.

Cause: There was a lack of appropriate procedures in place at the County during the fiscal year to properly maintain financial and non-financial information and to properly close-out the year-end.

MERIWETHER COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED SEPTEMBER 30, 2020

SECTION II FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2020-003 General Accounting Matters/Close-Out Procedures (Continued)

Recommendation: We recommend the County look at the respective staffing of the accounting function, and determine if an adequate number of staff are currently available to address the condition. The County should also consider and evaluate its strengths and weaknesses relative to the accounting function, and take measures to address the concerns noted above with a goal of providing timely recording, reconciling and reporting of County operations and financial and non-financial activities.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will continue to review and improve policies and procedures with respect to the year-end closeout process and the recording of accruals and other financial transactions.

2020-004 Collateralization of Public Deposits

Criteria: Policies should be in place requiring all financial institutions holding cash deposits to be properly insured and, or collateralized at all times throughout the fiscal year. State statutes require all deposits and investments (other than federal or state government instruments) amounts that exceed standard depository insurance limits are required to be collateralized either (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia at a rate of at least 110 percent of the deposit amount, or (2) participation in the State of Georgia Secure Deposit Program.

Condition: As of September 30, 2020, the County had approximately \$529,000 in deposits that were not properly collateralized at 110% in accordance with the Official Code of Georgia Annotated (OCGA) Section 45-8-12(c).

Context/Cause: The County's internal controls did not identify these accounts as public funds that should be collateralized and the financial institutions did not properly collateralize deposit amounts in excess of FDIC coverage.

Effects: The failure of the institution to fully collateralize or insure the County's deposits could result in financial loss to the County should the financial institution fail.

MERIWETHER COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED SEPTEMBER 30, 2020

SECTION II FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2020-004 Collateralization of Public Deposits (Continued)

Recommendation: We recommend that the County monitor its deposits on an ongoing basis and correspond with the respective financial institutions to ensure that all deposits over the federal depository insurance coverage limit are properly collateralized in accordance with state statutes.

Auditee's Response: We concur. With the exception of two financial institutions holding County deposits, all banking institutions participate in the State of Georgia Secure Deposit Program. In the case of the financial institutions not in the Deposit Program, we will monitor those balances to make sure they are properly collateralized.

MERIWETHER COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

MERIWETHER COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS FOR THE YEAR ENDED SEPTEMBER 30, 2020

2019-001 Segregation of Duties

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

Status: See 2020-001.

2019-002 Controls Over Financial Statement Preparation

Condition and Criteria: The financial statements and related footnote disclosures should be prepared in accordance with generally accepted accounting principles. County personnel do not currently possess the skills necessary to prepare the financial statements and related footnote disclosures in accordance with generally accepted accounting principles.

Status: Resolved.

2019-003 Balancing Procedures and Timely Deposits

Condition and Criteria: Prior auditors were made aware that two former employees in the Tax Commissioner's office were in collusion to adjust TAVT records to cover a shortage in the cashier's drawer. Some of the deposits made to the bank were not traceable to the daily cashier reports, which included incorrect dates, and amounts did not agree. In addition, deposits were not made in a timely manner.

Status: Resolved.

2019-004 Malfunction of Fueling Station Card Reader

Condition and Criteria: The allocation of fuel used by departments from the fueling station was not performed accurately. The card reader was not in operation for several months, which caused no record keeping of usage.

Status: Resolved.

2019-005 Documentation for FEMA Grant

Criteria: Prior auditors were unable to examine documentation for FEMA grant funds received for in-kind labor, equipment, and materials for storm damage to roads in prior years.

Status: Resolved.

MERIWETHER COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS FOR THE YEAR ENDED SEPTEMBER 30, 2020

2019-006 Untimely Request for Grant Funds

Condition and Criteria: The draw down request for the SAFER grant has not been prepared in a timely manner.

Status: Resolved.

**MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

2020-001 Segregation of Duties

Name of the Contact Person Responsible for the Corrective Action Plan: Bill Gregory,
Finance Director.

Corrective Action Plan: The County will continue requiring dual signatures on all checks.
We will implement mitigating controls when practical and cost effective.

Anticipated Completion Date: 09/30/2021.

2020-002 Restatement of Opening Balances

Name of the Contact Person Responsible for the Corrective Action Plan: Bill Gregory,
Finance Director.

Corrective Action Plan: We will perform a year-end review of receivables as well as other
items for financial reporting, and coordinate and consult with the auditors to make revenue
accrual entries, landfill, and items affecting the component units prior to the close of the fiscal
year.

Anticipated Completion Date: 09/30/2021.

2020-003 General Accounting Matters/Close-Out Procedures

Name of the Contact Person Responsible for the Corrective Action Plan: Bill Gregory,
Finance Director.

Corrective Action Plan: We will perform a year-end review of accounts as well as
coordinate and consult with the auditors to make expenditure accrual entries prior to the
close of the fiscal year.

Anticipated Completion Date: 09/30/2021.

2020-004 Collateralization of Public Deposits

Name of the Contact Person Responsible for the Corrective Action Plan: Bill Gregory, Finance Director.

Corrective Action Plan: Going forward, the County will monitor bank balances and corresponding collateralization to make sure that we are in compliance with state statutes. The Board of Commissioners has since approved moving additional funds into Georgia Fund 1, and we have corroborated with the financial institution to pledge additional securities to correct the issue.

Anticipated Completion Date: 09/30/2021.

