MERIWETHER COUNTY, GEORGIA

FINANCIAL STATEMENTS

Year Ended September 30, 2016

AJK

MERIWETHER COUNTY, GEORGIA
FINANCIAL STATEMENTS
Year Ended September 30, 2016

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AJK, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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

INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Meriwether County
Greenville, Georgia 30222

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Meriwether County, Georgia, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Meriwether County Department of Public Health, which represent 2.1 percent, negative 5.4 percent, and 40.6 percent, respectively, of the assets, net position, and revenues of the component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Meriwether County Department of Public Health, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information and the respective budgetary comparison for the General Fund, of Meriwether County, Georgia, as of September 30, 2016, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Meriwether County, Georgia basic financial statements. The combining, individual nonmajor fund financial statements, and other supplemental information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining, individual nonmajor fund financial statements and other supplemental information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining, individual nonmajor fund financial statements and other supplemental information are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21. 2017 on our consideration of Meriwether County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Meriwether County, Georgia's internal control over financial reporting and compliance.

AJK, LLC

Manchester, Georgia
March 21, 2017

MERIWETHER COUNTY, GEORGIA
STATEMENT OF NET POSITION
September 30, 2016

	Primary Government	Component Units		
	Governmental Activities	Department of Public Health	Industrial Development Authority	Meriwether Water and Sewerage Authority
Assets				
Cash and cash equivalents	$ 3,706,660	$ 254,862	$ 174,944	$ 1,808,437
Investments	906,398			115,577
Receivables (net of allowances for uncollectible)	1,208,188	82,937		16,679
Due from primary government			28,667	512,492
Due from component unit	6,500			
Inventory	62,939			
Prepaid items	206,619			7,003
Prepaid bond insurance, net of accumulated amortization				135,658
Capital assets (not being depreciated)	993,393		7,775,459	
Capital assets, being depreciated net of accumulated depreciation	11,289,454	51,929	1,809,946	5,761,278
Total assets	18,380,151	389,728	9,789,016	8,357,124
Deferred outflows of resources				
Deferred charge on refunding				888,460
Employer pension contributions		94,924		
Change in proportion share of contributions - pension plan		15,992		
Total deferred outflows of resources	-	110,916	-	888,460

Continued...

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

MERIWETHER COUNTY, GEORGIA
STATEMENT OF NET POSITION
September 30, 2016
(Continued)

	Primary Government	Component Units		
	Governmental Activities	Department of Public Health	Industrial Development Authority	Meriwether Water and Sewerage Authority
Liabilities				
Accounts payable	85,957	27,849	7,246	17,360
Accrued payroll	268,748		4,992	
Unearned revenue	1,214,678			
Due to primary government			6,500	
Due to component units	541,159			
Accrued interest on bonds	51,500			94,668
Short-term notes payable	550,000			
Long-term liabilities:				
Due within one year	1,864,840	22,653	66,377	310,000
Due in more than one year	8,934,346	40,146	1,350,733	11,155,645
Net pension liability		663,295		
Total liabilities	13,511,228	753,943	1,435,848	11,577,673
Deferred inflows of resources				
Proportionate share of deferred inflows of resources - pension plan		56,294		
Total deferred inflows of resources	-	56,294	-	-
Net Position				
Net investment in capital assets	9,303,220	51,929	8,172,069	(4,089,390)
Restricted:				
Capital projects	3,930,076			1,614,977
Public safety	339,769			
Planning and development	782			
Judicial	4,846			
Prior year program income		292,843		
Unrestricted	(8,709,770)	(654,365)	181,099	142,324
Total net position	$ 4,868,923	$ (309,593)	$ 8,353,168	$ (2,332,089)

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

MERIWETHER COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
Year Ended September 30, 2016

Functions/Programs	Expenses	Program Revenues: Charges for Services, Fees Fines and Forfeitures	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes Net Position: Governmental Activities	Component Units: Department of Public Health	Component Units: Industrial Development Authority	Component Units: Meriwether Water and Sewerage Authority
Primary government:								
Governmental activities:								
General government	$ 3,255,960	$ 103,259	$ 17,888		$ (3,134,813)			
Public safety	5,991,553	1,750,948	40,335	$ 5,100	(4,195,170)			
Public works	2,267,439	472,572	35,416	2,853	(1,756,598)			
Planning and development	420,668	13,000	71,185		(336,483)			
Public welfare	478,481	63,228	3,770	70,500	(340,983)			
Culture and recreation	246,800	13,351			(233,449)			
Judicial	1,231,954		26,251		(1,205,703)			
Interest on long-term debt	295,460				(295,460)			
Total governmental activities and primary government	$ 14,188,315	$ 2,416,358	$ 194,845	$ 78,453	(11,498,659)			
Component units:								
Department of Public Health	$ 833,254	$ 439,136	$ 465,994			$ 71,876		
Industrial Development Authority	404,935	21,125	560,056				$ 176,246	
Meriwether Water and Sewerage Authority	1,026,739	155,521	581,738					$ (289,480)
Total component units	$ 2,264,928	$ 615,782	$ 1,607,788	$ -		71,876	176,246	(289,480)
General revenues:								
Taxes:								
Property					6,719,786			
Sales					2,454,088			
Insurance premiums					758,231			
Motor vehicle and mobile home					1,038,200			
Alcoholic beverage					21,084			
Other					214,030			
Miscellaneous revenue					158,965			
Interest revenue					7,522	266	194	5,426
Total general revenues					11,371,906	266	194	5,426
Change in net position					(126,753)	72,142	176,440	(284,054)
Net position at beginning of year					4,995,676	(381,735)	8,176,728	(2,048,035)
Net position at end of year					$ 4,868,923	$ (309,593)	$ 8,353,168	$ (2,332,089)

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

MERIWETHER COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2016

	Major Governmental Fund Types			Nonmajor Governmental Fund Types	
	General	SPLOST	Landfill SPLOST	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 638,127	$ 2,813,464		$ 255,069	$ 3,706,660
Investments			$ 906,398		906,398
Receivables (net of allowance for uncollectibles)	845,557	270,025		92,606	1,208,188
Due from other funds				733	733
Due from component unit	6,500				6,500
Inventory, at cost	62,939				62,939
Prepaid items	206,619				206,619
Total assets	$ 1,759,742	$ 3,083,489	$ 906,398	$ 348,408	$ 6,098,037
Liabilities					
Accounts payable	$ 79,726	$ 3,220		$ 3,011	$ 85,957
Accrued payroll	268,748				268,748
Unearned revenue	1,214,678				1,214,678
Due to other funds	733				733
Due to component units	484,568	56,591			541,159
Short-term notes payable	550,000				550,000
Total liabilities	2,598,453	59,811	$ -	3,011	2,661,275
Fund Balances					
Nonspendable for:					
Inventory	62,939				62,939
Prepaids	206,619				206,619
Restricted for:					
SPLOST		3,023,678			3,023,678
Landfill - SPLOST			906,398		906,398
Drug fund				68,617	68,617
Jail fund				39,365	39,365
Sheriff drug forfeiture				135,474	135,474
Law library				4,846	4,846
E-911				96,313	96,313
Hotel/motel				782	782
Unassigned	(1,108,269)				(1,108,269)
Total fund balances	(838,711)	3,023,678	906,398	345,397	3,436,762
Total liaiblities and fund balances	$ 1,759,742	$ 3,083,489	$ 906,398	$ 348,408	$ 6,098,037

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

MERIWETHER COUNTY, GEORGIA
RECONCILIATION OF FUND BALANCES ON THE BALANCE SHEET FOR GOVERNMENTAL FUNDS
TO NET POSITION OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET POSITION
September 30, 2016

Fund balances -Total governmental funds		$ 3,436,762
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds:		
Add, capital assets		27,732,155
Deduct, accumulated depreciation		(15,449,308)
Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position. Balances at September 30, 2016 are:		
Accrued interest payable		(51,500)
General obligation bonds	$ (6,180,000)	
Capital leases	(995,544)	
Compensated absences	(221,159)	
Intergovernmental agreement	(1,285,000)	
Landfill post-closure costs	(2,117,483)	
Total long-term liabilities		(10,799,186)
Net position of governmental activities		$ 4,868,923

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

MERIWETHER COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended September 30, 2016

	Major Governmental Fund Types			Nonmajor Governmental Fund Types	
	General	SPLOST	Landfill SPLOST	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes:					
Property	$ 6,719,786				$ 6,719,786
Sales	920,027	$ 1,534,061			2,454,088
Insurance premium	758,231				758,231
Motor vehicle/mobile home	1,038,200				1,038,200
Alcoholic beverage	21,084				21,084
Other	208,653			$ 5,377	214,030
Licenses and permits	91,259				91,259
Charges for services	1,299,155			312,673	1,611,828
Fines, forfeitures and court fees	536,206			98,065	634,271
Rents and royalties	79,000				79,000
Grants and subsidies	265,345				265,345
Investment earnings	2,484	2,853	$ 4,946	92	10,375
Other revenue	157,915			1,050	158,965
Total revenues	12,097,345	1,536,914	4,946	417,257	14,056,462
Expenditures:					
Current:					
General government	2,985,068				2,985,068
Public safety	4,397,517			859,064	5,256,581
Public works	1,284,618				1,284,618
Planning and development	415,018			5,250	420,268
Public welfare	361,785				361,785
Culture and recreation	235,451				235,451
Judicial	1,216,002			5,592	1,221,594
Capital outlay	171,681	1,453,774		2,245	1,627,700
Debt service:					
Principal payments	309,776	1,455,000			1,764,776
Interest payments	116,710	190,875			307,585
Total expenditures	11,493,626	3,099,649	-	872,151	15,465,426
Excess (deficiency) of revenues over (under) expenditures	603,719	(1,562,735)	4,946	(454,894)	(1,408,964)
Other financing sources (uses):					
Transfers in				434,483	434,483
Transfers out	(434,483)				(434,483)
Total other financing sources (uses)	(434,483)	-	-	434,483	-
Net change in fund balances	169,236	(1,562,735)	4,946	(20,411)	(1,408,964)
Fund balances, beginning of year	(1,007,947)	4,586,413	901,452	365,808	4,845,726
Fund balances, end of year	$ (838,711)	$ 3,023,678	$ 906,398	$ 345,397	$ 3,436,762

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

MERIWETHER COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended September 30, 2016

Net change in fund balances - Total governmental funds		$ (1,408,964)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.This is the amount by which depreciation ($1,201,410) exceeded capital outlay ($704,448) in the current period.		(496,962)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to increase net position.		4,700
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This adjustment consists of the following changes:		
General obligation bonds	$ 1,455,000	
Capital leases	125,706	
Intergovernmental agreement	155,000	1,735,706
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This adjustment consists of the change of three balances:		
Accrued interest on bonds	12,125	
Compensated absences	(2,428)	
Landfill post-closure costs	29,070	38,767
Change in net position of governmental activities		$ (126,753)

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

MERIWETHER COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
Year Ended September 30, 2016

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues				
Taxes:				
Property	$ 7,220,513	$ 7,220,513	$ 6,719,786	$ (500,727)
Sales	950,000	950,000	920,027	(29,973)
Insurance premium	708,069	708,069	758,231	50,162
Motor vehicle and mobile home	1,145,000	1,145,000	1,038,200	(106,800)
Alcoholic beverage	25,000	25,000	21,084	(3,916)
Other	193,500	193,500	208,653	15,153
Licenses and permits	95,000	95,000	91,259	(3,741)
Charges for services	1,152,121	1,152,121	1,299,155	147,034
Fines, forfeitures and court fees	520,000	523,335	536,206	12,871
Rents and royalties	95,000	95,000	79,000	(16,000)
Grants and subsidies	725,925	961,024	265,345	(695,679)
Interest	2,000	2,000	2,484	484
Other revenue	56,521	151,760	157,915	6,155
Total revenues	12,888,649	13,222,322	12,097,345	(1,124,977)
Expenditures				
Current:				
General government:				
General government	2,158,050	1,998,287	1,408,244	590,043
County commissioners	248,833	272,157	271,303	854
Tax commissioners	315,361	325,540	318,372	7,168
Tax assessors	243,500	249,394	238,061	11,333
Voter registration/election	137,361	139,180	134,455	4,725
Building department	152,155	156,337	154,748	1,589
Buildings and grounds	95,000	95,000	80,809	14,191
Finance	199,638	209,029	209,029	-
Information technology	177,322	179,138	170,047	9,091
Total general government	3,727,220	3,624,062	2,985,068	638,994
Public safety:				
Public safety	1,372,327	1,426,600	1,426,600	-
EMS	220,550	220,500	173,843	46,657
Fire department	98,685	98,735	39,584	59,151
Sheriff's department	2,584,278	2,620,533	2,329,379	291,154
Jail	37,300	37,300	27,597	9,703
Coroner	43,519	43,877	41,553	2,324
Inmate care	377,800	377,800	356,158	21,642
EMA	27,300	27,300	2,803	24,497
Total public safety	4,761,759	4,852,645	4,397,517	455,128
Public works:				
Public works department	1,363,246	1,423,233	1,284,618	138,615
Total public works	1,363,246	1,423,233	1,284,618	138,615

(Continued...)

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

MERIWETHER COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
Year Ended September 30, 2016
(Continued)

Expenditures	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Planning and development:				
Welcome center and tourism	23,000	23,000	23,000	-
County agents	51,056	51,383	48,018	3,365
Industrial Development Authority	344,000	344,000	344,000	-
Total planning and development	418,056	418,383	415,018	3,365
Public welfare:				
Animal control	138,767	150,413	150,413	-
Health and welfare	167,500	167,500	167,500	-
Senior citizens program	19,500	19,500	19,500	-
Forestry	24,372	24,372	24,372	-
Total public welfare	350,139	361,785	361,785	-
Culture and recreation:				
Recreation	120,674	154,326	154,326	-
Library	81,125	81,125	81,125	-
Total culture and recreation	201,799	235,451	235,451	-
Judicial:				
Probate Court	188,558	196,542	196,542	-
Clerk of Court	357,965	371,811	361,121	10,690
Juvenile Court	93,083	94,173	93,251	922
Magistrate Court	123,470	131,371	131,371	-
District Attorney	196,189	196,189	192,588	3,601
Court services	102,000	102,000	81,791	20,209
Public defender	157,617	158,144	158,144	-
Board of equalization	4,820	4,820	1,194	3,626
Total judicial	1,223,702	1,255,050	1,216,002	39,048
Capital outlay	22,735	171,911	171,681	230
Debt Service:				
Debt service - Principal	309,776	309,776	309,776	-
Debt service - Interest	86,451	117,406	116,710	696
Total debt service	396,227	427,182	426,486	696
Total expenditures	12,464,883	12,769,702	11,493,626	1,276,076
Excess (deficiency) of revenues over (under) expenditures	423,766	452,620	603,719	151,099
Other financing sources (uses):				
Transfers out	(423,766)	(452,620)	(434,483)	18,137
Total other financing sources (uses)	(423,766)	(452,620)	(434,483)	18,137
Net change in fund balances	-	-	169,236	169,236
Fund balance at beginning of year	(1,007,947)	(1,007,947)	(1,007,947)	-
Fund balance at end of year	$ (1,007,947)	$ (1,007,947)	$ (838,711)	$ 169,236

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

MERIWETHER COUNTY, GEORGIA
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
September 30, 2016

	Agency Funds
Assets	
Cash	$ 477,836
Taxes receivable	59,727
Total assets	$ 537,563
Liabilities	
Due to others	$ 537,563
Total liabilities	$ 537,563

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

A. The Reporting Entity

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

- **Discretely Presented Component Units** - Meriwether County Department of Public Health and Meriwether County Industrial Development Authority issue separately audited financial statements. Copies of these financial statements may be obtained from the County Commissioners' office. The Meriwether County Water and Sewerage Authority does not issue separate financial statements.

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

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

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

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

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

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

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

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

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

The County reports the following major governmental funds:

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

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

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

The County also reports the following fiduciary fund type:

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

Tax Commissioner
Sheriff
Magistrate Court
Probate Court
Superior Court Clerk

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

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

D. Budgets and Budgetary Accounting

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

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

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

Encumbrance accounting is not used by Meriwether County, Georgia.

E. Deposits and Investments

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

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

F. Receivables and Payables

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

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

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

G. Inventory

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

H. Prepaid Items

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

I. Capital Assets

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

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

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

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

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

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

J. Deferred outflows/inflows of resources

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

In addition to liabilities, the statement of 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. Currently, the County has no items that qualify for reporting as a deferred inflow of resources. The Meriwether County Department of Public Health has one item which reflects pension related items.

K. Compensated Absences

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

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

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

L. Long-Term Obligations

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

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

M. Fund Equity

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

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

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

N. Reclassifications

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

O. Use of Estimates to Prepare Financial Statements

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

P. Subsequent Events

Subsequent events have been evaluated by management through March 21, 2017 which is the date the financial statements were available to be issued.

2. DEPOSITS AND INVESTMENTS

Primary Government

At year end, the County had $1,000 in petty cash, $2,813,464 in short-term investments (cash equivalents), and the carrying amount of deposits (checking, savings and certificates of deposit) was $1,370,032. The short-term investments were invested 100% in a U.S. Treasury portfolio that had a bank balance of $2,813,464. For the County's deposits the bank balance was $1,418,177 of which $1,100,097 was covered by FDIC insurance and $318,080 was covered by collateral held in the pledging bank's trust department or by its agent in the County's name. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits in the excess of FDIC insurance may not be returned to it. The County does not have a deposit policy for custodial credit risk.

As of September 30, 2016, the County had the following investments. All investments are in an external investment pool - Pooled Investments, regulated by the Office of the State Treasurer. The fair value of the position in the pool reported below is the same as the value of the pool shares at September 30, 2016.

Investments	Fair Value
Georgia Extended Asset Pool (GEAP)	$ 906,398

Interest Rate Risk - The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Duration is the method used for reporting purposes for GEAP. At June 30, 2016, the plan had .23 effective duration.

Credit Risk - State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The County has no investment policy that would further limit its investment choices. As of June 30, 2016 the County's investment in the state investment pool was rated AA+ by *Standard & Poor's*.

Discretely Presented Component Units

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

Meriwether County Department of Public Health - The Department's deposits at June 30, 2016 were entirely covered by federal depository insurance or collateral held by the Health Department's custodial bank in the Health Department's name.

Meriwether County Industrial Development Authority - The Authority has $174,944 as the carrying amount and the bank balance was $176,143 as of September 30, 2016. The entire bank balance was either FDIC insured or collateralized by securities held by the financial institutions.

Meriwether County Water and Sewerage Authority - The Authority has $1,808,437 as the carrying amount and the bank balance was $1,808,437 as of September 30, 2016. Of the bank balance, $443,460 was covered by FDIC insurance and $1,364,977 was covered by collateral held in the pledging bank's trust department or by its agent but not in the government's name.

3. RECEIVABLES

Primary Government

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

	General	SPLOST	Nonmajor Governmental	Total
Accounts	$ 981,868		$ 92,606	$ 1,074,474
Sales taxes	161,954	$ 270,025		431,979
Property taxes	54,088			54,088
Loan	188,534			188,534
Tipping fees	297,394			297,394
	1,683,838	270,025	92,606	2,046,469
Less: allowance for uncollectibles	(838,281)	-	-	(838,281)
Net receivable	$ 845,557	$ 270,025	$ 92,606	$ 1,208,188

Discretely Presented Component Units

Meriwether County Department of Public Health – The balance due from Georgia Department of Public Health at June 30, 2016 was $82,937.

Meriwether Water and Sewerage Authority – The balance of accounts receivable for water and sewerage billings at September 30, 2016 was $16,679.

4. CAPITAL ASSETS

Primary Government

Capital asset activity for the year ended September 30, 2016 was as follows:

	Beginning Balance	Additions	Dispositions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 386,141		$ (400)	$ 385,741
Construction in progress	255,998	$ 351,654		607,652
Total capital assets not being depreciated	642,139	351,654	(400)	993,393
Capital assets, being depreciated:				
Buildings and improvements	11,071,487			11,071,487
Machinery and equipment	11,008,385	357,894	(159,886)	11,206,393
Infrastructure	4,460,882			4,460,882
Total capital assets being depreciated	26,540,754	357,894	(159,886)	26,738,762
Less, accumulated depreciation for:				
Buildings and improvements	(6,506,254)	(289,794)		(6,796,048)
Machinery and equipment	(7,375,381)	(800,093)	159,886	(8,015,588)
Infrastructure	(526,149)	(111,523)		(637,672)
Total accumulated depreciation	(14,407,784)	(1,201,410)	159,886	(15,449,308)
Total capital assets, being depreciated, net	12,132,970	(843,516)	-	11,289,454
Governmental activities capital assets, net	$ 12,775,109	$ (491,862)	$ (400)	$ 12,282,847

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

Governmental activities:	
General government	$ 258,564
Public safety	587,876
Public works	216,565
Public welfare	116,696
Culture and recreation	11,349
Judicial	10,360
Total depreciation expense - Governmental activities	$ 1,201,410

Discretely Presented Component Units

The Meriwether County Department of Public Health's capital asset activity for the year ended June 30, 2016 was as follows:

	Beginning Balance	Additions	Dispositions	Ending Balance
Capital assets, being depreciated:				
Machinery and equipment	$ 187,077			$ 187,077
Less accumulated depreciation:				
Machinery and equipment	(119,622)	$ (15,526)		(135,148)
Governmental activities capital assets, net	$ 67,455	$ (15,526)	$ -	$ 51,929

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

Governmental activities:	
Health	$ 15,526

The Meriwether County Industrial Development Authority's capital asset activity for the year ended September 30, 2016 was as follows:

	Beginning Balance	Additions	Dispositions	Ending Balance
Capital assets, not being depreciated:				
Land	$ 7,775,459			$ 7,775,459
Total capital assets not being depreciated	7,775,459	$ -	$ -	7,775,459
Capital assets, being depreciated:				
Furniture and equipment	89,153	6,648		95,801
Infrastructure	2,043,829			2,043,829
Total capital assets being depreciated	2,132,982	6,648		2,139,630
Less, accumulated depreciation for:				
Furniture and equipment	(40,868)	(7,789)		(48,657)
Infrastructure	(229,931)	(51,096)		(281,027)
Total accumulated depreciation	(270,799)	(58,885)		(329,684)
Total capital assets being depreciated, net	1,862,183	(52,237)		1,809,946
Governmental activity capital assets, net	$ 9,637,642	$ (52,237)	$ -	$ 9,585,405

Depreciation expense was charged to functions as follows:

General and administrative	$ 7,789
Business promotion	51,096
	$ 58,885

The Meriwether County Water and Sewerage Authority's capital asset activity for the year ended September 30, 2016 was as follows:

	Beginning Balance	Additions	Dispositions	Ending Balance
Business-type activities:				
Capital assets being depreciated:				
Water system	$ 4,801,449			$ 4,801,449
Sewer system	1,668,576			1,668,576
Furniture and equipment	50,523			50,523
Total capital assets being depreciated	6,520,548	$ -	$ -	6,520,548
Less, accumulated depreciation for:				
Water system	(395,490)	(120,036)		(515,526)
Sewer system	(166,856)	(41,714)		(208,570)
Furniture and equipment	(32,051)	(3,123)		(35,174)
Total accumulated depreciation	(594,397)	(164,873)	-	(759,270)
Total capital assets being depreciated, net	5,926,151	(164,873)	-	5,761,278
Business-type activities capital assets, net	$ 5,926,151	$ (164,873)	$ -	$ 5,761,278

Depreciation expense was charged to functions as follows:

Business-type activities:	
Water system	$ 123,159
Sewer system	41,714
	$ 164,873

5. SHORT-TERM DEBT

Primary Government

At September 30, 2016, the County had tax anticipation notes (TAN) totaling $2,000,000 which matures at December 31, 2016 at an interest rate of 1.64%. At September 30, 2016, the County had drawn $550,000 of the available note. These notes are used for meeting general operating expenses of the County and are expected to be repaid through property tax collections to be received after year end by the general fund.

	Beginning Balance	Additions	Reductions	Ending Balance
Tax anticipation notes	$ 800,000	$ 1,050,000	$ 1,300,000	$ 550,000

6. LONG-TERM DEBT

A. General Obligation Bonds

Primary Government

The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities of Meriwether County,

Georgia. The original amount of general obligation bonds issued in prior years was $9,000.000. See Note #15 for an explanation of the intergovernmental agreement that is security for these bonds.

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

Purpose	Interest Rates	Amount
Governmental activities - Capital outlay projects	2.50%	$ 6,180,000

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

	Governmental Activities	
	Principal	Interest
Year ending September 30:		
2017	$ 1,490,000	$ 154,500
2018	1,525,000	117,250
2019	1,565,000	79,125
2020	1,600,000	40,000
	$ 6,180,000	$ 390,875

B. Revenue Bonds

Discretely Presented Component Units

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

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

Purpose	Interest Rates	Amounts
Industrial Park improvements	4.24%	$ 1,285,000

Revenue bond debt service requirements to maturity are as follows:

	Governmental Activities	
	Principal	Interest
Year ending September 30:		
2017	$ -	$ 27,242
2018	160,000	51,092
2019	170,000	44,096
2020	175,000	36,782
2021	185,000	29,150
2022-2024	595,000	38,478
	$ 1,285,000	$ 226,840

The Meriwether Water & Sewerage Authority issues revenue bonds to provide funds for the purpose of acquiring a water and sewer system. The County is contingently liable for this bond issue.

On March 31, 2016 the Authority issued Meriwether County Water & Sewerage Authority Refunding Revenue Bonds, Series 2016A & Series 2016B of $9,320,000 and $1,485,000, respectively with interest rates ranging 1.60-3.50%. The proceeds, along with funds the Authority had on hand, were used to advance refund $13,455,000 of outstanding 2009 Water & Sewerage Authority Revenue Bonds, which had a 3.00-5.00% interest rate. Of the proceeds from the 2016 bonds and funds the Authority had on hand, $14,226,253 was deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payments on the 2009 bonds that were advanced refunded. As a result, the 2009 bonds are considered defeased and the liability for those bonds has been removed from the Statement of Net Position.

The reacquisition price exceeded the net carrying amount of the old debt by $915,383. This amount is being amortized over the remaining life of the refunding debt. The net amount after amortization is reflect in the Deferred Outflows of Resources on the Statement of New Position. Due to the lower interest rates and extension in the payout period, the refundings resulted in a decrease total debt service payments of $3,348,818 and an economic gain (difference between the present values of the debt service payments on the old and new debt) of $697,436.

Revenue bonds outstanding at year end is as follows:

Purpose	Interest Rates	Amounts
Water & Sewer	Variable, 1.60% to 3.50%	$ 10,805,000

Revenue bond debt service requirements to maturity are as follows:

	Business-Type Activities	
	Principal	Interest
Year ending September 30:		
2017	$ 310,000	$ 378,673
2018	315,000	373,712
2019	320,000	368,200
2020	330,000	361,800
2021	335,000	354,375
2022-2026	1,825,000	1,624,625
2027-2031	2,185,000	1,257,675
2032-2036	2,660,000	784,675
2037-2040	2,525,000	227,525
	$ 10,805,000	$ 5,731,260

The Authority defeased revenue bonds by placing the proceeds of new bonds and cash the Authority had on hand in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Authority's financial statements. At September 30, 2016, $12,945,000 of defeased bonds remain outstanding.

C. Note Payable

Discretely Presented Component Units

In prior years, the Meriwether County Industrial Development Authority issued a note payable to assist with the purchase of land. The original amount of the note payable issued is $275,000 and will be repaid through the General Fund. This note payable is secured by the land and is due in annual installments. Notes payable are direct obligations of the Authority and pledge the full faith and credit of the Authority.

Notes payable outstanding at year end are as follows:

Purpose	Interest Rate	Amount
Purchase of land	5%	$ 128,337

Note payable debt service requirements to maturity are as follows:

	Principal	Interest
Year ending September 30:		
2017	$ 62,604	$ 6,417
2018	65,733	3,287
	$ 128,337	$ 9,704

D. Capital Leases

Primary Government

The County has entered into various lease agreements as lessee for financing the acquisition of various vehicles and equipment for the governmental activities. These leases are being paid by the general fund. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at present value of their future minimum lease payments as of the inception date. The expense resulting from amortization of assets recorded under capital leases is included in depreciation expense.

The assets acquired through capital leases are as follows:

	Governmental Type Activities
Asset:	
Machinery and equipment	$ 1,490,085
Less, accumulated depreciation	(472,780)
Total	$ 1,017,305

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2016, were as follows:

	Governmental Type Activities
Year ending September 30:	
2017	$ 177,059
2018	163,574
2019	157,834
2020	159,199
2021	160,577
2022-2024	352,629
Total minimum lease payments	1,170,872
Less, amount representing interest	(175,328)
Present value of minimum lease payments	$ 995,544

E. Compensated Absences

Primary Government and Component Units

The County and its component units accrue compensated absences for their employees. The governmental activities of the County, Meriwether County Industrial Development Authority, and the Department of Public Health have compensated absences at September 30, 2016 and June 30, 2016, respectively. The Meriwether County Water and Sewerage Authority did not have any compensated absences at September 30, 2016. Accrued compensated absences from the governmental activities of the County are repaid through the general fund. Compensated absences for the Meriwether County Industrial Development Authority are repaid through the component unit's general fund. The Department of Public Health compensated absences are repaid through the component unit's general fund.

F. Intergovernmental Agreements

Primary Government

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

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

	Governmental Activities	
	Principal	Interest
Year ending September 30:		
2017	$ -	$ 27,242
2018	160,000	51,092
2019	170,000	44,096
2020	175,000	36,782
2021	185,000	29,150
2022-2024	595,000	38,478
	$ 1,285,000	$ 226,840

G. Changes in Long-Term Liabilities

Primary Government

Long-term liability activity for the year ended September 30, 2016 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	$ 7,635,000		$(1,455,000)	$ 6,180,000	$ 1,490,000
Capital leases	1,121,250		(125,706)	995,544	133,479
Compensated absences	218,731	$ 121,614	(119,186)	221,159	132,695
Intergovernmental agreements	1,440,000		(155,000)	1,285,000	-
Landfill postclosure costs	2,146,553		(29,070)	2,117,483	108,666
Governmental type activity, long-term liabilities	$12,561,534	$ 121,614	$(1,883,962)	$ 10,799,186	$ 1,864,840

The County's portion of the $9,000,000 of general obligation bonds to use for capital projects is 65%. At September 30, 2016, the County had $2,032,917 in cash not used for capital projects.

The County made the debt payment due October 1, 2016 on the intergovernmental agreement in September of 2016. Therefore, there is no principal due until the year ending September 30, 2018.

Discretely Presented Component Units

The following is a summary of changes in long-term debt for the Meriwether County Department of Public Health for the year ended June 30, 2016:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	$ 77,630	$ 7,822	$ (22,653)	$ 62,799	$ 22,653

The following is a summary of changes in long-term debt for the Meriwether County Industrial Development Authority for the year ended September 30, 2016:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue bonds	$ 1,440,000		$ (155,000)	$ 1,285,000	$ -
Notes payable	187,959		(59,622)	128,337	62,604
Compensated absences	4,217	$ 5,056	(5,500)	3,773	3,773
	$ 1,632,176	$ 5,056	$ (220,122)	$ 1,417,110	$ 66,377

The following is a summary of changes in long-term debt for the Meriwether Water and Sewerage Authority for the year ended September 30, 2016:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue bonds	$13,455,000	$10,805,000	$(13,455,000)	$10,805,000	$ 310,000
Less unamortized discount	(144,129)		144,129	-	-
Plus unamortized premium	-	674,701	(14,056)	660,645	-
Total bonds payable	$13,310,871	$11,479,701	$(13,324,927)	$11,465,645	$ 310,000

The Authority had $1,614,977 in cash and investments at September 30, 2016 not used for capital projects.

7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund balances for the year ended September 30, 2016 consisted of the following:

Due to/from other funds:

Payable Fund	Receivable Fund	Amount
General Fund	Nonmajor Governmental Funds	$ 733
		$ 733

The General Fund owes a nonmajor governmental fund for revenue deposited into General Fund. All due to/from balances are expected to be repaid within one year.

Interfund transfers for the year ended September 30, 2016, consisted of the following:

	Transfer In	
Transfer Out	Nonmajor Governmental Funds	Totals
General Fund	$ 434,483	$ 434,483

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

8. PENSION PLAN AND OTHER RETIREMENT BENEFITS

A. Pension Plan

Beginning May 1, 2011, County employees are covered by the *Meriwether County Employee's Retirement Plan*, a defined contribution and profit-sharing plan for full-time County employees who have attained age 18 and have completed 90 days of service, and worked at least 1,000 hours a year. Under the plan, the County contributes nonelective contributions of 3% of employee compensation effective October 1, 2014. For the year ending September 30, 2016, the County contributed 3% of employee's gross pay to the 401a fund for all eligible employees. For Elected Officials and Department Heads, the vested interest in these nonelective contributions in the employee account is 100%. For all other employees, the vested interest is 0% until the employee has completed three years of service, at which time the account becomes 100% vested. In addition to the nonelective contributions made by the County, the employee can elect to contribute from 0% to 100% of their compensation to the plan as an after-tax contribution. One America has been selected to administer the plan and act as trustee. Plan provisions are established or amended by a resolution of the County Commission and the County Commission, by means of a resolution, can establish or amend the contribution requirements.

The County's contribution to these plans for the year ended September 30, 2016, was approximately $201,786 and employees' contributed approximately $11,121. Total payroll for the year ended September 30, 2016, was approximately $5,629,323. Approximately 172 employees participated in the plan for the year ended September 30, 2016.

B. Deferred Compensation

Meriwether County employees may elect to participate in a deferred compensation plan through One America, the administrator. Participating employees may elect to defer up to $18,000 of their includible compensation as provided in IRC Section 457. Meriwether County is not required to contribute to the plan and has made no contributions for the current year or prior years. Employees have contributed approximately $162,337 during fiscal year ending September 30, 2016. Approximately 147 employees participated in the plan for the year ended September 30, 2016.

C. Other Retirement Benefits

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

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

Discretely Presented Component Units

Plan Description

The Meriwether County Department of Public Health participates in the Employees' Retirement System of Georgia, a cost-sharing multiple-employer defined benefit pension plan, established by the Georgia General Assembly during the 1949 Legislative session for the purpose of providing retirement allowances for employees of the State of Georgia and its political subdivisions. ERS is directed by a Board of Trustees. Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. ERS issues a publicly available financial report that can be obtained at www.ers.ga.gov.

Benefits Provided

The ERS Plan supports three benefits tiers: Old Plan, New Plan, and Georgia State Employees' Pension and Savings Plan (GSEPS). Employees under the old plan started membership prior to July 1, 1982 and are subject to plan provisions in effect prior to July 1, 1982. Members hired on or after July 1, 1982 but prior to January 1, 2009 are new plan members subject to modified plan provisions. Effective January 1, 2009, new state employees and rehired state employees who did not retain membership rights under the Old or New Plans are members of GSEPS. ERS members hired prior to January 1, 2009 also have the option to irrevocably change their memberships to GSEPS.

Under the old plan, the new plan, and GSEPS, a member may retire and receive normal retirement benefits after completion of 10 years of creditable service and attainment of age 60 or 30 years of creditable service regardless of age. Additionally, there are some provisions allowing for early retirement after 25 years of creditable service for members under age 60.

Retirement benefits paid to members are based upon the monthly average of the member's highest 24 consecutive calendar months, multiplied by the number of years of creditable service, multiplied by the applicable benefit factor. Annually, postretirement cost-of-living adjustments may also be made to members' benefits, provided the members were hired prior to July 1, 2009. The normal retirement pension is payable monthly for life; however, options are available for distribution of the member's monthly pension, at reduced rates, to a designated beneficiary upon the member's death. Death and disability benefits are also available through ERS.

Contributions

Member contributions under the old plan are 4% of annual compensation, up to $4,200, plus 6% of annual compensation in excess of $4,200. Under the old plan, the state pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these state contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The Health Department's contractually required contribution rate, actuarially determined annually, for the year ended June 30, 2016 was 24.72% of annual covered payroll for old and new plan members and 21.69% for GSEPS members. The Health Department's contributions to ERS totaled $94,924 for the year ended June 30, 2016. Contributions are expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2016, the Health Department reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was based on an actuarial valuation was of June 30, 2014. An expected total pension liability as of June 30, 2015 was determined using standard roll-forward techniques. The Health Department's proportion of the net pension liability was based on contributions to ERS during the fiscal year

ended June 30, 2015. At June 30, 2015, the Health Department's proportion was .016372%, which was an increase (decrease) of (.000112)% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the Health Department recognized pension expense of $82,202 based on covered payroll of $376,470. At June 30, 2016, the Health Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 5,300
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	47,858
Changes in proportion and differences between employer contributions and proportionate share of contributions	15,992	3,136
Employer contributions subsequent to the measurement date	94,924	-
Total	$ 110,916	$ 56,294

Health Department contributions subsequent to the measurement date of $94,924 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2017	$ (10,962)
2018	$ (24,144)
2019	$ (21,331)
2020	$ 16,135
2021	$ -
Thereafter	$ -

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary increase	5.45-9.25%, including inflation
Investment rate of return	7.50%, net pension plan investment expense, including inflation
Discount rate	7.50%

Mortality rates were based on the RP-2000 Combined Mortality Table for the periods after service retirement, for dependent beneficiaries, and for deaths in active service, and the RP-2000 Disabled Mortality Table set back eleven years for males for the period after disability retirement.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2004 – June 30, 2009.

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 nominal 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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. 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	30.00%	3.00%
Domestic large equities	39.70	6.50
Domestic mid equities	3.70	10.00
Domestic small equities	1.60	13.00
International developed market equities	18.90	6.50
International emerging market equities	6.10	11.00
Total	100.00%	

* Rates shown are net of the 3.00% assumed rate of inflation

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. 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 benefit 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 Net Pension Liability to Changes in the Discount Rate

The following presents the Health Department's proportionate share of the net pension liability, calculated using the discount rate of 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate (dollars in thousands):

	1% Decrease (6.50%)	Current discount rate (7.50%)	1% Increase (8.50%)
Employer's proportionate share of the net pension liability	$ 940,244	$ 663,295	$ 427,185

9. CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require the County to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The $2,117,483 reported in the governmental activities liabilities on the government-wide financials as landfill closure and postclosure care liability at September 30, 2016, represents the cumulative amount reported to date based on the use of 100% of the estimated capacity of the landfill. This estimate was revised based on an engineering study done in April 2009.

There is no unrecognized estimated closure and postclosure care cost at September 30, 2016. These amounts are based on what it would cost to perform all closure and postclosure care in 2016. Actual costs may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. The County has met certain financial tests which it feels meet the financial assurance requirements for closure and postclosure care.

10. LITIGATION

Any lawsuits pending at September 30, 2016 are covered by insurance and should not materially affect the financial statements of Meriwether County, Georgia.

11. COMMITMENTS AND CONTINGENCIES

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

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

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

During the fiscal year ending September 30, 2016 the County received $365,000 in host fees from Green Investments, LLC. These funds were used to assist an industry in the North Meriwether Industrial Park with grading work.

12. FUND BALANCES

The General Fund of the primary government had a deficit balance of $838,711 at September 30, 2016. The County plans to liquidate the deficit balance by containing operating costs.

13. RISK MANAGEMENT

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

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

The funds are to defend and protect the members of the pool against liability or loss as prescribed in the member government contract. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

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

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

14. JOINT VENTURE

Under Georgia law, the County, in conjunction with other cities and counties in the Central Georgia area, is a member of the Three Rivers Regional Commission (RC) and is required to pay annual dues thereto. During its year ended September 30, 2016 the County paid $13,911 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

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

On June 10, 2015 the County entered into a Section 5311 Public Transportation Service Agreement with Three Rivers Regional Commission (TRRC) for operation of the Three Rivers Regional Transit System. The TRRC manage the day-to-day operations, retains and monitors a third party operator, and manages the financial reporting and statistical analysis. The County paid $15,413 in fees to the TRRC during fiscal year September 30, 2016.

15. INTERGOVERNMENTAL AGREEMENTS

On March 1, 2014, Meriwether County (the "County") entered into a Sales and Use Tax Intergovernmental Agreement with the various municipalities in the County relating to the imposition of a one percent county special purpose local option sales and use tax (SPLOST) for the purpose of financing capital outlay projects. The County issued General Obligation Sales Tax Bonds, Series 2014 for $9,000,000 in March 2014. The cities were advanced their pro rata share of the net bond proceeds. The Bonds are secured first by the proceeds of SPLOST revenue received by the County, then from general funds of the County as well as the municipalities. Each city is responsible for the payment of that portion of the Bonds allocable to its projects, should the SPLOST revenue be inadequate to service the debt. The County's share is 65%.

MERIWETHER COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2016

	Special Revenue Funds						
	Drug Fund	Jail Fund	Sheriff Drug Forfeiture	Law Library	E-911	Hotel/Motel	Total Nonmajor Governmental Funds
Assets							
Cash	$ 70,291	$ 39,969	$ 135,474	$ 4,846	$ 3,707	$ 782	$ 255,069
Receivables (net where applicable of allowance for uncollectibles):							
E-911					92,606		92,606
Due from general fund	733						733
Total assets	$ 71,024	$ 39,969	$ 135,474	$ 4,846	$ 96,313	$ 782	$ 348,408
Liabilities							
Accounts payable	$ 2,407	$ 604					$ 3,011
Total liabilities	2,407	604	$ -	$ -	$ -	$ -	3,011
Fund Balances							
Fund balances restricted for:							
Drug fund	68,617						68,617
Jail fund		39,365					39,365
Sherriff drug forfeiture			135,474				135,474
Law library				4,846			4,846
E-911					96,313		96,313
Hotel/motel						782	782
Total fund balances	68,617	39,365	135,474	4,846	96,313	782	345,397
Total liabilities and fund balances	$ 71,024	$ 39,969	$ 135,474	$ 4,846	$ 96,313	$ 782	$ 348,408

MERIWETHER COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended September 30, 2016

	Special Revenue Funds						
	Drug Fund	Jail Fund	Sheriff Drug Forfeiture	Law Library	E-911	Hotel/ Motel	Total Nonmajor Governmental Funds
Revenues:							
Taxes:							
Hotel/motel						$ 5,377	$ 5,377
Charges for services					$ 312,673		312,673
Fines, forfeitures, and court fees	$ 30,263	$ 37,595	$ 25,984	$ 4,223			98,065
Miscellaneous			1,050				1,050
Investment earnings			92				92
Total revenues	30,263	37,595	27,126	4,223	312,673	5,377	417,257
Expenditures:							
Current:							
Public safety	42,794	26,965	37,822		751,483		859,064
Planning and development						5,250	5,250
Judicial				5,592			5,592
Capital outlay		2,245					2,245
Total expenditures	42,794	29,210	37,822	5,592	751,483	5,250	872,151
Excess (deficiency) of revenues over (under) expenditures	(12,531)	8,385	(10,696)	(1,369)	(438,810)	127	(454,894)
Other financing sources (uses):							
Transfers in					434,483		434,483
Total other financing sources (uses)	-	-	-	-	434,483	-	434,483
Net change in fund balances	(12,531)	8,385	(10,696)	(1,369)	(4,327)	127	(20,411)
Fund balances, beginning of year	81,148	30,980	146,170	6,215	100,640	655	365,808
Fund balances, end of year	$ 68,617	$ 39,365	$ 135,474	$ 4,846	$ 96,313	$ 782	$ 345,397

MERIWETHER COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
DRUG FUND
Year Ended September 30, 2016

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:				
Fines, forefeitures, and court fees	$ 3,180	$ 42,794	$ 30,263	$ (12,531)
Total revenues	3,180	42,794	30,263	(12,531)
Expenditures:				
Current:				
Sheriff	15,200	42,794	42,794	-
Total expenditures	15,200	42,794	42,794	-
Excess (deficiency) of revenues over (under) expenditures	(12,020)	-	(12,531)	(12,531)
Net change in fund balances	(12,020)	-	(12,531)	(12,531)
Fund balance at beginning of year	81,148	81,148	81,148	-
Fund balance at end of year	$ 69,128	$ 81,148	$ 68,617	$ (12,531)

MERIWETHER COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
JAIL FUND
Year Ended September 30, 2016

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:				
Fines, forefeitures, and court fees	$ 14,212	$ 37,595	$ 37,595	$ -
Total revenues	14,212	37,595	37,595	-
Expenditures:				
Current:				
Jail	14,000	35,350	26,965	8,385
Capital outlay		2,245	2,245	-
Total expenditures	14,000	37,595	29,210	8,385
Excess (deficiency) of revenues over (under) expenditures	212	-	8,385	8,385
Net change in fund balances	212	-	8,385	8,385
Fund balance at beginning of year	30,980	30,980	30,980	-
Fund balance at end of year	$ 31,192	$ 30,980	$ 39,365	$ 8,385

MERIWETHER COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SHERIFF DRUG FORFEITURE
Year Ended September 30, 2016

	Original and Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, forefeitures, and court fees	$ 37,822	$ 25,984	$ (11,838)
Miscellaneous		1,050	1,050
Investment earnings		92	92
Total revenues	37,822	27,126	(10,696)
Expenditures:			
Current:			
Sheriff	37,822	37,822	-
Total expenditures	37,822	37,822	-
Excess (deficiency) of revenues over (under) expenditures	-	(10,696)	(10,696)
Net change in fund balances	-	(10,696)	(10,696)
Fund balance at beginning of year	146,170	146,170	-
Fund balance at end of year	$ 146,170	$ 135,474	$ (10,696)

MERIWETHER COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
LAW LIBRARY
Year Ended September 30, 2016

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:				
Fees, fines, forfeitures, and court fees	$ 5,612	$ 7,001	$ 4,223	$ (2,778)
Total revenues	5,612	7,001	4,223	(2,778)
Expenditures:				
Current:				
Judicial:				
Court services	5,000	6,389	5,592	797
Total expenditures	5,000	6,389	5,592	797
Excess (deficiency) of revenues over (under) expenditures	612	612	(1,369)	(1,981)
Net change in fund balances	612	612	(1,369)	(1,981)
Fund balance at beginning of year	6,215	6,215	6,215	-
Fund balance at end of year	$ 6,827	$ 6,827	$ 4,846	$ (1,981)

MERIWETHER COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
E-911
Year Ended September 30, 2016

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for services	$ 420,000	$ 420,000	$ 312,673	$ (107,327)
Total revenues	420,000	420,000	312,673	(107,327)
Expenditures:				
Current:				
Public safety:				
E-911	773,766	802,620	751,483	51,137
Total expenditures	773,766	802,620	751,483	51,137
Excess (deficiency) of revenues over (under) expenditures	(353,766)	(382,620)	(438,810)	(56,190)
Other financing sources (uses):				
Transfers in	423,766	452,620	434,483	(18,137)
Total other financing sources (uses)	423,766	452,620	434,483	(18,137)
Net change in fund balance	70,000	70,000	(4,327)	(74,327)
Fund balance at the beginning of year	100,640	100,640	100,640	-
Fund balance at end of year	$ 170,640	$ 170,640	$ 96,313	$ (74,327)

MERIWETHER COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
HOTEL/MOTEL
Year Ended September 30, 2016

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes:				
Hotel/motel	$ 2,600	$ 5,377	$ 5,377	$ -
Total revenues	2,600	5,377	5,377	-
Expenditures:				
Current:				
Tourism and promotions	2,800	5,577	5,250	327
Total expenditures	2,800	5,577	5,250	327
Excess (deficiency) of revenues over (under) expenditures	(200)	(200)	127	327
Net change in fund balances	(200)	(200)	127	327
Fund balance at beginning of year	655	655	655	-
Fund balance at end of year	$ 455	$ 455	$ 782	$ 327

MERIWETHER COUNTY, GEORGIA
FIDUCIARY FUNDS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
September 30, 2016

	Agency Fund					
	Tax Commissioner	Superior Court	Probate Court	Magistrate Court	Sheriff	Total
Assets						
Cash	$ 402,448	$ 1,276	$ 152	$ 8,954	$ 65,006	$ 477,836
Taxes receivable	59,727					59,727
Total assets	$ 462,175	$ 1,276	$ 152	$ 8,954	$ 65,006	$ 537,563
Liabilities						
Due to others	$ 462,175	$ 1,276	$ 152	$ 8,954	$ 65,006	$ 537,563
Total liabilities	$ 462,175	$ 1,276	$ 152	$ 8,954	$ 65,006	$ 537,563

MERIWETHER COUNTY, GEORGIA
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILTIES
Year Ended September 30, 2016

	Balance October 1, 2015	Additions	Deductions	Balance September 30, 2016
Tax Commissioner:				
Assets				
Cash	$ 254,876	$ 20,659,890	$ 20,512,318	$ 402,448
Taxes receivable	121,428	59,727	121,428	59,727
	$ 376,304	$ 20,719,617	$ 20,633,746	$ 462,175
Liabilities				
Due to others	$ 376,304	$ 20,719,617	$ 20,633,746	$ 462,175
Clerk Superior Court:				
Assets				
Cash	$ 3,284	$ 531,143	$ 533,151	$ 1,276
Liabilities				
Due to others	$ 3,284	$ 531,143	$ 533,151	$ 1,276
Probate Court:				
Assets				
Cash	$ -	$ 400,580	$ 400,428	$ 152
Liabilities				
Due to others	$ -	$ 400,580	$ 400,428	$ 152
Magistrate Court:				
Assets				
Cash	$ 11,106	$ 173,823	$ 175,975	$ 8,954
Liabilities				
Due to others	$ 11,106	$ 173,823	$ 175,975	$ 8,954
Sheriff:				
Assets				
Cash	$ 43,041	$ 350,192	$ 328,227	$ 65,006
Liabilities				
Due to others	$ 43,041	$ 350,192	$ 328,227	$ 65,006

MERIWETHER COUNTY, GEORGIA
SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX
September 30, 2016

Project	Estimated Percentage of Completion	Original Estimated Project Amount	Current Estimated Project Amount	Amount Expended Prior Years	Amount Expended Current Year
Resolution #082592:					
Construction and maintenance of sanitary landfill	94%	$ 6,000,000	$ 6,000,000	$ 5,616,257	
Resolution #110513:					
Building renovation	136.77%	462,774	462,774	237,509	$ 395,417
Construction of ambulance station	37.69%	462,774	462,774	174,430	
Roads	40.72%	3,321,630	3,321,630	586,146	766,256
Public safety equipment	215.86%	231,387	231,387	495,042	4,440
Public works equipment	48.44%	462,774	462,774	48,483	175,700
Information technology and communications equipment	53.04%	1,307,436	1,307,436	612,795	80,674
GIS technology	48.77%	231,387	231,387	81,556	31,287
Recreation	8.56%	149,838	149,838	12,831	
City of Greenville	87%	414,222	414,222	358,171	
City of Gay	87%	41,922	41,922	36,403	
City of Lone Oak	87%	43,860	43,860	37,637	
City of Luthersville	87%	413,202	413,202	357,245	
City of Manchester	87%	2,000,730	2,000,730	1,729,152	
City of Warm Springs	87%	201,042	201,042	173,686	
City of Woodbury	87%	455,022	455,022	1,392,723	
Debt service				1,828,790	1,645,875
					$ 3,099,649

AJK

AJK, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Meriwether County, Georgia, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise Meriwether County, Georgia's basic financial statements and have issued our report thereon dated March 21, 2017. Our report includes a reference to other auditors who audited the financial statements of Meriwether County Department of Public Health, as described in our report on Meriwether County, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of audit findings and responses that we consider to be significant deficiencies, as items 16-1 through 16-4.

COMPLIANCE AND OTHER MATTERS

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

MERIWETHER COUNTY, GEORGIA'S RESPONSE TO FINDINGS

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

PURPOSE OF THIS REPORT

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

AJK, LLC

Manchester, Georgia
March 21, 2017

16-1 Segregation of Duties

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

16-2 Controls Over Financial Statement Preparation

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

16-3 EMS Accounts Receivable

Condition and Criteria:	During our audit we noted the EMS accounts receivable had increased a total of $447,249 from prior year. At year end, accounts over 90 days past due made up 65% of the total accounts receivable. The reason for the increase is because the County needs to adopt a policy for unpaid self-pay accounts.
Effect:	Without a policy in place, the balance in accounts receivable could be materially overstated.
Recommendation:	The County should adopt a policy regarding unpaid EMS accounts.
Response:	We concur. We will evaluate our options and adopt a policy.

16-4 Grant Funds

Condition and Criteria:	During the year ended September 30, 2016 the County failed to maintain cash balances equal to the amount of grant revenue received but not expended during the current year. Internal controls should be in place to separate financial activity related to significant grants from the routine financial activity of the County.
Effect:	The failure to properly account for financial activity related to grants could result in noncompliance of grant agreements and jeopardize the ability of the County to receive additional grants in the future.
Recommendation:	To ensure that grant income received is expended only for the intended purpose, the County should maintain a separate capital projects fund and separate bank account for all significant grants.
Response:	We concur. The recommendation will be implemented immediately.