MERIWETHER COUNTY, GEORGIA

FINANCIAL STATEMENTS

Year Ended September 30, 2017

AJK

MERIWETHER COUNTY, GEORGIA
FINANCIAL STATEMENTS
Year Ended September 30, 2017

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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, 2017, 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 2.6 percent, negative 3.4 percent, and 41.8 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, 2017, 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 20, 2018 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 20, 2018

MERIWETHER COUNTY, GEORGIA
STATEMENT OF NET POSITION
September 30, 2017

	Primary Government	Component Units		
	Governmental Activities	Department of Public Health	Industrial Development Authority	Meriwether Water and Sewerage Authority
Assets				
Cash and cash equivalents	$ 6,346,149	$ 362,034	$ 112,851	$ 1,621,651
Investments	914,583			172,175
Receivables (net of allowances for uncollectible)	1,174,705	60,348		23,434
Due from primary government				456,477
Inventory	55,694			
Prepaid items	240,098			6,499
Prepaid bond insurance, net of accumulated amortization	31,451			129,885
Capital assets (not being depreciated)	1,003,976		7,191,817	
Capital assets, being depreciated net of accumulated depreciation	10,518,531	43,661	1,750,999	5,667,977
Total assets	20,285,187	466,043	9,055,667	8,078,098
Deferred outflows of resources				
Deferred charge on refunding				834,614
Employer pension contributions		86,881		
Change in proportion share of contributions - pension plan		81,722		
Total deferred outflows of resources	-	168,603	-	834,614

Continued...

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

MERIWETHER COUNTY, GEORGIA
STATEMENT OF NET POSITION
September 30, 2017
(Continued)

	Primary Government	Component Units		
	Governmental Activities	Department of Public Health	Industrial Development Authority	Meriwether Water and Sewerage Authority
Liabilities				
Accounts payable	253,488		2,104	16,134
Accrued payroll	228,670		5,006	
Unearned revenue	325,194			
Due to component units	456,477			
Accrued interest on bonds	73,029			93,428
Short-term notes payable	132,890			
Long-term liabilities:				
Due within one year	2,077,234	22,666	5,839	315,000
Due in more than one year	10,630,166	35,087	1,125,000	10,812,532
Net pension liability		741,966		
Total liabilities	14,177,148	799,719	1,137,949	11,237,094
Deferred inflows of resources				
Proportionate share of deferred inflows of resources - pension plan		19,753		
Total deferred inflows of resources	-	19,753	-	-
Net Position				
Net investment in capital assets	9,160,285	43,661	7,817,816	(3,224,958)
Restricted:				
Capital projects	6,874,910			1,602,065
Public safety	310,152			
Planning and development	71			
Judicial	6,904			
Prior year program income		405,275		
Unrestricted	(10,244,283)	(633,762)	99,902	(701,489)
Total net position	$ 6,108,039	$ (184,826)	$ 7,917,718	$ (2,324,382)

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

MERIWETHER COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
Year Ended September 30, 2017

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	$ 3,234,603	$ 132,714	$ 725,500		$ (2,376,389)			
Public safety	6,291,260	2,084,458	54,191		(4,152,611)			
Public works	3,199,670	525,853	1,568,387	$ 18,403	(1,087,027)			
Planning and development	387,627	6,500			(381,127)			
Public welfare	525,190	60,231	77,268		(387,691)			
Culture and recreation	298,927	13,817	5,767		(279,343)			
Judicial	1,261,435		28,422		(1,233,013)			
Interest on long-term debt	466,612				(466,612)			
Total governmental activities and primary government	$ 15,665,324	$ 2,823,573	$ 2,459,535	18,403	(10,363,813)			
Component units:								
Department of Public Health	$ 857,606	$ 515,397	$ 466,645			$ 124,436		
Industrial Development Authority	392,891		540,893				$ 148,002	
Meriwether Water and Sewerage Authority	816,455	159,895	661,936					$ 5,376
Total component units	$ 2,066,952	$ 675,292	$ 1,669,474	$ -		124,436	148,002	5,376
General revenues:								
Taxes:								
Property					6,718,768			
Sales					2,486,002			
Insurance premiums					806,879			
Motor vehicle and mobile home					972,381			
Alcoholic beverage					23,480			
Other					339,048			
Gain on sale of capital assets					233,824			
Miscellaneous revenue					17,849			
Interest revenue					4,698	331	190	2,331
Total general revenues					11,602,929	331	190	2,331
Change in net position					1,239,116	124,767	148,192	7,707
Net position at beginning of year, as restated					4,868,923	(309,593)	7,769,526	(2,332,089)
Net position at end of year					$ 6,108,039	$ (184,826)	$ 7,917,718	$ (2,324,382)

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

MERIWETHER COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2017

	Major Governmental Fund Types				Nonmajor Governmental Fund Types	
		Capital Project Funds				
	General	SPLOST	Fire District Bond	Landfill SPLOST	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	$ 460,370	$ 2,153,539	$ 3,491,778		$ 240,462	$ 6,346,149
Investments				$ 914,583		914,583
Receivables (net of allowance for uncollectibles)	789,894	303,882			80,929	1,174,705
Due from other funds	3,508				2,102	5,610
Inventory, at cost	55,694					55,694
Prepaid items	240,098					240,098
Prepaid bond insurance, net of accumulated amortization			31,451			31,451
Total assets	$ 1,549,564	$ 2,457,421	$ 3,523,229	$ 914,583	$ 323,493	$ 8,768,290
Liabilities						
Accounts payable	$ 231,676	$ 20,323			$ 1,489	$ 253,488
Accrued payroll	228,670					228,670
Unearned revenue	325,194					325,194
Due to other funds	733				4,877	5,610
Due to component units	456,477					456,477
Short-term notes payable	132,890					132,890
Total liabilities	1,375,640	20,323	$ -	$ -	6,366	1,402,329
Fund Balances						
Nonspendable for:						
Inventory	55,694					55,694
Prepaids	240,098					240,098
Restricted for:						
Public safety					310,152	310,152
Judicial					6,904	6,904
Planning and development					71	71
Capital projects		2,437,098	3,523,229	914,583		6,874,910
Unassigned	(121,868)					(121,868)
Total fund balances	173,924	2,437,098	3,523,229	914,583	317,127	7,365,961
Total liabilities and fund balances	$ 1,549,564	$ 2,457,421	$ 3,523,229	$ 914,583	$ 323,493	$ 8,768,290

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, 2017

Fund balances -Total governmental funds		$ 7,365,961
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		27,787,079
Deduct, accumulated depreciation		(16,264,572)
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, 2017 are:		
Accrued interest payable		(73,029)
General obligation bonds	$ (8,190,000)	
Issuance premium	(213,637)	
Capital leases	(855,074)	
Compensated absences	(228,736)	
Intergovernmental agreement	(1,125,000)	
Landfill post-closure costs	(2,094,953)	
Total long-term liabilities		(12,707,400)
Net position of governmental activities		$ 6,108,039

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, 2017

	Major Governmental Fund Types				Nonmajor Governmental Fund Types	
		Capital Project Funds				
	General	SPLOST	Fire District Bond	Landfill SPLOST	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes:						
Property	$ 6,718,768					$ 6,718,768
Sales	930,799	$ 1,555,203				2,486,002
Insurance premium	806,879					806,879
Motor vehicle/mobile home	972,381					972,381
Alcoholic beverage	23,480					23,480
Other	334,520				$ 4,528	339,048
Licenses and permits	106,463					106,463
Charges for services	1,496,690				292,934	1,789,624
Fines, forfeitures and court fees	647,592				158,424	806,016
Rents and royalties	79,396					79,396
Grants and subsidies	2,413,932					2,413,932
Investment earnings	2,815	10,218	$ 1,708	$ 8,185	175	23,101
Other revenue	56,628				3,895	60,523
Total revenues	14,590,343	1,565,421	1,708	8,185	459,956	16,625,613
Expenditures:						
Current:						
General government	2,950,008					2,950,008
Public safety	4,497,406				906,563	5,403,969
Public works	2,977,145					2,977,145
Planning and development	382,388				5,239	387,627
Public welfare	363,269					363,269
Culture and recreation	287,578					287,578
Judicial	1,248,919				1,904	1,250,823
Capital outlay	155,410	507,501	13,425		98,463	774,799
Debt service:						
Principal payments	323,000	1,490,000				1,813,000
Interest payments	104,526	154,500	186,057			445,083
Total expenditures	13,289,649	2,152,001	199,482	-	1,012,169	16,653,301
Excess (deficiency) of revenues over (under) expenditures	1,300,694	(586,580)	(197,774)	8,185	(552,213)	(27,688)
Other financing sources (uses):						
Sale of general capital assets	235,884					235,884
Bond premium			221,003			221,003
Bond issuance			3,500,000			3,500,000
Transfers in					523,943	523,943
Transfers out	(523,943)					(523,943)
Total other financing sources (uses)	(288,059)	-	3,721,003	-	523,943	3,956,887
Net change in fund balances	1,012,635	(586,580)	3,523,229	8,185	(28,270)	3,929,199
Fund balances, beginning of year	(838,711)	3,023,678	-	906,398	345,397	3,436,762
Fund balances, end of year	$ 173,924	$ 2,437,098	$ 3,523,229	$ 914,583	$ 317,127	$ 7,365,961

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, 2017

Net change in fund balances - Total governmental funds		$ 3,929,199
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 ($1,142,233) exceeded capital outlay ($383,953) in the current period.		(758,280)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to increase net position.		(2,060)
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	$ (2,010,000)	
Issuance premium	(213,637)	
Capital leases	140,470	
Intergovernmental agreement	160,000	(1,923,167)
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	(21,529)	
Compensated absences	(7,577)	
Landfill post-closure costs	22,530	(6,576)
Change in net position of governmental activities		$ 1,239,116

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, 2017

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues				
Taxes:				
Property	$ 7,033,307	$ 7,033,307	$ 6,718,768	$ (314,539)
Sales	950,000	950,000	930,799	(19,201)
Insurance premium	758,231	758,231	806,879	48,648
Motor vehicle and mobile home	1,040,000	1,040,000	972,381	(67,619)
Alcoholic beverage	22,500	22,500	23,480	980
Other	223,200	319,682	334,520	14,838
Licenses and permits	100,000	100,000	106,463	6,463
Charges for services	1,306,000	1,306,000	1,496,690	190,690
Fines, forfeitures and court fees	565,000	565,000	647,592	82,592
Rents and royalties	95,000	95,000	79,396	(15,604)
Grants and subsidies	734,567	2,597,551	2,413,932	(183,619)
Investment earnings	3,000	3,000	2,815	(185)
Other revenue	48,500	48,500	56,628	8,128
Total revenues	12,879,305	14,838,771	14,590,343	(248,428)
Expenditures				
Current:				
General government:				
General government	1,546,428	1,947,238	1,350,642	596,596
County commissioners	274,924	285,264	284,212	1,052
Tax commissioners	322,803	328,539	326,517	2,022
Tax assessors	253,895	258,740	250,350	8,390
Voter registration/election	142,373	143,497	108,407	35,090
Building department	154,245	167,715	167,715	-
Buildings and grounds	88,700	88,700	75,878	12,822
Finance	207,790	215,778	215,778	-
Information technology	190,496	191,389	170,509	20,880
Total general government	3,181,654	3,626,860	2,950,008	676,852
Public safety:				
Public safety	1,441,583	1,468,361	1,408,640	59,721
EMS	188,500	230,483	230,483	-
Fire department	91,235	91,235	81,630	9,605
Sheriff's department	2,366,196	2,411,859	2,377,498	34,361
Jail	37,300	37,300	31,327	5,973
Coroner	44,253	45,198	45,198	-
Inmate care	347,400	347,400	321,494	25,906
EMA	6,850	6,850	1,136	5,714
Total public safety	4,523,317	4,638,686	4,497,406	141,280
Public works:				
Public works department	1,936,234	3,073,981	2,977,145	96,836
Total public works	1,936,234	3,073,981	2,977,145	96,836

(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, 2017
(Continued)

Expenditures	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Planning and development:				
Welcome center and tourism	23,000	23,000	23,000	-
County agents	56,429	56,777	44,055	12,722
Industrial Development Authority	344,000	344,000	315,333	28,667
Total planning and development	423,429	423,777	382,388	41,389
Public welfare:				
Animal control	136,553	146,897	146,897	-
Health and welfare	172,500	172,500	172,500	-
Senior citizens program	19,500	19,500	19,500	-
Forestry	24,372	24,372	24,372	-
Total public welfare	352,925	363,269	363,269	-
Culture and recreation:				
Recreation	223,146	223,146	202,590	20,556
Library	85,000	85,000	84,988	12
Total culture and recreation	308,146	308,146	287,578	20,568
Judicial:				
Probate Court	198,425	198,569	180,847	17,722
Clerk of Court	388,579	400,732	388,588	12,144
Juvenile Court	91,157	91,212	86,183	5,029
Magistrate Court	128,906	133,275	133,275	-
District Attorney	198,273	198,273	198,276	(3)
Court services	102,000	102,000	95,330	6,670
Public defender	166,662	166,662	163,800	2,862
Board of equalization	6,450	6,450	2,620	3,830
Total judicial	1,280,452	1,297,173	1,248,919	48,254
Capital outlay	25,000	155,410	155,410	-
Debt Service:				
Debt service - Principal	323,000	323,000	323,000	-
Debt service - Interest	45,412	104,526	104,526	-
Total debt service	368,412	427,526	427,526	-
Total expenditures	12,399,569	14,314,828	13,289,649	1,025,179
Excess (deficiency) of revenues over (under) expenditures	479,736	523,943	1,300,694	776,751
Other financing sources (uses):				
Sale of general capital assets			235,884	235,884
Transfers out	(479,736)	(523,943)	(523,943)	-
Total other financing sources (uses)	(479,736)	(523,943)	(288,059)	235,884
Net change in fund balances	-	-	1,012,635	1,012,635
Fund balance at beginning of year	(838,711)	(838,711)	(838,711)	-
Fund balance at end of year	$ (838,711)	$ (838,711)	$ 173,924	$ 1,012,635

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

MERIWETHER COUNTY, GEORGIA
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
September 30, 2017

	Agency Funds
Assets	
Cash	$ 444,990
Taxes receivable	131,417
Total assets	$ 576,407
Liabilities	
Due to others	$ 576,407
Total liabilities	$ 576,407

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.

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

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

The County also reports the following fiduciary fund type:

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

Tax Commissioner
Sheriff
Magistrate Court
Probate Court
Superior Court

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

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

D. Budgets and Budgetary Accounting

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

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

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

Encumbrance accounting is not used by Meriwether County, Georgia.

E. Deposits and Investments

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

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

F. Receivables and Payables

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

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

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

G. Inventory

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

H. Prepaid Items

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

I. Capital Assets

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

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

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

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

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

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

J. Deferred outflows/inflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. Currently, the County has no items that qualify for reporting as a deferred outflow of resources. The Meriwether County Department of Public Health has 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 net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. Currently, the County has no items that qualify for reporting as a deferred inflow of resources. The Meriwether County Department of Public Health has 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 reasonably estimated.

L. Long-Term Obligations

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

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

M. Fund Equity

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

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

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

N. Reclassifications

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

O. Use of Estimates to Prepare Financial Statements

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

P. Subsequent Events

Subsequent events have been evaluated by management through March 20, 2018 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, $2,153,539 in short-term investments (cash equivalents), and the carrying amount of deposits (checking, savings and certificates of deposit) was $4,636,600. The short-term investments were invested 100% in a U.S. Treasury portfolio that had a bank balance of $2,153,539. For the County's deposits the bank balance was $4,788,141 of which $1,252,775 was covered by FDIC insurance and $3,535,366 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, 2017, 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, 2017.

Investments	Fair Value
Georgia Extended Asset Pool (GEAP)	$ 914,583

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, 2017, the plan had .09 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, 2017 the County's investment in the state investment pool was rated AA+f 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, 2017 were entirely covered by federal depository insurance and collateral held by the Health Department's custodial bank in the Health Department's name.

Meriwether County Industrial Development Authority - The Authority has $112,851 as the carrying amount of deposits and the bank balance was $116,634 as of September 30, 2017. The entire bank balance was FDIC insured.

Meriwether County Water and Sewerage Authority - The Authority has $1,621,651 as the carrying amount of deposits and the bank balance was $1,621,651 as of September 30, 2017. Of the bank balance, $269,586 was covered by FDIC insurance and $1,352,065 was covered by the Georgia Secure Deposit Program which covers amounts in excess of FDIC insurance limits through a combination of collateral pledged by the bank and the contingent liability provisions of the program.

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	$ 526,874		$ 80,929	$ 607,803
Sales taxes	179,993	$ 303,882		483,875
Property taxes	592,205			592,205
Loan	51,513			51,513
Tipping fees	296,129			296,129
	1,646,714	303,882	80,929	2,031,525
Less: allowance for uncollectibles	(856,820)	-	-	(856,820)
Net receivable	$ 789,894	$ 303,882	$ 80,929	$ 1,174,705

Discretely Presented Component Units

Meriwether County Department of Public Health – The balance due from Georgia Department of Public Health at June 30, 2017 was $60,348.

Meriwether Water and Sewerage Authority – The balance of accounts receivable for water and sewerage billings at September 30, 2017 was $23,434.

4. CAPITAL ASSETS

Primary Government

Capital asset activity for the year ended September 30, 2017 was as follows:

	Beginning Balance	Additions	Dispositions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 385,741		$ (2,060)	$ 383,681
Construction in progress	607,652	$ 71,644	(59,001)	620,295
Total capital assets not being depreciated	993,393	71,644	(61,061)	1,003,976
Capital assets, being depreciated:				
Buildings and improvements	11,071,487	59,001		11,130,488
Machinery and equipment	11,206,393	312,309	(326,969)	11,191,733
Infrastructure	4,460,882			4,460,882
Total capital assets being depreciated	26,738,762	371,310	(326,969)	26,783,103
Less, accumulated depreciation for:				
Buildings and improvements	(6,796,048)	(291,269)		(7,087,317)
Machinery and equipment	(8,015,588)	(739,441)	326,969	(8,428,060)
Infrastructure	(637,672)	(111,523)		(749,195)
Total accumulated depreciation	(15,449,308)	(1,142,233)	326,969	(16,264,572)
Total capital assets, being depreciated, net	11,289,454	(770,923)	-	10,518,531
Governmental activities capital assets, net	$ 12,282,847	$ (699,279)	$ (61,061)	$ 11,522,507

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

Governmental activities:	
General government	$ 257,098
Public safety	550,884
Public works	195,372
Public welfare	116,918
Culture and recreation	11,349
Judicial	10,612
Total depreciation expense - Governmental activities	$ 1,142,233

Discretely Presented Component Units

The Meriwether County Department of Public Health's capital asset activity for the year ended June 30, 2017 was as follows:

	Beginning Balance	Additions	Dispositions	Ending Balance
Capital assets, being depreciated:				
Machinery and equipment	$ 187,077	$ 7,479		$ 194,556
Less, accumulated depreciation:				
Machinery and equipment	(135,148)	(15,747)		(150,895)
Governmental activities capital assets, net	$ 51,929	$ (8,268)	$ -	$ 43,661

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

Governmental activities:	
Health	$ 15,747

The Meriwether County Industrial Development Authority's capital asset activity for the year ended September 30, 2017 was as follows:

	Beginning Balance	Additions	Dispositions	Ending Balance
Capital assets, not being depreciated:				
Land, as restated (Note 16)	$ 7,191,817	$ 131,884	$ (131,884)	$ 7,191,817
Total capital assets not being depreciated	7,191,817	131,884	(131,884)	7,191,817
Capital assets, being depreciated:				
Furniture and equipment	95,801		(7,090)	88,711
Infrastructure	2,043,829			2,043,829
Total capital assets being depreciated	2,139,630	-	(7,090)	2,132,540
Less, accumulated depreciation for:				
Furniture and equipment	(48,657)	(7,851)	7,090	(49,418)
Infrastructure	(281,027)	(51,096)		(332,123)
Total accumulated depreciation	(329,684)	(58,947)	7,090	(381,541)
Total capital assets being depreciated, net	1,809,946	(58,947)	-	1,750,999
Governmental activity capital assets, net	$ 9,001,763	$ 72,937	$ (131,884)	$ 8,942,816

Depreciation expense was charged to functions as follows:

General and administrative	$ 7,851
Business promotion	51,096
	$ 58,947

The Meriwether County Water and Sewerage Authority's capital asset activity for the year ended September 30, 2017 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	$ 76,004		126,527
Total capital assets being depreciated	6,520,548	76,004	$ -	6,596,552
Less, accumulated depreciation for:				
Water system	(515,526)	(120,036)		(635,562)
Sewer system	(208,570)	(41,714)		(250,284)
Furniture and equipment	(35,174)	(7,555)		(42,729)
Total accumulated depreciation	(759,270)	(169,305)	-	(928,575)
Total capital assets being depreciated, net	5,761,278	(93,301)	-	5,667,977
Business-type activities capital assets, net	$ 5,761,278	$ (93,301)	$ -	$ 5,667,977

Depreciation expense was charged to functions as follows:

Business-type activities:	
Water system	$ 127,591
Sewer system	41,714
	$ 169,305

5. SHORT-TERM DEBT

Primary Government

At September 30, 2017, the County had tax anticipation notes (TAN) totaling $2,500,000 which matures at December 31, 2017 at an interest rate of 1.96%. At September 30, 2017, the County had not drawn any of the available note. These notes are used for meeting general operating expenses of the County and are expected to be repaid through property tax collections to be received after year end by the general fund.

At September 30, 2017 the County had a note with a local bank for the purchase of vehicles for a total of $143,980. This loan matures at December 31, 2017 with an interest rate of 4%. The note is expected to be repaid through the general fund.

	Beginning Balance	Additions	Reductions	Ending Balance
Tax anticipation notes	$ 550,000	$ 250,000	$ 800,000	$ -
Vehicle note		143,980	11,090	132,890
	$ 550,000	$ 393,980	$ 811,090	$ 132,890

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.

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

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

Purpose	Interest Rates	Amount
Governmental activities:		
Capital outlay projects, Series 2014	2.50%	$ 4,690,000
Capital project Fire District, Series 2017	2.00% - 4.00%	3,500,000
		$ 8,190,000

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

	Governmental Activities	
	Principal	Interest
Year ending September 30:		
2018	$ 1,710,000	$ 238,850
2019	1,750,000	197,025
2020	1,790,000	153,200
2021	195,000	107,425
2022	205,000	101,425
2023-2027	1,150,000	393,075
2028-2032	1,390,000	143,600
	$ 8,190,000	$ 1,334,600

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%	$ 1,125,000

Revenue bond debt service requirements to maturity are as follows:

	Governmental Activities	
	Principal	Interest
Year ending September 30:		
2018	$ -	$ 23,850
2019	170,000	44,096
2020	175,000	36,782
2021	185,000	29,150
2022	190,000	21,200
2023-2024	405,000	17,278
	$ 1,125,000	$ 172,356

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

Revenue bonds outstanding at year end is as follows:

Purpose	Interest Rates	Amounts
Water & Sewer	Variable, 1.60% to 3.50%	$ 10,495,000

Revenue bond debt service requirements to maturity are as follows:

	Business-Type Activities	
	Principal	Interest
Year ending September 30:		
2018	$ 315,000	$ 373,712
2019	320,000	368,200
2020	330,000	361,800
2021	335,000	354,375
2022	345,000	344,125
2023-2027	1,885,000	1,565,675
2028-2032	2,270,000	1,170,275
2033-2037	2,770,000	678,275
2038-2040	1,925,000	136,150
	$ 10,495,000	$ 5,352,587

In prior years, the Authority defeased revenue bonds by placing the proceeds of new bonds and cash the Authority had on hand in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Authority's financial statements. At September 30, 2017, $12,415,000 of defeased bonds remain outstanding.

C. 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	(576,364)
Total	$ 913,721

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2017, were as follows:

	Governmental Type Activities
Year ending September 30:	
2018	$ 156,481
2019	157,834
2020	159,199
2021	160,577
2022	161,965
2023-2024	190,552
Total minimum lease payments	986,608
Less, amount representing interest	(131,534)
Present value of minimum lease payments	$ 855,074

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, 2017 and June 30, 2017, respectively. The Meriwether County Water and Sewerage Authority did not have any compensated absences at September 30, 2017. Accrued compensated absences from the governmental activities of the County are repaid through the general fund. Compensated absences for the Meriwether County Industrial Development Authority are repaid through the component unit's general fund. The Department of Public Health compensated absences are repaid through the component unit's general fund.

F. Intergovernmental Agreements

Primary Government

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

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

	Governmental Activities	
	Principal	Interest
Year ending September 30:		
2018	$ -	$ 23,850
2019	170,000	44,096
2020	175,000	36,782
2021	185,000	29,150
2022	190,000	21,200
2023-2024	405,000	17,278
	$ 1,125,000	$ 172,356

G. Changes in Long-Term Liabilities

Primary Government

Long-term liability activity for the year ended September 30, 2017 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	$ 6,180,000	$ 3,500,000	$(1,490,000)	$ 8,190,000	$ 1,710,000
Premium		221,003	(7,366)	213,637	
Total bonds payable	6,180,000	3,721,003	(1,497,366)	8,403,637	1,710,000
Capital leases	995,544		(140,470)	855,074	119,153
Compensated absences	221,159	158,268	(150,691)	228,736	137,242
Intergovernmental agreements	1,285,000		(160,000)	1,125,000	-
Landfill postclosure costs	2,117,483		(22,530)	2,094,953	110,839
Governmental type activity, long-term liabilities	$ 10,799,186	$ 3,879,271	$(1,971,057)	$ 12,707,400	$ 2,077,234

The County's portion of the $9,000,000 of general obligation bonds to use for SPLOST capital projects is 65%. At September 30, 2017, the County had $1,549,574 in cash not used for SPLOST capital projects and $3,491,778 in cash not used for Fire District capital projects.

The County made the debt payment due October 1, 2017 on the intergovernmental agreement in September of 2017. Therefore, there is no principal due until the year ending September 30, 2019.

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, 2017:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	$ 62,799	$ 17,620	$ (22,666)	$ 57,753	$ 22,666

The following is a summary of changes in long-term debt for the Meriwether County Industrial Development Authority for the year ended September 30, 2017:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue bonds	$ 1,285,000		$ (160,000)	$ 1,125,000	
Notes payable	128,337		(128,337)	-	
Compensated absences	3,773	$ 6,555	(4,489)	5,839	$ 5,839
	$ 1,417,110	$ 6,555	$ (292,826)	$ 1,130,839	$ 5,839

The following is a summary of changes in long-term debt for the Meriwether Water and Sewerage Authority for the year ended September 30, 2017:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue bonds	$10,805,000		$ (310,000)	$10,495,000	$ 315,000
Plus unamortized premium	660,645		(28,113)	632,532	-
Total bonds payable	$11,465,645	$ -	$ (338,113)	$11,127,532	$ 315,000

The Authority had $1,602,065 in cash at September 30, 2017 not used for capital projects.

7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund balances for the year ended September 30, 2017 consisted of the following:

Due to/from other funds:

Payable Fund	Receivable Fund	Amount
General Fund	Nonmajor Governmental Funds	$ 733
Nonmajor Governmental Funds	General Fund	3,508
Nonmajor Governmental Funds	Nonmajor Governmental Funds	1,369
		$ 5,610

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

Interfund transfers for the year ended September 30, 2017, consisted of the following:

	Transfer In	
Transfer Out	Nonmajor Governmental Funds	Totals
General Fund	$ 523,943	$ 523,943

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

8. PENSION PLAN AND OTHER RETIREMENT BENEFITS

Primary Government

A. Pension Plan

County employees are covered by the *Meriwether County Employee's Retirement Plan*, a defined contribution and profit-sharing plan for full-time County employees who have attained age 18 and have completed 90 days of service, and worked at least 1,000 hours a year. Under the plan, the County contributes nonelective contributions of 3% of employee compensation. For the year ending September 30, 2017, the County contributed 3% of employee's gross pay to the 401a fund for all eligible employees. For Elected

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

The County's contribution to these plans for the year ended September 30, 2017, was approximately $209,574 and employees contributed approximately $6,312. Total payroll for the year ended September 30, 2017, was approximately $5,886,381. Approximately 185 employees participated in the plan for the year ended September 30, 2017.

B. Deferred Compensation

Meriwether County employees may elect to participate in a deferred compensation plan through Mass Mutual, the administrator. Participating employees may elect to defer up to $18,500 of their includible compensation as provided in IRC Section 457. Meriwether County is not required to contribute to the plan and has made no contributions for the current year or prior years. Employees have contributed approximately $208,106 during fiscal year ending September 30, 2017. Approximately 151 employees participated in the plan for the year ended September 30, 2017.

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, 2017 was 24.81% of annual covered payroll for old and new plan members and 21.81% for GSEPS members. The Health Department's contributions to ERS totaled $86,881 for the year ended June 30, 2017. 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, 2017, 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, 2016. The total pension liability used to calculate the net pension liability was based on an actuarial valuation was of June 30, 2015. An expected total pension liability as of June 30, 2016 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, 2016. At June 30, 2016, the Health Department's proportion was .015685%, which was an increase (decrease) of (.000687)% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the Health Department recognized pension expense of $90,152. At June 30, 2017, 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		$ 1,714
Changes of assumptions	$ 6,285	-
Net difference between projected and actual earnings on pension plan investments	75,437	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	18,039
Employer contributions subsequent to the measurement date	86,881	-
Total	$ 168,603	$ 19,753

Health Department contributions subsequent to the measurement date of $86,881 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, 2018. 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:		
2018	$	(6,215)
2019	$	2,300
2020	$	40,672
2021	$	25,212

Actuarial Assumptions

The total pension liability as of June 30, 2016 was determined by an actuarial valuation as of June 30, 2015, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increase	3.25-7.00%, including inflation
Investment rate of return	7.50%, net pension plan investment expense, including inflation
Discount rate	7.50%

Post-retirement mortality rates were based on the RP-2000 Combined Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB and set forward 2 years for both males and females for service retirements and dependent beneficiaries. The RP-2000 Disabled Mortality Table with future mortality improvement projected to 2025 with Society of Actuaries' projection scale BB and set back 7 years for males and set forward 3 years for females was used for death after disability retirement. There is a margin for future mortality improvement in the tables used by the System. Based on the results of the most recent experience study adopted by the Board on December 17, 2015, the numbers of expected future deaths are 9-12% less than the actual number of deaths that occurred during the study period for service retirements and beneficiaries and for disability retirements. Rates of mortality in active service were based on the RP-2000 Employee Mortality Table projected to 2025 with projection scale BB.

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

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%	(0.50)%
Domestic large equities	37.20	9.00
Domestic mid equities	3.40	12.00
Domestic small equities	1.40	13.50
International developed market equities	17.80	8.00
International emerging market equities	5.20	12.00
Alternatives	5.00	10.50
Total	100.00%	

* Rates shown are net of the 2.75% 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 Health Department's Proportionate Share 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 Health Department's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current discount rate (7.50%)	1% Increase (8.50%)
Employer's proportionate share of the net pension liability	$ 1,005,502	$ 741,966	$ 517,382

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 $2,094,953 reported in the governmental activities liabilities on the government-wide financials as landfill closure and postclosure care liability at September 30, 2017, 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, 2017. These amounts are based on what it would cost to perform all closure and postclosure care in 2017. Actual costs may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. The County has met certain financial tests which it feels meet the financial assurance requirements for closure and postclosure care.

10. TAX ABATEMENTS

Discretely Presented Component Units

The Meriwether County Industrial Development Authority is authorized under Title 36 Chapter 62 of the Official Code of Georgia to issue its revenue bonds to finance "projects" in order to promote and expand industry and trade within the County to reduce unemployment to the greatest extent possible. To encourage industries to locate their projects within the County, the Authority allows for ad valorem tax abatement through a sale-leaseback arrangement. Under this arrangement, the Authority has transferred ownership of the "project" being financed by the revenue bonds, and the bonds are then amortized by the lease payments. Once the bonds have been repaid, ownership is transferred back to the company and the ad valorem taxes are no longer abated.

For the duration of time the taxes are being abated, the company financing their project is required to meet certain goals in order to remain eligible to receive the abatement. The goals the Authority requires the companies to meet

are the community jobs goal, and the community investment goal. The number of jobs and amount of investment required by these goals vary between agreements. If these goals are not met, a provision for the recapture of a portion of the value of the incentive being provided to the company is available. Also, the Authority has the right to terminate this agreement without any further liability effective immediately upon giving written notice to the other parties involved.

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

For the year ended September 30, 2017, the Authority abated ad valorem taxes totaling $1,468,752 under the program previously described. Included in that amount, the following tax abatement agreements that each exceeded 10 percent of the total amount abated were:

Tax Abatement Project	Percentage Abated	Amount of Taxes Abated
Mando America Corporation Project	96.97%	$ 1,114,887
Dongwon Autopart Technology Georgia, LLC Project	73.33%	304,368
		$ 1,419,255

11. LITIGATION

Any lawsuits pending at September 30, 2017 are covered by insurance and should not materially affect the financial statements of Meriwether County, Georgia.

12. COMMITMENTS AND CONTINGENCIES

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

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

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

During the fiscal year ending September 30, 2017 the County received $700,000 in host fees from Green Investments, LLC.

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, 2017 the County paid $13,921 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

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

In prior years the County entered into a Section 5311 Public Transportation Service Agreement with Three Rivers Regional Commission (TRRC) for operation of the Three Rivers Regional Transit System. The TRRC manage the day-to-day operations, retains and monitors a third party operator, and manages the financial reporting and statistical analysis. The County paid $13,750 in fees to the TRRC during fiscal year September 30, 2017.

15. INTERGOVERNMENTAL AGREEMENTS

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

16. RESTATEMENT OF NET POSITION

Discretely Presented Component Units

Meriwether County Industrial Development Authority has a restatement of net position as of September 30, 2016 on the Statement of Activities for land that was disposed of in a prior year that was not reflected in the financial statements.

Beginning net position as previously reported	$	8,353,168
Prior period adjustment		(583,642)
Beginning net position, as restated	$	7,769,526

This prior period adjustment also is reflected in Capital Asset note #4 as a restatement to land.

Land as previously stated	$	7,775,459
Prior period adjustment		(583,642)
Land as restated	$	7,191,817

MERIWETHER COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2017

	Special Revenue Funds						
	Drug Fund	Jail Fund	Sheriff Drug Forfeiture	Law Library	E-911	Hotel/Motel	Total Nonmajor Governmental Funds
Assets							
Cash	$ 33,787	$ 62,628	$ 130,054	$ 6,904	$ 7,018	$ 71	$ 240,462
Receivables (net where applicable of allowance for uncollectibles):							
E-911					80,929		80,929
Due from other funds	733				1,369		2,102
Total assets	$ 34,520	$ 62,628	$ 130,054	$ 6,904	$ 89,316	$ 71	$ 323,493
Liabilities							
Accounts payable		$ 1,489					$ 1,489
Due to other funds		4,877					4,877
Total liabilities	$ -	6,366	$ -	$ -	$ -	$ -	6,366
Fund Balances							
Fund balances restricted for:							
Public safety	34,520	56,262	130,054		89,316		310,152
Judicial				6,904			6,904
Planning and development						71	71
Total fund balances	34,520	56,262	130,054	6,904	89,316	71	317,127
Total liabilities and fund balances	$ 34,520	$ 62,628	$ 130,054	$ 6,904	$ 89,316	$ 71	$ 323,493

MERIWETHER COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended September 30, 2017

	Special Revenue Funds						
	Drug Fund	Jail Fund	Sheriff Drug Forfeiture	Law Library	E-911	Hotel/ Motel	Total Nonmajor Governmental Funds
Revenues:							
Taxes:							
Hotel/motel						$ 4,528	$ 4,528
Charges for services					$ 292,934		292,934
Fines, forfeitures, and court fees	$ 28,045	$ 51,127	$ 75,290	$ 3,962			158,424
Miscellaneous			3,895				3,895
Investment earnings			66		109		175
Total revenues	28,045	51,127	79,251	3,962	293,043	4,528	459,956
Expenditures:							
Current:							
Public safety	29,873	31,875	20,832		823,983		906,563
Planning and development						5,239	5,239
Judicial				1,904			1,904
Capital outlay	32,269	2,355	63,839				98,463
Total expenditures	62,142	34,230	84,671	1,904	823,983	5,239	1,012,169
Excess (deficiency) of revenues over (under) expenditures	(34,097)	16,897	(5,420)	2,058	(530,940)	(711)	(552,213)
Other financing sources (uses):							
Transfers in					523,943		523,943
Total other financing sources (uses)	-	-	-	-	523,943	-	523,943
Net change in fund balances	(34,097)	16,897	(5,420)	2,058	(6,997)	(711)	(28,270)
Fund balances, beginning of year	68,617	39,365	135,474	4,846	96,313	782	345,397
Fund balances, end of year	$ 34,520	$ 56,262	$ 130,054	$ 6,904	$ 89,316	$ 71	$ 317,127

MERIWETHER COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
DRUG FUND
Year Ended September 30, 2017

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:				
Fines, forefeitures, and court fees	$ 65,000	$ 28,045	$ 28,045	$ -
Total revenues	65,000	28,045	28,045	-
Expenditures:				
Current:				
Sheriff	65,000	29,873	29,873	-
Capital outlay		32,269	32,269	-
Total expenditures	65,000	62,142	62,142	-
Excess (deficiency) of revenues over (under) expenditures	-	(34,097)	(34,097)	-
Net change in fund balances	-	(34,097)	(34,097)	-
Fund balance at beginning of year	68,617	68,617	68,617	-
Fund balance at end of year	$ 68,617	$ 34,520	$ 34,520	$ -

MERIWETHER COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
JAIL FUND
Year Ended September 30, 2017

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:				
Fines, forefeitures, and court fees	$ 50,000	$ 51,127	$ 51,127	$ -
Total revenues	50,000	51,127	51,127	-
Expenditures:				
Current:				
Jail	50,000	31,875	31,875	-
Capital outlay		2,355	2,355	-
Total expenditures	50,000	34,230	34,230	-
Excess (deficiency) of revenues over (under) expenditures	-	16,897	16,897	-
Net change in fund balances	-	16,897	16,897	-
Fund balance at beginning of year	39,365	39,365	39,365	-
Fund balance at end of year	$ 39,365	$ 56,262	$ 56,262	$ -

MERIWETHER COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SHERIFF DRUG FORFEITURE
Year Ended September 30, 2017

	Original and Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Fines, forefeitures, and court fees	$ 75,290	$ 75,290	$ -
Miscellaneous	3,895	3,895	-
Investment earnings	66	66	-
Total revenues	79,251	79,251	-
Expenditures:			
Current:			
Sheriff	20,832	20,832	-
Capital outlay	63,839	63,839	-
Total expenditures	84,671	84,671	-
Excess (deficiency) of revenues over (under) expenditures	(5,420)	(5,420)	-
Net change in fund balances	(5,420)	(5,420)	-
Fund balance at beginning of year	135,474	135,474	-
Fund balance at end of year	$ 130,054	$ 130,054	$ -

MERIWETHER COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
LAW LIBRARY
Year Ended September 30, 2017

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:				
Fines, forfeitures, and court fees	$ 5,000	$ 3,962	$ 3,962	$ -
Total revenues	5,000	3,962	3,962	-
Expenditures:				
Current:				
Judicial:				
Court services	5,000	1,904	1,904	-
Total expenditures	5,000	1,904	1,904	-
Excess (deficiency) of revenues over (under) expenditures	-	2,058	2,058	-
Net change in fund balances	-	2,058	2,058	-
Fund balance at beginning of year	4,846	4,846	4,846	-
Fund balance at end of year	$ 4,846	$ 6,904	$ 6,904	$ -

MERIWETHER COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
E-911
Year Ended September 30, 2017

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:				
Charges for services	$ 300,000	$ 292,934	$ 292,934	$ -
Investment earnings		109	109	-
Total revenues	300,000	293,043	293,043	-
Expenditures:				
Current:				
Public safety:				
E-911	829,736	823,983	823,983	-
Total expenditures	829,736	823,983	823,983	-
Excess (deficiency) of revenues over (under) expenditures	(529,736)	(530,940)	(530,940)	-
Other financing sources (uses):				
Transfers in	529,736	523,943	523,943	-
Total other financing sources (uses)	529,736	523,943	523,943	-
Net change in fund balance	-	(6,997)	(6,997)	-
Fund balance at the beginning of year	96,313	96,313	96,313	-
Fund balance at end of year	$ 96,313	$ 89,316	$ 89,316	$ -

MERIWETHER COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
HOTEL/MOTEL
Year Ended September 30, 2017

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes:				
Hotel/motel	$ 5,000	$ 4,528	$ 4,528	$ -
Total revenues	5,000	4,528	4,528	-
Expenditures:				
Current:				
Tourism and promotions	5,000	5,239	5,239	-
Total expenditures	5,000	5,239	5,239	-
Excess (deficiency) of revenues over (under) expenditures	-	(711)	(711)	-
Net change in fund balances	-	(711)	(711)	-
Fund balance at beginning of year	782	782	782	-
Fund balance at end of year	$ 782	$ 71	$ 71	$ -

MERIWETHER COUNTY, GEORGIA
FIDUCIARY FUNDS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
September 30, 2017

	Agency Fund					
	Tax Commissioner	Superior Court	Probate Court	Magistrate Court	Sheriff	Total
Assets						
Cash	$ 250,664	$ 93,845	$ 10,152	$ 12,513	$ 77,816	$ 444,990
Taxes receivable	131,417					131,417
Total assets	$ 382,081	$ 93,845	$ 10,152	$ 12,513	$ 77,816	$ 576,407
Liabilities						
Due to others	$ 382,081	$ 93,845	$ 10,152	$ 12,513	$ 77,816	$ 576,407
Total liabilities	$ 382,081	$ 93,845	$ 10,152	$ 12,513	$ 77,816	$ 576,407

MERIWETHER COUNTY, GEORGIA
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILTIES
Year Ended September 30, 2017

	Balance October 1, 2016	Additions	Deductions	Balance September 30, 2017
Tax Commissioner:				
Assets				
Cash	$ 402,448	$ 20,253,847	$ 20,405,631	$ 250,664
Taxes receivable	59,727	131,417	59,727	131,417
	$ 462,175	$ 20,385,264	$ 20,465,358	$ 382,081
Liabilities				
Due to others	$ 462,175	$ 20,385,264	$ 20,465,358	$ 382,081
Clerk of Superior Court:				
Assets				
Cash	$ 1,276	$ 853,791	$ 761,222	$ 93,845
Liabilities				
Due to others	$ 1,276	$ 853,791	$ 761,222	$ 93,845
Probate Court:				
Assets				
Cash	$ 152	$ 528,527	$ 518,527	$ 10,152
Liabilities				
Due to others	$ 152	$ 528,527	$ 518,527	$ 10,152
Magistrate Court:				
Assets				
Cash	$ 8,954	$ 135,865	$ 132,306	$ 12,513
Liabilities				
Due to others	$ 8,954	$ 135,865	$ 132,306	$ 12,513
Sheriff:				
Assets				
Cash	$ 65,006	$ 325,905	$ 313,095	$ 77,816
Liabilities				
Due to others	$ 65,006	$ 325,905	$ 313,095	$ 77,816

MERIWETHER COUNTY, GEORGIA
SCHEDULE OF SPECIAL PURPOSE LOCAL OPTION SALES TAX
September 30, 2017

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	146.21%	462,774	462,774	632,926	$ 43,719
Construction of ambulance station	37.69%	462,774	462,774	174,430	
Roads	61.66%	3,321,630	3,321,630	1,352,402	19,059
Public safety equipment	358.09%	231,387	231,387	499,482	329,084
Public works equipment	61.07%	462,774	462,774	224,183	58,437
Information technology and communications equipment	53.04%	1,307,436	1,307,436	693,469	
GIS technology	73.49%	231,387	231,387	112,843	57,202
Recreation	8.56%	149,838	149,838	12,831	
City of Greenville	87%	414,222	414,222	358,171	
City of Gay	87%	41,922	41,922	36,403	
City of Lone Oak	87%	43,860	43,860	37,637	
City of Luthersville	87%	413,202	413,202	357,245	
City of Manchester	87%	2,000,730	2,000,730	1,729,152	
City of Warm Springs	87%	201,042	201,042	173,686	
City of Woodbury	87%	455,022	455,022	392,723	
Debt service				3,474,665	1,644,500
					$ 2,152,001

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, 2017, 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 20, 2018. 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 17-1 through 17-2.

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 20, 2018

17-1 Segregation of Duties

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

17-2 Controls Over Financial Statement Preparation

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