PEACH COUNTY, GEORGIA

Annual Financial Report

For the fiscal year ended September 30, 2016

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PEACH COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
For the fiscal year ended September 30, 2016

TABLE OF CONTENTS

INTRODUCTORY SECTION:

		Page(s)
	Table of Contents	i-iv

FINANCIAL SECTION:

	Independent Auditor's Report	1-3
	Management's Discussion and Analysis	4-18

BASIC FINANCIAL STATEMENTS

Exhibit		
	Government-wide Statements	
A-1	Statement of Net Position	19-20
A-2	Statement of Activities	21
	Fund Financial Statements	
A-3	Balance Sheet – Governmental Funds	22
A-4	Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	23
A-5	Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	24
A-6	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	25
A-7	Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) to Actual – General Fund	26-27
A-8	Statement of Net Position – Proprietary Funds	28
A-9	Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	29
A-10	Statement of Cash Flows – Proprietary Funds	30
A-11	Statement of Fiduciary Assets and Liabilities – Fiduciary Funds	31

Table of Contents, continued

BASIC FINANCIAL STATEMENTS (continued)

Fund Financial Statements (continued)

Exhibit		Page(s)
A-12	Combining Statement of Net Position – Component Units	32-33
A-13	Combining Statement of Activities – Component Units	34
A-14	**Notes to the Financial Statements**	35-73

Item #		Page #
1.	Description of Government Unit	35
2.	Summary of Significant Accounting Policies	35-50
3.	Deposit and Investment Risk	50
4.	Accounts Receivable	51
5.	Intergovernmental Receivables	51
6.	Property Taxes	52
7.	Interfund Receivables and Payables	52
8.	Interfund Transfers	52-53
9.	Capital Assets	53-55
10.	Capital Lease Agreements	56
11.	Long-Term Debt	57
12.	Conduit Debt	58
13.	Landfill Closure and Post-Closure Care Costs	59
14.	Changes in Beginning Balances	60
15.	Net Investment in Capital Assets	60
16.	Retirement Plans	61-67
17.	Other Post-Employment Benefits	68-69
18.	Hotel/Motel Lodging Tax	70
19.	Joint Ventures	70-71
20.	Risk Management	71-72
21.	Commitments and Contingencies	72-73

Table of Contents, continued

REQUIRED SUPPLEMENTARY INFORMATION

B-1	Schedule of Changes in the Net Pension Liability and Related Ratios	**74**
B-2	Schedule of Contributions	**75**
B-3	Notes to the Required Supplementary Information	**76-77**

SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Exhibit		Page (s)
C-1	Combining Balance Sheet – Nonmajor Governmental Funds	**78-79**
C-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	**80-81**
C-3	Law Library Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual	**82**
C-4	Transit System Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual	**83**
C-5	Drug Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual	**84**
C-6	Federal Drug Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual	**85**
C-7	Jail Inmate Canteen Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual	**86**
C-8	Juvenile Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual	**87**
C-9	Hotel/Motel Tax Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual	**88**
C-10	E-911 Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual	**89**

Table of Contents, continued

SUPPLEMENTARY INFORMATION (continued)

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES (continued)

Exhibit		Page (s)
	AGENCY FUNDS	
D-1	Combining Balance Sheet	**90-91**
D-2	Statement of Changes in Assets and Liabilities	**92**
	PEACH PUBLIC LIBRARIES COMPONENT UNIT	
E-1	Combining Balance Sheet	**93**
E-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	**94**
	OTHER REPORTING SECTION	
	Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	**95-97**
	STATE REPORTING SECTION	
F-1	Schedule of Projects Financed with Special Purpose Local Option Sales Tax	**98-100**

Independent Auditor's Report

Honorable Chairman and
Board of Commissioners
Peach County, Georgia

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Peach County Health Department, a component unit of Peach County, Georgia, which represent 9.8 percent, 4.5 percent, and 47.6 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Peach County Health Department, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information on pages 4 through 18 and 74 through 77, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Peach County, Georgia's basic financial statements. The combining and individual fund financial statements and schedules and the state reporting section with the schedule of projects financed with special purpose local option sales tax are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 3, 2017, on our consideration of Peach County, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Peach County, Georgia's internal control over financial reporting and compliance.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
March 3, 2017

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of Peach County, Georgia (the "County"), we offer readers of Peach County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements, and the notes to the financial statements.

Financial Highlights

- The assets of Peach County exceeded its liabilities at September 30, 2016 by $52,919,679 (net position). Of this amount, $2,449,211 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The Primary Government's total net position decreased by $887,903 for the year ended September 30, 2016.
- At September 30, 2016, the total net position at the government-wide level consisted of $47,832,389 invested in capital assets net of related debt, $2,851,636 in restricted net position, and $2,235,654 in unrestricted net position. The County's General Fund reported a fund balance of $5,855,405, a decrease of $119,221, or 2% below the last fiscal year.
- Peach County's total debt increased by $3,560,969 during the current fiscal year due primarily to the County entering into a capital lease for $3,677,397 to upgrade various County facility building systems, including HVAC, lighting, and electrical upgrades.

Overview of the Financial Statements

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

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

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

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

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, judicial, public safety, public works, health and welfare, culture and recreation, and housing and development services. The business-type activities of Peach County include solid waste collection.

The government-wide financial statements include not only Peach County itself (known as the primary government), but also a legally separate development authority, a legally separate library, and a legally separate health department, for which the County is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

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

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

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

For the fiscal year ended September 30, 2016, the County maintained fourteen (14) individual governmental funds to account for the following activities: General; Special Revenues (Law Library, Transit System, Drug, Federal Drug, Jail Inmate Canteen, Juvenile, Hotel/Motel Tax, and Emergency 911); Capital Projects (1994 SPLOST for Landfills and Buildings, 2000 SPLOST for Water, Sewer & Waste Water Treatment System, the 2004 SPLOST, the 2008 SPLOST, and the 2015 SPLOST). Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the 2008 SPLOST Fund, and the 2015 SPLOST Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated column. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

Proprietary Funds. Proprietary funds may be either Enterprise Funds or Internal Service Funds. However, Peach County only maintains one Enterprise Fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Peach County uses an enterprise fund to account for its solid waste collection operation.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Peach County's solid waste collection operation, which is considered to be a major fund of Peach County. Individual fund data for this enterprise fund is provided in the government-wide financial statements on pages 19 - 21. The basic proprietary fund financial statements can be found on pages 28 - 30.

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

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 35 - 73 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Peach County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 74 - 77 of this report. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Peach County, assets exceeded liabilities by $52,919,679 at the close of the most recent fiscal year.

By far the largest portion of the County's net position (90%) reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Long-term liabilities increased by $4,239,897 as of September 30, 2016, as compared to 2015. The increase is primarily the result of Peach County entering into a capital lease for facility systems upgrades and improvements. A more detailed explanation of the County's long-term liabilities is provided later in this discussion.

Peach County's Net Position

	Governmental Activities		Business-Type Activities		Total Activities	
	2016	2015	2016	2015	2016	2015
Current and other assets	$ 18,331,576	$ 7,924,019	$ 1,583,580	$ 393,428	$ 19,915,156	$ 8,317,447
Capital assets	$ 51,720,792	$ 51,460,982	$ 0	$ 0	$ 51,720,792	$ 51,460,982
Total assets	$ 70,052,368	$ 59,385,001	$ 1,583,580	$ 393,428	$ 71,635,948	$ 59,778,429
Deferred outflows of resources	$ 1,391,298	$ 44,712	$ 22,428	$ 709	$ 1,413,726	$ 45,421
Long-term liabilities	$ 8,571,598	$ 4,345,524	$ 38,161	$ 24,338	$ 8,609,759	$ 4,369,862
Other liabilities	$ 1,663,248	$ 1,835,119	$ 1,107,455	$ 186,287	$ 2,770,703	$ 2,021,406
Total liabilities	$ 10,234,846	$ 6,180,643	$ 1,145,616	$ 210,625	$ 11,380,462	$ 6,391,268
Deferred inflows Of resources	$ 8,747,430	$ 0	$ 2,103	$ 0	$ 8,749,533	$ 0
Net position:						
Net investment in capital assets	$ 47,832,389	$ 50,837,098	$ 0	$ 0	$ 47,832,389	$ 50,837,098
Restricted	$ 2,851,636	$ 2,383,824	$ 0	$ 0	$ 2,851,636	$ 2,383,824
Unrestricted	$ 1,777,365	$ 28,148	$ 458,289	$ 183,512	$ 2,235,654	$ 211,660
Total net position	$ 52,461,390	$ 53,249,070	$ 458,289	$ 183,512	$ 52,919,679	$ 53,432,582

A portion of Peach County's net position (5%) represents resources that are subject to external restrictions on how they may be used. A large portion of these funds are to be used for capital projects designated in one of five different Special Purpose Local Option Sales Tax Funds (1994, 2000, 2004, 2008, and 2015). Restricted net position increased $254,255 and includes funds received from the Georgia Department of Transportation Local Maintenance and Improvement Grant to increase available funding for road projects currently underway. The remaining balance of unrestricted net position ($2,235,654) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Peach County reports a positive balance in both "Governmental Activities" and Business-Type Activities" categories of net position. Revenues in Governmental Activities fell short of expenditures and operating transfers out by $1,154,744, while revenues and transfers into Business-Type activities exceeded expenditures by $266,841. The government's overall net position decreased by $887,903. Prior period adjustments were also made to reflect adjustments of payables at September 30, 2015, in both Governmental Activities and Business-Type Activities, which will be discussed later in this report.

Peach County's Change in Net Position

	Governmental Activities		Business-Type Activities		Total Activities	
	2016	2015	2016	2015	2016	2015
Revenues						
Program revenues:						
Charges for services	$ 2,932,182	$ 2,995,812	$ 1,065,122	$ 1,210,090	$ 3,997,304	$ 4,205,902
Operating grants and contributions	$ 103,547	$ 299,980	$ 0	$ 0	$ 103,547	$ 299,980
Capital grants and contributions	$ 948,747	$ 1,851,305	$ 0	$ 0	$ 948,747	$ 1,851,305
Total Program Revenues	$ 3,984,476	$ 5,147,097	$ 1,065,122	$ 1,210,090	$ 5,049,598	$ 6,357,187
General revenues:						
Property taxes	$ 9,904,502	$ 10,214,557	$ 0	$ 0	$ 9,904,502	$ 10,214,557
Sales taxes	$ 5,203,818	$ 5,412,966	$ 0	$ 0	$ 5,203,818	$ 5,412,966
Insurance premiums	$ 679,191	$ 634,258	$ 0	$ 0	$ 679,191	$ 634,258
Occupational	$ 93,224	$ 89,329	$ 0	$ 0	$ 93,224	$ 89 329
Alcohol Excise	$ 70,758	$ 70,385	$ 0	$ 0	$ 70,758	$ 70,385
Other taxes	$ 235,234	$ 226,434	$ 0	$ 0	$ 235,234	$ 226,434
Investment Income	$ 2,314	$ 3,990	$ 0	$ 0	$ 2,314	$ 3,990
Other	$ 145,259	$ 146,931	$ 0	$ 0	$ 145,259	$ 146,931
Total General Revenues	$ 16,334,300	$ 16,798,850	$ 0	$ 0	$ 16,334,300	$ 16,798,850
Total Revenues	$ 20,318,776	$ 21,945,947	$ 1,065,122	$ 1,210,090	$ 21,383,898	$ 23,156,037
Expenses						
General government	$ 5,006,473	$ 3,089,650	$ 0	$ 0	$ 5,006,473	$ 3,089,650
Judicial	$ 1,643,814	$ 1,635,111	$ 0	$ 0	$ 1,643,814	$ 1,635,111
Public safety	$ 9,075,437	$ 8,618,420	$ 0	$ 0	$ 9,075,437	$ 8,618,420
Public works	$ 3,808,792	$ 5,617,392	$ 0	$ 0	$ 3,808,792	$ 5,617,392
Health and Welfare	$ 245,454	$ 241,418	$ 0	$ 0	$ 245,454	$ 241,418
Culture and recreation	$ 818,302	$ 852,152	$ 0	$ 0	$ 818,302	$ 852,152
Housing and Development	$ 330,372	$ 426,207	$ 0	$ 0	$ 330,372	$ 426,207
Solid waste	$ 0	$ 0	$ 1,277,839	$ 1,163,712	$ 1,277,839	$ 1,163,712
Interest on Long-Term Debt	$ 65,318	$ 98,945	$ 0	$ 0	$ 65,318	$ 98,945
Total expenses	$ 20,993,962	$ 20,579,295	$ 1,277,839	$ 1,163,712	$ 22,271,801	$ 21,743,007
Change in net position before transfers	$ (675,186)	$ 1,366,652	$ (212,717)	$ 46,378	$ (887,903)	$ 1,413,030
Transfers	$ (479,558)	$ (265,662)	$ 479,558	$ 265,662	$ 0	$ 0
Change in net position	$ (1,154,744)	$ 1,100,990	$ 266,841	$ 312,040	$ (887,903)	$ 1,413,030
Net position, beginning of year, as restated	$ 53,249,070	$ 53,796,912	$ 183,512	$ (104,132)	$ 53,432,582	$ 53,692,780
Prior Period Adjustments	$ 367,064	$ (1,648,832)	$ 7,936	$ (24,396)	$ 375,000	$ (1,673,228)
Net position, end of year	$ 52,461,390	$ 53,249,070	$ 458,289	$ 183,512	$ 52,919,679	$ 53,432,582

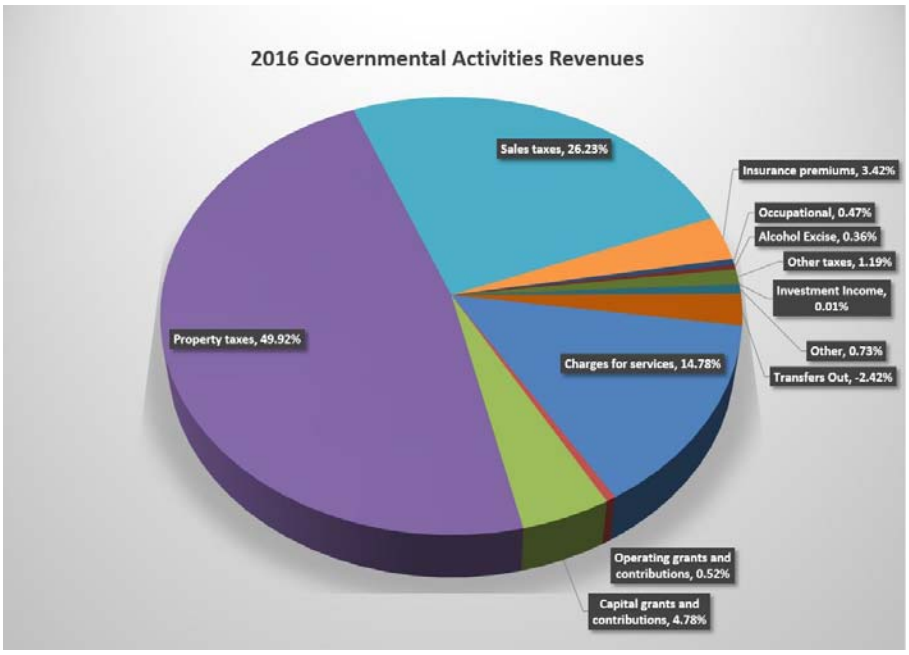
Prior Period Adjustments. A prior period adjustment is the net effect of changes required to a prior reporting period, generally due to the correction of an error. Although this adjustment is reported in the current period, it is not proper to include this correction as part of the current period results of operations. Instead, these adjustments are reported as a direct adjustment to the beginning of the year Fund Balance or Net Position. A prior period adjustment was made to adjust for timing differences in payables for the defined benefit pension plan. This adjustment made to the balance of payables at September 30, 2015, increased beginning equities in the General Fund by $367,064 and in the Solid Waste Enterprise Fund by $7,936.

Governmental Activities. Governmental activities decreased the County's net position by $1,154,744 during 2016, while business-type activities increased the County's net position by $266,841. Key elements of these changes are noted below:

Peach County's 2016 revenues for governmental activities decreased approximately 7% from 2015 revenues. While 2016 insurance premium taxes, occupational taxes, alcohol excise taxes, and other taxes saw increases, property tax revenues, sales tax revenues, operating grants, capital grants, charges for services, and investment revenues have declined from 2015 collections, as follows:

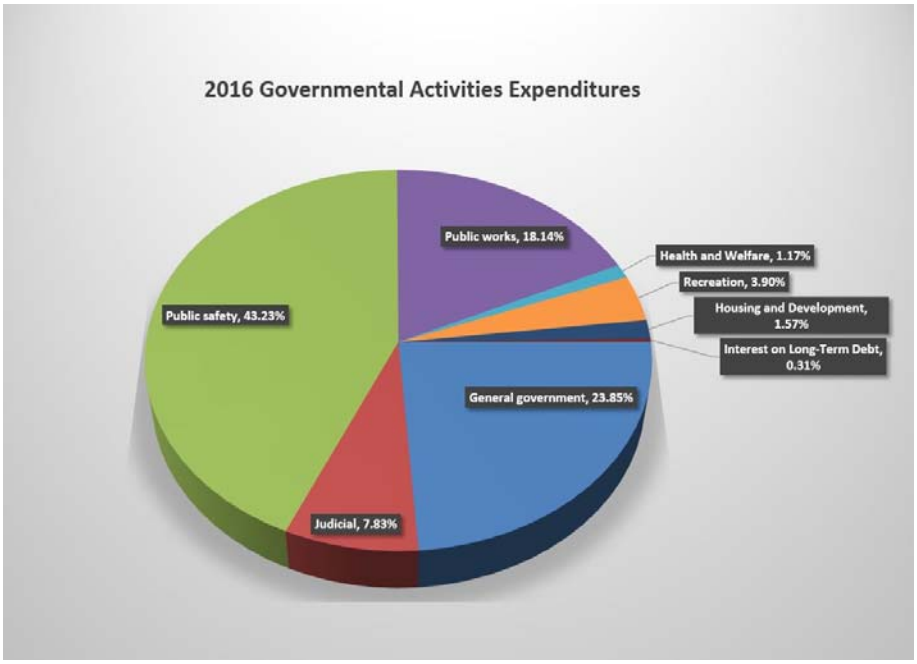
Program revenues:		
Charges for services	Decrease	-2%
Operating grants and contributions	Decrease	-65%
Capital grants and contributions	Decrease	-49%
General revenues:		
Property taxes	Decrease	-3%
Sales Taxes	Decrease	-4%
Insurance premiums	Increase	7%
Occupational	Increase	4%
Alcohol Excise	Increase	1%
Other taxes	Increase	4%
Investment Income	Decrease	-42%
Other	Decrease	-1%

While the downturn in the economy has shown a slight recovery in the preceding year, consumer confidence has not yet been fully restored, which accounts for some of the reduction in sales tax collections. Also, this recovery has not yet been reflected in investment opportunities, which accounts for the continued reduction in investment income.



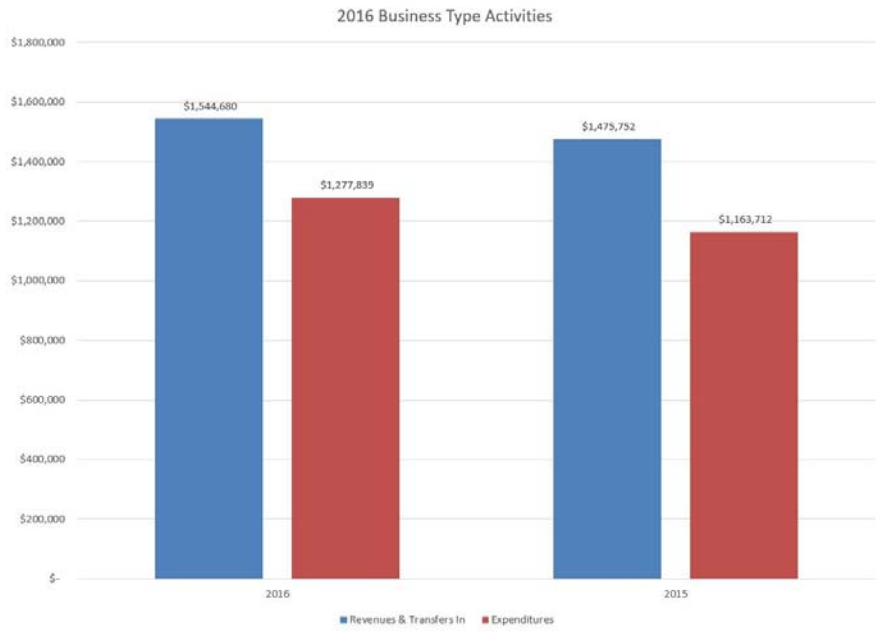
Peach County's overall expenditures for governmental activities increased 2% in 2016 as compared with 2015. The County's General Fund expenditures increased by 31%, and included the expenditures made for major capital purchases under the capital lease program for County facility systems upgrades. Expenditures in the 1994, 2000, 2004, 2008, and 2015 SPLOST Funds were reduced by $8,834,030, representing an 84% decrease from 2015, indicating the completion or near completion of major capital projects approved in the referendums, including the construction of the Regional Workforce Development Center and the Southwest Peach Sanitary Sewer Project Phase I.

Overall, General Government expenditures for 2016 increased 62% when compared to those recorded for 2015. Judicial expenditures increased 1%, Public Safety expenditures increased 5%, Public Works expenditures decreased 32%, Health and Welfare expenditures increased 2%, Culture and Recreation decreased 4%, Housing and Development decreased 22%, and Interest on Long-Term Debt decreased 34% when compared to 2015.



On January 12, 2016, Peach County approved entering into an agreement with Energy Systems Group (ESG) to purchase and install facilities systems upgrades throughout County buildings. The County entered into a fixed 2.66% interest rate Capital Lease/Purchase Agreement with Bank of America for $3,677,397 for fifteen (15) years to fund this project. Payments will begin in February 2017 and will be made biannually through August 2031. Additional information concerning this project will be provided later in this report.

Business-Type Activities: Peach County's solid waste collection service is shown under Business-Type Activities. As a separate unit, this service includes door to door household garbage and yard waste collection, County recycling operations, stormwater management operations, and a separate contract for inmate crews to provide roadside and drainage cleanup. These services are being paid by an annual $204 solid waste fee included on the tax billing for each residential unit in the unincorporated area of Peach County. In addition, a 1 mill increase was approved to be applied to the 2015 tax digest, of which 40% was designated specifically to assist with the cost of closure and post closure care costs for the Houser's Mill Landfill, the Powersville Landfill, and the County's pro rata responsibility for the Macon County Landfill. This is reflected as a $479,558 transfer out from the General Fund to the Solid Waste Enterprise Fund. In 2016, business-type activities incurred expenditures of $1,277,839. Revenues received from the solid waste fees totaled $1,065,122. Net position for business-type activities was a positive $458,289 at September 30, 2016.



Financial Analysis of the Government's Funds

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

Governmental Funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Fund balance is one of the most commonly used pieces of governmental financial information and is considered key information for users of governmental financial statements that are trying to identify resources that are liquid and available to be used to provide services. The Governmental Accounting Standards Board has issued GASB 54 which requires fund balance for governmental funds be reported in classifications that "comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent." Fund balance is first categorized as non-spendable or spendable, with non-spendable fund balance being those amounts that are not in spendable form or are legally or contractually required to be maintained intact. Fund balance that is categorized as spendable will then be further classified as restricted, committed, assigned, or unassigned based on the relative strength of the constraints that control how the specific amounts can be spent. Fund balance should be reported as restricted when the constraints on the use of its resources are either: (1) externally imposed by grantors, contributors, creditors, or laws and regulations; or (2) imposed by law through enabling legislation. These resources can be expended only for the stipulated purpose. Committed fund balance includes amounts that can be used only for the specific purpose determined by a formal action of the government's highest decision making authority. Constraints on committed amounts are imposed internally and are not legally enforceable, as with restricted amounts. Assigned fund balance amounts are intended to be used by the government for specific purposes, but do not meet the criteria to be classified as restricted or committed. "Assigned" fund balance is a term that replaces the former term "designated" fund balance. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts that are not contained in the other classifications.

As of September 30, 2016, the County's governmental funds reported combined ending fund balances of $8,436,508, representing an increase of 40% from 2015.

Peach County's Governmental Fund Balance
September 30, 2016

FUND BALANCES:	General Fund	2008 SPLOST Fund	2015 SPLOST Fund	Other Governmental Funds	Total Governmental Funds	% TOTAL
Non-Spendable:						
Prepaid items	$ 481,331	$ 0	$ 0	$ 0	$ 481,331	5.70%
Restricted for:						
Law library operations	$ 0	$ 0	$ 0	$ 30,924	$ 30,924	0.37%
Juvenile programs	$ 0	$ 0	$ 0	$ 1,940	$ 1,940	0.02%
Sheriff facilities, equipment, and operations	$ 0	$ 0	$ 0	$ 141,107	$ 141,107	1.67%
Transit system operations	$ 0	$ 0	$ 0	$ 142	$ 142	0.00%
LMIG projects	$ 202,461				$ 202,461	2.40%
Capital outlay	$ 69,090	$ 1,026,741	$ 213,557	$ 1,165,674	$ 2,475,062	29.34%
Judicial	$ 0	$ 0	$ 0	$ 0	$ 0	
Public safety	$ 0	$ 0	$ 0	$ 0	$ 0	
Health and welfare	$ 0	$ 0	$ 0	$ 0	$ 0	
Conservation and development						
Committed for:						
Public safety	$ 0	$ 0	$ 0	$ 0	$ 0	
Assigned for:						
Buildings and plants	$ 53,636				$ 53,636	0.64%
Roads and bridges	$ 48,698	$ 0	$ 0	$ 0	$ 48,698	0.58%
Tourism	$ 0	$ 0	$ 0	$ 1,018	$ 1,018	0.01%
Subsequent Budget	$ 500,000				$ 500,000	5.93%
Public safety	$ 0				$ 0	
Public works	$ 0				$ 0	
Housing & Development	$ 0				$ 0	
Unassigned	$ 4,500,189	$ 0	$ 0	$ 0	$ 4,500,189	53.34%
TOTALS	$ 5,855,405	$ 1,026,741	$ 213,557	$ 1,340,805	$ 8,436,508	100.00%

At the end of the current fiscal year, Peach County reports a positive balance in all Governmental Fund categories of Fund Balance.

The General Fund is the chief operating fund of Peach County. At the end of the current fiscal year, unassigned fund balance of the General Fund was $4,500,189, representing a 15% decrease from 2015. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total General Fund expenditures ($19,248,069). Unassigned fund balance represents 23% of total General Fund expenditures. The total fund balance of the County's General Fund increased by $247,843, representing an increase of 4%. Current year expenditures of $19,248,069 represented a 31% increase over 2015 expenditures. Key factors in this increase included the expenditures made pursuant to the facilities systems upgrades for County buildings through the agreement with Energy Systems Group. Current year revenues of $16,050,108 represented a slight .13% decrease from 2015 revenues. The millage remained the same as in 2015, and there was a 1% cost of living adjustment awarded to all regular full-time and regular part-time employees for 2016.

At September 30, 2016, all funding received in the 2000 SPLOST Fund for Water, Sewer, and Waste Water Treatment Systems had been expended. Tax funding received from the SPLOST totaled $12,529,554. Due to aggressive investing in the early stages of the SPLOST collection and with the addition of two (2) Community Development Block Grants of $500,000 each, available funding from the 2000 SPLOST rose to $16,281,352.

Funding from the 2000 SPLOST has also been used to complete various water and sewer projects throughout Peach County, including the completion of the Peach County Watershed Assessment Study at $380,114 and the GANO Water & Sewer System Project at a cost of $1,042,403, which included $500,000 received from a Community Development Block Grant. In addition, intergovernmental agreements were signed by the Peach County Board of

Commissioners, the City of Fort Valley, the Fort Valley Utility Commission, the City of Byron, and the Peach County Water & Sewerage Authority to distribute funding to the City of Fort Valley and the City of Byron for water, sewer, and waste water projects.

The City of Fort Valley has received $7,500,000, of which $3,500,000 has been applied toward the renovation of the Walter S. Lanter Waste Water Treatment Facility in Fort Valley and $4,000,000 toward the construction of waste water collection and treatment infrastructure in the eastern section of Peach County along Georgia Highway 96.

The City of Byron has received $4,240,709, of which $642,213 was applied toward renovation and expansion of its existing waste water treatment facility, $398,496 was applied toward constructing and providing waste water collection and treatment infrastructure in Peach County extending from Hawk's Ridge Subdivision along easements for school property across Kay Road north along Jones Road and along Georgia Highway 247 Connector and Houser's Mill Road to Interstate Highway 75, and $3,200,000 that was applied toward constructing the wastewater transportation lines and required lift stations for connection to the Macon Water Authority system for the treatment of wastewater.

All remaining funds have been applied toward the construction of Phase I of the Southwest Peach County Sanitary Sewer Project which was begun in 2014 and neared completion in 2016 to install needed sewer infrastructure in and around the Ponderosa Subdivision. Funding expended from the 2000 SPLOST Fund for this project was $3,057,265, which included $500,000 from a Community Development Block Grant to supplement funding for the portion of the sewer project area meeting specified low to moderate income requirements. An additional $2,000,000 was approved by the Peach County voters in the 2015 SPLOST Referendum to be applied toward a continuation of the southwest Peach sewer project.

The fund balance for the 2004 Special Purpose Local Option Sales Tax decreased by 2% during the current fiscal year. Sales tax collections applied to the 2004 SPLOST concluded March 31, 2009, and the fund balance in this fund will continue to diminish as approved projects are completed. Major projects still underway include additional road upgrading and paving projects.

The fund balance for the 2008 SPLOST Fund was $1,026,741 at September 30, 2016. The SPLOST called for a total collection of $24,000,000, to be applied to the following project areas:

APPROVED 2008 SPLOST DISTRIBUTION

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

In 2009, Peach County issued general obligation bonds in the amount of $15,015,000, which included the election of the City of Byron to receive its 2008 SPLOST collection of $2,582,417 at the time the bonds were issued, with the County assuming all bond costs to be paid from future 2008 SPLOST revenues. The County's bond proceeds have been used to finance the acquisition and construction of a number of the capital projects listed above, to include the expansion and renovation of the Peach County Law Enforcement Center, further renovations at the Spruce Street

Complex, the construction of a new Public Safety Facility, and the purchase of public safety equipment. Sales tax collections for the 2008 Special Purpose Local Option Sales Tax concluded in March 2015, with total tax collections of $22,284,313, which fell short of original projections by 7%. The City of Fort Valley received a payout of $2,429,422 in 2015, bringing its total 2008 SPLOST distribution to $2,785,539. The County's total 2008 SPLOST distribution over the term of the SPLOST totaled $16,916,357.

The telephone landline and wireless service fees charged to customers and paid back to Peach County to fund E911 services are insufficient to cover the entire cost of operating E911. The General Fund supplements the E911 operation to cover costs not funded by these fees. In 2016, the General Fund supplemented E911 operations by $730,992, representing 62% of the total E911 expenditures of $1,176,190. The fee to Peach County residents for landline and wireless is $1.50 per line per month.

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

Unrestricted net position of the Solid Waste Collection Fund at the end of the year was $458,289. Other factors concerning the finances for this fund have already been addressed in the discussion of Peach County's business-type activities.

General Fund Budgetary Highlights

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

- Increase in general government functions - $1,339,572;
- Increase in judicial functions - $250,630;
- Increase in public safety functions - $2,165,546;
- Increase in public works functions - $206,623;
- Increase in health and welfare functions - $14,480;
- Increase in culture and recreation functions - $102,069;
- Increase in housing and development functions - $60,647; and,
- Increase in debt service - $61,282.

At the time that the 2016 Budget was originally adopted, all employee benefits, including health insurance, FICA, workers' compensation, etc., were included in their entirety in the general government budget. A budget amendment was processed to reallocate these budget amounts at the department level, which accounts for the majority of the adjustments listed above.

During the current year, revenues exceeded General Fund budgetary estimates by $175. Expenditures fell short of budgetary estimates by $601.

Capital Asset and Debt Administration

Capital Assets. Peach County's investment in capital assets for its governmental activities as of September 30, 2016, amounted to $51,720,792 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, roads, highways, and bridges. There are no capital assets assigned to business-type activities.

Peach County's Capital Assets Installed in 2016

ID #	CAPITAL PROJECT	FUNDING SOURCE	AMOUNT
1628	Zero Turn Mower	General Revenues	$ 6,719.20
1629	2014 Ford Explorer	General Revenues	$ 24,926.00
1630	Transfer Switch - Fire Station #6	General Revenues	$ 7,924.88
1635	John Deere 644EZ Tram Loader/Forklift	General Revenues	$ 59,600.00
1636	2008 Freightliner Truck	General Revenues	$ 160,000.00
1641	Sewer - North Peach Park	General Revenues	$ 18,600.00
1642	Land - 3975 North Highway 41, Byron	General Revenues	$ 11,512.71
1643	E911 Access System	General Revenues	$ 12,755.68
1431	LEC Renovations	2008 SPLOST	$ 9,503,764.74
1579	Regional Workforce Development Center	2015 SPLOST/EIP Grant/OneGA	$ 4,458,179.67
1637	Ford Utility Police Package Vehicle	2015 SPLOST	$ 42,814.58
1638	Ford Utility Police Package Vehicle	2015 SPLOST	$ 42,814.58
1639	Ford Utility Police Package Vehicle	2015 SPLOST	$ 42,814.58
1640	Durapatcher Pothole Patcher	2015 SPLOST	$ 55,910.00
			$ 14,448,336.62

Peach County's Capital Assets
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total Activities	
	2016	2015	2016	2015	2016	2015
Capital assets not being depreciated	$ 7,803,846	$ 19,638,014	$ 0	$ 0	$ 7,803,846	$ 19,638,014
Buildings	$ 19,658,466	$ 5,982,278	$ 0	$ 0	$ 19,658,466	$ 5,982,278
Improvements other than buildings	$ 1,722,143	$ 1,876,750	$ 0	$ 0	$ 1,722,143	$ 1,876,750
Infrastructure	$ 18,526,014	$ 19,786,161	$ 0	$ 0	$ 18,526,014	$ 19,786,161
Equipment	$ 4,010,323	$ 4,177,779	$ 0	$ 0	$ 4,010,323	$ 4,177,779
Total	$ 51,720,792	$ 51,460,982	$ 0	$ 0	$ 51,720,792	$ 51,460,982

Major construction in progress projects that began, were continued, or were completed in 2016 included the following:

- At September 30, 2016, work is nearing completion on the conversion of the old Fire Station #3 Building into a Public Works Operations Center to provide needed space for Public Works Building and Road Crews to work and perform necessary administrative duties. No additional expenditures were made toward the completion of this project in 2016. Therefore, construction in progress on this project remained at $9,788 at the close of 2016.

- At September 30, 2016, engineering is complete on the design of new walking trails for the South Peach Recreation Park. General revenues will be combined with funding from a Trails Grant through the Georgia Department of Natural Resources to extend walking trails throughout the park. Construction in progress on this project was at $7,075 at the close of 2016.

- As stated previously, construction work is nearing completion on Phase 1 of the Southwest Peach County Sanitary Sewer Project, which will provide needed sewer infrastructure in and around the Ponderosa Subdivision. Additional funding of $77,648 was applied to this project in 2016, bringing the total for Construction in Progress for this project to $2,929,868 at September 30, 2016.

- Work is continuing to improve drainage and make road improvements to Gracewood Road, Fullwood Road, Clint Howard Road, Brock Road, Preston Road, Sharon Road, Barrow Road, Lakeside Drive, and Smyrna

Church Road. These improvements are being funded from the 2004 and 2008 SPLOST Funds in combination with Local Maintenance and Improvement Grant Funding from the Georgia Department of Transportation. Costs applied to construction in progress on these roadways for 2016 was $30,559, for a total of $444,180 construction in progress at September 30, 2016.

- At September 30, 2016, engineered drawings had been completed for the construction of an Animal Control Facility that will be located adjacent to the Peach County Law Enforcement Center on Spruce Street. This project was approved in the 2008 Special Purpose Local Option Sales Tax referendum. This project was put out for bid in 2011, but bids received exceeded available funding. Plans are being re-engineered to bring costs more in line with available funding. No additional expenditures were made toward the completion of this project in 2016. Therefore, construction in progress on this project remained at $31,123 at the close of 2016.

- Work is just underway to construct an alternate entrance into South Peach Recreation Park. The proposed design has the new entrance coming off of Courtland Avenue in Fort Valley. Peach County obtained the majority of land needed for the road through a land transfer with the City of Fort Valley. Peach County agreed to exchange its property located on Jailhouse Alley where the Fort Valley station of the Peach County Emergency Medical Service was located prior to moving to the new Public Safety Facility on Highway 341 South in Fort Valley. The project is nearing the completion of the design phase. This project was recorded at $94 construction in progress at September 30, 2016.

- Work is nearing completion of the facilities systems upgrade as contracted through Energy Systems Group. This project includes upgrades to lighting systems, HVAC systems, computer technology systems, and system controls. Construction in progress includes $201,455 for flush valves at the Peach County LEC, $461,885 for a HVAC upgrades at the Peach County Courthouse, $124,671 for a VRF System at the Peach County Courthouse, $167,847 for a new chiller at the Peach County LEC, $694,376 for a building automation and control system, $17,500 for a new telephone system at the Peach County LEC, and $219,533 for computer system upgrades. Total construction in progress on these projects totaled $1,887,269 at September 30, 2016.

- The construction and renovation of the Peach County Law Enforcement Center has been completed. This project was funded by the 2004 and 2008 Special Purpose Local Option Sales Taxes. This project has vastly increased the level of security at the LEC as well as provided much needed inmate bed space. Construction in Progress was reduced by $9,503,766 at September 30, 2016, to reflect the completion of construction.

- The construction of the Regional Workforce Development Center located on James E. Khoury Drive in the South Peach Industrial Park has been completed. Central Georgia Technical College is occupying the facility and providing needed training for students in the Middle Georgia area. Additional funding of $113,713 was applied to this project in 2016. Construction in Progress was reduced by $4,458,180 at September 30, 2016, to reflect the completion of construction.

Funding for capital assets installed in 2016 included 2% from General Revenues, 66% from the 2008 Special Purpose Local Option Sales Tax, and 32% from the 2015 Special Purpose Local Option Sales Tax Fund. Funding applied in 2016 for additions made to projects still included in Construction in Progress included 3% in General Revenues, 89% in General Revenues through Capital Leases, 4% in 2000 Special Purpose Local Option Sales Tax Funds, 1% in 2004 Special Purpose Local Option Sales Tax Funds, less than 1% in 2008 Special Purpose Local Option Sales Tax Funds, and 5% in 2015 Special Purpose Local Option Sales Tax Funds in conjunction with funding from an Employment Incentive Program Grant and a OneGeorgia Grant.

Capital assets that are no longer providing a benefit to the County or serving a useful purpose due to age and/or condition are formally declared surplus and removed from the listing of capital assets. The capital assets disposed in 2016 include the following:

ID#	DISPOSED	COST	SALVAGE VALUE	ACCUMULATED DEPRECIATION	NET BOOK VALUE
1087	2003 Ford Crown Victoria	$ 28,037.62	$ 500.00	$ 27,537.62	$ 500.00
1088	2003 Ford Crown Victoria	$ 28,037.62	$ 500.00	$ 27,537.62	$ 500.00
1107	2008 Ford Crown Victoria	$ 34,907.68	$ 500.00	$ 34,407.68	$ 500.00
1191	1997 Ford F-450 Super Duty Ambulance	$ 47,815.00	$ -	$ 47,815.00	$ -
1404	2009 Ford Crown Victoria	$ 31,772.85	$ 500.00	$ 31,272.85	$ 500.00
1414	2000 International Packer Truck	$ 38,657.44	$ 2,000.00	$ 15,871.37	$ 22,786.07
		$ 209,228.21	$ 4,000.00	$ 184,442.14	$ 24,786.07

	CONSTRUCTION IN PROGRESS AT 9/30/2016		Balance
1575	Public Works Operations Center	General Revenues	$ 9,788
1631	South Peach Park Trail	General Revenues	$ 7,075
1644	Flush Valves – LEC	General Revenues/Capital Lease	$ 201,455
1645	Courthouse - HVAC	General Revenues/Capital Lease	$ 461,885
1646	Courthouse - VRF System	General Revenues/Capital Lease	$ 124,671
1647	LEC New Chiller	General Revenues/Capital Lease	$ 167,847
1648	Building Automation System	General Revenues/Capital Lease	$ 694,378
1649	IT Equipment - (LEC Telephones)	General Revenues/Capital Lease	$ 17,500
1650	IT Equipment - (Switches)	General Revenues/Capital Lease	$ 38,357
1651	IT Equipment - (Nutanix Virtual Servers)	General Revenues/Capital Lease	$ 181,176
1591	Southwest Peach County Sanitary Sewer Project	2000 SPLOST	$ 2,929,868
1423	Road Improvements - Gracewood	2004 SPLOST	$ 4,729
1426	Road Improvements - Fullwood Road	2004 SPLOST	$ 189,830
1428	Road Improvements - Clint Howard Road	2004 SPLOST	$ 42,858
1441	Road Improvements - Brock Road	2004 SPLOST	$ 4,500
1608	Road Improvements - Preston Road	2004 SPLOST	$ 11,946
1609	Road Improvements - Sharon Road	2004 SPLOST	$ 9,838
1632	Barrow Road Culvert Replacement	2004 SPLOST	$ 10,843
1633	Lakeside Drive Culvert Replacement	2004 SPLOST	$ 7,670
1431	LEC Renovation and Expansion	2008 SPLOST	$ -
1436	Road Improvements - Smyrna Church Road	2008 SPLOST	$ 152,067
1516	Animal Control Facility	2008 SPLOST	$ 31,123
1583	South Peach Recreation Park - New Entrance Road	2008 SPLOST	$ 94
1634	Smith Road	2008 SPLOST	$ 9,899
1579	Workforce Development Center	2015 SPLOST/EIP/OneGA Grants	$ -
			$ 5,309,397

Peach County's Funding Sources for Capital Assets in 2016

	ASSETS INSTALLED	% OF TOTAL	CIP ADDITIONS	% OF TOTAL	TOTAL	% OF TOTAL
General Revenues	$ 302,039	2.09%	$ 7,076	0.33%	$ 309,115	1.87%
General Revenues/Capital Lease	$ -	0.00%	$ 1,887,267	89.18%	$ 1,887,267	11.39%
2000 SPLOST	$ -	0.00%	$ 77,648	3.67%	$ 77,648	0.47%
2004 SPLOST	$ -	0.00%	$ 20,660	0.98%	$ 20,660	0.12%
2008 SPLOST	$ 9,503,765	65.78%	$ 9,899	0.47%	$ 9,513,664	57.43%
2015 SPLOST	$ 4,642,533	32.13%	$ -	0.00%	$ 4,642,533	28.03%
EIP/OneGA/SPLOST 2015	$ -	0.00%	$ 113,713	5.37%	$ 113,713	0.69%
E911	$ -	0.00%	$ -	0.00%	$ -	0.00%
Donated Assets	$ -	0.00%	$ -	0.00%	$ -	0.00%
	$ 14,448,337	100.00%	$ 2,116,263	100.00%	$ 16,564,600	100.00%

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

Long-Term Debt. As of September 30, 2016, Peach County's long-term debt for Governmental Activities totaled $6,741,655, which consisted of the following items:

In 2014, Peach County entered into a four (4) year capital lease at 1.48% interest with Suntrust to purchase two (2) new 2014 G4500 ambulances, totaling $239,266. Payments made from the General Fund toward this capital lease in 2016 totaled $59,507, bringing the balance down to $60,388 as of September 30, 2016.

In 2015, Peach County entered into a three (3) year capital lease with Bancorp South to purchase heavy road equipment, totaling $228,127, including a Case 750M Dozer for $90,447 and a Case 210 Excavator for $137,979. Payments totaling $60,287 were made in 2016 toward this capital lease from 2015 Special Purpose Local Option Sales Tax Funds, bringing the balances down to $52,671 on the dozer and $80,619 on the excavator as of September 30, 2016.

In 2016, Peach County entered into a fifteen (15) year capital lease at a fixed 2.66% interest rate with Bank of America for a total of $3,677,397, to purchase and upgrade various facility systems including HVAC, lighting, electrical, computer technology infrastructure, and systems controls throughout County facilities. Payments will be made biannually beginning in February 2017.

Landfill Post Closure Costs were recorded at $2,460,433 as of September 30, 2016. This includes an estimate of $1,749,476 in post closure care costs over the remaining nine (9) years of a thirty (30) year obligation on the Housers Mill Landfill which began when the landfill was closed in 1995. Also included is $710,957 in post closure care costs, which represents Peach County's 47.93% pro rata ownership in the Macon County Landfill through an agreement with the Middle Georgia Regional Solid Waste Management Authority, which includes Macon County, Dooly County, and Peach County.

Compensated Absences were recorded at $410,147 as of September 30, 2016. This includes the value of accrued and unused annual leave for all regular employees at the close of the budget year on September 30, 2016.

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

Economic Factors and Next Year's Budgets

- The Georgia Department of Labor has indicated that the December 2016 unemployment rate for Peach County is 6.6%, which has continued to show improvement when compared to the 6.8% rate recorded for December 2015 and the 8.6% rate recorded for December 2014. However, Peach County's unemployment rate still falls slightly short of the 5.8% rate recorded at December 2016 for the middle Georgia region, the statewide rate of 5.4%, and the national rate of 4.7%.

- Central Georgia Technical College has partnered with Peach County to open a new Regional Workforce Development Center in Peach County. The facility has been constructed with a combination of funding, including a $500,000 Employment Incentive Program Grant, an additional grant award of $500,000 through the OneGeorgia Authority, and $3,000,000 approved for this purpose in the 2015 Special Purpose Local Option Sales Tax. The Development Authority of Peach County donated approximately ten (10) acres of land in the South Peach Industrial Park on James E. Khoury Drive for the facility. The primary focus of this project is to enhance the local workforce by providing even more accessible educational opportunities to reduce the unemployment rates of individuals living in the middle Georgia area.

- Construction is nearing completion of Phase 1 of the Southwest Peach County Sanitary Sewer Project to install needed sewer infrastructure in and around the Ponderosa Subdivision in Fort Valley, Georgia, which was funded by the 2000 SPLOST Fund and $500,000 from a Community Development Block Grant to assist in a portion of the project area where residents met low to moderate income requirements. Design plans are complete and property and easement acquisition is underway for Phase 2 of the project, which is to be funded with an additional $2,000,000 approved by the voters in the 2015 Special Purpose Local Option Sales Tax referendum. At the conclusion of the project, the infrastructure will be donated to the City of Fort Valley, and the sewer system will be operated by the Fort Valley Utility Commission. It is anticipated that the City of Fort Valley will annex the project area into the incorporated limits of Fort Valley, and property owners in the project area will thereafter be required to pay property taxes levied by the City of Fort Valley and will be eligible to receive services provided by the City of Fort Valley.

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

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

- In 2014, the Peach County Board of Commissioners increased the millage rate by one mil, which has generated approximately $650,000 in additional tax revenues annually. At this time, 40% of the one mil increase is dedicated to funding closure and post closure care costs. This increase in conjunction with the increase in the solid waste fee from $144 to $204 annually for providing door to door residential solid waste collection in the unincorporated areas of Peach County is believed to be sufficient to eliminate the annual reduction in the County's fund balance and provide the County a greater level of financial stability.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

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

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash and cash equivalents	$ 8,017,075	$ 546,576	$ 8,563,651	$ 1,107,775
Restricted cash and cash equivalents	69,090	0	69,090	0
Investments	0	0	0	2,308,477
Receivables (net)				
Accounts	489,052	1,037,004	1,526,056	24,926
Intergovernmental	327,385	0	327,385	28,396
Taxes	8,947,643	0	8,947,643	0
Prepaid items	481,331	0	481,331	12,131
Poperty held for resale	0	0	0	86,000
Total current assets	18,331,576	1,583,580	19,915,156	3,567,705
Noncurrent assets				
Capital assets				
Non-depreciable	7,803,846	0	7,803,846	516,705
Depreciable (net)	43,916,946	0	43,916,946	2,979,547
Total noncurrent assets	51,720,792	0	51,720,792	3,496,252
Total assets	70,052,368	1,583,580	71,635,948	7,063,957
DEFERRED OUTFLOWS OF RESOURCES				
Pension investment return differences	577,576	9,304	586,880	0
Pension experience differences	0	0	0	30,499
Pension assumption changes	321,658	5,188	326,846	3,058
Pension contributions subsequent to measurement date	492,064	7,936	500,000	69,277
Total deferred outflows of resources	1,391,298	22,428	1,413,726	102,834
LIABILITIES				
Current liabilities				
Payables				
Accounts	858,352	86,245	944,597	12,609
Interest	60,866	0	60,866	0
Accrued liabilities	182,958	3,708	186,666	11,649
Compensated absences	82,029	0	82,029	9,886
Unearned revenue	0	1,017,502	1,017,502	0
Capital leases payable	284,657	0	284,657	0
Landfill post-closure care costs	194,386	0	194,386	0
Total current liabilities	1,663,248	1,107,455	2,770,703	34,144
Noncurrent liabilities				
Compensated absences	328,118	0	328,118	59,168
Net pension liability	2,391,015	38,161	2,429,176	687,215
Capital leases payable	3,586,418	0	3,586,418	0
Landfilll post-closure care costs	2,266,047	0	2,266,047	0
Total noncurrent liabilities	8,571,598	38,161	8,609,759	746,383
Total liabilities	10,234,846	1,145,616	11,380,462	780,527

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

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied for subsequent year	$ 8,617,030	$ 0	$ 8,617,030	$ 0
Pension investment return differences	0	0	0	99,612
Pension assumption changes	0	0	0	12,542
Pension experience differences	130,400	2,103	132,503	5,731
Total deferred inflows of resources	8,747,430	2,103	8,749,533	117,885
NET POSITION				
Net investment in capital assets	47,832,389	0	47,832,389	3,496,252
Restricted for:				
Law library operations	30,924	0	30,924	0
Juvenile programs	1,940	0	1,940	0
Sheriff facilities, equipment, and operations	141,107	0	141,107	0
Transit system operations	142	0	142	0
LMIG projects	202,461	0	202,461	0
Capital outlay	2,475,062	0	2,475,062	0
Permanent fund	0	0	0	30,922
Unrestricted	1,777,365	458,289	2,235,654	2,741,205
Total net position	$ 52,461,390	$ 458,289	$ 52,919,679	$ 6,268,379

PEACH COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For the fiscal year ended September 30, 2016

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue
Primary government					
Governmental activities					
General Government	$ 5,006,473	$ 313,976	$ 3,030	$ 0	$ (4,689,467)
Judicial	1,643,814	392,555	29,170	0	(1,222,089)
Public Safety	9,075,437	2,117,225	8,809	547,574	(6,401,829)
Public Works	3,808,792	52,985	0	399,432	(3,356,375)
Health and Welfare	245,454	0	62,538	0	(182,916)
Culture and Recreation	818,302	55,441	0	1,741	(761,120)
Housing and Development	330,372	0	0	0	(330,372)
Interest on long-term debt	65,318	0	0	0	(65,318)
Total governmental activities	20,993,962	2,932,182	103,547	948,747	(17,009,486)
Business-type activities					
Solid Waste	1,277,839	1,065,122	0	0	(212,717)
Total primary government	22,271,801	3,997,304	103,547	948,747	(17,222,203)
Component Units					
Development Authority					
Housing and Development	1,611,455	169,602	22,500	0	(1,419,353)
Peach Public Libraries					
Culture and Recreation	458,613	31,498	442,268	18,374	33,527
Health Department					
Health and Welfare	557,022	180,534	391,451	0	14,963
Total component units	2,627,090	381,634	856,219	18,374	(1,370,863)

	Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units
Change in net position				
Net (expense) revenue	$ (17,009,486)	$ (212,717)	$ (17,222,203)	$ (1,370,863)
General revenues				
Taxes				
Property	9,904,502	0	9,904,502	0
Sales	5,203,818	0	5,203,818	0
Insurance premium	679,191	0	679,191	0
Occupational	93,224	0	93,224	0
Alcohol Excise	70,758	0	70,758	0
Other	235,234	0	235,234	0
Interest and investment earnings	2,314	0	2,314	5,382
Other	145,259	0	145,259	0
Transfers	(479,558)	479,558	0	0
Total general revenues and transfers	15,854,742	479,558	16,334,300	5,382
Change in net position	(1,154,744)	266,841	(887,903)	(1,365,481)
Net position - beginning (original)	53,249,070	183,512	53,432,582	7,633,860
Prior period adjustments	367,064	7,936	375,000	0
Net position - beginning (restated)	53,616,134	191,448	53,807,582	7,633,860
Net position - ending	$ 52,461,390	$ 458,289	$ 52,919,679	$ 6,268,379

See accompanying notes to the financial statements.

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

	General	2008 SPLOST	2015 SPLOST	Nonmajor Governmental Funds	Totals
ASSETS					
Cash and cash equivalents	$ 3,379,638	$ 1,026,741	$ 2,266,154	$ 1,344,542	$ 8,017,075
Restricted cash and cash equivalents	69,090	0	0	0	69,090
Receivables (net)					
Accounts	358,318	0	0	130,734	489,052
Intergovernmental	327,385	0	0	0	327,385
Taxes	8,673,000	0	274,244	399	8,947,643
Due from other funds	2,248,062	0	0	142	2,248,204
Prepaid items	481,331	0	0	0	481,331
Total assets	$ 15,536,824	$ 1,026,741	$ 2,540,398	$ 1,475,817	$ 20,579,780
LIABILITIES					
Accounts payable	$ 644,561	$ 0	$ 209,688	$ 4,103	$ 858,352
Accrued liabilities	182,958	0	0	0	182,958
Due to other funds	142	0	2,117,153	130,909	2,248,204
Total liabilities	827,661	0	2,326,841	135,012	3,289,514
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue					
Property taxes	8,853,758	0	0	0	8,853,758
FUND BALANCES					
Nonspendable					
Prepaid items	481,331	0	0	0	481,331
Restricted for:					
Law library operations	0	0	0	30,924	30,924
Juvenile programs	0	0	0	1,940	1,940
Sheriff facilities, equipment, and operations	0	0	0	141,107	141,107
Transit system operations	0	0	0	142	142
LMIG projects	202,461	0	0	0	202,461
Capital outlay	69,090	1,026,741	213,557	1,165,674	2,475,062
Assigned for:					
General government buildings and plants	53,636	0	0	0	53,636
Roads and bridges	48,698	0	0	0	48,698
Tourism	0	0	0	1,018	1,018
Subsequent budget	500,000	0	0	0	500,000
Unassigned	4,500,189	0	0	0	4,500,189
Total fund balances	5,855,405	1,026,741	213,557	1,340,805	8,436,508
Total liabilities, deferred inflows of resources, and fund balances	$ 15,536,824	$ 1,026,741	$ 2,540,398	$ 1,475,817	$ 20,579,780

PEACH COUNTY, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
September 30, 2016

Total fund balances - total governmental funds		$ 8,436,508
Amounts reported for governmental activities in the statement of net position are different because:		
Some assets are not financial resources and therefore are not reported in the funds. These are:		
Capital assets, net of accumulated depreciation		51,720,792
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		236,728
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds. These are:		
Deferred outflows of resources:		
Pension investment return differences		577,576
Pension assumption changes		321,658
Pension contributions subsequent to measurement date		492,064
Deferred inflows of resources:		
Pension experience differences		(130,400)
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These are:		
Accrued interest	$ (60,866)	
Compensated absences	(410,147)	
Net pension liability	(2,391,015)	
Capital leases payable	(3,871,075)	
Landfill post-closure care costs	(2,460,433)	(9,193,536)
Net position of governmental activities		$ 52,461,390

PEACH COUNTY, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the fiscal year ended September 30, 2016

	General	2008 SPLOST	2015 SPLOST	Nonmajor Governmental Funds	Totals
REVENUES					
Taxes	$ 13,101,750	$ 0	$ 3,266,666	$ 5,682	$ 16,374,098
Licenses and permits	62,017	0	0	0	62,017
Fines, fees and forfeitures	468,281	0	0	36,203	504,484
Charges for services	1,900,897	0	0	464,787	2,365,684
Intergovernmental	356,830	0	202,461	259,508	818,799
Interest	2,272	0	0	42	2,314
Contributions	13,894	0	0	0	13,894
Other	144,167	0	0	1,092	145,259
Total revenues	16,050,108	0	3,469,127	767,314	20,286,549
EXPENDITURES					
Current					
General Government	6,790,133	0	0	0	6,790,133
Judicial	1,656,283	0	0	15,733	1,672,016
Public Safety	8,355,541	0	0	472,228	8,827,769
Public Works	1,153,582	0	0	0	1,153,582
Health and Welfare	180,467	0	0	62,538	243,005
Culture and Recreation	723,794	0	0	0	723,794
Housing and Development	326,988	0	0	10,042	337,030
Capital outlay	0	9,899	385,144	26,132	421,175
Debt service	61,281	0	64,007	0	125,288
Intergovernmental	0	0	1,176,000	0	1,176,000
Total expenditures	19,248,069	9,899	1,625,151	586,673	21,469,792
Excess (deficiency) of revenues over (under) expenditures	(3,197,961)	(9,899)	1,843,976	180,641	(1,183,243)
Other financing sources (uses)					
Transfers in	0	0	0	138,976	138,976
Transfers out	(618,534)	0	0	0	(618,534)
Sale of capital assets	19,877	0	0	0	19,877
Issuance of capital lease	3,677,397	0	0	0	3,677,397
Total other financing sources (uses)	3,078,740	0	0	138,976	3,217,716
Net change in fund balance	(119,221)	(9,899)	1,843,976	319,617	2,034,473
Fund balances, October 1 (original)	5,607,562	1,036,640	(1,630,419)	1,021,188	6,034,971
Prior period adjustments	367,064	0	0	0	367,064
Fund balances, October 1 (restated)	5,974,626	1,036,640	(1,630,419)	1,021,188	6,402,035
Fund balances, September 30	$ 5,855,405	$ 1,026,741	$ 213,557	$ 1,340,805	$ 8,436,508

See accompanying notes to the financial statements.

PEACH COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the fiscal year ended September 30, 2016

Net change in fund balances - total governmental funds			$ 2,034,473
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.			
	Capital outlays	$ 2,383,056	
	Depreciation	(2,318,060)	64,996
In the statement of activities, the gain/loss on the disposal of assets is reported, whereas in the governmental funds, the proceeds from the sale of capital assets increases financial resources.			
	Cost of assets disposed	(209,228)	
	Related accumulated depreciation	184,442	(24,786)
Contributions of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.			
	Other governments		219,600
Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.			
	Pension contributions	984,127	
	Cost of benefits earned net of employee contributions	(624,990)	359,137
The proceeds of debt issuance, net of premiums, discounts and issuance costs provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In addition, interest on long-term debt is not recognized in the governmental funds until due, but is recognized in the statement of activities as it accrues.			
	Debt proceeds	(3,677,397)	
	Debt principal payments	119,794	
	Net change in interest payable	(59,824)	(3,617,427)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These include recognition of unavailable revenue.			(187,371)
Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.			
	Compensated absences	72,673	
	Landfill post-closure care costs	(76,039)	(3,366)
Change in net position of governmental activities			$ (1,154,744)

PEACH COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended September 30, 2016

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 13,491,413	$ 13,101,747	$ 13,101,750	$ 3
Licenses and permits	105,152	62,002	62,017	15
Fines, fees and forfeitures	324,434	468,234	468,281	47
Charges for services	1,609,728	1,900,876	1,900,897	21
Intergovernmental	521,676	356,821	356,830	9
Interest	4,385	2,235	2,272	37
Contributions	100	13,893	13,894	1
Other	111,549	144,125	144,167	42
Total revenues	16,168,437	16,049,933	16,050,108	175
EXPENDITURES				
Current				
General Government				
County Commissioners	558,262	740,602	740,570	32
Elections	158,665	159,365	159,349	16
Board of Equalization	6,355	557	556	1
Data Processing	238,200	265,180	265,175	5
Human Resources	2,803,486	45,704	45,702	2
Tax Commissioner	229,700	300,079	300,053	26
Tax Assessor	340,367	457,653	457,612	41
Risk Management	408,200	453,185	453,184	1
General Government Buildings and Plant	603,996	4,261,936	4,261,858	78
Other General Government	103,534	106,076	106,074	2
Judicial				
Superior Court	100,447	109,992	109,991	1
Clerk of Superior Court	202,950	263,653	263,632	21
District Attorney	198,376	207,531	207,518	13
District Attorney - Victim Witness	75,625	93,341	93,334	7
Magistrate Court	198,597	267,615	267,591	24
Probate Court	218,488	278,204	278,179	25
Juvenile Court	81,144	113,574	113,561	13
Public Defender	330,131	322,478	322,477	1
Public Safety				
Sheriff	1,695,346	2,216,160	2,216,153	7
Jail	1,685,121	2,145,726	2,145,681	45
Drug Rehab and Training	62,234	81,219	81,211	8
Probation	1,134	1,270	1,269	1
Fire Department	978,749	1,562,349	1,562,330	19
Emergency Medical Services	1,150,000	1,490,253	1,490,210	43
Coroner	32,524	40,328	40,326	2
E911	501,162	731,026	730,992	34
Emergency Management	83,891	87,376	87,369	7
Public Works				
Public Works Department	183,364	220,971	220,950	21
Roadways and Walkways	745,657	913,368	913,328	40
Solid Waste Disposal	18,000	19,305	19,304	1

PEACH COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended September 30, 2016

	Budget			Variance with
	Original	Final	Actual	Final Budget
EXPENDITURES (continued)				
Current				
Health and Welfare				
Health	$ 99,300	$ 99,148	$ 99,148	$ 0
Welfare	23,600	21,897	21,896	1
Community Services	43,095	59,430	59,423	7
Culture and Recreation				
Recreation Department	328,367	431,181	431,176	5
Libraries	293,367	292,622	292,618	4
Housing and Development				
County Agent	41,928	44,918	44,916	2
Georgia Forestry Commission	3,042	3,042	3,042	0
Planning and Zoning	182,447	238,665	238,624	41
Economic Development Administration	30,430	30,430	30,430	0
Economic Opportunity	5,000	5,000	5,000	0
Community Promotioon	3,540	4,979	4,976	3
Debt service				
Principal	0	59,507	59,507	0
Interest and Other Charges	0	1,775	1,774	1
Total expenditures	15,047,821	19,248,670	19,248,069	601
Excess (deficiency) of revenues over expenditures	1,120,616	(3,198,737)	(3,197,961)	776
Other financing sources (uses)				
Transfers out	(448,137)	(498,528)	(618,534)	(120,006)
Sale of capital assets	13,600	19,868	19,877	9
Issuance of capital lease		3,677,397	3,677,397	0
Contingency	(686,079)	0	0	0
Total other financing sources (uses)	(1,120,616)	3,198,737	3,078,740	(119,997)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	(119,221)	(119,221)
Fund balances, October 1 (original)	0	0	5,607,562	5,607,562
Prior period adjustments	0	0	367,064	367,064
Fund balances, October 1 (restated)	0	0	5,974,626	5,974,626
Fund balances, September 30	$ 0	$ 0	$ 5,855,405	$ 5,855,405

PEACH COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2016

	Solid Waste
ASSETS	
Current assets	
Cash and cash equivalents	$ 546,576
Accounts receivable (net)	1,037,004
Total assets	1,583,580
DEFERRED OUTFLOWS OF RESOURCES	
Pension investment return differences	9,304
Pension assumption changes	5,188
Pension contributions subsequent to measurement date	7,936
Total deferred outflows of resources	22,428
LIABILITIES	
Current liabilities	
Accounts payable	86,245
Accrued liabilities	3,708
Unearned revenue	1,017,502
Total current liabilities	1,107,455
Noncurrent liabilities	
Net pension liability	38,161
Total liabilities	1,145,616
DEFERRED INFLOWS OF RESOURCES	
Pension experience differences	2,103
NET POSITION	
Unrestricted	458,289
Total net position	$ 458,289

See accompanying notes to the financial statements.

PEACH COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the fiscal year ended September 30, 2016

	Solid Waste
OPERATING REVENUES	
Refuse collection fees	$ 1,061,570
Other	3,552
Total operating revenues	1,065,122
OPERATING EXPENSES	
Salaries and benefits	161,896
Contract services	1,095,693
Supplies	20,250
Total operating expenses	1,277,839
Net income (loss) before transfers	(212,717)
Transfers	
Transfers in	479,558
Change in net position	266,841
Net position, October 1 (original)	183,512
Prior period adjustments	7,936
Net position, October 1 (restated)	191,448
Net position, September 30	$ 458,289

See accompanying notes to the financial statements.

PEACH COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended September 30, 2016

	Solid Waste
Cash flows from operating activities:	
Receipts from customers	$ 1,118,571
Payments to employees	(166,838)
Payments to suppliers	(1,205,192)
Other receipts	3,552
Net cash provided (used) by operating activities	(249,907)
Cash flows from non-capital financing activities:	
Receipts from other funds	479,558
Net increase (decrease) in cash and cash equivalents	229,651
Cash and cash equivalents, October 1	316,925
Cash and cash equivalents, September 30	$ 546,576
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	$ (212,717)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
(Increase) decrease in accounts receivable	(960,501)
(Increase) decrease in pension investment return differences	(8,595)
(Increase) decrease in pension assumption changes	(5,188)
(Increase) decrease in pension contributions subsequent to measurement date	(7,936)
Increase (decrease) in accounts payable	(89,249)
Increase (decrease) in accrued liabilities	851
Increase (decrease) in unearned revenue	1,017,502
Increase (decrease) in pension experience differences	2,103
Increase (decrease) in net pension liability	13,823
Total adjustments	(37,190)
Net cash provided (used) by operating activities	$ (249,907)

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

	Agency Funds
ASSETS	
Cash and cash equivalents	$ 1,575,578
Taxes receivable, net	20,305,694
Total assets	$ 21,881,272
LIABILITIES	
Due to others	$ 21,881,272
Total liabilities	$ 21,881,272

PEACH COUNTY, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
September 30, 2016

	Development Authority	Peach Public Libraries	Health Department	Totals
ASSETS				
Current assets				
Cash and cash equivalents	$ 379,042	$ 64,990	$ 663,743	$ 1,107,775
Investments	2,025,155	283,322	0	2,308,477
Accounts receivable (net)	0	24,926	0	24,926
Intergovernmental receivables	0	0	28,396	28,396
Prepaid items	12,131	0	0	12,131
Property held for resale	86,000	0	0	86,000
Total current assets	2,502,328	373,238	692,139	3,567,705
Noncurrent assets				
Capital assets				
Non-depreciable	349,705	167,000	0	516,705
Depreciable (net)	1,401,298	1,576,537	1,712	2,979,547
Total noncurrent assets	1,751,003	1,743,537	1,712	3,496,252
Total assets	4,253,331	2,116,775	693,851	7,063,957
DEFERRED OUTFLOWS OF RESOURCES				
Pension experience differences	0	30,499	0	30,499
Pension assumption changes	0	0	3,058	3,058
Pension contributions subsequent to measurement date	0	0	69,277	69,277
Total deferred outflows of resources	0	30,499	72,335	102,834
LIABILITIES				
Current liabilities				
Accounts payable	5,630	6,979	0	12,609
Accrued liabilities	3,012	411	8,226	11,649
Compensated absences	0	9,886	0	9,886
Total current liabilities	8,642	17,276	8,226	34,144
Noncurrent liabilities				
Compensated absences	0	11,757	47,411	59,168
Net pension liability	0	299,456	387,759	687,215
Total noncurrent liabilities	0	311,213	435,170	746,383
Total liabilities	8,642	328,489	443,396	780,527
DEFERRED INFLOWS OF RESOURCES				
Pension investment return differences	0	71,635	27,977	99,612
Pension assumption changes	0	0	12,542	12,542
Pension experience differences	0	2,633	3,098	5,731
Total deferred inflows of resources	0	74,268	43,617	117,885

PEACH COUNTY, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
September 30, 2016

	Development Authority	Peach Public Libraries	Health Department	Totals
NET POSITION				
Investment in capital assets	$ 1,751,003	$ 1,743,537	$ 1,712	$ 3,496,252
Restricted for permanent fund	0	30,922	0	30,922
Unrestricted	2,493,686	(29,942)	277,461	2,741,205
Total net position	$ 4,244,689	$ 1,744,517	$ 279,173	$ 6,268,379

PEACH COUNTY, GEORGIA
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the fiscal year ended September 30, 2016

	Development Authority	Peach Public Libraries	Health Department	Totals
Expenses				
Health and Welfare	$ 0	$ 0	$ 557,022	$ 557,022
Culture and Recreation	0	458,613	0	458,613
Housing and Development	1,611,455	0	0	1,611,455
Total expenses	1,611,455	458,613	557,022	2,627,090
Program revenues				
Charges for services	169,602	31,498	180,534	381,634
Operating grants and contributions	22,500	442,268	391,451	856,219
Capital grants and contributions	0	18,374	0	18,374
Total program revenues	192,102	492,140	571,985	1,256,227
Net (expense) revenue	(1,419,353)	33,527	14,963	(1,370,863)
General revenues				
Interest and investment earnings	4,555	321	506	5,382
Change in net position	(1,414,798)	33,848	15,469	(1,365,481)
Net position - beginning	5,659,487	1,710,669	263,704	7,633,860
Net position - ending	$ 4,244,689	$ 1,744,517	$ 279,173	$ 6,268,379

See accompanying notes to the financial statements.

1. Description of Government Unit

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

2. Summary of Significant Accounting Policies

A. Description of Government-wide Financial Statements

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

B. Reporting Entity

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

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

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

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

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

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

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

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

2. Summary of Significant Accounting Policies (continued)

C. Basis of Presentation – Government-wide Financial Statements

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

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

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

D. Basis of Presentation – Fund Financial Statements

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

The County reports the following major governmental funds:

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

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

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

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

The County reports the following major proprietary funds:

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

Additionally, the County reports the following fund types:

Governmental Fund Types

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

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

Fiduciary Fund Types

Trust and Agency Funds – Trust and Agency Funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that are held by the County as an agent to be expended in accordance with the conditions of its agency capacity.

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

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

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

E. Measurement Focus and Basis of Accounting

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

2. Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting, continued

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

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

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

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

2. Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting, continued

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

F. Revenues and Expenditures/Expenses

Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Solid Waste, Industrial Building, and Development Authority Enterprise Funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal services funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

G. Budgetary Information

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

2. Summary of Significant Accounting Policies (continued)

G. Budgetary Information, continued

For the fiscal year ended September 30, 2016, annual budgets were adopted for the General Fund and all Special Revenue Funds. Budgets for the Capital Projects Funds are adopted on a project basis, spanning more than one fiscal year. The County Commission must approve any amendments to the budget, The County follows the following procedures in establishing budgetary data reflected in the financial statements:

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

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

2. Summary of Significant Accounting Policies (continued)

H. Cash and Investments

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

I. Intergovernmental Receivables

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

J. Inventories

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

K. Prepaid Items

Payments made to vendors for services that will benefit periods beyond September 30, 2016, are recorded as prepaid items. The costs of governmental fund-type prepaid items are recorded as expenditures when consumed rather than when purchased.

2. Summary of Significant Accounting Policies (continued)

L. Capital Assets

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

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

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

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

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

2. Summary of Significant Accounting Policies (continued)

L. Capital Assets, continued

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

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

M. Deferred Outflows/Inflows of Resources

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

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

2. Summary of Significant Accounting Policies (continued)

N. Compensated Absences

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

O. Net Position Flow Assumption

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

P. Fund Balance Flow Assumption

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

2. Summary of Significant Accounting Policies (continued)

Q. Restricted Assets and Restricted Net Position

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

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

R. Fund Balances – Governmental Funds

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

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities and deferred inflows of resources under the current financial resources management focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

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

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. All amounts reported as nonspendable at September 30, 2016 by the County are nonspendable in form. The County has not reported any amounts that are legally or contractually required to be maintained intact.

2. Summary of Significant Accounting Policies (continued)

R. Fund Balances – Governmental Funds, continued

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

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

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

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

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

2. Summary of Significant Accounting Policies (continued)

S. Net Position

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

T. Long-Term Obligations

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

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

U. Capital Contributions

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

2. Summary of Significant Accounting Policies (continued)

V. Management Estimates

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

3. Deposit and Investment Risk

Custodial Credit Risk – Deposits

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

Interest Rate Risk

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

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

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

4. Accounts Receivable

Net accounts receivable at September 30, 2016 consist of the following:

Primary Government:		
Major Funds		
General Fund		$ 358,318
Solid Waste Enterprise Fund		1,037,004
Nonmajor Funds		
Special Revenue Funds		
Jail Inmate Canteen	$ 1,559	
E911	129,175	130,734
Total primary government		$ 1,526,056
Component Units		
Peach Public Libraries		$ 24,926

5. Intergovernmental Receivables

Intergovernmental receivables at September 30, 2016 consist of the following:

Primary Government:		
Major Funds		
General Fund		
Federal Emergency Management Agency	$ 297,550	
Georgia Department of Corrections	5	
Peach County Board of Education	16,181	
Crawford County, Georgia	8,900	
City of Byron, Georgia	3,787	
City of Fort Valley, Georgia	962	$ 327,385
Component Units		
Health Department		
Georgia Department of Public Health		$ 28,396

6. Property Taxes

Property taxes for the 2016 fiscal year were levied on July 13, 2015, with property values assessed as of January 1, 2015. Bills are payable on or before December 20, 2015, after which the applicable property is subject to lien and penalties and interest as assessed. Property taxes levied during 2015 are for fiscal year 2016.

7. Interfund Receivables and Payables

A summary of interfund receivables and payables as of September 30, 2016 is as follows:

Receivable Fund	Payable Fund	Amount
General	2015 SPLOST	$ 2,117,153
	Nonmajor Governmental	130,909
Nonmajor Governmental	General	142
		$ 2,248,204

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

8. Interfund Transfers

A summary of interfund transfers as of September 30, 2016 is as follows:

Transfer Out Fund	Transfer In Fund	Amount
General	Solid Waste	$ 479,558
	Nonmajor Governmental	138,976
		$ 618,534

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

8. Interfund Transfers (continued)

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

9. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Non-depreciable assets				
Land	$ 2,482,936	$ 11,513	$ 0	$ 2,494,449
Construction in progress	17,155,078	2,116,263	(13,961,944)	5,309,397
Total non-depreciable assets	19,638,014	2,127,776	(13,961,944)	7,803,846
Depreciable assets				
Buildings	10,155,912	13,961,944	0	24,117,856
Improvements other than buildings	3,234,580	18,600	0	3,253,180
Infrastructure	54,445,829	0	0	54,445,829
Equipment	12,261,319	456,280	(209,228)	12,508,371
Total depreciable assets	80,097,640	14,436,824	(209,228)	94,325,236
Less accumulated depreciation				
Buildings	(4,173,634)	(285,756)	0	(4,459,390)
Improvements other than buildings	(1,357,830)	(173,207)	0	(1,531,037)
Infrastructure	(34,659,668)	(1,260,147)	0	(35,919,815)
Equipment	(8,083,540)	(598,950)	184,442	(8,498,048)
Total accumulated depreciation	(48,274,672)	(2,318,060)	184,442	(50,408,290)
Total depreciable assets, net	31,822,968	12,118,764	(24,786)	43,916,946
Governmental activities capital assets, net	$ 51,460,982	$ 14,246,540	$ (13,986,730)	$ 51,720,792

9. Capital Assets (continued)

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

	Beginning Balance	Increases	Decreases	Ending Balance
Development Authority				
Non-depreciable assets				
Land	$ 360,812	$ 66,505	$ (77,612)	$ 349,705
Total non-depreciable assets	360,812	66,505	(77,612)	349,705
Depreciable assets				
Buildings	6,147,722	0	(4,454,601)	1,693,121
Equipment	68,319	1,276	0	69,595
Vehicles	22,040	0	0	22,040
Total depreciable assets	6,238,081	1,276	(4,454,601)	1,784,756
Less accumulated depreciation				
Buildings	(2,165,679)	(74,529)	1,901,584	(338,624)
Equipment	(10,275)	(12,519)	0	(22,794)
Vehicles	(22,040)	0	0	(22,040)
Total accumulated depreciation	(2,197,994)	(87,048)	1,901,584	(383,458)
Total depreciable assets, net	4,040,087	(85,772)	(2,553,017)	1,401,298
Development Authority capital assets, net	$ 4,400,899	$ (19,267)	$ (2,630,629)	$ 1,751,003

	Beginning Balance	Increases	Decreases	Ending Balance
Peach Public Libraries				
Non-depreciable assets				
Land	$ 167,000	$ 0	$ 0	$ 167,000
Total non-depreciable assets	167,000	0	0	167,000
Depreciable assets				
Buildings	2,099,984	0	0	2,099,984
Library books and materials	694,270	50,472	(46,309)	698,433
Total depreciable assets	2,794,254	50,472	(46,309)	2,798,417
Less accumulated depreciation				
Buildings	(626,949)	(38,333)	0	(665,282)
Library books and materials	(580,634)	(22,273)	46,309	(556,598)
Total accumulated depreciation	(1,207,583)	(60,606)	46,309	(1,221,880)
Total depreciable assets, net	1,586,671	(10,134)	0	1,576,537
Peach Public Libraries capital assets, net	$ 1,753,671	$ (10,134)	$ 0	$ 1,743,537

9. Capital Assets (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Health Department				
Depreciable assets				
Machinery and equipment	$ 50,351	$ 0	$ 0	$ 50,351
Total depreciable assets	50,351	0	0	50,351
Less accumulated depreciation				
Machinery and equipment	(48,087)	(552)	0	(48,639)
Total accumulated depreciation	(48,087)	(552)	0	(48,639)
Health Department capital assets, net	$ 2,264	$ (552)	$ 0	$ 1,712

Depreciation expense was charged to functions/programs as follows:

Primary Government	
Governmental activities	
General Government	$ 208,424
Public Safety	551,603
Public Works	1,444,823
Health and Welfare	5,092
Culture and Recreation	104,151
Housing and Development	3,967
Total depreciation expense for governmental activities	$ 2,318,060
Component units	
Development Authority	$ 87,048
Peach Public Libraries	60,606
Health Department	552
Total depreciation expense for component units	$ 148,206

10. Capital Lease Agreements

Governmental Activities

The County has entered into lease-purchase agreements to finance the acquisition of vehicles and equipment. The terms of the agreements meet the criteria of capital leases as defined by Statement of Financial Accounting Standards No. 13, which defines a capital lease generally as one which transfers benefits and risk of ownership to the lessee. The balance of the leases at September 30, 2016 is $3,871,075 for governmental activities. As of September 30, 2016, the County had $2,354,659 of vehicles and equipment, with associated accumulated depreciation of $127,339 financed under the capital leases. Depreciation expense for fiscal year 2016 on the leased assets totaled $62,795.

The following is a schedule of the future minimum lease payments together with the present value of the net minimum lease payments as of September 30, 2016:

Fiscal Year Ending September 30,	Governmental Activities
2017	$ 433,883
2018	382,617
2019	313,839
2020	318,173
2021	214,947
2022 - 2026	1,541,731
2027 - 2031	1,527,025
	4,732,215
Less amounts representing interest	(861,140)
Present value of minimum lease payments	$ 3,871,075

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

11. Long-Term Debt

Changes in Long - Term Debt

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

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
Capital leases payable	$ 313,472	$ 3,677,397	$ 119,794	$ 3,871,075	$ 284,657
Landfill post-closure care costs	2,384,394	259,073	183,034	2,460,433	194,386
Compensated absences	482,820	289,442	362,115	410,147	82,029
Total governmental activities	$ 3,180,686	$ 4,225,912	$ 664,943	$ 6,741,655	$ 561,072
Component Units					
Peach Public Libraries					
Compensated absences	$ 19,085	$ 23,596	$ 21,038	$ 21,643	$ 9,886
Health Department					
Compensated absences	39,323	27,997	19,909	47,411	0
Total component units	$ 58,408	$ 51,593	$ 40,947	$ 69,054	$ 9,886

Bond discounts/premiums are amortized over the life of the related debt using the straight-line method. For governmental activities, compensated absences and landfill post-closure care costs are liquidated by the General Fund. The total interest incurred and charged to expense for the year ended September 30, 2016 was $65,318 for governmental activities.

12. Conduit Debt

Development Authority Component Unit

The Development Authority has issued revenue bonds to provide financial assistance to a nonprofit corporation and an exempt organization for the acquisition and construction of student housing facilities. The bonds are secured by the property financed and are payable solely from the payments received on the underlying loan agreement. Upon repayment of the bonds, ownership of the acquired facilities transfers to the exempt organization served by the bond issuance. The Development Authority is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The amount of conduit debt revenue bond obligations outstanding as of September 30, 2016 is $19,560,000.

During the fiscal year ended September 30, 2009, the Development Authority entered into a note payable with the OneGeorgia Authority to provide financial assistance to a local corporation for the acquisition of machinery and equipment. The note is secured by the property financed and is payable solely from payments received on the underlying agreement. Upon repayment of the note, ownership of the acquired machinery and equipment transfers to the local corporation served by the note issuance. The Development Authority is not obligated in any manner for repayment of the note. Accordingly, the note is not reported as a liability in the accompanying financial statements. The balance of conduit debt notes payable obligation was paid in full in April 2016.

13. Landfill Closure and Post-Closure Care Costs

Houser's Mill – Peach County has closed its landfill located on Houser's Mill Road. State and Federal regulations require that the County place a final cover on its landfill and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. At this time, engineering studies estimate post-closure costs of approximately $1,749,476 over the next 9 years. These costs are based on the amount that would be paid if all equipment, facilities, and services required to monitor and maintain the landfill were acquired as of September 30, 2016. However, actual costs may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. Should any problems occur during this post-closure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

Middle Georgia Regional Municipal Solid Waste Landfill – Peach County entered into an agreement in August 1993 to share the costs associated with the Middle Georgia Regional Municipal Solid Waste Landfill (MGRMSWL). State and Federal regulations require that the County place a final cover on its landfill and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. At this time, engineering studies estimate the County's portion of closure and post-closure costs of approximately $710,957. These costs are based on the amount that would be paid if all equipment, facilities, and services required to monitor and maintain the landfill were acquired as of September 30, 2016. However, actual costs may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. Should any problems occur during this post-closure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

14. Changes in Beginning Balances

Governmental Activities

A prior period adjustment has been made to adjust the balance of payables at September 30, 2015. This adjustment increased beginning net position by $367,064.

Business-Type Activities

Solid Waste Enterprise Fund

A prior period adjustment has been made to adjust the balance of payables at September 30, 2015. This adjustment increased beginning net position by $7,936.

15. Net Investment in Capital Assets

The net investment in capital assets reported on the government-wide statement of net position is calculated as follows for the fiscal year ended September 30, 2016:

	Governmental Activities
Cost of capital assets	$ 102,129,082
Accumulated depreciation	(50,408,290)
Book value	51,720,792
Capital-related accounts payable	(17,328)
Capital-related capital leases payable	(3,871,075)
Net investment in capital assets	$ 47,832,389

16. Retirement Plans

Defined Benefit Pension Plan

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

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

Participant counts and covered compensation (based on covered earnings for the preceding year) as of January 1, 2015, the date of the most recent actuarial valuation, are as follows:

Retirees, beneficiaries and disablees receiving benefits	24
Terminated plan participants entitled to but not yet receiving benefits	81
Active employees participating in the plan	160
Total number of plan participants	265
Covered compensation for active participants	$ 5,990,378

16. Retirement Plans (continued)

Defined Benefit Pension Plan, continued

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

Contributions. The County is required to contribute at an actuarially determined rate. The County's actuarially determined contribution rate for the fiscal year ended September 30, 2016 was $453,525, or 7.57% of covered-employee payroll. Section 47-20 of the Georgia Code sets forth the minimum funding standards for state and local governmental pension plans. Administrative expenses are based on total covered compensation of active plan participants and are added to the state-required annual funding requirement.

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

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At September 30, 2016, the County reported a net pension liability of $2,429,176. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2015. For the fiscal year ended September 30, 2016, the County recognized pension expense of $635,070.

16. Retirement Plans (continued)

Defined Benefit Pension Plan, continued

The components of the net pension liability are as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at December 31, 2014	$ 11,130,479	$ 9,572,175	$ 1,558,304
Changes for the year:			
Service cost	314,168	0	314,168
Interest	826,007	0	826,007
Liability experience (gain) / loss	(159,544)	0	(159,544)
Assumption change	393,549	0	393,549
Employer contributions	0	500,000	(500,000)
Net investment income	0	80,263	(80,263)
Benefit payments	(234,116)	(234,116)	0
Administrative expense	0	(32,345)	32,345
Other changes	0	(44,610)	44,610
Net changes	1,140,064	269,192	870,872
Balances at December 31, 2015	$ 12,270,543	$ 9,841,367	$ 2,429,176

Plan fiduciary net position as a percentage of the total pension liability	80.20%
Covered employee payroll	$ 5,990,378
Net pension liability as a percentage of covered employee payroll	40.55%

At September 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ 586,880	$ 0
Differences between expected and actual experience	0	(132,503)
Changes of assumptions	326,846	0
County contributions subsequent to the measurement date	500,000	0
Totals	$ 1,413,726	$ (132,503)

16. Retirement Plans (continued)

Defined Benefit Pension Plan, continued

The $500,000 of deferred outflows of resources resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net position liability in the fiscal year ending September 30, 2017. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending September 30		
2017	$	189,221
2018		189,221
2019		189,221
2020		177,865
2021		35,695
Totals	$	781,223

Actuarial Assumptions. The total pension liability in the January 1, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Future salary increases	5.50% per year with an age based scale
Cost of living adjustments	N/A
Net investment rate of return	7.50%

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

16. Retirement Plans (continued)

Defined Benefit Pension Plan, continued

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2015 are summarized in the following table:

Benchmark	Asset Allocation	Average 20 Year Return	Weighted 20 Year Return	Average 30 Year Return	Weighted 30 Year Return
S&P 500	30%	8.80%	2.64%	10.74%	3.22%
Barlay's Agg.	30%	5.75%	1.73%	7.80%	2.34%
MSCI EAFE	15%	5.44%	0.82%	9.51%	1.43%
Citi Non US WEBI	5%	5.48%	0.27%	5.48%	0.27%
NAREIT Equity	5%	9.91%	0.50%	11.35%	0.57%
Russell 2000	5%	8.96%	0.45%	9.37%	0.47%
Russell 3000	5%	8.89%	0.44%	10.58%	0.53%
S&P Mid Cap	5%	11.83%	0.59%	13.21%	0.66%
Weighted Return			7.44%		9.49%

Discount Rate. The discount rate used to measure the total pension liability was 7.50 percent. The discount rate is determined through a blend of using a building blocks approach based on 20-year benchmarks (25%) and 30-year benchmarks (25%), as well as the forward-looking capital market assumptions for a moderate asset allocation (50%), as determined by UBS. The projection of cash flows used to determine the discount rate assumed that contributions from employer will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	Discount Rate	Net Pension Liability
1% decrease	6.50%	$ 4,231,559
Current discount rate	7.50%	2,429,176
1% increase	8.50%	931,860

16. Retirement Plans (continued)

Defined Benefit Pension Plan, continued

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

Peach County Board of Health Retirement Plan

Eligible employees of the Peach County Board of Health participate in the Georgia State Employees' Retirement System (ERS), a statewide multiple-employer public employee retirement system. During the fiscal year ended June 30, 2016, the Health Department contributed $69,277. As of June 30, 2016, the Health Department reported a liability in the amount of $387,759 for its proportionate share (0.01%) of the net pension liability. The Health Department recognized pension expense of $17,036 for the fiscal year ended June 30, 2016. Further information regarding the plan can be obtained from Department's annual audit report by contacting Peach County Health Department, P.O. Box 1149, Fort Valley, Georgia 31030.

Peach Public Libraries Retirement Plan

Eligible employees of the Peach Public Libraries participate in the Teachers Retirement System of Georgia (TRS), a statewide, cost-sharing multiple-employer defined benefit plan. During the fiscal year ended June 30, 2016, Peach Public Libraries contributed $27,298. As of June 30, 2016, Peach Public Libraries reported a liability in the amount of $299,456 for its proportionate share (0.002%) of the net pension liability. Peach Public Libraries recognized pension expense of $17,437 for the fiscal year ended June 30, 2016. As of June 30, 2016, Peach Public Libraries reported deferred outflows of resources in the amount of $30,499 for changes in proportion and differences between District contributions and proportionate share of contributions. Peach Public Libraries also reported deferred inflows of resources in the amount of $2,634 for the differences between expected and actual experience, $25,259 for the net difference between projected and actual earnings on pension plan investments, and $46,376 for the changes in proportion and differences between District contributions and proportionate share of contributions

16. Retirement Plans (continued)

Peach Public Libraries Retirement Plan, continued

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

Year Ending June 30	
2017	$ (14,428)
2018	(14,428)
2019	(14,428)
2020	1,846
2021	(2,332)
Totals	$ (43,770)

The following presents what Peach Public Libraries' proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.50 percent) or one percentage-point higher (8.50 percent) than the current rate:

	Discount Rate	Net Pension Liability
1% decrease	6.50%	$ 514,593
Current discount rate	7.50%	299,456
1% increase	8.50%	122,132

Other Plans

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

17. Other Post-Employment Benefits

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

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

Funding Policy. The contribution requirements of plan members and participating employers are established by the Board in accordance with the current Appropriations Act and may be amended by the Board. Contributions of plan members or beneficiaries receiving benefits vary based on plan election, dependent coverage, and Medicare eligibility and election. For members with fewer than five years of service as of January 1, 2012, contributions also vary based on years of service. On average, members with five years or more of service as of January 1, 2012, pay approximately 25 percent of the cost of the health insurance coverage. In accordance with the Board resolution dated December 8, 2011, for members with fewer than five years of service as of January 1, 2012, the state provides a premium subsidy in retirement that ranges from 0% for fewer than 10 years of service to 75% (but no greater than the subsidy percentage offered to active employees) for 30 or more years of service. The subsidy for eligible dependents ranges from 0% to 55% (but no greater than the subsidy percentage offered to dependents of active employees minus 20%). No subsidy is available to Medicare eligible members not enrolled in a Medicare Advantage Option. The Board sets all member premiums by resolution and in accordance with the law and applicable revenue and expense projections. Any subsidy policy adopted by the Board may be changed at any time by Board resolution and does not constitute a contract or promise of any amount of subsidy.

17. Other Post-Employment Benefits (continued)

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

Funding Policy (continued). Participating employers, including public library systems, are statutorily required to contribute in accordance with the employer contribution rates established by the Board. The contribution rates are established to fund all benefits due under the health insurance plans for both active and retired employees based on projected "pay-as-you-go" financing requirements. Contributions are not based on the actuarially calculated annual required contribution (ARC), which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The combined active and retiree contribution rates established by the Board for employers participating in the School OPEB Fund were as follows for the fiscal year ended September 30, 2016:

Period	Covered Payroll
October 2015 - September 2016	$843 per member, per month

No additional contribution was required by the Board for fiscal year 2016 nor did the Library contribute to the School OPEB Fund to prefund retiree benefits. Such additional contribution amounts are determined annually by the Board in accordance with the School plan for other post-employment benefits and are subject to appropriation.

The Library's combined active and retiree contributions to the health insurance plans, which equaled the required contribution, for the current fiscal year and the preceding two fiscal years were as follows:

Fiscal Year	Percentage Contributed	Required Contribution
September 30, 2016	100%	$ 41,307
September 30, 2015	100%	36,249
September 30, 2014	100%	53,109

18. Hotel/Motel Lodging Tax

The County has levied a 5% lodging tax in accordance with OCGA 48-13-51. A summary of the transactions for the fiscal year ended September 30, 2016 follows:

Lodging Tax Receipts	$ 5,682	
Disbursements for trade and tourism	$ 2,542	45% of tax receipts

19. Joint Ventures

Under Georgia law, the County, in conjunction with other cities and counties in the middle Georgia area, is a member of the Middle Georgia Regional Commission (MGRC) and is required to pay annual dues thereto. During the fiscal year ended September 30, 2016, the County paid $16,040 in such dues. Membership in the RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official in each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. A copy of the MGRC financial statements can be obtained from MGRC, 175-C Emery Highway, Macon, Georgia 31217.

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

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

19. Joint Ventures (continued)

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

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

20. Risk Management

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

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

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

20. Risk Management (continued)

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

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

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

21. Commitments and Contingencies

Commitments

The County has active projects as of September 30, 2016. At fiscal year end, the County's commitments with contractors are as follows:

Project	Amount Spent to Date	Remaining Commitment
Peach County Energy Project	$ 3,608,307	$ 69,090
South West Peach Sewer Project	2,929,868	108,400
South Peach Park Trail Expansion Project	7,075	11,975
Barrow Road Culvert Replacement Project	10,843	1,500
Lakeside Drive Culvert Replacement Project	7,670	5,500
	$ 6,563,763	$ 196,465

21. Commitments and Contingencies (continued)

Contingencies

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

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

REQUIRED SUPPLEMENTARY INFORMATION

PEACH COUNTY, GEORGIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
LAST TEN FISCAL YEARS
September 30, 2016
(Unaudited)

	Fiscal Year End	
	2015	**2016**
Total pension liability		
Service cost	$ 309,486	$ 314,168
Interest	769,579	826,007
Liability experience (gain) / loss	0	(159,544)
Assumption change	0	393,549
Benefit payments	(209,637)	(234,116)
Net change in total pension liability	869,428	1,140,064
Total pension liability - beginning	10,261,051	11,130,479
Total pension liability - ending (a)	$ 11,130,479	$ 12,270,543
Plan fiduciary net position		
Contributions - employer	$ 500,000	$ 500,000
Net investment income	650,296	80,263
Benefit payments	(202,060)	(234,116)
Administrative expense	(30,461)	(32,345)
Other	(44,616)	(44,610)
Net change in total pension liability	873,159	269,192
Plan fiduciary net position - beginning	8,699,016	9,572,175
Plan fiduciary net position - ending (b)	$ 9,572,175	$ 9,841,367
Net pension liability (asset) - ending : (a) - (b)	$ 1,558,304	$ 2,429,176
Plan's fiduciary net position as a percentage of the total pension liability	86.00%	80.20%
Covered-employee payroll	$ 5,880,243	$ 5,990,378
Net pension liability as a percentage of covered-employee payroll	26.50%	40.55%

Note: Fiscal year 2015 was the first year of implementation. Therefore, only two years are reported.

PEACH COUNTY, GEORGIA
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS
September 30, 2016
(Unaudited)

	Fiscal Year End	
	2015	**2016**
Actuarially determined contribution	$ 469,956	$ 453,525
Contributions in relation to the actuarially determined contribution	(500,000)	(500,000)
Contribution deficiency (excess)	$ (30,044)	$ (46,475)
Covered-employee payroll	$ 5,880,243	$ 5,990,378
Contributions as a percentage of covered-employee payroll	8.50%	8.35%

Note: Fiscal year 2015 was the first year of implementation. Therefore, only two years are reported.

1. Valuation Date

The actuarially determined contribution rate was determined as of December 31, 2015, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending September 30, 2017.

2. Methods and Assumptions Used to Determine Contribution Rates

Actuarial cost method = Entry Age Normal

Amortization method = Closed level dollar for remaining unfunded liability

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

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

Net investment rate of return = 7.50%

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

Cost of living adjustments = N/A

Normal retirement age = 65

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

3. Changes in Benefits

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

4. Changes of Assumptions

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

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

NONMAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUNDS

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

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

Water, Sewer & Wastewater Treatment System Fund – This fund is used to account for capital outlays for water, sewer, and waste water lines and treatment system, with financing being provided by a special purpose local option sales tax.

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

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COMBINING STATEMENTS

Nonmajor Governmental Funds

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

	Special Revenue				
	Law Library	Transit System	Drug	Federal Drug	Jail Inmate Canteen
ASSETS					
Cash and cash equivalents	$ 30,924	$ 0	$ 35,528	$ 50,142	$ 53,878
Receivables					
Accounts	0	0	0	0	1,559
Taxes	0	0	0	0	0
Due from other funds	0	142	0	0	0
Total assets	$ 30,924	$ 142	$ 35,528	$ 50,142	$ 55,437
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	$ 0	$ 0	$ 0	$ 0	$ 0
Due to other funds	0	0	0	0	0
Total liabilities	0	0	0	0	0
Fund balances					
Restricted for:					
Law library operations	30,924	0	0	0	0
Juvenile programs	0	0	0	0	0
Sheriff facilities, equipment and operations	0	0	35,528	50,142	55,437
Transit system operations	0	142	0	0	0
Capital outlay	0	0	0	0	0
Assigned for tourism	0	0	0	0	0
Total fund balances	30,924	142	35,528	50,142	55,437
Total liabilities and fund balances	$ 30,924	$ 142	$ 35,528	$ 50,142	$ 55,437

Special Revenue			Capital Projects			
Juvenile	Hotel/ Motel Tax	E911	Sales Tax	Water, Sewer & Wastewater Treatment System	2004 SPLOST	Total Nonmajor Governmental Funds
$ 1,940	$ 1,049	$ 0	$ 211,037	$ 0	$ 960,044	$ 1,344,542
0	0	129,175	0	0	0	130,734
0	399	0	0	0	0	399
0	0	0	0	0	0	142
$ 1,940	$ 1,448	$ 129,175	$ 211,037	$ 0	$ 960,044	$ 1,475,817
$ 0	$ 430	$ 0	$ 0	$ 0	$ 3,673	$ 4,103
0	0	129,175	1,734	0	0	130,909
0	430	129,175	1,734	0	3,673	135,012
0	0	0	0	0	0	30,924
1,940	0	0	0	0	0	1,940
0	0	0	0	0	0	141,107
0	0	0	0	0	0	142
0	0	0	209,303	0	956,371	1,165,674
0	1,018	0	0	0	0	1,018
1,940	1,018	0	209,303	0	956,371	1,340,805
$ 1,940	$ 1,448	$ 129,175	$ 211,037	$ 0	$ 960,044	$ 1,475,817

PEACH COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended September 30, 2016

	Special Revenue				
	Law Library	Transit System	Drug	Federal Drug	Jail Inmate Canteen
REVENUES					
Taxes	$ 0	$ 0	$ 0	$ 0	$ 0
Fines, fees, and forfeitures	18,870	0	16,605	728	0
Charges for services	0	0	0	0	18,168
Intergovernmental	0	62,538	0	0	0
Interest	24	0	13	5	0
Other	0	0	0	0	0
Total revenues	18,894	62,538	16,618	733	18,168
EXPENDITURES					
Current					
Judicial	15,358	0	0	0	0
Public Safety	0	0	19,329	3,012	4,689
Health and Welfare	0	62,538	0	0	0
Housing and Development	0	0	0	0	0
Capital outlay	0	0	0	0	0
Total expenditures	15,358	62,538	19,329	3,012	4,689
Excess (deficiency) of revenues over (under) expenditures	3,536	0	(2,711)	(2,279)	13,479
Other financing sources (uses)					
Transfers in	0	0	0	0	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	3,536	0	(2,711)	(2,279)	13,479
Fund balances, October 1	27,388	142	38,239	52,421	41,958
Fund balances, September 30	$ 30,924	$ 142	$ 35,528	$ 50,142	$ 55,437

Special Revenue			Capital Projects			
Juvenile	Hotel/ Motel Tax	E911	Sales Tax	Water, Sewer & Wastewater Treatment System	2004 SPLOST	Total Nonmajor Governmental Funds
$ 0	$ 5,682	$ 0	$ 0	$ 0	$ 0	$ 5,682
0	0	0	0	0	0	36,203
1,421	0	445,198	0	0	0	464,787
0	0	0	0	196,970	0	259,508
0	0	0	0	0	0	42
0	0	0	0	0	1,092	1,092
1,421	5,682	445,198	0	196,970	1,092	767,314
375	0	0	0	0	0	15,733
0	0	445,198	0	0	0	472,228
0	0	0	0	0	0	62,538
0	10,042	0	0	0	0	10,042
0	0	0	0	4,572	21,560	26,132
375	10,042	445,198	0	4,572	21,560	586,673
1,046	(4,360)	0	0	192,398	(20,468)	180,641
0	4,971	0	0	134,005	0	138,976
1,046	611	0	0	326,403	(20,468)	319,617
894	407	0	209,303	(326,403)	976,839	1,021,188
$ 1,940	$ 1,018	$ 0	$ 209,303	$ 0	$ 956,371	$ 1,340,805

PEACH COUNTY, GEORGIA
LAW LIBRARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended September 30, 2016

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 15,070	$ 18,870	$ 3,800
Interest	288	24	(264)
Total revenues	15,358	18,894	3,536
EXPENDITURES			
Current			
Judicial			
Materials and supplies	15,358	15,358	0
Total expenditures	15,358	15,358	0
Excess (deficiency) of revenues over (under) expenditures	0	3,536	3,536
Fund balances, October 1	0	27,388	27,388
Fund balances, September 30	$ 0	$ 30,924	$ 30,924

PEACH COUNTY, GEORGIA
TRANSIT SYSTEM SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended September 30, 2016

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	$ 62,538	$ 62,538	$ 0
Total revenues	62,538	62,538	0
EXPENDITURES			
Current			
Health and Welfare			
Payments to others	62,538	62,538	0
Total expenditures	62,538	62,538	0
Excess (deficiency) of revenues over (under) expenditures	0	0	0
Fund balances, October 1	0	142	142
Fund balances, September 30	$ 0	$ 142	$ 142

PEACH COUNTY, GEORGIA
DRUG SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended September 30, 2016

	Final Budget	Actual	Variance
REVENUES			
Fines, fees, and forfeitures	$ 19,309	$ 16,605	$ (2,704)
Interest	20	13	(7)
Total revenues	19,329	16,618	(2,711)
EXPENDITURES			
Current			
Public Safety			
Materials and supplies	19,329	10,478	8,851
Capital outlay	0	8,851	(8,851)
Total expenditures	19,329	19,329	0
Excess (deficiency) of revenues over (under) expenditures	0	(2,711)	(2,711)
Fund balances, October 1	0	38,239	38,239
Fund balances, September 30	$ 0	$ 35,528	$ 35,528

PEACH COUNTY, GEORGIA
FEDERAL DRUG SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended September 30, 2016

	Final Budget	Actual	Variance
REVENUES			
Fines, fees, and forfeitures	$ 3,010	$ 728	$ (2,282)
Interest	2	5	3
Total revenues	3,012	733	(2,279)
EXPENDITURES			
Current			
Public Safety			
Materials and supplies	3,012	3,012	0
Total expenditures	3,012	3,012	0
Excess (deficiency) of revenues over (under) expenditures	0	(2,279)	(2,279)
Fund balances, October 1	0	52,421	52,421
Fund balances, September 30	$ 0	$ 50,142	$ 50,142

PEACH COUNTY, GEORGIA
JAIL INMATE CANTEEN SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended September 30, 2016

	Final Budget	Actual	Variance
REVENUES			
Charges for services	$ 5,039	$ 18,168	$ 13,129
Total revenues	5,039	18,168	13,129
EXPENDITURES			
Current			
Public Safety			
Materials and supplies	5,039	4,689	350
Total expenditures	5,039	4,689	350
Excess (deficiency) of revenues over (under) expenditures	0	13,479	13,479
Fund balances, October 1	0	41,958	41,958
Fund balances, September 30	$ 0	$ 55,437	$ 55,437

PEACH COUNTY, GEORGIA
JUVENILE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended September 30, 2016

	Final Budget	Actual	Variance
REVENUES			
Charges for services	$ 375	$ 1,421	$ 1,046
Total revenues	375	1,421	1,046
EXPENDITURES			
Current			
Judicial			
Payments to others	375	375	0
Total expenditures	375	375	0
Excess (deficiency) of revenues over (under) expenditures	0	1,046	1,046
Fund balances, October 1	0	894	894
Fund balances, September 30	$ 0	$ 1,940	$ 1,940

PEACH COUNTY, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended September 30, 2016

	Final Budget	Actual	Variance
REVENUES			
Hotel/motel taxes	$ 10,238	$ 5,682	$ (4,556)
EXPENDITURES			
Current			
Housing and Development			
Payments to others	10,238	10,042	196
Total expenditures	10,238	10,042	196
Excess (deficiency) of revenues over (under) expenditures	0	(4,360)	(4,360)
Other financing sources (uses)			
Transfers in (out)			
General Fund	0	4,971	4,971
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	611	611
Fund balances, October 1	0	407	407
Fund balances, September 30	$ 0	$ 1,018	$ 1,018

PEACH COUNTY, GEORGIA
E-911 SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended September 30, 2016

	Final Budget	Actual	Variance
REVENUES			
Charges for services	$ 445,111	$ 445,198	$ 87
Total revenues	445,111	445,198	87
EXPENDITURES			
Current			
Public Safety			
Personal services	445,111	445,198	(87)
Total expenditures	445,111	445,198	(87)
Excess (deficiency) of revenues over (under) expenditures	0	0	0
Fund balances, October 1	0	0	0
Fund balances, September 30	$ 0	$ 0	$ 0

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AGENCY FUNDS

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

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

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

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

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

PEACH COUNTY, GEORGIA
AGENCY FUNDS
COMBINING BALANCE SHEET
September 30, 2016

	Tax Commissioner	Sheriff's Office
ASSETS		
Cash and cash equivalents	$ 875,866	$ 326,047
Taxes receivable, net	20,305,694	0
Total assets	$ 21,181,560	$ 326,047
LIABILITIES		
Due to others	$ 21,181,560	$ 326,047
Total liabilities	$ 21,181,560	$ 326,047

Clerk of Superior Court	Probate Court	Magistrate Court	Jail Inmate	Totals
$ 184,173	$ 144,486	$ 31,376	$ 13,630	$ 1,575,578
0	0	0	0	20,305,694
$ 184,173	$ 144,486	$ 31,376	$ 13,630	$ 21,881,272
$ 184,173	$ 144,486	$ 31,376	$ 13,630	$ 21,881,272
$ 184,173	$ 144,486	$ 31,376	$ 13,630	$ 21,881,272

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PEACH COUNTY, GEORGIA
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the fiscal year ended September 30, 2016

	Balance October 1	Additions	Deletions	Balance September 30
TAX COMMISSIONER				
ASSETS				
Cash and cash equivalents	$ 233,341	$ 26,987,680	$ 26,345,155	$ 875,866
Taxes receivable, net	1,269,928	38,786,600	19,750,834	20,305,694
Total	$ 1,503,269	$ 65,774,280	$ 46,095,989	$ 21,181,560
LIABILITIES				
Due to others	$ 1,503,269	$ 65,774,280	$ 46,095,989	$ 21,181,560
SHERIFF'S OFFICE				
ASSETS				
Cash and cash equivalents	$ 275,678	$ 525,295	$ 474,926	$ 326,047
LIABILITIES				
Due to others	$ 275,678	$ 525,295	$ 474,926	$ 326,047
CLERK OF SUPERIOR COURT				
ASSETS				
Cash and cash equivalents	$ 321,681	$ 667,447	$ 804,955	$ 184,173
LIABILITIES				
Due to others	$ 321,681	$ 667,447	$ 804,955	$ 184,173
PROBATE COURT				
ASSETS				
Cash and cash equivalents	$ 113,089	$ 751,870	$ 720,473	$ 144,486
LIABILITIES				
Due to others	$ 113,089	$ 751,870	$ 720,473	$ 144,486
MAGISTRATE COURT				
ASSETS				
Cash and cash equivalents	$ 33,495	$ 326,485	$ 328,604	$ 31,376
LIABILITIES				
Due to others	$ 33,495	$ 326,485	$ 328,604	$ 31,376
JAIL INMATE				
ASSETS				
Cash and cash equivalents	$ 6,908	$ 133,566	$ 126,844	$ 13,630
LIABILITIES				
Due to others	$ 6,908	$ 133,566	$ 126,844	$ 13,630
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	$ 984,192	$ 29,392,343	$ 28,800,957	$ 1,575,578
Taxes receivable, net	1,269,928	38,786,600	19,750,834	20,305,694
Total	$ 2,254,120	$ 68,178,943	$ 48,551,791	$ 21,881,272
LIABILITIES				
Due to others	$ 2,254,120	$ 68,178,943	$ 48,551,791	$ 21,881,272

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COMPONENT UNIT – PEACH PUBLIC LIBRARIES

PEACH COUNTY, GEORGIA
PEACH PUBLIC LIBRARIES COMPONENT UNIT
COMBINING BALANCE SHEET
September 30, 2016

	General Fund	Lula Thomas Library Fund	Total Library Funds
ASSETS			
Cash and cash equivalents	$ 60,005	$ 4,985	$ 64,990
Investments	252,400	30,922	283,322
Accounts receivable	24,926	0	24,926
Total assets	$ 337,331	$ 35,907	$ 373,238
LIABILITIES			
Accounts payable	$ 6,979	$ 0	$ 6,979
Other payroll liabilities	411	0	411
Total liabilities	7,390	0	7,390
FUND BALANCES			
Nonspendable:			
Lula Thomas CD	0	30,922	30,922
Committed for compensated absences	21,643	0	21,643
Assigned for general library operations	0	4,985	4,985
Unassigned	308,298	0	308,298
Total fund balances	329,941	35,907	365,848
Total liabilities and fund balances	$ 337,331	$ 35,907	$ 373,238

PEACH COUNTY, GEORGIA
PEACH PUBLIC LIBRARIES COMPONENT UNIT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal year ended September 30, 2016

	General Fund	Lula Thomas Library Fund	Total Library Funds
REVENUES			
Charges for services	$ 23,966	$ 0	$ 23,966
Intergovernmental	459,869	0	459,869
Interest	250	71	321
Contributions	773	0	773
Other	7,532	0	7,532
Total revenues	492,390	71	492,461
EXPENDITURES			
Current			
Public services	169,307	0	169,307
Technical services	46,722	0	46,722
Support services	174,646	0	174,646
Maintenance and operations	63,123	63	63,186
Information technology	1,922	0	1,922
Total expenditures	455,720	63	455,783
Net change in fund balance	36,670	8	36,678
Fund balances, October 1	293,271	35,899	329,170
Fund balances, September 30	$ 329,941	$ 35,907	$ 365,848

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OTHER REPORTING SECTION

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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with *Government Auditing Standards*

Honorable Chairman and
Board of Commissioners
Peach County, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Peach County, Georgia, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise Peach County, Georgia's basic financial statements and have issued our report thereon dated March 3, 2017. Our report includes a reference to other auditors who audited the financial statements of the Peach County Health Department, as described in our report on Peach County, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that were reported on separately by those auditors.

Internal Control over Financial Reporting

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

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

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

2016-001

Condition: The 2015 financial statements were restated to adjust the balance of payables.

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

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

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

2016-001, continued

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

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

2016-002

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

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

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

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

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

2016-003

Condition: While performing audit procedures at the Probate Court, we noted that there is no evidence of approval or supporting documentation for voided transactions.

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

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

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

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

2016-004

Condition: While performing audit procedures on occupational tax receipts, we noted instances where deposits were not made timely. Receipts were held for more than seven days before depositing in 6 of 25 (24%) receipts tested.

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

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

2016-004, continued

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

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

2016-005

Condition: While performing audit procedures on building permit receipts, we noted instances where deposits were not made timely. Receipts were held for more than seven days before depositing in 9 of 40 (23%) receipts tested.

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

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

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

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

Compliance and Other Matters

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

Peach County, Georgia's Responses to Findings

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

Purpose of this Report

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

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
March 3, 2017

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STATE REPORTING SECTION

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

PEACH COUNTY, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended September 30, 2016

Project	Estimated Cost * Original	Estimated Cost * Current	Expenditures Prior Years	Expenditures Current Year	Expenditures Total
1994 Issue					
Sanitary Landfill	$ 3,000,000	$ 3,000,000	$ 4,306,479	$ 0	$ 4,306,479
County Buildings	1,750,000	1,750,000	1,750,000	0	1,750,000
Total	$ 4,750,000	$ 4,750,000	$ 6,056,479	$ 0	$ 6,056,479

Project	Estimated Cost * Original	Estimated Cost * Current	Expenditures Prior Years	Expenditures Current Year	Expenditures Total
2000 Issue					
Public Safety Facilities	$ 975,000	$ 975,000	$ 975,000	$ 0	$ 975,000
Roads, Streets, and Bridges	735,000	735,000	707,349	0	707,349
Solid Waste Handling Facility	40,000	40,000	35,119	0	35,119
Water, Sewer, and Waste Water Treatment	12,000,000	12,000,000	15,438,644	4,572	15,443,216
Total	$ 13,750,000	$ 13,750,000	$ 17,156,112	$ 4,572	$ 17,160,684

Project	Estimated Cost * Original	Estimated Cost * Current	Expenditures Prior Years	Expenditures Current Year	Expenditures Total
2004 Issue					
Roads, Streets, and Bridges	$ 4,120,000	$ 4,120,000	$ 4,740,680	$ 20,468	$ 4,761,148
Administrative and Detention Facilities	2,185,000	2,185,000	1,198,536	0	1,198,536
Industrial Building	2,000,000	2,000,000	2,000,000	0	2,000,000
Recreation and Cultural Facilities	1,300,000	1,300,000	1,365,439	0	1,365,439
Public Safety Facilities and Equipment	1,195,000	1,195,000	2,349,868	0	2,349,868
Hospital Facility	2,000,000	2,000,000	2,000,000	0	2,000,000
City of Byron	1,250,000	1,250,000	1,305,865	0	1,305,865
City of Fort Valley	1,250,000	1,250,000	1,305,865	0	1,305,865
Total	$ 15,300,000	$ 15,300,000	$ 16,266,253	$ 20,468	$ 16,286,721
			Expenditures financed by other revenues	1,092	
			Total 2004 SPLOST Fund Expenditures	$ 21,560	

PEACH COUNTY, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended September 30, 2016

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
2008 Issue					
Georgia Environmental Facilities Loan - 2007	$ 1,125,000	$ 1,125,000	$ 1,133,361	$ 0	$ 1,133,361
Previously Incurred Debt for Byron Redevelopment Authority	200,000	200,000	223,228	0	223,228
Road, Street, and Bridge Purposes	3,000,000	3,000,000	807,189	9,899	817,088
County Buildings	550,000	550,000	128,604	0	128,604
Improvements and Expansion of Peach Recreation Parks	700,000	700,000	500,841	0	500,841
Public Safety Facilities and Equipment	10,477,000	10,477,000	10,952,647	0	10,952,647
Interest and Costs of Issuance of Debt	1,398,000	1,398,000	3,194,858	0	3,194,858
City of Byron	3,475,000	3,475,000	2,582,417	0	2,582,417
City of Fort Valley	3,075,000	3,075,000	2,860,380	0	2,860,380
Total	$ 24,000,000	$ 24,000,000	$ 22,383,525	$ 9,899	$ 22,393,424

PEACH COUNTY, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended September 30, 2016

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
2015 Issue					
Road, Street, and Bridge Purposes	$ 3,800,000	$ 3,800,000	$ 230,914	$ 59,630	$ 290,544
Construction, Renovation and/or Upgrade of Courthouse and Administrative Facilities	1,000,000	1,000,000	0	21,700	21,700
Solid Waste/Recycling Equipment	140,000	140,000	0	0	0
Construction of Workforce Development Center	3,000,000	3,000,000	3,874,628	113,713	3,988,341
Library Computers	50,000	50,000	0	0	0
Administrative Vehicles	25,000	25,000	0	0	0
Sewer Project - Southwest Peach County	2,000,000	2,000,000	0	74,228	74,228
Recreation Park Improvements	400,000	400,000	0	0	0
Public Safety Facilities and Equipment	3,348,000	3,348,000	0	119,593	119,593
Elections Equipment	125,000	125,000	0	0	0
City of Byron	3,906,000	3,906,000	303,085	588,000	891,085
City of Fort Valley	3,906,000	3,906,000	303,084	588,000	891,084
Total	$ 21,700,000	$ 21,700,000	$ 4,711,711	$ 1,564,864	$ 6,276,575
Repayment of principal on debt. Proceeds included in projects above.				60,287	
Total 2015 SPLOST Fund Expenditures				$ 1,625,151	

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