

PIKE COUNTY, GEORGIA



ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2015

PIKE COUNTY, GEORGIA
AUDIT REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2015

PIKE COUNTY, GEORGIA

TABLE OF CONTENTS
JUNE 30, 2015

	<u>Page</u>
INDEPENDENT AUDITOR’S REPORT	1-3
MANAGEMENT’S DISCUSSION & ANALYSIS	4-9
FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position	10
Statement of Activities	11-12
Fund Financial Statements	
Balance Sheet – Governmental Funds	13
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	14
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	15
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund.....	17-21
Statement of Fiduciary Assets and Liabilities.....	22
Combining Statement of Net Position – Component Units	23
Combining Statement of Activities – Component Units.....	24
Notes to the Financial Statements.....	25-49
SUPPLEMENTARY INFORMATION	
<u>Nonmajor Governmental Funds</u>	
Combining Balance Sheet – Nonmajor Governmental Funds	50-51
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	52-53

PIKE COUNTY, GEORGIA

TABLE OF CONTENTS
JUNE 30, 2015
(CONTINUED)

Page

Special Revenue Funds

Law Library Fund:	
Schedule of Revenues, Expenditures and Changes in	
Fund Balance – Budget and Actual.....	54
E911 Fund:	
Schedule of Revenues, Expenditures and Changes in	
Fund Balance – Budget and Actual.....	55
Law Enforcement Confiscation Fund:	
Schedule of Revenues, Expenditures and Changes in	
Fund Balance – Budget and Actual.....	56
Drug Abuse Treatment Fund:	
Schedule of Revenues, Expenditures and Changes in	
Fund Balance – Budget and Actual.....	57
Juvenile Court Fund:	
Schedule of Revenues, Expenditures and Changes in	
Fund Balance – Budget and Actual.....	58

Agency Funds

Combining Statement of Changes in Assets and Liabilities	59-62
--	-------

Component Unit – Pike County Agribusiness Authority

Balance Sheet.....	63
Statement of Revenues, Expenditures and Changes in Fund Balance	64

GOVERNMENTAL REPORTS

State of Georgia Requirements

Schedule of Project Expenditures with Special Sales Tax Proceeds.....	65
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 <i>Government</i>	
<i>Auditing Standards</i>	66-67
Schedule of Findings and Responses	68

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Pike County, Georgia
Zebulon, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Pike County, Georgia as of and for the year ended June 30, 2015, 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 the Pike County Department of Public Health, Pike County Water and Sewer Authority, and the Development Authority of Pike County, which represent 86 percent, 78 percent, and 52 percent, respectively, of the assets, net positions, and revenues of the component units of Pike County, Georgia. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Pike County Department of Public Health, Pike County Water and Sewer Authority, and the Development Authority of Pike County 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Pike County, Georgia, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance 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 information on pages 4 through 9 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 and other auditors 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 Pike County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, the Pike County Agribusiness Authority statements, and the schedule of projects constructed with special sales tax proceeds are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2015, on our consideration of Pike County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Pike County, Georgia's internal control over financial reporting and compliance.



Macon, Georgia
December 21, 2015

MANAGEMENT'S DISCUSSION & ANALYSIS

PIKE COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2015

As management of the County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the year ended June 30, 2015.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities as of June 30, 2015, by \$11,447,590 (net position).
- As of June 30, 2015, total net position consisted of \$7,487,534 net investment in capital assets, \$805,543 restricted for capital outlay, \$454,644 restricted for Road repairs, \$39,763 restricted for court programs, \$119,547 restricted for law enforcement, and \$ 2,540,559 unrestricted.
- As of June 30, 2015, the County's governmental funds reported ending fund balance of \$4,113,814, an increase of \$804,368 in comparison with the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the 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.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

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.

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 periods, such as 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 administrative fees and charges (business-type activities). The governmental activities of the County include general government, public safety, public works, health and welfare, culture and recreation and conservation of natural resources. The County currently has no business-type activities.

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. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of a government can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

PIKE COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2015

(CONTINUED)

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 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. 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 year ended June 30, 2015, the County had the following governmental funds; the General Fund, five Special Revenue Funds and five Capital Projects Funds.

The County adopts an annual appropriated budget for the General Fund and Special Revenue Funds. A budgetary comparison statement has been provided to demonstrate compliance with this budget.

Proprietary Funds

The County maintains no proprietary funds.

Fiduciary Funds

Fiduciary funds are not reflected in the government-wide financial statement 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. Individual fund data for the fiduciary funds is provided in the form of both combining statements and individual fund statements elsewhere in this report.

The basic fiduciary fund financial statement can be found on page 22 of this report.

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.

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 the County, assets exceeded liabilities by \$11,447,590 at the close of the most recent year.

A significant portion of the County's net position reflects its net investment in capital assets. As of June 30, 2015, the investment consists of \$16,573,631 in assets, accumulated depreciation of \$7,811,221, and related debt long-term debt outstanding of \$1,274,876.

PIKE COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2015

(CONTINUED)

An additional portion of the County's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations.

For the year ended June 30, 2015 net capital assets decreased \$ 331,295. Long-term liabilities decreased \$862,038 as of June 30, 2015, compared to June 30, 2014. The decrease is the result of ongoing efforts to reduce debt.

	Pike County, Georgia Net Position	
	Governmental Activities	
	6/30/2015	6/30/2014
ASSETS		
Current & Other assets	\$ 4,958,238	\$ 4,215,997
Capital assets	8,762,410	9,093,705
Total assets	13,720,648	13,309,702
LIABILITIES		
Current & Other liabilities	569,543	588,272
Long Term liabilities	1,703,515	2,565,553
Total liabilities	2,273,058	3,153,825
NET POSITION		
Net investment in capital assets	7,487,534	7,002,665
Restricted- Capital Outlay	805,543	683,958
Restricted - Road Repairs	454,644	121,435
Restricted - Court Programs	39,763	-
Restricted - Law Enforcement	119,547	-
Unrestricted	2,540,559	2,347,819
Total Net position	\$ 11,447,590	\$ 10,155,877

PIKE COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2015

(CONTINUED)

	Change in Net Position Governmental Activities	
	6/30/2015	6/30/2014
REVENUES		
Program Revenues		
Charges for services	\$ 1,156,910	\$ 1,183,122
Operating grants & contributions	654,293	546,728
Capital grants & contributions	6,067	6,140
General Revenues		
Property Taxes	5,462,507	4,936,896
Other Taxes	3,807,393	3,721,723
Interest revenue	1,767	3,384
Other	105,511	172,680
Total Revenues	11,194,448	10,570,673
EXPENSES		
General government	1,729,237	1,521,722
Public Safety	3,349,926	3,553,715
Public Works	2,524,390	2,503,331
Courts	1,043,575	1,059,603
Health & Welfare	535,786	534,357
Culture & Recreation	394,149	396,975
Economic Development	263,347	286,322
Interest on Long-term debt	62,325	88,187
Total Expenses	9,902,735	9,944,212
Increase (decrease) in net position	1,291,713	626,461
Net position beginning of year	10,155,877	9,529,416
Net position end of year	\$ 11,447,590	\$ 10,155,877

PIKE COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2015

(CONTINUED)

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

As of June 30, 2015, the County's governmental funds reported ending fund balance of \$4,113,814. Of this balance, \$25,378 constitutes nonspendable, \$1,419,497 restricted, \$537,673 assigned, \$51,933 committed, all of which are not available for spending at the government's discretion. The remainder of fund balance \$2,079,333 is unassigned.

The general fund is the operating fund of the County. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 19.8% of total governmental fund expenditures.

The fund balance of the County's governmental funds increased \$804,368 during the current fiscal year. The majority of the increase to fund balance is the result of the county's work to diligently stay within the annual budget.

GENERAL FUND BUDGETARY HIGHLIGHTS

The County transferred \$234,629 from the General Fund to the E911 Fund. Fund balance increased from \$2,485,778 to \$2,671,803.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The County's investment in capital assets for its governmental activities as of June 30, 2015 amounts to \$8,762,410 net of accumulated depreciation. The investment in capital assets consists primarily of automobiles, machinery and equipment. For the current year, the investment in capital assets decreased by \$331,295. See note 8 in the notes to the financial statements for more detail on capital assets.

PIKE COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015
(CONTINUED)

	Governmental
	Activites
Land	\$ 317,020
Buildings	7,378,383
Furniture and fixtures	5,693
Machinery and equipment	3,986,100
Vehicles	4,122,930
Intangible Assets	27,995
Infrastructure	735,510
Total Capital Assets	16,573,631
Accumulated Depreciation	(7,811,221)
Total	\$ 8,762,410

Long-Term Debt

As of June 30, 2015, the County's long-term debt consisted of compensated absences, notes payable, landfill postclosure cost and additional capital leases. See Note 9 in the Notes to the Financial Statements for more detail on long-term liabilities.

ECONOMIC FACTORS

During the year 2015, notable events were as follows:

Due to a continued downturn in the economy, revenues such as Local Option Sales Tax, motor vehicle tax and other revenues have been adversely affected. Accordingly, the county worked diligently to reduce expenditures in an attempt to mitigate these circumstances, bringing total expenditures in under budget for the fiscal year-end. In addition, the outstanding debt for the 2011 SPLOST Courthouse Renovation was paid in full as of October 2014, prior to maturity in efforts to reduce interest cost; more over earlier the extinguishing of the debt allowed for 2011 SPLOST Road Projects to begin earlier than originally planned.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the County's finances for anyone with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Mr. John Hanson, County Manager or Ms. Kay Landers, our Financial Officer, 79 Jackson Street, Zebulon, Ga. 30295.

(THIS PAGE INTENTIONALLY LEFT BLANK)

FINANCIAL STATEMENTS

PIKE COUNTY, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2015

	Primary Government Governmental Activities	Component Units
<u>ASSETS</u>		
Cash and cash equivalents	\$ 4,372,203	\$ 537,952
Receivables, net of allowance		
Taxes	316,591	-
Accounts	87,345	22,959
Due from other governments	156,721	-
Inventory	3,783	-
Prepaid items	21,595	-
Restricted assets:		
Temporary cash investments	-	127,264
Capital assets		
Non depreciable	317,020	2,825,260
Depreciable, net	8,445,390	5,201,749
Total Assets	13,720,648	8,715,184
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Employer pension contributions	-	33,822
Total Deferred Outflows of Resources	-	33,822
<u>LIABILITIES</u>		
Accounts payable	396,893	16,168
Accrued salaries and benefits	172,650	12,506
Noncurrent liabilities		
Due within one year	393,621	73,163
Due in more than one year	1,309,894	3,101,303
Total Liabilities	2,273,058	3,203,140
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Proportionate share of collective deferred inflows of resources - Pension plan	-	59,117
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	6,868
Total Deferred Inflows of Resources	-	65,985
<u>NET POSITION</u>		
Net investment in capital assets	7,487,534	5,154,554
Restricted for		
Capital outlay	805,543	-
Road projects	454,644	-
Court programs	39,763	-
Law enforcement	119,547	258,000
Unrestricted	2,540,559	67,327
Total Net Position	\$ 11,447,590	\$ 5,479,881

The notes to the financial statements are an integral part of this statement.

(THIS PAGE INTENTIONALLY LEFT BLANK)

PIKE COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities				
General government	\$ 1,729,237	\$ 759,434	\$ 66,044	\$ -
Public safety	3,349,926	396,840	11,939	6,067
Public works	2,524,390	636	576,310	-
Courts	1,043,575	-	-	-
Health and welfare	535,786	-	-	-
Culture and recreation	394,149	-	-	-
Economic development	263,347	-	-	-
Interest on long-term debt	62,325	-	-	-
Total governmental activities	9,902,735	1,156,910	654,293	6,067
Total Primary Government	\$ 9,902,735	\$ 1,156,910	\$ 654,293	\$ 6,067
Component Units:				
Pike County Department of Public Health	\$ 354,746	\$ 168,466	\$ 195,936	\$ -
Pike County J. Joel Edwards Public Library	117,570	6,759	104,901	-
Pike County Water and Sewerage Authority	373,859	127,305	141,180	-
Pike County Agribusiness Authority	72,206	54,881	12,000	4,200
Development Authority of Pike County	57,927	-	70,168	-
Pike County Recreation Authority	435,614	184,775	275,077	-
Total Component Units	\$ 1,411,922	\$ 542,186	\$ 799,262	\$ 4,200

General Revenues

Property tax

Sales tax

Motor vehicle tax

Other tax

Interest revenue

Miscellaneous

Total General Revenues

Change in Net Position

Net Position - Beginning of year, restated

Net Position - End of year

The notes to the financial statements are an integral part of this statement.

PIKE COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(CONTINUED)

Net (Expense) Revenue and Changes in Net Position	
Primary Government	
Governmental Activities	Component Units
\$ (903,759)	
(2,935,080)	
(1,947,444)	
(1,043,575)	
(535,786)	
(394,149)	
(263,347)	
(62,325)	
(8,085,465)	
(8,085,465)	
	\$ 9,656
	(5,910)
	(105,374)
	(1,125)
	12,241
	24,238
	(66,274)
5,462,507	-
1,683,463	-
1,105,345	-
1,018,585	-
1,767	660
105,511	8,023
9,377,178	8,683
1,291,713	(57,591)
10,155,877	5,537,472
\$ 11,447,590	\$ 5,479,881

The notes to the financial statements are an integral part of this statement.

PIKE COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	General Fund	SPLOST 2011 Fund	LMIG Fund	Non-Major Governmental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash and cash equivalents	\$3,245,344	\$ 454,512	\$ 157,812	\$ 514,535	\$ 4,372,203
Receivables, net of allowance					
Taxes	316,591	-	-	-	316,591
Other receivables	27,911	-	-	59,434	87,345
Due from other governments	73,374	83,347	-	-	156,721
Due from other funds	83,218	-	472,461	-	555,679
Inventory	3,783	-	-	-	3,783
Prepaid items	21,595	-	-	-	21,595
Total Assets	<u>\$3,771,816</u>	<u>\$ 537,859</u>	<u>\$ 630,273</u>	<u>\$ 573,969</u>	<u>\$ 5,513,917</u>
<u>LIABILITIES</u>					
Accounts payable	\$ 196,539	\$ 14,905	\$ 175,629	\$ 9,820	\$ 396,893
Accrued payroll deductions	156,132	-	-	16,518	172,650
Due to other funds	472,461	11,088	-	72,130	555,679
Total Liabilities	<u>825,132</u>	<u>25,993</u>	<u>175,629</u>	<u>98,468</u>	<u>1,125,222</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Unavailable revenue - property taxes	274,881	-	-	-	274,881
Total Deferred Inflows of Resources	<u>274,881</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>274,881</u>
<u>FUND BALANCES</u>					
Nonspendable	25,378	-	-	-	25,378
Restricted	-	511,866	454,644	452,987	1,419,497
Committed	51,933	-	-	-	51,933
Assigned	515,159	-	-	22,514	537,673
Unassigned	2,079,333	-	-	-	2,079,333
Total Fund Balances	<u>2,671,803</u>	<u>511,866</u>	<u>454,644</u>	<u>475,501</u>	<u>4,113,814</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$3,771,816</u>	<u>\$ 537,859</u>	<u>\$ 630,273</u>	<u>\$ 573,969</u>	<u>\$ 5,513,917</u>

The notes to the financial statements are an integral part of this statement.

PIKE COUNTY, GEORGIA

RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
JUNE 30, 2015

Total Fund Balance per Balance Sheet of Governmental Funds	\$	4,113,814
--	----	-----------

Amounts reported for governmental activities in the Statement of Net Position differ from amounts reported in the Balance Sheet of Governmental Funds due to the following:

Capital Assets

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Cost of the assets	16,573,631
Accumulated depreciation	(7,811,221)

Revenues

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	274,881
---	---------

Long-term Liabilities

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities both current and long-term are reported in the Statement of Net Position. Long-term liabilities at year-end consist of the following:

Capital lease	(1,233,391)
Notes payable	(41,484)
Landfill closure costs	(263,249)
Compensated absences	(165,391)
	<hr/>

Total Net Position of Governmental Activities	\$	<u>11,447,590</u>
---	----	-------------------

The notes to the financial statements are an integral part of this statement.

PIKE COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	General Fund	SPLOST 2011 Fund	LMIG Fund	Non-Major Governmental Funds	Total Governmental Funds
<u>Revenues:</u>					
Taxes					
Property tax	\$ 5,507,455	\$ -	\$ -	\$ -	\$ 5,507,455
Sales tax	716,133	967,330	-	-	1,683,463
Other taxes	2,123,930	-	-	-	2,123,930
License and permits	149,239	-	-	59,664	208,903
Intergovernmental	88,312	-	571,843	-	660,155
Fines and forfeitures	373,797	-	-	75,844	449,641
Charges for services	178,982	-	-	319,384	498,366
Interest earnings	1,410	206	124	233	1,973
Other revenues	82,603	-	-	547	83,150
Total Revenues	9,221,861	967,536	571,967	455,672	11,217,036
<u>Expenditures:</u>					
Current:					
General government	1,455,721	14	-	13,882	1,469,617
Public safety	2,573,610	-	-	574,930	3,148,540
Public works	1,810,075	91,829	589,784	-	2,491,688
Judicial	1,038,480	-	-	-	1,038,480
Health and welfare	572,018	-	-	-	572,018
Culture and recreation	397,485	-	-	5,742	403,227
Housing and development	263,347	-	-	-	263,347
Debt Service					
Principal	237,986	603,489	-	28,677	870,152
Interest and fiscal charges	56,372	6,211	-	1,295	63,878
Capital Outlay	-	125,490	-	42,579	168,069
Total Expenditures	8,405,094	827,033	589,784	667,105	10,489,016
Excess (Deficiency) of Revenues Over (Under) Expenditures	816,767	140,503	(17,817)	(211,433)	728,020
<u>Other Financing Sources (Uses):</u>					
Transfers from other funds	-	-	472,461	234,629	707,090
Transfers to other funds	(707,090)	-	-	-	(707,090)
Notes Payable	53,987	-	-	-	53,987
Insurance recoveries	22,361	-	-	-	22,361
Total other financing sources (uses)	(630,742)	-	472,461	234,629	76,348
Net change in fund balances	186,025	140,503	454,644	23,196	804,368
Fund Balance - beginning of year	2,485,778	371,363	-	452,305	3,309,446
Fund Balance - end of year	\$ 2,671,803	\$ 511,866	\$ 454,644	\$ 475,501	\$ 4,113,814

The notes to the financial statements are an integral part of this statement.

PIKE 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 JUNE 30, 2015

Excess (Deficit) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses Per Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 804,368
---	------------

Amounts reported for governmental activities in the Statement of Activities differ from amounts reported in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund

Capital Assets

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

Total capital outlays	530,620
Total depreciation	(811,345)

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, disposals, trade-ins, and donations) is to increase net position.	(50,571)
--	----------

Long-term Debt

The issuance of bonds and similar long-term debt provides current financial resources to governmental funds and thus contributes to the change in fund balance. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability in the Statement of Net Position. The amounts of the items that make up these differences in the treatment of long-term debt and related items are as follows:

Debt issued or incurred	(53,987)
-------------------------	----------

Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The adjustments for these items are as follows:

Capital leases	211,816
Note payable	658,335
Accrued interest	1,553
Landfill closure costs	29,954
Compensated absences	15,918

Revenues

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	<u>(44,948)</u>
--	-----------------

Change in Net Position of Governmental Activities	<u>\$ 1,291,713</u>
---	---------------------

The notes to the financial statements are an integral part of this statement.

PIKE COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<u>Taxes:</u>				
General property tax	\$ 5,685,299	\$ 5,685,299	\$ 5,507,455	\$ (177,844)
Local option sales tax	680,000	680,000	716,133	36,133
Other:				
Motor vehicle tax	1,061,500	1,242,809	1,105,345	(137,464)
Intangible tax	55,000	55,000	66,778	11,778
Mobile home tax	17,600	17,600	14,635	(2,965)
Timber taxes	7,950	7,950	23,074	15,124
Insurance premium tax	700,000	700,000	755,659	55,659
Penalties and interest	125,350	125,350	118,046	(7,304)
Bank tax fee	43,000	43,000	40,302	(2,698)
Other taxes	-	-	91	91
Total Taxes	8,375,699	8,557,008	8,347,518	(209,490)
<u>Licenses and Permits:</u>				
Alcohol beverage license	44,000	44,000	41,665	(2,335)
Business license	35,000	35,000	35,500	500
Building permits	40,000	40,000	69,168	29,168
Other	1,000	1,000	2,906	1,906
Total Licenses and Permits	120,000	120,000	149,239	29,239
<u>Intergovernmental Revenues:</u>				
Federal grants	-	-	4,467	4,467
State grants:				
Georgia Emergency Management Agency	5,361	5,361	5,861	500
Department of Juvenile Justice	8,400	8,400	6,939	(1,461)
Other:				
Pre-Trial Diversion Program	2,950	2,950	-	(2,950)
City of Griffin	50,000	50,000	50,000	-
Southern Rivers Energy	-	5,000	5,000	-
Real estate transfer tax	12,000	12,000	16,045	4,045
Total Intergovernmental Revenue	78,711	83,711	88,312	4,601

The notes to the financial statements are an integral part of this statement.

PIKE COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(CONTINUED)

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<u>Fines and Forfeitures:</u>				
Superior Court fines	\$ 120,000	\$ 120,000	\$ 122,424	\$ 2,424
Probate Court fines	120,000	120,000	120,357	357
Magistrate Court fines	20,000	20,000	17,306	(2,694)
Sheriff's cost and fees	113,154	113,154	113,710	556
Total Fines and Forfeitures	373,154	373,154	373,797	643
<u>Charges for Services</u>				
Tax Commissioner - commissions	208,000	208,000	176,734	(31,266)
Drive way culverts	5,000	5,000	636	(4,364)
Fire fees	1,000	1,000	142	(858)
Jail inmate housing	5,650	5,650	1,470	(4,180)
Total Charges for Services	219,650	219,650	178,982	(40,668)
<u>Miscellaneous:</u>				
Interest earnings	2,900	2,900	1,410	(1,490)
Miscellaneous	13,700	58,462	82,603	24,141
Total Miscellaneous	16,600	61,362	84,013	22,651
Total Revenues	9,183,814	9,414,885	9,221,861	(193,024)

The notes to the financial statements are an integral part of this statement.

PIKE COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(CONTINUED)

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<u>General Government:</u>				
General Administration	\$ 787,645	\$ 787,645	\$ 651,370	\$ 136,275
Tax Commissioner's Office	225,108	227,350	216,550	10,800
Tax Assessors	250,995	250,995	240,204	10,791
Board of Equalization	450	1,354	1,354	-
Voter Registrar	134,640	134,640	101,099	33,541
Cooperative Extension Service	65,798	65,798	61,274	4,524
Code Enforcement Officer	181,639	183,870	183,870	-
Total General Government	1,646,275	1,651,652	1,455,721	195,931
<u>Judicial:</u>				
Judicial Administration	129,429	149,805	131,857	17,948
Superior Court	300,818	305,883	305,883	-
Probate Court	151,362	151,362	140,016	11,346
Magistrate Court	186,090	186,090	178,153	7,937
Public Defender	181,315	181,315	181,315	-
District Attorney	101,197	101,525	101,256	269
Total Judicial	1,050,211	1,075,980	1,038,480	37,500
<u>Public Safety:</u>				
Sheriff's Office	1,624,498	1,659,484	1,575,795	83,689
Jail Operations	732,683	733,445	712,750	20,695
Fire Department	284,993	307,650	239,895	67,755
Animal Control	15,018	15,018	13,574	1,444
Coroner's Office	33,148	33,148	31,596	1,552
Total Public Safety	2,690,340	2,748,745	2,573,610	175,135
<u>Public Works:</u>				
Road Department	1,502,223	1,868,180	1,810,075	58,105

The notes to the financial statements are an integral part of this statement.

PIKE COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(CONTINUED)

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<u>Health and Welfare:</u>				
DFCS	\$ 27,000	\$ 27,000	\$ 27,000	\$ -
Ambulance Contract	395,000	395,000	395,000	-
Emergency Management	40,318	44,766	44,766	-
Senior Center	13,714	18,789	10,092	8,697
Pike County Board of Health	70,000	70,000	70,000	-
McIntosh Trail RC	26,055	26,055	25,160	895
Total Health and Welfare	572,087	581,610	572,018	9,592
<u>Culture and Recreation:</u>				
Recreation	268,322	269,403	269,403	-
Library	106,414	106,626	106,626	-
Flint River Regional Library	12,000	12,000	11,980	20
Forestry Resources	9,476	9,476	9,476	-
Total Culture and Recreation	396,212	397,505	397,485	20
<u>Housing and Development:</u>				
Pike County Agribusiness Authority	12,000	12,000	12,000	-
Pike County Water Authority	141,180	141,180	141,180	-
Soil Conservation	36,376	36,673	36,673	-
Development Authority	80,000	80,000	73,494	6,506
Total Housing and Development	269,556	269,853	263,347	6,506
<u>Debt Service:</u>				
Principal retirement	420,318	453,641	237,986	215,655
Interest and fiscal charges	93,692	88,776	56,372	32,404
Total Debt Service	514,010	542,417	294,358	248,059
Total Expenditures	8,640,914	9,135,942	8,405,094	730,848
Excess Revenue Over (Under) Expenditures	542,900	278,943	816,767	537,824

The notes to the financial statements are an integral part of this statement.

PIKE COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(CONTINUED)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<u>Other Financing Sources (Uses):</u>				
Transfer to E911 Fund	(271,253)	(250,368)	(214,629)	35,739
Transfer to LMIG Fund	(332,000)	(472,461)	(472,461)	-
Transfer to Capital Improvements Fund	(20,000)	(20,000)	(20,000)	-
Notes Payable	67,757	124,105	53,987	(70,118)
Insurance recoveries	12,600	24,961	22,361	(2,600)
Total Other Financing Sources (Uses)	(542,896)	(593,763)	(630,742)	(36,979)
Net change in fund balance	4	(314,820)	186,025	500,845
Fund Balance - Beginning of Year	2,485,778	2,485,778	2,485,778	-
Fund Balance - End of Year	\$ 2,485,782	\$ 2,170,958	\$ 2,671,803	\$ 500,845

The notes to the financial statements are an integral part of this statement.

PIKE COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2015

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 399,671
Total Assets	<u>\$ 399,671</u>
<u>LIABILITIES</u>	
Due to other governments	\$ 279,034
Due to others	<u>120,637</u>
Total Liabilities	<u>\$ 399,671</u>

The notes to the financial statements are an integral part of this statement.

PIKE COUNTY, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2015

	Pike County Department of Public Health	Pike County J. Joel Edwards Public Library	Pike County Water and Sewerage Authority	Pike County Agribusiness Authority	Development Authority of Pike County	Pike County Recreation Authority	Total
<u>Assets</u>							
Current:							
Cash and cash equivalents	\$ 140,174	\$ 84,705	\$ 106,873	\$ 14,710	\$ 118,437	\$ 73,053	\$ 537,952
Receivables:							
Accounts	14,198	-	8,742	-	-	19	22,959
Non-current:							
Restricted temporary cash investments	-	-	127,264	-	-	-	127,264
Capital Assets:							
Nondepreciable	-	-	-	24,952	2,325,308	475,000	2,825,260
Depreciable capital assets, net	4,249	-	4,658,230	50,593	795	487,882	5,201,749
Total Assets	158,621	84,705	4,901,109	90,255	2,444,540	1,035,954	8,715,184
<u>Deferred Outflows of Resources</u>							
Employer pension contributions	33,822	-	-	-	-	-	33,822
Total Deferred Outflows of Resources	33,822	-	-	-	-	-	33,822
<u>Liabilities</u>							
Current Liabilities:							
Accounts payable	6,594	2,193	-	-	-	7,381	16,168
Accrued liabilities	-	4,869	616	-	-	7,021	12,506
Compensated absences	7,419	274	-	-	-	7,975	15,668
Meter deposit	-	-	23,193	-	-	-	23,193
Notes payable	-	-	34,302	-	-	-	34,302
Long-term Liabilities:							
Compensated absences	20,935	-	-	-	-	-	20,935
Notes payable (net of current portion)	-	-	2,376,883	-	461,270	-	2,838,153
Net pension liability	242,215	-	-	-	-	-	242,215
Total Liabilities	277,163	7,336	2,434,994	-	461,270	22,377	3,203,140
<u>Deferred Inflows of Resources</u>							
Proportionate share of collective deferred inflows of resources - Pension plan	59,117	-	-	-	-	-	59,117
Changes in proportion and differences between employer contributions and proportionate share of contributions	6,868	-	-	-	-	-	6,868
Total Deferred Inflows of Resources	65,985	-	-	-	-	-	65,985
<u>Net Position</u>							
Net investment in capital assets	4,249	-	2,247,045	75,545	1,864,833	962,882	5,154,554
Restricted	130,736	-	127,264	-	-	-	258,000
Unrestricted (deficit)	(285,690)	77,369	91,806	14,710	118,437	50,695	67,327
Total Net Position	\$ (150,705)	\$ 77,369	\$ 2,466,115	\$ 90,255	\$ 1,983,270	\$ 1,013,577	\$ 5,479,881

The notes to the financial statements are an integral part of this statement.

PIKE COUNTY, GEORGIA
COMBINING STATEMENTS OF ACTIVITIES
COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Pike County Department of Public Health	Pike County J. Joel Edwards Public Library	Pike County Water and Sewerage Authority	Pike County Agribusiness Authority	Development Authority of Pike County	Pike County Recreation Authority	Total
Expenses:							
General government	\$ -	\$ -	\$ -	\$ 72,206	\$ 57,927	\$ -	\$ 130,133
Health and welfare	354,746	-	-	-	-	-	354,746
Culture and recreation	-	117,570	-	-	-	435,280	552,850
Water and sewer	-	-	373,859	-	-	-	373,859
Interest on long term debt	-	-	-	-	-	334	334
Total Expenses	354,746	117,570	373,859	72,206	57,927	435,614	1,411,922
Revenues:							
Program revenues:							
Charges for services	168,466	6,759	127,305	54,881	-	184,775	542,186
Operating grants and contributions	195,936	104,901	141,180	12,000	70,168	275,077	799,262
Capital grants and contributions	-	-	-	4,200	-	-	4,200
Total Program Revenues	364,402	111,660	268,485	71,081	70,168	459,852	1,345,648
Net Program (Expense)	9,656	(5,910)	(105,374)	(1,125)	12,241	24,238	(66,274)
General Revenues:							
Interest earnings	78	60	478	3	23	18	660
Miscellaneous	-	1,210	-	-	-	6,813	8,023
Total General Revenues	78	1,270	478	3	23	6,831	8,683
Change in Net Position	9,734	(4,640)	(104,896)	(1,122)	12,264	31,069	(57,591)
Net Position - Beginning of year, restated	(160,439)	82,009	2,571,011	91,377	1,971,006	982,508	5,537,472
Net Position - End of year (deficit)	\$ (150,705)	\$ 77,369	\$ 2,466,115	\$ 90,255	\$ 1,983,270	\$ 1,013,577	\$ 5,479,881

The notes to the financial statements are an integral part of this statement.

(THIS PAGE INTENTIONALLY LEFT BLANK)

NOTES TO THE FINANCIAL STATEMENTS

PIKE COUNTY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Policies

Pike County was established under the provisions of an Act of the General Assembly of Georgia. The County operates under a county commissioner form of government, and provides the following services as authorized by state law, general administrative services, public safety, roads and bridges, tax assessment and collection, culture and recreation, courts and health and welfare.

The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting.

A. Reporting Entity

In conformity with generally accepted accounting principles, as set forth in Statement of Governmental Accounting Standards Board (GASB) No. 61 “The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and 34,” the County’s relationships with other governments and agencies have been examined. The component unit columns in the combined financial statements include the financial data for the Pike County Department of Public Health, Pike County Library, Pike County Agribusiness Authority, Development Authority of Pike County, Pike County Water Authority, and the Pike County Recreation Authority, as of June 30, 2015. The financial information for the component units is reported in columns separate from the County’s financial information to emphasize that it is legally separate from the County.

Pike County Department of Public Health (Health Department)

The Health Department is charged with determining the health needs and resources of its jurisdiction, developing programs, activities, and facilities responsive to those needs, and enforcing all laws related to health matters unless they fall under the jurisdiction of other agencies. The County appoints the voting majority of the board. The County provides significant operating subsidies to the department. The Health Department is presented as a governmental fund type. Complete financial statements of the Pike County Department of Public Health may be obtained from their administrative office at the following location:

Pike County Department of Public Health
201 Griffin Street
Zebulon, Georgia 30295

PIKE COUNTY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

(CONTINUED)

Pike County J. Joel Edwards Public Library

The Pike County J. Joel Edwards Public Library provides educational and other reading materials to the citizens of Pike County. The County provides significant operating subsidies to the library. The Pike County J. Joel Edwards Public Library is presented as a governmental fund type and only maintains a General Fund. Separate financial statements may be obtained from their administrative office at the following location:

Pike County J. Joel Edwards Public Library
P.O. Box 574
Zebulon, Georgia 30295

Pike County Agribusiness Authority

The Pike County Agribusiness Authority is a nonprofit 501(c) 3 organization that promotes agriculture in Pike County. The County provides significant operating subsidies to the Authority. The Pike County Agribusiness Authority is presented as a governmental fund type and only maintains a General Fund. The Pike County Agribusiness Authority does not issue separate financial statements.

Development Authority of Pike County

The Development Authority of Pike County promotes new industry and existing industry in Pike County. The County provides significant operating subsidies to the Authority. The Development Authority of Pike County is presented as a governmental fund type. Separate financial statements may be obtained from their administrative office at the following location:

Development Authority of Pike County
P.O. Box 1147
Zebulon, Georgia 30295

Pike County Water and Sewerage Authority

The Pike County Water and Sewerage Authority is responsible for developing necessary infrastructure to provide water and sewerage service to the unincorporated areas of Pike County. The County provides significant operating subsidies to the Authority. The Pike County Water and Sewerage Authority are presented as a governmental fund type. Separate financial statements may be obtained from their administrative office at the following location:

Pike County Water and Sewerage Authority
P.O. Box 948
Zebulon, Georgia 30295

PIKE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

Pike County Recreation Authority

The Pike County Recreation Authority is responsible for developing and promoting recreational needs within the County. The County provides significant operating subsidies to the Authority. The Pike County Recreation Authority is presented as a governmental fund type. Separate financial statements may be obtained from their administrative office at the following location:

Pike County Recreation Authority
P.O. Box 697
Zebulon, Georgia 30295

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

Three Rivers Regional Commission
P.O. Box 818
Griffin, Georgia 30224

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (Statement of Net Position and Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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. Taxes and other items not properly included among program revenues are reported instead as general revenues.

PIKE COUNTY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

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. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

Government-Wide Financial Statements

The government-wide financial statements are reported using the flow of economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. 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.

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

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

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as they are needed.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Under 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 County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

However, debt services expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the obligations are expected to be liquidated with expendable available financial resources.

PIKE COUNTY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

Property taxes, local option sales taxes, other taxes, intergovernmental revenues, interest, and charges for services associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues are considered to be measurable and available only when cash is received by the government.

The fund financial statements provide more detailed information about the government's most significant funds, not the government as a whole. The activities of the government are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The government reports the following major governmental funds:

General Fund – The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

2011 SPLOST Fund – The capital project fund is used to account for the proceeds and various projects associated with the approved SPLOST.

LMIG Fund – The capital project fund is used to account for the proceeds and various projects associated with the Local Maintenance & Improvement Grant.

Additionally, the government reports the following fund types:

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

Capital Project Funds – The Impact Fees Fund is used to account for the proceeds of impact fees collected and the capital projects approved for those funds. The Jail Construction fund is used to account for capital improvements made on the jail. Capital improvements fund was established to identify and monitor major capital expenditures of the County's various departments.

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

PIKE COUNTY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

(CONTINUED)

D. Deposits and Investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Investments are reported at fair value, which is determined using selected bases. Short-term investments are reported at cost, which approximates fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates, and investments that do not have an established market are reported at estimated fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

E. Receivables

Receivables and Due from Other Governments represent funds to be received from other local governments, state grant-in-aid, state contracts, or federal funds. No allowance is deemed necessary for these receivables.

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds" or "advances to/from other funds." All other outstanding balances between funds are reported as "due to/from other funds."

All trade and property tax receivables, have been reduced to their estimated net realizable value, and are shown net of an allowance for doubtful accounts. Estimated uncollectible amounts are based upon historical experience rates.

F. Inventories

Inventories are valued at cost using the first-in / first-out (FIFO) method and consist of expendable supplies. The cost of such inventories is recorded as expenditures / expenses when consumed rather than when purchased.

G. Prepaid Items

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

H. Capital Assets

Capital assets, which include property, plant equipment and infrastructure assets (e.g. roads, bridges, sidewalks and similar items acquired subsequent to November 1, 2003) are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial,

PIKE COUNTY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

(CONTINUED)

individual cost of more than \$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 estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred by the County during the current fiscal year was \$63,878. Of this amount, \$0 was applicable to construction of capital assets.

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

Building	25-40 years
Equipment	5-20 years
Infrastructure	50 years
Furniture	5 years
Vehicles	5 years
Intangible assets	3-5 years

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

J. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

PIKE COUNTY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

(CONTINUED)

K. Deferred Inflows of Resources

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 government only has one item that qualifies for reporting in this category, which arises only under a modified accrual basis of accounting. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues for property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

L. Net Position Flow Assumption

Sometimes the government 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 financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

M. Fund Equity

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

- Nonspendable – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted – amounts are restricted when constraints have been placed on the use of resources by (a) externally imposed by creditors, grantors, contributors or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners. The Board of Commissioners approves committed resources through a resolution during a voting session of Board meetings.
- Assigned – amounts that are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. By resolution, the Board of Commissioners has authorized the County Manager or designee to assign fund balances.
- Unassigned – amounts that have not been assigned to other funds and that are not restricted, committed or assigned to specific purposes within the General Fund.

PIKE COUNTY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County’s policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County’s policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

The County does not have a formal minimum fund balance policy.

The following is a summary of the fund balance classifications as of June 30, 2015:

	General Fund	SPLOST 2011 Fund	LMIG Fund	Nonmajor Governmental	Total
Fund Balances					
Nonspendable:					
Inventory	\$ 3,783	\$ -	\$ -	\$ -	\$ 3,783
Prepays	21,595	-	-	-	21,595
Restricted for:					
Capital outlay	-	511,866	-	293,677	805,543
Road projects	-	-	454,644	-	454,644
Court programs	-	-	-	39,763	39,763
Law enforcement	-	-	-	119,547	119,547
Committed for:					
Road repairs	51,933	-	-	-	51,933
Assigned for:					
Working capital	500,227	-	-	-	500,227
Juvenile court	-	-	-	16,392	16,392
Fire department	14,932	-	-	6,122	21,054
Unassigned	2,079,333	-	-	-	2,079,333
Total fund balances	\$ 2,671,803	\$ 511,866	\$ 454,644	\$ 475,501	\$ 4,113,814

N. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; and errors or omissions. The County purchases commercial insurance for most types of risk. For these risks, settlements have not exceeded coverage’s for each of the past three fiscal years. The County had no significant reduction in insurance coverage from coverage in the prior year.

The County has joined together with other municipalities in the state as part of the ACCG Group Self Insurance Workers’ Compensation Self Insurance Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

PIKE COUNTY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

(CONTINUED)

The Fund is to defend, in the name of and on behalf of the members, any suits or other proceedings, which may at any time be instituted against them on account of injuries or death within the preview of the Workers' Compensation Law of Georgia, or on the basis of employer's liability. The Fund is 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. For the fiscal year ending June 30, 2015, the County's total contribution was \$108,577 for the Workers Compensation Fund.

The County is a member of the ACCG Interlocal Risk Management Agency (ACCG-IRMA). This agency functions as a risk sharing arrangement among Georgia County governments and is administered by the Association of County Commissioners of Georgia (ACCG). The purpose of ACCG-IRMA is to establish and administer one or more group self-insurance funds; to establish and administer a risk management service; and to prevent or lessen the incidence or severity of casualty and property losses. Each member pays an annual contribution established by the Board of ACCG-IRMA. For the period July 1, 2014 – June 30, 2015, the County's total contribution was \$136,604. ACCG-IRMA may develop and issue such self-insurance coverage descriptions, as it deems necessary. The current coverage provides a \$1,000,000 general liability limit with a \$1,000 per occurrence deductible.

As part of these risk pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pools' 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 pools' agents and attorneys to represent the Government in investigation, settlement discussions and all levels of litigation arising out of any claim made against the Government within the scope of loss protection furnished by the funds.

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING

A. Budget Process

The annual budget document is the financial plan for the operation of Pike County. The budget process exists for the purpose of providing a professional management approach to the establishment of priorities and the implementation of work programs while providing an orderly means for control and evaluation of the financial posture of the County.

The County prepares a separately issued budget report. An annual operating budget is prepared for the General and Special Revenue funds. Prior to year end the County Manager submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following November 1. The operating budget includes proposed expenditures and the means of financing them. The Board of Commissioners holds a public hearing on the budget, giving notice thereof at least ten days in advance by publication in the official organ of Pike County.

PIKE COUNTY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

The budget is then revised and adopted or amended by the Board of Commissioners at a regular meeting before the year to which it applies. The budget so adopted may be revised during the year only by formal action of the Board of Commissioners in a regular meeting and no increase shall be made therein without provision also being made for financing same. The legal level of control is at the department level.

Formal budgetary integration is employed as a management control device during the year. The budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The General Fund is subject to budgetary control on a departmental basis, while the Special Revenue funds are subject to budgetary control on an individual fund basis. Budgets are prepared for the Capital Projects Funds on a project basis, which usually covers two or more fiscal years. Budgeted amounts are as originally adopted, or as amended by the Board of Commissioners. Individual amendments are not material in relation to the original appropriations.

NOTE 3 – DEPOSITS

Custodial Credit Risk – Deposits

The custodial credit risk for deposits is the risk that, in the event of a bank failure, the County's deposits may not be recovered.

The County's bank balances of deposits as of June 30, 2015, are entirely insured or collateralized with securities held by the County's agent in the County's name.

State statutes require banks holding public funds to secure these funds by FDIC insurance, securities pledged at par value, and surety bonds at face value in combined aggregate totaling not less than 110 percent of the public funds held.

At June 30, 2015, the carrying amount of deposits for the Pike County Department of Public Health, a discretely presented component unit, was \$140,174. All of the bank balance was covered by federal depository insurance or by collateral held.

At June 30, 2015, the carrying amount of deposits for the Pike County Library, a discretely presented component unit, was \$84,705. All of the bank balance was covered by federal depository insurance or by collateral held.

At June 30, 2015, the carrying amount of deposits for the Pike County Water and Sewerage Authority, a discretely presented component unit, was \$110,112. All of the bank balance was covered by federal depository insurance or by collateral held.

At June 30, 2015, the carrying amount of deposits for the Pike County Agribusiness Authority, a discretely presented component unit, was \$14,710. All of the bank balance was covered by federal depository insurance or by collateral held.

PIKE COUNTY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

At June 30, 2015, the carrying amount of deposits for the Development Authority of Pike County, a discretely presented component unit, was \$118,437. All of the bank balance was covered by federal depository insurance or by collateral held.

At June 30, 2015, the carrying amount of deposits for the Pike County Recreation Authority, a discretely presented component unit, was \$73,053. All of the bank balance was covered by federal depository insurance or by collateral held.

NOTE 4 – PROPERTY TAXES

The Board of Commissioners levied property taxes on September 3, 2014. Property taxes attached as an enforceable lien on property as of January 1. Property taxes were billed on September 11, 2014 and were payable on December 20, 2014.

NOTE 5 – RECEIVABLES

Receivables at June 30, 2015, consist of the following:

	General Fund	Nonmajor Governmental Fund	Total
Receivables:			
Taxes	\$ 456,772	\$ -	\$ 456,772
Accounts	27,911	59,434	87,345
Gross Receivables	484,683	59,434	544,117
Less: Allowance for Uncollectible	(140,181)	-	(140,181)
Net Total Receivables	\$ 344,502	\$ 59,434	\$ 403,936

NOTE 6 – DUE FROM OTHER GOVERNMENTS

Amounts due from other governments at June 30, 2015, are as follows:

Fund:	State	Local	Total
General Fund	\$ 61,680	\$ 11,694	\$ 73,374
SPLOST 2011 Fund	83,347	-	83,347
Total	\$ 145,027	\$ 11,694	\$ 156,721

The amounts due from state government are primarily for sales tax and grant funds.

PIKE COUNTY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

NOTE 7 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2015, is as follows:

Due to / from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	SPLOST Fund	\$ 11,088
	Nonmajor Governmental Fund	72,130
LMIG Fund	General Fund	472,461
Total		<u>\$ 555,679</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers:

	Transfer In:		
	LMIG Fund	Nonmajor Governmental Fund	Total
Transfer Out:			
General Fund	\$ 472,461	\$ 234,629	\$ 707,090
Total	<u>\$ 472,461</u>	<u>\$ 234,629</u>	<u>\$ 707,090</u>

Transfers are used to move unrestricted revenue to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching fund for various grant programs.

PIKE COUNTY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

NOTE 8 – CAPITAL ASSETS

	Beginning Balance	Increase	Decrease	Transfer	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 317,020	\$ -	\$ -	\$ -	\$ 317,020
Total capital assets, not being depreciated	317,020	-	-	-	317,020
Capital assets, being depreciated:					
Buildings	7,324,676	53,707	-	-	7,378,383
Furniture and Fixtures	5,693	-	-	-	5,693
Machinery and equipment	3,832,989	231,371	(78,260)	-	3,986,100
Vehicles	4,091,137	106,245	(74,452)	-	4,122,930
Intangible assets	27,995	-	-	-	27,995
Infrastructure	596,213	139,297	-	-	735,510
Total capital assets, being depreciated	15,878,703	530,620	(152,712)	-	16,256,611
Less accumulated depreciation for:					
Buildings	(1,557,435)	(184,462)	-	-	(1,741,897)
Furniture and Fixtures	(2,054)	(813)	-	-	(2,867)
Machinery and equipment	(2,138,078)	(359,853)	27,690	-	(2,470,241)
Vehicles	(3,296,974)	(251,262)	74,452	-	(3,473,784)
Intangible assets	(27,995)	-	-	-	(27,995)
Infrastructure	(79,482)	(14,955)	-	-	(94,437)
Total accumulated depreciation	(7,102,018)	(811,345)	102,142	-	(7,811,221)
Total capital assets, being depreciated, net	8,776,685	(280,725)	(50,570)	-	8,445,390
Governmental activities capital assets, net	<u>\$ 9,093,705</u>	<u>\$ (280,725)</u>	<u>\$ (50,570)</u>	<u>\$ -</u>	8,762,410
Less related long-term debt outstanding					<u>(1,274,876)</u>
Net investment in capital assets					<u>\$ 7,487,534</u>

In accordance with GASB 51 the County has identified intangible assets which are fully amortized.

PIKE COUNTY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

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

Governmental activities:

General government	\$	142,703
Public safety		304,733
Public works		339,573
Courts		5,095
Culture and recreation		16,337
Health and Welfare		2,904
Total depreciation expense - governmental activities	\$	<u>811,345</u>

Activity for the Pike County Water and Sewerage Authority for the fiscal year ended June 30, 2015 was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Discretely presented component units:				
Capital assets, being depreciated:				
Capitalized interest	\$ 116,213	\$ -	\$ -	\$ 116,213
Water tower, well and treatment plant	267,375	99,870	-	367,245
Water and sewer lines	5,416,991	-	-	5,416,991
Vehicle	20,557	-	-	20,557
Storage building	2,700	-	-	2,700
Total capital assets, being depreciated	<u>5,823,836</u>	<u>99,870</u>	<u>-</u>	<u>5,923,706</u>
Less accumulated depreciation for:				
Capitalized interest	(20,335)	(2,905)	-	(23,240)
Water tower, well and treatment plant	(47,788)	(22,635)	-	(70,423)
Water and sewer lines	(1,013,552)	(135,602)	-	(1,149,154)
Vehicle	(17,622)	(2,937)	-	(20,559)
Storage building	(1,800)	(300)	-	(2,100)
Total accumulated depreciation	<u>(1,101,097)</u>	<u>(164,379)</u>	<u>-</u>	<u>(1,265,476)</u>
Total capital assets, being depreciated, net	<u>4,722,739</u>	<u>(64,509)</u>	<u>-</u>	<u>4,658,230</u>
Water and sewerage authority capital assets, net	<u>\$ 4,722,739</u>	<u>\$ (64,509)</u>	<u>\$ -</u>	<u>\$ 4,658,230</u>

PIKE COUNTY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

Activity for the Pike County Agribusiness Authority for the fiscal year ended June 30, 2015 was as follows:

	Beginning Balance	Increase	Decrease	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 24,952	\$ -	\$ -	\$ -	\$24,952
Total capital assets, not being depreciated	24,952	-	-	-	24,952
Capital assets, being depreciated:					
Building	82,496	-	-	-	82,496
Site improvements	19,050	-	-	-	19,050
Total capital assets, being depreciated	101,546	-	-	-	101,546
Less accumulated depreciation for:					
Building	(37,314)	(4,113)	-	-	(41,427)
Site improvements	(7,621)	(1,905)	-	-	(9,526)
Total accumulated depreciation	(44,935)	(6,018)	-	-	(50,953)
Total capital assets, being depreciated, net	56,611	(6,018)	-	-	50,593
Agribusiness authority capital assets, net	\$ 81,563	\$ (6,018)	\$ -	\$ -	\$ 75,545

Activity for the Development Authority of Pike County for the fiscal year ended June 30, 2015 was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 2,325,308	\$ -	\$ -	\$ 2,325,308
Total capital assets, not being depreciated	2,325,308	-	-	2,325,308
Capital assets, being depreciated:				
Equipment	16,229	-	-	16,229
Total capital assets, being depreciated	16,229	-	-	16,229
Less accumulated depreciation for:				
Equipment	(13,844)	(1,590)	-	(15,434)
Total accumulated depreciation	(13,844)	(1,590)	-	(15,434)
Total capital assets, being depreciated, net	2,385	(1,590)	-	795
Development authority capital assets, net	\$ 2,327,693	\$ (1,590)	\$ -	\$ 2,326,103

PIKE COUNTY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

Activity for the Pike County Recreation Authority for the fiscal year ended June 30, 2015 was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 475,000	\$ -	\$ -	\$ 475,000
Total capital assets, not being depreciated	475,000	-	-	475,000
Capital assets, being depreciated:				
Building	401,484	-	-	401,484
Furniture, fixture & equipment	466,342	8,299	-	474,641
Vehicles	15,708	-	-	15,708
Infrastructure	9,780	-	-	9,780
Total capital assets, being depreciated	893,314	8,299	-	901,613
Less accumulated depreciation for:				
Building	(129,115)	(14,448)	-	(143,563)
Furniture, fixture & equipment	(224,489)	(26,167)	-	(250,656)
Vehicles	(15,708)	-	-	(15,708)
Infrastructure	(3,152)	(652)	-	(3,804)
Total accumulated depreciation	(372,464)	(41,267)	-	(413,731)
Total capital assets, being depreciated, net	520,850	(32,968)	-	487,882
Recreation authority capital assets, net	\$ 995,850	\$ (32,968)	\$ -	\$ 962,882

PIKE COUNTY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

NOTE 9 – LONG-TERM DEBT

Changes in long-term liabilities

Long-term liability activity for the fiscal year ended June 30, 2015, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Notes Payables:					
United Bank - Courthouse	\$ 603,489	\$ -	\$ (603,489)	\$ -	\$ -
United Bank - Sheriff Cars	50,637	-	(37,800)	12,837	12,837
First Bank of Pike - Sheriff Cars	45,694	-	(17,047)	28,647	20,595
Capital Leases:					
AT&T Capital Services	46,421	-	(28,677)	17,744	17,743
Caterpillar #1 - Road Equipment	977,783	-	(100,451)	877,332	72,841
Caterpillar #2 - Road Equipment	174,803	-	(22,926)	151,877	26,138
Caterpillar #3 - Road Equipment	-	53,987	(2,350)	51,637	7,385
John Deere #1 - Road Equipment	24,287	-	(7,751)	16,536	8,090
John Deere #2 - Road Equipment	167,927	-	(49,662)	118,265	58,492
Landfill postclosure cost	293,203	-	(29,954)	263,249	27,500
Compensated absences	181,309	153,330	(169,248)	165,391	142,000
Governmental activity					
Long-term liabilities	<u>\$ 2,565,553</u>	<u>\$ 207,317</u>	<u>\$ (1,069,355)</u>	<u>\$ 1,703,515</u>	<u>\$ 393,621</u>

For the governmental activities, compensated absences are generally liquidated by the general fund.

Note Payables

United Bank – Courthouse Loan

During 2012, the County entered into a \$2,400,493 note payable with United Bank for the financing of the renovation of the Courthouse. The note is due in monthly installments of \$70,063 to May 1, 2015. Interest is at 3.19%. Total interest paid for fiscal year 2015 was \$6,211. This note payable was paid in full as of June 30, 2015.

PIKE COUNTY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

(CONTINUED)

United Bank – Sheriff Cars

During 2013, the County entered into an \$117,250 note payable with United Bank for the financing of four Sheriff cars. The note is due in monthly installments of \$3,228 to October 17, 2015. Interest is at 2.80%. Total interest paid for fiscal year 2015 was \$936. Annual debt service requirements to maturity for this note payable are as follows:

Year Ending June 30th	Governmental Activities	
	Principal	Interest
2016	\$ 12,837	\$ 75
Total	<u>\$ 12,837</u>	<u>\$ 75</u>

First Bank of Pike – Sheriff Cars

During 2014, the County entered into a \$56,348 note payable with the First Bank of Pike for the financing of two Sheriff cars. The note is due in monthly installments of \$1,619 to December 1, 2016. Interest is at 2.20%. Total interest paid for fiscal year 2015 was \$767. Annual debt service requirements to maturity for this note payable are as follows:

Year Ending June 30th	Governmental Activities	
	Principal	Interest
2016	\$ 20,595	\$ 406
2017	8,052	45
Total	<u>\$ 28,647</u>	<u>\$ 451</u>

Capital Lease Payables:

AT&T Capital Services, Inc.

The County obtained a \$160,280 capital lease from AT&T Capital Services, Inc. for the financing of E911 equipment. The equipment has a seven-year estimated useful life. This year, \$22,897 was included in depreciation expense and accumulated depreciation of \$104,951. Total interest paid for fiscal year 2015 was \$1,295. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015 were as follows:

Year Ending June 30th	Governmental Activities	
	Principal	Interest
2016	\$ 17,744	\$ 115
Total	<u>\$ 17,744</u>	<u>\$ 115</u>

PIKE COUNTY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

(CONTINUED)

Caterpillar Financial Services Corporation #1

The County obtained a \$1,106,861 capital lease from Caterpillar Financial Services Corporation for the financing of Public Works road equipment. The equipment has a seven-year estimated useful life. This year, \$214,033 was included in depreciation expense and accumulated depreciation of \$595,758. Total interest paid for fiscal year 2015 was \$37,117. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015 were as follows:

Year Ending June 30th	Governmental Activities	
	Principal	Interest
2016	\$ 72,841	\$ 27,969
2017	75,207	25,604
2018	729,284	2,025
Total	<u>\$ 877,332</u>	<u>\$ 55,598</u>

Caterpillar Financial Services Corporation #2

The County obtained a \$221,000 capital lease from Caterpillar Financial Services Corporation for the financing of Public Works road equipment. The equipment has a seven-year estimated useful life. This year, \$36,000 was included in depreciation expense and accumulated depreciation of \$106,225. Total interest paid for fiscal year 2015 was \$4,051. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015 were as follows:

Year Ending June 30th	Governmental Activities	
	Principal	Interest
2016	\$ 26,138	\$ 4,406
2017	26,988	3,559
2018	98,751	258
Total	<u>\$ 151,877</u>	<u>\$ 8,223</u>

PIKE COUNTY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

Caterpillar Financial Services Corporation #3

The County obtained a \$53,987 capital lease from Caterpillar Financial Services Corporation for the financing of Public Works road equipment. The equipment has a seven-year estimated useful life. This year, \$3,678 was included in depreciation expense and accumulated depreciation of \$3,678. Total interest paid for fiscal year 2015 was \$626. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015 were as follows:

Year Ending June 30th	Governmental Activities	
	Principal	Interest
2016	\$ 7,385	\$ 1,543
2017	7,625	1,303
2018	36,627	732
Total	<u>\$ 51,637</u>	<u>\$ 3,578</u>

John Deere Financial #1

The County obtained a \$39,104 capital lease from John Deere Financial for the financing of Public Works road equipment. The equipment has a seven-year estimated useful life. This year, \$11,131 was included in depreciation expense and accumulated depreciation of \$31,106. Total interest paid for fiscal year 2015 was \$755. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015 were as follows:

Year Ending June 30th	Governmental Activities	
	Principal	Interest
2016	\$ 8,090	\$ 416
2017	8,446	61
Total	<u>\$ 16,536</u>	<u>\$ 477</u>

PIKE COUNTY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

(CONTINUED)

John Deere Financial #2

The County obtained a \$217,309 capital lease from John Deere Financial for the financing of Public Works road equipment. The equipment has a seven-year estimated useful life. This year \$48,421 was included in depreciation expense and accumulated depreciation of \$135,313. Total interest paid for fiscal year 2015 was \$12,119. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015 were as follows:

Year Ending June 30th	Governmental Activities	
	Principal	Interest
2016	\$ 58,492	\$ 3,289
2017	59,773	1,504
Total	\$ 118,265	\$ 4,793

Landfill Closure Costs – In 1994, the County closed its landfill site. State regulations require the County to perform certain maintenance and monitoring functions for thirty years after closure. Under GASB 18, the County is required to disclose the estimated maintenance and monitoring cost of \$263,249. The required plan for closure of the landfill was adopted by the County and approved by the State of Georgia. Estimates were outlined in the plan and updated in 2011. These costs are subject to change due to inflation or deflation, technology or applicable laws and regulations. The County is not required to commit current financial resources to guarantee future maintenance and monitoring activities.

Discretely presented component units:

Activity for the Pike County Water and Sewer Authority for the fiscal year ended June 30, 2015, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
USDA note payable	\$ 2,443,996	\$ -	\$ (32,811)	\$ 2,411,185	\$ 34,302
Water and sewer authority long-term liabilities	\$ 2,443,996	\$ -	\$ (32,811)	\$ 2,411,185	\$ 34,302

PIKE COUNTY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

Activity for the Development Authority of Pike County for the fiscal year ended June 30, 2015, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
United Bank Loan	\$ 486,463	\$ -	\$ (25,193)	\$ 461,270	\$ -
Development authority long-term liabilities	\$ 486,463	\$ -	\$ (25,193)	\$ 461,270	\$ -

Activity for the Pike County Recreation Authority for the fiscal year ended June 30, 2015, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Note Payable	\$ 5,355	\$ -	\$ (5,355)	\$ -	\$ -
Recreation authority long-term liabilities	\$ 5,355	\$ -	\$ (5,355)	\$ -	\$ -

NOTE 10 – EMPLOYEE RETIREMENT PLANS

ACCG Defined Contribution Plan

Plan Description

The County contributes to the Association of County Commissioners of Georgia (ACCG) Defined Contribution Plan 401(a), administered by the Government Employee Benefits Corporation of Georgia (GEBCorp), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for Counties in the State of Georgia. GEBCorp provides retirement and death benefits to plan members and beneficiaries. GEBCorp issues a publicly available financial report that includes financial statements and required supplementary information for the County. That report may be obtained by writing to:

1100 Circle 75 Parkway
Suite 300
Atlanta, Georgia 30339

Funding Policy

County employees are required to contribute to the plan if they are to be members and receive the County match. The required member contribution is equal to 3% of the member's gross salary. The County is required to contribute 1% of the members' gross salary. The Plan provisions are established and may be amended by the Pike County Board of Commissioners and the ACCG

PIKE COUNTY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

(CONTINUED)

Defined Benefit Board of Trustees. The contribution requirements of the plan members are established and may be amended by the ACCG Defined Benefit Board of Trustees. The County's contributions to GEBCorp for the fiscal year ended June 30, 2015 were \$10,200. The Member's contributions to GEBCorp for the fiscal year ended June 30, 2015 were \$33,586.

NOTE 11 – SPECIAL FUNDING DEFINED BENEFIT PENSION PLANS

A. Employees' Retirement System

The County's Tax Commissioner is eligible to participate in the Employees' Retirement System (ERS), a voluntary pension system. The County makes no contributions to this plan. Pursuant to O.C.G.A. 47-2-292(a) the Department of Revenue receives an annual appropriation from the Georgia General Assembly to be used to fund the employer contributions for local County Tax Commissioners. The plan is administered by the Employees' Retirement System who issues a publicly available financial report that can be obtained at www.ers.ga.gov/formspubs/formspubs. This plan is considered immaterial to Pike County's financial statements.

B. Sheriffs' Retirement Fund of Georgia

The County's Sheriff is covered by the Sheriffs' Retirement Fund of Georgia. The County makes no contribution to this plan. Contributions are collected by the County as the agent for this fund through its court systems. This plan is administered by the Georgia Sheriffs' Association (GSA) where separate financial statements may be obtained on their website. This plan is considered immaterial to Pike County's financial statements.

C. Judges of the Probate Courts Retirement Fund of Georgia

The County's Probate Judge is covered by the Judges of the Probate Courts Retirement Fund of Georgia. The County makes no contributions to this plan. The State of Georgia provides nonemployer contributions to the Fund through the collection of court fines and forfeitures. These nonemployer contributions are recognized as revenue by the Fund when collected from the courts. The Judges of the Probate Courts Retirement Fund of Georgia is a component unit of the State of Georgia. This plan is considered immaterial to Pike County's financial statements.

D. Magistrates Retirement Fund of Georgia

The County's Magistrate Judge is covered by the Magistrates Retirement Fund of Georgia. The County makes no contributions to this plan. The State of Georgia provides nonemployer contributions to the Fund through the collection of court filing fees. These nonemployer contributions are recognized as revenue by the Fund when collected from the courts. The Magistrates Retirement Fund of Georgia is a component unit of the State of Georgia. This plan is considered immaterial to Pike County's financial statements.

PIKE COUNTY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2015

(CONTINUED)

E. Georgia Firefighters' Pension Fund

The County's Volunteer Firemen are eligible to participate in the Georgia Firefighters' Pension Fund, a voluntary pension system. The County makes no contributions to this plan. Contributions are made through monthly dues by eligible firefighters electing to participate in the plan and non-employer contributions which consist of insurance premium taxes collected and remitted by insurers directly to the pension fund in accordance with the law. The plan is administered by the Georgia Firefighters' Pension Fund located at 2171 Eastview Parkway NE in Conyers, Georgia where separate financial statements may be obtained. This plan is considered immaterial to Pike County's financial statements.

F. Peace Officers' Annuity and Benefit Fund of Georgia

The County's Sheriff Deputies are covered by the State of Georgia Peace Officers' Annuity and Benefit Fund. The County makes no contribution to this plan. Contributions are collected by the County as the agent for this fund through its court systems. This plan is administered through the Peace Officers' Annuity and Benefit Fund of Georgia located at 1210 Greenbelt Parkway in Griffin, Georgia where separate financial statements may be obtained. This plan is considered immaterial to Pike County's financial statements.

NOTE 12 – CONTINGENT LIABILITIES

A. Litigation

During the course of normal operations of the County, various claims and lawsuits arise. The County attorney has advised that there are no potential liabilities that will impair the position as of the date of this audit report.

B. Federal Grants

The County participates in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives, and the audits of these programs for or including the fiscal year ended June 30, 2015, have not yet been conducted. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

NOTE 13 – EVALUATION OF SUBSEQUENT EVENTS

The County has evaluated subsequent events through December 21, 2015, the date which the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

(THIS PAGE INTENTIONALLY LEFT BLANK)

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Law Library Fund – This fund accounts for the resources received from the various courts of Pike County and disbursements for the support of a centralized law library.

E911 Fund – This fund accounts for the E911 fees collected and disbursements for the operations of the E911 call center.

Law Enforcement Confiscation Fund – This fund accounts for Federal and State condemned funds received and disbursed for Law Enforcement expenditures.

Drug Abuse Treatment Fund – This fund accounts for fines collected as required by State Law for drug abuse treatment and educational purposes.

Juvenile Court Fund – This fund accounts for the supervisory fees collected by Superior Court and disbursed for Council of Juvenile Court Judges.

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Impact Fees Fund – The Impact Fees Fund is used to account for the proceeds of impact fees collected and the capital projects approved for those funds.

Jail Construction Fund – This fund accounts for fines collected as required by State Law for jail operations and construction.

Capital Improvements Fund – This fund was established to identify and monitor major capital expenditures of the County's various departments.

PIKE COUNTY LIBRARY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	Special Revenue Funds				
	Law Library	E911	Law Enforcement Confiscation	Drug Abuse Treatment	Juvenile Court
<u>ASSETS</u>					
Cash and cash equivalents	\$ 5,214	\$ 23,013	\$ 107,351	\$ 34,549	\$ 16,392
Receivables, net of allowance					
Accounts	-	59,434	-	-	-
Total Assets	<u>\$ 5,214</u>	<u>\$ 82,447</u>	<u>\$ 107,351</u>	<u>\$ 34,549</u>	<u>\$ 16,392</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts payable	\$ -	\$ 301	\$ 8,219	\$ -	\$ -
Accrued payroll deductions	-	16,518	-	-	-
Due to other funds	-	65,628	-	-	-
Total Liabilities	-	82,447	8,219	-	-
Fund Balances:					
Restricted	5,214	-	99,132	34,549	-
Assigned	-	-	-	-	16,392
Total Fund Balances	<u>5,214</u>	<u>-</u>	<u>99,132</u>	<u>34,549</u>	<u>16,392</u>
Total Liabilities and Fund Balance	<u>\$ 5,214</u>	<u>\$ 82,447</u>	<u>\$ 107,351</u>	<u>\$ 34,549</u>	<u>\$ 16,392</u>

PIKE COUNTY LIBRARY

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015
(CONTINUED)

Capital Project Funds			Total Nonmajor Governmental Funds
Impact Fees Fund	Jail Construction	Capital Improvements	
\$ 293,677	\$ 20,415	\$ 13,924	\$ 514,535
-	-	-	59,434
\$ 293,677	\$ 20,415	\$ 13,924	\$ 573,969
\$ -	\$ -	\$ 1,300	\$ 9,820
-	-	-	16,518
-	-	6,502	72,130
-	-	7,802	98,468
293,677	20,415	-	452,987
-	-	6,122	22,514
293,677	20,415	6,122	475,501
\$ 293,677	\$ 20,415	\$ 13,924	\$ 573,969

PIKE COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Special Revenue Funds				
	Law Library	E911	Law Enforcement Confiscation	Drug Abuse Treatment	Juvenile Court
<u>Revenues:</u>					
Licenses and Permits	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	319,384	-	-	-
Fines and forfeitures	5,358	-	39,977	10,834	3,318
Other revenues	-	-	-	547	-
Interest earnings	-	23	4	35	9
Total Revenues	5,358	319,407	39,981	11,416	3,327
<u>Expenditures:</u>					
Current:					
General government	-	-	-	-	-
Public safety	6,084	504,064	25,310	7,901	5,210
Culture and recreation	-	-	-	-	-
Debt Service					
Principal	-	28,677	-	-	-
Interest and fiscal charges	-	1,295	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	6,084	534,036	25,310	7,901	5,210
Excess (Deficiency) of Revenues Over (Under) Expenditures	(726)	(214,629)	14,671	3,515	(1,883)
<u>Other Financing Sources (Uses):</u>					
Transfers from other funds	-	214,629	-	-	-
Total other financing sources (uses)	-	214,629	-	-	-
Net change in fund balances	(726)	-	14,671	3,515	(1,883)
Fund balance, beginning of year	5,940	-	84,461	31,034	18,275
Fund balance, end of year	\$ 5,214	\$ -	\$ 99,132	\$ 34,549	\$ 16,392

PIKE COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(CONTINUED)

Capital Project Funds			Total Nonmajor Governmental Funds
Impact fees Fund	Jail Construction	Capital Improvements	
\$ 59,664	\$ -	\$ -	\$ 59,664
-	-	-	319,384
-	16,357	-	75,844
-	-	-	547
142	16	4	233
59,806	16,373	4	455,672
-	-	13,882	13,882
4,436	21,925	-	574,930
5,742	-	-	5,742
-	-	-	28,677
-	-	-	1,295
33,053	9,526	-	42,579
43,231	31,451	13,882	667,105
16,575	(15,078)	(13,878)	(211,433)
-	-	20,000	234,629
-	-	20,000	234,629
16,575	(15,078)	6,122	23,196
277,102	35,493	-	452,305
\$ 293,677	\$ 20,415	\$ 6,122	\$ 475,501

PIKE COUNTY, GEORGIA

LAW LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget
<u>Revenues:</u>			
Fines and forfeitures	\$ 2,500	\$ 5,358	\$ 2,858
Total Revenues	2,500	5,358	2,858
<u>Expenditures:</u>			
Current:			
Public safety	6,084	6,084	-
Total Expenditures	6,084	6,084	-
Net change in fund balance	(3,584)	(726)	2,858
Fund balance - beginning of year	5,940	5,940	-
Fund balance - end of year	\$ 2,356	\$ 5,214	\$ 2,858

PIKE COUNTY, GEORGIA

E-911 FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget
<u>Revenues:</u>			
Charges for services	\$ 320,800	\$ 319,384	\$ (1,416)
Interest income	50	23	(27)
Total Revenues	320,850	319,407	(1,443)
<u>Expenditures:</u>			
Current:			
Public safety	535,251	504,064	31,187
Debt Service:			
Principal	32,988	28,677	4,311
Interest	2,979	1,295	1,684
Total Expenditures	571,218	534,036	37,182
Excess (deficiency) of revenues over (under) expenditures	(250,368)	(214,629)	35,739
<u>Other Financing Sources (Uses):</u>			
Transfers from General Fund	250,368	214,629	(35,739)
Total Other Financing Sources (Uses)	250,368	214,629	(35,739)
Net change in fund balance	-	-	-
Fund balance - beginning of year	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ -

PIKE COUNTY, GEORGIA

LAW ENFORCEMENT CONFISCATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget
<u>Revenues:</u>			
Fines and forfeitures	\$ -	\$ 39,977	\$ 39,977
Interest income	-	4	4
Total Revenues	-	39,981	39,981
<u>Expenditures:</u>			
Current:			
Public safety	25,310	25,310	-
Total Expenditures	25,310	25,310	-
Net change in fund balance	(25,310)	14,671	39,981
Fund balance - beginning of year	84,461	84,461	-
Fund balance - end of year	\$ 59,151	\$ 99,132	\$ 39,981

PIKE COUNTY, GEORGIA

DRUG ABUSE TREATMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget
<u>Revenues:</u>			
Fines and forfeitures	\$ 8,700	\$ 10,834	\$ 2,134
Other income	-	547	
Interest income	-	35	35
Total Revenues	8,700	11,416	2,169
<u>Expenditures:</u>			
Current:			
Public safety	8,700	7,901	799
Total Expenditures	8,700	7,901	799
Net change in fund balance	-	3,515	2,968
Fund balance - beginning of year	31,034	31,034	-
Fund balance - end of year	\$ 31,034	\$ 34,549	\$ 2,968

PIKE COUNTY, GEORGIA

JUVENILE COURT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Final Budget	Actual	Variance with Final Budget
<u>Revenues:</u>			
Intergovernmental revenues	\$ 6,320	\$ -	\$ (6,320)
Fines and forfeitures	-	3,318	3,318
Interest income	-	9	9
Total Revenues	6,320	3,327	(2,993)
<u>Expenditures:</u>			
Current:			
Public safety	6,320	5,210	1,110
Total Expenditures	6,320	5,210	1,110
Net change in fund balance	-	(1,883)	(1,883)
Fund balance - beginning of year	18,275	18,275	-
Fund balance - end of year	\$ 18,275	\$ 16,392	\$ (1,883)

(THIS PAGE INTENTIONALLY LEFT BLANK)

PIKE COUNTY, GEORGIA

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
<hr/>				
<u>Total - All Agency Funds</u>				
 <u>Assets</u>				
Cash and cash equivalents	\$ 213,700	\$ 12,319,504	\$ 12,133,533	\$ 399,671
	<hr/>			
Total Assets	\$ 213,700	\$ 12,319,504	\$ 12,133,533	\$ 399,671
	<hr/>			
 <u>Liabilities</u>				
Due to Board of Education	\$ 120,475	\$ 7,404,632	\$ 7,397,253	\$ 127,854
Due to State of Georgia	755	1,704,461	1,561,938	143,278
Due to Other Governments	1,531	135,127	128,756	7,902
Other	90,939	3,075,284	3,045,586	120,637
	<hr/>			
Total Liabilities	\$ 213,700	\$ 12,319,504	\$ 12,133,533	\$ 399,671
	<hr/>			

PIKE COUNTY, GEORGIA

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(CONTINUED)

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
<u>Superior Court</u>				
<u>Assets</u>				
Cash and cash equivalents	\$ 29,918	\$ 217,280	\$ 201,496	\$ 45,702
Total Assets	<u>\$ 29,918</u>	<u>\$ 217,280</u>	<u>\$ 201,496</u>	<u>\$ 45,702</u>
<u>Liabilities</u>				
Other	\$ 29,918	\$ 217,280	\$ 201,496	\$ 45,702
Total Liabilities	<u>\$ 29,918</u>	<u>\$ 217,280</u>	<u>\$ 201,496</u>	<u>\$ 45,702</u>
 <u>Probate Court</u>				
<u>Assets</u>				
Cash and cash equivalents	\$ 6,168	\$ 65,299	\$ 65,755	\$ 5,712
Total Assets	<u>\$ 6,168</u>	<u>\$ 65,299</u>	<u>\$ 65,755</u>	<u>\$ 5,712</u>
<u>Liabilities</u>				
Other	\$ 6,168	\$ 65,299	\$ 65,755	\$ 5,712
Total Liabilities	<u>\$ 6,168</u>	<u>\$ 65,299</u>	<u>\$ 65,755</u>	<u>\$ 5,712</u>

PIKE COUNTY, GEORGIA

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(CONTINUED)

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
<u>Magistrate Court</u>				
<u>Assets</u>				
Cash and cash equivalents	\$ 7,007	\$ 47,491	\$ 50,448	\$ 4,050
Total Assets	\$ 7,007	\$ 47,491	\$ 50,448	\$ 4,050
<u>Liabilities</u>				
Other	\$ 7,007	\$ 47,491	\$ 50,448	\$ 4,050
Total Liabilities	\$ 7,007	\$ 47,491	\$ 50,448	\$ 4,050
<u>Sheriff's Office</u>				
<u>Assets</u>				
Cash and cash equivalents	\$ 31,034	\$ 3,060	\$ 2,536	\$ 31,558
Total Assets	\$ 31,034	\$ 3,060	\$ 2,536	\$ 31,558
<u>Liabilities</u>				
Other	\$ 31,034	\$ 3,060	\$ 2,536	\$ 31,558
Total Liabilities	\$ 31,034	\$ 3,060	\$ 2,536	\$ 31,558

PIKE COUNTY, GEORGIA

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(CONTINUED)

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
<u>Tax Commissioner's Office</u>				
<u>Assets</u>				
Cash and cash equivalents	\$ 139,573	\$ 11,986,374	\$ 11,813,298	\$ 312,649
Total Assets	\$ 139,573	\$ 11,986,374	\$ 11,813,298	\$ 312,649
<u>Liabilities</u>				
Due to Board of Education	\$ 120,475	\$ 7,404,632	\$ 7,397,253	\$ 127,854
Due to State of Georgia	755	1,704,461	1,561,938	143,278
Due to Other Governments	1,531	135,127	128,756	7,902
Other	16,812	2,742,154	2,725,351	33,615
Total Liabilities	\$ 139,573	\$ 11,986,374	\$ 11,813,298	\$ 312,649

PIKE COUNTY, GEORGIA

BALANCE SHEET
PIKE COUNTY AGRIBUSINESS AUTHORITY
COMPONENT UNIT
JUNE 30, 2015

ASSETS

Cash and cash equivalents	\$ 14,710
Total Assets	<u>\$ 14,710</u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts payable	\$ -
Total Liabilities	<u>-</u>
Fund Balance:	
Unassigned	<u>14,710</u>
Total Fund Balance	<u>14,710</u>
Total Liabilities and Fund Balance	<u>\$ 14,710</u>

PIKE COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
PIKE COUNTY AGRIBUSINESS AUTHORITY
COMPONENT UNIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Revenues:

Intergovernmental revenue	\$ 16,200
Interest earnings	3
Other miscellaneous revenues	<u>54,881</u>
Total Revenues	<u>71,084</u>

Expenditures:

Current:

General government	<u>66,187</u>
Total Expenditures	<u>66,187</u>
Net change in fund balance	4,897
Fund Balance, beginning of year	<u>9,813</u>
Fund Balance, end of year	<u><u>\$ 14,710</u></u>

PIKE COUNTY, GEORGIA

SCHEDULE OF PROJECT EXPENDITURES WITH SPECIAL SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Project	Original Estimated Budget	Amended Estimated Budget	Expenditures		Total
			Prior Years	Current Year	
2011 Special Local Option Sales Tax					
Courthouse Renovations	\$2,500,000	\$3,200,000	\$ 3,278,951	\$ 6,211	\$3,285,162
Road, Street and Bridge Projects	2,900,000	2,200,000	-	217,333	217,333
Total 2011 SPLOST	<u>\$5,400,000</u>	<u>\$5,400,000</u>	<u>\$ 3,278,951</u>	<u>\$ 223,544</u>	<u>\$3,502,495</u>

Note 1: The difference in SPLOST expenditures by project and the expenditures noted in the SPLOST Fund represents principal debt service payments of \$603,489 attributed to repayment of the SPLOST notes payable with United Bank. The expenditures to purchase approved items are already included in the above schedule.

GOVERNMENTAL REPORTS

(THIS PAGE INTENTIONALLY LEFT BLANK)

**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**

Board of Commissioners
Pike County, Georgia

We have audited 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, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Pike County, Georgia as of and for the year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise Pike County, Georgia's basic financial statements, and have issued our report thereon dated December 21, 2015. Our report includes a reference to other auditors who audited the financial statements of Pike County Department of Public Health, Pike County Water and Sewer Authority, and the Development Authority of Pike County, as described in our report on Pike County, Georgia's financial statements. This report includes our consideration of the results of the other auditors' testing in internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We and the other auditors did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be material weaknesses. 2015-001

Compliance and Other Matters

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

Pike County, Georgia's Response to the Findings

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

Purpose of this Report

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

Macon, Georgia
December 21, 2015



PIKE COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

FINANCIAL STATEMENT FINDINGS

Findings noted on the 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*:

2015-001 Accounts Payable / Expenditures

CRITERIA

In accordance with generally accepted accounting principles, expenditures are recognized as soon as a liability is incurred. Year-end procedures are necessary to insure that expenditures and accounts payable are recorded in the appropriate period.

CONDITION

The County does not have adequate accounting procedures to insure that expenditures are recorded and properly classified when a liability is incurred.

CONTEXT

Material audit adjustments were required to fairly state and classify expenditures for the fiscal year ended June 30, 2015. A summary of the adjustments is as follows:

- LMIG Fund – Adjustment of \$26,495 was necessary to record additional expenditures for the final draw request of a road project.
- General Fund – Adjustment of \$7,351 was necessary to record expenditures for an EMA Grant. In addition, an adjustment of \$14,932 was necessary to reduce Fire Department expenditures for FY2016 equipment.
- SPLOST Fund – Adjustment of \$14,905 was necessary to record additional expenditures for Public Works projects.

EFFECT

The County's accounting records contained material errors which were identified and adjusted during the annual audit process.

CAUSE

The County lacked accounting procedures to insure the recording and proper classification of incurred expenditures at the end of the fiscal period.

RECOMMENDATION

The County should establish procedures to insure the proper accrual and classification of all liabilities incurred during the fiscal period.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

We agree with the finding. We will develop procedures to insure that expenditures are recorded as the liability is incurred.

(THIS PAGE INTENTIONALLY LEFT BLANK)