ATKINSON COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

For The Year Ended June 30, 2013

THIS PAGE INTENTIONALLY LEFT BLANK

(This report is formatted for duplex printing.)

TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT 1-3
MANAGEMENT DUSCUSSION AND ANALYSIS 4-12

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements:

Statement of Net Position 13-14
Statement of Activities 15

Governmental Fund Financial Statements:

Balance Sheet – Governmental Funds 16
Reconciliation of Total Governmental Fund Balances to Net Assets
Of Governmental Activities 17
Statement of Revenues, Expenditures and Changes in Fund Balance
Of Governmental Funds 18
Reconciliation of the Statement of Revenues, Expenditures and Changes
In Fund Balances of Governmental Funds to the Statement of Activities 19

Proprietary Fund Financial Statements:

Statement of Net Position 20-21
Statement of Revenue, Expenses and Changes in Fund Net Position 22
Statement of Cash Flows 23-24

Agency Fund Financial Statements:

Statement of Fiduciary Assets and Liabilities 25

Notes to the Financial Statements 26-45

REQUIRED SUPPLEMENTAL INFORMATION

Schedules of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Major Funds:
General Fund 46-47
Revolving Loan Fund 48
Notes to Required Supplemental Information 49

TABLE OF CONTENTS

COMBINING AND INDIVIDUAL FUND SCHEDULES

MAJOR FUNDS:

Capital Projects 2001 Special Local Option Sales Tax 50
Capital Projects 2012 Special Local Option Sales Tax 51

NONMAJOR FUNDS:

Combining Balance Sheet – All Nonmajor Governmental Funds 52
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – All Nonmajor Governmental Funds 53

Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Nonmajor Governmental Funds:

Drug Enforcement 54
Law Library 55
Jail Fee 56
Drug Education 57
Special Revenue 58
Juvenile Services 59
2009 CDBG Grant 60
2006 SPLOST 61
2011 CHIP Grant 62

FIDUCIARY FUNDS:

Combining Statements of Assets and Liabilities – Agency Funds 63
Combining Statements of Changes in Assets and Liabilities – Agency Funds 64-65

COMPLIANCE SECTION

Schedules of Projects Constructed With Special Sales Tax Proceeds 66

2011 CHIP Grant Source and Application of Funds Schedule 67
2009 CDBG Grant Source and Application of Funds Schedule 67
2011 CHIP Grant Project Cost Schedule 68
2009 CDBG Grant Project Cost Schedule 68

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* 69-70

Schedule of Findings and Responses 71-73

Tillman & Tillman, LLP
Certified Public Accountants & Consultants

Joseph H. Tillman, CPA
H. Harrison Tillman, Jr., CPA
Pamela K. Tillman, CPA
Eric M. Tillman, CPA
H. Harrison Tillman, Sr., CPA (1927-2010)

Serving Clients Since 1954

INDEPENDENT AUDITOR'S REPORT

To the Board of County Commissioners
Atkinson County, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business- type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Atkinson County, Georgia as of and for the year ended June 30, 2013, 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 conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

THIS PAGE INTENTIONALLY LEFT BLANK

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Atkinson County, Georgia, as of June 30, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

In 2013, the County adopted new accounting guidance, GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,* and GASB Statement No.65, *Items Previously Reported as Assets and Liabilities.* Those standards modified terminology and presentation of certain accounts and change the accounting for bond issuance cost. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4–12 and 46–48 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Atkinson County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and budget schedules 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 and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 14, 2014, on our consideration of the Atkinson County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Atkinson County, Georgia's internal control over financial reporting and compliance.

Tillman & Tillman LLP

Tillman & Tillman, LLP

April 14, 2014

ATKINSON COUNTY, GEORGIA
Management's Discussion and Analysis
Required Supplemental Information
For the Year Ended June 30, 2013

As Management of the Atkinson County, Georgia, we offer readers of the County's basic financial statements this narrative overview and analysis of the financial activities of the County for the year ending June 30, 2013. We encourage our readers to consider the information presented within this Management's discussion and analysis in conjunction with the basic financial statements. The intent of this discussion and analysis is to look at the County's financial performance as a whole.

Financial Highlights

Key financial highlights for FY13 are as follows:

The County's governmental fund assets exceeded its liabilities at June 30, 2013 by $12,625,007 (net position). Of this amount $1,596,650 (unrestricted net position) may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of the current year, unassigned fund balance for the General Fund was $ 1,122,858.

Net assets for business-type activities decreased $496,543 from $1,811,433 to $1,314,900.

Overview of the Financial Statements

This annual report consists of a series of financial statements. These statements are organized so the reader can understand the County as a financial whole or as an entire operating entity. The statements also provide a detailed look at specific financial conditions.

The County's basic financial statements are comprised of three components: the government -wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The first two statements are government-wide financial statements that provide both long-term and short-term information about the County's overall financial status in a manner similar to a private-sector business.

The remaining statements are fund financial statements that focus on individual parts of the County government, reporting the County's operations in more detail that the government-wide 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.

Statement of Net Position and the Statement of Activities

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. The statement of activities presents information showing how the County's net position changed during the current year. These statements are prepared using the accrual basis of accounting similar to the accounting method used by private sector companies. This basis of accounting takes into consideration all of the current year's revenues and expenses, regardless of when the cash is received or paid.

The change in net position is important because it tells the reader whether, for the County as a whole, the financial position of the County has improved or diminished. However, in evaluating the overall position of the County, non-financial information such as changes in the County's tax base and the condition of the County's capital assets will also need to be evaluated.

In the statement of net position and the statement of activities, the County is divided into three kinds of activities:

Governmental Activities—Most of the County's programs and services are reported here, including general government, judicial, public safety, public works, health, human services, and culture and recreation. These services are funded primarily by taxes and intergovernmental revenues, including federal and state grants and other shared revenues.

Business-Type Activities—These services are provided on a charge for goods or services basis to recover all or most of the cost of the services provided. The County's Landfill operations are reported here.

Component Units—The County's financial statements include financial data of the Solid Waste Management Authority of Atkinson County and the Atkinson County Board of Health. These component units are described in the notes to the financial statements. The component units are separate and may buy, sell, lease, and mortgage property in their own name and can sue or be sued in their own name.

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 objects. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Fund financial statements provide detailed information about the County's major funds. Based on the restriction on the use of moneys, the County has established many funds that account for the multitude of services provided to our residents. The County's major governmental fund is General Fund.

Governmental Funds—Governmental funds are used to account for essentially the same functions reported as governmental activities on the government-wide financial statements. Most of the County's basic services are reported in these funds that focus on how money flows into and out of the funds and the year-end balances available for spending. These funds are reported on the modified accrual basis of accounting that measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services being provided, along with the financial resources available.

Because the focus of the 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 on the government-wide financial statements. By doing so, readers may better understand the long-term effect of the government's short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains a multitude of individual governmental funds. Information is presented separately on the governmental fund balance sheet and on the governmental fund statement of revenues, expenditures, and changes in fund balances for the major funds, which were identified earlier. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary Funds— Enterprise funds are used to report the same functions presented as business-type activities on the government-wide financial statements. The County uses an enterprise fund to account for the Landfill Fund.

Fiduciary Funds—Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected on the government-wide financial statements because the resources from those funds are not available to support the County's programs. The accounting method used for fiduciary funds is much like that used for the proprietary funds.

Notes to the Financial Statements—The notes provide additional information that is essential to a full understanding of the data provided on the government-wide and fund financial statements.

Other Information—In addition to the basic financial statements and accompanying notes, this report also presents combining and individual fund statements and schedules.

Government-Wide Financial Analysis

The following table reflects the condensed Statement of Net Position:

	Net Assets						
	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	Restated 2012	2013	Restated 2012	2013	2012	2013	2012-2013
Assets							
Current and other assets	$ 3,644,060	$ 3,404,208	$ 1,913,124	$ 2,060,693	$ 5,557,184	$ 5,464,901	-1.66%
Capital assets, net	8,796,617	9,868,720	5,367,340	4,873,814	14,163,957	14,742,534	4.08%
Total Assets	**12,440,677**	**13,272,928**	**7,280,464**	**6,934,507**	**19,721,141**	**20,207,435**	**2.47%**
Liabilities							
Current and other liabilities	412,441	418,173	331,308	333,245	743,749	751,418	1.03%
Long-term liabilities	242,634	199,748	5,137,712	5,286,362	5,380,346	5,486,110	1.97%
Total Liabilities	**655,075**	**617,921**	**5,469,020**	**5,619,607**	**6,124,095**	**6,237,528**	**1.85%**
Net Assets							
Invested in capital assets, net of related debt	8,449,043	9,426,062	2,002,340	1,643,814	10,451,383	11,069,876	5.92%
Restricted	1,541,478	1,632,295	66,754	-	1,608,232	1,632,295	1.50%
Unrestricted	1,795,081	1,596,650	(257,650)	(328,914)	1,537,431	1,267,736	17.54%
Total Net Assets	**$ 11,785,602**	**$ 12,655,007**	**$ 1,811,444**	**$ 1,314,900**	**$ 13,597,046**	**$ 13,969,907**	**2.74%**

As noted earlier, the County's net position, when reviewed over time, may serve as a useful indicator of the County's financial position. In the case of the County, assets exceeded liabilities by $13,969,907 ($12,655,007) in governmental activities and $1,314,900 in business-type activities) as of June 30, 2013. A large portion of the County's net position (79 percent) reflects its investment in capital assets (e.g., land and improvements, buildings and building improvements, improvements other than buildings, machinery and equipment, vehicles, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

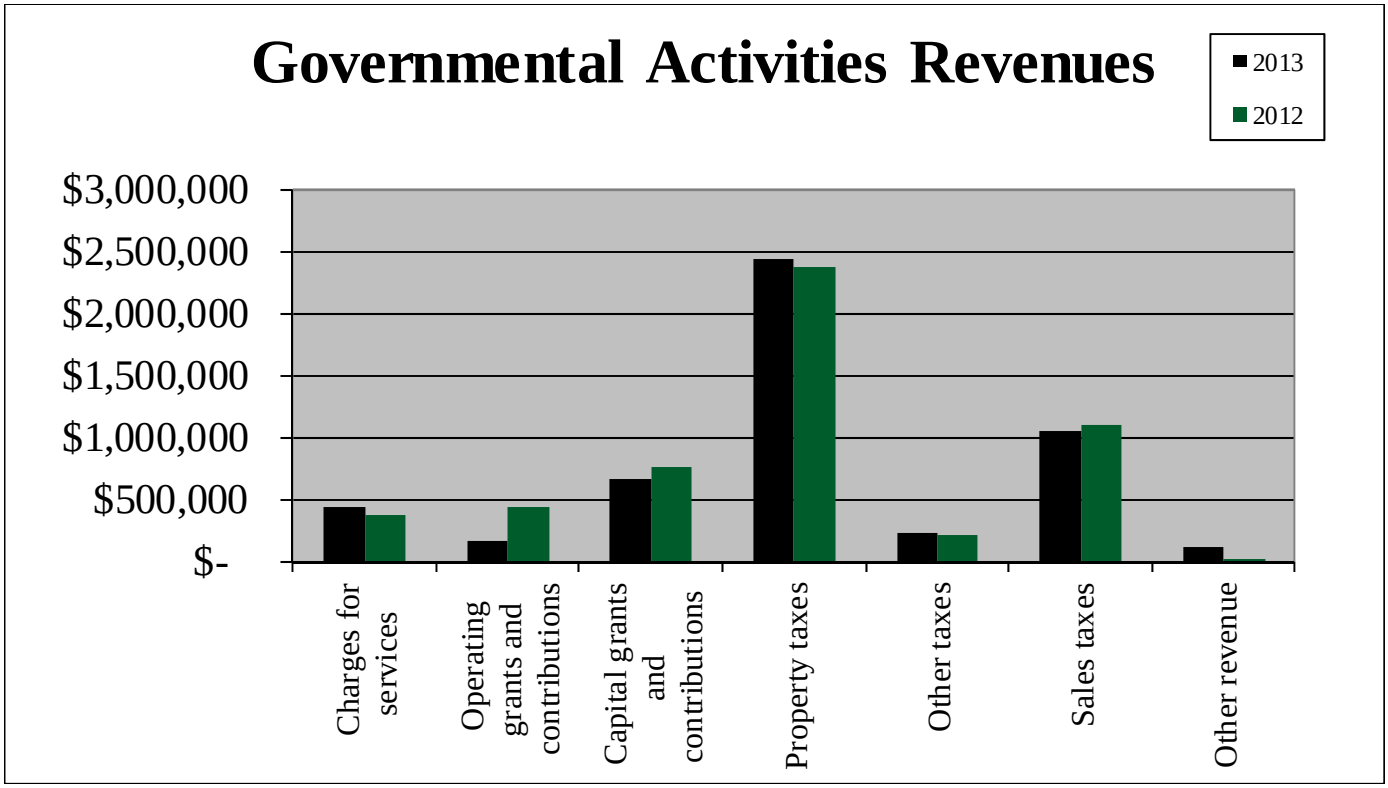
An additional portion of the County's net position (12 percent) represents resources that are subject to restrictions on how they can be used. The remaining balance of unrestricted assets $1,267,736 may be used to meet the County's ongoing obligations to citizens and creditors.

The next table shows the changes in net position for the year ending June 30, 2013.

Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	Restated 2012	2013	Restated 2012	2013	2012	2013	2012-2013
Revenues							
Program Revenues							
Charges for services	$ 383,613	$ 438,789	$ 2,310,608	$ 1,993,505	$ 2,694,221	$ 2,432,294	-9.72%
Operating grants and contributions	444,067	171,977	500	433	444,567	172,410	-61.22%
Capital grants and contributions	763,016	671,604	-	-	763,016	671,604	-11.98%
Total Program Revenues	1,590,696	1,282,370	2,311,108	1,993,938	3,901,804	3,276,308	-16.03%
General Revenues							
Property taxes	2,373,902	2,446,799	-	-	2,373,902	2,446,799	3.07%
Alcoholic beverage taxes	8,203	9,375	-	-	8,203	9,375	14.29%
Insurance premium taxes	203,570	217,477	-	-	203,570	217,477	6.83%
Sales taxes	1,096,941	1,059,057	-	-	1,096,941	1,059,057	-3.45%
Rent	16,698	16,748	-	-	16,698	16,748	0.30%
Gain on disposal of capital assets	-	69,302	-	5,581	-	74,883	0.00%
Miscellaneous	-	41,762	-	-	-	41,762	0.00%
Interest	-	-	19,882	11,027	19,882	11,027	-44.54%
Total General Revenues	3,699,314	3,860,520	19,882	16,608	3,719,196	3,877,128	4.25%
Total Revenues	**5,290,010**	**5,142,890**	**2,330,990**	**2,010,546**	**7,621,000**	**7,153,436**	**-6.14%**
Expenses							
Governmental Activities:							
General Government							
Legislative and executive	$ 1,011,142	$ 1,135,408	$ -	$ -	$ 1,011,142	$ 1,135,408	12.29%
Judicial	432,717	536,060	-	-	432,717	536,060	23.88%
Public safety	1,248,299	1,214,755	-	-	1,248,299	1,214,755	-2.69%
Public works	1,121,631	773,060	-	-	1,121,631	773,060	-31.08%
Health and welfare	83,027	63,575	-	-	83,027	63,575	-23.43%
Culture and recreation	8,400	8,400	-	-	8,400	8,400	0.00%
Community developments	95,312	199,854	-	-	95,312	199,854	109.68%
Intergovernmental	-	323,980	-	-	-	323,980	0.00%
Interest on long-term debt	9,464	14,053	-	-	9,464	14,053	48.49%
Business-type Activities:							
Landfill	-	-	2,051,952	2,511,429	2,051,952	2,511,429	22.39%
Total Expenses	**4,009,992**	**4,269,145**	**2,051,952**	**2,511,429**	**6,061,944**	**6,780,574**	**11.85%**
Revenue Over (Under) Expenses	**1,280,018**	**873,745**	**279,038**	**(500,883)**	**1,559,056**	**372,862**	**-76.08%**
Transfers In (Out)	(7,145)	(4,340)	7,145	4,340	-	-	0.00%
Increase (Decrease) in Net Assets	**1,272,873**	**869,405**	**286,183**	**(496,543)**	**1,559,056**	**372,862**	**-76.08%**
Net Assets, Restated	10,512,729	11,785,602	1,525,260	1,811,443	12,037,989	13,597,045	12.95%
Net Assets, Ending	$ 11,785,602	$ 12,655,007	$ 1,811,443	$ 1,314,900	$ 13,597,045	$ 13,969,907	**2.74%**

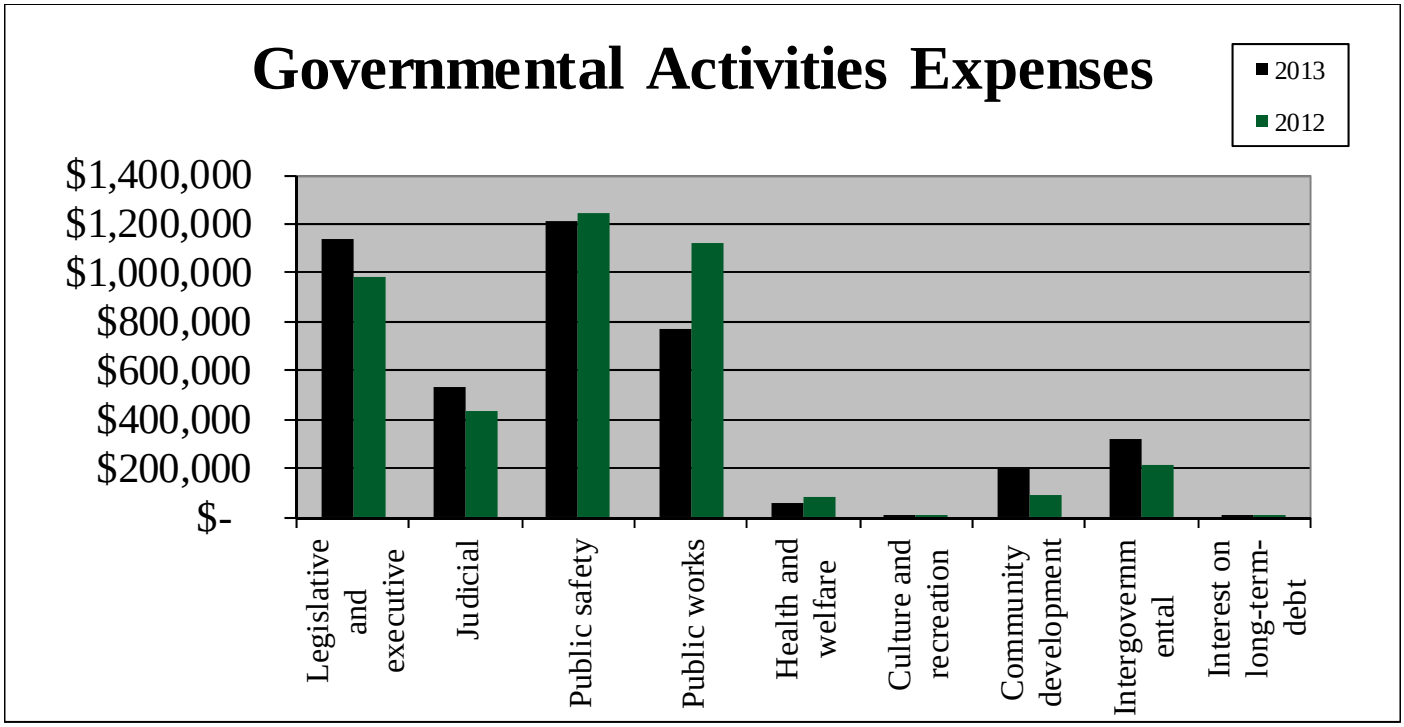
Governmental Activities



The largest portion of the County's program revenue is from capital grants which accounted for $671,604 or 52% of total program revenues. These grants provided public works capital improvements.

Property tax revenues are the major contributor to general revenues and account for $2,446,799 or 63% of total general revenues. Another major component was sales taxes, which accounted for $1,059,057 or 27% of total general revenues.

Governmental Activities – Continued



The following table provides the total cost of services and the net cost of services for the governmental activities. The statement of activities reflects the cost of program services and the charges for services, and sales, grants, and contributions offsetting these services. The net cost of services identifies the cost of those services supported by tax revenues and unrestricted intergovernmental revenues.

Net Cost of Governmental Activities

Function	Total Cost of Services 2012	Total Cost of Services 2013	Percentage Change 2012-2013	Net Cost of Services 2012	Net Cost of Services 2013	Percentage Change 2012-2013
General Government						
Legislative and executive	$ 984,308	$ 1,135,408	15.35%	$ 760,705	$ 824,809	8.43%
Judicial	432,717	536,060	23.88%	174,159	535,962	207.74%
Public safety	1,248,299	1,214,755	-2.69%	1,237,363	1,192,808	-3.60%
Public works	907,908	773,060	-14.85%	(159,066)	(12,194)	-92.33%
Health and welfare	83,027	63,575	-23.43%	52,402	52,375	-0.05%
Culture and recreation	8,400	8,400	0.00%	8,400	8,400	0.00%
Community development	95,312	199,854	109.68%	95,312	46,582	51.13%
Intergovernmental	213,723	323,980	0.00%	213,723	323,980	0.00%
Interest on long-term debt	9,464	14,053	48.49%	9,464	14,053	48.49%
Total	**$ 3,983,158**	**$ 4,269,145**	**7.18%**	**$ 2,392,462**	**$ 2,986,775**	**24.84%**

Business-Type Activities

The net position for the business-type activities decreased by $ 496,543 during the year ending June 30, 2013. The major source of revenue was from charges for services, which amounted to $ 2,511,429.

Financial Analysis of County 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, unrestricted fund balance may serve as a useful measure of the County's net resources available for spending at the end of the year.

As of June 30, 2013, the County's governmental funds reported a combined ending fund balance of $3,129,745, a decrease of $153,618. Approximately 36% of this total ($1,122,858) represents unassigned fund balance, which is available for spending at the County's discretion but is currently held for adequate fund balance reserves for daily operations.

The General Fund is the primary operating fund of the County. At the end of June 30, 2013, the unassigned fund balance was $ 1,122,858.

Enterprise Funds

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

The Pudding Creek Landfill Fund oversees the post-closure care of a landfill that has been closed.

The Solid Waste Management Authority Fund accounts for the operations of the County landfill through an Authority that is a component unit of the County.

Budgetary Highlights

By State statute, the Board of County Commissioners adopts the annual operating budget for the fiscal year on or before the first day of the fiscal year. Some special revenue funds overseen by constitutional officers did not provide budgets, which was not in compliance with the State statute. The Commissioners have instructed those officers to provide budgets annually.

Capital Assets

The County's investment in capital assets for governmental and business-type activities as of June 30, 2013, was $11,069,876 (net of accumulated depreciation and related debt). This investment in capital assets includes land and improvements, buildings and improvements, improvements other than buildings, machinery and equipment and vehicles.

Major capital asset events during FY13 included improvements to the courthouse, purchases of public works and public safety equipment and road construction.

Note7 (Capital Assets) provides additional information about capital asset activity during FY13.

Debt

At June 30, 2013, the Solid Waste Management Authority of Atkinson County, a component unit of Atkinson County had total revenue obligation bonded debt outstanding of $3,230,000.

The County's long-term obligations include notes payable, capital leases, compensated absences and closure/post-closure liability. Notes 9, 10 and 11 provide information regarding these liabilities.

Economic Factors

The County has improved the General Fund's fund balance over the last few years and now has approximately a three month reserve based on the average monthly expenditures in unassigned fund balance.

The County taxable digest went up by 2.0% in FY13.

Sales tax collections were down by 3.6% in FY13 mainly due to sales tax being taken off of vehicles by state legislation.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Atkinson County, Georgia, County Clerk, P.O. Box 518, Pearson, Georgia 31642

ATKINSON COUNTY, GEORGIA
STATEMENT OF NET POSITION
June 30, 2013

	Primary Government		
	Governmental Activities	Business-Type Activities	Total Primary Government
ASSETS			
Cash and cash equivalents	$ 1,542,575	$ 180,233	$ 1,722,808
Certificate of deposit	1,110,927	-	1,110,927
Receivables (net of allowance for doubtful accounts):			
Taxes	151,720	-	151,720
Accounts	91,257	243,342	334,599
Sales tax	83,577	-	83,577
Revolving fund	387,523	-	387,523
Materials and supplies inventory	13,388	-	13,388
Prepaid expenses	23,241	-	23,241
Unamortized bond issue cost	-	113,690	113,690
Restricted cash	-	1,523,428	1,523,428
Nondepreciable capital assets	1,207,505	400,024	1,607,529
Depreciable capital assets, net	8,661,215	4,473,790	13,135,005
TOTAL ASSETS	13,272,928	6,934,507	20,207,435

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

Component Unit	
Atkinson County Board of Health	Total Reporting Entity
$ 286,400	$ 2,009,208
-	1,110,927
-	151,720
-	334,599
-	83,577
-	387,523
-	13,388
-	23,241
-	113,690
-	1,523,428
-	1,607,529
11,659	13,146,664
298,059	20,505,494

ATKINSON COUNTY, GEORGIA
STATEMENT OF NET POSITION
June 30, 2013

	Primary Government		
	Governmental Activities	Business-Type Activities	Total Primary Government
LIABILTIES			
Accounts payable	63,887	50,414	114,301
Accrued liabilities	7,322	50,186	57,508
Due to other governments	75,808	-	75,808
Payable from restricted assets:			
Customer deposits	-	6,158	6,158
Current portion of bonds payable	-	135,000	135,000
Long-term liabilities:			
Due within one year:			
Compensated absences payable	14,123	-	14,123
Capital lease obligations	235,701	-	235,701
Notes payable	21,332	-	21,332
Landfill closure and postclosure cost	-	91,487	91,487
Due in more than one year			
Compensated absences payable	14,123	-	14,123
Capital lease obligations	140,488	-	140,488
Notes payable	45,137	-	45,137
Bonds payable	-	3,095,000	3,095,000
Landfill closure and postclosure cost	-	2,191,362	2,191,362
TOTAL LIABILITIES	617,921	5,619,607	6,237,528
NET POSITION			
Net investments in capital assets	9,426,062	1,643,814	11,069,876
Restricted for:			
Drug enforcement operations	7,354	-	7,354
Law library operations	27,663	-	27,663
Jail operations	27,523	-	27,523
Capital projects	1,017,926	-	1,017,926
Juvenile services	14,151	-	14,151
Revolving loan fund	537,678	-	537,678
Prior year program income	-	-	-
Unrestricted	1,596,650	(328,914)	1,267,736
TOTAL NET POSITION	$ 12,655,007	$ 1,314,900	$ 13,969,907

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

Unit	
Atkinson County Board of Health	Total Reporting Entity
-	114,301
-	57,508
-	75,808
-	6,158
-	135,000
10,952	25,075
-	235,701
-	21,332
-	91,487
10,952	25,075
	140,488
-	45,137
-	3,095,000
-	2,191,362
21,904	6,259,432
11,659	11,081,535
-	7,354
-	27,663
-	27,523
-	1,017,926
-	14,151
-	537,678
31,061	31,061
233,435	1,501,171
$ 276,155	$ 14,246,062

ATKINSON COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2013

Function/Program	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants, Contributions, and Interest	Program Revenues: Capital Grants, Contributions, and Interest
Governmental Activities				
General Government				
Legislative and Executive	$ 1,135,408	155,665	9,507	145,427
Judicial	536,060	-	98	-
Public Safety	1,214,755	21,947	-	-
Public Works	773,060	259,077	-	526,177
Health and Welfare	63,575	2,100	9,100	-
Culture and Recreation	8,400	-	-	-
Community Development	199,854	-	153,272	-
Intergovernmental	323,980	-	-	-
Interest on long-term debt	14,053	-	-	-
Total Governmental Activities	4,269,145	438,789	171,977	671,604
Business-Type Activities				
Pudding Creek Landfill	-	-	-	-
Solid Waste Management Authority	2,511,429	1,993,505	433	-
Total Business-Type Activities	2,511,429	1,993,505	433	-
Total Primary Government	$ 6,780,574	$ 2,432,294	$ 172,410	$ 671,604
Component Units				
Atkinson County Board of Health	$ 323,361	$ 76,616	$ 256,802	$ -
Total Component Unit	$ 323,361	$ 76,616	$ 256,802	$ -

General Revenues
Property Taxes Levied for:
General Operating
Alcoholic Beverage Taxes
Insurance Premium Taxes
Sales Taxes
Rent
Gain on disposal of capital assets
Miscellaneous
Interest
Total General Revenues
Transfers in (out)
Total General Revenues and Transfers
Change in Net Position

Net Position, Restated
Net Position, End of Year

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

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Atkinson County Board of Health
$ (824,809)	$ -	$ (824,809)	$ -
(535,962)	-	(535,962)	-
(1,192,808)	-	(1,192,808)	-
12,194	-	12,194	-
(52,375)	-	(52,375)	-
(8,400)	-	(8,400)	-
(46,582)	-	(46,582)	-
(323,980)	-	(323,980)	
(14,053)	-	(14,053)	-
(2,986,775)	-	(2,986,775)	-
-	-	-	-
-	(517,491)	(517,491)	-
-	(517,491)	(517,491)	-
$ (2,986,775)	$ (517,491)	$ (3,504,266)	$ -
$ -	$ -	$ -	$ 10,057
$ -	$ -	$ -	$ 10,057
2,446,799	-	2,446,799	-
9,375	-	9,375	-
217,477	-	217,477	-
1,059,057	-	1,059,057	-
16,748	-	16,748	-
69,302	5,581	74,883	
41,762	-	41,762	
-	11,027	11,027	-
3,860,520	16,608	3,877,128	-
(4,340)	4,340	-	-
3,856,180	20,948	3,877,128	-
869,405	(496,543)	372,862	10,057
11,785,602	1,811,443	13,597,045	266,098
$ 12,655,007	$ 1,314,900	$ 13,969,907	$ 276,155

ATKINSON COUNTY, GEORGIA
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2013

	General	Capital Projects 2001 SPLOST Fund	Capital Projects 2012 SPLOST Fund	Special Revenue RLF-EIP	Other Governmental Funds	Total
ASSETS						
Cash and cash equivalents	$ 810,262	$ -	$ 492,829	$ 150,155	$ 89,330	$ 1,542,576
Certificate of deposit	495,677	615,250	-	-	-	1,110,927
Receivables (net of allowance for doubtful accounts):						
Taxes	151,720	-	-	-	-	151,720
Accounts	85,168	-	-	387,523	307	472,998
Sales Tax	26,720	-	56,857	-	-	83,577
Due from other governments	-	-	-	-	5,781	5,781
Interfund receivable	78,214	-	-	-	-	78,214
Inventory	13,388	-	-	-	-	13,388
Prepaid expenses	23,241	-	-	-	-	23,241
TOTAL ASSETS	1,684,390	615,250	549,686	537,678	95,418	3,482,422
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 61,830	$ -	$ 2,055	$ -	$ -	$ 63,885
Accrued liabilities	7,322	-	-	-	-	7,322
Interfund payable	-	-	78,209	-	6	78,215
Due to other governments	-	-	66,746	-	9,062	75,808
TOTAL LIABILITIES	69,152	-	147,010	-	9,068	225,230
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	127,447	-	-	-	-	127,447
TOTAL DEFERRED INFLOWS OF RESOURCES	127,447	-	-	-	-	127,447
FUND BALANCES						
Nonspendable for:						
Inventory	13,388	-	-	-	-	13,388
Prepaid expense	23,241	-	-	-	-	23,241
Restricted for:						
Capital projects	-	615,250	402,676	-	-	1,017,926
Jail operations	-	-	-	-	27,523	27,523
Drug enforcement operations	-	-	-	-	7,354	7,354
Drug education	-	-	-	-	9,659	9,659
Law library	-	-	-	-	27,663	27,663
Juvenile services	-	-	-	-	14,151	14,151
Revolving loan fund	-	-	-	537,678	-	537,678
Assigned for:						
Property tax roll back	328,304	-	-	-	-	328,304
Unassigned reported in:						
General Fund	1,122,858	-	-	-	-	1,122,858
TOTAL FUND BALANCES	1,487,791	615,250	402,676	537,678	86,350	3,129,745
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 1,684,390	$ 615,250	$ 549,686	$ 537,678	$ 95,418	$ 3,482,422

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

ATKINSON COUNTY, GEORGIA
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
June 30, 2013

Total Governmental Funds Balances		$ 3,129,745
Amounts reported for governmental activities on the statement of net assets are different because of the following:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		9,868,720
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.		
Deferred property taxes		127,447
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Compensated absences	(28,246)	
Notes payable	(67,238)	
Capital leases payable	(375,421)	
		(470,905)
Net Assets of Governmental Activities		$ 12,655,007

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

ATKINSON COUNTY, GEORGIA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For The Year Ended June 30, 2013

	General	Capital Projects: 2001 SPLOST Fund	Capital Projects: 2012 SPLOST Fund	Special Revenue RLF-EIP	Other Governmental Funds	Total
REVENUES						
Taxes	$ 3,017,491	$ -	$ 724,815	$ -	$ -	$ 3,742,306
Licenses and permits	4,855	-	-	-	-	4,855
Intergovernmental revenues	495,105	-	-	-	296,651	791,756
Charges for services	133,259	-	-	-	3,654	136,913
Fines and forfeitures	217,337	-	-	-	55,033	272,370
Investment income	7,924	5,719	881	12,080	701	27,305
Miscellaneous	134,732	-	-	-	-	134,732
TOTAL REVENUES	$ 4,010,703	$ 5,719	$ 725,696	$ 12,080	$ 356,039	$ 5,110,237
EXPENDITURES						
Current						
General Government						
Legislative and executive	819,770	-	-	-	-	819,770
Judicial	429,534	-	-	-	388	429,922
Public safety	1,134,837	-	-	-	11,693	1,146,530
Public works	1,880,376	-	56,680	-	120,258	2,057,314
Health and welfare	54,961	-	-	-	8,614	63,575
Culture and recreation	8,400	-	-	-	-	8,400
Community development	58,662	-	-	627	151,224	210,513
Intergovernmental	-	-	273,980	-	50,000	323,980
Capital outlay	-	31,795	108,996	-	161,373	302,164
Debt Service						
Principal retirement	44,168	-	-	-	-	44,168
Interest	14,531	-	-	-	-	14,531
TOTAL EXPENDITURES	4,445,239	31,795	439,656	627	503,550	5,420,867
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(434,536)	(26,076)	286,040	11,453	(147,511)	(310,630)
OTHER FINANCING SOURCES (USES)						
Capital lease proceeds	161,352	-	-	-	-	161,352
Transfer in	31,425	-	-	-	-	31,425
Transfer out	(4,340)	-	-	-	(31,425)	(35,765)
TOTAL OTHER FINANCING SOURCES (USES)	188,437	-	-	-	(31,425)	157,012
NET CHANGES IN FUND BALANCE	(246,099)	(26,076)	286,040	11,453	(178,936)	(153,618)
FUND BALANCE AT BEGINNING OF YEAR, RESTATED	1,733,890	641,326	116,636	526,225	265,286	3,283,363
FUND BALANCES AT END OF YEAR	$ 1,487,791	$ 615,250	$ 402,676	$ 537,678	$ 86,350	$ 3,129,745

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

ATKINSON COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2013

Net Change in Fund Balances - Total Governmental Funds		$ (153,618)
Amounts reported for governmental activities on the statement of activities are different because of the following:		
Governmental funds report capital outlays as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current year:		
Capital outlay - depreciable capital assets	1,546,723	
Depreciation	(448,778)	
		1,097,945
Revenues on the statement of activities that do no provide current financial resources are not reported as revenues in governmental funds:		
Net change in deferred revenues - property taxes		39,571
Revenues not reported on the statement of activities that provide current financial resources are reported as revenues in governmental funds:		
Capital lease financing		(161,352)
Repayment of principle is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of activities.		
Capital lease and note payments		66,269
Some expense reported on the statement of activities do not require the use of current financial resources and, therefore, are not, reported as expenditures in governmental funds:		
Loss on disposal of capital assets		(25,842)
Compensated absences		6,432
Changes in Net Assets of Governmental Activities		$ 869,405

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

ATKINSON COUNTY, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
June 30, 2013

	Business-Type Activities Enterprise Funds		
	Solid Waste Management Authority	Pudding Creek Landfill	Total
ASSETS			
CURRENT ASSETS			
Cash	$ 180,233	$ -	$ 180,233
Accounts receivable (net of allowance for doubtful accounts)	243,342	-	243,342
Unamortized bond issue cost	113,690	-	113,690
Restricted Assets			
Cash	1,523,428	-	1,523,428
TOTAL CURRENT ASSETS	2,060,693	-	2,060,693
NONCURRENT ASSETS			
Capital Assets			
Land	400,024	-	400,024
Depreciable capital assets, net	4,473,790	-	4,473,790
TOTAL NONCURRENT ASSETS	4,873,814	-	4,873,814
TOTAL ASSETS	$ 6,934,507	$ -	$ 6,934,507

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

ATKINSON COUNTY, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION - CONTINUED
June 30, 2013

	Enterprise Funds		
	Solid Waste Management Authority	Pudding Creek Landfill	Total
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	$ 50,414	$ -	$ 50,414
Accrued liabilities	50,186	-	50,186
Current portion of closure and post closure cost	87,147	4,340	91,487
Payable from restricted cash:			
Deposits	6,158	-	6,158
Current portion of bonds payable	135,000	-	135,000
TOTAL CURRENT LIABILITIES	328,905	4,340	333,245
LONG-TERM LIABILITIES			
Bonds payable, net of current portion	3,095,000	-	3,095,000
Closure and post closure care costs	1,655,811	535,551	2,191,362
TOTAL LONG-TERM LIABILITIES	4,750,811	535,551	5,286,362
TOTAL LIABILITIES	5,079,716	539,891	5,619,607
NET POSITION			
Net investment in capital assets	1,643,814	-	1,643,814
Unrestricted	210,977	(539,891)	(328,914)
TOTAL NET POSITION	$ 1,854,791	$ (539,891)	$ 1,314,900

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

ATKINSON COUNTY, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
For The Year Ended June 30, 2013

	Business-Type Activities Enterprise Funds		
	Solid Waste Management Authority	Pudding Creek Landfill	Total
OPERATING REVENUE			
Charges for services	$ 1,993,505	$ -	$ 1,993,505
Grants	433	-	433
TOTAL OPERATING REVENUE	1,993,938	-	1,993,938
OPERATING EXPENSES			
Salaries and wages	293,304	-	293,304
Payroll taxes	20,124	-	20,124
Employee benefits	67,725	-	67,725
Supplies and other expenses	1,056,938	-	1,056,938
Bond cost amortization	6,316	-	6,316
Depreciation	640,083	-	640,083
TOTAL OPERATING EXPENSES	2,084,490	-	2,084,490
OPERATING INCOME (LOSS)	(90,552)	-	(90,552)
NON-OPERATING REVENUES (EXPENSES)			
Interest income	11,027	-	11,027
Gain on sale of assets	5,581	-	5,581
Interest expense	(121,573)	-	(121,573)
Closure and postclosure care cost reduction	(305,366)	-	(305,366)
TOTAL NON-OPERATING REVENUE (EXPENSES)	(410,331)	-	(410,331)
INCOME (LOSS) BEFORE TRANSFERS	(500,883)	-	(500,883)
Transfer in	-	4,340	4,340
CHANGE IN NET POSITION	(500,883)	4,340	(496,543)
NET POSITION, RESTATED	2,355,674	(544,231)	1,811,443
NET POSITION, END OF YEAR	$ 1,854,791	$ (539,891)	$ 1,314,900

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

ATKINSON COUNTY, GEORGIA
PROPRIETARY FUNDS
SCHEDULE OF CASH FLOWS
For The Year Ended June 30, 2013

	Business-Type Activities Enterprise Funds		
	Solid Waste Management Authority of Atkinson County	Pudding Creek Landfill	Total
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows From Operating Activities			
Cash received from customers, including cash deposits	$ 1,930,871	$ -	$ 1,930,871
Cash received from other governments	433	-	433
Cash payments for personal services	(382,821)	-	(382,821)
Cash payments for materials and supplies	(1,070,442)	(4,340)	(1,074,782)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	478,041	(4,340)	473,701
Cash Flows From Noncapital Financing Activities			
Cash received from transfer in	-	4,340	4,340
NET CASH PROVIDED (USED) BY NON CAPITAL FINANCING ACTIVITIES	-	4,340	4,340
Cash Flows From Capital and Related Financing Activities			
Cash received from the sale of capital assets	5,581	-	5,581
Cash payments for acquisition and construction of capital assets	(146,558)	-	(146,558)
Cash payments for interest and principle	(256,840)	-	(256,840)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(397,817)	-	(397,817)
Cash Flows From Investing Activities			
Cash received from interest	11,027	-	11,027
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	11,027	-	11,027
NET INCREASE IN CASH	91,251	-	91,251
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,612,410	-	1,612,410
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 1,703,661	$ -	$ 1,703,661
Cash	$ 180,233	$ -	$ 180,233
Restricted Cash	1,523,428	-	1,523,428
Total Cash	$ 1,703,661	$ -	$ 1,703,661

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

ATKINSON COUNTY, GEORGIA
PROPRIETARY FUNDS
SCHEDULE OF CASH FLOWS - CONTINUED
For The Year Ended June 30, 2013

	Business-Type Activities Enterprise Funds		
	Solid Waste Management Authority of Atkinson County	Pudding Creek Landfill	Total
Reconciliation of Operating Income (Loss) To Net Cash Provided By (Used For) Operating Activities			
Operating (loss) income	$ (90,552)	$ -	$ (90,552)
Adjustments to Reconcile Operating Income (Loss) To Net Cash Provided By (Used For) Operating Activities			
Depreciation	640,083	-	640,083
Amortization	6,316	-	6,316
Change in assets and liabilities			
(Increase) decrease in accounts receivable	(62,634)	-	(62,634)
Increase (decrease) in accrued liabilities	(884)	-	(884)
Increase (decrease) in accounts payable	(14,288)	(4,340)	(18,628)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	$ 478,041	$ (4,340)	$ 473,701

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

ATKINSON COUNTY, GEORGIA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2013

	Agency Funds
ASSETS	
Cash and cash equivalents	$ 291,681
TOTAL ASSETS	291,681
LIABILITIES	
Due to others	291,681
TOTAL LIABILITIES	291,681
NET ASSETS	$ -

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

Note 1 – Reporting Entity

The Entity. These financial statements present Atkinson County, Georgia (the primary government) which is governed by an elected board, the Solid Waste Management Authority, a blended component unit and the Atkinson County Board of Health, a discreetly presented component unit. The criteria for including organizations as component units within the County's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the County holds the corporate powers of the organization
- the County appoints a voting majority of the organization's board
- the County is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/ burden on the county
- there is a fiscal dependency by the organization of the County

Based on the criteria of GASB 2100, the following entities are considered a component unit of Atkinson County, Georgia:

Blended Component Unit. The Solid Waste Management Authority of Atkinson County is a component unit based on the criteria of fiscal dependency. The Solid Waste Management Authority financial statements have been blended with those of the County. Although the component unit is legally separate from the County, a majority of its transactions were directly with the County. A complete set of financial statements for the Solid Waste Management Authority of Atkinson County is presented in a separate report and can be obtained from the Solid Waste Management Authority of Atkinson County.

Discretely Presented Component Unit. The Atkinson County Board of Health is a component unit based on the criteria of the County appointing a voting majority to the board, the County's ability to impose its will and fiscal dependency. The balance sheet and statement of revenues, expenditures, and changes in fund balance for Atkinson County Board of Health are presented in these financial statements using the method of discrete presentation. A complete set of financial statements for the Atkinson County Board of Health is presented in a separate report and can be obtained from the Atkinson County Board of Health, Pearson, Georgia. Atkinson County provided $30,680 in funding to the Board of Health for the year ending June 30, 2013

Joint Ventures. The County, in conjunction with cities and counties in the (18) county Southern Georgia area are members of the Southern Georgia Regional Commission. Membership in a Regional Commission is automatic for each municipality and county in the state. The official Code Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the Regional Commission's. Each county and municipality in the state is required by law to pay minimum annual dues to the Regional Commission. The County paid annual dues in the amount of $6,111 to the Regional Commission for the year ended June 30, 2013. The Regional Commission Board membership includes the Chief elected official of each county and municipality. The County Board members and municipal Board members from the same county elect one member of the Board who is a resident (but not an elected or appointed official or employee of the County or municipality) to serve as the non-public Board member from the County.

The Georgia Planning Act of 1989 (O.C.G.A. 50-8-34) defines a Regional Commission as "public agencies and instrumentality's of their members". Georgia laws also provide that the member governments are liable for any debts or obligations of a Regional Commission beyond its resources. (O.C.G. A. 50-8-39.1)

A copy of the financial report can be obtained at the following address:

Southern Georgia Regional Commission
327 West Savannah Avenue
Valdosta. Georgia 31603

Note 1 – Reporting Entity - Continued

Related Organization. The County appoints one member to the Board of the Atkinson County Housing Authority.

Note 2 – Summary of Significant Accounting Policies

The financial statements of Atkinson County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The County has elected to apply Financial Accounting Standards Board (FASB) Statements and Interpretations issued after November 30, 1989, to its business-type activities and to its enterprise funds provided they do not conflict with or contradict GASB pronouncements. Following are the more significant of the County's accounting policies.

A. Basis of Presentation

The County's basic financial statements consist of government-wide financial statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the County that are governmental in nature and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the County at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues that are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the County.

Fund Financial Statements

During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. The focus of governmental and proprietary fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

Note 2 - Summary of Significant Accounting Policies - Continued

B. Fund Accounting

The County uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds

Governmental funds are those through which most governmental functions of the County are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the County's major governmental funds:

General Fund. The General Fund accounts for all financial resources, except those required to be accounted for in another fund. All general operating revenues which are not restricted or designated as to use by outside sources are recorded in the General Fund.

Special Revenue Revolving Loan Fund. The Revolving Loan Fund accounts for financing of various projects with economic development impact on the citizens of Atkinson County. The fund was established initially through federal and state grants.

Capital Projects 2001 SPLOST Fund. The Capital Projects 2001 Special Purpose Sales Tax Fund accounts for the special purpose local option sales tax that was renewed for the fourth time by referendum. The revenue is restricted to the stated purposes of the referendum.

Capital Projects 2012 SPLOST Fund. The Capital Projects 2013 Special Purpose Sales Tax Fund accounts for the special purpose local option sales tax that was renewed for the fourth time by referendum. The revenue is restricted to the stated purposes of the referendum.

The other governmental funds of the County account for grants and other resources whose use is restricted for a particular purpose; the accumulation of resources for, and the payment of debt, and the acquisition or construction of major capital facilities.

Note 2 - Summary of Significant Accounting Policies - Continued

Proprietary Funds

Proprietary Fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. The County's enterprise funds may be used to account for any activity for which a fee is charged to external users of goods or services. The following are the County's major enterprise funds:

Pudding Creek Landfill Fund. Accounts for the closed County landfill.
Solid Waste Management Authority Fund. Accounts for the operations of the active County landfill.

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The County's agency funds account for assets held by the County's Tax Commissioner, Clerk of Court, Sheriff, Magistrate Court and Probate Court for other governments or individuals.

C. Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the County are included on the statement of net position.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balance reflects the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds.

Like the government-wide financial statements, the enterprise funds are accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in revenues, expenses, and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows reflects how the County finances and meets the cash flow needs of its enterprise activities.

Note 2 - Summary of Significant Accounting Policies - Continued

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide and enterprise fund financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; enterprise funds and fiduciary funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues—Exchange and Nonexchange Transactions

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recognized in the year in which the resources are measurable and become available. Available means the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the County, available means expected to be received within sixty days after year end.

Nonexchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, sales taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes are recognized in the year for which the taxes are levied. Revenue from sales taxes is recognized in the period in which the sales are made. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the County must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered both measurable and available at year end: sales taxes, charges for services, fines and forfeitures, grants, interest, and rent.

Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has unavailable revenue, with arises only under the modified accrual basis of accounting, that qualifies for reporting in this category on the governmental fund balance sheet

Property taxes for which there was an enforceable legal claim at June 30, 2013, but were levied to finance FY13 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements were met have also been recorded as deferred revenue.

On governmental fund financial statements, receivables that were not collected within the available period are recorded as deferred revenue.

Note 2 - Summary of Significant Accounting Policies – Continued

Expenses/Expenditures

On the accrual basis, expenses are recognized at the time they are incurred. Prepaid expenditures in governmental funds are recognized during the benefiting period.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

E. Budgetary Process

The County adopts annual budgets for the General and Special Revenue Funds. The proposed budgets are prepared by the County Clerk and submitted to the County Commissioners, who advertise the proposed budgets and conduct public hearings on the proposed budgets as required by local ordinance, state law, and federal program requirements. Subsequent to meeting the various requirements the County Commissioners adopt the budgets for the fiscal year. The annual budgets for the funds are prepared in accordance with the basis of accounting utilized by that fund. Departments, with the County Clerks approval, can amend their budgets without Board approval on all expenditures excluding personal services. Budgets cannot be changed above the department level without Board approval.

F. Encumbrances

The County does not use the encumbrance system of accounting.

G. Cash and Investments

Cash and cash equivalents are defined as short-term, highly liquid investments with a maturity of three months or less when purchased, that are readily convertible to know amounts of cash, and so near their maturity that they present insignificant rates of changes in value because of changes in interest rates.

The County's deposit policy limits deposit choices to checking accounts, money market accounts and certificates of deposits with local banks. All deposits are to be secured as required by state statutes. The state statute requires the deposits to be secured at an amount equal to the total deposits less FDIC insurance, and then multiplied by 110 percent.

The County is authorized to invest in funds in (1) obligations which constitute direct obligations of, or are unconditionally guaranteed by, the United States of America; (2) certificates of deposit issued by state and national banks located in the state of Georgia when secured by acceptable collateral; (3) obligations of the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank and Federal Bank of Cooperatives; and (4) bonds or other obligations issued by any public housing agency or municipality which are served by a pledge of annual contributors under contract with the United States Government, or project notes secured by a payment agreement with the United States Government.

H. Inventory

Inventory is presented at the lower of cost or market on a first-in, first-out basis and is expensed when used. Inventory consists of expendable supplies held for consumption.

Note 2 - Summary of Significant Accounting Policies - Continued

I. Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Certain resources set aside for the payment of bond debt and customer deposits for the Solid Waste Management Authority Fund are classified as restricted assets on the balance sheet because their use is limited.

J. Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets used by the enterprise funds are reported in both the business-type activities column of the government-wide statement of net position and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated capital assets are recorded at their fair market value on the date donated. The County maintains a capitalization threshold of $1,000. The County's infrastructure consists of roads, bridges, and culverts for which the County chose to include all such items regardless of their acquisition date. The County was able to estimate the historical cost of the governmental activities infrastructure for the initial reporting of those assets. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during the construction of enterprise fund capital assets is also capitalized.

All capital assets are depreciated, except for land and improvements and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacement.

Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Buildings and Building Improvements	40–100 years
Improvements Other Than Buildings	40 years
Machinery and Equipment	5–20 years
Vehicles	6–20 years
Infrastructure	5-50 years
Landfill	10-50 years

Capital assets include some prior additions to public domain (infrastructure) general capital assets consisting of certain improvements including roads and bridges for which historical cost information was available.

K. Interfund Receivables/Payables

On fund financial statements, receivables and payables resulting from short-term interfund loans or interfund services provided and used are classified as "Interfund Receivables/Payables." Interfund balances within governmental activities and within business-type activities are eliminated on the government-wide statement of net position. The only interfund balances which remain on the government-wide statement of net position are those between governmental and business-type activities. These amounts are reflected as "Internal Balances."

Note 2 - Summary of Significant Accounting Policies - Continued

L. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable the County will compensate the employees for the benefits through paid time off or some other means. The County records a liability for accumulated unused vacation time when earned for all employees.

Sick leave benefits are not accrued as a liability.

The entire compensated absences liability is reported on the government-wide financial statements.

On governmental fund financial statements, compensated absences are not recognized as a liability and expenditure. For enterprise funds, the entire amount of compensated absences is reported as a fund liability.

M. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from the enterprise funds are reported on the enterprise fund financial statements.

In general, governmental fund payables and accrued liabilities are recognized as fund liabilities when incurred. However, required pension contributions that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Loans and capital leases are recognized as a liability on the fund financial statements when due.

N. Net Position

Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus.Net investment in capital assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The County's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

O. Fund Balances

The County has implemented GASB No. 54, Fund Balance Report and Governmental Fund Type Definitions. Under GASB Statement No. 54, fund balances are required to be reported in the following classifications:

Nonspendable fund balance – Includes amounts that cannot be spent because they are either not in spendable form , or, for legal or contractual reasons, must be kept intact.

Restricted fund balance – Constraints placed on the use of these resources are either externally imposed by creditors, grantors, contributors or other governments; or are imposed by law (through constitutional provisions or enabling legislation).

Committed fund balance – Amounts that can only be used for specific purposes because of a formal action (resolution or ordinance) by the County's highest level of decision-making authority, the County Board of Commissioners.

Note 2 - Summary of Significant Accounting Policies - Continued

O. Fund Balances - Continued

Assigned fund balance – Amounts that are constrained by the County's intent to be used for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the County Board of Commissioners, or by an official to whom that authority has been given. With the exception of the General Fund, this is the residual fund balance classification for all governmental funds with positive balances.

Unassigned fund balances – This is the residual classification of the General Fund. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification, as the result of overspending for specific purposes for which amounts had been restricted, committed or assigned.

The Board of Commissioners has assigned amounts for specific purposes which are reflected in the Governmental Funds Balance Sheet. The Commissioners would expend funds that are committed for a specific purpose as that event occurs. Commissioners would expend unassigned amounts first and then use assigned amounts if necessary.

P. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise funds. For the County, these revenues are charges for services for sanitary landfill and recycling services and rent. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the fund. Revenues and expenses not meeting these definitions are reported as nonoperating.

Q. Interfund Transactions

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as Interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in enterprise funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

R. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 3 – Accountability

Generally accepted accounting principles require disclosure, as part of the Combined Statements – Overview, of certain information concerning individual funds, such as a deficit – retained earnings/fixed balances:

Pudding Creek Landfill Fund	$ (539,891)

The fund deficit is due to post closure cost and will be funded with general fund transfers.

Note 4 – Expenditures in Excess of Appropriations

The following funds' expenditures/expenses exceeded appropriations:

	Expenditures/ Expenses Actual	Appropriations	Amount Exceeding Appropriations
General Fund			
District Attorney	30,709	30,656	53
Public Defender	34,429	32,762	1,667
Sheriff	400,099	399,338	761
Road Department	1,880,376	628,207	1,252,169
Health Department	30,680	30,000	680
Special Revenue Fund			
Juvenile Services Fund	2,860	2,200	660
Capital Projects Funds			
2001 SPLOST Fund	31,795	-	31,795
2011 CHIP Fund	141,192	23,528	117,664

Note 5 - Deposits And Investments

The County maintains separate checking and investment accounts for each fund. The County's cash in bank balances represent balances in all accounts including General Fund, Special Revenue Funds, Capital Projects Funds, Proprietary Funds and Fiduciary Funds.

At June 30, 2013 all deposits were collateralized by FDIC insurance and pledged securities by the banking entities.

Interest Rate Risk. The County has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. State statutes authorize the County to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U. S. government or by a government agency of the United States; obligations of any corporation of the U. S. government; prime banker's acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. The County has no policy for credit risk beyond the types of investments authorized by state statute.

Custodial Credit Risk – Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the County will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U. S. government, or bonds of public authorities, counties or municipalities. The County has no custodial credit risk policies requiring additional collateral.

Note 5 - Deposits And Investments – Continued

Custodial Credit Risk – Investments. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require all investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U. S. government, or bonds of public authorities, counties or municipalities. The County has no custodial credit risk policies requiring additional collateral

Note 6 - Property Taxes

Property taxes attach as an enforceable lien on property as of January 1st. The County levies property taxes by September 15th of each year. The due date of these taxes is December 20th. County property tax revenues are recorded when levied. An allowance for uncollectible taxes is established for delinquent taxes to the extent that their collectability is improbable.

Deferred Revenue - Delinquent property taxes not collected within sixty (60) days after year-end is recognized as deferred revenue.

Note 7 – Capital Assets

	Balance at July 1, 2012	Additions	Reductions	Balance at June 30, 2013
Primary Government				
Governmental Activities:				
Nondepreciable Capital Assets:				
Land and improvements	$ 1,207,505	$ -	$ -	$ 1,207,505
Total Nondepreciable Capital Assets	1,207,505	-	-	1,207,505
Depreciable Capital Assets:				
Buildings and building improvements	$ 1,686,748	$ 26,094	$ -	$ 1,712,842
Machinery and equipment	1,418,529	239,688	484,352	1,173,865
Office equipment	124,439	-	56,290	68,149
Transportation equipment	1,244,584	52,659	519,737	777,506
Infrastructure	9,411,820	1,228,282	-	10,640,102
Total Depreciable Capital Assets	13,886,120	1,546,723	1,060,379	14,372,464
Less Accumulated Depreciation for:				
Buildings and building improvements	759,507	39,195	-	798,702
Machinery and equipment	979,107	136,052	471,264	643,895
Office equipment	111,544	10,241	56,289	65,496
Transportation equipment	992,595	61,858	506,984	547,469
Infrastructure	3,454,255	201,432	-	3,655,687
Total Accumulated Depreciation	6,297,008	448,778	1,034,537	5,711,249
Total Depreciable Capital Assets, Net	7,589,112	1,097,945	25,842	8,661,215
Governmental Activities Capital Assets, Net	$ 8,796,617	$ 1,097,945	$ 25,842	$ 9,868,720

Note 7 – Capital Assets – Continued

Depreciation was charged to governmental functions as follows:

Governmental activities		
General Government		
Legislative and Executive	$	241,717
Judicial		4,867
Public Safety		62,091
Public Works		140,103
Total Depreciation Expense - Governmental Activities	$	448,778

	Balance at July 1, 2012	Additions	Reductions	Balance at June 30, 2013
Business Type Activities:				
Nondepreciable Capital Assets:				
Land	$ 400,024	$ -	$ -	$ 400,024
Landfill - residual value	750,000	-	-	750,000
Construction in progress	367,192	-	367,192	-
Total Nondepreciable Capital Assets	1,517,216	-	367,192	1,150,024
Depreciable Capital Assets:				
Buildings	$ 77,450	$ -	$ -	$ 77,450
Landfill	8,905,265	367,192	-	9,272,457
Office equipment	35,530	5,950	-	41,480
Vehicles and equipment	1,483,667	140,608	-	1,624,275
Total Depreciable Capital Assets	10,501,912	513,750	-	11,015,662
Less Accumulated Depreciation for:				
Buildings	26,683	2,334	-	29,017
Landfill	5,457,103	531,991	-	5,989,094
Office equipment	32,656	2,881	-	35,537
Vehicles and equipment	1,135,346	102,876	-	1,238,222
Total Accumulated Depreciation	6,651,788	640,082	-	7,291,870
Total Depreciable Capital Assets, Net	3,850,124	(126,332)	-	3,723,792
Business Type Activities Capital Assets, Net	$ 5,367,340	$ (126,332)	$ 367,192	$ 4,873,816

Note 8 – Interfund Balances and Transfers

The composition of Interfund balances and transfers as of June 30, 2013, is as follows:

	Interfund Receivable	Interfund Payable	Transfer In	Transfer Out
General Fund				
Jail Fund	$ -	$ -	$ 22,000	$ -
2012 SPLOST	78,209	-	-	-
2011 CHIP Grant	5	-	-	-
Pudding Creek Landfill Fund	-	-	-	4,340
	78,214	-	22,000	4,340
Special Revenue Funds				
Jail Fund				
General Fund	-	-	-	22,000
	-	-	-	22,000
Capital Projects Funds				
2012 SPLOST				
2006 SPLOST	1	-	-	-
General Fund	-	78,209	-	-
2011 CHIP Grant				
General Fund	-	5	-	-
2006 SPLOST				
2012 SPLOST	-	1	-	-
	1	78,215	-	-
Total Governmental Funds	78,215	78,215	22,000	26,340
Enterprise Funds				
Pudding Creek Landfill Fund				
General Fund	-	-	4,340	-
Total Enterprise Funds	-	-	4,340	-
Total All Funds	$ 78,215	$ 78,215	$ 26,340	$ 26,340

The General Fund pays for any postclosure care cost of the Pudding Creek Landfill. The Jail Fund transferred funds to the General Fund to cover cost of operating the jail that exceeded the funds available in the General Fund. SPLOST funds are due to the General Fund for repayment of an ambulance.

Note 9 – Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused leave benefits. Unused leave benefits will be paid to employees upon separation from County services. The General Fund pays for any used compensated absences during a fiscal year.

	Balance at July 1, 2012	Additions	Reductions	Balance at June 30, 2013	Due Within One Year
Primary Government:					
Governmental Activities:					
Compensated absences	$ 34,678	$ 10,907	$ 17,339	$ 28,246	$ 14,123
Total Primary Government	$ 34,678	$ 10,907	$ 17,339	$ 28,246	$ 14,123
Component Unit - Board of Health:					
Compensated absences	$ 21,789	$ 11,010	$ 10,895	$ 21,904	$ 10,952
Total Component Unit	$ 21,789	$ 11,010	$ 10,895	$ 21,904	$ 10,952

Note 10 - Debt

Long Term Debt

The following is a summary of the debt transactions of the County for the fiscal year ended June 30, 2013:

	Balance at July 1, 2012	Additions	Reductions	Balance at June 30, 2013	Amount Due In One Year
Governmental Activities					
Capital leases	$ 259,005	$ 161,352	$ 44,168	$ 376,189	$ 235,701
Total Governmental Activities	$ 259,005	$ 161,352	$ 44,168	$ 376,189	$ 235,701

	Balance at July 1, 2012	Additions	Reductions	Balance at June 30, 2013	Amount Due In One Year
Governmental Activities					
Note payable	$ 88,570	$ -	$ 22,101	$ 66,469	$ 21,332
Total Governmental Activities	$ 88,570	$ -	$ 22,101	$ 66,469	$ 21,332

	Balance at July 1, 2012	Additions	Reductions	Balance at June 30, 2013	Amount Due In One Year
Business - Type Activities					
Revenue bonds	$ 3,365,000	$ -	$ 135,000	$ 3,230,000	$ 135,000
Total Business-Type Activities	$ 3,365,000	$ -	$ 135,000	$ 3,230,000	$ 135,000

Note 10 - Debt - Continued

Long Term Debt - Continued

The original issue date, interest rate and original issue amount for the County's long-term obligations are as follows:

	Purpose	Original Issue Date	Interest Rate	Original Issue Amount	Maturity Date
Governmental Activities					
Capital Lease	Motor Grader	2010	3.45%	$ 213,069	2014
Note Payable	Vehicles and Equipment	2012	3.75%	$ 111,430	2016
Capital Lease	Motor Grader	2013	2.26%	$ 161,352	2013
Business Activities					
Revenue Bonds	Landfill Construction	2011	Fixed	$ 3,500,000	2031

The following is a summary of the County's future annual debt service requirements on long-term obligations:

	Governmental Activities			
	Note Payable		Capital Leases	
Year Ending June 30,	Principal	Interest	Principal	Interest
2014	21,332	2,536	235,701	7,568
2015	22,146	1,722	10,648	3,128
2016	22,991	877	10,896	2,880
2017	-	-	11,150	2,626
2018	-	-	107,794	207
Total	$ 66,469	$ 5,135	$ 376,189	$ 16,409

	Business Activities	
	Revenue Bonds	
Year Ending June 30,	Principal	Interest
2014	135,000	121,210
2015	140,000	119,117
2016	140,000	116,318
2017	145,000	113,167
2018	150,000	109,542
2019-2023	825,000	474,122
2024-2028	990,000	301,959
2029-2031	705,000	68,067
	$ 3,230,000	$ 1,423,502

Note 10 - Debt - Continued

Long Term Debt - Continued

The assets acquired through capital leases or notes payable are as follows:

	Total Governmental Activities
Asset:	
Equipment	$ 663,281
Vehicles	80,496
Less: accumulated depreciation	(362,092)
Total	$ 381,685

Note 11 – Landfill Postclosure Cost

State and Federal laws and regulations require Atkinson County to perform certain maintenance and monitoring functions at the closed Pudding Creek Landfill site for thirty years after closure. These same regulations require the County to accrue postclosure care costs for The Solid Waste Management Authority of Atkinson County. That recognition of a liability for closure and postclosure care costs is based on landfill capacity used to date. This estimate is subject to change due to inflation or deflation or based on changes in technology or applicable laws or regulations. The Pudding Creek Landfill is closed and accrued cost of $539,891 reflects the remaining postclosure cost.

The accrual for closure and postclosure costs for the Solid Waste Management at June 30, 2013 is $1,742,958. The estimated total current cost of closure and postclosure care to be recognized is $3,361,812. The landfill capacity used to date is 38% of MSW cell space and 51% of C&D cell space. The current estimated remaining life for MSW is 30.4 years and for C&D is 20.9 years.

The following reflects changes in closure and postclosure care cost:

	Balance at July 1, 2012	Additions	Reductions	Balance at June 30, 2013	Amount Due In One Year
Business Type Activities:					
Solid Waste Management Authority	$ 1,339,293	$ 403,665	$ -	$ 1,742,958	$ 87,147
Pudding Creek Landfill	544,231	-	4,340	539,891	4,340
	$ 1,883,524	$ 403,665	$ 4,340	$ 2,282,849	$ 91,487

Note 12 – Component Units

Atkinson County Board of Health

Basis of Presentation The financial statements of the Atkinson County Board of Health (Board) have been prepared in accordance with generally accepted accounting principles (GAAP) for local governmental units and, accordingly, reflect all significant receivables, payables, and other liabilities. The Board uses funds to report on its financial position and results of its operations. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements. Actual results may differ from those estimates.

Basis of Accounting The accrual basis of accounting is followed by the Board. Revenues are recognized when an exchange takes place or when all eligibility requirements have been satisfied.

Cash and Cash Equivalents Cash and cash equivalents of the Board are not a part of the County's cash management pool and are reported as part of "Cash and Cash Equivalents in Segregated Accounts".

Property and Equipment Property and equipment are carried at cost or, if donated, the fair value on the date donated. Depreciation is computed using the straight-line method over the estimated useful life of the asset.

Property and equipment as of June 30, 2013, was as follows:

Equipment	$ 77,938
Less Accumulated Depreciation	(66,279)
Net Property and Equipment	$ 11,659

Retirement Plan

The employees of the Health Department participate in the Georgia State Employees Retirement System, a multi-employer, defined contribution plan. The Plan is administered by the State of Georgia, and accumulated benefits and Plan assets are not determined or allocated to the individual participating governmental entities. The Georgia State Employees' Retirement System of Georgia requires ten years of continuous service to become fully vested. Employees are required to pay 1.25% of gross earnings to the retirement account and .25% of gross earnings to the GTLI premiums except for employees covered by the new GSEPS plan that was effective January 1, 2009. The GSEPS plan employees contribute 1.25% of their gross pay and are not eligible for the GTLI. GSEPS participants are also eligible to participate in a 401K Plan with employer match contributions based on employee contributions. The County Board of Health makes annual contributions to the pension plan equal to the amount required asset by the Board of Trustees of the PERS as determined by the system's actuary. Employer contributions amounted to 13.71%, 18.46% and 15.18% of covered compensation for the fiscal year for participants in the old, new and GSEPS plan respectively for the year ended June 30,2013. Employer contributions made for the year ended June 30, 2013 totaled $23,831. Ten-year historical trend information and relevant actuarial information may be obtained from the Employee's Retirement System, Two Northside 75, Suite 300, Atlanta, Georgia 30316-7778 or calling 1-404-352-6400.

Note 13 – Contingent Liabilities

There was no pending litigation, claims, or assessments against the County at June 30, 2013. In the opinion of County management, there were no unasserted claims or assessments that might have a material effect on the financial condition of the County.

The County receives Federal and State Grants for specific purposes that are subject to review and audit by Federal and State agencies. Such audits could result in a request for reimbursement by the Federal and State Governments for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of County management, such disallowances, if any, will not be significant.

Note 14 – Pension Plans

The County provides a defined contribution pension plan through the Association of County Commissioners of Georgia ("ACCG") Defined Contribution Plan ("Plan"), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating counties in Georgia. The County Commission provides for the benefits and funding policy through a County ordinance and maintain the authority to change the policy.

The plan is open to all full-time employees with more than one year of service. To participate the employees have to contribute a percentage of compensation and the County will match up to 3 percent. Employees are fully vested for County contributions after four years. Employees contributed $28,665 and the County contributed $14,683.

The Plan is administered by GEBCorp who will be issuing actuarial and financial reports after the first full calendar year of the plan's existence.

A copy of the financial reports can be obtained when available at the following address:
GEBCorp
1100 Circle 75 Parkway
Suite 300
Atlanta, Georgia 30339

Certain elected officials are covered under plans offered by the State of Georgia, such as the Probate Judges' Retirement Fund of Georgia, the Clerk of Superior Court Retirement Fund, and the Sheriff's Retirement Fund. These plans are administered by the State, are separate legal entities, and are not included in the County's financial statements.

Note 15 – Risk Financing Activities

The County may be subject to risk of loss due to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County covers these risk through the purchase of insurance coverage through the ACCG – Group Self-Insurance Workers' Compensation Fund and the ACCG – Interlocal Risk Management Agency. These are public entity risk pools currently operating as common risk management and insurance programs for member local governments.

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

Note 15 – Risk Financing Activities - Continued

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

Settled claims in the past three years have not exceeded the coverage. There was no significant reduction in insurance coverage from the prior year. The County's deductibles for commercial insurance coverage range from $250 to $25,000 with various limits of liability ranging from $5,000 to $2,000,000.

For its workers compensation coverage, the County is a member of the Association of County Commissioners of Georgia-Group Self-Insurance Workers' Compensation Fund (ACCG-GSIWCF). The ACCG-GSIWCF operated under the authority of O.C.G.A. 34-9-150 *et Seq.* The County pays into the fund its share of the fund's projected obligation for workers' compensation liability, administrative expenses, and other cost incurred by the fund. The County's share is adjusted by the board of the fund according to the claims experience of each participating member in accordance with criteria set forth in the bylaws of the fund. The fund makes payments to the employees of the members for workers compensation benefits pursuant to and in accordance with the claims procedures set for in title 34, chapter 9 of O.C.G.A. The County is jointly and severally liable for all legal obligations of the fund, including, but not limited to, any obligations of the fund to pay claims against the fund arising out of any occurrence, incident or accident covered under title 34, chapter 9 of O.C.G.A.

Note 16 – Related Party Transactions

Atkinson County received $250,000 from the Solid Waste Management Authority of Atkinson County in intergovernmental revenues. The County provided $50,000 to the City of Willacoochee and $130,217 was spent on County vehicles and equipment and the balance of funds were returned to the Authority.

Note 17 – Subsequent Events

Management has evaluated events and transactions subsequent to the balance sheet date through April 14, 2013 (the date the financial statements were available to be issued) for potential recognition or disclosure in the financial statements. Management has not identified any items requiring recognition or disclosure.

Note 18 – Prior Year Adjustments

Accounts payable were understated in the prior year and inventories were overstated. The prior year adjustments are to correct these errors.

	Governmental Activities
Net Position, Beginning	$ 11,812,436
Correct accounts payable	(13,234)
Correct inventories	(13,600)
Net Position, As Restated	$ 11,785,602

	General Fund	2007 CHIP Grant
Fund Balance, Beginning	$ 1,760,674	$ 50
Correct accounts payable	(13,184)	(50)
Correct inventories	(13,600)	-
Fund Balance As Restated	$ 1,733,890	$ -

The accrual for closure and postclosure cost for the landfill was corrected from FY12 as follows:

	Business-Type Activities
Net Position, Beginning	$ 2,453,973
Correct postclosure cost accrual	(98,298)
Net Position, As Restated	$ 2,355,675

REQUIRED SUPPLEMENTAL INFORMATION

ATKINSON COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ending June 30, 2013

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
REVENUES				
Taxes	$ 2,930,120	$ 2,930,120	$ 3,017,491	$ 87,371
Licenses and permits	13,500	13,500	4,855	(8,645)
Intergovernmental revenues	9,100	9,100	495,105	486,005
Charges for services	260,500	260,500	133,259	(127,241)
Fines and forfeitures	99,000	99,000	217,337	118,337
Investment income	12,500	12,500	7,924	(4,576)
Miscellaneous	102,300	102,300	134,732	32,432
Total Revenues	3,427,020	3,427,020	4,010,703	583,683
EXPENDITURES				
GENERAL GOVERNMENT				
Legislative and executive				
Board of Commissioners	$ 305,625	$ 331,837	$ 329,071	$ (2,766)
Board of Elections	73,362	73,362	66,099	(7,263)
Planning Commission	960	960	-	(960)
Tax Commissioner	149,537	149,854	141,067	(8,787)
Tax Assessor	96,999	97,847	95,507	(2,340)
General Administration	443,586	372,147	246,725	(125,422)
Total General Government	1,070,069	1,026,007	878,469	(147,538)
JUDICIAL				
Clerk of Court	143,001	143,846	133,754	(10,092)
Superior Court	31,065	31,065	23,579	(7,486)
District Attorney	30,456	30,656	30,709	53
Magistrate Court	104,617	105,044	103,235	(1,809)
Probate Court	112,417	112,840	103,828	(9,012)
Public Defender	31,262	32,762	34,429	1,667
Total Judicial	452,818	456,213	429,534	(26,679)
PUBLIC SAFETY				
Sheriff	391,182	399,338	400,099	761
Emergency Medical Service	220,172	220,172	219,176	(996)
Jail	302,202	306,286	306,059	(227)
E-911 Service	131,309	131,309	131,308	(1)
Emergency Management Agency	42,279	43,377	35,570	(7,807)
Fire Protection	72,413	72,413	32,363	(40,050)
Coroner Office	11,846	13,951	10,262	(3,689)
Total Public Safety	1,171,403	1,186,846	1,134,837	(52,009)
PUBLIC WORKS				
Road Department	603,983	628,207	1,880,376	1,252,169
Total Public Works	603,983	628,207	1,880,376	1,252,169

See independent auditor's report.

ATKINSON COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ending June 30, 2013

	Original	Final	Actual	Final Budget Over (Under)
HEALTH AND WELFARE				
Health Department	30,000	30,000	30,680	680
Concerted Services	6,220	6,220	5,500	(720)
Department of Family and Children Services	8,000	8,000	4,863	(3,137)
Satilla Mental Health	-	1,000	1,000	-
Meals on Wheels	14,476	14,476	12,418	(2,058)
Family Connections	500	500	500	-
Total Health and Welfare	59,196	60,196	54,961	(5,235)
CULTURE AND RECREATION				
Satilla Regional Library	8,400	8,400	8,400	-
Total Culture and Recreation	8,400	8,400	8,400	-
COMMUNITY DEVELOPMENT				
Extension Office	58,851	58,851	57,211	(1,640)
Business Appreciation	2,000	2,000	1,342	(658)
FSA and Soil Conservation	300	300	109	(191)
Total Community Development	61,151	61,151	58,662	(2,489)
TOTAL EXPENDITURES	3,427,020	3,427,020	4,445,239	1,018,219
EXCESS OF REVENUES UNDER EXPENDITURES	-	-	(434,536)	(434,536)
OTHER FINANCING SOURCES (USES)				
Capital lease proceeds	-	-	161,352	161,352
Transfers in	-	-	31,425	31,425
Transfers out	-	-	(4,340)	(4,340)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	188,437	188,437
NET CHANGE IN FUND BALANCE	-	-	(246,099)	(246,099)
FUND BALANCES				
FUND BALANCE, RESTATED	-	-	1,733,890	1,733,890
FUND BALANCE, END OF YEAR	$ -	$ -	$ 1,487,791	$ 1,487,791

See independent auditor's report.

ATKINSON COUNTY, GEORGIA
REVOLVING LOAN FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ending June 30, 2013

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Investment income	$ 60,084	$ 60,084	$ 12,080	$ (48,004)
TOTAL REVENUE	60,084	60,084	12,080	(48,004)
EXPENDITURES				
Current				
Community Development	60,084	60,084	627	(59,457)
TOTAL EXPENDITURES	60,084	60,084	627	(59,457)
EXCESS OF REVENUES OVER EXPENDITURES	-	-	11,453	11,453
FUND BALANCE, BEGINNING OF YEAR	-	-	526,225	526,225
FUND BALANCE, END OF YEAR	$ -	$ -	$ 537,678	$ 537,678

See independent auditor's report.

Note 1 – Budgetary Basis of Accounting

While reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the Budgetary Basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the general and major capital projects funds are presented on the Budgetary Basis to provide a meaningful comparison of actual results with the budget. There were not differences between the Budgetary Basis and the GAAP Basis for this fiscal year.

COMBINING AND INDIVIDUAL FUND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUND

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trusts funds.

2001 Special Purpose Sales Tax – To account for funds remaining from the first special purpose local option sales tax restricted for road improvements.

2012 Special Purpose Sales Tax – To account for funds remaining from the third special purpose local option sales tax restricted for road improvements.

ATKINSON COUNTY, GEORGIA
CAPITAL PROJECTS FUND 2001 SPECIAL PURPOSE SALES TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ending June 30, 2013

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
REVENUES				
Investment income	$ -	$ -	$ 5,719	$ 5,719
TOTAL REVENUE	-	-	5,719	5,719
EXPENDITURES				
Capital outlay	-	-	31,795	31,795
TOTAL EXPENDITURES	-	-	31,795	31,795
EXCESS OF REVENUES OVER EXPENDITURES	-	-	(26,076)	(26,076)
FUND BALANCE, BEGINNING OF YEAR	-	-	641,326	641,326
FUND BALANCE, END OF YEAR	$ -	$ -	$ 615,250	$ 615,250

See independent auditor's report.

ATKINSON COUNTY, GEORGIA
CAPITAL PROJECTS FUND 2012 SPECIAL PURPOSE SALES TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For The Year Ending June 30, 2013

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
REVENUES				
Taxes	$ 600,000	$ 600,000	$ 724,815	$ 124,815
Investment income	500	500	881	381
TOTAL REVENUE	600,500	600,500	725,696	125,196
EXPENDITURES				
Current				
Public works	600,500	600,500	56,680	(543,820)
Intergovernmental expense	-	-	273,980	273,980
Capital outlay	-	-	108,996	108,996
TOTAL EXPENDITURES	600,500	600,500	439,656	(160,844)
EXCESS OF REVENUES OVER EXPENDITURES	-	-	286,040	286,040
FUND BALANCE, BEGINNING OF YEAR	-	-	116,636	116,636
FUND BALANCE, END OF YEAR	$ -	$ -	$ 402,676	$ 116,636

See independent auditor's report.

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted for specific purposes.

Drug Enforcement Fund– To account for funds received through drug seizures and drug fines.

Law Library Fund – To account for funds accessed with fines and designated for the maintenance of a law library.

Jail Fee Fund – To account for funds accessed with fines and designated for the operations of jails.

Drug Education Fund – To account for fine income dedicated to drug education.

Special Revenue Fund – To account for intergovernmental funds from the component unit.

Juvenile Services Fund – To account for fine income dedicated to juvenile services.

CAPITAL PROJECTS FUND

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trusts funds.

2009 CDBG Grant Fund – The 2009 CDBG Fund accounts for grant funds provided for the construction of a new health department facility.

2006 Special Purpose Sales Tax – To account for funds remaining from the third special purpose local option sales tax restricted for road improvements.

2011 CHIP Grant Fund– To account for grant funds for local property improvements.

2007 CHIP Grant Fund– To account for grant funds for local property improvements.

ATKINSON COUNTY, GEORGIA
ALL NONMAJOR FUNDS
COMBINING BALANCE SHEET
June 30, 2013

	Special Revenue					
	Drug Enforcement	Law Library	Jail Fee Fund	Drug Education Fund	Special Revenue Fund	Juvenile Service Fund
ASSETS						
Cash	$ 7,354	$ 27,356	$ 22,506	$ 8,895	$ 13	$ 14,151
Accounts receivable	-	307	-	-	-	-
Due from other governments	-	-	5,017	764	-	-
TOTAL ASSETS	$ 7,354	$ 27,663	$ 27,523	$ 9,659	$ 13	$ 14,151
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Interfund payable	$ -	$ -	$ -	$ -	$ -	$ -
Due to other governments	-	-	-	-	13	-
TOTAL LIABILITIES	-	-	-	-	13	-
FUND BALANCES						
Reserved for drug enforcement	7,354	-	-	-	-	-
Reserved for law library	-	27,663	-	-	-	-
Reserved for jail operations	-	-	27,523	-	-	-
Reserved for drug education	-	-	-	9,659	-	-
Reserved for juvenile services	-	-	-	-	-	14,151
TOTAL FUND BALANCE	7,354	27,663	27,523	9,659	-	14,151
TOTAL LIABILITIES AND FUND BALANCE	$ 7,354	$ 27,663	$ 27,523	$ 9,659	$ 13	$ 14,151

See independent auditor's report.

Capital Projects				
2009 CDBG Grant Fund	2006 SPLOST Fund	2011 CHIP Grant Fund	2007 CHIP Grant Fund	Total Nonmajor Governmental Funds
$ -	$ 1	$ 5	$ 9,049	$ 89,330
-	-	-	-	307
-	-	-	-	5,781
$ -	$ 1	$ 5	$ 9,049	$ 95,418
$ -	$ 1	$ 5	$ -	$ 6
-	-	-	9,049	9,062
-	1	5	9,049	9,068
-	-	-	-	7,354
-	-	-	-	27,663
-	-	-	-	27,523
-	-	-	-	9,659
-	-	-	-	14,151
-	-	-	-	86,350
$ -	$ 1	$ 5	$ 9,049	$ 95,418

ATKINSON COUNTY, GEORGIA
ALL NONMAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For The Year Ended June 30, 2013

	Special Revenue					
	Drug Enforcement	Law Library	Jail Fee Fund	Drug Education Fund	Special Revenue Fund	Juvenile Service Fund
REVENUES						
Intergovernmental	$ -	$ -	$ -	$ -	$ 145,427	$ -
Charges for services	-	-	3,654	-	-	-
Fines and forfeitures	10,242	5,626	30,883	7,368	-	914
Investment income	12	51	35	-	306	-
TOTAL REVENUES	10,254	5,677	34,572	7,368	145,733	914
EXPENDITURES						
Current						
Judicial	-	388	-	-	-	-
Public safety	11,693	-	-	-	-	-
Public works	-	-	-	-	-	-
Health and welfare	-	-	-	5,754	-	2,860
Housing and development	-	-	-	-	-	-
Intergovernmental	-	-	-	-	50,000	-
Capital outlay	-	-	-	-	95,733	-
TOTAL EXPENDITURES	11,693	388	-	5,754	145,733	2,860
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,439)	5,289	34,572	1,614	-	(1,946)
OTHER FINANCING SOURCES (USES): TRANSFER OUT	-	(9,425)	(22,000)	-	-	-
TOTAL OTHER FINANCIING SOURCES (USES)	-	(9,425)	(22,000)	-	-	-
NET CHANGES IN FUND BALANCE	(1,439)	(4,136)	12,572	1,614	-	(1,946)
FUND BALANCE, BEGINNING OF YEAR	8,793	31,799	14,951	8,045	-	16,097
FUND BALANCE, END OF YEAR	$ 7,354	$ 27,663	$ 27,523	$ 9,659	$ -	$ 14,151

See independent auditor's report.

Capital Projects				
2009 CDBG Grant Fund	2006 SPLOST Fund	2011 CHIP Grant Fund	2007 CHIP Grant Fund	Total Nonmajor Governmental Funds
$ 10,032	$ -	$ 141,192	$ -	$ 296,651
-	-	-	-	3,654
-	-	-	-	55,033
-	297	-	-	701
10,032	297	141,192	-	356,039
-	-	-	-	388
-	-	-	-	11,693
-	120,258	-	-	120,258
-	-	-	-	8,614
10,032	-	141,192	-	151,224
-	-	-	-	50,000
-	65,640	-	-	161,373
10,032	185,898	141,192	-	503,550
-	(185,601)	-	-	(147,511)
-	-	-	-	(31,425)
-	-	-	-	(31,425)
-	(185,601)	-	-	(178,936)
-	185,601	-	-	265,286
$ -	$ -	$ -	$ -	$ 86,350

ATKINSON COUNTY, GEORGIA
DRUG ENFORCEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For The Year Ended June 30, 2013

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Fines and forfeitures	$ 21,000	$ 21,000	$ 10,242	$ (10,758)
Investment income	25	25	12	(13)
TOTAL REVENUES	21,025	21,025	10,254	(10,771)
EXPENDITURES				
Current				
Public safety	21,025	21,025	11,693	(9,332)
TOTAL EXPENDITURES	21,025	21,025	11,693	(9,332)
EXCESS OF REVENUES OVER EXPENDITURES	-	-	(1,439)	(1,439)
FUND BALANCE, BEGINNING OF YEAR	-	-	8,793	8,793
FUND BALANCE, END OF YEAR	$ -	$ -	$ 7,354	$ 7,354

See independent auditor's report.

ATKINSON COUNTY, GEORGIA
LAW LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For The Year Ended June 30, 2013

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget Over (Under)
REVENUES				
Fines and forfeitures	$ 6,000	$ 6,000	$ 5,626	$ (374)
Investment income	70	70	51	(19)
TOTAL REVENUES	6,070	6,070	5,677	(393)
EXPENDITURES				
Current				
Judicial	6,070	6,070	388	(5,682)
TOTAL EXPENDITURES	6,070	6,070	388	(5,682)
EXCESS OF REVENUES OVER EXPENDITURES	-	-	5,289	5,289
OTHER FINANCING SOURCES (USES): TRANSFER OUT	-	-	(9,425)	(9,425)
TOTAL OTHER FINANCIING SOURCES (USES)	-	-	(9,425)	(9,425)
NET CHANGES IN FUND BALANCE	-	-	(4,136)	(4,136)
FUND BALANCE, BEGINNING OF YEAR	-	-	31,799	31,799
FUND BALANCE, END OF YEAR	$ -	$ -	$ 27,663	$ 27,663

See independent auditor's report.

ATKINSON COUNTY, GEORGIA
JAIL FEE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For The Year Ended June 30, 2013

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget Over (Under)
REVENUES				
Charges for services	$ 100	$ 100	$ 3,654	$ 3,554
Fines and forfeitures	27,000	27,000	30,883	3,883
Investment income	100	100	35	(65)
TOTAL REVENUES	27,200	27,200	34,572	7,372
EXPENDITURES				
Current				
Public safety	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	27,200	27,200	34,572	7,372
OTHER FINANCING SOURCES (USES): TRANSFER OUT	(27,200)	(27,200)	(22,000)	5,200
TOTAL OTHER FINANCIING SOURCES (USES)	(27,200)	(27,200)	(22,000)	5,200
NET CHANGES IN FUND BALANCE	-	-	12,572	12,572
FUND BALANCE, BEGINNING OF YEAR	-	-	14,951	14,951
FUND BALANCE, END OF YEAR	$ -	$ -	$ 27,523	$ 27,523

See independent auditor's report.

ATKINSON COUNTY, GEORGIA
DRUG EDUCATION FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For The Year Ended June 30, 2013

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Fines and forfeitures	$ 21,025	$ 21,025	$ 7,368	$ (13,657)
TOTAL REVENUES	21,025	21,025	7,368	(13,657)
EXPENDITURES				
Current				
Health and welfare	21,025	21,025	5,754	(15,271)
TOTAL EXPENDITURES	21,025	21,025	5,754	(15,271)
EXCESS OF REVENUES OVER EXPENDITURES	-	-	1,614	1,614
FUND BALANCE, BEGINNING OF YEAR	-	-	8,045	8,045
FUND BALANCE, END OF YEAR	$ -	$ -	$ 9,659	$ 9,659

See independent auditor's report.

ATKINSON COUNTY, GEORGIA
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For The Year Ended June 30, 2013

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget Over (Under)
REVENUES				
Intergovernmental revenue	$ 250,000	$ 250,000	$ 145,427	$ (104,573)
Investment income	240	240	306	66
TOTAL REVENUE	250,240	250,240	145,733	(104,507)
EXPENDITURES				
Intergovernmental expense	-	-	50,000	50,000
Capital outlay	250,240	250,240	95,733	(154,507)
TOTAL EXPENDITURES	250,240	250,240	145,733	(104,507)
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	$ -	$ -	$ -	$ -

See independent auditor's report.

ATKINSON COUNTY, GEORGIA
JUVENILE SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For The Year Ended June 30, 2013

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Fines and forfeitures	$ 2,200	$ 2,200	$ 914	$ (1,286)
TOTAL REVENUES	2,200	2,200	914	(1,286)
EXPENDITURES				
Current				
Judicial	2,200	2,200	2,860	660
TOTAL EXPENDITURES	2,200	2,200	2,860	660
EXCESS OF REVENUES OVER EXPENDITURES	-	-	(1,946)	(1,946)
FUND BALANCE, BEGINNING OF YEAR	-	-	16,097	16,097
FUND BALANCE, END OF YEAR	$ -	$ -	$ 14,151	$ 14,151

See independent auditor's report.

ATKINSON COUNTY, GEORGIA
2009 CDBG GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For The Year Ended June 30, 2013

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
REVENUES				
Intergovernmental funds	$ 67,001	$ 67,001	$ 10,032	$ (56,969)
TOTAL REVENUES	67,001	67,001	10,032	(56,969)
EXPENDITURES				
Current				
Housing and development	67,001	67,001	10,032	(56,969)
TOTAL EXPENDITURES	67,001	67,001	10,032	(56,969)
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	$ -	$ -	$ -	$ -

See independent auditor's report.

ATKINSON COUNTY, GEORGIA
2006 SPLOST FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For The Year Ended June 30, 2013

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget Over (Under)
REVENUES				
Investment income	$ 1,000	$ 1,000	$ 297	$ (703)
TOTAL REVENUE	1,000	1,000	297	(703)
EXPENDITURES				
Current				
Public works	298,000	298,000	120,258	(177,742)
Capital outlay	-	-	65,640	65,640
TOTAL EXPENDITURES	298,000	298,000	185,898	(112,102)
EXCESS OF REVENUES OVER EXPENDITURES	(297,000)	(297,000)	(185,601)	111,399
FUND BALANCE, BEGINNING OF YEAR	297,000	297,000	185,601	(111,399)
FUND BALANCE, END OF YEAR	$ -	$ -	$ -	$ -

See independent auditor's report.

ATKINSON COUNTY, GEORGIA
2011 CHIP GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For The Year Ended June 30, 2013

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
REVENUES				
Intergovernmental funds	$ 23,528	$ 23,528	$ 141,192	$ 117,664
TOTAL REVENUES	23,528	23,528	141,192	117,664
EXPENDITURES				
Current				
Housing and development	23,528	23,528	141,192	117,664
TOTAL EXPENDITURES	23,528	23,528	141,192	117,664
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	$ -	$ -	$ -	$ -

See independent auditor's report.

FIDUCIARY FUNDS

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or funds.

Tax Commissioner - to account for the collection of property taxes, motor vehicle tax and title fees and mobile home fees, etc. which are disbursed to various taxing units.

Clerk of Superior Court - to account for the collection of various fines, forfeitures, jury fund receipts, real estate transfer taxes, recording of intangibles, fees, civil awards, etc. which are disbursed to other parties.

Magistrate Court - to account for the collection of fees in jurisdiction of small claims courts, which are disbursed to other parties.

Office of Sheriff - to account for collection of cash bonds, fines, forfeitures, etc. which are disbursed to other parties.

Probate Court - to account for the collection of fees for a probate of wills, administration of estates, issuance of marriage licenses ad maintenance of other vital records which are disbursed to other parties.

ATKINSON COUNTY, GEORGIA
AGENCY FUNDS
COMBINING SCHEDULE OF ASSETS AND LIABILITIES
June 30, 2013

	AGENCY FUNDS					
	Office of Tax Commissioner	Clerk of Court	Magistrate Court	Office of Sheriff	Probate Court	Total
ASSETS						
Cash	$ 140,489	$ 120,893	$ 17,820	$ 8,018	$ 4,461	$ 291,681
TOTAL ASSETS	$ 140,489	$ 120,893	$ 17,820	$ 8,018	$ 4,461	$ 291,681
LIABILITIES						
Due to others	$ 140,489	$ 120,893	$ 17,820	$ 8,018	$ 4,461	$ 291,681
TOTAL LIABILITIES	$ 140,489	$ 120,893	$ 17,820	$ 8,018	$ 4,461	$ 291,681

See independent auditor's report.

ATKINSON COUNTY, GEORGIA
AGENCY FUNDS
COMBINING SCHEDULE OF CHANGES IN ASSETS
AND LIABILITIES
For The Year Ended June 30, 2013

	Balance June 30, 2012	Additions	Deletions	Balance June 30, 2013
OFFICE OF TAX COMMISSIONER				
ASSETS				
Cash	$ 82,613	$ 4,912,566	$ 4,854,690	$ 140,489
TOTAL ASSETS	$ 82,613	$ 4,912,566	$ 4,854,690	$ 140,489
LIABILITIES				
Due to others	$ 82,613	$ 4,912,566	$ 4,854,690	$ 140,489
TOTAL LIABILITIES	$ 82,613	$ 4,912,566	$ 4,854,690	$ 140,489
CLERK OF COURT				
ASSETS				
Cash	$ 105,374	$ 275,799	$ 260,280	$ 120,893
TOTAL ASSETS	$ 105,374	$ 275,799	$ 260,280	$ 120,893
LIABILITIES				
Due to others	$ 105,374	$ 275,799	$ 260,280	$ 120,893
TOTAL LIABILITIES	$ 105,374	$ 275,799	$ 260,280	$ 120,893
MAGISTRATE COURT				
ASSETS				
Cash	$ 13,620	$ 121,994	$ 117,794	$ 17,820
TOTAL ASSETS	$ 13,620	$ 121,994	$ 117,794	$ 17,820
LIABILITIES				
Due to others	$ 13,620	$ 121,994	$ 117,794	$ 17,820
TOTAL LIABILITIES	$ 13,620	$ 121,994	$ 117,794	$ 17,820

See independent auditor's report.

ATKINSON COUNTY, GEORGIA
AGENCY FUNDS
COMBINING SCHEDULE OF CHANGES IN ASSETS
AND LIABILITIES - CONTINUED
For The Year Ended June 30, 2013

	Balance June 30, 2012	Additions	Deletions	Balance June 30, 2013
OFFICE OF SHERIFF				
ASSETS				
Cash	$ 34,250	$ 78,685	$ 104,917	$ 8,018
TOTAL ASSETS	$ 34,250	$ 78,685	$ 104,917	$ 8,018
LIABILITIES				
Due to others	$ 34,250	$ 78,685	$ 104,917	$ 8,018
TOTAL LIABILITIES	$ 34,250	$ 78,685	$ 104,917	$ 8,018
PROBATE COURT				
ASSETS				
Cash	$ 4,706	$ 137,668	$ 137,913	$ 4,461
TOTAL ASSETS	$ 4,706	$ 137,668	$ 137,913	$ 4,461
LIABILITIES				
Due to others	$ 4,706	$ 137,668	$ 137,913	$ 4,461
TOTAL LIABILITIES	$ 4,706	$ 137,668	$ 137,913	$ 4,461

See independent auditor's report.

COMPLIANCE SECTION

ATKINSON COUNTY, GEORGIA
SCHEDULE OF PROJECTS FUNDED BY SPECIAL PURPOSE SALES TAX PROCEEDS
For The Year Ended June 30, 2013

2001 Special Purpose Sales Tax:

	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
Projects						
Roads and bridge maintenance	$ 4,050,000	$ 2,140,171	$ 1,993,126	$ 31,795	$ 2,024,921	95%
Jail	500,000	500,000	-	-	-	0%
Landfill	450,000	454,569	454,569	-	454,569	100%
	$ 5,000,000	$ 3,094,740	$ 2,447,695	$ 31,795	$ 2,479,490	

2006 Special Purpose Local Option Sales Tax:

	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
Projects						
Roads and bridge maintenance	$ 3,412,900	$ 3,811,639	$ 3,784,351	$ 27,288	$ 3,811,639	100%
Courthouse Improvements	450,000	284,337	125,726	158,611	284,337	100%
Vehicle for EMS	80,000	78,209	78,209	-	78,209	100%
	$ 3,942,900	$ 4,174,185	$ 3,988,286	$ 185,899	$ 4,174,185	
City of Pearson	$ 480,000	$ 480,000	$ 480,000	$ -	$ 480,000	100%
City of Willacoochee	$ 377,100	$ 377,100	$ 377,100	$ -	$ 377,100	100%

2013 Special Purpose Local Option Sales Tax:

	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
Projects						
Roads and bridge improvements	$ 833,333	$ 833,333	$ -	$ 135,397	$ 135,397	16%
County jail	360,000	360,000	-	12,551	12,551	3%
Land acquisition	416,667	416,667	-	-	-	0%
Equipment	107,500	107,500	-	4,478	4,478	4%
Buildings	100,000	100,000	-	13,250	13,250	13%
Public infrastructure	166,667	166,667	-	-	-	0%
	$ 1,984,167	$ 1,984,167	$ -	$ 165,676	$ 165,676	
City of Pearson	$ 750,000	$ 750,000	$ 42,186	$ 163,083	$ 205,269	27%
City of Willacoochee	$ 729,167	$ 729,167	$ 28,687	$ 110,897	$ 139,584	19%

See independent auditor's report.

SOURCE and APPLICATION OF FUNDS SCHEDULE
Community Home Investment Program

Atkinson County, Georgia

2011-805

For the Period Ending: June 30, 2013
Cumulative

I. Total Fiscal Year 2011 CHIP Funds Awarded to Recipient:	$ 290,445
II. Total Amount of Drawdown by Recipient from DCA:	$ 141,192
III. Less: CHIP Funds Expended by Recipient:	$ 141,192
IV. Amount of Fiscal Year 2011 CHIP Funds held by Recipient:	$ -

SOURCE and APPLICATION OF FUNDS SCHEDULE
Community Development Block Grant

Atkinson County, Georgia

09p-y-002-1-5173

For the Period Ending: June 30, 2013
Cumulative

I. Total Fiscal Year 2009 CDBG Funds Awarded to Recipient:	$ 458,875
II. Total Amount of Drawdown by Recipient from DCA:	$ 458,875
III. Less: CDBG Funds Expended by Recipient:	$ 458,875
IV. Amount of Fiscal Year 2009 CDBG Funds held by Recipient:	$ -

See independent auditor's report.

COMMUNITY HOME INVESTMENT PROGRAM
PROJECT COST SCHEDULE

Recipient: Atkinson County, Georgia

Grant #: 2011-805

For the Period Ending: June 30, 2013

Program Activity	CHIP Activity Number	Latest Approved Budget	Accumulative CHIP Expenditures To Date	Accumulative Expenditures To Date (Other Funds)	Grand Total of Expenditures To Date	Questioned Costs
Down Payment Assistance	H-013-00	$ 69,000	$ 31,730	$ -	$ 31,730	$ -
Rehab	H-14a-01	$ 215,750	$ 107,316	$ -	$ 107,316	$ -
Program Administration	A-21A-00	$ 5,695	$ 2,146	$ -	$ 2,146	$ -
TOTAL		$ 290,445	$ 141,192	$ -	$ 141,192	$ -

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
PROJECT COST SCHEDULE

Recipient: Atkinson County, Georgia

Grant #: 09p-y-002-1-5173

For the Period Ending: June 30, 2013

Program Activity	CDBG Activity Number	Latest Approved Budget	Accumulative CDGB Expenditures To Date	Accumulative Expenditures To Date (Other Funds)	Grand Total of Expenditures To Date	Questioned Costs
Health Center - Physical	P-03P-02	$ 417,487	$ 417,487	$ -	$ 417,487	$ -
Health Center - Physical	S-03P-02	$ 13,856	$ 13,856	$ -	$ 13,856	$ -
Contingencies	C-022-00	$ -	$ -	$ -	$ -	$ -
Administration	A-21A-00	$ 27,532	$ 27,532	$ -	$ 27,532	$ -
TOTAL		$ 458,875	$ 458,875	$ -	$ 458,875	$ -

See independent auditor's report.

Tillman & Tillman, LLP
Certified Public Accountants & Consultants

Joseph H. Tillman, CPA
H. Harrison Tillman, Jr., CPA
Pamela K. Tillman, CPA
Eric M. Tillman, CPA
H. Harrison Tillman, Sr., CPA (1927-2010)

Serving Clients Since 1954

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*

To the Board of County Commissioners
Atkinson County, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Atkinson County, Georgia as of and for the year ended June 30, 2013 and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon, dated April 14, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Atkinson 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 purposes of expressing an opinion on the effectiveness of Atkinson County, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of Atkinson 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 over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be a material weakness. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies noted as 2013-1.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Atkinson County, Georgia's financial statements are free of 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2013-2.

Atkinson County, Georgia's Response To Findings

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

Purpose of this Report

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

Tillman & Tillman LLP

Tillman & Tillman, LLP

April 14, 2014

ATKINSON COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2013

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified			
Internal control over financial reporting				
Material weakness identified?	_____	Yes	__X__	No
Significant deficiencies identified not considered to be material weakness?	__X__	Yes	_____	None reported
Noncompliance material to financial statements noted?	__X__	Yes	_____	No

Section II – Financial Statement Findings

Significant Deficiencies – Not Considered a Material Weakness

Current Year Findings:

2013-01 Segregation of Duties

Criteria: Internal controls are designed to safeguard assets and help detect losses from employee dishonesty or error. A fundamental concept of a good system of internal control is the segregation of duties. This is especially important in a county environment where several constitutional officers handle cash receipts.

Condition: We noted several instances in the county offices where the handling of cash, preparing deposits, and remitting funds were performed by one individual. We noted the over-centralization of accounting functions, bank reconciliations, and adjusting entries.

Effect: The failure of the county to have proper segregation of duties could lead to undetected misappropriation of funds or delays in finding potential fraud.

Cause: A lack of management awareness and oversight possibly prompted by a shortage of personnel.

Recommendation: We recommend that the county provide training and work to immediately eliminate the above deficiencies.

Management Response: Atkinson County management concurs with the finding and will work to improve separation of duties.

Section II – Financial Statement Findings

Significant Deficiencies – Not Considered a Material Weakness

Current Year Findings:

2013-02 **Expenditures Exceeded Appropriations at the Legal Level of Control and no Adopted Budget**

Criteria: The Official Code of Georgia Annotated (O.C.G.A.) Section 36-81-3(b)(1): Each unit of local government shall adopt and operate under an annual balanced budget for the the general fund, each special revenue fund and each debt service fund and requires a project-length balances budget for capital project funds in use by the local government.

Condition: The County had expenditures in excess of appropriations in several departments and had no budget adopted for several special revenue and capital projects funds.

Effect: Noncompliance with state statues regarding budgeting.

Cause: The County did not amend the general fund budget for unexpected expenditures where additional revenues were available and was not aware the requirement to adopt budgets for special revenue funds.

Recommendation: We recommend that budgets are monitored monthly to keep departments in line with their budgets and when unexpected expenditures are incurred that the budget be amended to reflect the increase in expenditures. We also recommend that the county be sure to adopt budgets for all special revenues funds.

Management Response: Atkinson County management concurs with the finding and has put in systems to monitor budgets and to adopt appropriate budget amendments.

Section II – Financial Statement Findings

Significant Deficiencies – Not Considered a Material Weakness

Prior Year Findings

Findings 2013-01 to 2013-02 were also noted in the prior year.