ATKINSON COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

For The Year Ended June 30, 2016

THIS PAGE INTENTIONALLY LEFT BLANK

(This report is formatted for duplex printing.)

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT 1-3
MANAGEMENT DISCUSSION 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 Position
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 26-47

REQUIRED SUPPLEMENTAL INFORMATION

Schedules of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – Major Funds:
General Fund 48-49
Revolving Loan Fund 50
Schedule of Proportionate Share of the Net Pension Liability - Board of Health 51
Notes to Required Supplemental Information 52

TABLE OF CONTENTS

COMBINING AND INDIVIDUAL FUND SCHEDULES

MAJOR FUNDS:

Capital Projects 2001 Special Local Option Sales Tax 53
Capital Projects 2012 Special Local Option Sales Tax 54

NONMAJOR FUNDS:

Combining Balance Sheet – All Nonmajor Governmental Funds 55
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – All Nonmajor Governmental Funds 56

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

Drug Enforcement 57
Law Library 58
Jail Fee 59
Drug Education 60
Juvenile Services 61
Insurance Premium 62
2013 CDBG 63
Public Roads 64
2011 CHIP 65

FIDUCIARY FUNDS:

Combining Statements of Assets and Liabilities – Agency Funds 66
Combining Statements of Changes in Assets and Liabilities – Agency Funds 67-68

COMPLIANCE SECTION

Schedules of Projects Constructed With Special Sales Tax Proceeds 69

2011 CHIP Grant Source and Application of Funds Schedule 70
2013 CDBG Grant Source and Application of Funds Schedule 70
2011 CHIP Grant Project Cost Schedule 71
2013 CDBG Grant Project Cost Schedule 71

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* 72-73
Schedule of Findings and Responses 74-76

Tillman & Tillman, LLP
Certified Public Accountants & Consultants

Joseph H. Tillman, CPA
H. Harrison Tillman, Jr., CPA
Pamela K. Tillman, CPA
Eric M. Tillman, CPA
Angela M. Hawkins, 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, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We 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, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4–12 and 45–48 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 non-major 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 non-major 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 non-major 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 December 14, 2016, 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

Valdosta, Georgia
December 14, 2016

ATKINSON COUNTY, GEORGIA
Management's Discussion and Analysis
Required Supplemental Information
For the Year Ended June 30, 2016

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, 2016. 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 FY16 are as follows:

The County's governmental fund assets exceeded its liabilities at June 30, 2016 by $14,243,847 (net position). Of this amount $2,197,149 (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 $ 1,585,872.

Net position for business-type activities increased $456,975 from $1,353,940 to $1,810,915.

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 Position						
	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2015	2016	2015	2016	2015	2016	2015-2016
Assets							
Current and other assets	$ 4,086,886	$ 3,971,230	$ 2,889,205	$ 3,366,258	$ 6,976,091	$ 7,337,488	5.18%
Capital assets, net	10,502,554	10,996,560	4,065,295	4,648,073	14,567,849	15,644,633	7.39%
Total Assets	**14,589,440**	**14,967,790**	**6,954,500**	**8,014,331**	**21,543,940**	**22,982,121**	**6.68%**
Liabilities							
Current and other liabilities	214,782	174,067	360,828	498,355	575,610	672,422	16.82%
Long-term liabilities	613,021	549,876	4,717,461	5,705,061	5,330,482	6,254,937	17.34%
Total Liabilities	**827,803**	**723,943**	**5,078,289**	**6,203,416**	**5,906,092**	**6,927,359**	**17.29%**
Net Position							
Net investment in capital assets	9,843,887	10,401,075	1,005,169	999,181	10,849,056	11,400,256	5.08%
Restricted	1,801,402	1,645,623	413,021	520,623	2,214,423	2,166,246	-2.18%
Unrestricted	2,116,348	2,197,149	458,021	291,111	2,574,369	2,488,260	3.34%
Total Net Position	**$ 13,761,637**	**$ 14,243,847**	**$ 1,876,211**	**$ 1,810,915**	**$ 15,637,848**	**$ 16,054,762**	**2.67%**

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 $16,054,762 ($14,243,847 in governmental activities and $1,810,915 in business-type activities) as of June 30, 2016. A large portion of the County's net position (71 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.

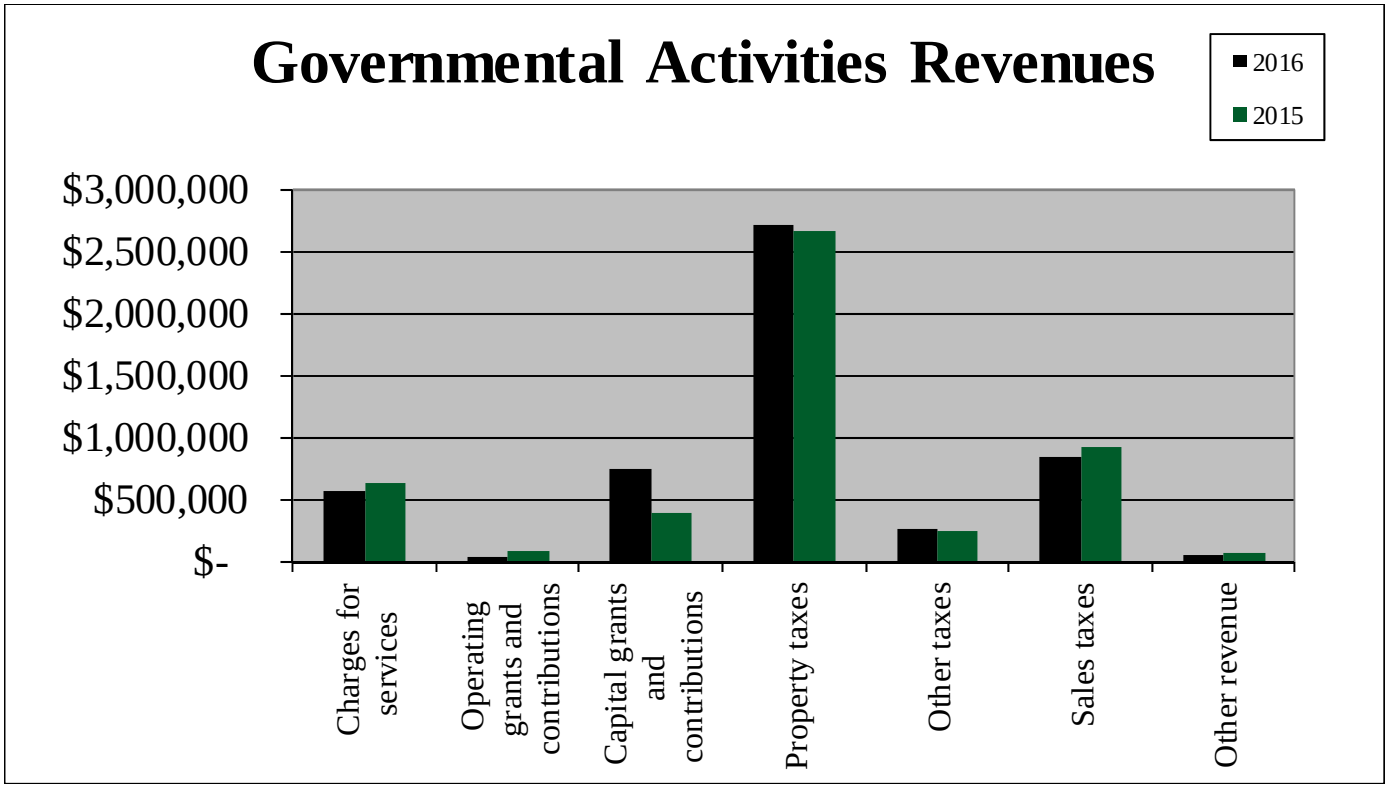
An additional portion of the County's net position (10 percent) represents resources that are subject to restrictions on how they can be used. The remaining balance of unrestricted net position, $2,197,149, may be used to meet the County's ongoing obligations to citizens and creditors.

The next table shows the changes in net position for the year ending June 30, 2016.

Changes in Net Position

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2015	2016	2015	2016	2015	2016	2015-2016
Revenues							
Program Revenues							
Charges for services	$ 631,500	$ 565,657	$ 2,025,264	$ 2,349,110	$ 2,656,764	$ 2,914,767	9.71%
Operating grants and contributions	94,972	42,605	500	-	95,472	42,605	-55.37%
Capital grants and contributions	401,893	748,964	-	-	401,893	748,964	86.36%
Total Program Revenues	1,128,365	1,357,226	2,025,764	2,349,110	3,154,129	3,706,336	17.51%
General Revenues							
Property taxes	2,672,876	2,714,009	-	-	2,672,876	2,714,009	1.54%
Alcoholic beverage taxes	9,589	10,067	-	-	9,589	10,067	4.98%
Insurance premium taxes	239,078	256,015	-	-	239,078	256,015	7.08%
Sales taxes	931,587	842,765	-	-	931,587	842,765	-9.53%
Rent	18,098	26,765	-	-	18,098	26,765	47.89%
Gain on disposal of capital assets	20,355	(17,037)	1,629	27,011	21,984	9,974	0.00%
Miscellaneous	41,018	42,517	-	-	41,018	42,517	0.00%
Interest	-	-	11,098	13,329	11,098	13,329	20.10%
Total General Revenues	3,932,601	3,875,101	12,727	40,340	3,945,328	3,915,441	-0.76%
Total Revenues	**5,060,966**	**5,232,327**	**2,038,491**	**2,389,450**	**7,099,457**	**7,621,777**	**7.36%**
Expenses							
Governmental Activities:							
General Government							
Legislative and executive	$ 1,431,720	$ 1,272,892	$ -	$ -	$ 1,431,720	$ 1,272,892	-11.09%
Judicial	494,819	503,919	-	-	494,819	503,919	1.84%
Public safety	1,497,092	1,593,247	-	-	1,497,092	1,593,247	6.42%
Public works	844,683	967,043	-	-	844,683	967,043	14.49%
Health and welfare	62,361	79,081	-	-	62,361	79,081	26.81%
Culture and recreation	15,250	15,250	-	-	15,250	15,250	0.00%
Community developments	118,130	78,596	-	-	118,130	78,596	-33.47%
Intergovernmental	239,540	216,714	-	-	239,540	216,714	0.00%
Interest on long-term debt	8,565	16,055	-	-	8,565	16,055	87.45%
Business-type Activities:							
Landfill	-	-	2,013,640	1,939,795	2,013,640	1,939,795	-3.67%
Total Expenses	**4,712,160**	**4,742,797**	**2,013,640**	**1,939,795**	**6,725,800**	**6,682,592**	**-0.64%**
Revenue Over (Under) Expenses	**348,806**	**489,530**	**24,851**	**449,655**	**373,657**	**939,185**	**151.35%**
Transfers In (Out)	(6,980)	(7,320)	6,980	7,320	-	-	0.00%
Increase (Decrease) in Net Position	**341,826**	**482,210**	**31,831**	**456,975**	**373,657**	**939,185**	**151.35%**
Net Position, Beginning	13,419,811	13,761,637	1,322,109	1,353,940	14,741,920	15,115,577	2.53%
Net Position, Ending	$ 13,761,637	$ 14,243,847	$ 1,353,940	$ 1,810,915	$ 15,115,577	$ 16,054,762	**6.21%**

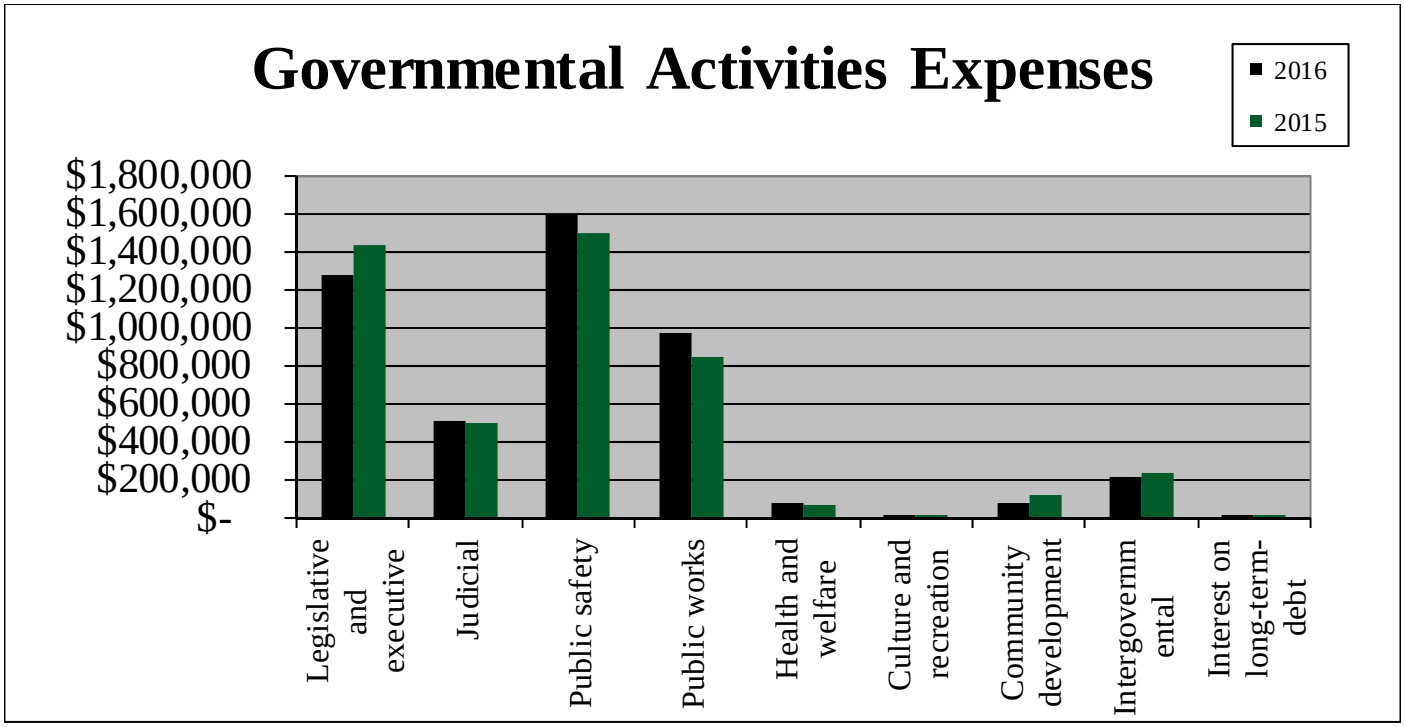
Governmental Activities



The County's program revenue from charges for services accounted for $565,657 or 42% of total program revenues. Capital grants accounted for $748,964 or 55% of total program revenues. These grants provided public works capital improvements.

Property tax revenues are the major contributor to general revenues and account for $2,714,009 or 70% of total general revenues. Another major component was sales taxes, which accounted for $842,765 or 22% 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 2015	Total Cost of Services 2016	Percentage Change 2015-2016	Net Cost of Services 2015	Net Cost of Services 2016	Percentage Change 2015-2016
General Government						
Legislative and executive	$ 1,431,720	$ 1,272,892	-11.09%	$ 1,169,609	$ 1,082,417	-7.45%
Judicial	494,819	503,919	1.84%	103,969	123,825	19.10%
Public safety	1,497,092	1,593,247	6.42%	1,480,545	1,574,314	6.33%
Public works	844,683	967,043	14.49%	443,353	223,955	-49.49%
Health and welfare	62,361	79,081	26.81%	53,216	69,981	31.50%
Culture and recreation	15,250	15,250	0.00%	15,250	15,250	0.00%
Community development	118,130	78,596	-33.47%	69,748	63,060	9.59%
Intergovernmental	239,540	216,714	0.00%	239,540	216,714	0.00%
Interest on long-term debt	8,565	16,055	87.45%	8,565	16,055	87.45%
Total	**$ 4,712,160**	**$ 4,742,797**	**0.65%**	**$ 3,583,795**	**$ 3,385,571**	**-5.53%**

Business-Type Activities

The net position for the business-type activities increased by $456,975 during the year ending June 30, 2016. The major source of revenue was from charges for services, which amounted to $ 2,349,110.

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, 2016, the County's governmental funds reported a combined ending fund balance of $3,709,516 a decrease of $121,494. Approximately 43% of this total ($1,585,872) 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, 2016, the unassigned fund balance was $ 1,585,872.

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, 2016, was $15,644,633 (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 FY16 included purchases of land and building to be renovated for jail facilities and other government offices, fire department and emergency service vehicles, and road construction.

Note7 (Capital Assets) provides additional information about capital asset activity during FY16.

Debt

At June 30, 2016, the Solid Waste Management Authority of Atkinson County, a component unit of Atkinson County had total revenue obligation bonded debt outstanding of $2,570,000 and capital leases with an outstanding balance of $1,078,892. New capital leases were used for the purchase of equipment.

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 five month reserve based on the average monthly expenditures in unassigned fund balance.

The County taxable digest went up by 1.36% in FY16.

Sales tax collections decreased by 10.54% in FY16.

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, 2016

	Primary Government		
	Governmental Activities	Business-Type Activities	Total Primary Government
ASSETS			
Cash and cash equivalents	$ 2,055,562	$ 2,615,516	$ 4,671,078
Certificate of deposit	797,974	-	797,974
Receivables (net of allowance for doubtful accounts):			
Taxes	224,019	-	224,019
Accounts	89,358	197,398	286,756
Sales tax	71,999	-	71,999
Revolving fund	547,198	-	547,198
Due from other governments	-	-	-
Materials and supplies inventory	73,650	-	73,650
Prepaid items	111,470	26,571	138,041
Restricted cash	-	526,773	526,773
Nondepreciable capital assets	1,245,082	1,150,024	2,395,106
Depreciable capital assets, net	9,751,478	3,498,049	13,249,527
TOTAL ASSETS	$ 14,967,790	$ 8,014,331	$ 22,982,121
DEFERRED OUTFLOWS OF RESOURCES			
Proportionate share of collective deferred outflows of resources	-	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	$ -	$ -	$ -

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

Component Unit	
Atkinson County Board of Health	Total Reporting Entity
$ 284,243	$ 4,955,321
-	797,974
-	224,019
-	286,756
-	71,999
-	547,198
28,439	28,439
-	73,650
-	138,041
-	526,773
-	2,395,106
399	13,249,926
$ 313,081	$ 23,295,202
7,201	7,201
$ 7,201	$ 7,201

ATKINSON COUNTY, GEORGIA
STATEMENT OF NET POSITION
June 30, 2016

	Primary Government		
	Governmental Activities	Business-Type Activities	Total Primary Government
LIABILITIES			
Accounts payable	$ 38,137	$ 43,365	$ 81,502
Accrued liabilities	16,505	52,884	69,389
Due to other governments	35,462	-	35,462
Payable from restricted assets:			
Customer deposits	-	6,150	6,150
Current portion of bonds payable	-	145,000	145,000
Long-term liabilities:			
Due within one year:			
Compensated absences payable	19,177	-	19,177
Capital lease obligations	64,786	146,777	211,563
Notes payable	-	-	-
Landfill closure and postclosure cost	-	104,179	104,179
Due in more than one year			
Compensated absences payable	19,177	-	19,177
Net pension obligation liability	-	-	-
Capital lease obligations	530,699	932,115	1,462,814
Bonds payable	-	2,425,000	2,425,000
Landfill closure and postclosure cost	-	2,347,946	2,347,946
TOTAL LIABILITIES	723,943	6,203,416	6,927,359
DEFERRED INFLOWS OF RESOURCES			
Proportionate share of collective deferred inflows of resources	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	$ -	$ -	$ -
NET POSITION			
Net investments in capital assets	10,401,075	999,181	11,400,256
Restricted for:			
Drug enforcement operations	11,044	-	11,044
Law library operations	40,611	-	40,611
Jail operations	43,188	-	43,188
Capital projects	967,204	-	967,204
Juvenile services	16,842	-	16,842
Revolving loan fund	566,734	-	566,734
Post closure cost	-	520,623	520,623
Prior year program income	-	-	-
Unrestricted	2,197,149	291,111	2,488,260
TOTAL NET POSITION	$ 14,243,847	$ 1,810,915	$ 16,054,762

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

Component Unit	
Atkinson County Board of Health	Total Reporting Entity
$ -	$ 81,502
-	69,389
-	35,462
-	6,150
-	145,000
8,820	27,997
-	211,563
-	-
-	104,179
8,819	27,996
226,757	226,757
-	1,462,814
-	2,425,000
-	2,347,946
244,396	7,171,755
18,173	18,173
$ 18,173	$ 18,173
399	11,400,655
-	11,044
-	40,611
-	43,188
-	967,204
-	16,842
-	566,734
-	520,623
55,701	55,701
1,613	2,489,873
$ 57,713	$ 16,112,475

ATKINSON COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2016

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	$ 1,272,892	172,680	17,795	-
Judicial	503,919	379,920	174	-
Public Safety	1,593,247	13,057	-	5,876
Public Works	967,043		-	743,088
Health and Welfare	79,081	-	9,100	-
Culture and Recreation	15,250	-	-	-
Community Development	78,596	-	15,536	-
Intergovernmental	216,714	-	-	-
Interest on long-term debt	16,055	-	-	-
Total Governmental Activities	4,742,797	565,657	42,605	748,964
Business-Type Activities				
Pudding Creek Landfill	-	-	-	-
Solid Waste Management Authority	1,939,795	2,349,110	-	-
Total Business-Type Activities	1,939,795	2,349,110	-	-
Total Primary Government	$ 6,682,592	$ 2,914,767	$ 42,605	$ 748,964
Component Units				
Atkinson County Board of Health	$ 290,682	$ 95,372	$ 262,267	$ -
Total Component Unit	$ 290,682	$ 95,372	$ 262,267	$ -

General Revenues
Property Taxes Levied for:
General Operating
Alcoholic Beverage Taxes
Insurance Premium Taxes
Sales Taxes
Rent
Net 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, Beginning of Year
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
$ (1,082,417)	$ -	$ (1,082,417)	$ -
(123,825)	-	(123,825)	-
(1,574,314)	-	(1,574,314)	-
(223,955)	-	(223,955)	-
(69,981)	-	(69,981)	-
(15,250)	-	(15,250)	-
(63,060)	-	(63,060)	-
(216,714)	-	(216,714)	
(16,055)	-	(16,055)	-
(3,385,571)	-	(3,385,571)	-
-	-	-	-
-	409,315	409,315	-
-	409,315	409,315	-
$ (3,385,571)	$ 409,315	$ (2,976,256)	$ -
$ -	$ -	$ -	$ 66,957
$ -	$ -	$ -	$ 66,957
2,714,009	-	2,714,009	-
10,067	-	10,067	-
256,015	-	256,015	-
842,765	-	842,765	-
26,765	-	26,765	-
(17,037)	27,011	9,974	
42,517	-	42,517	
-	13,329	13,329	-
3,875,101	40,340	3,915,441	-
(7,320)	7,320	-	-
3,867,781	47,660	3,915,441	-
482,210	456,975	939,185	66,957
13,761,637	1,353,940	15,115,577	(9,244)
$ 14,243,847	$ 1,810,915	$ 16,054,762	$ 57,713

ATKINSON COUNTY, GEORGIA
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2016

	General	Capital Projects 2001 SPLOST Fund	Capital Projects 2012 SPLOST Fund	Special Revenue RLF-EIP	Other Governmental Funds	Total
ASSETS						
Cash and cash equivalents	$ 902,174	$ 629,613	$ 52,444	$ 19,536	$ 451,795	$ 2,055,562
Certificate of deposit	797,974	-	-	-	-	797,974
Receivables (net of allowance for doubtful accounts):						
Taxes	224,019	-	-	-	-	224,019
Accounts	89,358	-	-	547,198	-	636,556
Sales Tax	23,020	-	48,979	-	-	71,999
Interfund receivable	62,412	-	-	-	-	62,412
Inventory	73,651	-	-	-	-	73,651
Prepaid items	93,630	-	-	-	17,839	111,469
TOTAL ASSETS	2,266,238	629,613	101,423	566,734	469,634	4,033,642
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 36,602	$ -	$ -	$ -	$ 598	$ 37,200
Accrued liabilities	16,505	-	-	-	-	16,505
Interfund payable	-	-	62,396	-	16	62,412
Due to other governments	-	-	35,462	-	937	36,399
TOTAL LIABILITIES	53,107	-	97,858	-	1,551	152,516
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	171,610	-	-	-	-	171,610
TOTAL DEFERRED INFLOWS OF RESOURCES	171,610	-	-	-	-	171,610
FUND BALANCES						
Nonspendable for:						
Inventory	73,651	-	-	-	-	73,651
Prepaid items	93,630	-	-	-	-	93,630
Restricted for:						
Capital projects	-	629,613	3,565	-	334,026	967,204
Jail operations	-	-	-	-	43,188	43,188
Drug enforcement operations	-	-	-	-	11,044	11,044
Drug education	-	-	-	-	22,372	22,372
Law library	-	-	-	-	40,611	40,611
Juvenile services	-	-	-	-	16,842	16,842
Revolving loan fund	-	-	-	566,734	-	566,734
Assigned for:						
Property tax roll back	288,368	-	-	-	-	288,368
Unassigned reported in:						
General Fund	1,585,872	-	-	-	-	1,585,872
TOTAL FUND BALANCES	2,041,521	629,613	3,565	566,734	468,083	3,709,516
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 2,266,238	$ 629,613	$ 101,423	$ 566,734	$ 469,634	$ 4,033,642

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, 2016

Total Governmental Funds Balances		$ 3,709,516
Amounts reported for governmental activities on the statement of net position are different because of the following:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		10,996,560
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.		
Deferred property taxes		171,610
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Compensated absences	(38,354)	
Capital leases payable	(595,485)	
		(633,839)
Net Position of Governmental Activities		$ 14,243,847

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, 2016

	General	Capital Projects: 2001 SPLOST Fund	Capital Projects: 2012 SPLOST Fund	Special Revenue RLF-EIP	Other Governmental Funds	Total
REVENUES						
Taxes	$ 3,004,436	$ -	$ 573,317	$ -	$ -	$ 3,577,753
Licenses and permits	3,105	-	-	-	-	3,105
Intergovernmental revenues	37,394	-	-	-	993,102	1,030,496
Charges for services	97,265	-	-	-	-	97,265
Fines and forfeitures	329,424	-	-	-	59,374	388,798
Investment income	10,281	5,073	343	15,536	1,635	32,868
Miscellaneous	65,900	-	-	-	-	65,900
TOTAL REVENUES	$ 3,547,805	$ 5,073	$ 573,660	$ 15,536	$ 1,054,111	$ 5,196,185
EXPENDITURES						
Current						
General Government						
Legislative and executive	895,268	-	-	-	-	895,268
Judicial	495,519	-	-	-	393	495,912
Public safety	1,399,279	-	-	-	153,354	1,552,633
Public works	563,555	-	104,007	-	251,736	919,298
Health and welfare	63,950	-	-	-	15,131	79,081
Culture and recreation	15,250	-	-	-	-	15,250
Community development	78,597	-	-	768	437,980	517,345
Intergovernmental	-	-	216,714	-	-	216,714
Capital outlay	-	-	487,503	-	126,693	614,196
Debt Service						
Principal retirement	63,182	-	-	-	-	63,182
Interest	7,824	-	8,231	-	-	16,055
TOTAL EXPENDITURES	3,582,424	-	816,455	768	985,287	5,384,934
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(34,619)	5,073	(242,795)	14,768	68,824	(188,749)
OTHER FINANCING SOURCES (USES)						
Transfer in	74,575	-	-	-	-	74,575
Transfer out	(7,320)	-	-	-	-	(7,320)
TOTAL OTHER FINANCING SOURCES (USES)	67,255	-	-	-	-	67,255
NET CHANGES IN FUND BALANCE	32,636	5,073	(242,795)	14,768	68,824	(121,494)
FUND BALANCE AT BEGINNING OF YEAR	2,008,885	624,540	246,360	551,966	399,259	3,831,010
FUND BALANCES AT END OF YEAR	$ 2,041,521	$ 629,613	$ 3,565	$ 566,734	$ 468,083	$ 3,709,516

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, 2016

Net Change in Fund Balances - Total Governmental Funds		$ (121,494)
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	1,084,143	
Depreciation	(576,480)	
		507,663
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		49,797
Donation of land		5,000
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		63,182
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		(18,656)
Compensated absences		(3,282)
Changes in Net Position of Governmental Activities		$ 482,210

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

ATKINSON COUNTY, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
June 30, 2016

	Business-Type Activities Enterprise Funds		
	Solid Waste Management Authority	Pudding Creek Landfill	Total
ASSETS			
CURRENT ASSETS			
Cash	$ 2,615,516	$ -	$ 2,615,516
Accounts receivable (net of allowance for doubtful accounts)	197,398	-	197,398
Prepaid expense	26,571	-	26,571
Restricted Assets			
Cash	526,773	-	526,773
TOTAL CURRENT ASSETS	3,366,258	-	3,366,258
NONCURRENT ASSETS			
Capital Assets			
Nondepreciable capital assets	1,150,024	-	1,150,024
Depreciable capital assets, net	3,498,049	-	3,498,049
TOTAL NONCURRENT ASSETS	4,648,073	-	4,648,073
TOTAL ASSETS	$ 8,014,331	$ -	$ 8,014,331

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

ATKINSON COUNTY, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION - CONTINUED
June 30, 2016

	Business-Type Activities Enterprise Funds		
	Solid Waste Management Authority	Pudding Creek Landfill	Total
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	$ 43,365	$ -	$ 43,365
Accrued liabilities	52,884	-	52,884
Current portion of closure and post closure cost	96,859	7,320	104,179
Payable from restricted cash:			
Deposits	6,150	-	6,150
Current portion of lease payable	146,777	-	146,777
Current portion of bonds payable	145,000	-	145,000
TOTAL CURRENT LIABILITIES	491,035	7,320	498,355
LONG-TERM LIABILITIES			
Lease payable, net of current portion	932,115	-	932,115
Bonds payable, net of current portion	2,425,000	-	2,425,000
Closure and post closure care costs	1,840,315	507,631	2,347,946
TOTAL LONG-TERM LIABILITIES	5,197,430	507,631	5,705,061
TOTAL LIABILITIES	5,688,465	514,951	6,203,416
NET POSITION			
Net investment in capital assets	999,181	-	999,181
Restricted for:			
Closure and postclosure cost	520,623	-	520,623
Unrestricted	806,062	(514,951)	291,111
TOTAL NET POSITION	$ 2,325,866	$ (514,951)	$ 1,810,915

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, 2016

	Business-Type Activities Enterprise Funds		
	Solid Waste Management Authority	Pudding Creek Landfill	Total
OPERATING REVENUE			
Charges for services	$ 2,349,110	$ -	$ 2,349,110
TOTAL OPERATING REVENUE	2,349,110	-	2,349,110
OPERATING EXPENSES			
Salaries and wages	333,756	-	333,756
Payroll taxes	23,225	-	23,225
Employee benefits	87,403	-	87,403
Supplies and other expenses	759,974	-	759,974
Depreciation	576,425	-	576,425
TOTAL OPERATING EXPENSES	1,780,783	-	1,780,783
OPERATING INCOME	568,327	-	568,327
NON-OPERATING REVENUES (EXPENSES)			
Interest income	13,329	-	13,329
Gain on sale of assets	27,011	-	27,011
Interest expense	(127,071)	-	(127,071)
Closure and postclosure care cost reduction	(31,941)	-	(31,941)
TOTAL NON-OPERATING REVENUE (EXPENSES)	(118,672)	-	(118,672)
INCOME BEFORE TRANSFERS	449,655	-	449,655
Transfer in	-	7,320	7,320
CHANGE IN NET POSITION	449,655	7,320	456,975
NET POSITION, BEGINNING OF YEAR	1,876,211	(522,271)	1,353,940
NET POSITION, END OF YEAR	$ 2,325,866	$ (514,951)	$ 1,810,915

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, 2016

	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	$ 2,010,964	$ -	$ 2,010,964
Cash received from other governments	500	-	500
Cash payments for personal services	(482,885)	-	(482,885)
Cash payments for materials and supplies	(812,986)	(6,980)	(819,966)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	715,593	(6,980)	708,613
Cash Flows From Noncapital Financing Activities			
Cash received from transfer in	-	6,980	6,980
NET CASH PROVIDED (USED) BY NON CAPITAL FINANCING ACTIVITIES	-	6,980	6,980
Cash Flows From Capital and Related Financing Activities			
Cash received from the sale of capital assets	1,629	-	1,629
Cash received from capital lease	120,098		
Cash payments for acquisition and construction of capital assets	(136,148)	-	(136,148)
Cash payments for interest and principle	(273,099)	-	(273,099)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(287,520)	-	(407,618)
Cash Flows From Investing Activities			
Cash received from interest	11,098	-	11,098
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	11,098	-	11,098
NET INCREASE IN CASH	439,171	-	319,073
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,278,914	-	2,278,914
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 2,718,085	$ -	$ 2,597,987
Cash	$ 2,301,132	$ -	$ 2,301,132
Restricted Cash	416,953	-	416,953
Total Cash	$ 2,718,085	$ -	$ 2,718,085

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, 2016

	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	$ 568,327	$ -	$ 568,327
Adjustments to Reconcile Operating Income (Loss) To Net Cash Provided By (Used For) Operating Activities			
Depreciation	576,425	-	576,425
Change in assets and liabilities			
(Increase) decrease in accounts receivable	(26,278)	-	(26,278)
(Increase) decrease in prepaid expenses	(26,571)	-	(26,571)
Increase (decrease) in accrued liabilities	1,700	-	1,700
Increase (decrease) in accounts payable	(12,231)	(7,320)	(19,551)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	$ 1,081,372	$ (7,320)	$ 1,074,052

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

ATKINSON COUNTY, GEORGIA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2016

	Agency Funds
ASSETS	
Cash and cash equivalents	$ 151,841
TOTAL ASSETS	151,841
LIABILITIES	
Due to others	151,841
TOTAL LIABILITIES	151,841
NET POSITION	$ -

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

Note 1 – 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 of establishing governmental accounting and financial reporting principles.

The Reporting 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 discretely presented component unit. The component units discussed below are included in the County's reporting entity because of the significance of their operational and financial relationships with the County. In conformity with GAAP, as set forth in the Statement of Governmental Accounting Standard No. 14, *The Financial Reporting Entity* and amended by GASB Statement No. 61, the component units' financial statements have been included as blended and discretely presented component units. The discretely presented component unit, on the other hand, is reported separately in the government-wide financial statements from the most recently audited financial statements. The following is a brief review of each component unit addressed in defining the government's reporting entity.

Solid Waste Management Authority of Atkinson County

The Solid Waste Management Authority of Atkinson County is a component unit based on the criteria of fiscal dependency and a majority of the board members are County Commissioners. 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.

Atkinson County Board of Health

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 $39,405 in funding to the Board of Health for the year ending June 30, 2016.

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 $5,988 to the Regional Commission for the year ended June 30, 2016. 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.

Note 1 – Summary of Significant Accounting Policies - Continued

A. The Reporting Entity - Continued

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

Related Organization

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

B. 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.

Note 1 - Summary of Significant Accounting Policies - Continued

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. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

C. 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 2012 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 1 - 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.

D. 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 1 - Summary of Significant Accounting Policies - Continued

E. 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 Non-exchange Transactions

Revenue 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.

Non-exchange 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 is 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 non-exchange 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, 2016, but were levied to finance FY16 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 1 - 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.

F. 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.

G. Encumbrances

The County does not use the encumbrance system of accounting.

H. 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.

I. 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

J. 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.

K. 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 $5,000. 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.

L. Inter-fund Receivables/Payables

On fund financial statements, receivables and payables resulting from short-term inter-fund loans or inter-fund services provided and used are classified as "Inter-fund Receivables/Payables." Inter-fund balances within governmental activities and within business-type activities are eliminated on the government-wide statement of net position. The only inter-fund 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 1 - Summary of Significant Accounting Policies - Continued

M. 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.

N. 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.

O. 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.

The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

P. 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:

Non-spendable 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 1 - Summary of Significant Accounting Policies - Continued

P. 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.

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

Q. 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 non-operating.

R. Inter-fund 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 Inter-fund transfers. Inter-fund transfers are reported as other financing sources/uses in governmental funds and after non-operating 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.

S. 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 2 – 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 $ (514,951)

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

Note 3 – Expenditures in Excess of Appropriations

The following fund expenditures/expenses exceeded appropriations:

	Expenditures/ Expenses Actual	Appropriations	Amount Exceeding Appropriations
General Fund			
General Administrative	278,740	271,040	7,700
Jail	444,881	427,982	16,899
Fire Protection	404	-	404
Capital Projects Fund			
2012 SPLOST Fund	816,455	600,600	215,855
Public Roads Fund	251,736	250,150	1,586
2013 CDBG Grant	437,980	250,000	187,980
Special Revenue Fund			
Law Library Fund	393	-	393
Drug Enforcement Fund	11,113	-	11,113
Drug Education Fund	15,131	9,000	6,131
Insurance Premium Fund	239,510	220,150	19,360

Note 4 - 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, 2016 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.

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 5 - 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 140th. 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 6 – Capital Assets

	Balance at July 1, 2014	Additions	Reductions	Balance at June 30, 2015
Primary Government				
Governmental Activities:				
Nondepreciable Capital Assets:				
Land and improvements	$ 1,212,505	$ 5,000	$ -	$ 1,217,505
Total Nondepreciable Capital Assets	1,212,505	5,000	-	1,217,505
Depreciable Capital Assets:				
Buildings and building improvements	$ 1,780,652	$ 20,105	$ -	$ 1,800,757
Machinery and equipment	1,333,095	249,050	68,500	1,513,645
Office equipment	75,917	-	-	75,917
Transportation equipment	856,007	327,980	21,300	1,162,687
Infrastructure	10,707,499	412,557	-	11,120,056
Total Depreciable Capital Assets	14,753,170	1,009,692	89,800	15,673,062
Less Accumulated Depreciation for:				
Buildings and building improvements	840,292	45,883	-	886,175
Machinery and equipment	524,748	179,503	68,500	635,751
Office equipment	68,343	777	-	69,120
Transportation equipment	616,025	105,553	11,411	710,167
Infrastructure	3,868,793	218,007	-	4,086,800
Total Accumulated Depreciation	5,918,201	549,723	79,911	6,388,013
Total Depreciable Capital Assets, Net	8,834,969	459,969	9,889	9,285,049
Governmental Activities Capital Assets, Net	$ 10,047,474	$ 464,969	$ 9,889	$ 10,502,554

Note 6 – Capital Assets – Continued

Governmental activities	
General Government	
Legislative and Executive	$ 283,336
Judicial	8,007
Public Safety	131,401
Public Works	153,736
Total Depreciation Expense - Governmental Activities	$ 576,480

	Balance at July 1, 2015	Additions	Reductions	Balance at June 30, 2016
Business Type Activities:				
Nondepreciable Capital Assets:				
Land	$ 400,024	$ -	$ -	$ 400,024
Landfill - residual value	750,000	-	-	750,000
Total Nondepreciable Capital Assets	1,150,024	-	-	1,150,024
Depreciable Capital Assets:				
Buildings	$ 77,450	$ -	$ -	$ 77,450
Landfill	9,272,457		-	9,272,457
Office equipment	41,480	-	-	41,480
Vehicles and equipment	1,790,540	1,159,203	(826,747)	3,776,490
Total Depreciable Capital Assets	11,181,927	1,159,203	(826,747)	13,167,877
Less Accumulated Depreciation for:				
Buildings	33,685	1,985	-	35,670
Landfill	6,766,668	383,257	-	7,149,925
Office equipment	41,267	213	-	41,480
Vehicles and equipment	1,425,036	190,970	(826,747)	2,442,753
Total Accumulated Depreciation	8,266,656	576,425	(826,747)	9,669,828
Total Depreciable Capital Assets, Net	2,915,271	582,778	-	3,498,049
Business Type Activities Capital Assets, Net	$ 4,065,295	$ 582,778	$ -	$ 4,648,073

Note 7 – Inter-fund Balances and Transfers

The composition of Inter-fund balances and transfers as of June 30, 2016, is as follows:

	Inter-fund Receivable	Inter-fund Payable	Transfer In	Transfer Out
General Fund				
2011 CHIP Grant	$ 5	$ -	$ -	$ -
Public Roads Fund	-	-	74,575	-
2012 Special Purpose Sales Tax	62,396	-	-	-
Law Library	11	-	-	-
Pudding Creek Landfill Fund	-	-	-	7,320
	124,809	-	74,575	7,320
Special Revenue Funds				
Law Library				
General Fund	-	11	-	-
	-	11	-	-
Capital Projects Funds				
2012 SPLOST				
General Fund	-	62,396	-	-
Public Roads Fund				
General Fund	-	-	-	74,575
2011 CHIP Grant				
General Fund	-	5	-	-
	-	124,798	-	74,575
Total Governmental Funds	124,809	124,809	74,575	81,895
Enterprise Funds				
Pudding Creek Landfill Fund				
General Fund	-	-	7,320	-
Total Enterprise Funds	-	-	7,320	-
Total All Funds	$ 124,809	$ 124,809	$ 81,895	$ 81,895

The General Fund pays for any post-closure care cost of the Pudding Creek Landfill. The General Fund transferred funds to the 2011 CHIP Grant and FY2013 CDBG Fund to cover bank charges and opening cash deposits for new bank accounts. The Public Roads Fund transferred reimbursements for road improvement paid through the General Fund. The General Fund advanced funds for a SPLOST project and funds for a Law Library expense.

Note 8 – 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, 2015	Additions	Reductions	Balance at June 30, 2016	Due Within One Year
Primary Government:					
Governmental Activities:					
Compensated absences	$ 35,072	$ 20,818	$ 17,536	$ 38,354	$ 19,177
Total Primary Government	$ 35,072	$ 20,818	$ 17,536	$ 38,354	$ 19,177
Component Unit - Board of Health:					
Compensated absences	$ 14,116	$ 10,581	$ 7,058	$ 17,639	$ 8,820
Total Component Unit	$ 14,116	$ 10,581	$ 7,058	$ 17,639	$ 8,820

Note 9 - Debt

Long Term Debt

The following is a summary of the debt transactions of the County for the fiscal year ended June 30, 2016:

	Balance at July 1, 2015	Additions	Reductions	Balance at June 30, 2016	Amount Due In One Year
Governmental Activities					
Capital leases	$ 658,667	$ -	$ 63,182	$ 595,485	$ 64,786
Total Governmental Activities	$ 658,667	$ -	$ 63,182	$ 595,485	$ 64,786

	Balance at July 1, 2015	Additions	Reductions	Balance at June 30, 2016	Amount Due In One Year
Business - Type Activities					
Capital lease	$ 105,126	$ 1,132,350	$ 158,584	$ 1,078,892	$ 146,777
Revenue bonds	2,955,000	-	385,000	2,570,000	145,000
Total Business-Type Activities	$ 3,060,126	$ 1,132,350	$ 543,584	$ 3,648,892	$ 291,777

Note 9 - 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	2012	2.26%	$ 161,352	2018
Capital Lease	Motor Grader	2014	3.30%	$ 196,758	2019
Capital Lease	Motor Grader	2014	2.45%	$ 233,100	2019
Capital Lease	Excavator	2014	2.00%	$ 156,596	2020
Business Activities					
Revenue Bonds	Landfill Construction	2011	Fixed	$ 3,500,000	2030
Capital Lease	Landfill Equipment	2015	2.20%	$ 120,098	2020
Capital Lease	Landfill Equipment	2016	2.30%	$ 128,808	2021
Capital Lease	Landfill Equipment	2016	2.00%	$ 240,320	2021

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

	Governmental Activities Capital Leases	
Year Ending June 30,	Principal	Interest
2017	64,786	14,452
2018	162,816	10,647
2019	294,976	7,089
2020	72,907	357
Total	$ 595,485	$ 32,545

	Business Activities			
	Revenue Bonds		Capital Lease	
Year Ending June 30,	Principal	Interest	Principal	Interest
2017	145,000	112,178	146,777	23,999
2018	150,000	108,553	150,098	20,678
2019	155,000	104,428	153,495	17,281
2020	160,000	99,778	196,043	13,808
2021	165,000	94,578	432,479	7,866
2022-2026	915,000	375,640	-	-
2027-2030	880,000	150,152	-	-
	$ 2,570,000	$ 1,045,307	$ 1,078,892	$ 83,632

Note 9 - Debt - Continued

Long Term Debt - Continued

The assets acquired through capital leases are as follows:

	Total Governmental Activities	Total Business Activities
Asset:		
Equipment	$ 747,806	$ 1,252,448
Less: accumulated depreciation	(313,858)	(123,113)
Total	$ 433,948	$ 1,129,335

Amortization expense for governmental activities amount to $116,049 and for business activities amount to $107,386 for FY16 was included in depreciation.

Note 10 – Landfill Post-closure 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 post-closure care costs for The Solid Waste Management Authority of Atkinson County. That recognition of a liability for closure and post-closure 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 $514,951 reflects the remaining post-closure cost.

The accrual for closure and post-closure costs for the Solid Waste Management at June 30, 2016 is $1,937,174. The estimated total current cost of closure and post-closure care to be recognized is $3,415,651. The landfill capacity used to date is 42% of MSW cell space and 60% of C&D cell space. The current estimated remaining life for MSW is 35.81 years and for C&D is 8.36 years.

The following reflects changes in closure and post-closure care cost:

	Balance at July 1, 2015	Additions	Reductions	Balance at June 30, 2016	Amount Due In One Year
Business Type Activities:					
Solid Waste Management Authority	$ 1,905,233	$ 31,941	$ -	$ 1,937,174	$ 96,859
Pudding Creek Landfill	522,271	-	7,320	514,951	7,320
	$ 2,427,504	$ 31,941	$ 7,320	$ 2,452,125	$ 104,179

Note 11 – 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, 2016, was as follows:

Equipment	$ 14,268
Less Accumulated Depreciation	(13,869)
Net Property and Equipment	$ 399

Retirement Benefits

General Information about the Employees Retirement System

Plan description: ERS is a cost-sharing multiple-employer defined benefit pension plan established by the Georgia General Assembly during the 1949 Legislative Session for the purpose of providing retirement allowances for employees of the State of Georgia and its political subdivisions. ERS is directed by a Board of Trustees. Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. ERS issues a publicly available financial report that can be obtained at www.ers.ga.gov/formspubs/formspubs.

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

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

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

Retirement Benefits - Continued

Contributions: Member contributions under the old plan are 4% of annual contribution, up to $4,200, plus 6% of annual compensation in excess of $4,200. Under the old plan, the state pays member contribution in excess of 1.25% of annual compensation. Under the old plan, these state contributions are included in the members' accounts for refund purposes are used in the computation of the members' earnable compensation for the purposes of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The Board of Health's contractually required contribution rate, actuarially determined annually, for the year ended June 30, 2016 was 24.72% of annual covered payroll for the old and new plan members and 21.69% for GSEPS members. The Board of Health contributions to ERS totaled $33,662 for the year ended June 30, 2016. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

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

At June 30, 2016, the Board of Health reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2014. An expected total pension liability as of June 30, 2015 was determined using standard roll-forward techniques. The Board of Health's proportion of the net pension liability was based on contributions to ERS during the fiscal year ended June 30, 2015. At June 30, 2015 the Employer's proportion was 0.013072%, which was a decrease of .000462% from its portions measured as of June 30, 2014.

For the year ended June 30, 2016, the Board of Health recognized pension expense of $33,662. At June 30, 2016 the Board of Health reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 1,812
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	16,361
Changes in proportions and differences between employer contributions and proportion share of contributions	-	28,153
Employer contributions subsequent to the measurement date	33,662	-
Total	$ 33,662	$ 46,326

Board of Health contributions subsequent to the measurement date of $33,662 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2017	(32,342)
2018	(12,207)
2019	(7,292)
2020	5,515
2021	-
Thereafter	-

Retirement Benefits - Continued

Actuarial assumptions: The total pension liability as of June 30, 2016 was determined by an actuarial valuation as of June 30, 2014 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	5.45% - 9.25%
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

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

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return*
Fixed income	30.00%	3.00%
Domestic large equities	39.70%	6.50%
Domestic mid equities	3.70%	10.00%
Domestic small equities	1.60%	13.00%
International developed market equities	18.90%	6.50%
International emerging market equities	6.10%	11.00%
Total	100.00%	

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

Discount rate: The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Board of Health's proportionate share of the net pension liability to changes in the discount rate: The following presents the Board of Health's proportionate share of the net pension liability calculated using the discount rate of 7.50% as well as the Board of Health's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.5%)	Current discount rate (7.5%)	1% Increase (8.5%)
Employer's proportionate share of the net pension liability	321,436	226,757	146,039

Retirement Benefits - Continued

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued ERS financial report which is publically available at www.ers.ga.gov/formspubs/formspubs.

Note 12 – Contingent Liabilities

There was no pending litigation, claims, or assessments against the County at June 30, 2016. 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 13 – Retirement Benefits

Atkinson County Retirement Benefits

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 maintains 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 $42,968 and the County contributed $20,706.

The Plan is administered by GEBCorp.

Any information related to the plan can be obtained at the following address:
GEBCorp
1100 Circle 75 Parkway
Suite 300
Atlanta, Georgia 30339

The elected officials are covered under plans offered by the State of Georgia, such as the Magistrates Retirement Fund, the Clerks' 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. Information concerning these retirement plans can be located on the respective web sites including GASB 68 information where applicable.

Note 14 – 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.

Risk Financing Activities - Continued

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.

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 15 – Subsequent Events

Management has evaluated events and transactions subsequent to the balance sheet date through December 14, 2016 (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.

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, 2016

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
REVENUES				
Taxes	$ 3,077,076	$ 3,111,289	$ 3,004,436	$ (106,853)
Licenses and permits	4,780	4,780	3,105	(1,675)
Intergovernmental revenues	22,461	22,461	37,394	14,933
Charges for services	116,491	116,491	97,265	(19,226)
Fines and forfeitures	309,062	309,062	329,424	20,362
Investment income	6,000	6,000	10,281	4,281
Miscellaneous	37,398	37,398	65,900	28,502
Total Revenues	3,573,268	3,607,481	3,547,805	(59,676)
EXPENDITURES				
GENERAL GOVERNMENT				
Legislative and executive				
Board of Commissioners	$ 332,595	$ 342,485	$ 339,114	$ (3,371)
Board of Elections	79,432	83,032	82,594	(438)
Tax Commissioner	157,922	160,872	160,594	(278)
Tax Assessor	111,100	111,100	105,232	(5,868)
General Administration	410,877	271,040	278,740	7,700
Total General Government	1,091,926	968,529	966,274	(2,255)
JUDICIAL				
Clerk of Court	173,477	175,677	175,657	(20)
Superior Court	37,250	39,090	36,088	(3,002)
District Attorney	31,996	31,996	30,405	(1,591)
Magistrate Court	115,616	115,616	106,108	(9,508)
Probate Court	110,509	115,284	115,279	(5)
Public Defender	42,718	34,473	31,982	(2,491)
Total Judicial	511,566	512,136	495,519	(16,617)
PUBLIC SAFETY				
Sheriff	485,766	548,011	548,004	(7)
Emergency Medical Service	219,922	219,922	219,532	(390)
Jail	311,982	427,982	444,881	16,899
E-911 Service	124,334	124,334	124,333	(1)
Emergency Management Agency	50,848	50,848	47,931	(2,917)
Fire Protection	-	-	404	404
Coroner Office	13,653	14,203	14,194	(9)
Total Public Safety	1,206,505	1,385,300	1,399,279	13,979
PUBLIC WORKS				
Road Department	606,162	582,162	563,555	(18,607)
Total Public Works	606,162	582,162	563,555	(18,607)

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, 2016

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
HEALTH AND WELFARE				
Health Department	39,446	39,446	39,405	(41)
Concerted Services	5,500	5,500	5,500	-
Department of Family and Children Services	4,000	4,030	4,027	(3)
Satilla Mental Health	1,000	1,000	1,000	-
Meals on Wheels	14,476	14,476	11,954	(2,522)
ATCO Youth Development	2,500	2,500	1,564	(936)
Family Connections	500	500	500	-
Total Health and Welfare	67,422	67,452	63,950	(3,502)
CULTURE AND RECREATION				
Satilla Regional Library	15,250	15,250	15,250	-
Total Culture and Recreation	15,250	15,250	15,250	-
COMMUNITY DEVELOPMENT				
Extension Office	75,737	75,737	74,384	(1,353)
Business Appreciation	2,000	4,215	4,213	(2)
Total Community Development	77,737	79,952	78,597	(1,355)
TOTAL EXPENDITURES	3,576,568	3,610,781	3,582,424	(28,357)
EXCESS OF REVENUES UNDER EXPENDITURES	(3,300)	(3,300)	(34,619)	(31,319)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	74,575	74,575
Transfers out	(6,700)	(6,700)	(7,320)	(620)
TOTAL OTHER FINANCING SOURCES (USES)	(6,700)	(6,700)	67,255	73,955
NET CHANGE IN FUND BALANCE	(10,000)	(10,000)	32,636	42,636
FUND BALANCES				
FUND BALANCE, BEGINNING OF YEAR	-	-	2,008,885	2,008,885
FUND BALANCE, END OF YEAR	$ (10,000)	$ (10,000)	$ 2,041,521	$ 2,051,521

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, 2016

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
REVENUES				
Investment income	$ 83,564	$ 83,564	$ 15,536	$ (68,028)
TOTAL REVENUE	83,564	83,564	15,536	(68,028)
EXPENDITURES				
Current				
Community Development	83,564	83,564	767	(82,797)
TOTAL EXPENDITURES	83,564	83,564	767	(82,797)
EXCESS OF REVENUES OVER EXPENDITURES	-	-	14,769	14,769
FUND BALANCE, BEGINNING OF YEAR	-	-	551,966	551,966
FUND BALANCE, END OF YEAR	$ -	$ -	$ 566,735	$ 566,735

See independent auditor's report.

ATKINSON COUNTY, GEORGIA
ATKINSON COUNTY BOARD OF HEALTH
REQUIRED SUPPLEMENTAL INFORMATION
For The Year Ending June 30, 2016

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
For the Year Ended June 30, 2016

Employer's proportion of the net pension liability	0.005970%
Employer's proportion share of the net pension liability	226,757
Employer's covered-employee payroll during the measurement period	142,025
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	159.66%
Plan fiduciary net position as a percentage of the total pension liability	76.20%

Schedule of Contributions
Employees' Retirement System
For the Year Ended June 30, 2016

	2016	2015
Contractually required contribution	$ 28,079	$ 25,138
Contributions in relation to the contractually required contribution	28,100	25,184
Contribution deficiency (excess)	$ (21)	$ (46)
Employer's covered-employee payroll	$ 142,025	$ 137,642
Contributions as a percentage of covered-employee payroll	-0.01%	-0.03%

See accompanying notes to GASB No. 68 Schedules.

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.

Note 2 – Atkinson County Board of Health Retirement Benefits

Changes of assumptions: There were no changes in assumptions or benefits that affect the measurement of the total pension liability since the prior measurement date.

Method and assumptions used in calculations of actuarially determined contributions: The actuarially determined contribution rates in the schedule of contributions are calculated as of June 30, three years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine the contractually required contributions for year ended June 30, 2016 reported in that schedule:

Valuation date	June 30, 2013
Actuarial cost method	Entry age
Amortization method	Level dollar, closed
Remaining amortization period	22.6 years
Asset valuation method	5-year smoothed market
Inflation rate	3.00%
Salary increases	5.45% - 9.25%
Investment rate of return	7.50% net pension plan investment expense, including inflation

COMBINING AND INDIVIDUAL FUND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUNDS

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, 2016

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
REVENUES				
Investment income	$ -	$ -	$ 5,073	$ 5,073
TOTAL REVENUE	-	-	5,073	5,073
EXPENDITURES				
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
EXCESS OF REVENUES OVER EXPENDITURES	-	-	5,073	5,073
FUND BALANCE, BEGINNING OF YEAR	-	-	624,540	624,540
FUND BALANCE, END OF YEAR	$ -	$ -	$ 629,613	$ 629,613

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, 2016

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Taxes	$ 600,600	$ 600,600	$ 573,317	$ (27,283)
Investment income	-	-	343	343
TOTAL REVENUE	600,600	600,600	573,660	(26,940)
EXPENDITURES				
Current				
Public works	600,600	600,600	112,238	(488,362)
Intergovernmental expense	-	-	216,714	216,714
Capital outlay	-	-	487,503	487,503
TOTAL EXPENDITURES	600,600	600,600	816,455	215,855
EXCESS OF REVENUES OVER EXPENDITURES	-	-	(242,795)	(242,795)
FUND BALANCE, BEGINNING OF YEAR	-	-	246,360	246,360
FUND BALANCE, END OF YEAR	$ -	$ -	$ 3,565	$ 246,360

See independent auditor's report.

THIS PAGE INTENTIONALLY LEFT BLANK

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.

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

Insurance Premium Fund – To account for insurance premium tax funds used for fire 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.

2013 CDBG Grant Fund – The 2013 CDBG Fund accounts for grant funds provided for the repaving of Columbus Road.

Public Roads Fund – To account for funds from the Georgia Department of Transportation restricted for road improvements.

2011 CHIP Grant F**und**– To account for grant funds for local property improvements.

ATKINSON COUNTY, GEORGIA
ALL NON-MAJOR FUNDS
COMBINING BALANCE SHEET
June 30, 2016

	Special Revenue					
	Drug Enforcement	Law Library	Jail Fee Fund	Drug Education Fund	Juvenile Service Fund	Insurance Premium Fund
ASSETS						
Cash	$ 11,044	$ 40,622	$ 44,125	$ 22,372	$ 16,842	$ 171,509
Prepaid expenses	-	-	-	-	-	17,839
Accounts receivable	-	-	-	-	-	-
TOTAL ASSETS	$ 11,044	$ 40,622	$ 44,125	$ 22,372	$ 16,842	$ 189,348
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Interfund payable	$ -	$ 11	$ -	$ -	$ -	$ -
Accounts payable	-	-	-	-	-	598
Due to other governments	-	-	937	-	-	-
TOTAL LIABILITIES	-	11	937	-	-	598
FUND BALANCES						
Restricted for drug enforcement	11,044	-	-	-	-	-
Restricted for law library	-	40,611	-	-	-	-
Restricted for jail operations	-	-	43,188	-	-	-
Restricted for drug education	-	-	-	22,372	-	-
Restricted for juvenile services	-	-	-	-	16,842	-
Restricted for capital projects	-	-	-	-	-	188,750
TOTAL FUND BALANCE	11,044	40,611	43,188	22,372	16,842	188,750
TOTAL LIABILITIES AND FUND BALANCE	$ 11,044	$ 40,622	$ 44,125	$ 22,372	$ 16,842	$ 189,348

See independent auditor's report.

Capital Projects			
2013 CDBG Grant Fund	Public Roads Fund	2011 CHIP Grant Fund	Total Nonmajor Governmental Funds
$ -	$ 145,276	$ 5	$ 451,795
-	-	-	17,839
-	-	-	-
$ -	$ 145,276	$ 5	$ 469,634
$ -	$ -	$ 5	$ 16
-	-	-	598
-	-	-	937
-	-	5	1,551
-	-	-	11,044
-	-	-	40,611
-	-	-	43,188
-	-	-	22,372
-	-	-	16,842
-	145,276	-	334,026
-	145,276	-	468,083
$ -	$ 145,276	$ 5	$ 469,634

ATKINSON COUNTY, GEORGIA
ALL NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For The Year Ended June 30, 2016

	Special Revenue					
	Drug Enforcement	Law Library	Jail Fee Fund	Drug Education Fund	Juvenile Service Fund	Insurance Premium Fund
REVENUES						
Intergovernmental	$ -	$ -	$ -	$ -	$ -	$ 256,015
Charges for services	-	-	-	-	-	-
Fines and forfeitures	12,283	7,316	22,820	16,780	175	-
Investment income	10	-	164	-	-	876
TOTAL REVENUES	12,293	7,316	22,984	16,780	175	256,891
EXPENDITURES						
Current						
Judicial	-	393	-	-	-	-
Public safety	11,113	-	29,424	-	-	112,817
Public works	-	-	-	-	-	-
Health and welfare	-	-	-	15,131	-	-
Housing and development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	126,693
TOTAL EXPENDITURES	11,113	393	29,424	15,131	-	239,510
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,180	6,923	(6,440)	1,649	175	17,381
FUND BALANCE, BEGINNING OF YEAR	9,864	33,688	49,628	20,723	16,667	171,369
FUND BALANCE, END OF YEAR	$ 11,044	$ 40,611	$ 43,188	$ 22,372	$ 16,842	$ 188,750

See independent auditor's report.

Capital Projects			
2013 CDBG Fund	Public Roads Fund	2011 CHIP Grant Fund	Total Nonmajor Governmenta Funds
$ 437,980	$ 299,107	$ -	$ 993,102
-	-	-	-
-	-	-	59,374
-	585	-	1,635
437,980	299,692	-	1,054,111
-	-	-	393
-	-	-	153,354
-	251,736	-	251,736
-	-	-	15,131
437,980	-	-	437,980
-	-	-	126,693
437,980	251,736	-	985,287
-	47,956	-	68,824
-	97,320	-	399,259
$ -	$ 145,276	$ -	$ 468,083

ATKINSON COUNTY, GEORGIA
DRUG ENFORCEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For The Year Ended June 30, 2016

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Fines and forfeitures	$ -	$ -	$ 12,283	$ 12,283
Investment income	-	-	10	10
TOTAL REVENUES	-	-	12,293	12,293
EXPENDITURES				
Current				
Public safety	-	-	11,113	11,113
TOTAL EXPENDITURES	-	-	11,113	11,113
EXCESS OF REVENUES OVER EXPENDITURES	-	-	1,180	1,180
FUND BALANCE, BEGINNING OF YEAR	-	-	9,864	9,864
FUND BALANCE, END OF YEAR	$ -	$ -	$ 11,044	$ 11,044

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, 2016

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Fines and forfeitures	$ -	$ -	$ 7,316	$ 7,316
TOTAL REVENUES	-	-	7,316	7,316
EXPENDITURES				
Current				
Judicial	-	-	393	393
TOTAL EXPENDITURES	-	-	393	393
EXCESS OF REVENUES OVER EXPENDITURES	-	-	6,923	6,923
FUND BALANCE, BEGINNING OF YEAR	-	-	33,688	33,688
FUND BALANCE, END OF YEAR	$ -	$ -	$ 40,611	$ 33,688

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, 2016

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
REVENUES				
Fines and forfeitures	$ 30,100	$ 30,100	$ 22,820	$ (7,280)
Investment income	-	-	164	164
TOTAL REVENUES	30,100	30,100	22,984	(7,116)
EXPENDITURES				
Current				
Public safety	30,100	30,100	29,424	(676)
TOTAL EXPENDITURES	30,100	30,100	29,424	(676)
EXCESS OF REVENUES OVER EXPENDITURES	-	-	(6,440)	(6,440)
FUND BALANCE, BEGINNING OF YEAR	-	-	49,628	49,628
FUND BALANCE, END OF YEAR	$ -	$ -	$ 43,188	$ 49,628

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, 2016

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
REVENUES				
Fines and forfeitures	$ 9,000	$ 9,000	$ 16,780	$ 7,780
TOTAL REVENUES	9,000	9,000	16,780	7,780
EXPENDITURES				
Current				
Health and welfare	9,000	9,000	15,131	6,131
TOTAL EXPENDITURES	9,000	9,000	15,131	6,131
EXCESS OF REVENUES OVER EXPENDITURES	-	-	1,649	1,649
FUND BALANCE, BEGINNING OF YEAR	-	-	20,723	20,723
FUND BALANCE, END OF YEAR	$ -	$ -	$ 22,372	$ 22,372

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, 2016

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Fines and forfeitures	$ 900	$ 900	$ 175	$ (725)
TOTAL REVENUES	900	900	175	(725)
EXPENDITURES				
Current				
Judicial	900	900	-	(900)
TOTAL EXPENDITURES	900	900	-	(900)
EXCESS OF REVENUES OVER EXPENDITURES	-	-	175	175
FUND BALANCE, BEGINNING OF YEAR	-	-	16,667	16,667
FUND BALANCE, END OF YEAR	$ -	$ -	$ 16,842	$ 16,842

See independent auditor's report.

ATKINSON COUNTY, GEORGIA
INSURANCE PREMIUM FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For The Year Ended June 30, 2016

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget Over (Under)
REVENUES				
Tax revenue	$ 220,150	$ 220,150	$ 256,015	$ 35,865
Investment income	-	-	876	876
TOTAL REVENUE	220,150	220,150	256,891	36,741
EXPENDITURES				
Fire Protection	220,150	220,150	112,817	(107,333)
Capital Outlay	-	-	126,693	126,693
TOTAL EXPENDITURES	220,150	220,150	239,510	19,360
EXCESS OF REVENUES OVER EXPENDITURES	-	-	17,381	17,381
FUND BALANCE, BEGINNING OF YEAR	-	-	171,369	171,369
FUND BALANCE, END OF YEAR	$ -	$ -	$ 188,750	$ 188,750

See independent auditor's report.

ATKINSON COUNTY, GEORGIA
2013 CDBG FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For The Year Ended June 30, 2016

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
REVENUES				
Intergovernmental funds	$ 250,000	$ 250,000	$ 437,980	$ 187,980
TOTAL REVENUES	250,000	250,000	437,980	187,980
EXPENDITURES				
Current				
Project management fee	250,000	250,000	437,980	187,980
TOTAL EXPENDITURES	250,000	250,000	437,980	187,980
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	$ -	$ -	$ -	$ -

See independent auditor's report.

ATKINSON COUNTY, GEORGIA
PUBLIC ROADS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For The Year Ended June 30, 2016

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget Over (Under)
REVENUES				
Operating grant	$ 250,150	$ 250,150	$ 299,107	$ 48,957
Investment income	-	-	585	585
TOTAL REVENUE	250,150	250,150	299,692	49,542
EXPENDITURES				
Current				
Public works	250,150	250,150	251,736	1,586
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	250,150	250,150	251,736	1,586
EXCESS OF REVENUES OVER EXPENDITURES	-	-	47,956	47,956
FUND BALANCE, BEGINNING OF YEAR	-	-	97,320	97,320
FUND BALANCE, END OF YEAR	$ -	$ -	$ 145,276	$ 145,276

See independent auditor's report.

ATKINSON COUNTY, GEORGIA
2011 CHIP FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For The Year Ended June 30, 2016

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
REVENUES				
Intergovernmental funds	$ 30,000	$ 30,000	$ -	$ (30,000)
TOTAL REVENUES	30,000	30,000	-	(30,000)
EXPENDITURES				
Current				
Housing and development	30,000	30,000	-	(30,000)
TOTAL EXPENDITURES	30,000	30,000	-	(30,000)
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 and maintenance of other vital records which are disbursed to other parties.

ATKINSON COUNTY, GEORGIA
AGENCY FUNDS
COMBINING SCHEDULE OF ASSETS AND LIABILITIES
June 30, 2016

	AGENCY FUNDS					
	Office of Tax Commissioner	Clerk of Court	Magistrate Court	Office of Sheriff	Probate Court	Total
ASSETS						
Cash	$ 109,501	$ 12,295	$ 17,334	$ 8,132	$ 4,579	$ 151,841
TOTAL ASSETS	$ 109,501	$ 12,295	$ 17,334	$ 8,132	$ 4,579	$ 151,841
LIABILITIES						
Due to others	$ 109,501	$ 12,295	$ 17,334	$ 8,132	$ 4,579	$ 151,841
TOTAL LIABILITIES	$ 109,501	$ 12,295	$ 17,334	$ 8,132	$ 4,579	$ 151,841

See independent auditor's report.

ATKINSON COUNTY, GEORGIA
AGENCY FUNDS
COMBINING SCHEDULE OF CHANGES IN ASSETS
AND LIABILITIES
For The Year Ended June 30, 2016

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016
OFFICE OF TAX COMMISSIONER				
ASSETS				
Cash	$ 198,624	$ 6,054,841	$ 6,143,964	$ 109,501
TOTAL ASSETS	$ 198,624	$ 6,054,841	$ 6,143,964	$ 109,501
LIABILITIES				
Due to others	$ 198,624	$ 6,054,841	$ 6,143,964	$ 109,501
TOTAL LIABILITIES	$ 198,624	$ 6,054,841	$ 6,143,964	$ 109,501
CLERK OF COURT				
ASSETS				
Cash	$ 49,907	$ 317,286	$ 354,898	$ 12,295
TOTAL ASSETS	$ 49,907	$ 317,286	$ 354,898	$ 12,295
LIABILITIES				
Due to others	$ 49,907	$ 317,286	$ 354,898	$ 12,295
TOTAL LIABILITIES	$ 49,907	$ 317,286	$ 354,898	$ 12,295
MAGISTRATE COURT				
ASSETS				
Cash	$ 18,616	$ 128,966	$ 130,248	$ 17,334
TOTAL ASSETS	$ 18,616	$ 128,966	$ 130,248	$ 17,334
LIABILITIES				
Due to others	$ 18,616	$ 128,966	$ 130,248	$ 17,334
TOTAL LIABILITIES	$ 18,616	$ 128,966	$ 130,248	$ 17,334

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, 2016

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016
OFFICE OF SHERIFF				
ASSETS				
Cash	$ 10,242	$ -	$ 2,110	$ 8,132
TOTAL ASSETS	$ 10,242	$ -	$ 2,110	$ 8,132
LIABILITIES				
Due to others	$ 10,242	$ -	$ 2,110	$ 8,132
TOTAL LIABILITIES	$ 10,242	$ -	$ 2,110	$ 8,132
PROBATE COURT				
ASSETS				
Cash	$ 270	$ 233,164	$ 228,855	$ 4,579
TOTAL ASSETS	$ 270	$ 233,164	$ 228,855	$ 4,579
LIABILITIES				
Due to others	$ 270	$ 233,164	$ 228,855	$ 4,579
TOTAL LIABILITIES	$ 270	$ 233,164	$ 228,855	$ 4,579

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, 2016

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	$ 2,024,921	$ -	$ 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	$ 2,479,490	$ -	$ 2,479,490	

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	$ 413,232	$ 189,227	$ 602,459	72%
County jail	360,000	360,000	19,451	5,247	24,698	7%
Land acquisition	416,667	416,667	-	355,321	355,321	85%
Equipment	107,500	107,500	726,741	49,947	776,688	723%
Buildings	100,000	100,000	109,073	-	109,073	109%
Public infrastructure	166,667	166,667	-	-	-	0%
	$ 1,984,167	$ 1,984,167	$ 1,268,497	$ 599,742	$ 1,868,239	
City of Pearson	$ 750,000	$ 750,000	$ 490,408	$ 128,996	$ 619,404	83%
City of Willacoochee	$ 729,167	$ 729,167	$ 333,478	$ 87,717	$ 421,195	58%

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, 2016
Cumulative

I. Total Fiscal Year 2011 CHIP Funds Awarded to Recipient:	$	290,445
II. Total Amount of Drawdown by Recipient from DCA:	$	237,045
III. Less: CHIP Funds Expended by Recipient:	$	237,040
IV. Amount of Fiscal Year 2011 CHIP Funds held by Recipient:	$	5

SOURCE and APPLICATION OF FUNDS SCHEDULE
Community Development Block Grant

Atkinson County, Georgia

13p-y-002-1-5583

For the Period Ending: June 30, 2016
Cumulative

I. Total Fiscal Year 2013 CDBG Funds Awarded to Recipient:	$	500,000
II. Total Amount of Drawdown by Recipient from DCA:	$	484,371
III. Less: CDBG Funds Expended by Recipient:	$	484,371
IV. Amount of Fiscal Year 2013 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, 2016

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	$ 61,730	$ -	$ 61,730	$ -
Rehab	H-14a-01	$ 215,750	$ 170,967	$ -	$ 170,967	$ -
Program Administration	A-21A-00	$ 5,695	$ 4,318	$ -	$ 4,318	$ -
TOTAL		$ 290,445	$ 237,015	$ -	$ 237,015	$ -

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
PROJECT COST SCHEDULE

Recipient: Atkinson County, Georgia

Grant #: 13p-y-002-1-5583

For the Period Ending: June 30, 2016

Program Activity	CDBG Activity Number	Latest Approved Budget	Accumulative CDBG Expenditures To Date	Accumulative Expenditures To Date (Other Funds)	Grand Total of Expenditures To Date	Questioned Costs
Columbus Road Paving	T-03K-00	$ 35,624	$ 35,624	$ -	$ 35,624	-
Columbus Road Paving	P-03K-01	$ 307,443	$ 307,443	$ -	$ 307,443	$ -
Columbus Road Paving	P-03K-02	$ 126,933	$ 111,304	$ -	$ 111,304	$ -
Contingencies	C-022-00	$ -	$ -	$ -	$ -	$ -
Administration	A-21A-00	$ 30,000	$ 30,000	$ -	$ 30,000	$ -
TOTAL		$ 500,000	$ 484,371	$ -	$ 484,371	$ -

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
Angela M. Hawkins, 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, 2016 and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon, dated December 14, 2016.

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 2016-1.

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 2016-2.

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

Valdosta, Georgia
December 14, 2016

ATKINSON COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2016

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:

2016-01 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:

2016-02 **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 a couple of departments.

Effect: Noncompliance with state statues regarding budgeting.

Cause: The County did not amend the general fund and special revenue fund budgets for unexpected expenditures where additional revenues were available.

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.

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

Section II – Financial Statement Findings

Significant Deficiencies – Not Considered a Material Weakness

Prior Year Findings

Findings 2016-01 to 2016-02 were also noted in the prior year.