ATKINSON COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2018

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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, 2018, 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.

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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, 2018, 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 January 7, 2019, 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
January 7, 2019

ATKINSON COUNTY, GEORGIA
Management's Discussion and Analysis
Required Supplemental Information
For the Year Ended June 30, 2018

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, 2018. 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 FY18 are as follows:

The County's governmental fund assets exceeded its liabilities at June 30, 2018 by $14,560,666 (net position). Of this amount $1,392,485 (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 $731,571.

Net position for business-type activities increased $23,352 from $1,661,330 to $1,684,682.

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
	2017	2018	2017	2018	2017	2018	2017-2018
Assets							
Current and other assets	$ 4,284,418	$ 3,913,098	$ 3,300,772	$ 3,637,698	$ 7,585,190	$ 7,550,796	-0.45%
Capital assets, net	10,492,758	11,460,847	4,134,698	3,583,535	14,627,456	15,044,382	2.85%
Total Assets	**14,777,176**	**15,373,945**	**7,435,470**	**7,221,233**	**22,212,646**	**22,595,178**	**1.72%**
Liabilities							
Current and other liabilities	340,287	523,986	501,483	489,189	841,770	1,013,175	20.36%
Long-term liabilities	389,377	289,293	5,272,657	5,047,362	5,662,034	5,336,655	-5.75%
Total Liabilities	**729,664**	**813,279**	**5,774,140**	**5,536,551**	**6,503,804**	**6,349,830**	**-2.37%**
Net Position							
Net investment in capital assets	9,961,120	10,888,812	1,012,583	761,518	10,973,703	11,650,330	6.17%
Restricted	2,183,544	2,279,369	676,914	806,416	2,860,458	3,085,785	7.88%
Unrestricted	1,902,848	1,392,485	(28,167)	116,748	1,874,681	1,509,233	19.49%
Total Net Position	**$ 14,047,512**	**$ 14,560,666**	**$ 1,661,330**	**$ 1,684,682**	**$ 15,708,842**	**$ 16,245,348**	**3.42%**

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 $16,245,348, ($14,560,666 in governmental activities and $1,684,682 in business-type activities) as of June 30, 2018. A large portion of the County's net position (72 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.

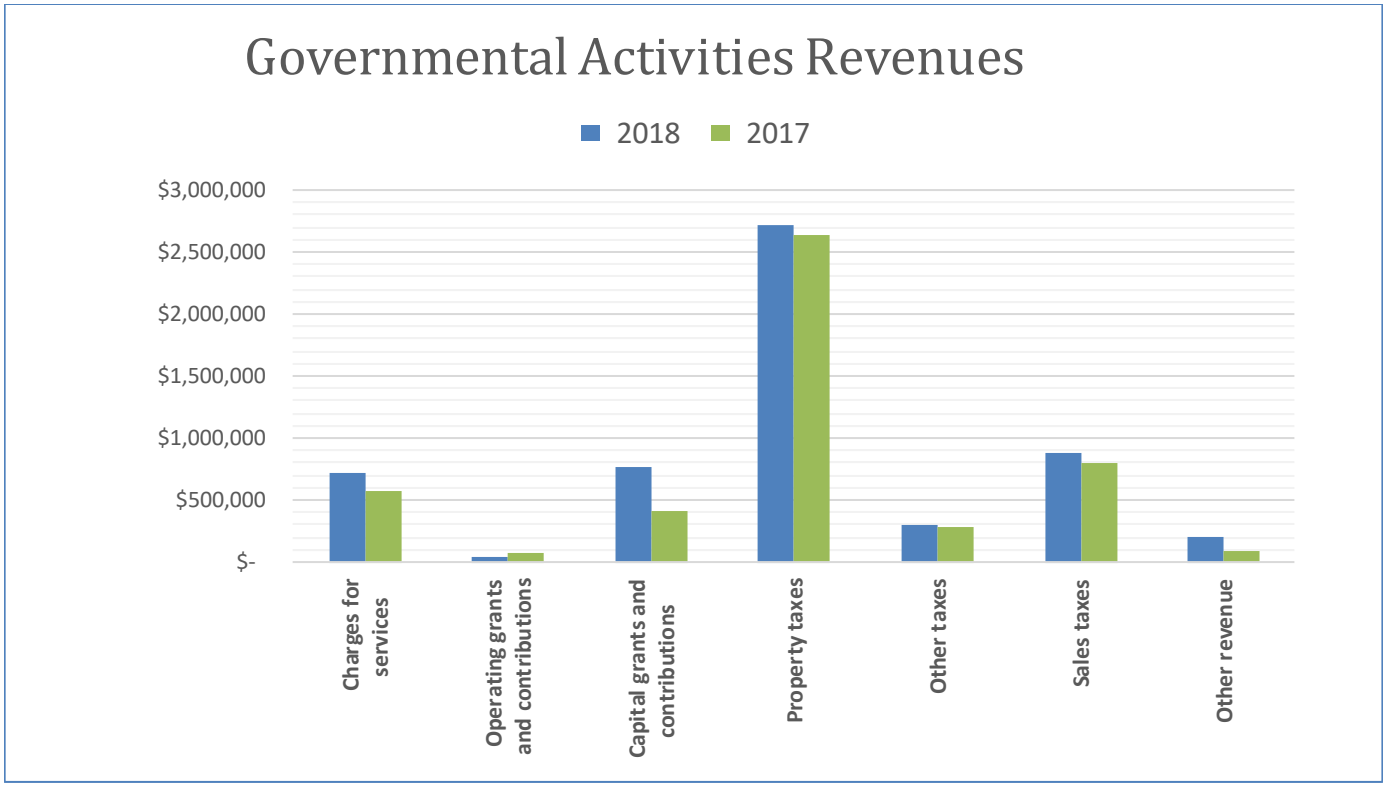
An additional portion of the County's net position (14 percent) represents resources that are subject to restrictions on how they can be used. The remaining balance of unrestricted net position, $1,509,233, may be used to meet the County's ongoing obligations to citizens and creditors.

The next table shows the changes in net position for the year ending June 30, 2018.

Changes in Net Position

	Governmental Activities		Business-Type Activities		Total		Total Percentage Change
	2017	2018	2017	2018	2017	2018	2017-2018
Revenues							
Program Revenues							
Charges for services	$ 577,680	$ 710,364	$ 2,025,869	$ 2,152,960	$ 2,603,549	$ 2,863,324	9.98%
Operating grants and contributions	66,780	36,885	-	-	66,780	36,885	-44.77%
Capital grants and contributions	405,797	771,179	-	-	405,797	771,179	90.04%
Total Program Revenues	1,050,257	1,518,428	2,025,869	2,152,960	3,076,126	3,671,388	19.35%
General Revenues							
Property taxes	2,641,299	2,724,590	-	-	2,641,299	2,724,590	3.15%
Alcoholic beverage taxes	10,938	11,422	-	-	10,938	11,422	4.42%
Insurance premium taxes	272,441	291,775	-	-	272,441	291,775	7.10%
Sales taxes	801,264	875,653	-	-	801,264	875,653	9.28%
Rent	26,715	12,680	-	-	26,715	12,680	-52.54%
Gain (loss) on disposal of capital assets	5,867	138,282	-	2,313	5,867	140,595	0.00%
Miscellaneous	54,496	46,788	-	-	54,496	46,788	0.00%
Interest	-	-	13,901	14,357	13,901	14,357	3.28%
Total General Revenues	3,813,020	4,101,190	13,901	16,670	3,826,921	4,117,860	7.60%
Total Revenues	**4,863,277**	**5,619,618**	**2,039,770**	**2,169,630**	**6,903,047**	**7,789,248**	**12.84%**
Expenses							
Governmental Activities:							
General Government							
Legislative and executive	$ 1,293,400	$ 1,305,593	$ -	$ -	$ 1,293,400	$ 1,305,593	0.94%
Judicial	586,323	554,474	-	-	586,323	554,474	-5.43%
Public safety	1,946,093	1,979,985	-	-	1,946,093	1,979,985	1.74%
Public works	840,639	839,018	-	-	840,639	839,018	-0.19%
Health and welfare	84,574	87,637	-	-	84,574	87,637	3.62%
Culture and recreation	15,250	15,250	-	-	15,250	15,250	0.00%
Community developments	94,401	82,726	-	-	94,401	82,726	-12.37%
Intergovernmental	177,369	218,537	-	-	177,369	218,537	0.00%
Interest on long-term debt	14,243	15,924	-	-	14,243	15,924	11.80%
Business-type Activities:							
Landfill	-	-	2,196,675	2,153,598	2,196,675	2,153,598	-1.96%
Total Expenses	**5,052,292**	**5,099,144**	**2,196,675**	**2,153,598**	**7,248,967**	**7,252,742**	**0.05%**
Revenue Over (Under) Expenses	**(189,015)**	**520,474**	**(156,905)**	**16,032**	**(345,920)**	**536,506**	**-255.10%**
Transfers In (Out)	(7,320)	(7,320)	7,320	7,320	-	-	0.00%
Increase (Decrease) in Net Position	**(196,335)**	**513,154**	**(149,585)**	**23,352**	**(345,920)**	**536,506**	**-255.10%**
Net Position, Beginning, Restated	14,243,847	14,047,512	1,810,915	1,661,330	16,054,762	15,708,842	-2.15%
Net Position, Ending	$ 14,047,512	$ 14,560,666	$ 1,661,330	$ 1,684,682	$ 15,708,842	$ 16,245,348	**3.42%**

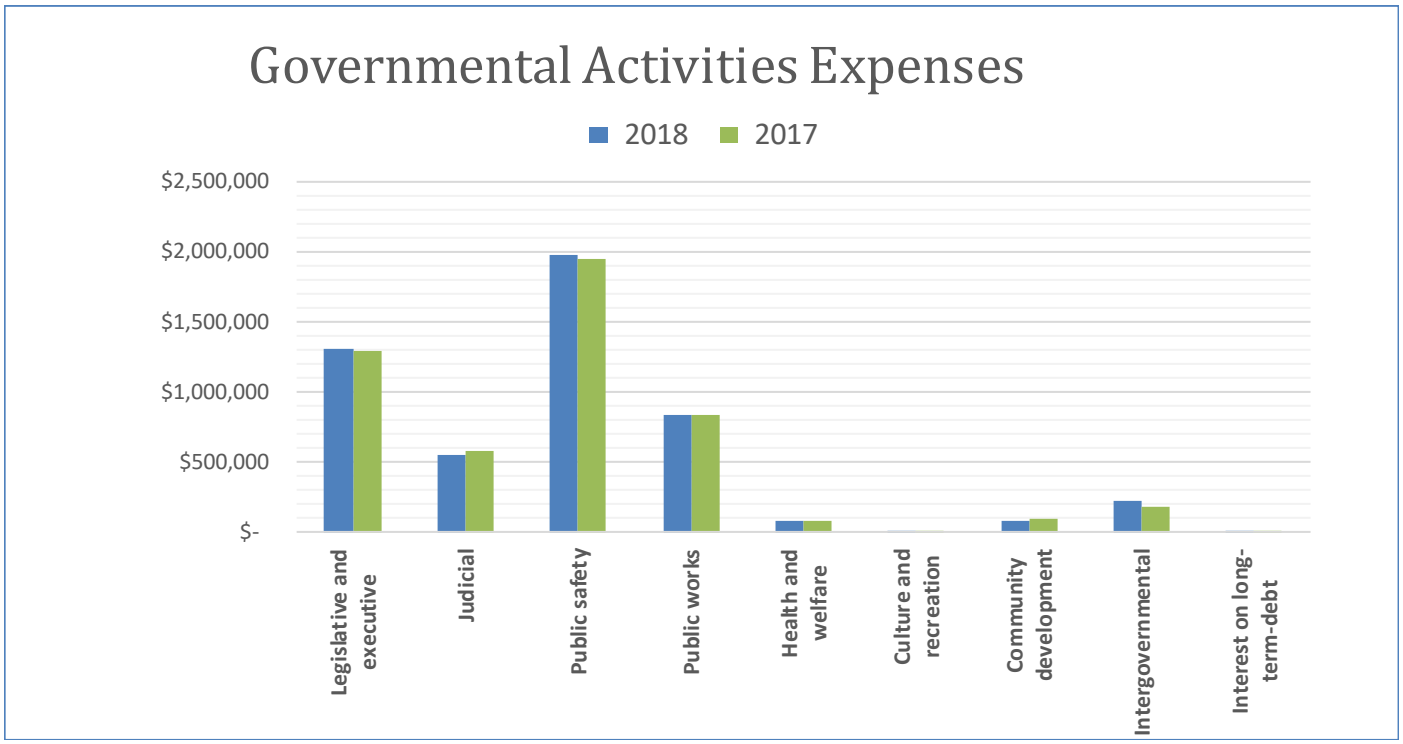
Governmental Activities



The County's program revenue from charges for services accounted for $710,364 or 47% of total program revenues. Capital grants accounted for $771,179 or 51% of total program revenues. These grants provided public works capital improvements.

Property tax revenues are the major contributor to general revenues and account for $2,724,590 or 66% of total general revenues. Another major component was sales taxes, which accounted for $875,653 or 21% 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 2017**		**Total Cost of Services 2018**		**Percentage Change 2017-2018**	**Net Cost of Services 2017**		**Net Cost of Services 2018**		**Percentage Change 2017-2018**
General Government										
Legislative and executive	$	1,293,400	$	1,305,593	0.94%	$	1,044,249	$	1,093,736	4.74%
Judicial		586,323		554,474	-5.43%		248,177		75,538	-69.56%
Public safety		1,946,093		1,979,985	1.74%		1,916,102		1,947,858	1.66%
Public works		840,639		839,018	-0.19%		441,428		69,037	-84.36%
Health and welfare		84,574		87,637	3.62%		77,447		76,304	-1.48%
Culture and recreation		15,250		15,250	0.00%		15,250		15,250	0.00%
Community development		94,401		82,726	-12.37%		67,770		68,532	-1.12%
Intergovernmental		177,369		218,537	0.00%		177,639		218,537	0.00%
Interest on long-term debt		14,243		15,924	11.80%		14,243		15,924	11.80%
Total	**$**	**5,052,292**	**$**	**5,099,144**	**0.93%**	**$**	**4,002,305**	**$**	**3,580,716**	**-10.53%**

Business-Type Activities

The net position for the business-type activities increased by $23,352 during the year ending June 30, 2018. The major source of revenue was from charges for services, which amounted to $ 2,152,960.

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, 2018, the County's governmental funds reported a combined ending fund balance of $3,547,015 a decrease of $440,592. Approximately 21% of this total ($731,571) 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, 2018, the unassigned fund balance was $ 731,571.

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, 2018, was $11,650,330 (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 FY18 included construction in process for new jail facilities and other government offices, purchase of fire department and emergency service vehicles, road department equipment, and road construction.

Note7 (Capital Assets) provides additional information about capital asset activity during FY18.

Debt

At June 30, 2018, the Solid Waste Management Authority of Atkinson County, a component unit of Atkinson County had total revenue obligation bonded debt outstanding of $2,040,000 and capital leases with an outstanding balance of $782,017.

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 2.3 month's reserve based on the average monthly expenditures in unassigned fund balance.

The County taxable digest went up by 3.15% in FY18.

Sales tax collections increased by 9.28% in FY18.

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, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Total Primary Government
ASSETS			
Cash and cash equivalents	$ 2,482,876	$ 2,585,322	$ 5,068,198
Certificate of deposit	351,992	-	351,992
Receivables (net of allowance for doubtful accounts):			
Taxes	230,478	-	230,478
Accounts	107,542	241,182	348,724
Sales tax	74,313	-	74,313
Revolving fund	418,674	-	418,674
Due from other governments	-	-	-
Net OPEB asset			
Materials and supplies inventory	132,370	-	132,370
Prepaid items	114,853	384	115,237
Restricted cash	-	810,810	810,810
Nondepreciable capital assets	2,113,814	1,150,024	3,263,838
Depreciable capital assets, net	9,347,033	2,433,511	11,780,544
TOTAL ASSETS	$ 15,373,945	$ 7,221,233	$ 22,595,178
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
$ 314,580	$ 5,382,778
-	351,992
-	230,478
-	348,724
-	74,313
-	418,674
4,969	4,969
23,022	
-	132,370
-	115,237
-	810,810
-	3,263,838
-	11,780,544
$ 342,571	$ 22,914,727
59,796	59,796
$ 59,796	$ 59,796

ATKINSON COUNTY, GEORGIA
STATEMENT OF NET POSITION
June 30, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Total Primary Government
LIABILITIES			
Accounts payable	$ 126,817	$ 11,310	$ 138,127
Accrued liabilities	34,876	50,257	85,133
Due to other governments	38,113	-	38,113
Payable from restricted assets:			
Customer deposits	-	4,394	4,394
Current portion of bonds payable	-	155,000	155,000
Long-term liabilities:			
Due within one year:			
Compensated absences payable	20,719	-	20,719
Capital lease obligations	303,461	153,495	456,956
Landfill closure and postclosure cost	-	114,733	114,733
Due in more than one year			
Compensated absences payable	20,719	-	20,719
Net pension obligation liability	-	-	-
Capital lease obligations	268,574	628,522	897,096
Bonds payable	-	1,885,000	1,885,000
Landfill closure and postclosure cost	-	2,533,840	2,533,840
TOTAL LIABILITIES	813,279	5,536,551	6,349,830
DEFERRED INFLOWS OF RESOURCES			
Proportionate share of collective deferred inflows of resources	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	$ -	$ -	$ -
NET POSITION			
Net investments in capital assets	10,888,812	761,518	11,650,330
Restricted for:			
Drug enforcement operations	9,958	-	9,958
Law library operations	49,724	-	49,724
Jail operations	34,207	-	34,207
Capital projects	1,560,477	-	1,560,477
Juvenile services	19,092	-	19,092
Revolving loan fund	605,911	-	605,911
Post closure cost	-	806,416	806,416
Prior year program income	-	-	-
Unrestricted	1,392,485	116,748	1,509,233
TOTAL NET POSITION	$ 14,560,666	$ 1,684,682	$ 16,245,348

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

Component Unit	
Atkinson County Board of Health	Total Reporting Entity
$ -	$ 138,127
-	85,133
-	38,113
-	4,394
-	155,000
8,562	29,281
-	456,956
-	114,733
8,562	29,281
243,030	243,030
-	897,096
-	1,885,000
-	2,533,840
260,154	6,609,984
5,618	5,618
$ 5,618	$ 5,618
-	11,650,330
-	9,958
-	49,724
-	34,207
-	1,560,477
-	19,092
-	605,911
-	806,416
35,796	35,796
100,799	1,610,032
$ 136,595	$ 16,381,943

ATKINSON COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2018

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	$ 1,305,593	200,651	11,206	-
Judicial	554,474	478,784	152	-
Public Safety	1,979,985	30,929	-	1,198
Public Works	839,018		-	769,981
Health and Welfare	87,637	-	11,333	-
Culture and Recreation	15,250	-	-	-
Community Development	82,726	-	14,194	-
Intergovernmental	218,537	-	-	-
Interest on long-term debt	15,924	-	-	-
Total Governmental Activities	5,099,144	710,364	36,885	771,179
Business-Type Activities				
Pudding Creek Landfill	-	-	-	-
Solid Waste Management Authority	2,153,598	2,152,960	-	-
Total Business-Type Activities	2,153,598	2,152,960	-	-
Total Primary Government	$ 7,252,742	$ 2,863,324	$ 36,885	$ 771,179
Component Units				
Atkinson County Board of Health	$ 369,123	$ 107,912	$ 295,358	$ -
Total Component Unit	$ 369,123	$ 107,912	$ 295,358	$ -

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
$ (1,093,736)	$ -	$ (1,093,736)	$ -
(75,538)	-	(75,538)	-
(1,947,858)	-	(1,947,858)	-
(69,037)	-	(69,037)	-
(76,304)	-	(76,304)	-
(15,250)	-	(15,250)	-
(68,532)	-	(68,532)	-
(218,537)	-	(218,537)	
(15,924)	-	(15,924)	-
(3,580,716)	-	(3,580,716)	-
-	-	-	-
-	(638)	(638)	-
-	(638)	(638)	-
$ (3,580,716)	$ (638)	$ (3,581,354)	$ -
$ -	$ -	$ -	$ 34,147
$ -	$ -	$ -	$ 34,147
2,724,590	-	2,724,590	-
11,422	-	11,422	-
291,775	-	291,775	-
875,653	-	875,653	-
12,680	-	12,680	-
138,282	2,313	140,595	
46,788	-	46,788	
-	14,357	14,357	-
4,101,190	16,670	4,117,860	-
(7,320)	7,320	-	-
4,093,870	23,990	4,117,860	-
513,154	23,352	536,506	34,147
14,047,512	1,661,330	15,708,842	102,448
$ 14,560,666	$ 1,684,682	$ 16,245,348	$ 136,595

ATKINSON COUNTY, GEORGIA
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2018

	General	Capital Project Funds: 2017 SPLOST Fund	Capital Project Funds: Public Roads Fund	Capital Project Funds: Jail Construction Fund	Special Revenue RLF-EIP	Other Governmental Funds	Total
ASSETS							
Cash and cash equivalents	$ 586,858	$ 124,611	$ 746,296	$ 458,950	$ 187,237	$ 378,923	$ 2,482,875
Certificate of deposit	351,992	-	-	-	-	-	351,992
Receivables (net of allowance for doubtful accounts):							
Taxes	230,478	-	-	-	-	-	230,478
Accounts	106,546	-	-	-	418,674	996	526,216
Sales Tax	23,760	50,553	-	-	-	-	74,313
Interfund receivable	100	-	-	-	-	-	100
Inventory	132,370	-	-	-	-	-	132,370
Prepaid items	114,853	-	-	-	-	-	114,853
TOTAL ASSETS	1,546,957	175,164	746,296	458,950	605,911	379,919	3,913,197
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	$ 101,781	$ 8,602	$ 2,537	$ 7,712	$ -	$ 4,311	$ 124,943
Accrued liabilities	34,877	-	-	-	-	-	34,877
Interfund payable	-	-	-	-	-	100	100
Due to other governments	-	38,113	-	-	-	1,874	39,987
TOTAL LIABILITIES	136,658	46,715	2,537	7,712	-	6,285	199,907
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	166,275	-	-	-	-	-	166,275
TOTAL DEFERRED INFLOWS OF RESOURCES	166,275	-	-	-	-	-	166,275
FUND BALANCES							
Nonspendable for:							
Inventory	132,370	-	-	-	-	-	132,370
Prepaid items	114,853	-	-	-	-	-	114,853
Restricted for:							
Capital projects	-	128,449	743,759	451,238	-	237,031	1,560,477
Jail operations	-	-	-	-	-	34,207	34,207
Drug enforcement operations	-	-	-	-	-	9,958	9,958
Drug education	-	-	-	-	-	23,622	23,622
Law library	-	-	-	-	-	49,724	49,724
Juvenile services	-	-	-	-	-	19,092	19,092
Revolving loan fund	-	-	-	-	605,911	-	605,911
Assigned for:							
Property tax roll back	265,230	-	-	-	-	-	265,230
Unassigned reported in:							
General Fund	731,571	-	-	-	-	-	731,571
TOTAL FUND BALANCES	1,244,024	128,449	743,759	451,238	605,911	373,634	3,547,015
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 1,546,957	$ 175,164	$ 746,296	$ 458,950	$ 605,911	$ 379,919	$ 3,913,197

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, 2018

Total Governmental Funds Balances		$ 3,547,015
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.		11,460,847
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.		
Deferred property taxes		166,277
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Compensated absences	(41,438)	
Capital leases payable	(572,035)	
		(613,473)
Net Position of Governmental Activities		$ 14,560,666

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, 2018

	General	Capital Projects Fund: 2017 SPLOST Fund	Capital Projects Fund: Public Roads Fund	Capital Projects Fund: Jail Construction Fund	Special Revenue RLF-EIP	Other Governmental Funds	Total
REVENUES							
Taxes	$ 3,057,341	$ 595,685	$ -	$ -	$ -	$ -	$ 3,653,026
Licenses and permits	4,934	-	-	-	-	-	4,934
Intergovernmental revenues	60,028	-	420,112	-	-	-	480,140
Charges for services	102,303	-	-	-	-	639,131	741,434
Fines and forfeitures	424,267	-	-	-	-	64,935	489,202
Investment income	9,057	287	2,394	172	14,194	2,525	28,629
Miscellaneous	76,859	-	-	-	-	12,891	89,750
TOTAL REVENUES	$ 3,734,789	$ 595,972	$ 422,506	$ 172	$ 14,194	$ 719,482	$ 5,487,115
EXPENDITURES							
Current							
General Government							
Legislative and executive	1,008,811	-	-	-	-	-	1,008,811
Judicial	543,105	-	-	-	-	1,893	544,998
Public safety	1,508,408	-	-	-	-	424,162	1,932,570
Public works	579,478	52,242	2,537	861	-	76,831	711,949
Health and welfare	71,313	-	-	-	-	16,758	88,071
Culture and recreation	15,250	-	-	-	-	-	15,250
Housing and development	82,293	-	-	-	915	821,130	904,338
Intergovernmental	-	218,537	-	-	-	-	218,537
Capital outlay	-	298,098	212,624	6,935	-	2,678	520,335
Debt Service							
Principal retirement	-	169,423	-	-	-	-	169,423
Interest	-	15,924	-	-	-	-	15,924
TOTAL EXPENDITURES	3,808,658	754,224	215,161	7,796	915	1,343,452	6,130,206
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(73,869)	(158,252)	207,345	(7,624)	13,279	(623,970)	(643,092)
OTHER FINANCING SOURCES (USES)							
Capital lease proceeds	-	209,820	-	-	-	-	209,820
Transfer in	-	-	-	458,862	-	-	458,862
Transfer out	(466,182)	-	-	-	-	-	(466,182)
TOTAL OTHER FINANCING SOURCES (USES)	(466,182)	209,820	-	458,862	-	-	202,500
NET CHANGES IN FUND BALANCE	(540,051)	51,568	207,345	451,238	13,279	(623,970)	(440,592)
FUND BALANCE AT BEGINNING OF YEAR,	1,784,075	76,881	536,414	-	592,632	997,604	3,987,606
FUND BALANCES AT END OF YEAR	$ 1,244,024	$ 128,449	$ 743,759	$ 451,238	$ 605,911	$ 373,634	$ 3,547,014

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, 2018

Net Change in Fund Balances - Total Governmental Funds		$	(440,592)
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	703,861		
Capital outlay - nondepreciable capital assets	845,760		
Depreciation	(581,529)		
			968,092
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			24,503
Revenues not reported on the statement of activities that provide current financial resources are reported as revenues in governmental funds:			
Capital lease financing			(209,820)
Repayment of principle is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of activities.			
Capital lease payments			169,423
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:			
Compensated absences			1,548
Changes in Net Position of Governmental Activities		$	513,154

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

ATKINSON COUNTY, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
June 30, 2018

	Business-Type Activities Enterprise Funds		
	Solid Waste Management Authority	Pudding Creek Landfill	Total
ASSETS			
CURRENT ASSETS			
Cash	$ 2,585,322	$ -	$ 2,585,322
Accounts receivable (net of allowance for doubtful accounts)	241,182	-	241,182
Prepaid expense	384	-	384
Restricted Assets			
Cash	810,810	-	810,810
TOTAL CURRENT ASSETS	3,637,698	-	3,637,698
NONCURRENT ASSETS			
Capital Assets			
Nondepreciable capital assets	1,150,024	-	1,150,024
Depreciable capital assets, net	2,433,511	-	2,433,511
TOTAL NONCURRENT ASSETS	3,583,535	-	3,583,535
TOTAL ASSETS	$ 7,221,233	$ -	$ 7,221,233

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

ATKINSON COUNTY, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION - CONTINUED
June 30, 2018

	Business-Type Activities Enterprise Funds		
	Solid Waste Management Authority	Pudding Creek Landfill	Total
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	$ 11,310	$ -	$ 11,310
Accrued liabilities	50,257	-	50,257
Current portion of closure and post closure cost	107,413	7,320	114,733
Payable from restricted cash:			
Deposits	4,394	-	4,394
Current portion of lease payable	153,495	-	153,495
Current portion of bonds payable	155,000	-	155,000
TOTAL CURRENT LIABILITIES	481,869	7,320	489,189
LONG-TERM LIABILITIES			
Lease payable, net of current portion	628,522	-	628,522
Bonds payable, net of current portion	1,885,000	-	1,885,000
Closure and post closure care costs	2,040,849	492,991	2,533,840
TOTAL LONG-TERM LIABILITIES	4,554,371	492,991	5,047,362
TOTAL LIABILITIES	5,036,240	500,311	5,536,551
NET POSITION			
Net investment in capital assets	761,518	-	761,518
Restricted for:			
Closure and postclosure cost	806,416	-	806,416
Unrestricted	617,059	(500,311)	116,748
TOTAL NET POSITION	$ 2,184,993	$ (500,311)	$ 1,684,682

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, 2018

	Business-Type Activities Enterprise Funds		
	Solid Waste Management Authority	Pudding Creek Landfill	Total
OPERATING REVENUE			
Charges for services	$ 2,152,960	$ -	$ 2,152,960
TOTAL OPERATING REVENUE	2,152,960	-	2,152,960
OPERATING EXPENSES			
Salaries and wages	348,380	-	348,380
Payroll taxes	24,172	-	24,172
Employee benefits	97,413	-	97,413
Supplies and other expenses	816,161	-	816,161
Depreciation	666,327	-	666,327
TOTAL OPERATING EXPENSES	1,952,453	-	1,952,453
OPERATING INCOME	200,507	-	200,507
NON-OPERATING REVENUES (EXPENSES)			
Interest income	14,357	-	14,357
Gain on sale of assets	2,313	-	2,313
Interest expense	(105,861)	-	(105,861)
Closure and postclosure care cost reduction	(95,284)	-	(95,284)
TOTAL NON-OPERATING REVENUE (EXPENSES)	(184,475)	-	(184,475)
NET INCOME BEFORE TRANSFERS	16,032	-	16,032
Transfer in	-	7,320	7,320
CHANGE IN NET POSITION	16,032	7,320	23,352
NET POSITION, BEGINNING OF YEAR	2,168,961	(507,631)	1,661,330
NET POSITION, END OF YEAR	$ 2,184,993	$ (500,311)	$ 1,684,682

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, 2018

	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	$ 2,078,311	$ -	$ 2,078,311
Cash payments for personal services	(469,115)	-	(469,115)
Cash payments for materials and supplies	(842,266)	(7,320)	(849,586)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	766,930	(7,320)	759,610
Cash Flows From Noncapital Financing Activities			
Cash received from transfer in	-	7,320	7,320
NET CASH PROVIDED BY NON CAPITAL FINANCING ACTIVITIES	-	7,320	7,320
Cash Flows From Capital and Related Financing Activities			
Cash received from the sale of capital assets	2,313	-	2,313
Cash payments for acquisition and construction of capital assets	(115,164)	-	(115,164)
Cash payments for interest and principle	(405,959)	-	(405,959)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(518,810)	-	(518,810)
Cash Flows From Investing Activities			
Cash received from interest	14,357	-	14,357
NET CASH PROVIDED BY INVESTING ACTIVITIES	14,357	-	14,357
NET INCREASE IN CASH	262,477	-	262,477
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	3,133,655	-	3,133,655
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 3,396,132	$ -	$ 3,396,132
Cash	$ 2,585,322	$ -	$ 2,585,322
Restricted Cash	810,810	-	810,810
Total Cash	$ 3,396,132	$ -	$ 3,396,132

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, 2018

	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 income	$ 200,507	$ -	$ 200,507
Adjustments to Reconcile Operating Income (Loss) To Net Cash Provided By (Used For) Operating Activities			
Depreciation	666,327	-	666,327
Change in assets and liabilities			
Increase in accounts receivable	(74,649)	-	(74,649)
Decrease in prepaid expenses	200	-	200
Decrease in accrued liabilities	(1,924)	-	(1,924)
Decrease in accounts payable	(23,531)	(7,320)	(30,851)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 766,930	$ (7,320)	$ 759,610

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

ATKINSON COUNTY, GEORGIA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2018

	Agency Funds
ASSETS	
Cash and cash equivalents	$ 337,126
TOTAL ASSETS	337,126
LIABILITIES	
Due to others	337,126
TOTAL LIABILITIES	337,126
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 $45,000 in funding to the Board of Health for the year ending June 30, 2018.

Joint Ventures

The County, in conjunction with cities and counties in the (18) county Southern Georgia area are members of the Southern Georgia Regional Commission. Membership in a Regional Commission is automatic for each municipality and county in the state. The official Code Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the Regional Commission's. Each county and municipality in the state is required by law to pay minimum annual dues to the Regional Commission. The County paid annual dues in the amount of $6,025 to the Regional Commission for the year ended June 30, 2018. 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 2017 SPLOST Fund. The Capital Projects 2017 Special Purpose Sales Tax Fund accounts for the special purpose local option sales tax that was renewed by referendum. The revenue is restricted to the stated purposes of the referendum.

Capital Projects Public Roads Fund. The Public Roads Fund accounts for the Georgia Department of Transportation road funds designated to submitted projects. The revenue is restricted to the stated purposes of the road projects submitted.

Capital Projects Jail Construction. The Jail Construction Fund accounts for the construction of a new jail. The revenue a couple of SPLOST referendum are dedicated to the new jail.

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

Governmental Funds – 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

Fund Financial Statements - 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, 2018, but were levied to finance FY18 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements were met have also been recorded as deferred revenue.

Note 1 - Summary of Significant Accounting Policies – Continued

Deferred Inflows of Resources - Continued

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

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.

Note 2 - Summary of Significant Accounting Policies - Continued

I. Inventory

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

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.

Note 1 - Summary of Significant Accounting Policies - Continued

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."

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 is 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.

Note 1 - Summary of Significant Accounting Policies - Continued

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.

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.

Note 1 - Summary of Significant Accounting Policies - Continued

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.

T. New Fund

The county established a new fund during FY2018 to account for the construction of a new jail.

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 $ (500,311)

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	306,790	292,081	14,709
Capital Projects Fund			
2012 SPLOST Fund	42,007	-	42,007
2017 SPLOST Fund	754,224	540,650	213,574
Capital Projects - Jail Fund	7,796	-	7,796
CDBG 2016 Fund	345,800	300,000	45,800
Special Revenue Fund			
Drug Enforcement Fund	11,448	-	11,448
Jail Fee Fund	28,511	21,100	7,411
Insurance Premium Fund	386,881	232,198	154,683
Drug Education Fund	16,758	15,000	1,758

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, 2018 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 November 15th. 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, 2017	Additions	Reductions	Balance at June 30, 2018
Primary Government				
Governmental Activities:				
Nondepreciable Capital Assets:				
Land and improvements	$ 1,245,082	$ -	$ -	$ 1,245,082
Construction in progress	28,848	845,760	5,876	868,732
Total Nondepreciable Capital Assets	1,273,930	845,760	5,876	2,113,814
Depreciable Capital Assets:				
Buildings and building improvements	$ 2,181,876	$ 5,026	$ 22,255	$ 2,164,647
Machinery and equipment	1,513,644	209,820	171,619	1,551,845
Office equipment	75,917	-	13,645	62,272
Transportation equipment	1,288,594	180,857	66,520	1,402,931
Infrastructure	11,626,150	314,031	-	11,940,181
Total Depreciable Capital Assets	16,686,181	709,734	274,039	17,121,876
Less Accumulated Depreciation for:				
Buildings and building improvements	993,822	56,476	22,255	1,028,043
Machinery and equipment	983,380	163,276	171,619	975,037
Office equipment	70,674	777	13,645	57,806
Transportation equipment	873,335	126,688	66,520	933,503
Infrastructure	4,546,142	234,312	-	4,780,454
Total Accumulated Depreciation	7,467,353	581,529	274,039	7,774,843
Total Depreciable Capital Assets, Net	9,218,828	128,205	-	9,347,033
Governmental Activities Capital Assets, Net	$ 10,492,758	$ 973,965	$ 5,876	$ 11,460,847

Note 6 – Capital Assets – Continued

Depreciation was charged to governmental functions as follows:

Governmental activities	
General Government	
Legislative and Executive	$ 293,239
Judicial	8,007
Public Safety	137,860
Public Works	142,423
Total Depreciation Expense - Governmental Activities	$ 581,529

	Balance at July 1, 2017	Additions	Reductions	Balance at June 30, 2018
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	$ 92,450	$ -	$ 2,309	$ 90,141
Landfill	9,280,457	-	1,870	9,278,587
Office equipment	41,480	-	11,991	29,489
Vehicles and equipment	2,236,632	115,164	42,856	2,308,940
Total Depreciable Capital Assets	11,651,019	115,164	59,026	11,707,157
Less Accumulated Depreciation for:				
Buildings	39,149	3,651	2,309	40,491
Landfill	7,533,781	384,056	1,870	7,915,967
Office equipment	41,480	-	11,991	29,489
Vehicles and equipment	1,051,935	278,620	42,856	1,287,699
Total Accumulated Depreciation	8,666,345	666,327	59,026	9,273,646
Total Depreciable Capital Assets, Net	2,984,674	(551,163)	-	2,433,511
Business Type Activities Capital Assets, Net	$ 4,134,698	$ (551,163)	$ -	$ 3,583,535

Note 7 – Inter-fund Balances and Transfers

The composition of Inter-fund balances and transfers as of June 30, 2018, is as follows:

	Inter-fund Receivable	Inter-fund Payable	Transfer In	Transfer Out
General Fund				
Jail Construction Fund	$ -	$ -	$ -	$ 458,862
2016 CDBG Fund	100	-	-	-
Pudding Creek Landfill Fund	-	-	-	7,320
	100	-	-	466,182
Capital Projects Funds				
Jail Construction Fund				
General Fund	-	-	458,862	-
2016 CDBG Fund				
General Fund	-	100	-	-
Total Governmental Funds	100	100	458,862	466,182
Enterprise Funds				
Pudding Creek Landfill Fund				
General Fund	-	-	7,320	-
Total Enterprise Funds	-	-	7,320	-
Total All Funds	$ 100	$ 100	$ 466,182	$ 466,182

The General Fund pays for any post-closure care cost of the Pudding Creek Landfill. The General Fund transferred funds to the FY2016 CDBG Fund to cover bank charges and opening cash deposits for new bank accounts. The General Fund transferred funds to the Jail Construction Fund to assist in the funding of the new jail.

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, 2017	Additions	Reductions	Balance at June 30, 2018	Due Within One Year
Primary Government:					
Governmental Activities:					
Compensated absences	$ 42,986	$ 19,945	$ 21,493	$ 41,438	$ 20,719
Total Primary Government	$ 42,986	$ 19,945	$ 21,493	$ 41,438	$ 20,719

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, 2018:

	Balance at July 1, 2017	Additions	Reductions	Balance at June 30, 2018	Amount Due In One Year
Governmental Activities					
Capital leases	$ 531,638	$ 209,820	$ 169,423	$ 572,035	$ 303,461
Total Governmental Activities	$ 531,638	$ 209,820	$ 169,423	$ 572,035	$ 303,461

	Balance at July 1, 2017	Additions	Reductions	Balance at June 30, 2018	Amount Due In One Year
Business - Type Activities					
Capital lease	$ 932,115	$ -	$ 150,098	$ 782,017	$ 153,495
Revenue bonds	2,190,000	-	150,000	2,040,000	155,000
Total Business-Type Activities	$ 3,122,115	$ -	$ 300,098	$ 2,822,017	$ 308,495

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	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
Capital Lease	Motor Grader	2017	5.31%	$ 209,820	2022
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	2015	2.30%	$ 892,050	2020
Capital Lease	Landfill Equipment	2017	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
2019	303,460	17,725
2020	81,853	10,531
2021	9,433	9,688
2022	9,946	9,174
2023	167,343	4,386
Total	$ 572,035	$ 51,504

	Business Activities			
	Revenue Bonds		Capital Lease	
Year Ending June 30,	Principal	Interest	Principal	Interest
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	170,000	88,803	-	-
2023	175,000	82,513	-	-
2024-2030	1,215,000	331,793	-	-
	$ 2,040,000	$ 801,893	$ 782,017	$ 38,955

Note 9 - Debt - Continued

Long Term Debt - Continued

The assets acquired through capital leases are as follows:

	Governmental Activities	Business Activities
Asset:		
Equipment	$ 796,274	$ 1,252,448
Less: accumulated depreciation	(346,785)	(486,304)
Total	$ 449,489	$ 766,144

Amortization expense for governmental activities amount to $108,258 and for business activities amount to $181,595 for FY18 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 $500,311 reflects the remaining post-closure cost.

The accrual for closure and post-closure costs for the Solid Waste Management at June 30, 2018 is $2,148,262. The estimated total current cost of closure and post-closure care to be recognized is $3,557,142. The landfill capacity used to date is 43.51% of MSW cell space and 68% of C&D cell space. The current estimated remaining life for MSW is 52.20 years and for C&D is 6.58 years.

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

	Balance at July 1, 2017	Additions	Reductions	Balance at June 30, 2018	Amount Due In One Year
Business Type Activities:					
Solid Waste Management Authority	$ 2,052,978	$ 95,284	$ -	$ 2,148,262	$ 107,413
Pudding Creek Landfill	507,631	-	7,320	500,311	7,320
	$ 2,560,609	$ 95,284	$ 7,320	$ 2,648,573	$ 114,733

Note 11 – Contingent Liabilities

There was no pending litigation, claims, or assessments against the County at June 30, 2018. 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 12 – 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, 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 $56,454 and the County contributed $28,624.

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 13 – 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 risks through the purchase of insurance coverage through the ACCG – Group Self-Insurance Workers' Compensation Fund and the ACCG – Interlocal Risk Management Agency. These are public entity risk pools currently operating as common risk management and insurance programs for member local governments.

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

Note 13 – Risk Financing Activities - Continued

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

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

For its workers compensation coverage, the County is a member of the Association of County Commissioners of Georgia-Group Self-Insurance Workers' Compensation Fund (ACCG-GSIWCF). The ACCG-GSIWCF operated under the authority of O.C.G.A. 34-9-150 *et Seq.* The County pays into the fund its share of the fund's projected obligation for workers' compensation liability, administrative expenses, and other cost incurred by the fund. The County's share is adjusted by the board of the fund according to the claims experience of each participating member in accordance with criteria set forth in the bylaws of the fund. The fund makes payments to the employees of the members for workers compensation benefits pursuant to and in accordance with the claim 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 14 – Subsequent Events

Management has evaluated events and transactions subsequent to the balance sheet date through January 7, 2019 (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, 2018

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
REVENUES				
Taxes	$ 3,144,262	$ 3,144,262	$ 3,057,341	$ (86,921)
Licenses and permits	11,500	11,500	4,934	(6,566)
Intergovernmental revenues	41,570	41,570	60,028	18,458
Charges for services	121,297	121,297	102,303	(18,994)
Fines and forfeitures	378,832	378,832	424,267	45,435
Investment income	8,000	8,000	9,057	1,057
Miscellaneous	150,000	150,000	76,859	(73,141)
Total Revenues	3,855,461	3,855,461	3,734,789	(120,672)
EXPENDITURES				
GENERAL GOVERNMENT				
Legislative and executive				
Board of Commissioners	$ 334,340	$ 314,340	$ 312,809	$ (1,531)
Board of Elections	87,103	87,103	85,304	(1,799)
Tax Commissioner	184,364	184,364	183,955	(409)
Tax Assessor	126,487	126,487	119,953	(6,534)
General Administration	407,867	292,081	306,790	14,709
Total General Government	1,140,161	1,004,375	1,008,811	4,436
JUDICIAL				
Clerk of Court	181,422	181,422	177,857	(3,565)
Superior Court	52,190	52,190	45,109	(7,081)
District Attorney	32,996	32,996	32,229	(767)
Magistrate Court	124,576	124,576	123,666	(910)
Probate Court	140,944	140,944	129,017	(11,927)
Public Defender	39,701	40,487	35,227	(5,260)
Total Judicial	571,829	572,615	543,105	(29,510)
PUBLIC SAFETY				
Sheriff	547,523	562,523	562,455	(68)
Emergency Medical Service	206,450	211,450	211,359	(91)
Jail	414,582	535,582	534,423	(1,159)
E-911 Service	130,000	135,000	135,000	-
Emergency Management Agency	53,407	53,407	53,143	(264)
Fire Protection	-	-	(231)	(231)
Coroner Office	15,259	15,259	12,259	(3,000)
Total Public Safety	1,367,221	1,513,221	1,508,408	(4,813)
PUBLIC WORKS				
Road Department	589,724	582,724	579,478	(3,246)
Total Public Works	589,724	582,724	579,478	(3,246)

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, 2018

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
HEALTH AND WELFARE				
Health Department	45,720	45,720	45,681	(39)
Concerted Services	5,500	5,500	5,500	-
Department of Family and Children Services	8,000	8,000	4,652	(3,348)
Satilla Mental Health	-	1,000	1,000	-
Meals on Wheels	15,993	15,993	13,297	(2,696)
ATCO Youth Development	2,750	2,750	433	(2,317)
Family Connections	750	750	750	-
Total Health and Welfare	78,713	79,713	71,313	(8,400)
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	83,968	78,968	78,956	(12)
Business Appreciation	6,275	6,275	3,106	(3,169)
Total Community Development	90,243	85,243	82,293	(2,950)
TOTAL EXPENDITURES	3,853,141	3,853,141	3,808,658	(44,483)
EXCESS OF REVENUES UNDER EXPENDITURES	2,320	2,320	(73,869)	(76,189)
OTHER FINANCING SOURCES (USES)				
Transfers out	(7,320)	(7,320)	(466,182)	(458,862)
TOTAL OTHER FINANCING SOURCES (USES)	(7,320)	(7,320)	(466,182)	(458,862)
NET CHANGE IN FUND BALANCE	(5,000)	(5,000)	(540,051)	(535,051)
FUND BALANCES				
FUND BALANCE, BEGINNING OF YEAR	-	-	1,784,075	1,784,075
FUND BALANCE, END OF YEAR	$ (5,000)	$ (5,000)	$ 1,244,024	$ 1,249,024

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, 2018

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget Over (Under)
REVENUES				
Investment income	$ -	$ 50,075	$ 14,194	$ (35,881)
TOTAL REVENUE	-	50,075	14,194	(35,881)
EXPENDITURES				
Current				
Housing and development	-	50,075	915	(49,160)
TOTAL EXPENDITURES	-	50,075	915	(49,160)
EXCESS OF REVENUES OVER EXPENDITURES	-	-	13,279	13,279
FUND BALANCE, BEGINNING OF YEAR	-	-	592,632	592,632
FUND BALANCE, END OF YEAR	$ -	$ -	$ 605,911	$ 605,911

See independent auditor's report.

Note 1 – Budgetary Basis of Accounting

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

COMBINING AND INDIVIDUAL FUND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS 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.

2017 Special Purpose Sales Tax – To account for funds remaining from the fourth special purpose local option sales tax restricted for road improvements.

Public Roads – To account for the Georgia Department of Transportation road funds designated to submitted projects. The revenue is restricted to the stated purposes of the road projects submitted.

Capital Projects Jail Construction – To account for the funds designated for the construction of jail facilities and other government offices.

ATKINSON COUNTY, GEORGIA
CAPITAL PROJECTS FUND 2017 SPECIAL PURPOSE SALES TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ending June 30, 2018

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget Over (Under)
REVENUES				
Taxes	$ -	$ 540,000	$ 595,685	$ 55,685
Investment income	-	650	287	(363)
TOTAL REVENUE	-	540,650	595,972	55,322
EXPENDITURES				
Current				
Public works	-	540,650	52,242	(488,408)
Intergovernmental expense	-	-	218,537	218,537
Capital outlay	-	-	483,445	483,445
TOTAL EXPENDITURES	-	540,650	754,224	213,574
EXCESS OF EXPENDITRES OVER REVENUE	-	-	(158,252)	(158,252)
OTHER FINANCING SOURCES				
Capital lease proceeds	-	-	209,820	209,820
TOAL OTHER FINANCING SOURCES	-	-	209,820	209,820
NET CHANGE IN FUND BALANCE	-	-	51,568	51,568
FUND BALANCE, BEGINNING OF YEAR	-	-	76,881	76,881
FUND BALANCE, END OF YEAR	$ -	$ -	$ 128,449	$ 128,449

See independent auditor's report.

ATKINSON COUNTY, GEORGIA
CAPITAL PROJECTS FUND PUBLIC ROADS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ending June 30, 2018

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
REVENUES				
Operating grant	$ -	$ 320,000	$ 420,112	$ 100,112
Investment income	-	200	2,394	2,194
TOTAL REVENUE	-	320,200	422,506	102,306
EXPENDITURES				
Current				
Public works	-	320,200	2,537	(317,663)
Capital outlay	-	-	212,624	212,624
TOTAL EXPENDITURES	-	320,200	215,161	(105,039)
EXCESS OF REVENUES OVER EXPENDITURES	-	-	207,345	207,345
FUND BALANCE, BEGINNING OF YEAR	-	-	536,414	536,414
FUND BALANCE, END OF YEAR	$ -	$ -	$ 743,759	$ 743,759

See independent auditor's report.

ATKINSON COUNTY, GEORGIA
CAPITAL PROJECTS JAIL CONSTRUCTION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ending June 30, 2018

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget Over (Under)
REVENUES				
Taxes	$ -	$ -	$ -	$ -
Investment income	-	-	172	172
TOTAL REVENUE	-	-	172	172
EXPENDITURES				
Current				
Public works	-	-	861	861
Capital Outlay	-	-	6,935	6,935
TOTAL EXPENDITURES	-	-	7,796	7,796
EXCESS OF EXPENDITURES OVER REVENUE	-	-	(7,624)	(7,624)
OTHER FINANCING SOURCES				
Transfer in	-	-	458,862	458,862
TOTAL OTHER FINANCING SOURCES	-	-	458,862	458,862
NET CHANGE IN FUND BALANCE	-	-	451,238	451,238
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	$ -	$ -	$ 451,238	$ 451,238

See independent auditor's report.

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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.

2016 CDBG Grant Fund – The 2016 CDBG Fund accounts for grant funds provided for the road.

2001 SPLOST F**und**– To account for SPLOST funds for projects from the second SPLOST referendum.

2012 SPLOST F**und**– To account for SPLOST funds for projects from the third SPLOST referendum.

ATKINSON COUNTY, GEORGIA
ALL NON-MAJOR FUNDS
COMBINING BALANCE SHEET
June 30, 2017

	Special Revenue					
	Drug Enforcement	Law Library	Jail Fee Fund	Drug Education Fund	Juvenile Service Fund	Insurance Premium Fund
ASSETS						
Cash	$ 9,958	$ 48,728	$ 36,081	$ 23,622	$ 19,092	$ 230,132
Accounts receivable	-	996	-	-	-	-
TOTAL ASSETS	$ 9,958	$ 49,724	$ 36,081	$ 23,622	$ 19,092	$ 230,132
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Interfund payable	$ -	$ -	$ -	$ -	$ -	$ -
Accounts payable	-	-	-	-	-	4,311
Due to other governments	-	-	1,874	-	-	-
TOTAL LIABILITIES	-	-	1,874	-	-	4,311
FUND BALANCES						
Restricted for drug enforcement	9,958	-	-	-	-	-
Restricted for law library	-	49,724	-	-	-	-
Restricted for jail operations	-	-	34,207	-	-	-
Restricted for drug education	-	-	-	23,622	-	-
Restricted for juvenile services	-	-	-	-	19,092	-
Restricted for capital projects	-	-	-	-	-	225,821
TOTAL FUND BALANCE	9,958	49,724	34,207	23,622	19,092	225,821
TOTAL LIABILITIES AND FUND BALANCE	$ 9,958	$ 49,724	$ 36,081	$ 23,622	$ 19,092	$ 230,132

See independent auditor's report.

Capital Projects			
2016 CDBG Grant Fund	2001 SPLOST Fund	2012 SPLOST Fund	Total Nonmajor Governmental Funds
$ 100	$ 11,210	$ -	$ 378,923
-	-	-	996
$ 100	$ 11,210	$ -	$ 379,919
$ 100	$ -	$ -	$ 100
-	-	-	4,311
-	-	-	1,874
100	-	-	6,285
-	-	-	9,958
-	-	-	49,724
-	-	-	34,207
-	-	-	23,622
-	-	-	19,092
-	11,210	-	237,031
-	11,210	-	373,634
$ 100	$ 11,210	$ -	$ 379,919

ATKINSON COUNTY, GEORGIA
ALL NON-MAJOR FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2018

	Special Revenue					
	Drug Enforcement	Law Library	Jail Fee Fund	Drug Education Fund	Juvenile Service Fund	Insurance Premium Fund
REVENUES						
Taxes	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-	-	293,291
Fines and forfeitures	6,238	9,561	27,621	20,394	1,121	-
Investment income	21	-	131	-	-	1,198
Miscellaneous income	-	-	-	-	-	12,891
TOTAL REVENUES	6,259	9,561	27,752	20,394	1,121	307,380
EXPENDITURES						
Current						
Judicial	-	1,893	-	-	-	-
Public safety	11,448	-	28,511	-	-	384,203
Public works	-	-	-	-	-	-
Health and welfare	-	-	-	16,758	-	-
Capital outlay	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
TOTAL EXPENDITURES	11,448	1,893	28,511	16,758	-	386,881
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(5,189)	7,668	(759)	3,636	1,121	(79,501)
FUND BALANCE, BEGINNING OF YEAR	15,147	42,056	34,966	19,986	17,971	305,322
FUND BALANCE, END OF YEAR	$ 9,958	$ 49,724	$ 34,207	$ 23,622	$ 19,092	$ 225,821

See independent auditor's report.

Capital Projects			
2016 CDBG Fund	2001 SPLOST Fund	2012 SPLOST Fund	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ -
345,840	-	-	639,131
-	-	-	64,935
-	1,133	42	2,525
-	-	-	12,891
345,840	1,133	42	719,482
-	-	-	1,893
-	-	-	424,162
-	12,232	64,599	76,831
-	-	-	16,758
345,840	475,290	-	821,130
-	-	-	-
345,840	487,522	64,599	1,343,452
-	(486,389)	(64,557)	(623,970)
-	497,599	64,557	997,604
$ -	$ 11,210	$ -	$ 373,634

ATKINSON COUNTY, GEORGIA
DRUG ENFORCEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended June 30, 2018

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget Over (Under)
REVENUES				
Fines and forfeitures	$ -	$ -	$ 6,238	$ 6,238
Investment income	-	-	21	21
TOTAL REVENUES	-	-	6,259	6,259
EXPENDITURES				
Current				
Public safety	-	-	11,448	11,448
TOTAL EXPENDITURES	-	-	11,448	11,448
EXCESS OF EXPENDITURES OVER REVENUES	-	-	(5,189)	(5,189)
FUND BALANCE, BEGINNING OF YEAR	-	-	15,147	15,147
FUND BALANCE, END OF YEAR	$ -	$ -	$ 9,958	$ 9,958

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, 2018

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	Over (Under)
REVENUES				
Fines and forfeitures	$ -	$ 10,000	$ 9,561	$ (439)
TOTAL REVENUES	-	10,000	9,561	(439)
EXPENDITURES				
Current				
Judicial	-	10,000	1,893	(8,107)
TOTAL EXPENDITURES	-	10,000	1,893	(8,107)
EXCESS OF REVENUES OVER EXPENDITURES	-	-	7,668	7,668
FUND BALANCE, BEGINNING OF YEAR	-	-	42,056	42,056
FUND BALANCE, END OF YEAR	$ -	$ -	$ 49,724	$ 42,056

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, 2018

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
REVENUES				
Fines and forfeitures	$ -	$ 21,000	$ 27,621	$ 6,621
Investment income	-	100	131	31
TOTAL REVENUES	-	21,100	27,752	6,652
EXPENDITURES				
Current				
Public safety	-	21,100	28,511	7,411
TOTAL EXPENDITURES	-	21,100	28,511	7,411
EXCESS OF EXPENDITURES OVER REVENUE	-	-	(759)	(759)
FUND BALANCE, BEGINNING OF YEAR	-	-	34,966	34,966
FUND BALANCE, END OF YEAR	$ -	$ -	$ 34,207	$ 34,966

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, 2018

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
REVENUES				
Fines and forfeitures	$ -	$ 15,000	$ 20,394	$ 5,394
TOTAL REVENUES	-	15,000	20,394	5,394
EXPENDITURES				
Current				
Health and welfare	-	15,000	16,758	1,758
TOTAL EXPENDITURES	-	15,000	16,758	1,758
EXCESS OF REVENUES OVER EXPENDITURES	-	-	3,636	3,636
FUND BALANCE, BEGINNING OF YEAR	-	-	19,986	19,986
FUND BALANCE, END OF YEAR	$ -	$ -	$ 23,622	$ 23,622

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, 2018

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget Over (Under)
REVENUES				
Fines and forfeitures	$ -	$ 1,200	$ 1,121	$ (79)
TOTAL REVENUES	-	1,200	1,121	(79)
EXPENDITURES				
Current				
Judicial	-	1,200	-	(1,200)
TOTAL EXPENDITURES	-	1,200	-	(1,200)
EXCESS OF REVENUES OVER EXPENDITURES	-	-	1,121	1,121
FUND BALANCE, BEGINNING OF YEAR	-	-	17,971	17,971
FUND BALANCE, END OF YEAR	$ -	$ -	$ 19,092	$ 19,092

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, 2018

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
REVENUES				
Tax revenue	$ -	$ 232,048	$ 291,775	$ 59,727
Investment income	-	150	1,198	1,048
Intergovernmental revenue	-	-	1,516	1,516
Miscellaneous	-	-	12,891	12,891
TOTAL REVENUE	-	232,198	307,380	75,182
EXPENDITURES				
Current				
Public safety	-	232,198	384,203	152,005
Capital Outlay	-	-	2,678	2,678
TOTAL EXPENDITURES	-	232,198	386,881	154,683
EXCESS OF EXPENDITURES OVER REVENUE	-	-	(79,501)	(79,501)
FUND BALANCE, BEGINNING OF YEAR	-	-	305,322	305,322
FUND BALANCE, END OF YEAR	$ -	$ -	$ 225,821	$ 225,821

See independent auditor's report.

ATKINSON COUNTY, GEORGIA
2016 CDBG FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended June 30, 2018

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget Over (Under)
REVENUES				
Intergovernmental funds	$ -	$ 300,000	$ 345,840	$ 45,840
TOTAL REVENUES	-	300,000	345,840	45,840
EXPENDITURES				
Current				
Public works	-	300,000	345,840	45,840
TOTAL EXPENDITURES	-	300,000	345,840	45,840
EXCESS OF REVENUES OVER EXPENDITURES	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	$ -	$ -	$ -	$ -

See independent auditor's report.

ATKINSON COUNTY, GEORGIA
2001 SPLOST FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended June 30, 2018

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget Over (Under)
REVENUES				
Investment income	$ -	$ 300	$ 1,133	$ 833
TOTAL REVENUE	-	300	1,133	833
EXPENDITURES				
Public works	-	-	12,232	12,232
Capital outlay	-	500,300	475,290	(25,010)
TOTAL EXPENDITURES	-	500,300	487,522	(25,010)
EXCESS OF EXPENDITURES OVER REVENUE	-	(500,000)	(486,389)	13,611
FUND BALANCE, BEGINNING OF YEAR	-	500,000	497,599	(2,401)
FUND BALANCE, END OF YEAR	$ -	$ -	$ 11,210	$ 11,210

See independent auditor's report.

ATKINSON COUNTY, GEORGIA
2012 SPLOST FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
For the Year Ended June 30, 2018

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
REVENUES				
Investment income	$ -	$ -	$ 42	$ 42
TOTAL REVENUE	-	-	42	42
EXPENDITURES				
Current				
Public works	-	-	64,599	64,599
TOTAL EXPENDITURES	-	-	64,599	64,599
EXCESS OF EXPENDITURES OVER REVENUE	-	-	(64,557)	(64,557)
FUND BALANCE, BEGINNING OF YEAR,	-	-	64,557	64,557
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, 2018

	AGENCY FUNDS					
	Office of Tax Commissioner	Clerk of Court	Magistrate Court	Office of Sheriff	Probate Court	Total
ASSETS						
Cash	$ 183,770	$ 44,792	$ 22,966	$ 10,029	$ 75,569	$ 337,126
TOTAL ASSETS	$ 183,770	$ 44,792	$ 22,966	$ 10,029	$ 75,569	$ 337,126
LIABILITIES						
Due to others	$ 183,770	$ 44,792	$ 22,966	$ 10,029	$ 75,569	$ 337,126
TOTAL LIABILITIES	$ 183,770	$ 44,792	$ 22,966	$ 10,029	$ 75,569	$ 337,126

See independent auditor's report.

ATKINSON COUNTY, GEORGIA
AGENCY FUNDS
COMBINING SCHEDULE OF CHANGES IN ASSETS
AND LIABILITIES
For the Year Ended June 30, 2018

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
OFFICE OF TAX COMMISSIONER				
ASSETS				
Cash	$ 137,971	$ 6,003,701	$ 5,957,902	$ 183,770
TOTAL ASSETS	$ 137,971	$ 6,003,701	$ 5,957,902	$ 183,770
LIABILITIES				
Due to others	$ 137,971	$ 6,003,701	$ 5,957,902	$ 183,770
TOTAL LIABILITIES	$ 137,971	$ 6,003,701	$ 5,957,902	$ 183,770
CLERK OF COURT				
ASSETS				
Cash	$ 33,644	$ 291,687	$ 280,539	$ 44,792
TOTAL ASSETS	$ 33,644	$ 291,687	$ 280,539	$ 44,792
LIABILITIES				
Due to others	$ 33,644	$ 291,687	$ 280,539	$ 44,792
TOTAL LIABILITIES	$ 33,644	$ 291,687	$ 280,539	$ 44,792
MAGISTRATE COURT				
ASSETS				
Cash	$ 13,514	$ 119,180	$ 109,728	$ 22,966
TOTAL ASSETS	$ 13,514	$ 119,180	$ 109,728	$ 22,966
LIABILITIES				
Due to others	$ 13,514	$ 119,180	$ 109,728	$ 22,966
TOTAL LIABILITIES	$ 13,514	$ 119,180	$ 109,728	$ 22,966

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, 2018

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
OFFICE OF SHERIFF				
ASSETS				
Cash	$ 10,578	$ 83,101	$ 83,650	$ 10,029
TOTAL ASSETS	$ 10,578	$ 83,101	$ 83,650	$ 10,029
LIABILITIES				
Due to others	$ 10,578	$ 83,101	$ 83,650	$ 10,029
TOTAL LIABILITIES	$ 10,578	$ 83,101	$ 83,650	$ 10,029
PROBATE COURT				
ASSETS				
Cash	$ 17,250	$ 455,978	$ 397,659	$ 75,569
TOTAL ASSETS	$ 17,250	$ 455,978	$ 397,659	$ 75,569
LIABILITIES				
Due to others	$ 17,250	$ 455,978	$ 397,659	$ 75,569
TOTAL LIABILITIES	$ 17,250	$ 455,978	$ 397,659	$ 75,569

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, 2018

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	$ 2,037,153	$ 2,024,921	$ 12,232	$ 2,037,153	100%
Jail	500,000	620,625	134,125	475,290	609,415	98%
Landfill	450,000	454,569	454,569	-	454,569	100%
	$ 5,000,000	$ 3,112,347	$ 2,613,615	$ 487,522	$ 3,101,137	

2012 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	$ 634,560	$ 602,459	$ 32,101	$ 634,560	100%
County jail	360,000	44,066	44,066	-	44,066	100%
Land acquisition	416,667	355,339	355,339	-	355,339	100%
Equipment	107,500	910,482	879,454	31,028	910,482	100%
Buildings	100,000	111,241	109,771	1,470	111,241	100%
Public infrastructure	166,667	109,617	109,617	-	109,617	100%
	$ 1,984,167	$ 2,165,305	$ 2,100,706	$ 64,599	$ 2,165,305	
City of Pearson	$ 750,000	$ 689,825	$ 689,825	$ -	$ 689,825	100%
City of Willacoochee	$ 729,167	$ 469,082	$ 469,082	$ -	$ 469,082	100%

See independent auditor's report.

ATKINSON COUNTY, GEORGIA
SCHEDULE OF PROJECTS FUNDED BY SPECIAL PURPOSE SALES TAX PROCEEDS
For the Year Ended June 30, 2018

2017 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	$ 1,007,640	$ 1,007,640	$ 2,360	$ 24,322	$ 26,682	3%
County jail	447,840	447,840	-	36,812	36,812	8%
Land acquisition	406,056	384,986	-	-	-	0%
Equipment	111,960	133,030	-	133,030	133,030	100%
Buildings	89,568	89,568	-	4,200	4,200	5%
Public infrastructure	179,136	179,136	-	127,503	127,503	71%
	$ 2,242,200	$ 2,242,200	$ 2,360	$ 325,867	$ 328,227	
City of Pearson	$ 810,000	$ 810,000	$ 31,104	$ 134,077	$ 165,181	20%
City of Willacoochee	$ 550,800	$ 550,800	$ 27,958	$ 84,460	$ 112,418	20%
		Capital Lease Purchase		209,820	*	
				$ 754,224		

* - Included in capital outlay is a capital asset purchased with capital lease proceeds.

See independent auditor's report.

ATKINSON COUNTY, GEORGIA
SCHEDULE OF PROJECTS FUNDED BY COMMUNITY DEVELOPMENT BLOCK GRANT
For the Year Ended June 30, 2018

SOURCE and APPLICATION OF FUNDS SCHEDULE
Community Development Block Grant

Atkinson County, Georgia

15p-y-002-1-5830

For the Period Ending: June 30, 2018
Cumulative

I. Total Fiscal Year 2016 CDBG Funds Awarded to Recipient:	$ 495,536
II. Total Amount of Drawdown by Recipient from DCA:	$ 345,840
III. Less: CDBG Funds Expended by Recipient:	$ 345,840
IV. Amount of Fiscal Year 2016 CDBG Funds held by Recipient:	$ -

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
PROJECT COST SCHEDULE

Recipient: Atkinson County, Georgia

Grant #: 15p-y-002-1-5830

For the Period Ending: June 30, 2018

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
Morning Dew Circle Paving	T-03K-02	$ 3,983		$ -	$ -	-
Morning Dew Circle Paving	P-03K-01	$ 112,292	$ 46,772	$ -	$ 46,772	$ -
Morning Dew Circle Paving	P-03K-02	$ 327,540	$ 294,068	$ -	$ 294,068	$ -
Contingencies	C-022-00	$ 21,991	$ -	$ -	$ -	$ -
Administration	A-21A-00	$ 29,730	$ 5,000	$ -	$ 5,000	$ -
TOTAL		$ 495,536	$ 345,840	$ -	$ 345,840	$ -

See independent auditor's report.

Tillman & Tillman, LLP
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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, 2018 and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon, dated January 7, 2019.

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.

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses to be a material weakness noted as 2018-1.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompany schedule of findings and responses to be a significant deficiency noted as 2018-2.

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 noted 2018-2.

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
January 7, 2019

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified			
Internal control over financial reporting				
Material weakness identified?	X	Yes		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

Material Weakness

Current Year Findings:

2018-01 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 constitutional 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 work with these constitutional offices to obtain training and work to immediately eliminate the above deficiencies. We also recommend that no cash be accepted in these offices and be replaced by checks, credit or debit cards or money orders due to cash raising the risk of fraud.

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:

2018-02 **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.

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

Prior Year Findings

Finding 2018-01 was a significant deficiency not considered to be material in the prior year.

Finding 2018-02 was also noted in the prior year as significant deficiency not considered to be material.