PIKE COUNTY, GEORGIA



ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2012

PIKE COUNTY, GEORGIA

AUDIT REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2012

PIKE COUNTY, GEORGIA

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Pike County, Georgia
Zebulon, Georgia

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Pike County, Georgia as of and for the fiscal year ended June 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Pike County, Georgia's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Pike County Department of Public Health, Pike County Water and Sewer Authority, and the Development Authority of Pike County, which represent 85 percent, 79 percent, and 62 percent, respectively, of the assets, net assets, and revenues of the component units of Pike County, Georgia. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Pike County Department of Public Health, Pike County Water and Sewer Authority, and the Development Authority of Pike County, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Pike County, Georgia as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the major special revenue fund for the fiscal year ended in conformity with accounting principles generally accepted in the United States of America.

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In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2012, on our consideration of Pike County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 8 is not a required part of the basic financial statements but is supplementary information required by accounting principals generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Pike County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements, and the schedule of project expenditures with special sales tax proceeds are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules, and the schedule of projects constructed with special sales tax proceeds have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Macon, Georgia
December 4, 2012

MANAGEMENT'S DISCUSSION & ANALYSIS

As management of the County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the year ended June 30, 2012.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities as of June 30, 2012, by $8,216,714 (net assets).
- As of June 30, 2012, total net assets consisted of $5,178,743 invested in capital equipment net of related debt, $2,364,224 restricted for capital outlay, $57,388 other restrictions, and $ 616,359 unrestricted.
- As of June 30, 2012, the County's governmental funds reported ending fund balance of $4,272,352, an increase of $2,582,658 in comparison with the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements

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

The statement of net assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through administrative fees and charges (business-type activities). The governmental activities of the County include general government, public safety, public works, health and welfare, culture and recreation and conservation of natural resources. The County currently has no business-type activities.

Fund Financial Statements

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

Governmental Funds

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

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

For the year ended June 30, 2012, the County had the following governmental funds; the General Fund, five Special Revenue Funds and three Capital Projects Funds.

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

Proprietary Funds

The County maintains no proprietary funds.

Fiduciary Funds

Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Individual fund data for the fiduciary funds is provided in the form of both combining statements and individual fund statements elsewhere in this report.

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

Notes to the Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by $8,216,714 at the close of the most recent year.

A significant portion of the County's net assets reflects its investment in capital assets, less any related debt outstanding. As of June 30, 2012, the investment consists of $13,161,586 in assets and accumulated depreciation of $6,647,836.

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

For the year ended June 30, 2012, net capital assets increased $3,470,452. Long-term liabilities increased $2,287,526 as of June 30, 2012, compared to June 30, 2011. The increase is the result of the renovation project of the County Courthouse.

	Pike County, Georgia Net Assets Governmental Activites	
	6/30/2012	6/30/2011
ASSETS		
Current & Other assets	$ 5,008,659	$ 2,430,008
Capital assets	6,513,750	5,621,949
Total assets	11,522,409	8,051,957
LIABILITIES		
Current & Other liabilities	405,256	398,945
Long Term liabilities	2,900,439	612,913
Total liabilities	3,305,695	1,011,858
NET ASSETS		
Invested in capital assets, net of related debt	5,178,743	5,104,043
Restricted	2,421,612	369,785
Unrestricted	616,359	1,566,271
Total Net assets	$ 8,216,714	$ 7,040,099

	Change in Net Assets Governmental Activities	
	6/30/2012	6/30/2011
REVENUES		
Program Revenues		
Charges for services	$ 1,159,509	$ 1,661,468
Operating grants & contributions	159,740	91,820
Capital grants & contributions	29,900	42,058
General Revenues		
Property Taxes	5,272,014	5,551,348
Other Taxes	3,529,786	2,610,810
Interest revenue	2,098	8,123
Other	58,225	64,698
Total Revenues	10,211,272	10,030,325
EXPENSES		
General government	1,761,738	2,349,445
Public Safety	3,676,473	3,808,410
Public Works	1,488,020	1,373,896
Courts	1,013,931	974,546
Health & Welfare	539,434	589,621
Culture & Recreation	398,046	428,667
Economic Development	281,327	321,414
Interest on Long-term debt	18,594	16,368
Total Expenses	9,177,563	9,862,367
Increase (decrease) in net assets	1,033,709	167,958
Net assets beginning of year restated	7,183,005	6,872,141
Net assets ending	$ 8,216,714	$ 7,040,099

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

As of June 30, 2012, the County's governmental funds reported ending fund balance of $4,272,352. Of this balance, $2,169 constitutes nonspendable, $2,423,862 restricted, $28,683 assigned, all of which are not available for spending at the government's discretion. The remainder of fund balance $1,817,638 is unassigned.

The general fund is the operating fund of the County. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 19 percent of total governmental fund expenditures.

The fund balance of the County's governmental funds increased $2,582,658 during the current fiscal year. The majority of the increase to fund balance is the result of current year SPLOST collections and the issuance of long-term debt to finance the courthouse renovations within the SPLOST Fund. The County adopts a budget for the general fund and special revenue funds each year and works diligently to stay within the annual budget.

GENERAL FUND BUDGETARY HIGHLIGHTS

The County transferred $238,658 from the General Fund to the E911 Fund. Fund balance increased from $1,309,654 to $1,819,807. The excess of revenues over expenditures was $738,612.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The County's investment in capital assets for its governmental activities as of June 30, 2012 amounts to $6,513,750 net of accumulated depreciation. The investment in capital assets consists primarily of land, buildings, and machinery and equipment. For the current year, the investment in capital assets increased by $748,895. The net change is primarily the result of capital acquisitions of $1,452,364 and depreciation expense of $684,152. See Note 8 in the Notes to the Financial Statements for more detail on capital assets.

	Governmental Activites
Land	$ 317,020
Constuction in progress	1,359,192
Buildings	4,051,283
Furniture and fixtures	5,693
Machinery and equipment	3,097,742
Vehicles	3,706,448
Intangible Assets	27,995
Infrastructure	596,213
Total Capital Assets	13,161,586
Accumulated Depreciation	(6,647,836)
Total	$ 6,513,750

Long-Term Debt

As of June 30, 2012, the County's long-term debt consisted of compensated absences, notes payable, landfill postclosure cost and a capital lease. See Note 9 in the Notes to the Financial Statements for more detail on long-term liabilities.

ECONOMIC FACTORS

During the year 2012, notable events were as follows:

Due to a continued downturn in the economy, revenues such as Local Option Sales Tax, motor vehicle tax and other revenues have been adversely affected. Accordingly, the county worked diligently to reduce expenditures in an attempt to mitigate these circumstances, bringing total expenditures in under budget for the fiscal year-end.

REQUESTS FOR INFORMATION

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

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FINANCIAL STATEMENTS

PIKE COUNTY, GEORGIA

STATEMENT OF NET ASSETS
JUNE 30, 2012

	Primary Government	
	Governmental Activities	Component Units
ASSETS		
Cash and cash equivalents	$ 4,322,879	$ 700,688
Receivables, net of allowance		
Taxes	390,353	-
Accounts	100,601	17,013
Due from other governments	192,657	-
Inventory	1,176	-
Prepaid items	993	-
Capital assets		
Non depreciable	1,676,212	2,825,260
Depreciable, net	4,837,538	5,716,225
Total Assets	11,522,409	9,259,186
LIABILITIES		
Accounts payable	148,815	23,925
Accrued salaries and benefits	129,158	7,853
Retainage payable	121,070	-
Accrued interest	6,213	-
Noncurrent liabilities		
Due within one year	919,089	67,892
Due in more than one year	1,981,350	3,036,534
Total Liabilities	3,305,695	3,136,204
NET ASSETS		
Invested in capital assets, net of related debt	5,178,743	5,489,442
Restricted for		
Capital outlay	2,364,224	-
Other restrictions	57,388	144,272
Unrestricted	616,359	489,268
Total Net Assets	$ 8,216,714	$ 6,122,982

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

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PIKE COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government:				
Governmental Activities				
General government	$ 1,761,738	$ 762,734	$ 73,529	$ -
Public safety	3,676,473	395,447	86,211	10,199
Public works	1,488,020	1,328	-	19,255
Courts	1,013,931	-	-	446
Health and welfare	539,434	-	-	-
Culture and recreation	398,046	-	-	-
Economic development	281,327	-	-	-
Interest on long-term debt	18,594	-	-	-
Total governmental activities	9,177,563	1,159,509	159,740	29,900
Total Primary Government	$ 9,177,563	$ 1,159,509	$ 159,740	$ 29,900
Component Units:				
Pike County Department of Public Health	$ 324,402	$ 171,912	$ 172,783	$ -
Pike County J. Joel Edwards Public Library	90,930	3,993	86,527	-
Pike County Water and Sewerage Authority	350,644	110,524	141,180	77,071
Pike County Agribusiness Authority	25,843	845	9,650	7,882
Development Authority of Pike County	56,871	-	96,500	-
Pike County Recreation Authority	467,785	118,660	248,810	-
Total Component Units	$ 1,316,475	$ 405,934	$ 755,450	$ 84,953
		General Revenues		
		Property tax		
		Sales tax		
		Motor vehicle tax		
		Other tax		
		Interest revenue		
		Miscellaneous		
		Total General Revenues		
		Change in Net Assets		
		Net Assets - Beginning of year, restated		
		Net Assets - End of year		

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

PIKE COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(CONTINUED)

Net (Expense) Revenue and Changes in Net Assets	
Primary Government	
Governmental Activities	Component Units
$ (925,475)	
(3,184,616)	
(1,467,437)	
(1,013,485)	
(539,434)	
(398,046)	
(281,327)	
(18,594)	
(7,828,414)	
(7,828,414)	
	$ 20,293
	(410)
	(21,869)
	(7,466)
	39,629
	(100,315)
	(70,138)
5,272,014	-
1,887,896	-
656,839	-
985,051	-
2,098	672
58,225	3,764
8,862,123	4,436
1,033,709	(65,702)
7,183,005	6,188,684
$ 8,216,714	$ 6,122,982

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

PIKE COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

	General Fund	E911 Fund	SPLOST 2011 Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 1,692,779	$ 129,116	$ 2,089,704	$ 411,280	$ 4,322,879
Receivables, net of allowance					
Taxes	390,353	-	-	-	390,353
Other receivables	34,677	65,924	-	-	100,601
Due from other governments	91,813	-	98,073	2,771	192,657
Due from other funds	181,231	-	-	-	181,231
Inventory	1,176	-	-	-	1,176
Prepaid items	993	-	-	-	993
Total Assets	$ 2,393,022	$ 195,040	$ 2,187,777	$ 414,051	$ 5,189,890
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 118,477	$ 2,125	$ 4,248	$ 23,965	$ 148,815
Accrued payroll deductions	117,474	11,684	-	-	129,158
Retainage payable	-	-	121,070	-	121,070
Due to other funds	-	181,231	-	-	181,231
Deferred revenues					
Taxes	337,264	-	-	-	337,264
Total Liabilities	573,215	195,040	125,318	23,965	917,538
Fund Balances:					
Nonspendable	2,169	-	-	-	2,169
Restricted	-	-	2,062,459	361,403	2,423,862
Assigned	-	-	-	28,683	28,683
Unassigned	1,817,638	-	-	-	1,817,638
Total Fund Balances	1,819,807	-	2,062,459	390,086	4,272,352
Total Liabilities and Fund Balances	$ 2,393,022	$ 195,040	$ 2,187,777	$ 414,051	$ 5,189,890

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

PIKE COUNTY, GEORGIA

RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET ASSETS
JUNE 30, 2012

Total Fund Equity per Balance Sheet of Governmental Funds	$	4,272,352
Amounts reported for governmental activities in the Statement of Net Assets differ from amounts reported in the Balance Sheet of Governmental Funds due to the following:		
Capital Assets		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost of the assets		13,161,586
Accumulated depreciation		(6,647,836)
Revenues		
Some of the government's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.		337,264
Long-term Liabilities		
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities both current and long-term are reported in the Statement of Net Assets. Long-term liabilities at year-end consist of the following:		
Capital lease		(110,908)
Notes payable		(2,337,024)
Accrued interest		(6,213)
Landfill closure costs		(345,451)
Compensated absences		(107,056)
Total Net Assets of Governmental Activities	$	8,216,714

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

PIKE COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	General Fund	E911 Fund	SPLOST 2011 Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues:					
Taxes					
Property tax	$ 5,276,118	$ -	$ -	$ -	$ 5,276,118
Sales tax	813,043	-	1,074,853	-	1,887,896
Other taxes	1,641,890	-	-	-	1,641,890
License and permits	129,219	-	-	47,713	176,932
Intergovernmental	92,817	-	-	14,178	106,995
Fines and forfeitures	451,783	-	-	58,448	510,231
Charges for services	247,340	297,006	-	-	544,346
Interest earnings	1,562	48	446	488	2,544
Other revenues	58,225	-	-	-	58,225
Total Revenues	8,711,997	297,054	1,075,299	120,827	10,205,177
Expenditures:					
Current:					
General government	1,699,234	-	1,308	89	1,700,631
Public safety	2,676,437	499,744	-	59,815	3,235,996
Public works	1,393,285	-	-	-	1,393,285
Judicial	1,011,963	-	-	-	1,011,963
Health and welfare	539,434	-	-	-	539,434
Culture and recreation	356,705	-	-	39,603	396,308
Housing and development	281,327	-	-	-	281,327
Intergovernmental	-	-	-	2,002	2,002
Debt Service					
Principal	15,000	30,674	63,469	-	109,143
Interest and fiscal charges	-	5,294	7,087	-	12,381
Capital Outlay	-	-	1,323,217	27,524	1,350,741
Total Expenditures	7,973,385	535,712	1,395,081	129,033	10,033,211
Excess (Deficiency) of Revenues Over (Under) Expenditures	738,612	(238,658)	(319,782)	(8,206)	171,966
Other Financing Sources (Uses):					
Transfers from other funds	-	238,658	-	-	238,658
Transfers to other funds	(238,658)	-	-	-	(238,658)
Proceeds from long term debt issuance	-	-	2,400,493	-	2,400,493
Insurance recoveries	10,199	-	-	-	10,199
Total other financing sources (uses)	(228,459)	238,658	2,400,493	-	2,410,692
Net change in fund balances	510,153	-	2,080,711	(8,206)	2,582,658
Fund Balance (deficit) - beginning of year	1,309,654	-	(18,252)	398,292	1,689,694
Fund Balance - end of year	$ 1,819,807	$ -	$ 2,062,459	$ 390,086	$ 4,272,352

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

PIKE COUNTY, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Excess (Deficit) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses Per Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances	$ 2,582,658
Amounts reported for governmental activities in the Statement of Activities differ from amounts reported in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances due to the following:	
Capital Assets	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense.	
Total capital outlays	1,452,364
Total depreciation	(684,152)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, disposals, trade-ins, and donations) is to increase net assets.	(19,317)
Long-term Debt	
The issuance of bonds and similar long-term debt provides current financial resources to governmental funds and thus contributes to the change in fund balance. In the Statement of Net Assets, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability in the Statement of Net Assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The amounts of the items that make up these differences in the treatment of long-term debt and related items are as follows:	
Debt issued or incurred	(2,400,493)
Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The adjustments for these items are as follows:	
Capital leases	30,674
Note payable	78,469
Accrued interest	(6,213)
Landfill closure costs	15,874
Compensated absences	(12,049)
Revenues	
Because some revenues will not be collected for several months after the government's fiscal year end, they are not considered available revenues and are deferred in the governmental funds.	
Deferred revenues decreased by this amount during the fiscal year.	(4,106)
Change in Net Assets of Governmental Activities	$ 1,033,709

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

PIKE COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Taxes:				
General property tax	$ 5,556,861	$ 5,556,861	$ 5,276,118	$ (280,743)
Local option sales tax	720,000	720,000	813,043	93,043
Other:				
Motor vehicle tax	662,500	662,500	736,610	74,110
Intangible tax	41,500	41,500	63,430	21,930
Mobile home tax	12,000	12,000	19,269	7,269
Timber taxes	6,100	6,100	6,436	336
Insurance premium tax	534,000	534,000	644,883	110,883
Penalties and interest	108,520	108,520	135,319	26,799
Bank tax fee	47,300	47,300	35,744	(11,556)
Other taxes	-	-	199	199
Total Taxes	7,688,781	7,688,781	7,731,051	42,270
Licenses and Permits:				
Alcohol beverage license	34,471	34,471	44,677	10,206
Business license	30,000	30,000	33,536	3,536
Building permits	44,500	44,500	49,106	4,606
Other	300	300	1,900	1,600
Total Licenses and Permits	109,271	109,271	129,219	19,948
Intergovernmental Revenues:				
State grants:				
Georgia Department of Transportation	-	-	6,905	6,905
Georgia Emergency Management Agency	-	-	5,000	5,000
GMA - Office of Homeland Security	-	-	7,350	7,350
Department of Juvenile Justice	2,600	2,600	9,811	7,211
Other:				
Pre-Trial Diversion Program	19,000	19,000	4,400	(14,600)
City of Griffin	50,000	50,000	50,000	-
Real estate transfer tax	7,000	7,000	9,351	2,351
Total Intergovernmental Revenue	78,600	78,600	92,817	14,217

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

PIKE COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(CONTINUED)

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Fines and Forfeitures:				
Superior Court fines	$ 130,000	$ 130,000	$ 139,211	$ 9,211
Probate Court fines	151,500	151,500	164,532	13,032
Magistrate Court fines	24,580	24,580	20,624	(3,956)
Sheriff's cost and fees	76,300	76,300	127,416	51,116
Total Fines and Forfeitures	382,380	382,380	451,783	69,403
Charges for Services				
Tax Commissioner - commissions	180,000	180,000	206,019	26,019
Drive way culverts	2,026	2,026	1,328	(698)
Fire fees	-	-	23,000	23,000
Jail inmate housing	18,605	18,605	16,993	(1,612)
Total Charges for Services	200,631	200,631	247,340	46,709
Miscellaneous:				
Interest earnings	3,500	3,500	1,562	(1,938)
Other reimbursement	24,162	24,162	38,362	14,200
Miscellaneous	13,658	13,657	19,863	6,206
Total Miscellaneous	41,320	41,319	59,787	18,468
Total Revenues	8,500,983	8,500,982	8,711,997	211,015

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

PIKE COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(CONTINUED)

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
General Government:				
General Administration	$ 1,013,102	$ 959,446	$ 915,364	$ 44,082
Tax Commissioner's Office	237,612	229,295	215,722	13,573
Tax Assessors	253,293	233,793	230,203	3,590
Board of Equalization	1,430	1,380	539	841
Voter Registrar	110,792	106,914	73,273	33,641
Cooperative Extension Service	62,766	60,569	53,348	7,221
Code Enforcement Officer	222,782	222,782	210,785	11,997
Total General Government	1,901,777	1,814,179	1,699,234	114,945
Judicial:				
Judicial Administration	133,053	158,641	158,641	-
Superior Court	300,286	298,045	298,045	-
Probate Court	148,947	148,946	140,669	8,277
Magistrate Court	161,623	155,966	150,955	5,011
Public Defender	181,315	181,315	181,315	-
District Attorney	82,169	82,338	82,338	-
Total Judicial	1,007,393	1,025,251	1,011,963	13,288
Public Safety:				
Sheriff's Office	1,784,108	1,763,849	1,694,781	69,068
Jail Operations	611,669	652,459	652,459	-
Fire Department	282,750	294,134	294,134	-
Coroner's Office	38,267	36,926	35,063	1,863
Total Public Safety	2,716,794	2,747,368	2,676,437	70,931
Public Works:				
Road Department	1,343,967	1,393,285	1,393,285	-

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

PIKE COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(CONTINUED)

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Health and Welfare:				
DFCS	$ 36,750	$ 36,750	$ 22,937	$ 13,813
Ambulance Contract	395,000	395,000	395,000	-
Emergency Management	2,250	11,916	11,916	-
Senior Center	8,400	8,399	7,476	923
Pike County Board of Health	70,000	70,000	70,000	-
McIntosh Trail RC	25,763	32,105	32,105	-
Total Health and Welfare	538,163	554,170	539,434	14,736
Culture and Recreation:				
Recreation	257,834	248,810	248,810	-
Library	100,000	98,351	98,351	-
Forestry Resources	9,544	9,544	9,544	-
Total Culture and Recreation	367,378	356,705	356,705	-
Housing and Development:				
Pike County Agribusiness Authority	10,000	9,650	9,650	-
Pike County Water Authority	141,180	141,180	140,314	866
Soil Conservation	34,724	34,863	34,863	-
Development Authority	100,000	96,500	96,500	-
Total Housing and Development	285,904	282,193	281,327	866
Debt Service:				
Principal retirement	15,000	15,000	15,000	-
Total Debt Service	15,000	15,000	15,000	-
Total Expenditures	8,176,376	8,188,151	7,973,385	214,766
Excess Revenue Over (Under) Expenditures	324,607	312,831	738,612	425,781

PIKE COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(CONTINUED)

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Other Financing Sources (Uses):				
Transfer to E911 Fund	(335,857)	(335,857)	(238,658)	97,199
Insurance recoveries	11,250	11,250	10,199	(1,051)
Total Other Financing Sources (Uses)	(324,607)	(324,607)	(228,459)	96,148
Net change in fund balance	-	(11,776)	510,153	521,929
Fund Balance - Beginning of Year	-	1,309,654	1,309,654	-
Fund Balance - End of Year	$ -	$ 1,297,878	$ 1,819,807	$ 521,929

PIKE COUNTY, GEORGIA

E-911 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for services	$ 224,009	$ 297,006	$ 72,997
Interest income	180	48	(132)
Total Revenues	224,189	297,054	72,865
Expenditures:			
Current:			
Public safety	524,078	499,744	24,334
Debt Service:			
Principal	30,674	30,674	-
Interest	5,294	5,294	-
Total Expenditures	560,046	535,712	24,334
Excess (deficiency) of revenues over (under) expenditures	(335,857)	(238,658)	97,199
Other Financing Sources (Uses):			
Transfers from General Fund	335,857	238,658	(97,199)
Total Other Financing Sources (Uses)	335,857	238,658	(97,199)
Net change in fund balance	-	-	-
Fund balance - beginning of year	-	-	-
Fund balance - end of year	$ -	$ -	$ -

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

PIKE COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2012

	Agency Funds
ASSETS	
Cash and cash equivalents	$ 168,759
Total Assets	$ 168,759
LIABILITIES	
Due to other governments	$ 58,157
Due to others	110,602
Total Liabilities	$ 168,759

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

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PIKE COUNTY, GEORGIA
COMBINING STATEMENT OF NET ASSETS
COMPONENT UNITS
JUNE 30, 2012

	Pike County Department of Public Health	Pike County J. Joel Edwards Public Library	Pike County Water and Sewerage Authority	Pike County Agribusiness Authority	Development Authority of Pike County	Pike County Recreation Authority	Total
Assets							
Current:							
Cash and cash equivalents	$ 165,260	$ 102,451	$ 286,706	$ 17,689	$ 84,014	$ 44,568	$ 700,688
Receivables:							
Accounts	7,426	-	9,587	-	-	-	17,013
Non-current:							
Capital Assets:							
Nondepreciable	-	-	-	24,952	2,325,308	475,000	2,825,260
Depreciable capital assets, net	-	-	5,024,005	70,065	6,472	615,683	5,716,225
Total Assets	172,686	102,451	5,320,298	112,706	2,415,794	1,135,251	9,259,186
Liabilities							
Current Liabilities:							
Accounts payable	-	4,179	116	496	-	19,134	23,925
Accrued liabilities	-	1,890	1,369	-	-	4,594	7,853
Compensated absences	9,220	-	-	-	-	4,237	13,457
Meter deposit	-	-	19,650	-	-	-	19,650
Notes payable	-	-	29,951	-	-	4,834	34,785
Long-term Liabilities:							
Compensated absences	19,194	-	-	-	-	82	19,276
Notes payable (net of current portion)	-	-	2,475,810	-	530,969	10,479	3,017,258
Total Liabilities	28,414	6,069	2,526,896	496	530,969	43,360	3,136,204
Net Assets							
Invested in capital assets, net of related debt	-	-	2,518,244	95,017	1,800,811	1,075,370	5,489,442
Restricted	144,272	-	-	-	-	-	144,272
Unrestricted	-	96,382	275,158	17,193	84,014	16,521	489,268
Total Net Assets	$ 144,272	$ 96,382	$ 2,793,402	$ 112,210	$ 1,884,825	$ 1,091,891	$ 6,122,982

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

PIKE COUNTY, GEORGIA
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Pike County Department of Public Health	Pike County J. Joel Edwards Public Library	Pike County Water and Sewerage Authority	Pike County Agribusiness Authority	Development Authority of Pike County	Pike County Recreation Authority	Total
Expenses:							
General government	$ -	$ -	$ -	$ 25,843	$ 56,871	$ -	$ 82,714
Health and welfare	324,402	-	-	-	-	-	324,402
Culture and recreation	-	90,930	-	-	-	466,593	557,523
Water and sewer	-	-	350,644	-	-	-	350,644
Interest on long term debt	-	-	-	-	-	1,192	1,192
Total Expenses	324,402	90,930	350,644	25,843	56,871	467,785	1,316,475
Revenues:							
Program revenues:							
Charges for services	171,912	3,993	110,524	845	-	118,660	405,934
Operating grants and contributions	172,783	86,527	141,180	9,650	96,500	248,810	755,450
Capital grants and contributions	-	-	77,071	7,882	-	-	84,953
Total Program Revenues	344,695	90,520	328,775	18,377	96,500	367,470	1,246,337
Net Program (Expense)	20,293	(410)	(21,869)	(7,466)	39,629	(100,315)	(70,138)
General Revenues:							
Interest earnings	194	142	182	57	62	35	672
Miscellaneous	-	1,188	-	-	-	2,576	3,764
Total General Revenues	194	1,330	182	57	62	2,611	4,436
Change in Net Assets	20,487	920	(21,687)	(7,409)	39,691	(97,704)	(65,702)
Net Assets - Beginning of year, restated	123,785	95,462	2,815,089	119,619	1,845,134	1,189,595	6,188,684
Net Assets - End of year	$ 144,272	$ 96,382	$ 2,793,402	$ 112,210	$ 1,884,825	$ 1,091,891	$ 6,122,982

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

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Policies

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

The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. The County also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities at the government-wide financial reporting level and to its enterprise funds at the fund reporting level, provided they do not conflict with or contradict GASB pronouncements.

A. Reporting Entity

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of Pike County (the primary government) and any component units. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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 generally accepted accounting principles, as set forth in Statement of Governmental Accounting Standards No. 14, *The Financial Reporting Entity*, which was adopted by the County as of November 1, 1995, the financial statements of each component unit has been included as a discretely presented component unit. The component unit columns in the combined financial statements include the financial data for the Pike County Department of Public Health, Pike County Library, Pike County Agribusiness Authority, Development Authority of Pike County, Pike County Water Authority, and the Pike County Recreation Authority, as of June 30, 2012. The financial information for the component units is reported in columns separate from the County's financial information to emphasize that it is legally separate from the County.

Pike County Department of Public Health (Health Department)

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

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

Pike County J. Joel Edwards Public Library

The Pike County J. Joel Edwards Public Library provides educational and other reading materials to the citizens of Pike County. The County provides significant operating subsidies to the library. The Pike County J. Joel Edwards Public Library is presented as a governmental fund type and only maintains a General Fund. The Pike County J. Joel Edwards Public Library does not issue separate financial statements.

Pike County Agribusiness Authority

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

Development Authority of Pike County

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

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

Pike County Water and Sewerage Authority

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

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

Pike County Recreation Authority

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

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

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

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

B. Government-Wide and Fund Financial Statements

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

Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

Government-Wide Financial Statements

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

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

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

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

Fund Financial Statements

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

Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt services expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the obligations are expected to be liquidated with expendable available financial resources.

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

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

The government reports the following major governmental funds:

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

E911 Fund – This fund accounts for the E-911 fees collected and disbursements for the operation of the E911 call center.

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

Additionally, the government reports the following fund types:

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

Capital Project Funds – The Impact Fees Fund is used to account for the proceeds of impact fees collected and the capital projects approved for those funds. The Jail Construction fund is used to account for capital improvements made on the jail.

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

D. Deposits and Investments

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

E. Receivables

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

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

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

F. Inventories

Inventories of expendable supplies held for consumption are not considered material and

are recorded as expenditures, or expenses, as appropriate, when purchased.

G. Prepaid Items

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

H. Capital Assets

Capital assets, which include property, plant equipment and infrastructure assets (e.g. roads, bridges, sidewalks and similar items acquired subsequent to November 1, 2003) are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred by the County during the current fiscal year was $12,381. Of this amount, $7,087 was applicable to construction of capital assets.

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

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

I. Compensated Absences

It is the County's policy to permit employees to accumulate earned by unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide; proprietary and fiduciary fund financial statements. A liability for

these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

J. Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance cost, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

K. Fund Equity

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

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

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

- Committed
- Assigned
- Unassigned

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

The following is a summary of the fund balance classifications as of June 30, 2012:

	General Fund	E911 Fund	SPLOST 2011 Fund	Nonmajor Governmental	Total
Fund Balances					
Nonspendable:					
Inventory	$ 1,176	$ -	$ -	$ -	$ 1,176
Prepaids	993	-	-	-	993
Restricted for:					
Capital outlay	-	-	2,062,459	283,838	2,346,297
Law library	-	-	-	497	497
Public safety	-	-	-	46,211	46,211
Drug awareness	-	-	-	12,930	12,930
Jail construction	-	-	-	17,927	17,927
Assigned for:					
Juvenile court	-	-	-	28,683	28,683
Unassigned	1,817,638	-	-	-	1,817,638
Total fund balances	$ 1,819,807	$ -	$ 2,062,459	$ 390,086	$ 4,272,352

L. Risk Management

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

The County has joined together with other municipalities in the state as part of the ACCG Group Self Insurance Workers' Compensation Self Insurance Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments. The Fund is to defend, in the name of and on behalf of the members, any suits or other proceedings, which may at any time be instituted against

them on account of injuries or death within the preview of the Workers' Compensation Law of Georgia, or on the basis of employer's liability. The Fund is to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense. For the fiscal year ending June 30, 2012, the County's total contribution was $115,904 for the Workers Compensation Fund.

The County is a member of the ACCG Interlocal Risk Management Agency (ACCG-IRMA). This agency functions as a risk sharing arrangement among Georgia County governments and is administered by the Association of County Commissioners of Georgia (ACCG). The purpose of ACCG-IRMA is to establish and administer one or more group self-insurance funds; to establish and administer a risk management service; and to prevent or lessen the incidence or severity of casualty and property losses. Each member pays an annual contribution established by the Board of ACCG-IRMA. For the period July 1, 2010 – June 30, 2012, the County's total contribution was $125,727. ACCG-IRMA may develop and issue such self-insurance coverage descriptions, as it deems necessary. The current coverage provides a $1,000,000 general liability limit with a $1,000 per occurrence deductible.

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

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING

A. Budget Process

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

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

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

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

B. Encumbrances - reconciliations

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to serve that portion of the applicable appropriation, is not employed by the County. Budget to Generally Accepted Accounting Principal Basis reconciliation's are not required.

NOTE 3 – DEPOSITS AND INVESTMENTS

Custodial Credit Risk – Deposits

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

The County's bank balances of deposits as of June 30, 2012, are entirely insured or collateralized with securities held by the County's agent in the County's name.

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

At June 30, 2012, the carrying amount of deposits for the Pike County Department of Public Health, a discretely presented component unit, was $165,260. All of the bank balance was covered by federal depository insurance or by collateral held.

At June 30, 2012, the carrying amount of deposits for the Pike County Library, a discretely presented component unit, was $102,451. All of the bank balance was covered by federal depository insurance or by collateral held.

At June 30, 2012, the carrying amount of deposits for the Pike County Water and Sewerage Authority, a discretely presented component unit, was $286,706. All of the bank balance was covered by federal depository insurance or by collateral held.

At June 30, 2012, the carrying amount of deposits for the Pike County Agribusiness Authority, a discretely presented component unit, was $17,689. All of the bank balance was covered by federal depository insurance or by collateral held.

At June 30, 2012, the carrying amount of deposits for the Development Authority of Pike County, a discretely presented component unit, was $84,014. All of the bank balance was covered by federal depository insurance or by collateral held.

At June 30, 2012, the carrying amount of deposits for the Pike County Recreation Authority, a discretely presented component unit, was $44,568. All of the bank balance was covered by federal depository insurance or by collateral held.

NOTE 4 – PROPERTY TAXES

The Board of Commissioners levied property taxes on August 30, 2011. Property taxes attached as an enforceable lien on property as of January 1. Property taxes were billed on September 20, 2011 and were payable on December 20, 2011.

NOTE 5 – RECEIVABLES

Receivables at June 30, 2012, consist of the following:

	General Fund	E911 Fund	Total
Receivables:			
Taxes	$ 471,250	$ -	$ 471,250
Accounts	34,677	65,924	100,601
Gross Receivables	505,927	65,924	571,851
Less: Allowance for Uncollectible	(80,897)	-	(80,897)
Net Total Receivables	$ 425,030	$ 65,924	$ 490,954

NOTE 6 – DUE FROM OTHER GOVERNMENTS

Amounts due from other governments at June 30, 2012, are as follows:

	Federal	State	Local	Total
Fund:				
General Fund	$ -	$ 73,503	$ 18,310	$ 91,813
SPLOST 2011 Fund	-	98,073	-	98,073
Nonmajor Governmental Fund	2,771	-	-	2,771
Total	$ 2,771	$ 171,576	$ 18,310	$ 192,657

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

NOTE 7 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2012, is as follows:

Due to / from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	E911 Fund	$ 181,231
Total		$ 181,231

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

Interfund transfers:

	Transfer In:		
	General Fund	E911 Fund	Total
Transfer Out:			
General Fund	$ -	$ 238,658	$ 238,658
Total	$ -	$ 238,658	$ 238,658

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

NOTE 8 – CAPITAL ASSETS

	Restated Beginning Balance	Increase	Decrease	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 317,020	$ -	$ -	$ 317,020
Construction in progress	18,251	1,340,941	-	1,359,192
Total capital assets, not being depreciated	335,271	1,340,941	-	1,676,212
Capital assets, being depreciated:				
Buildings	4,017,373	33,910	-	4,051,283
Furniture and Fixtures	-	5,693	-	5,693
Machinery and equipment	3,064,598	33,144	-	3,097,742
Vehicles	3,726,254	38,676	(58,482)	3,706,448
Intangible assets	27,995	-	-	27,995
Infrastructure	596,213	-	-	596,213
Total capital assets, being depreciated	11,432,433	111,423	(58,482)	11,485,374
Less accumulated depreciation for:				
Buildings	(1,165,477)	(100,492)	-	(1,265,969)
Furniture and Fixtures	-	(428)	-	(428)
Machinery and equipment	(2,474,444)	(160,255)	-	(2,634,699)
Vehicles	(2,291,255)	(411,021)	39,165	(2,663,111)
Intangible assets	(27,995)	-	-	(27,995)
Infrastructure	(43,678)	(11,956)	-	(55,634)
Total accumulated depreciation	(6,002,849)	(684,152)	39,165	(6,647,836)
Total capital assets, being depreciated, net	5,429,584	(572,729)	(19,317)	4,837,538
Governmental activities capital assets, net	$ 5,764,855	$ 768,212	$ (19,317)	$ 6,513,750

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

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

Governmental activities:		
General government	$	89,040
Public safety		464,334
Public works		113,735
Courts		9,612
Culture and recreation		7,431
Total depreciation expense - governmental activities	$	684,152

Activity for the Pike County Water and Sewerage Authority for the fiscal year ended June 30, 2012 was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Discretely presented component units:				
Capital assets, being depreciated:				
Capitalized interest	$ 116,213	$ -	$ -	$ 116,213
Water tower, well and treatment plant	82,863	184,512	-	267,375
Water and sewer lines	5,416,991	-	-	5,416,991
Vehicle	20,557	-	-	20,557
Storage building	2,700	-	-	2,700
Total capital assets, being depreciated	5,639,324	184,512	-	5,823,836
Less accumulated depreciation for:				
Capitalized interest	(11,620)	(2,905)	-	(14,525)
Water tower, well and treatment plant	(21,121)	(8,889)	-	(30,010)
Water and sewer lines	(606,746)	(135,602)	-	(742,348)
Vehicle	(8,811)	(2,937)	-	(11,748)
Storage building	(900)	(300)	-	(1,200)
Total accumulated depreciation	(649,198)	(150,633)	-	(799,831)
Total capital assets, being depreciated, net	4,990,126	33,879	-	5,024,005
Water and sewerage authority capital assets, net	$ 4,990,126	$ 33,879	$ -	$ 5,024,005

Activity for the Pike County Agribusiness Authority for the fiscal year ended June 30, 2012 was as follows:

	Beginning Balance	Increase	Decrease	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	$ 22,500	$ 2,452	$ -	$ -	$24,952
Construction in progress	23,593	-	-	(23,593)	-
Total capital assets, not being depreciated	46,093	2,452	-	(23,593)	24,952
Capital assets, being depreciated:					
Building	7,069	21,775	-	53,652	82,496
Site improvements	47,909	-	-	(28,859)	19,050
Equipment	1,200	-	-	(1,200)	-
Total capital assets, being depreciated	56,178	21,775	-	23,593	101,546
Less accumulated depreciation for:					
Building	(4,598)	(4,435)	-	(18,638)	(27,671)
Site improvements	(19,428)	(1,905)	-	17,523	(3,810)
Equipment	(1,115)	-	-	1,115	-
Total accumulated depreciation	(25,141)	(6,340)	-	-	(31,481)
Total capital assets, being depreciated, net	31,037	15,435	-	23,593	70,065
Agribusiness authority capital assets, net	$ 77,130	$17,887	$ -	$ -	$95,017

Activity for the Development Authority of Pike County for the fiscal year ended June 30, 2012 was as follows:

	Restated Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	$ 2,325,308	$ -	$ -	$ 2,325,308
Total capital assets, not being depreciated	2,325,308	-	-	2,325,308
Capital assets, being depreciated:				
Equipment	16,229	-	-	16,229
Total capital assets, being depreciated	16,229	-	-	16,229
Less accumulated depreciation for:				
Equipment	(7,673)	(2,084)	-	(9,757)
Total accumulated depreciation	(7,673)	(2,084)	-	(9,757)
Total capital assets, being depreciated, net	8,556	(2,084)	-	6,472
Development authority capital assets, net	$ 2,333,864	$ (2,084)	$ -	$ 2,331,780

Activity for the Pike County Recreation Authority for the fiscal year ended June 30, 2012 was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	$ 475,000	$ -	$ -	$ 475,000
Total capital assets, not being depreciated	475,000	-	-	475,000
Capital assets, being depreciated:				
Building	401,484	-	-	401,484
Furniture, fixture & equipment	466,342	-	-	466,342
Vehicles	15,708	-	-	15,708
Infrastructure	9,780	-	-	9,780
Total capital assets, being depreciated	893,314	-	-	893,314
Less accumulated depreciation for:				
Building	(85,772)	(14,447)	-	(100,219)
Furniture, fixture & equipment	(135,086)	(31,053)	-	(166,139)
Vehicles	(6,283)	(3,142)	-	(9,425)
Infrastructure	(1,196)	(652)	-	(1,848)
Total accumulated depreciation	(228,337)	(49,294)	-	(277,631)
Total capital assets, being depreciated, net	664,977	(49,294)	-	615,683
Recreation authority capital assets, net	$ 1,139,977	$ (49,294)	$ -	$ 1,090,683

NOTE 9 – LONG-TERM DEBT

Changes in long-term liabilities

Long-term liability activity for the fiscal year ended June 30, 2012, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Notes Payable - City of Concord	$ 15,000	$ -	$ (15,000)	$ -	$ -
Notes Payable - United Bank	-	2,400,493	(63,469)	2,337,024	776,590
Capital Lease	141,581	-	(30,674)	110,907	31,499
Landfill postclosure cost	361,325	-	(15,874)	345,451	15,500
Compensated absences	95,007	108,215	(96,166)	107,056	95,500
Governmental activity Long-term liabilities	$ 612,913	$ 2,508,708	$ (221,183)	$ 2,900,438	$ 919,089

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

Note Payable – During 2010, the County obtained a $60,000 note payable from the City of Concord for the financing of fire equipment. The note payable called for an initial payment of $30,000 upon execution of the purchase agreement, and two annual installments of $15,000 to January 1, 2012. The note payable bears interest of 0%. The note payable was paid in full during fiscal year 2012.

Note Payable – During 2012, the County entered into a $2,400,493 note payable with United Bank for the financing of the renovation of the Courthouse. The note is due in monthly installments of $70,063 to May 1, 2015. Interest is at 3.19%. Total interest paid for fiscal year 2012 was $7,087. Annual debt service requirements to maturity for this note payable are as follows:

Year Ending June 30th	Governmental Activities	
	Principal	Interest
2013	$ 776,590	$ 64,163
2014	802,083	38,670
2015	758,351	12,340
Total	$ 2,337,024	$ 115,173

Capital Lease Payable – The County obtained a $160,280 capital lease from AT&T Capital Services, Inc. for the financing of E911 equipment. Total interest paid for fiscal year 2012 was $5,294. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2012 were as follows:

Year Ending June 30th	Governmental Activities	
	Principal	Interest
2013	$ 31,499	$ 4,467
2014	32,988	2,979
2015	34,546	1,421
2016	11,874	115
Total	$ 110,907	$ 8,982

Landfill Closure Costs – In 1994, the County closed its landfill site. State regulations require the County to perform certain maintenance and monitoring functions for thirty years after closure, Under GASB 18, the County is required to disclose the estimated maintenance and monitoring cost $345,451. The required plan for closure of the landfill was adopted by the County and approved by the State of Georgia. Estimates were outlined in the plan and updated in 2011. These costs are subject to change due to inflation or deflation, technology or applicable laws and regulations. The County is not required to commit current financial resources to guarantee future maintenance and monitoring activities.

Discretely presented component units:

Activity for the Pike County Water and Sewer Authority for the fiscal year ended June 30, 2012, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
USDA note payable	$ 2,435,270	$ 98,931	$ (28,440)	$ 2,505,761	$ 29,951
Water and sewer authority long-term liabilities	$ 2,435,270	$ 98,931	$ (28,440)	$ 2,505,761	$ 29,951

Activity for the Development Authority of Pike County for the fiscal year ended June 30, 2012, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
United Bank Loan	$ 554,192	$ -	$ (23,223)	$ 530,969	$ -
Development authority long-term liabilities	$ 554,192	$ -	$ (23,223)	$ 530,969	$ -

Activity for the Pike County Recreation Authority for the fiscal year ended June 30, 2012, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Note Payable	$ 19,874	$ -	$ (4,561)	$ 15,313	$ 4,834
Recreation authority long-term liabilities	$ 19,874	$ -	$ (4,561)	$ 15,313	$ 4,834

NOTE 10 – TAX ANTICIPATION LOAN

During fiscal year 2012, the County obtained a tax anticipation note of $800,000 to finance the general obligations of the County. The note bore interest at 3.20%.

Short-term debt activity for the fiscal year ended June 30, 2012 was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance
Tax Anticipation Loan	$ -	$ 400,000	$ (400,000)	$ -
Total Short-term liability activity	$ -	$ 400,000	$ (400,000)	$ -

NOTE 11 – EMPLOYEE RETIREMENT PLANS

ACCG Defined Contribution Plan

Plan Description

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

1100 Circle 75 Parkway
Suite 300
Atlanta, Georgia 30339

Funding Policy

County employees are required to contribute to the plan if they are to be members and receive the County match. The required member contribution is equal to 3% of the member's gross salary. The County is required to contribute 1% of the members' gross salary. The Plan provisions are established and may be amended by the Pike County Board of Commissioners and the ACCG Defined Benefit Board of Trustees. The contribution requirements of the plan members are established and may be amended by the ACCG Defined Benefit Board of Trustees. The County's contributions to GEBCorp for the fiscal year ended June 30, 2012 were $63,519. The Member's contributions to GEBCorp for the fiscal year ended June 30, 2012 were $201,294.

NOTE 12 – CONTINGENT LIABILITIES

A. Litigation

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

B. Federal Grants

The County participates in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives, and the audits of these programs for or including the eight months ended June 30, 2012, have not yet been conducted. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be

determined at this time, although the County expects such amounts, if any, to be immaterial.

NOTE 13 – INVESTMENT IN CAPITAL ASSETS, NET OF RELATED DEBT

Investment in Capital Assets, net of related debt on the Government-wide statement of net assets as of June 30, 2012 is as follows:

Invested in capital assets, net of related debt:	Governmental Activities
Cost of capital assets	$ 13,161,586
Less accumulated depreciation	(6,647,836)
Book value	6,513,750
Less all capital related debt	(2,447,931)
Add unspent debt proceeds	1,112,924
Invested in capital assets, net of related debt	$ 5,178,743

NOTE 14 – RESTATEMENT OF EQUITY BALANCES

The County has determined that a building had been omitted in prior years from the County's capital asset records. The effect of this adjustment is as follows:

	Governmental Activities
Net assets, June 30, 2011 - *as previously reported*	$ 7,040,099
Adjustments to net assets:	
Building and Land	142,906
Net assets, June 30, 2011, restated	$ 7,183,005

Development Authority of Pike County – Component Unit

The Authority has recorded a prior period adjustment to remove a building from their capital asset records. The effect of this adjustment is as follows:

	Governmental Activities
Net Assets, June 30, 2011 - *as previously reported*	$ 1,896,968
Adjustments to net assets:	
Building	(51,834)
Net Assets, June 30, 2011, restated	$ 1,845,134

SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

CAPITAL PROJECTS FUNDS

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

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

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

PIKE COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012

	Special Revenue Funds			
	Law Library	Law Enforcement Confiscation	Drug Abuse Treatment	Juvenile Court
ASSETS				
Cash and cash equivalents	$ 497	$ 54,519	$ 12,930	$ 26,899
Due from other governments	-	-	-	2,771
Total Assets	$ 497	$ 54,519	$ 12,930	$ 29,670
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ -	$ 8,308	$ -	$ 987
Total Liabilities	-	8,308	-	987
Fund Balances:				
Restricted	497	46,211	12,930	-
Assigned	-	-	-	28,683
Total Fund Balances	497	46,211	12,930	28,683
Total Liabilities and Fund Balances	$ 497	$ 54,519	$ 12,930	$ 29,670

PIKE COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012
(CONTINUED)

Capital Project Funds		Total Nonmajor Governmental Funds
Impact Fees Fund	Jail Construction	
$ 283,838	$ 32,597	$ 411,280
-	-	2,771
$ 283,838	$ 32,597	$ 414,051
$ -	$ 14,670	$ 23,965
-	14,670	23,965
283,838	17,927	361,403
-	-	28,683
283,838	17,927	390,086
$ 283,838	$ 32,597	$ 414,051

PIKE COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Special Revenue Funds			
	Law Library	Law Enforcement Confiscation	Drug Abuse Treatment	Juvenile Court
Revenues:				
Licenses and Permits	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	14,178
Fines and forfeitures	6,985	22,944	7,181	3,600
Interest earnings	-	1	15	31
Total Revenues	6,985	22,945	7,196	17,809
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	10,565	26,011	5,606	17,633
Culture and recreation	-	-	-	-
Intergovernmental	-	2,002	-	-
Capital Outlay	-	-	-	-
Total Expenditures	10,565	28,013	5,606	17,633
Net change in fund balances	(3,580)	(5,068)	1,590	176
Fund balance, beginning of year	4,077	51,279	11,340	28,507
Fund balance, end of year	$ 497	$ 46,211	$ 12,930	$ 28,683

PIKE COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(CONTINUED)

Capital Project Funds		Total Nonmajor Governmental Funds
Impact fees Fund	Jail Construction	
$ 47,713	$ -	$ 47,713
-	-	14,178
-	17,738	58,448
427	14	488
48,140	17,752	120,827
89	-	89
-	-	59,815
39,603	-	39,603
-	-	2,002
-	27,524	27,524
39,692	27,524	129,033
8,448	(9,772)	(8,206)
275,390	27,699	398,292
$ 283,838	$ 17,927	$ 390,086

PIKE COUNTY, GEORGIA

LAW LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures	$ 11,000	$ 6,985	$ (4,015)
Total Revenues	11,000	6,985	(4,015)
Expenditures:			
Current:			
Public safety	11,000	10,565	435
Total Expenditures	11,000	10,565	435
Net change in fund balance	-	(3,580)	(3,580)
Fund balance - beginning of year	-	4,077	4,077
Fund balance - end of year	$ -	$ 497	$ 497

PIKE COUNTY, GEORGIA

LAW ENFORCEMENT CONFISCATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures	$ 28,013	$ 22,944	$ (5,069)
Interest income	-	1	1
Total Revenues	28,013	22,945	(5,068)
Expenditures:			
Current:			
Public safety	26,011	26,011	-
Intergovernmental	2,002	2,002	-
Total Expenditures	28,013	28,013	-
Net change in fund balance	-	(5,068)	(5,068)
Fund balance - beginning of year	-	51,279	51,279
Fund balance - end of year	$ -	$ 46,211	$ 46,211

PIKE COUNTY, GEORGIA

DRUG ABUSE TREATMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Fines and forfeitures	$ 11,792	$ 7,181	$ (4,611)
Interest income	-	15	15
Total Revenues	11,792	7,196	(4,596)
Expenditures:			
Current:			
Public safety	11,792	5,606	6,186
Total Expenditures	11,792	5,606	6,186
Net change in fund balance	-	1,590	1,590
Fund balance - beginning of year	-	11,340	11,340
Fund balance - end of year	$ -	$ 12,930	$ 12,930

PIKE COUNTY, GEORGIA

JUVENILE COURT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental revenues	$ 19,469	$ 14,178	$ (5,291)
Fines and forfeitures	8,303	3,600	(4,703)
Interest income	41	31	(10)
Total Revenues	27,813	17,809	(10,004)
Expenditures:			
Current:			
Public safety	27,813	17,633	10,180
Total Expenditures	27,813	17,633	10,180
Net change in fund balance	-	176	176
Fund balance - beginning of year	-	28,507	28,507
Fund balance - end of year	$ -	$ 28,683	$ 28,683

PIKE COUNTY, GEORGIA

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Balance June 30, 2011	Additions	Deletions	Balance June 30, 2012
Total - All Agency Funds				
Assets				
Cash and cash equivalents	$ 234,003	$ 9,291,217	$ 9,356,461	$ 168,759
Total Assets	$ 234,003	$ 9,291,217	$ 9,356,461	$ 168,759
Liabilities				
Due to Board of Education	$ 68,536	$ 7,736,315	$ 7,748,579	$ 56,272
Due to State of Georgia	1,065	102,460	102,695	830
Due to Other Governments	1,394	69,408	69,747	1,055
Other	163,008	1,383,034	1,435,440	110,602
Total Liabilities	$ 234,003	$ 9,291,217	$ 9,356,461	$ 168,759

PIKE COUNTY, GEORGIA

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(CONTINUED)

	Balance June 30, 2011	Additions	Deletions	Balance June 30, 2012
Superior Court				
Assets				
Cash and cash equivalents	$ 131,132	$ 254,975	$ 312,981	$ 73,126
Total Assets	$ 131,132	$ 254,975	$ 312,981	$ 73,126
Liabilities				
Other	$ 131,132	$ 254,975	$ 312,981	$ 73,126
Total Liabilities	$ 131,132	$ 254,975	$ 312,981	$ 73,126
Probate Court				
Assets				
Cash and cash equivalents	$ 3,973	$ 77,208	$ 77,555	$ 3,626
Total Assets	$ 3,973	$ 77,208	$ 77,555	$ 3,626
Liabilities				
Other	$ 3,973	$ 77,208	$ 77,555	$ 3,626
Total Liabilities	$ 3,973	$ 77,208	$ 77,555	$ 3,626

PIKE COUNTY, GEORGIA

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(CONTINUED)

	Balance June 30, 2011	Additions	Deletions	Balance June 30, 2012
Magistrate Court				
Assets				
Cash and cash equivalents	$ 2,711	$ 50,355	$ 49,765	$ 3,301
Total Assets	$ 2,711	$ 50,355	$ 49,765	$ 3,301
Liabilities				
Other	$ 2,711	$ 50,355	$ 49,765	$ 3,301
Total Liabilities	$ 2,711	$ 50,355	$ 49,765	$ 3,301
Sheriff's Office				
Assets				
Cash and cash equivalents	$ 11,259	$ 9,009	$ 1,627	$ 18,641
Total Assets	$ 11,259	$ 9,009	$ 1,627	$ 18,641
Liabilities				
Other	$ 11,259	$ 9,009	$ 1,627	$ 18,641
Total Liabilities	$ 11,259	$ 9,009	$ 1,627	$ 18,641

PIKE COUNTY, GEORGIA

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(CONTINUED)

	Balance June 30, 2011	Additions	Deletions	Balance June 30, 2012
Tax Commissioner's Office				
Assets				
Cash and cash equivalents	$ 84,928	$ 8,899,670	$ 8,914,533	$ 70,065
Total Assets	$ 84,928	$ 8,899,670	$ 8,914,533	$ 70,065
Liabilities				
Due to Board of Education	$ 68,536	$ 7,736,315	$ 7,748,579	$ 56,272
Due to State of Georgia	1,065	102,460	102,695	830
Due to Other Governments	1,394	69,408	69,747	1,055
Other	13,933	991,487	993,512	11,908
Total Liabilities	$ 84,928	$ 8,899,670	$ 8,914,533	$ 70,065

PIKE COUNTY, GEORGIA

BALANCE SHEET
PIKE COUNTY AGRIBUSINESS AUTHORITY
COMPONENT UNIT
JUNE 30, 2012

ASSETS		
Cash and cash equivalents	$	17,689
Total Assets	$	17,689
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	$	495
Total Liabilities		495
Fund Balance:		
Unassigned		17,194
Total Fund Balance		17,194
Total Liabilities and Fund Balance	$	17,689

PIKE COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
PIKE COUNTY AGRIBUSINESS AUTHORITY
COMPONENT UNIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Revenues:		
Intergovernmental revenue	$	17,532
Interest earnings		14
Other miscellaneous revenues		888
Total Revenues		18,434
Expenditures:		
Current:		
General government		19,502
Capital Outlay		24,227
Total Expenditures		43,729
Net change in fund balance		(25,295)
Fund Balance, beginning of year		42,489
Fund Balance, end of year	$	17,194

PIKE COUNTY, GEORGIA

BALANCE SHEET
PIKE COUNTY LIBRARY
COMPONENT UNIT
JUNE 30, 2012

ASSETS		
Cash and cash equivalents	$	102,451
Total Assets	$	102,451
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	$	3,674
Accrued liabilities		2,396
Total Liabilities		6,070
Fund Balance:		
Unassigned		96,381
Total Fund Balance		96,381
Total Liabilities and Fund Balance	$	102,451

PIKE COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
PIKE COUNTY LIBRARY
COMPONENT UNIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Revenues:		
Intergovernmental revenue	$	86,492
Fees		3,993
Interest earnings		142
Other miscellaneous revenues		1,223
Total Revenues		91,850
Expenditures:		
Current:		
Culture and recreation		90,931
Total Expenditures		90,931
Net change in fund balance		919
Fund Balance, beginning of year		95,462
Fund Balance, end of year	$	96,381

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GOVERNMENTAL REPORTS

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PIKE COUNTY, GEORGIA

SCHEDULE OF PROJECT EXPENDITURES WITH SPECIAL SALES TAX PROCEEDS
FOR THE TWELVE MONTHS ENDED JUNE 30, 2012

Project 2011 Special Local Option Sales Tax	Original Estimated Budget	Expenditures Prior Years	Expenditures Current Year	Total	Estimated Percentage of Completion
Courthouse Renovations	$2,500,000	$ 18,251	$ 1,395,081	$ 1,413,332	57%
Road, Street and Bridge Projects	2,900,000	-	-	-	0%
Total 2011 SPLOST	$5,400,000	$ 18,251	$ 1,395,081	$ 1,413,332	

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Commissioners
Pike County, Georgia
Zebulon, Georgia

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Pike County, Georgia as of and for the fiscal year ended June 30, 2012, which collectively comprise Pike County, Georgia's basic financial statements and have issued our report thereon dated December 4, 2012. Our report includes a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the Pike County Department of Public Health, Pike County Water and Sewerage Authority, and Development Authority of Pike County, as described in our report on Pike County, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

Management of Pike County, Georgia is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Pike County, Georgia's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Pike County, Georgia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Pike County, Georgia's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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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 deficiencies described in the accompanying schedule of findings and responses to be material weaknesses. 2012-01, 2012-02

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Pike 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standard.*

We noted certain matters that we reported to management of Pike County, Georgia in a separate letter dated December 4, 2012.

Pike County, Georgia's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit Pike County, Georgia's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, and management and is not intended to be and should not be used by anyone other than these specified parties.

Macon, Georgia
December 4, 2012

PIKE COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

FINANCIAL STATEMENT FINDINGS

Findings noted on the 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*:

2012-01 Capital Assets

CRITERIA
Accounting and control procedures should be designed to ensure that capital asset activity is recorded in accordance with generally accepted accounting principles.

CONDITION
The County's capital asset records did not include a building that was donated to the County in a prior year.

CONTEXT / CAUSE
As a result of capital asset audit procedures, the County has determined that the Library building and land which was donated to the County in 1988 was not properly recorded in the County's capital asset records. Audit adjustments were necessary to record the building in the amount of $246,408, accumulated depreciation of $112,119 and land value of $8,617.

EFFECT
A prior period adjustment of $142,906 was necessary to correct capital asset records for the year ended June 30, 2011.

RECOMMENDATION
The County should review all capital assets records to ensure that the capital asset records are complete, accurate and properly reported.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS
We agree with the finding. We will review all records necessary to ensure that the Counties Capital Assets are recorded properly.

COMPONENT UNIT – J. JOEL EDWARDS LIBRARY

2012-02 General Ledger Maintenance

CRITERIA
Timely and accurate accounting records are essential in order to perform analysis of the financial condition, review data for accuracy and completeness, monitor compliance with budget appropriations, and to prepare annual financial statements.

CONDITION
The Library did not properly record all accounting transactions for the year ended June 30, 2012.

CONTEXT/CAUSE
The Library is a small governmental entity with limited staff. In addition, the Library experience turnover of personnel during the year. After June 30, 2012, the accounting records were prepared on the cash basis of accounting.

EFFECT
Audit adjustments of $6,104 were necessary to record prior year audit adjusting entries and to correct the beginning fund balance. Audit adjustments of $6,070 were necessary to record accounts payable for the year ended June 30, 2012.

RECOMMENDATION
The Library should record all audit adjusting entries provided by the auditor and the general ledger should be maintained on the modified accrual bases of accounting.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS
We agree with the finding. We will record all audit adjusting entries provided by the auditor and the general ledger will be maintained on the modified accrual bases of accounting.