PIKE COUNTY, GEORGIA



ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

PIKE COUNTY, GEORGIA

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

PIKE COUNTY, GEORGIA

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Pike County, Georgia
Zebulon, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Pike County, Georgia as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Pike County Department of Public Health which represents 2 percent, 0 percent, and 27 percent, respectively, of the assets, net positions, and revenues of the component units of Pike County, Georgia. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Pike County Department of Public Health is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Pike County, Georgia, as of June 30, 2016, 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 year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages 4 through 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Pike County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, the Pike County Agribusiness Authority statements, and the schedule of projects constructed with special sales tax proceeds are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules, the Pike County Agribusiness Authority statements, and the schedule of projects constructed with special sales tax proceeds are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of

America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements, budgetary comparison schedules, the Pike County Agribusiness Authority statements, and the schedule of projects constructed with special sales tax proceeds are fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2017, on our consideration of Pike County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Pike County, Georgia's internal control over financial reporting and compliance.

Macon, Georgia
January 31, 2017

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, 2016.

FINANCIAL HIGHLIGHTS

- The assets of the County exceeded its liabilities as of June 30, 2016, by $11,766,367 (net position).
- As of June 30, 2016, total net position consisted of $8,007,527 net investment in capital assets, $718,526 restricted for capital outlay, $404,321 restricted for Road projects, $44,899 restricted for Court Programs, $216,886 restricted for Law enforcement and $ 2,374,208 unrestricted.
- As of June 30, 2016, the County's governmental Funds reported ending fund balance of $8,570,635, an increase of $4,456,821 in comparison with the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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, 2016, the County had the following governmental funds; the General Fund, five Special Revenue Funds and six 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 24 of this report.

Notes to the Financial Statements

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by $11,766,367 at the close of the most recent year.

A significant portion of the County's net position reflects its net investment in capital assets. As of June 30, 2016, the investment consists of $17,346,397 in assets, accumulated depreciation of $8,410,051, and related long-term debt outstanding of $ 928,819.

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

For the year ended June 30, 2016 net capital assets increased $173,936. Long-term liabilities including the issuance of the 2016 Bonds payable for Special Local Option Sales Tax increased $4,277,322 as of June 30, 2016, compared to June 30, 2015. The increase is the result of the County's efforts to move road projects forward by taking advantage of low interest rates and low construction costs for more immediate results on the County's road infrastructure.

	Pike County, Georgia Net Position Governmental Activites	
	6/30/2016	6/30/2015
ASSETS		
Current & Other assets	$ 9,338,048	$ 4,958,238
Capital assets	8,936,346	8,762,410
Total assets	18,274,394	13,720,648
LIABILITIES		
Current & Other liabilities	527,190	569,543
Long Term liabilities	5,980,837	1,703,515
Total liabilities	6,508,027	2,273,058
NET POSITION		
Net investment in capital assets	8,007,527	7,487,534
Restricted- Capital Outlay	718,526	805,543
Restricted - Other	666,106	613,954
Unrestricted	2,374,208	2,540,559
Total Net position	$ 11,766,367	$ 11,447,590

	Change in Net Position Governmental Activities	
	6/30/2016	6/30/2015
REVENUES		
Program Revenues		
Charges for services	$ 1,352,134	$ 1,156,910
Operating grants & contributions	616,360	654,293
Capital grants & contributions	569	6,067
General Revenues		
Property Taxes	5,501,694	5,462,507
Other Taxes	3,943,599	3,807,393
Interest revenue	1,651	1,767
Other	242,735	105,511
Total Revenues	11,658,742	11,194,448
EXPENSES		
General government	2,270,271	1,729,237
Public Safety	3,299,998	3,349,926
Public Works	3,336,813	2,524,390
Courts	1,034,321	1,043,575
Health & Welfare	552,681	535,786
Culture & Recreation	480,376	394,149
Economic Development	291,374	263,347
Interest on Long-term debt	74,131	62,325
Total Expenses	11,339,965	9,902,735
Increase (decrease) in net position	318,777	1,291,713
Net position beginning of year	11,447,590	10,155,877
Net position end of year	$ 11,766,367	$ 11,447,590

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, 2016, the County's governmental funds reported ending fund balance of $8,570,635. Of this balance, $4,660 constitutes nonspendable, $5,987,932 restricted, $1,029,171 assigned, $200,000 committed, all of which are not available for spending at the government's discretion. The remainder of fund balance $1,348,872 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 11.4% of total governmental fund expenditures.

The fund balance of the County's governmental funds increased $4,456,821 during the current fiscal year. The large increase is primarily from the 2016 Special Local Option Sales Tax Fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

One of the notable changes was the transfer of $ 832,088 to other funds. The County transferred $ 265,405 to the E911 fund and $ 566,683 to the Local Maintenance & Improvement Fund (LMIG). The ($110,681) net change in Fund Balances can be directly attributed to improvement of road infrastructure. Additionally, the County assigned $1,000,000 to a reserve account , held certificates of deposit as an ongoing effort to better utilized funds.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The County's investment in capital assets for its governmental activities as of June 30, 2016 amounts to $8,936,346 net of accumulated depreciation. The investment in capital assets consists primarily of automobiles, machinery and equipment. For the current year, the investment in capital assets increased by $173,936. See note 8 in the notes to the financial statements for more detail on capital assets.

	Governmental Activites
Land	$ 317,020
Buildings	7,389,131
Furniture and fixtures	5,693
Machinery and equipment	4,813,107
Vehicles	4,057,941
Intangible Assets	27,995
Infrastructure	735,510
Total Capital Assets	17,346,397
Accumulated Depreciation	(8,410,051)
Total	$ 8,936,346

Long-Term Debt

As of June 30, 2016, the County's long-term debt consisted of compensated absences, notes payable, landfill postclosure cost, bonds payable and additional capital leases. See Note 9 in the Notes to the Financial Statements for more detail on long-term liabilities.

ECONOMIC FACTORS

During the year 2016, notable events were as follows:

The economy began a slow growth movement as we saw slight revenues increases throughout the revenue collections categories. The County worked diligently to control expenditures while under taking some major capital improvements to communications for our law enforcement and emergency services. The County by design utilized fund balance to expand road improvements, in preparation for the 2016 Special Local Option Tax Projects for the coming year. The County also began to utilize certificates of deposit to earn additional interest with our reserve dollars. The passage of 2016 Special Local Option Sales Tax for roads, streets and bridges prompted the issuance of Bonds to move road projects forward to take advantage of low interest rates and low construction costs for more immediate results on our roads infrastructure.

REQUESTS FOR INFORMATION

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

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FINANCIAL STATEMENTS

PIKE COUNTY, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2016

	Primary Government	
	Governmental Activities	Component Units
ASSETS		
Cash and cash equivalents	$ 7,773,974	$ 562,687
Certificate of deposit	1,000,000	-
Receivables, net of allowance		
Taxes	263,509	-
Accounts	128,434	23,657
Accrued interest	-	805
Due from other governments	167,471	-
Inventory	3,244	-
Prepaid items	1,416	-
Restricted assets:		
Temporary cash investments	-	132,126
Capital assets		
Non depreciable	317,020	499,952
Depreciable, net	8,619,326	7,457,333
Total Assets	18,274,394	8,676,560
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions	-	42,535
Total Deferred Outflows of Resources	-	42,535

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

PIKE COUNTY, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2016
(CONTINUED)

	Primary Government Governmental Activities	Component Units
LIABILITIES		
Accounts payable	321,680	38,743
Accrued salaries and benefits	205,510	14,710
Customer deposits	-	25,008
Noncurrent liabilities		
Due within one year		
Notes payable	9,655	460,883
Capital leases	149,395	-
Landfill postclosure cost	30,000	-
Compensated absences	116,312	18,894
Due in more than one year		
Notes payable	-	2,310,702
Capital leases	769,769	-
Bonds payable	4,640,000	-
Landfill postclosure cost	222,687	-
Compensated absences	43,019	27,746
Net pension liability	-	269,215
Total Liabilities	6,508,027	3,165,901
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pensions	-	24,150
Total Deferred Inflows of Resources	-	24,150
NET POSITION		
Net investment in capital assets	8,007,527	5,185,700
Restricted for		
Capital outlay	718,526	-
Road projects	404,321	-
Court programs	44,899	-
Law enforcement	216,886	-
Health services	-	133,391
Debt service	-	132,126
Unrestricted	2,374,208	77,827
Total Net Position	$ 11,766,367	$ 5,529,044

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, 2016

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	$ 2,270,271	$ 888,444	$ 75,371	$ -
Public safety	3,299,998	463,097	41,311	569
Public works	3,336,813	593	371,864	-
Courts	1,034,321	-	-	-
Health and welfare	552,681	-	127,814	-
Culture and recreation	480,376	-	-	-
Economic development	291,374	-	-	-
Interest on long-term debt	74,131	-	-	-
Total governmental activities	11,339,965	1,352,134	616,360	569
Total Primary Government	$ 11,339,965	$ 1,352,134	$ 616,360	$ 569
Component Units				
Pike County Department of Public Health	$ 373,459	$ 186,884	$ 207,282	$ -
Pike County J. Joel Edwards Public Library	126,165	7,383	117,311	8,565
Pike County Water and Sewerage Authority	353,772	131,996	141,180	-
Pike County Agribusiness Authority	59,710	39,923	13,000	-
Development Authority of Pike County	75,661	-	100,000	-
Pike County Recreation Authority	455,917	177,437	281,201	50,470
Total Component Units	$ 1,444,684	$ 543,623	$ 859,974	$ 59,035
General Revenues				
Property tax				
Sales tax				
Motor vehicle tax				
Other tax				
Interest revenue				
Miscellaneous				
Total General Revenues				
Change in Net Position				
Net Position - Beginning of year, restated				
Net Position - End of year				

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

PIKE COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(CONTINUED)

	Net (Expense) Revenue and Changes in Net Position	
	Primary Government	
	Governmental Activities	Component Units
$	(1,306,456)	
	(2,795,021)	
	(2,964,356)	
	(1,034,321)	
	(424,867)	
	(480,376)	
	(291,374)	
	(74,131)	
	(9,370,902)	
	(9,370,902)	
		$ 20,707
		7,094
		(80,596)
		(6,787)
		24,339
		53,191
		17,948
	5,501,694	-
	1,721,673	-
	1,094,026	-
	1,127,900	-
	1,651	1,424
	242,735	770
	9,689,679	2,194
	318,777	20,142
	11,447,590	5,508,902
$	11,766,367	$ 5,529,044

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

PIKE COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	General Fund	E911 Fund	SPLOST 2011 Fund	SPLOST 2016 Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$1,660,758	$ 80,241	$ 300,663	$4,640,000	$ 1,092,312	$ 7,773,974
Certificate of deposit	1,000,000	-	-	-	-	1,000,000
Receivables, net of allowance						
Taxes	263,509	-	-	-	-	263,509
Other receivables	70,793	57,641	-	-	-	128,434
Due from other governments	75,868	-	90,394	-	1,209	167,471
Due from other funds	82,899	-	-	-	-	82,899
Inventory	3,244	-	-	-	-	3,244
Prepaid items	1,416	-	-	-	-	1,416
Total Assets	$3,158,487	$ 137,882	$ 391,057	$4,640,000	$ 1,093,521	$ 9,420,947
LIABILITIES						
Accounts payable	$ 167,605	$ 39,010	$ 12,569	$ 36,700	$ 65,796	$ 321,680
Accrued payroll deductions	189,537	15,973	-	-	-	205,510
Due to other funds	-	82,899	-	-	-	82,899
Total Liabilities	357,142	137,882	12,569	36,700	65,796	610,089
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	240,223	-	-	-	-	240,223
Total Deferred Inflows of Resources	240,223	-	-	-	-	240,223
FUND BALANCES						
Nonspendable	4,660	-	-	-	-	4,660
Restricted	-	-	378,488	4,603,300	1,006,144	5,987,932
Committed	200,000	-	-	-	-	200,000
Assigned	1,007,590	-	-	-	21,581	1,029,171
Unassigned	1,348,872	-	-	-	-	1,348,872
Total Fund Balances	2,561,122	-	378,488	4,603,300	1,027,725	8,570,635
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$3,158,487	$ 137,882	$ 391,057	$4,640,000	$ 1,093,521	$ 9,420,947

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

PIKE COUNTY, GEORGIA

RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
JUNE 30, 2016

Total Fund Balance per Balance Sheet of Governmental Funds	$	8,570,635
Amounts reported for governmental activities in the Statement of Net Position differ from amounts reported in the Balance Sheet of Governmental Funds due to the following:		
Capital Assets		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost of the assets		17,346,397
Accumulated depreciation		(8,410,051)
Revenues		
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		240,223
Long-term Liabilities		
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities both current and long-term are reported in the Statement of Net Position. Long-term liabilities at year-end consist of the following:		
Capital lease		(919,164)
Notes payable		(9,655)
Bonds payable		(4,640,000)
Landfill closure costs		(252,687)
Compensated absences		(159,331)
Total Net Position of Governmental Activities	$	11,766,367

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, 2016

	General Fund	E911 Fund	SPLOST 2011 Fund	SPLOST 2016 Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES						
Taxes						
Property tax	$5,536,352	$ -	$ -	$ -	$ -	$ 5,536,352
Sales tax	732,348	-	989,325	-	-	1,721,673
Other taxes	2,221,926	-	-	-	-	2,221,926
License and permits	190,868	-	-	-	145,344	336,212
Intergovernmental	244,497	-	-	-	371,864	616,361
Fines and forfeitures	382,489	-	-	-	149,687	532,176
Charges for services	170,606	313,139	-	-	-	483,745
Interest earnings	1,280	31	569	-	340	2,220
Rent	6,631	-	-	-	-	6,631
Other revenues	154,874	-	-	-	1,209	156,083
Total Revenues	9,641,871	313,170	989,894	-	668,444	11,613,379
EXPENDITURES						
Current						
General government	1,595,991	-	2,360	-	9,883	1,608,234
Public safety	2,995,830	497,448	-	-	50,383	3,543,661
Public works	1,759,394	-	645,500	-	988,979	3,393,873
Judicial	1,029,212	-	-	-	-	1,029,212
Health and welfare	553,113	-	-	-	-	553,113
Culture and recreation	410,067	-	-	-	64,150	474,217
Housing and development	291,374	-	-	-	-	291,374
Debt Service						
Principal	328,313	17,743	-	-	-	346,056
Interest and fiscal charges	37,191	240	-	-	-	37,431
Issuance Costs	-	-	-	36,700	-	36,700
Capital Outlay	-	38,144	475,412	-	49,152	562,708
Total Expenditures	9,000,485	553,575	1,123,272	36,700	1,162,547	11,876,579
Excess (Deficiency) of Revenues Over (Under) Expenditures	641,386	(240,405)	(133,378)	(36,700)	(494,103)	(263,200)
OTHER FINANCING SOURCES (USES)						
Transfers from other funds	-	240,405	-	-	591,683	832,088
Transfers to other funds	(832,088)	-	-	-	-	(832,088)
Bond Proceeds	-	-	-	4,640,000	-	4,640,000
Insurance recoveries	80,021	-	-	-	-	80,021
Total Other Financing Sources (Uses)	(752,067)	240,405	-	4,640,000	591,683	4,720,021
Net change in fund balances	(110,681)	-	(133,378)	4,603,300	97,580	4,456,821
Fund Balance - Beginning of Year	2,671,803	-	511,866	-	930,145	4,113,814
Fund Balance - End of Year	$2,561,122	$ -	$ 378,488	$4,603,300	$ 1,027,725	$ 8,570,635

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, 2016

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	$ 4,456,821
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	1,114,654
Total depreciation	(794,564)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, disposals, trade-ins, and donations) is to increase net position.	(146,154)
Long-term Debt	
The issuance of bonds and similar long-term debt provides current financial resources to governmental funds and thus contributes to the change in fund balance. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability in the Statement of Net Position. The amounts of the items that make up these differences in the treatment of long-term debt and related items are as follows:	
Debt issued or incurred	(4,640,000)
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	314,226
Note payable	31,830
Landfill closure costs	10,562
Compensated absences	6,060
Revenues	
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(34,658)
Change in Net Position of Governmental Activities	$ 318,777

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, 2016

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Taxes				
General property tax	$ 5,647,677	$ 5,647,677	$ 5,536,352	$ (111,325)
Local option sales tax	710,000	710,000	732,348	22,348
Other				
Motor vehicle tax	1,080,500	1,080,500	1,094,026	13,526
Intangible tax	50,000	50,000	89,531	39,531
Mobile home tax	12,000	12,000	16,072	4,072
Timber taxes	13,000	13,000	27,686	14,686
Insurance premium tax	720,000	720,000	809,193	89,193
Penalties and interest	117,350	117,350	132,459	15,109
Bank tax fee	40,000	40,000	52,380	12,380
Other taxes	-	-	579	579
Total Taxes	8,390,527	8,390,527	8,490,626	100,099
Licenses and Permits				
Alcohol beverage license	44,000	44,000	49,475	5,475
Business license	36,000	36,000	30,599	(5,401)
Building permits	55,000	55,000	108,526	53,526
Other	1,500	1,500	2,268	768
Total Licenses and Permits	136,500	136,500	190,868	54,368
Intergovernmental Revenues				
Federal grants	121,920	130,724	127,814	(2,910)
State grants				
Georgia Department of Transportation	-	-	-	-
Georgia Emergency Management Agency	5,861	22,907	22,907	-
Department of Juvenile Justice	8,400	8,400	8,404	4
Governor's Office of Highway Safety	-	-	10,000	10,000
Other				
Pre-Trial Diversion Program	1,000	1,000	-	(1,000)
City of Griffin	50,000	50,000	50,000	-
Real estate transfer tax	12,000	12,000	25,372	13,372
Total Intergovernmental Revenue	199,181	225,031	244,497	19,466

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, 2016
(CONTINUED)

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Fines and Forfeitures				
Superior Court fines	100,000	100,000	112,989	12,989
Probate Court fines	110,000	110,000	111,000	1,000
Magistrate Court fines	20,000	20,000	19,344	(656)
Sheriff's cost and fees	113,651	137,711	139,156	1,445
Total Fines and Forfeitures	343,651	367,711	382,489	14,778
Charges for Services				
Tax Commissioner - commissions	213,000	213,000	169,743	(43,257)
Drive way culverts	1,000	1,000	593	(407)
Fire fees	-	-	270	270
Total Charges for Services	214,000	214,000	170,606	(43,394)
Miscellaneous				
Interest earnings	832	832	1,280	448
Rents	-	-	6,631	6,631
Miscellaneous	14,300	156,478	154,874	(1,604)
Total Miscellaneous	15,132	157,310	162,785	5,475
Total Revenues	9,298,991	9,491,079	9,641,871	150,792

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, 2016
(CONTINUED)

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
General Government				
General Administration	732,071	697,838	697,838	-
Tax Commissioner's Office	226,828	226,828	221,743	5,085
Tax Assessors	293,575	293,575	279,082	14,493
Board of Equalization	1,680	1,693	1,693	-
Voter Registrar	116,141	129,437	129,437	-
Cooperative Extension Service	70,152	70,152	61,555	8,597
Code Enforcement Officer	199,876	204,643	204,643	-
Total General Government	1,640,323	1,624,166	1,595,991	28,175
Judicial				
Judicial Administration	134,430	134,430	110,451	23,979
Superior Court	306,840	312,334	312,334	-
Probate Court	156,018	156,018	144,671	11,347
Magistrate Court	196,176	196,176	183,157	13,019
Public Defender	181,315	181,315	181,315	-
District Attorney	97,640	97,640	97,284	356
Total Judicial	1,072,419	1,077,913	1,029,212	48,701
Public Safety				
Sheriff's Office	1,747,323	1,857,044	1,857,044	-
Jail Operations	748,901	725,984	710,697	15,287
Fire Department	269,250	373,223	373,223	-
Animal Control	27,426	27,426	23,405	4,021
Coroner's Office	32,412	32,412	31,461	951
Total Public Safety	2,825,312	3,016,089	2,995,830	20,259
Public Works				
Road Department	1,631,431	1,917,937	1,759,394	158,543

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, 2016
(CONTINUED)

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Health and Welfare				
DFCS	35,500	35,500	35,500	-
Ambulance Contract	275,000	275,000	274,998	2
Emergency Management	22,868	22,868	11,839	11,029
Senior Center	125,115	134,728	134,728	-
Pike County Board of Health	70,000	70,000	70,000	-
McIntosh Trail RC	24,164	26,048	26,048	-
Total Health and Welfare	552,647	564,144	553,113	11,031
Culture and Recreation				
Recreation	274,007	276,086	276,086	-
Library	110,712	112,646	112,646	-
Flint River Regional Library	11,859	11,859	11,859	-
Forestry Resources	9,544	9,544	9,476	68
Total Culture and Recreation	406,122	410,135	410,067	68
Housing and Development				
Pike County Agribusiness Authority	13,000	13,000	13,000	-
Pike County Water Authority	141,180	141,180	141,180	-
Soil Conservation	37,592	37,592	37,194	398
Development Authority	100,000	100,000	100,000	-
Total Housing and Development	291,772	291,772	291,374	398
Debt Service				
Principal	226,638	328,313	328,313	-
Interest and fiscal charges	21,893	37,191	37,191	-
Total Debt Service	248,531	365,504	365,504	-
Total Expenditures	8,668,557	9,267,660	9,000,485	267,175
Excess Revenue Over (Under) Expenditures	630,434	223,419	641,386	417,967

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, 2016
(CONTINUED)

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Other Financing Sources (Uses)				
Transfer to E911 Fund	(213,038)	(251,182)	(240,405)	10,777
Transfer to LMIG Fund	(436,118)	(566,683)	(566,683)	-
Transfer to Capital Improvements Fund	(25,000)	(25,000)	(25,000)	-
Insurance recoveries	15,000	80,022	80,021	(1)
Total Other Financing Sources (Uses)	(659,156)	(762,843)	(752,067)	10,776
Net change in fund balance	(28,722)	(539,424)	(110,681)	428,743
Fund Balance - Beginning of Year	2,671,803	2,671,803	2,671,803	-
Fund Balance - End of Year	$2,643,081	$2,132,379	$2,561,122	$ 428,743

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

PIKE COUNTY, GEORGIA

E-911 FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(CONTINUED)

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for services	$ 251,000	$ 251,000	$ 313,139	$ 62,139
Interest income	50	50	31	(19)
Total Revenues	251,050	251,050	313,170	62,120
EXPENDITURES				
Current				
Public safety	497,448	497,448	497,448	-
Debt Service				
Principal	17,743	17,743	17,743	-
Interest	240	240	240	-
Capital outlay	-	38,144	38,144	-
Total Expenditures	515,431	553,575	553,575	-
Excess (deficiency) of revenues over (under) expenditures	(264,381)	(302,525)	(240,405)	62,120
OTHER FINANCING SOURCES (USES)				
Transfers from General Fund	213,038	251,182	240,405	(10,777)
Total Other Financing Sources (Uses)	213,038	251,182	240,405	(10,777)
Net change in fund balance	(51,343)	(51,343)	-	51,343
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	$ (51,343)	$ (51,343)	$ -	$ 51,343

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

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PIKE COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2016

	Agency Funds
ASSETS	
Cash and cash equivalents	$ 487,086
Total Assets	$ 487,086
LIABILITIES	
Due to other governments	$ 346,173
Due to others	140,913
Total Liabilities	$ 487,086

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

PIKE COUNTY, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2016

	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	$ 138,125	$ 84,176	$ 128,643	$ 13,945	$ 83,376	$ 114,422	$ 562,687
Receivables							
Accounts	12,308	-	10,955	-	-	394	23,657
Accrued interest	-	-	805	-	-	-	805
Non-current							
Restricted temporary cash investments	-	-	132,126	-	-	-	132,126
Capital Assets							
Nondepreciable	-	-	-	24,952	-	475,000	499,952
Depreciable capital assets, net	8,904	7,708	4,520,815	44,574	2,376,304	499,028	7,457,333
Total Assets	159,337	91,884	4,793,344	83,471	2,459,680	1,088,844	8,676,560
Deferred Outflows of Resources							
Employer pension contributions	42,535	-	-	-	-	-	42,535
Total Deferred Outflows of Resources	42,535	-	-	-	-	-	42,535
LIABILITIES							
Current Liabilities							
Accounts payable	-	1,505	2,871	-	28,337	6,030	38,743
Accrued liabilities	-	4,862	1,823	-	-	8,025	14,710
Compensated absences	10,680	225	-	-	-	7,989	18,894
Meter deposit	-	-	25,008	-	-	-	25,008
Notes payable	-	-	37,172	-	423,711	-	460,883
Long-term Liabilities							
Compensated absences	27,746	-	-	-	-	-	27,746
Notes payable (net of current portion)	-	-	2,310,702	-	-	-	2,310,702
Net pension liability	269,215	-	-	-	-	-	269,215
Total Liabilities	307,641	6,592	2,377,576	-	452,048	22,044	3,165,901
DEFERRED INFLOWS OF RESOURCES							
Proportionate share of collective deferred inflows of resources - Pension plan	24,150	-	-	-	-	-	24,150
Total Deferred Inflows of Resources	24,150	-	-	-	-	-	24,150
NET POSITION							
Net investment in capital assets	8,904	7,708	2,172,941	69,526	1,952,593	974,028	5,185,700
Restricted	133,391	-	132,126	-	-	-	265,517
Unrestricted (deficit)	(272,214)	77,584	110,701	13,945	55,039	92,772	77,827
Total Net Position	$ (129,919)	$ 85,292	$ 2,415,768	$ 83,471	$ 2,007,632	$ 1,066,800	$ 5,529,044

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

PIKE COUNTY, GEORGIA
COMBINING STATEMENTS OF ACTIVITIES
COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	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	$ -	$ -	$ -	$ 59,710	$ 62,370	$ -	$ 122,080
Health and welfare	373,459	-	-	-	-	-	373,459
Culture and recreation	-	126,165	-	-	-	455,917	582,082
Water and sewer	-	-	245,726	-	-	-	245,726
Interest on long term debt	-	-	108,046	-	13,291	-	121,337
Total Expenses	373,459	126,165	353,772	59,710	75,661	455,917	1,444,684
REVENUES							
Program revenues:							
Charges for services	186,884	7,383	131,996	39,923	-	177,437	543,623
Operating grants and contributions	207,282	117,311	141,180	13,000	100,000	281,201	859,974
Capital grants and contributions	-	8,565	-	-	-	50,470	59,035
Total Program Revenues	394,166	133,259	273,176	52,923	100,000	509,108	1,462,632
Net Program (Expense)	20,707	7,094	(80,596)	(6,787)	24,339	53,191	17,948
GENERAL REVENUES							
Interest earnings	79	59	1,228	3	23	32	1,424
Miscellaneous	-	770	-	-	-	-	770
Total General Revenues	79	829	1,228	3	23	32	2,194
Change in Net Position	20,786	7,923	(79,368)	(6,784)	24,362	53,223	20,142
Net Position - Beginning of year, restated	(150,705)	77,369	2,495,136	90,255	1,983,270	1,013,577	5,508,902
Net Position - End of year (deficit)	$ (129,919)	$ 85,292	$2,415,768	$ 83,471	$ 2,007,632	$1,066,800	$5,529,044

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.

A. Reporting Entity

In conformity with generally accepted accounting principles, as set forth in Statement of Governmental Accounting Standards Board (GASB) No. 61 "The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and 34," the County's relationships with other governments and agencies have been examined. The component unit columns in the combined financial statements include the financial data for the Pike County Department of Public Health, Pike County Library, Pike County Agribusiness Authority, Development Authority of Pike County, Pike County Water Authority, and the Pike County Recreation Authority, as of June 30, 2016. 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. Separate financial statements may be obtained from their administrative office at the following location:

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

Pike County Agribusiness Authority

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

Development Authority of Pike County

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

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

Pike County Water and Sewerage Authority

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

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

Pike County Recreation Authority

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

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

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

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

B. Government-Wide and Fund Financial Statements

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

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

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

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

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

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 – The special revenue fund is used to account for the E911 fees collected and disbursements for the operations of the E911 call center.

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

2016 SPLOST Fund – The capital project fund is used to account for the bond 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. Capital improvements fund was established to identify and monitor major capital expenditures of the County's various departments.

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

D. Deposits and Investments

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

E. Receivables

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

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

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

F. Inventories

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

G. Prepaid Items

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

H. Capital Assets

Capital assets, which include property, plant equipment and infrastructure assets (e.g. roads, bridges, sidewalks and similar items acquired subsequent to November 1, 2003) are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, 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 acquisition 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 $37,431. Of this amount, $0 was applicable to construction of capital assets.

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

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

I. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide; proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

J. Long-Term Obligations

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

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

K. Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government only has one item that qualifies for reporting in

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

L. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

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

M. Fund Equity

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

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

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.

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, 2016:

	General Fund	SPLOST 2011 Fund	SPLOST 2016 Fund	Nonmajor Governmental	Total
Fund Balances					
Nonspendable					
Inventory	$ 3,244	$ -	$ -	$ -	$ 3,244
Prepaids	1,416	-	-	-	1,416
Restricted for					
Capital outlay	-	378,488	4,603,300	340,038	5,321,826
Road projects	-	-	-	404,321	404,321
Court programs	-	-	-	44,899	44,899
Law enforcement	-	-	-	216,886	216,886
Committed for					
Economic development	100,000	-	-	-	100,000
Water Infrastructure	100,000	-	-	-	100,000
Assigned for					
Working capital	1,003,646	-	-	-	1,003,646
Juvenile court	-	-	-	14,487	14,487
Fire department	3,944	-	-	7,094	11,038
Unassigned	1,348,872	-	-	-	1,348,872
Total fund balances	$2,561,122	$378,488	$4,603,300	$ 1,027,725	$8,570,635

N. Risk Management

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

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

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, 2016, the County's total contribution was $99,027 for the Workers Compensation Fund.

The County is a member of the ACCG Interlocal Risk Management Agency (ACCG-IRMA). This agency functions as a risk sharing arrangement among Georgia County governments and is administered by the Association of County Commissioners of Georgia (ACCG). The purpose of ACCG-IRMA is to establish and administer one or more group self-insurance funds; to establish and administer a risk management service; and to prevent or lessen the incidence or severity of casualty and property losses. Each member pays an annual contribution established by the Board of ACCG-IRMA. For the period July 1, 2014 – June 30, 2016, the County's total contribution was $133,072. 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.

NOTE 3 – DEPOSITS

Credit Risk

State statutes authorize the County to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law (Georgia Fund 1); repurchase agreements; and obligations of other political subdivisions of the State of Georgia. At June 30, 2016, the County's only investments were in certificates of deposit.

At June 30, 2016, the County's investments in certificates of deposit were as follows:

	Maturity	Amount
Certificates of deposit - General Fund		
CIT Bank CD	3 months	$ 250,000
Merrick Bank Corporation CD	3 months	250,000
Community Bank CD	3 months	250,000
Patriot Bank CD	3 months	250,000
		$ 1,000,000

Interest Rate Risk

The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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, 2016, 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, 2016, the carrying amount of deposits for the Pike County Department of Public Health, a discretely presented component unit, was $138,125. All of the bank balance was covered by federal depository insurance or by collateral held.

At June 30, 2016, the carrying amount of deposits for the Pike County Library, a discretely presented component unit, was $84,176. All of the bank balance was covered by federal depository insurance or by collateral held.

At June 30, 2016, the carrying amount of deposits for the Pike County Water and Sewerage Authority, a discretely presented component unit, was $260,407. All of the bank balance was covered by federal depository insurance or by collateral held.

At June 30, 2016, the carrying amount of deposits for the Pike County Agribusiness Authority, a discretely presented component unit, was $13,945. All of the bank balance was covered by federal depository insurance or by collateral held.

At June 30, 2016, the carrying amount of deposits for the Development Authority of Pike County, a discretely presented component unit, was $83,376. All of the bank balance was covered by federal depository insurance or by collateral held.

At June 30, 2016, the carrying amount of deposits for the Pike County Recreation Authority, a discretely presented component unit, was $114,422. All of the bank balance was covered by federal depository insurance or by collateral held.

NOTE 4 – PROPERTY TAXES

The Board of Commissioners levied property taxes on September 16, 2015. Property taxes attached as an enforceable lien on property as of January 1. Property taxes were billed on September 20, 2015 and were payable on December 20, 2015.

NOTE 5 – RECEIVABLES

Receivables at June 30, 2016, consist of the following:

	General Fund	E911 Fund	Total
Receivables			
Taxes	$ 360,177	$ -	$ 360,177
Accounts	70,793	57,641	128,434
Gross Receivables	430,970	57,641	488,611
Less: Allowance for Uncollectible	(96,668)	-	(96,668)
Net Total Receivables	$ 334,302	$ 57,641	$ 391,943

NOTE 6 – DUE FROM OTHER GOVERNMENTS

Amounts due from other governments at June 30, 2016, are as follows:

	State	Local	Total
Fund			
General Fund	$ 66,891	$ 8,977	$ 75,868
SPLOST 2011 Fund	90,394	-	90,394
Nonmajor Governmental Fund	-	1,209	1,209
Total	$ 157,285	$ 10,186	$ 167,471

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, 2016, is as follows:

Due to / from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	E911 Fund	$ 82,899
Total		$ 82,899

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:		
	E911 Fund	Nonmajor Governmental Fund	Total
Transfer Out:			
General Fund	$ 240,405	$ 591,683	$ 832,088
Total	$ 240,405	$ 591,683	$ 832,088

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

	Beginning Balance	Increase	Decrease	Transfer	Ending Balance
Governmental Activities					
Capital assets, not being depreciated					
Land	$ 317,020	$ -	$ -	$ -	$ 317,020
Total capital assets, not being depreciated	317,020	-	-	-	317,020
Capital assets, being depreciated					
Buildings	7,378,383	10,748	-	-	7,389,131
Furniture and Fixtures	5,693	-	-		5,693
Machinery and equipment	3,986,100	827,007	-	-	4,813,107
Vehicles	4,122,930	276,899	(341,888)	-	4,057,941
Intangible assets	27,995	-	-	-	27,995
Infrastructure	735,510	-	-	-	735,510
Total capital assets, being depreciated	16,256,611	1,114,654	(341,888)	-	17,029,377
Less accumulated depreciation for					
Buildings	(1,741,897)	(187,611)	-	-	(1,929,508)
Furniture and Fixtures	(2,867)	(816)	-		(3,683)
Machinery and equipment	(2,470,241)	(375,954)	-	-	(2,846,195)
Vehicles	(3,473,784)	(215,077)	195,734	-	(3,493,127)
Intangible assets	(27,995)	-	-	-	(27,995)
Infrastructure	(94,437)	(15,106)	-	-	(109,543)
Total accumulated depreciation	(7,811,221)	(794,564)	195,734	-	(8,410,051)
Total capital assets, being depreciated, net	8,445,390	320,090	(146,154)	-	8,619,326
Governmental activities capital assets, net	$ 8,762,410	$ 320,090	$ (146,154)	$ -	8,936,346
				Less related long-term debt outstanding	(928,819)
				Net investment in capital assets	$ 8,007,527

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

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

Governmental activities	
General government	$ 140,755
Public safety	266,919
Public works	357,136
Courts	5,109
Culture and recreation	16,907
Health and Welfare	7,738
Total depreciation expense - governmental activities	$ 794,564

Activity for the Pike County Water and Sewerage Authority for the fiscal year ended June 30, 2016 was as follows:

	Beginning Balance	Increase	Decrease	Transfers	Ending Balance
Discretely presented component units					
Capital assets, being depreciated					
Capitalized interest	$ 116,213	$ -	$ -	$ (116,213)	$ -
Water tower, well and treatment plant	367,245	13,350	-	-	380,595
Water and sewer lines	5,416,991	-	-	116,213	5,533,204
Vehicle	20,557	-	-	-	20,557
Storage building	2,700	-	-	-	2,700
Total capital assets, being depreciated	5,923,706	13,350	-	-	5,937,056
Less accumulated depreciation for					
Capitalized interest	(23,240)	(2,905)	-	26,145	-
Water tower, well and treatment plant	(70,423)	(13,906)	-	-	(84,329)
Water and sewer lines	(1,149,154)	(133,611)	-	(26,145)	(1,308,910)
Vehicle	(20,559)	-	-	-	(20,559)
Storage building	(2,100)	(343)	-	-	(2,443)
Total accumulated depreciation	(1,265,476)	(150,765)	-	-	(1,416,241)
Total capital assets, being depreciated, net	4,658,230	(137,415)	-	-	4,520,815
Water and sewerage authority capital assets, net	$4,658,230	$ (137,415)	$ -	$ -	$4,520,815

Activity for the Pike County Agribusiness Authority for the fiscal year ended June 30, 2016 was as follows:

	Beginning Balance	Increase	Decrease	Transfers	Ending Balance
Capital assets, not being depreciated					
Land	$ 24,952	$ -	$ -	$ -	$ 24,952
Total capital assets, not being depreciated	24,952	-	-	-	24,952
Capital assets, being depreciated					
Building	82,496	-	-	-	82,496
Site improvements	19,050	-	-	-	19,050
Total capital assets, being depreciated	101,546	-	-	-	101,546
Less accumulated depreciation for					
Building	(41,427)	(4,114)	-	-	(45,541)
Site improvements	(9,526)	(1,906)	-	-	(11,432)
Total accumulated depreciation	(50,953)	(6,020)	-	-	(56,973)
Total capital assets, being depreciated, net	50,593	(6,020)	-	-	44,573
Agribusiness authority capital assets, net	$ 75,545	$ (6,020)	$ -	$ -	$ 69,525

Activity for the Development Authority of Pike County for the fiscal year ended June 30, 2016 was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated				
Land	$ 2,325,308	$ 89,941	$ (38,945)	$ 2,376,304
Total capital assets, not being depreciated	2,325,308	89,941	(38,945)	2,376,304
Capital assets, being depreciated:				
Equipment	16,229	-	(8,279)	7,950
Total capital assets, being depreciated	16,229	-	(8,279)	7,950
Less accumulated depreciation for:				
Equipment	(15,434)	(795)	8,279	(7,950)
Total accumulated depreciation	(15,434)	(795)	8,279	(7,950)
Total capital assets, being depreciated, net	795	(795)	-	-
Development authority capital assets, net	$ 2,326,103	$ 89,146	$ (38,945)	$ 2,376,304

Activity for the Pike County Recreation Authority for the fiscal year ended June, 30, 2016 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	50,470	-	451,954
Furniture, fixtures & equipment	474,641	-	-	474,641
Vehicles	15,708	-	-	15,708
Infrastructure	9,780	-	-	9,780
Total capital assets, being depreciated	901,613	50,470	-	952,083
Less accumulated depreciation for				
Building	(143,563)	(14,763)	-	(158,326)
Furniture, fixtures & equipment	(250,656)	(23,909)	-	(274,565)
Vehicles	(15,708)	-	-	(15,708)
Infrastructure	(3,804)	(652)	-	(4,456)
Total accumulated depreciation	(413,731)	(39,324)	-	(453,055)
Total capital assets, being depreciated, net	487,882	11,146	-	499,028
Recreation authority capital assets, net	$962,882	$ 11,146	$ -	$974,028

NOTE 9 – LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2016, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Notes Payables					
United Bank - Sheriff Cars	$ 12,837	$ -	$ (12,837)	$ -	$ -
First Bank of Pike - Sheriff Cars	28,647	-	(18,993)	9,654	9,654
Capital Leases					
AT&T Capital Services	17,744	-	(17,744)	-	-
Caterpillar #1 - Road Equipment	877,332	-	(70,913)	806,419	73,216
Caterpillar #2 - Road Equipment	151,877	-	(151,877)	-	-
Caterpillar #3 - Road Equipment	51,637	-	(7,445)	44,192	7,625
John Deere #1 - Road Equipment	16,536	-	(8,090)	8,446	8,446
John Deere #2 - Road Equipment	118,265	-	(58,157)	60,108	60,108
General Obligation Bonds					
2016 Bonds	-	4,640,000	-	4,640,000	-
Landfill postclosure cost	263,249	-	(10,562)	252,687	30,000
Compensated absences	165,391	164,107	(170,167)	159,331	116,312
Governmental activity					
Long-term liabilities	$ 1,703,515	$ 4,804,107	$ (526,785)	$ 5,980,837	$ 305,361

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

Note Payables

United Bank – Sheriff Cars

During 2013, the County entered into an $117,250 note payable with United Bank for the financing of four Sherriff cars. The note is due in monthly installments of $3,228 to October 17, 2015. Interest is at 2.80%. Total interest paid for fiscal year 2016 was $75. The United Bank – Sheriff Cars note payable was paid in full during fiscal year 2016.

First Bank of Pike – Sheriff Cars

During 2014, the County entered into a $56,348 note payable with the First Bank of Pike for the financing of two Sheriff cars. The note is due in monthly installments of $1,619 to December 1, 2016. Interest is at 2.20%. Total interest paid for fiscal year 2016 was $441. Annual debt service requirements to maturity for this note payable are as follows:

Year Ending	Governmental Activities	
June 30th	Principal	Interest
2017	$ 9,654	$ 62
Total	$ 9,654	$ 62

Capital Lease Payables:

AT&T Capital Services, Inc.

The County obtained a $160,280 capital lease from AT&T Capital Services, Inc. for the financing of E911 equipment. The equipment has a seven-year estimated useful life. This year, $22,960 was included in depreciation expense and accumulated depreciation of $127,911. Total interest paid for fiscal year 2016 was $240. The AT&T Capital Services, Inc. capital lease payable was paid in full during fiscal year 2016.

Caterpillar Financial Services Corporation #1

The County obtained a $1,106,861 capital lease from Caterpillar Financial Services Corporation for the financing of Public Works road equipment. The equipment has a seven-year estimated useful life. This year, $207,862 was included in depreciation expense and accumulated depreciation of $803,621. Total interest paid for fiscal year 2016 was $26,911. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2016 were as follows:

Year Ending	Governmental Activities	
June 30th	Principal	Interest
2017	$ 73,216	$ 24,608
2018	733,203	2,910
Total	$ 806,419	$ 27,518

Caterpillar Financial Services Corporation #2

The County obtained a $221,000 capital lease from Caterpillar Financial Services Corporation for the financing of Public Works road equipment. The equipment has a seven-year estimated useful life. This year, $33,041 was included in depreciation expense and accumulated depreciation of $139,266. Total interest paid for fiscal year 2016 was $4,337. Capterpillar Financial Services Corporation #2 was paid in full during fiscal year 2016.

Caterpillar Financial Services Corporation #3

The County obtained a $53,987 capital lease from Caterpillar Financial Services Corporation for the financing of Public Works road equipment. The equipment has a seven-year estimated useful life. This year, $9,220 was included in depreciation expense and accumulated depreciation of $12,898. Total interest paid for fiscal year 2016 was $1,543. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2016 were as follows:

Year Ending	Governmental Activities	
June 30th	Principal	Interest
2017	$ 7,625	$ 1,303
2018	36,567	732
Total	$ 44,192	$ 2,035

John Deere Financial #1

The County obtained a $39,104 capital lease from John Deere Financial for the financing of Public Works road equipment. The equipment has a seven-year estimated useful life. This year, $11,161 was included in depreciation expense and accumulated depreciation of $42,267. Total interest paid for fiscal year 2016 was $416. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2016 were as follows:

Year Ending	Governmental Activities	
June 30th	Principal	Interest
2017	$ 8,446	$ 61
Total	$ 8,446	$ 61

John Deere Financial #2

The County obtained a $217,309 capital lease from John Deere Financial for the financing of Public Works road equipment. The equipment has a seven-year estimated useful life. This year $48,554 was included in depreciation expense and accumulated depreciation of $183,867. Total interest paid for fiscal year 2016 was $3,622. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2016 were as follows:

Year Ending	Governmental Activities	
June 30th	Principal	Interest
2017	$ 60,108	$ 1,674
Total	$ 60,108	$ 1,674

General Obligation Bonds – On June 30, 2016, the County issued the $4,640,000 Pike County, Georgia General Obligation Sales Tax Bonds Series 2016.

The Series 2016 Bonds were issued for the purpose of funding the cost of the County Projects, the Municipal Projects, capitalized interest and the cost of issuing the debt. Interest on the General Obligation Sales Tax Bonds, Series 2016 is 1.49% over the life of the bonds. Interest is paid semi-annually on March 1 and September 1 of each year and principal is to be paid on September 1. There was no interest paid for fiscal year 2016. Annual debt service requirements to maturity for this bond issue are as follows:

Year Ending	Governmental Activities	
June 30th	Principal	Interest
2017	$ -	$ 46,091
2018	630,000	64,442
2019	730,000	54,311
2020	760,000	43,210
2021	800,000	31,588
2022-2023	1,720,000	25,926
Total	$ 4,640,000	$ 265,568

Landfill Closure Costs – In 1994, the County closed its landfill site. State regulations require the County to perform certain maintenance and monitoring functions for thirty years after closure, Under GASB 18, the County is required to disclose the estimated maintenance and monitoring cost of $252,687. 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, 2016, was as follows:

	Restated Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
USDA note payable	$ 2,382,163	$ -	$ (34,289)	$ 2,347,874	$ 35,865
Water and sewer authority long-term liabilities	$ 2,382,163	$ -	$ (34,289)	$ 2,347,874	$ 35,865

Activity for the Development Authority of Pike County for the fiscal year ended June 30, 2016, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
United Bank Loan	$461,270	$ -	$ (37,559)	$423,711	$ 423,711
Development authority long-term liabilities	$461,270	$ -	$ (37,559)	$423,711	$ 423,711

Activity for the Pike County Recreation Authority for the fiscal year ended June 30, 2016, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Note Payable	$ 7,975	$ 8,402	$ (8,388)	$7,989	$ 7,989
Recreation authority long-term liabilities	$ 7,975	$ 8,402	$ (8,388)	$7,989	$ 7,989

NOTE 10 – EMPLOYEE RETIREMENT PLANS

ACCG Defined Contribution Plan

Plan Description

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

1100 Circle 75 Parkway
Suite 300
Atlanta, Georgia 30339

Funding Policy

County employees are required to contribute to the plan if they are to be members and receive the County match. The required member contribution is equal to 3% of the member's gross salary. The County is required to contribute 1% of the members' gross salary. The Plan provisions are established and may be amended by the Pike County Board of Commissioners and the ACCG 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, 2016 were $13,495. The Member's contributions to GEBCorp for the fiscal year ended June 30, 2016 were $45,785.

NOTE 11 – SPECIAL FUNDING DEFINED BENEFIT PENSION PLANS

A. Employees' Retirement System

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

B. Sheriffs' Retirement Fund of Georgia

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

C. Judges of the Probate Courts Retirement Fund of Georgia

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

D. Magistrates Retirement Fund of Georgia

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

E. Georgia Firefighters' Pension Fund

The County's Volunteer Firemen are eligible to participate in the Georgia Firefighters' Pension Fund, a voluntary pension system. The County makes no contributions to this plan. Contributions are made through monthly dues by eligible firefighters electing to participate in the plan and non-employer contributions which consist of insurance premium taxes collected and remitted by insurers directly to the pension fund in accordance with the law. The plan is administered by the Georgia Firefighters' Pension

Fund located at 2171 Eastview Parkway NE in Conyers, Georgia where separate financial statements may be obtained. This plan is considered immaterial to Pike County's financial statements.

F. Peace Officers' Annuity and Benefit Fund of Georgia

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

NOTE 12 – CONTINGENT LIABILITIES

A. Litigation

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

B. Federal Grants

The County participates in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives, and the audits of these programs for or including the fiscal year ended June 30, 2016, have not yet been conducted. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

NOTE 13 – EVALUATION OF SUBSEQUENT EVENTS

The County has evaluated subsequent events through January 31, 2017, the date which the financial statements were available to be issued.

NOTE 14 – RESTATEMENT OF EQUITY BALANCE – PIKE COUNTY WATER AND SEWERAGE AUTHORITY (COMPONENT UNIT OF PIKE COUNTY, GEORGIA)

An adjustment of $29,021 was required to correct the USDA Loan balance.

	Pike County Water and Sewerage Authority
Net position June 30, 2015, as previously reported	$ 2,466,115
Correction of error	29,021
Net position June 30, 2015, restated	$ 2,495,136

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.

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

LMIG Fund – This fund was established to account for the proceeds and various projects associated with the Local Maintenance & Improvement Grant.

PIKE COUNTY LIBRARY

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

	Special Revenue Funds			
	Law Library	Law Enforcement Confiscation	Drug Abuse Treatment	Juvenile Court
ASSETS				
Cash and cash equivalents	$ 4,360	$ 213,992	$ 39,330	$ 14,487
Due from other governments	-	-	1,209	-
Total Assets	$ 4,360	$ 213,992	$ 40,539	$ 14,487
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ -	$ 9,039	$ -	$ -
Total Liabilities	-	9,039	-	-
Fund Balances				
Restricted	4,360	204,953	40,539	-
Assigned	-	-	-	14,487
Total Fund Balances	4,360	204,953	40,539	14,487
Total Liabilities and Fund Balances	$ 4,360	$ 213,992	$ 40,539	$ 14,487

PIKE COUNTY LIBRARY

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016
(CONTINUED)

Capital Project Funds				Total Nonmajor Governmental Funds
Impact Fees Fund	Jail Construction	Capital Improvements	LMIG Fund	
$ 375,038	$ 16,558	$ 24,226	$ 404,321	$ 1,092,312
-	-	-	-	1,209
$ 375,038	$ 16,558	$ 24,226	$ 404,321	$ 1,093,521
$ 35,000	$ 4,625	$ 17,132	$ -	$ 65,796
35,000	4,625	17,132	-	65,796
340,038	11,933	-	404,321	1,006,144
-	-	7,094	-	21,581
340,038	11,933	7,094	404,321	1,027,725
$ 375,038	$ 16,558	$ 24,226	$ 404,321	$ 1,093,521

PIKE COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Special Revenue Funds			
	Law Library	Law Enforcement Confiscation	Drug Abuse Treatment	Juvenile Court
REVENUES				
Licenses and Permits	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-
Fines and forfeitures	5,686	117,950	10,557	2,185
Other revenues	-	-	1,209	-
Interest earnings	-	2	37	8
Total Revenues	5,686	117,952	11,803	2,193
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	6,540	12,131	5,813	4,098
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	6,540	12,131	5,813	4,098
Excess (Deficiency) of Revenues Over (Under) Expenditures	(854)	105,821	5,990	(1,905)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(854)	105,821	5,990	(1,905)
Fund balance, beginning of year	5,214	99,132	34,549	16,392
Fund balance, end of year	$ 4,360	$ 204,953	$ 40,539	$ 14,487

PIKE COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(CONTINUED)

Capital Project Funds				Total Nonmajor Governmental Funds
Impact fees Fund	Jail Construction	Capital Improvements	LMIG Fund	
$ 145,344	$ -	$ -	$ -	$ 145,344
-	-	-	371,864	371,864
-	13,309	-	-	149,687
-	-	-	-	1,209
167	10	7	109	340
145,511	13,319	7	371,973	668,444
-	-	9,883	-	9,883
-	21,801	-	-	50,383
-	-	-	988,979	988,979
64,150	-	-	-	64,150
35,000	-	14,152	-	49,152
99,150	21,801	24,035	988,979	1,162,547
46,361	(8,482)	(24,028)	(617,006)	(494,103)
-	-	25,000	566,683	591,683
-	-	25,000	566,683	591,683
46,361	(8,482)	972	(50,323)	97,580
293,677	20,415	6,122	454,644	930,145
$ 340,038	$ 11,933	$ 7,094	$ 404,321	$ 1,027,725

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, 2016

	Final Budget	Actual	Variance with Final Budget
REVENUES			
Fines and forfeitures	$ 2,500	$ 5,686	$ 3,186
Total Revenues	2,500	5,686	3,186
EXPENDITURES			
Current			
Public safety	6,540	6,540	-
Total Expenditures	6,540	6,540	-
Net change in fund balance	(4,040)	(854)	3,186
Fund balance - beginning of year	5,214	5,214	-
Fund balance - end of year	$ 1,174	$ 4,360	$ 3,186

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, 2016

	Final Budget	Actual	Variance with Final Budget
REVENUES			
Fines and forfeitures	$ -	$ 117,950	$ 117,950
Interest income	-	2	2
Total Revenues	-	117,952	117,952
EXPENDITURES			
Current			
Public safety	12,131	12,131	-
Total Expenditures	12,131	12,131	-
Net change in fund balance	(12,131)	105,821	117,952
Fund balance - beginning of year	99,132	99,132	-
Fund balance - end of year	$ 87,001	$ 204,953	$ 117,952

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, 2016

	Final Budget	Actual	Variance with Final Budget
REVENUES			
Fines and forfeitures	$ 10,000	$ 10,557	$ 557
Other income	-	1,209	
Interest income	-	37	37
Total Revenues	10,000	11,803	594
EXPENDITURES			
Current			
Public safety	10,000	5,813	4,187
Total Expenditures	10,000	5,813	4,187
Net change in fund balance	-	5,990	4,781
Fund balance - beginning of year	34,549	34,549	-
Fund balance - end of year	$ 34,549	$ 40,539	$ 4,781

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, 2016

	Final Budget	Actual	Variance with Final Budget
REVENUES			
Intergovernmental revenues	$ 2,500	$ -	$ (2,500)
Fines and forfeitures	2,500	2,185	(315)
Interest income	-	8	8
Total Revenues	5,000	2,193	(2,807)
EXPENDITURES			
Current			
Public safety	5,000	4,098	902
Total Expenditures	5,000	4,098	902
Net change in fund balance	-	(1,905)	(1,905)
Fund balance - beginning of year	16,392	16,392	-
Fund balance - end of year	$ 16,392	$ 14,487	$ (1,905)

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PIKE COUNTY, GEORGIA

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016
Total - All Agency Funds				
ASSETS				
Cash and cash equivalents	$ 399,671	$ 12,576,856	$ 12,489,441	$ 487,086
Total Assets	$ 399,671	$ 12,576,856	$ 12,489,441	$ 487,086
LIABILITIES				
Due to Board of Education	$ 127,854	$ 7,592,379	$ 7,380,968	$ 339,265
Due to State of Georgia	143,278	1,718,478	1,861,624	132
Due to Other Governments	7,902	126,601	127,727	6,776
Other	120,637	3,139,398	3,119,122	140,913
Total Liabilities	$ 399,671	$ 12,576,856	$ 12,489,441	$ 487,086

PIKE COUNTY, GEORGIA

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(CONTINUED)

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016
Superior Court				
ASSETS				
Cash and cash equivalents	$ 45,702	$ 205,449	$ 209,906	$ 41,245
Total Assets	$ 45,702	$ 205,449	$ 209,906	$ 41,245
LIABILITIES				
Other	$ 45,702	$ 205,449	$ 209,906	$ 41,245
Total Liabilities	$ 45,702	$ 205,449	$ 209,906	$ 41,245
Probate Court				
ASSETS				
Cash and cash equivalents	$ 5,712	$ 87,523	$ 88,223	$ 5,012
Total Assets	$ 5,712	$ 87,523	$ 88,223	$ 5,012
LIABILITIES				
Other	$ 5,712	$ 87,523	$ 88,223	$ 5,012
Total Liabilities	$ 5,712	$ 87,523	$ 88,223	$ 5,012

PIKE COUNTY, GEORGIA

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(CONTINUED)

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016
Magistrate Court				
ASSETS				
Cash and cash equivalents	$ 4,050	$ 41,627	$ 41,303	$ 4,374
Total Assets	$ 4,050	$ 41,627	$ 41,303	$ 4,374
LIABILITIES				
Other	$ 4,050	$ 41,627	$ 41,303	$ 4,374
Total Liabilities	$ 4,050	$ 41,627	$ 41,303	$ 4,374
Sheriff's Office				
ASSETS				
Cash and cash equivalents	$ 31,558	$ 13,346	$ 12,994	$ 31,910
Total Assets	$ 31,558	$ 13,346	$ 12,994	$ 31,910
LIABILITIES				
Other	$ 31,558	$ 13,346	$ 12,994	$ 31,910
Total Liabilities	$ 31,558	$ 13,346	$ 12,994	$ 31,910

PIKE COUNTY, GEORGIA

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(CONTINUED)

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016
Tax Commissioner's Office				
ASSETS				
Cash and cash equivalents	$ 312,649	$ 12,228,911	$ 12,137,015	$ 404,545
Total Assets	$ 312,649	$ 12,228,911	$ 12,137,015	$ 404,545
LIABILITIES				
Due to Board of Education	$ 127,854	$ 7,592,379	$ 7,380,968	$ 339,265
Due to State of Georgia	143,278	1,718,478	1,861,624	132
Due to Other Governments	7,902	126,601	127,727	6,776
Other	33,615	2,791,453	2,766,696	58,372
Total Liabilities	$ 312,649	$ 12,228,911	$ 12,137,015	$ 404,545

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PIKE COUNTY, GEORGIA

BALANCE SHEET
PIKE COUNTY AGRIBUSINESS AUTHORITY
COMPONENT UNIT
JUNE 30, 2016

ASSETS		
Cash and cash equivalents	$	13,945
Total Assets	$	13,945
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	$	-
Total Liabilities		-
Fund Balance		
Unassigned		13,945
Total Fund Balance		13,945
Total Liabilities and Fund Balance	$	13,945

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, 2016

REVENUES		
Intergovernmental revenue	$	13,000
Interest earnings		3
Other miscellaneous revenues		39,923
Total Revenues		52,926
EXPENDITURES		
Current		
General government		53,691
Total Expenditures		53,691
Net change in fund balance		(765)
Fund Balance, beginning of year		14,710
Fund Balance, end of year	$	13,945

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GOVERNMENTAL REPORT

PIKE COUNTY, GEORGIA

SCHEDULE OF PROJECT EXPENDITURES WITH SPECIAL SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Project 2011 Special Local Option Sales Tax	Original Estimated Budget	Amended Estimated Budget	Expenditures		
			Prior Years	Current Year	Total
Courthouse Renovations	$2,500,000	$3,200,000	$3,285,162	$ -	$3,285,162
Road, Street and Bridge Projects	2,900,000	2,200,000	217,333	1,123,272	1,340,605
Total 2011 SPLOST	$5,400,000	$5,400,000	$3,502,495	$1,123,272	$4,625,767

PIKE COUNTY, GEORGIA

SCHEDULE OF PROJECT EXPENDITURES WITH SPECIAL SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Project 2016 Special Local Option Sales Tax	Original Estimated Budget	Expenditures Prior Years	Expenditures Current Year	Expenditures Total
Road, Street and Bridge Projects	$4,026,432	$ -	$ -	$ -
Debt Service:				
Interest	265,568	-	-	-
Issuance Cost	-	-	36,700	36,700
Intergovernmental:				
City of Williamson	197,200	-	-	-
City of Zebulon	689,040	-	-	-
City of Meansville	174,000	-	-	-
City of Molena	241,860	-	-	-
City of Concord	205,900	-	-	-
Total 2016 SPLOST	$5,800,000	$ -	$ 36,700	$ 36,700

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

Board of Commissioners
Pike County, Georgia

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Pike County, Georgia as of and for the year ended June 30, 2016 and the related notes to the financial statements, which collectively comprise Pike County, Georgia's basic financial statements, and have issued our report thereon dated January 31, 2017. Our report includes a reference to other auditors who audited the financial statements of the Pike County Department of Public Health, as described in our report on Pike County, Georgia's financial statements. This report includes our consideration of the results of the other auditors' testing in internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Pike County, Georgia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Pike County, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of Pike County, Georgia's internal control.

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

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We and the other auditors did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be material weaknesses. 2016-001

Compliance and Other Matters

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

Pike County, Georgia's Response to the Findings

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

Purpose of this Report

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

Macon, Georgia
January 31, 2017

Cherry, Hall & Pell LLC

FINANCIAL STATEMENT FINDINGS

Findings noted on the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*:

2016-001 Accounts Payable / Expenditures

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

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

CONTEXT
Material audit adjustments were required to fairly state and classify expenditures for the fiscal year ended June 30, 2016. A summary of the adjustments is as follows:

- LMIG Fund – An audit adjustment of $26,495 was needed to reverse a prior year expenditure for the final draw request of a road project.
- 2011 SPLOST Fund – An audit adjustment of $14,905 was needed to reverse a prior year expenditure for a Public Works project.
- Jail Construction Fund – Adjustment of $4,456 was necessary to record additional accounts payable.

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

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

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

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS
We agree with the finding. We will develop procedures to insure that expenditures are recorded as the liability is incurred.

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