PIKE COUNTY, GEORGIA



ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

PIKE COUNTY, GEORGIA

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Pike County Department of Public Health, which represents 2 percent, 0 percent, and 30 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 report has 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 from material misstatement.

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

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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, 2018, and the respective changes in financial position and the respective budgetary comparison for the General Fund and the Major Special Revenue Fund, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

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 as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2019, 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 solely 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 effectiveness of Pike County, Georgia's 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
March 28, 2019

FINANCIAL STATEMENTS

PIKE COUNTY, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2018

	Primary Government Governmental Activities	Component Units
ASSETS		
Cash and cash equivalents	$ 5,003,720	$ 579,753
Receivables, net of allowance		
Taxes	157,919	-
Accounts	106,869	9,632
Accrued interest	-	233
Due from other governments	196,473	-
Inventory	4,557	-
Prepaid items	1,005	-
Restricted assets:		
Temporary cash investments	-	367,041
Capital assets		
Non depreciable	456,635	2,659,272
Depreciable, net	8,666,517	4,960,422
Total Assets	14,593,695	8,576,353
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions	-	43,180
Deferred outflows of resources related to OPEB	-	83,845
Total Deferred Outflows of Resources	-	127,025

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

PIKE COUNTY, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2018
(CONTINUED)

	Primary Government	
	Governmental Activities	Component Units
LIABILITIES		
Accounts payable	246,116	33,014
Accrued salaries and benefits	128,475	7,633
Accrued interest	19,916	2,551
Customer deposits	-	30,875
Noncurrent liabilities		
Due within one year		
Notes payable	15,412	30,941
Capital leases	131,811	-
Bonds payable	730,000	146,238
Landfill postclosure cost	19,710	-
Compensated absences	144,958	17,354
Due in more than one year		
Notes payable	47,382	260,247
Capital leases	918,731	-
Bonds payable	3,280,000	2,347,737
Landfill postclosure cost	109,440	-
Compensated absences	62,125	24,119
Net pension liability	-	255,702
Net OPEB liability	-	235,485
Total Liabilities	5,854,076	3,391,896
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pensions	-	4,050
Deferred inflows of resources related to OPEB	-	19,303
Total Deferred Inflows of Resources	-	23,353
NET POSITION		
Net investment in capital assets	3,999,816	5,062,820
Restricted for		
Capital outlay	1,763,580	228,551
Road projects	98,384	-
Court programs	57,920	-
Law enforcement	239,121	-
Health services	-	134,095
Debt service	-	138,490
Unrestricted (deficit)	2,580,798	(275,827)
Total Net Position	$ 8,739,619	$ 5,288,129

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, 2018

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	$ 2,215,832	$ 1,149,175	$ 39,749	$ -
Public safety	3,559,067	396,341	78,059	-
Public works	3,952,173	4,305	542,752	-
Courts	1,107,246	-	-	-
Health and welfare	546,282	-	115,562	-
Culture and recreation	494,892	-	-	-
Economic development	381,531	13,494	-	-
Interest on long-term debt	106,612	-	-	-
Total governmental activities	12,363,635	1,563,315	776,122	-
Total Primary Government	$ 12,363,635	$ 1,563,315	$ 776,122	$ -
Component Units				
Pike County Department of Public Health	$ 465,234	$ 302,145	$ 208,249	$ -
Pike County J. Joel Edwards Public Library	147,919	8,054	134,370	9,795
Pike County Water and Sewerage Authority	469,406	169,990	239,384	-
Pike County Agribusiness Authority	41,082	29,292	15,000	-
Development Authority of Pike County	89,519	-	70,000	-
Pike County Recreation Authority	493,693	178,934	303,994	10,533
Total Component Units	$ 1,706,853	$ 688,415	$ 970,997	$ 20,328
General Revenues				
Property tax				
Sales tax				
Motor vehicle tax				
Other tax				
Interest revenue				
Miscellaneous				
Gain on sale of asset				
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, 2018
(CONTINUED)

	Net (Expense) Revenue and Changes in Net Position	
	Primary Government	
	Governmental Activities	Component Units
$	(1,026,908)	
	(3,084,667)	
	(3,405,116)	
	(1,107,246)	
	(430,720)	
	(494,892)	
	(368,037)	
	(106,612)	
	(10,024,198)	
	(10,024,198)	
		$ 45,160
		4,300
		(60,032)
		3,210
		(19,519)
		(232)
		(27,113)
	5,755,107	-
	2,043,858	-
	1,188,398	-
	1,158,637	-
	7,447	1,530
	123,226	561
	513,870	-
	10,790,543	2,091
	766,345	(25,022)
	7,973,274	5,313,151
$	8,739,619	$ 5,288,129

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

PIKE COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

	General Fund	E911 Fund	Impact Fees Fund	SPLOST 2016 Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$2,574,881	$ 9,636	$ 581,662	$ 1,147,056	$ 690,485	$ 5,003,720
Receivables, net of allowance						
Taxes	157,919	-	-	-	-	157,919
Other receivables	49,205	57,664	-	-	-	106,869
Due from other governments	86,715	-	-	109,758	-	196,473
Due from other funds	67,086	-	-	-	15,935	83,021
Inventory	4,557	-	-	-	-	4,557
Prepaid items	1,005	-	-	-	-	1,005
Total Assets	$2,941,368	$ 67,300	$ 581,662	$ 1,256,814	$ 706,420	$ 5,553,564
LIABILITIES						
Accounts payable	$ 190,414	$ 1,184	$ 11,855	$ 39,727	$ 2,936	$ 246,116
Accrued payroll deductions	122,066	6,409	-	-	-	128,475
Due to other funds	-	59,707	-	23,314	-	83,021
Total Liabilities	312,480	67,300	11,855	63,041	2,936	457,612
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	122,369	-	-	-	-	122,369
Total Deferred Inflows of Resources	122,369	-	-	-	-	122,369
FUND BALANCES						
Nonspendable	5,562	-	-	-	-	5,562
Restricted	-	-	569,807	1,193,773	395,425	2,159,005
Committed	173,237	-	-	-	-	173,237
Assigned	511,648	-	-	-	308,059	819,707
Unassigned	1,816,072	-	-	-	-	1,816,072
Total Fund Balances	2,506,519	-	569,807	1,193,773	703,484	4,973,583
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$2,941,368	$ 67,300	$ 581,662	$ 1,256,814	$ 706,420	$ 5,553,564

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, 2018

Total Fund Balance per Balance Sheet of Governmental Funds	$	4,973,583
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		17,292,061
Accumulated depreciation		(8,168,909)
Revenues		
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		122,369
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		(1,050,542)
Notes payable		(62,794)
Bonds payable		(4,010,000)
Landfill closure costs		(129,150)
Compensated absences		(207,083)
Accrued interest		(19,916)
Total Net Position of Governmental Activities	$	8,739,619

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, 2018

	General Fund	E911 Fund	Impact Fees Fund	SPLOST 2016 Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES						
Taxes						
Property tax	$5,778,715	$ -	$ -	$ -	$ -	$ 5,778,715
Sales tax	869,229	-	-	1,174,629	-	2,043,858
Other taxes	2,347,035	-	-	-	-	2,347,035
License and permits	240,185	-	279,645	-	-	519,830
Intergovernmental	326,389	-	-	-	449,733	776,122
Fines and forfeitures	413,961	-	-	-	90,769	504,730
Charges for services	233,883	304,872	-	-	-	538,755
Interest earnings	4,182	133	810	1,552	770	7,447
Rent	8,750	-	-	-	-	8,750
Other revenues	63,173	-	-	-	-	63,173
Total Revenues	10,285,502	305,005	280,455	1,176,181	541,272	12,588,415
EXPENDITURES						
Current						
General government	2,089,343	-	4,488	-	-	2,093,831
Public safety	2,719,067	564,443	21,009	-	40,241	3,344,760
Public works	3,330,822	-	-	353,255	1,247,709	4,931,786
Judicial	1,099,101	-	-	-	-	1,099,101
Health and welfare	586,651	-	-	-	-	586,651
Culture and recreation	456,707	-	20,328	-	-	477,035
Housing and development	381,531	-	-	-	-	381,531
Intergovernmental	-	-	-	97,144	-	97,144
Debt Service						
Principal	839,528	-	-	630,000	-	1,469,528
Interest and fiscal charges	22,254	-	-	64,442	-	86,696
Capital Outlay	-	-	176,501	-	15,000	191,501
Total Expenditures	11,525,004	564,443	222,326	1,144,841	1,302,950	14,759,564
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,239,502)	(259,438)	58,129	31,340	(761,678)	(2,171,149)
OTHER FINANCING SOURCES (USES)						
Transfers from other funds	-	259,438	-	-	743,000	1,002,438
Transfers to other funds	(914,438)	-	-	-	(88,000)	(1,002,438)
Issuance of note payable	65,300	-	-	-	-	65,300
Issuance of capital leases	1,117,750	-	-	-	-	1,117,750
Insurance recoveries	32,168	-	-	-	19,135	51,303
Proceeds from sale of property	1,044,802	-	-	-	-	1,044,802
Total Other Financing Sources (Uses)	1,345,582	259,438	-	-	674,135	2,279,155
Net change in fund balances	106,080	-	58,129	31,340	(87,543)	108,006
Fund Balance - Beginning of Year	2,400,439	-	511,678	1,162,433	791,027	4,865,577
Fund Balance - End of Year	$2,506,519	$ -	$ 569,807	$1,193,773	$ 703,484	$ 4,973,583

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, 2018

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	$ 108,006
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	1,665,054
Total depreciation	(732,013)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, disposals, trade-ins, and donations) is to increase net position.	(530,932)
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	(1,183,050)
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	837,022
Bond payable	630,000
Note payable	2,506
Accrued interest	(19,916)
Landfill closure costs	23,340
Compensated absences	(10,064)
Revenues	
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(23,608)
Change in Net Position of Governmental Activities	$ 766,345

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, 2018

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Taxes				
General property tax	$ 5,916,222	$ 5,916,222	$ 5,778,715	$ (137,507)
Local option sales tax	795,000	795,000	869,229	74,229
Other				
Motor vehicle tax	986,400	1,142,345	1,188,398	46,053
Intangible tax	80,000	95,940	106,697	10,757
Mobile home tax	14,500	14,500	15,074	574
Timber taxes	18,000	18,000	15,306	(2,694)
Insurance premium tax	830,000	915,879	915,879	-
Penalties and interest	115,250	115,250	46,892	(68,358)
Bank tax fee	50,000	50,000	57,365	7,365
Other taxes	100	100	1,424	1,324
Total Taxes	8,805,472	9,063,236	8,994,979	(68,257)
Licenses and Permits				
Alcohol beverage license	47,000	47,000	45,241	(1,759)
Business license	36,000	36,000	32,181	(3,819)
Building permits	103,500	155,432	159,183	3,751
Other	2,000	3,080	3,580	500
Total Licenses and Permits	188,500	241,512	240,185	(1,327)
Intergovernmental Revenues				
Federal grants	125,000	125,000	115,562	(9,438)
State grants				
Georgia Emergency Management Agency	5,361	72,865	72,865	-
Department of Juvenile Justice	8,400	8,400	5,185	(3,215)
Georgia Department of Natural Resources	-	81,019	81,019	-
Other				
Pre-Trial Diversion Program	500	500	9	(491)
City of Zebulon	12,000	12,000	12,000	-
Real estate transfer tax	25,000	34,466	39,749	5,283
Total Intergovernmental Revenue	176,261	334,250	326,389	(7,861)

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, 2018
(CONTINUED)

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Fines and Forfeitures				
Superior Court fines	110,000	110,000	111,369	1,369
Probate Court fines	120,000	120,000	121,154	1,154
Magistrate Court fines	20,000	20,000	17,665	(2,335)
Sheriff's cost and fees	164,604	169,429	163,773	(5,656)
Total Fines and Forfeitures	414,604	419,429	413,961	(5,468)
Charges for Services				
Tax Commissioner - commissions	185,000	185,000	215,384	30,384
Drive way culverts	500	3,505	4,305	800
Administrative fee	-	-	13,494	13,494
Fire fees	-	-	700	700
Total Charges for Services	185,500	188,505	233,883	45,378
Miscellaneous				
Interest earnings	3,600	3,600	4,182	582
Rents	8,400	8,400	8,750	350
Miscellaneous	16,300	25,633	63,173	37,540
Total Miscellaneous	28,300	37,633	76,105	38,472
Total Revenues	9,798,637	10,284,565	10,285,502	937

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, 2018
(CONTINUED)

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
General Government				
General Administration	1,071,988	1,071,988	950,762	121,226
Tax Commissioner's Office	239,799	245,534	241,834	3,700
Tax Assessors	374,977	374,977	293,260	81,717
Board of Equalization	2,100	2,100	1,323	777
Voter Registrar	80,433	91,945	91,945	-
Cooperative Extension Service	75,663	75,663	60,816	14,847
Code Enforcement Officer	196,645	210,505	210,505	-
Building and Grounds	236,544	238,898	238,898	-
Total General Government	2,278,149	2,311,610	2,089,343	222,267
Judicial				
Judicial Administration	130,774	134,551	134,551	-
Superior Court	317,659	317,659	315,545	2,114
Probate Court	174,278	174,278	164,393	9,885
Magistrate Court	220,704	220,704	217,192	3,512
Public Defender	181,315	181,315	181,315	-
District Attorney	86,171	86,171	86,105	66
Total Judicial	1,110,901	1,114,678	1,099,101	15,577
Public Safety				
Sheriff's Office	1,651,957	1,588,746	1,488,139	100,607
Jail Operations	785,552	898,334	898,334	-
Fire Department	258,969	258,969	251,001	7,968
Animal Control	57,777	57,777	52,404	5,373
Coroner's Office	19,281	30,281	29,189	1,092
Total Public Safety	2,773,536	2,834,107	2,719,067	115,040
Public Works				
Sanitation	18,000	18,000	13,500	4,500
Road Department	1,759,597	3,317,322	3,317,322	-
Total Public Works	1,777,597	3,335,322	3,330,822	4,500

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, 2018
(CONTINUED)

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Health and Welfare				
DFCS	37,475	37,475	37,475	-
Ambulance Contract	250,000	250,000	250,000	-
Emergency Management	21,865	59,810	59,810	-
Senior Center	118,478	141,325	141,325	-
Pike County Board of Health	70,000	70,000	70,000	-
McIntosh Trail RC	25,400	28,041	28,041	-
Total Health and Welfare	523,218	586,651	586,651	-
Culture and Recreation				
Recreation	312,566	312,566	303,994	8,572
Library	129,643	131,378	131,378	-
Flint River Regional Library	12,000	12,000	11,859	141
Forestry Resources	9,476	9,476	9,476	-
Total Culture and Recreation	463,685	465,420	456,707	8,713
Housing and Development				
Pike County Agribusiness Authority	15,000	15,000	15,000	-
Pike County Water Authority	160,240	244,502	244,167	335
Economic Development	-	13,303	13,303	-
Soil Conservation	39,111	39,111	39,061	50
Development Authority	70,000	70,000	70,000	-
Total Housing and Development	284,351	381,916	381,531	385
Debt Service				
Principal	84,751	839,528	839,528	-
Interest and fiscal charges	23,253	23,253	22,254	999
Total Debt Service	108,004	862,781	861,782	999
Total Expenditures	9,319,441	11,892,485	11,525,004	367,481
Excess Revenue Over (Under) Expenditures	479,196	(1,607,920)	(1,239,502)	368,418

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, 2018
(CONTINUED)

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
Other Financing Sources (Uses)				
Transfer to E911 Fund	(194,196)	(259,438)	(259,438)	-
Transfer to LMIG Fund	(275,000)	(275,000)	(275,000)	-
Transfer to Capital Improvements Fund	(30,000)	(380,000)	(380,000)	-
Issuance of Notes Payable	-	65,300	65,300	-
Issuance of Capital Leases	-	1,117,750	1,117,750	-
Insurance recoveries	10,000	26,183	32,168	5,985
Proceeds from sale of property	10,000	210,542	1,044,802	834,260
Total Other Financing Sources (Uses)	(479,196)	505,337	1,345,582	840,245
Net change in fund balance	-	(1,102,583)	106,080	1,208,663
Fund Balance - Beginning of Year	2,400,439	2,400,439	2,400,439	-
Fund Balance - End of Year	$ 2,400,439	$ 1,297,856	$ 2,506,519	$ 1,208,663

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, 2018
(CONTINUED)

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Charges for services	$ 315,000	$ 315,000	$ 304,872	$ (10,128)
Interest income	-	-	133	133
Total Revenues	315,000	315,000	305,005	(9,995)
EXPENDITURES				
Current				
Public safety	509,196	564,443	564,443	-
Total Expenditures	509,196	564,443	564,443	-
Excess (deficiency) of revenues over (under) expenditures	(194,196)	(249,443)	(259,438)	(9,995)
OTHER FINANCING SOURCES (USES)				
Transfers from General Fund	194,196	194,196	259,438	65,242
Total Other Financing Sources (Uses)	194,196	194,196	259,438	65,242
Net change in fund balance	-	(55,247)	-	55,247
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	$ -	$ (55,247)	$ -	$ 55,247

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

PIKE COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2018

	Agency Funds
ASSETS	
Cash and cash equivalents	$ 626,514
Total Assets	$ 626,514
LIABILITIES	
Due to other governments	$ 274,409
Due to others	352,105
Total Liabilities	$ 626,514

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, 2018

	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	$ 151,137	$ 90,339	$ 99,750	$ 31,732	$ 21,528	$ 185,267	$ 579,753
Receivables							
Accounts	-	-	9,315	-	-	317	9,632
Accrued interest	-	-	233	-	-	-	233
Non-current							
Restricted temporary cash investments	-	-	367,041	-	-	-	367,041
Capital Assets							
Nondepreciable	-	-	23,600	24,952	2,135,720	475,000	2,659,272
Depreciable capital assets, net	5,147	20,700	4,285,498	32,162	149,979	466,936	4,960,422
Total Assets	156,284	111,039	4,785,437	88,846	2,307,227	1,127,520	8,576,353
Deferred Outflows of Resources							
Deferred outflows of resources related to pensions	43,180	-	-	-	-	-	43,180
Deferred outflows of resources related to OPEB	83,845	-	-	-	-	-	83,845
Total Deferred Outflows of Resources	127,025	-	-	-	-	-	127,025
LIABILITIES							
Current Liabilities							
Accounts payable	-	2,373	1,179	-	-	29,462	33,014
Accrued interest	-	-	2,551	-	-	-	2,551
Accrued liabilities	-	3,160	483	-	307	3,683	7,633
Compensated absences	10,546	195	-	-	-	6,613	17,354
Meter deposit	-	-	30,875	-	-	-	30,875
Notes payable	-	-	-	-	30,941	-	30,941
Bonds payable	-	-	146,238	-	-	-	146,238
Long-term Liabilities							
Compensated absences	24,119	-	-	-	-	-	24,119
Notes payable (net of current portion)	-	-	-	-	260,247	-	260,247
Bonds payable (net of current portion)	-	-	2,347,737	-	-	-	2,347,737
Net pension liability	255,702	-	-	-	-	-	255,702
Net OPEB liability	235,485	-	-	-	-	-	235,485
Total Liabilities	525,852	5,728	2,529,063	-	291,495	39,758	3,391,896
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows of resources related to pensions	4,050	-	-	-	-	-	4,050
Deferred inflows of resources related to OPEB	19,303	-	-	-	-	-	19,303
Total Deferred Inflows of Resources	23,353	-	-	-	-	-	23,353
NET POSITION							
Net investment in capital assets	5,147	20,700	2,043,412	57,114	1,994,511	941,936	5,062,820
Restricted	134,095	-	367,041	-	-	-	501,136
Unrestricted (deficit)	(405,138)	84,611	(154,079)	31,732	21,221	145,826	(275,827)
Total Net Position	$ (265,896)	$ 105,311	$ 2,256,374	$ 88,846	$ 2,015,732	$ 1,087,762	$ 5,288,129

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, 2018

	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	$ -	$ -	$ -	$ 41,082	$ 78,343	$ -	$ 119,425
Health and welfare	465,234	-	-	-	-	-	465,234
Culture and recreation	-	147,919	-	-	-	493,693	641,612
Water and sewer	-	-	469,406	-	-	-	469,406
Interest on long term debt	-	-	-	-	11,176	-	11,176
Total Expenses	465,234	147,919	469,406	41,082	89,519	493,693	1,706,853
REVENUES							
Program revenues:							
Charges for services	302,145	8,054	169,990	29,292	-	178,934	688,415
Operating grants and contributions	208,249	134,370	239,384	15,000	70,000	303,994	970,997
Capital grants and contributions	-	9,795	-	-	-	10,533	20,328
Total Program Revenues	510,394	152,219	409,374	44,292	70,000	493,461	1,679,740
Net Program (Expense)	45,160	4,300	(60,032)	3,210	(19,519)	(232)	(27,113)
GENERAL REVENUES							
Interest earnings	202	141	943	35	-	209	1,530
Miscellaneous	-	134	-	-	-	427	561
Total General Revenues	202	275	943	35	-	636	2,091
Change in Net Position	45,362	4,575	(59,089)	3,245	(19,519)	404	(25,022)
Net Position - Beginning of year (deficit), restated	(311,258)	100,736	2,315,463	85,601	2,035,251	1,087,358	5,313,151
Net Position - End of year (deficit)	$ (265,896)	$ 105,311	$2,256,374	$ 88,846	$ 2,015,732	$1,087,762	$5,288,129

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

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, 2018. 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 and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental 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 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.

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

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 LMIG Fund is used to account for the proceeds and various projects associated with the Local Maintenance & Improvement Grant. 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.

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, 2018:

	General Fund	Impact Fees Fund	SPLOST 2016 Fund	Nonmajor Governmental	Total
Fund Balances					
Nonspendable					
Inventory	$ 4,557	$ -	$ -	$ -	$ 4,557
Prepaids	1,005	-	-	-	1,005
Restricted for					
Capital outlay	-	569,807	1,193,773	-	1,763,580
Road projects	-	-	-	98,384	98,384
Court programs	-	-	-	57,920	57,920
Law enforcement	-	-	-	239,121	239,121
Committed for					
Economic development	30,000	-	-	-	30,000
Capital outlay	60,000	-	-	-	60,000
Water infrastructure	15,737	-	-	-	15,737
Other	67,500	-	-	-	67,500
Assigned for					
Working capital	506,957	-	-	-	506,957
Capital outlay	-	-	-	295,386	295,386
Juvenile court	-	-	-	12,673	12,673
Fire department	4,691	-	-	-	4,691
Unassigned	1,816,072	-	-	-	1,816,072
Total fund balances	$ 2,506,519	$ 569,807	$ 1,193,773	$ 703,484	$ 4,973,583

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, 2018, the County's total contribution was $92,883 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, 2017 – June 30, 2018, the County's total contribution was $140,292. 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

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

Custodial Credit Risk – Deposits

The custodial credit risk of deposits is the risk that in the event of the failure of a bank, the government will not be able to recover deposits. The County's bank balances of deposits as of June 30, 2018 are entirely insured or collateralized with securities held by the County's agent in the County's name. State statutes 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, 2018, the carrying amount of deposits for the Pike County Department of Public Health, a discretely presented component unit, was $151,137. All of the bank balance was covered by federal depository insurance or by collateral held.

At June 30, 2018, the carrying amount of deposits for the Pike County Library, a discretely presented component unit, was $90,339. All of the bank balance was covered by federal depository insurance or by collateral held.

At June 30, 2018, the carrying amount of deposits for the Pike County Water and Sewerage Authority, a discretely presented component unit, was $466,791. All of the bank balance was covered by federal depository insurance or by collateral held.

At June 30, 2018, the carrying amount of deposits for the Pike County Agribusiness Authority, a discretely presented component unit, was $31,732. All of the bank balance was covered by federal depository insurance or by collateral held.

At June 30, 2018, the carrying amount of deposits for the Development Authority of Pike County, a discretely presented component unit, was $21,528. All of the bank balance was covered by federal depository insurance or by collateral held.

At June 30, 2018, the carrying amount of deposits for the Pike County Recreation Authority, a discretely presented component unit, was $185,267. All of the bank balance was covered by federal depository insurance or by collateral held.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The County does not have a formal policy for managing interest rate risk.

Credit Quality Risk

Georgia law authorizes local governments to invest in the following types of obligations: obligations of the State of Georgia or any other states; obligations issues by the United States; obligations fully insured or guaranteed by the United States government or governmental agency; prime banker's acceptances; State of Georgia Local Government Investment Pool; repurchase agreements; and obligations of other political subdivisions of the State of Georgia.

NOTE 4 – PROPERTY TAXES

The Board of Commissioners levied property taxes on September 19, 2017. Property taxes attached as an enforceable lien on property as of January 1. Property taxes were billed on September 20, 2017 and were payable on December 20, 2017.

NOTE 5 – RECEIVABLES

Receivables at June 30, 2018, consist of the following:

	General Fund	E911 Fund	Total
Receivables			
Taxes	$ 224,673	$ -	$ 224,673
Accounts	49,205	57,664	106,869
Gross Receivables	273,878	57,664	331,542
Less: Allowance for Uncollectible	(66,754)	-	(66,754)
Net Total Receivables	$ 207,124	$ 57,664	$ 264,788

NOTE 6 – DUE FROM OTHER GOVERNMENTS

Amounts due from other governments at June 30, 2018, are as follows:

	State
Fund	
General Fund	$ 86,715
SPLOST 2016 Fund	109,758
Total	$ 196,473

The amounts due from state government are for sales tax.

NOTE 7 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2018, is as follows:

Due to / from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	E911 Fund	$ 59,707
General Fund	SPLOST 2016 Fund	7,379
Nonmajor Governmental	SPLOST 2016 Fund	15,935
Total		$ 83,021

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 Funds	Total
Transfer Out:			
General Fund	$ 259,438	$ 655,000	$ 914,438
Nonmajor governmental funds	-	88,000	88,000
Total	$ 259,438	$ 743,000	$ 1,002,438

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	Ending Balance
Governmental Activities				
Capital assets, not being depreciated				
Land	$ 317,020	$ -	$ -	$ 317,020
Construction in progress	-	139,615	-	139,615
Total capital assets, not being depreciated	317,020	139,615	-	456,635
Capital assets, being depreciated				
Buildings	7,389,131	-	-	7,389,131
Furniture and Fixtures	11,366	-	-	11,366
Machinery and equipment	4,906,720	1,328,922	(1,644,983)	4,590,659
Vehicles	4,340,788	196,517	(730,263)	3,807,042
Intangible assets	27,995	-	-	27,995
Infrastructure	1,009,234	-	-	1,009,234
Total capital assets, being depreciated	17,685,234	1,525,439	(2,375,246)	16,835,427
Less accumulated depreciation for				
Buildings	(2,114,977)	(186,830)	-	(2,301,807)
Furniture and Fixtures	(5,503)	(1,948)	-	(7,451)
Machinery and equipment	(3,321,400)	(344,612)	1,070,012	(2,596,000)
Vehicles	(3,683,656)	(178,084)	774,302	(3,087,438)
Intangible assets	(27,995)	-	-	(27,995)
Infrastructure	(127,680)	(20,539)	-	(148,219)
Total accumulated depreciation	(9,281,211)	(732,013)	1,844,314	(8,168,910)
Total capital assets, being depreciated, net	8,404,023	793,426	(530,932)	8,666,517
Governmental activities capital assets, net	$ 8,721,043	$ 933,041	$ (530,932)	9,123,152
			Less: related long-term debt outstanding	(5,123,336)
			Net investment in capital assets	$ 3,999,816

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	$ 142,077
Public safety	241,880
Public works	314,637
Courts	8,145
Culture and recreation	7,417
Health and welfare	17,857
Total depreciation expense - governmental activities	$ 732,013

Activity for the Pike County Water and Sewerage Authority for the fiscal year ended June 30, 2018 was as follows:

	Balance	Increase	Decrease	Balance
Discretely presented component units				
Capital assets, not being depreciated				
Land	$ -	$ 23,600	$ -	$ 23,600
Total capital assets, not being depreciated	-	23,600	-	23,600
Capital assets, being depreciated				
Water tower, well and treatment plant	380,595	-	-	380,595
Water and sewer lines	5,533,204	68,785	-	5,601,989
Vehicle	20,557	-	-	20,557
Storage building	2,700	-	-	2,700
Total capital assets, being depreciated	5,937,056	68,785	-	6,005,841
Less accumulated depreciation for				
Water tower, well and treatment plant	(98,884)	(14,483)	-	(113,367)
Water and sewer lines	(1,445,568)	(138,234)	-	(1,583,802)
Vehicle	(20,559)	-	-	(20,559)
Storage building	(2,529)	(86)	-	(2,615)
Total accumulated depreciation	(1,567,540)	(152,803)	-	(1,720,343)
Total capital assets, being depreciated, net	4,369,516	(84,018)	-	4,285,498
Water and Sewerage Authority capital assets, net	$ 4,369,516	$ (60,418)	$ -	4,309,098
Less: related long-term debt outstanding				(2,493,975)
Plus: unspent bond proceeds				228,289
Net investment in capital assets				$ 2,043,412

Activity for the Pike County Agribusiness Authority for the fiscal year ended June 30, 2018 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	(48,165)	(4,301)	-	(1,677)	(54,143)
Site improvements	(15,013)	(1,905)	-	1,677	(15,241)
Total accumulated depreciation	(63,178)	(6,206)	-	-	(69,384)
Total capital assets, being depreciated, net	38,368	(6,206)	-	-	32,162
Agribusiness Authority capital assets, net	$ 63,320	$ (6,206)	$ -	$ -	$ 57,114

Activity for the Development Authority of Pike County for the fiscal year ended June 30, 2018 was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated				
Land	$ 2,214,008	$ 13,900	$ (92,188)	$ 2,135,720
Total capital assets, not being depreciated	2,214,008	13,900	(92,188)	2,135,720
Capital assets, being depreciated:				
Infrastructure	155,502	-	-	155,502
Equipment	7,950	-	-	7,950
Total capital assets, being depreciated	163,452	-	-	163,452
Less accumulated depreciation for:				
Infrastructure	(2,413)	(3,110)	-	(5,523)
Equipment	(7,950)	-	-	(7,950)
Total accumulated depreciation	(10,363)	(3,110)	-	(13,473)
Total capital assets, being depreciated, net	153,089	(3,110)	-	149,979
Development Authority capital assets, net	$ 2,367,097	$ 10,790	$ (92,188)	2,285,699
			Less: related long-term debt outstanding	(291,188)
			Net investment in capital assets	$ 1,994,511

Activity for the Pike County Recreation Authority for the fiscal year ended June, 30, 2018 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 & improvements	484,874	-	-	484,874
Furniture, fixtures & equipment	482,306	7,921	-	490,227
Vehicles	15,708	-	-	15,708
Infrastructure	9,780	-	-	9,780
Total capital assets, being depreciated	992,668	7,921	-	1,000,589
Less accumulated depreciation for				
Building & improvements	(174,585)	(17,904)	-	(192,489)
Furniture, fixtures & equipment	(298,551)	(21,145)	-	(319,696)
Vehicles	(15,708)	-	-	(15,708)
Infrastructure	(5,108)	(652)	-	(5,760)
Total accumulated depreciation	(493,952)	(39,701)	-	(533,653)
Total capital assets, being depreciated, net	498,716	(31,780)	-	466,936
Recreation Authority capital assets, net	$ 973,716	$ (31,780)	$ -	$ 941,936

NOTE 9 – LONG-TERM DEBT

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

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2018, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Notes payable					
First Bank of Pike	$ -	$ 65,300	$ (2,506)	$ 62,794	$ 15,412
Capital Leases					
Caterpillar #1 - road equipment	733,203	-	(733,203)	-	-
Caterpillar #3 - road equipment	36,609	-	(36,609)	-	-
John Deere #1 - road equipment	1	-	(1)	-	-
John Deere #2 - road equipment	1	-	(1)	-	-
Caterpillar - road equipment	-	690,115	(59,288)	630,827	73,336
Caterpillar - asphalt compactor	-	102,164	(2,245)	99,919	13,804
Caterpillar - asphalt paver	-	263,527	(5,675)	257,852	34,896
Caterpillar - excavator	-	61,944	-	61,944	9,775
General Obligation Bonds					
2016 Bonds	4,640,000	-	(630,000)	4,010,000	730,000
Landfill postclosure cost	152,490	-	(23,340)	129,150	19,710
Compensated absences	197,019	189,047	(178,983)	207,083	144,958
Governmental activity					
Long-term liabilities	$ 5,759,323	$ 1,372,097	$ (1,671,851)	$ 5,459,569	$ 1,041,891

Note Payables

First Bank of Pike

During 2018, the County entered into a $65,300 note payable with the First Bank of Pike for the financing of a tack truck. The note is due in 48 monthly installments of $1,482 to April 5, 2022. Interest is at 2.20%. Total interest paid for fiscal year 2018 was $458.

Year Ending June 30th	Governmental Activities	
	Principal	Interest
2019	$ 15,412	$ 2,371
2020	16,080	1,703
2021	16,776	1,006
2022	14,526	284
Total	$ 62,794	$ 5,364

Capital Lease Payables:

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. Total interest paid for fiscal year 2018 was $214. The lease was paid in full and the equipment was sold as of June 30, 2018.

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. Total interest paid for fiscal year 2018 was $732. The lease was paid in full and the equipment was sold as of June 30, 2018.

Caterpillar Financial Services Corporation – road equipment

The County obtained a $690,115 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, $81,782 was included in depreciation expense and accumulated depreciation of $81,782. Total interest paid for fiscal year 2018 was $18,303. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2018 were as follows:

Year Ending	Governmental Activities	
June 30th	Principal	Interest
2019	$ 73,336	$ 19,774
2020	75,800	17,310
2021	78,348	14,762
2022	80,981	12,129
2023	322,362	1,759
Total	$ 630,827	$ 65,734

Caterpillar Financial Services Corporation – asphalt compactor

The County obtained a $102,164 capital lease from Caterpillar Financial Services Corporation for the financing of an asphalt compactor. The equipment has a seven-year estimated useful life. This year, $4,087 was included in depreciation expense and accumulated depreciation of $4,087. Total interest paid for fiscal year 2018 was $711. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2018 were as follows:

Year Ending June 30th	Governmental Activities	
	Principal	Interest
2019	$ 13,804	$ 3,933
2020	14,395	3,342
2021	15,011	2,725
2022	15,654	2,083
2023	41,055	1,225
Total	$ 99,919	$ 13,308

Caterpillar Financial Services Corporation – asphalt paver

The County obtained a $263,527 capital lease from Caterpillar Financial Services Corporation for the financing of an asphalt paver. The equipment has a seven-year estimated useful life. This year, $18,627 was included in depreciation expense and accumulated depreciation of $18,627. Total interest paid for fiscal year 2018 was $1,835. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2018 were as follows:

Year Ending June 30th	Governmental Activities	
	Principal	Interest
2019	$ 34,896	$ 10,163
2020	36,390	8,669
2021	37,948	7,111
2022	39,573	5,486
2023	109,045	1,790
Total	$ 257,852	$ 33,219

Caterpillar Financial Services Corporation – excavator

The County obtained a $61,944 capital lease from Caterpillar Financial Services Corporation for the financing of an excavator. The equipment has a seven-year estimated useful life. This year, $832 was included in depreciation expense and accumulated depreciation of $832. Total interest paid for fiscal year 2018 was $0. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2018 were as follows:

Year Ending June 30th	Governmental Activities	
	Principal	Interest
2019	$ 9,775	$ 2,415
2020	10,193	1,996
2021	41,976	1,560
Total	$ 61,944	$ 5,971

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 (1) funding various capital outlay projects and (2) paying expenses incident to accomplishing the foregoing. 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. Total interest paid for fiscal year 2018 was $64,443. Annual debt service requirements to maturity for this bond issue are as follows:

Year Ending June 30th	Governmental Activities	
	Principal	Interest
2019	$ 730,000	$ 54,311
2020	760,000	43,210
2021	800,000	31,588
2022	840,000	19,370
2023	880,000	6,556
Total	$ 4,010,000	$ 155,035

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 $129,150. 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 2017. 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 Sewerage Authority for the fiscal year ended June 30, 2018, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
USDA note payable	$ 2,340,984	$ -	$ (2,340,984)	$ -	$ -
2017 revenue bonds	-	2,600,000	(106,025)	2,493,975	146,238
Water and Sewerage Authority long-term liabilities	$ 2,340,984	$ 2,600,000	$ (2,447,009)	$ 2,493,975	$ 146,238

Activity for the Development Authority of Pike County for the fiscal year ended June 30, 2018, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Note payable	$ 360,038		$ (68,850)	$ 291,188	$ 30,941
Development Authority long-term liabilities	$ 360,038	$ -	$ (68,850)	$ 291,188	$ 30,941

Activity for the Pike County Recreation Authority for the fiscal year ended June 30, 2018, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Compensated Absences	$ 5,300	$ 9,761	$ (8,448)	$ 6,613	$ 6,613
Recreation Authority long-term liabilities	$ 5,300	$ 9,761	$ (8,448)	$ 6,613	$ 6,613

NOTE 10 – OPERATING LEASES

The County leases road equipment for the public works department. Total costs for the leases were $80,965 for the year ended June 30, 2018. The future minimum lease payments for these leases are as follows:

	Well Fargo #603-0147812	Well Fargo #603-0147808	Caterpillar #001-0811044	Caterpillar #001-0811056	Caterpillar motorgraders
2019	$ 22,399	$ 22,399	$ 18,084	$ 18,084	$ 51,506
2020	22,399	22,399	18,084	18,084	51,506
2021	22,399	22,399	18,084	18,084	51,506
2022	-	-	-	-	51,506
2023	-	-	-	-	8,584
Total	$ 67,197	$ 67,197	$ 54,252	$ 54,252	$ 214,608

NOTE 11 – EMPLOYEE RETIREMENT PLANS

ACCG Defined Contribution Plan

Plan Description

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

1100 Circle 75 Parkway
Suite 300
Atlanta, Georgia 30339

Funding Policy

County employees are required to contribute to the plan if they are to be members and receive the County match. The required member contribution is equal to 3% of the member's gross salary. The County is required to contribute 1% of the members' gross salary. The Plan provisions are established and may be amended by the Pike County Board of Commissioners and the ACCG Defined Benefit Board of Trustees. The contribution requirements of the plan members are established and may be amended by the ACCG Defined Benefit Board of Trustees. The County's contributions to GEBCorp for the fiscal year ended June 30, 2018 were $12,054. The Member's contributions to GEBCorp for the fiscal year ended June 30, 2018 were $41,767.

NOTE 12 – 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 13 – 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, 2018, 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 14 – RESTATEMENT OF EQUITY BALANCES – PIKE COUNTY DEPARTMENT OF PUBLIC HEALTH (COMPONENT UNIT OF PIKE COUNTY, GEORGIA)

During 2018, the Pike County Department of Public Health adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

The effects of this adjustment are as follows:

Net position June 30, 2017, as previously reported	$ (137,775)
Implementation of GASB 75 for OPEB:	
Record Net OPEB Liability	(203,502)
Record OPEB Deferred Outflows of Resources	30,019
Net position June 30, 2017, restated	$ (311,258)

NOTE 15 – EVALUATION OF SUBSEQUENT EVENTS

The County has evaluated subsequent events through March 28, 2019, the date which the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

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.

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 is used to account for the proceeds and various projects associated with the Local Maintenance & Improvement Grant.

PIKE COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

	Special Revenue Funds			
	Law Library	Law Enforcement Confiscation	Drug Abuse Treatment	Juvenile Court
ASSETS				
Cash and cash equivalents	$ 8,602	$ 219,166	$ 49,318	$ 12,673
Due from other funds	-	-	-	-
Total Assets	$ 8,602	$ 219,166	$ 49,318	$ 12,673
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ -	$ 2,936	$ -	$ -
Total Liabilities	-	2,936	-	-
Fund Balances				
Restricted	8,602	216,230	49,318	-
Assigned	-	-	-	12,673
Total Fund Balances	8,602	216,230	49,318	12,673
Total Liabilities and Fund Balances	$ 8,602	$ 219,166	$ 49,318	$ 12,673

PIKE COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018
(CONTINUED)

Capital Project Funds			Total Nonmajor Governmental Funds
Jail Construction	Capital Improvements	LMIG Fund	
$ 22,891	$ 295,386	$ 82,449	$ 690,485
-	-	15,935	15,935
$ 22,891	$ 295,386	$ 98,384	$ 706,420
$ -	$ -	$ -	$ 2,936
-	-	-	2,936
22,891	-	98,384	395,425
-	295,386	-	308,059
22,891	295,386	98,384	703,484
$ 22,891	$ 295,386	$ 98,384	$ 706,420

PIKE COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Special Revenue Funds			
	Law Library	Law Enforcement Confiscation	Drug Abuse Treatment	Juvenile Court
REVENUES				
Intergovernmental	$ -	$ -	$ -	$ -
Fines and forfeitures	8,950	52,125	12,624	3,210
Interest earnings	-	5	80	23
Total Revenues	8,950	52,130	12,704	3,233
EXPENDITURES				
Current				
Public safety	6,005	13,200	6,172	2,284
Public works	-	-	-	-
Capital Outlay	-	15,000	-	-
Total Expenditures	6,005	28,200	6,172	2,284
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,945	23,930	6,532	949
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Insurance recoveries	-	19,135	-	-
Total other financing sources (uses)	-	19,135	-	-
Net change in fund balances	2,945	43,065	6,532	949
Fund balance, beginning of year	5,657	173,165	42,786	11,724
Fund balance, end of year	$ 8,602	$ 216,230	$ 49,318	$ 12,673

PIKE COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(CONTINUED)

Capital Project Funds			Total Nonmajor Governmental Funds
Jail Construction	Capital Improvements	LMIG Fund	
$ -	$ -	$ 449,733	$ 449,733
13,860	-	-	90,769
40	143	479	770
13,900	143	450,212	541,272
12,580	-	-	40,241
-	-	1,247,709	1,247,709
-	-	-	15,000
12,580	-	1,247,709	1,302,950
1,320	143	(797,497)	(761,678)
-	380,000	363,000	743,000
-	(88,000)	-	(88,000)
-	-	-	19,135
-	292,000	363,000	674,135
1,320	292,143	(434,497)	(87,543)
21,571	3,243	532,881	791,027
$ 22,891	$ 295,386	$ 98,384	$ 703,484

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, 2018

	Final Budget	Actual	Variance with Final Budget
REVENUES			
Fines and forfeitures	$ 100	$ 8,950	$ 8,850
Total Revenues	100	8,950	8,850
EXPENDITURES			
Current			
Public safety	6,005	6,005	-
Total Expenditures	6,005	6,005	-
Net change in fund balance	(5,905)	2,945	8,850
Fund balance - beginning of year	5,657	5,657	-
Fund balance - end of year	$ (248)	$ 8,602	$ 8,850

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, 2018

	Final Budget	Actual	Variance with Final Budget
REVENUES			
Fines and forfeitures	$ 5,000	$ 52,125	$ 47,125
Interest income	-	5	5
Total Revenues	5,000	52,130	47,130
EXPENDITURES			
Current			
Public safety	13,200	13,200	-
Capital outlay	15,000	15,000	-
Total Expenditures	28,200	28,200	-
Excess (deficiency) of revenues over (under) expenditures	(23,200)	23,930	47,130
OTHER FINANCING SOURCES (USES)			
Insurance recoveries	-	19,135	19,135
Total Other Financing Sources (Uses)	-	19,135	19,135
Net change in fund balance	(23,200)	43,065	66,265
Fund balance - beginning of year	173,165	173,165	-
Fund balance - end of year	$ 149,965	$ 216,230	$ 66,265

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, 2018

	Final Budget	Actual	Variance with Final Budget
REVENUES			
Fines and forfeitures	$ 8,765	$ 12,624	$ 3,859
Other income	1,200	-	(1,200)
Interest income	35	80	45
Total Revenues	10,000	12,704	2,704
EXPENDITURES			
Current			
Public safety	10,000	6,172	3,828
Total Expenditures	10,000	6,172	3,828
Net change in fund balance	-	6,532	6,532
Fund balance - beginning of year	42,786	42,786	-
Fund balance - end of year	$ 42,786	$ 49,318	$ 6,532

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, 2018

	Final Budget	Actual	Variance with Final Budget
REVENUES			
Fines and forfeitures	$ 3,500	$ 3,210	$ (290)
Interest income	-	23	23
Total Revenues	3,500	3,233	(267)
EXPENDITURES			
Current			
Public safety	3,500	2,284	1,216
Total Expenditures	3,500	2,284	1,216
Net change in fund balance	-	949	949
Fund balance - beginning of year	11,724	11,724	-
Fund balance - end of year	$ 11,724	$ 12,673	$ 949

PIKE COUNTY, GEORGIA

SCHEDULE OF PROJECT EXPENDITURES WITH SPECIAL SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Project 2016 Special Local Option Sales Tax	Original Estimated Budget	Expenditures Prior Years	Expenditures Current Year	Total
Road, Street and Bridge Projects	$4,026,432	$ 3,283,759	$ 353,255	$3,637,014
Debt Service:				
Interest	265,568	46,091	64,442	110,533
Issuance Cost	-	36,700	-	36,700
Intergovernmental:				
City of Williamson	197,200	156,512	12,703	169,215
City of Zebulon	689,040	546,873	44,388	591,261
City of Meansville	174,000	139,108	11,209	150,317
City of Molena	241,860	191,958	15,580	207,538
City of Concord	205,900	162,178	13,264	175,442
Total 2016 SPLOST	$5,800,000	$ 4,563,179	$ 514,841	$5,078,020

Note 1 The difference in SPLOST expenditures by project and the expenditures noted in the SPLOST 2016 Fund represents principal debt service payments totaling $630,000 attributed to repayment of the 2016 SPLOST bonds. The expenditures to purchase approved items are already included in the above schedule. If debt payments were included, the expenditures would be reported twice.

Current year expenditures from above	$ 514,841
Bond principal payment	630,000
Current year expenditures per financial statements	$ 1,144,841

PIKE COUNTY, GEORGIA

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
Total - All Agency Funds				
ASSETS				
Cash and cash equivalents	$ 534,099	$ 14,803,762	$ 14,711,347	$ 626,514
Total Assets	$ 534,099	$ 14,803,762	$ 14,711,347	$ 626,514
LIABILITIES				
Due to Board of Education	$ 145,891	$ 9,273,232	$ 9,303,261	$ 115,862
Due to State of Georgia	157,749	2,009,653	2,017,789	149,613
Due to Other Governments	7,299	148,696	147,061	8,934
Other	223,160	3,372,181	3,243,236	352,105
Total Liabilities	$ 534,099	$ 14,803,762	$ 14,711,347	$ 626,514

PIKE COUNTY, GEORGIA

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(CONTINUED)

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
Superior Court				
ASSETS				
Cash and cash equivalents	$ 50,599	$ 368,144	$ 292,167	$ 126,576
Total Assets	$ 50,599	$ 368,144	$ 292,167	$ 126,576
LIABILITIES				
Other	$ 50,599	$ 368,144	$ 292,167	$ 126,576
Total Liabilities	$ 50,599	$ 368,144	$ 292,167	$ 126,576
Probate Court				
ASSETS				
Cash and cash equivalents	$ 4,987	$ 62,761	$ 62,406	$ 5,342
Total Assets	$ 4,987	$ 62,761	$ 62,406	$ 5,342
LIABILITIES				
Other	$ 4,987	$ 62,761	$ 62,406	$ 5,342
Total Liabilities	$ 4,987	$ 62,761	$ 62,406	$ 5,342

PIKE COUNTY, GEORGIA

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(CONTINUED)

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
Magistrate Court				
ASSETS				
Cash and cash equivalents	$ 8,044	$ 63,328	$ 66,514	$ 4,858
Total Assets	$ 8,044	$ 63,328	$ 66,514	$ 4,858
LIABILITIES				
Other	$ 8,044	$ 63,328	$ 66,514	$ 4,858
Total Liabilities	$ 8,044	$ 63,328	$ 66,514	$ 4,858
Sheriff's Office				
ASSETS				
Cash and cash equivalents	$ 33,838	$ 6,893	$ 4,101	$ 36,630
Total Assets	$ 33,838	$ 6,893	$ 4,101	$ 36,630
LIABILITIES				
Other	$ 33,838	$ 6,893	$ 4,101	$ 36,630
Total Liabilities	$ 33,838	$ 6,893	$ 4,101	$ 36,630

PIKE COUNTY, GEORGIA

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(CONTINUED)

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
Tax Commissioner's Office				
ASSETS				
Cash and cash equivalents	$ 436,631	$ 14,302,636	$ 14,286,159	$ 453,108
Total Assets	$ 436,631	$ 14,302,636	$ 14,286,159	$ 453,108
LIABILITIES				
Due to Board of Education	$ 145,891	$ 9,273,232	$ 9,303,261	$ 115,862
Due to State of Georgia	157,749	2,009,653	2,017,789	149,613
Due to Other Governments	7,299	148,696	147,061	8,934
Other	125,692	2,871,055	2,818,048	178,699
Total Liabilities	$ 436,631	$ 14,302,636	$ 14,286,159	$ 453,108

PIKE COUNTY, GEORGIA

BALANCE SHEET
PIKE COUNTY AGRIBUSINESS AUTHORITY
COMPONENT UNIT
JUNE 30, 2018

ASSETS		
Cash and cash equivalents	$	31,732
Total Assets	$	31,732
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	$	-
Total Liabilities		-
Fund Balance		
Unassigned		31,732
Total Fund Balance		31,732
Total Liabilities and Fund Balance	$	31,732

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, 2018

REVENUES		
Intergovernmental revenue	$	15,000
Interest earnings		35
Other miscellaneous revenues		29,292
Total Revenues		44,327
EXPENDITURES		
Current		
General government		34,876
Total Expenditures		34,876
Net change in fund balance		9,451
Fund Balance, beginning of year		22,281
Fund Balance, end of year	$	31,732

GOVERNMENTAL REPORT

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, 2018 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 March 28, 2019. 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 does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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 have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2018-001 and 2018-002 that we consider to be material weaknesses.

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
March 28, 2019

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*:

2018-001 – Debt Transactions - Capital Leases and Notes Payable

CRITERIA

Generally accepted accounting principles require that governmental funds report, at the inception of a capital lease, both an other financing source and expenditure equal to the net present value of the minimum lease payments. Additionally, note proceeds are reported as other financing sources and equipment purchased with the proceeds as capital outlay expenditures.

CONDITION

In performing year-end audit procedures, we identified that the County did not record the capital lease proceeds and corresponding capital asset expenditures on four new capital leases for FY18. In addition, the County also did not record note proceeds and the corresponding capital asset expenditure for a new note payable issued in FY18.

CONTEXT

Material adjustments were required in the General Fund as follows:

- Adjustments of $1,117,750 to record capital lease proceeds and $108,500 to record sales proceeds for capital assets traded in at the inception of the lease and the related expenditure for purchase of capital assets.
- Adjustment of $65,300 to record note proceeds and the related expenditure for purchase of capital assets.

EFFECT

The County understated other financing sources, sales proceeds and capital outlay expenditures for the year ended June 30, 2018.

CAUSE

The County did not have adequate internal control procedures in place to insure that debt proceeds and the corresponding capital outlay expenditures were properly recorded in the general ledger.

RECOMMENDATION

The Finance Department should establish procedures to insure the proper recording of debt transactions during the year. The County should also consider providing additional training to personnel.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

The County agrees with the finding. The County's Finance Department will provide training to personnel and establish procedures to insure the proper recordings of transactions during the year.

2018-002 – Proceeds from Sale of Property

CRITERIA
Generally accepted accounting principles direct that proceeds from governmental fund sale of capital assets are reported as other financing sources.

CONDITION
During fiscal year 2018, the County held an auction for the sale of surplus equipment. The County failed to record proceeds from the sale and the corresponding payoff of principal on a capital lease.

CONTEXT
A material adjustment of $728,368 was required in the General Fund to record sales proceeds for equipment that was auctioned. The proceeds from the auction were paid directly from the auction company to Caterpillar to payoff the principal on an existing capital lease.

EFFECT
The County understated other financing sources and debt service expenditures for the year ended June 30, 2018.

CAUSE
The County did not have adequate internal control procedures in place to insure that sales proceeds were properly recorded in the general ledger.

RECOMMENDATION
The Finance Department should establish procedures to insure the proper recording of sales transactions during the year. The County should also consider providing additional training to personnel.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS
The County agrees with the finding. The County's Finance Department will provide training to personnel and establish procedures to insure the proper recordings of transactions during the year.