

PIKE COUNTY, GEORGIA



ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2019

PIKE COUNTY, GEORGIA
INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2019

PIKE COUNTY, GEORGIA

TABLE OF CONTENTS
JUNE 30, 2019

	<u>Page</u>
INDEPENDENT AUDITOR’S REPORT	1-3
FINANCIAL STATEMENTS	
Government-wide Financial Statements	
Statement of Net Position	4-5
Statement of Activities.....	6-7
Fund Financial Statements	
Balance Sheet – Governmental Funds	8
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	9
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	10
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	11
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund & Major Special Revenue Fund	12-17
Statement of Fiduciary Assets and Liabilities	18
Combining Statement of Net Position – Component Units	19
Combining Statement of Activities – Component Units	20
Notes to the Financial Statements	21-46
SUPPLEMENTARY INFORMATION	
<u>Nonmajor Governmental Funds</u>	
Combining Balance Sheet – Nonmajor Governmental Funds	47-48
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	49-50

PIKE COUNTY, GEORGIA

TABLE OF CONTENTS
JUNE 30, 2019
(CONTINUED)

	<u>Page</u>
<u>Special Revenue Funds</u>	
Law Library Fund:	
Schedule of Revenues, Expenditures and Changes in	
Fund Balance – Budget and Actual	51
State Seizure Fund:	
Schedule of Revenues, Expenditures and Changes in	
Fund Balance – Budget and Actual	52
Federal Seizure Fund:	
Schedule of Revenues, Expenditures and Changes in	
Fund Balance – Budget and Actual	53
Drug Abuse Treatment Fund:	
Schedule of Revenues, Expenditures and Changes in	
Fund Balance – Budget and Actual	54
Juvenile Court Fund:	
Schedule of Revenues, Expenditures and Changes in	
Fund Balance – Budget and Actual	55
Schedule of Project Expenditures with Special Sales Tax Proceeds	56
<u>Agency Funds</u>	
Combining Statement of Changes in Assets and Liabilities	57-60
<u>Component Unit – Pike County Agribusiness Authority</u>	
Balance Sheet.....	61
Statement of Revenues, Expenditures and Changes in Fund Balance	62

GOVERNMENTAL REPORTS

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 <i>Government</i>	
<i>Auditing Standards</i>	63-64
Schedule of Findings and Responses	65-69



CLIFTON, LIPFORD, HARDISON & PARKER, LLC

Member of American Institute of Certified Public Accountants

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, 2019, and the related notes to the financial statements, which collectively comprise Pike County, Georgia'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 3 percent, 0 percent, and 29 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.

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, 2019, 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 April 8, 2020, 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
April 8, 2020

FINANCIAL STATEMENTS

PIKE COUNTY, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2019

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>	<u>Component</u> <u>Units</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 5,505,647	\$ 806,639
Receivables, net of allowance		
Taxes	163,173	-
Accounts	100,919	48,294
Accrued interest	-	928
Due from other governments	216,525	-
Inventory	3,108	-
Prepaid items	681	-
Restricted assets:		
Temporary cash investments	-	367,914
Capital assets		
Non depreciable	456,215	2,559,567
Depreciable, net	8,249,134	4,788,923
Total Assets	<u>14,695,402</u>	<u>8,572,265</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred outflows of resources related to pensions	-	60,904
Deferred outflows of resources related to OPEB	-	73,847
Total Deferred Outflows of Resources	<u>-</u>	<u>134,751</u>

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

PIKE COUNTY, GEORGIA

STATEMENT OF NET POSITION

JUNE 30, 2019

(CONTINUED)

	Primary Government Governmental Activities	Component Units
<u>LIABILITIES</u>		
Accounts payable	261,396	37,173
Accrued salaries and benefits	87,992	6,666
Accrued interest	16,291	2,368
Customer deposits	7,730	37,005
Noncurrent liabilities		
Due within one year		
Notes payable	14,766	263,664
Capital leases	121,179	-
Bonds payable	760,000	150,131
Landfill postclosure cost	23,340	-
Compensated absences	155,523	16,378
Due in more than one year		
Notes payable	31,302	83,190
Capital leases	814,224	-
Bonds payable	2,520,000	2,197,637
Landfill postclosure cost	86,100	-
Compensated absences	66,653	24,248
Net pension liability	-	252,910
Net OPEB liability	-	138,814
Total Liabilities	4,966,496	3,210,184
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred inflows of resources related to pensions	-	10,071
Deferred inflows of resources related to OPEB	-	78,189
Total Deferred Inflows of Resources	-	88,260
<u>NET POSITION</u>		
Net investment in capital assets	4,443,878	4,969,622
Restricted for		
Capital outlay	2,154,415	-
Road projects	297,177	-
Court programs	66,122	-
Law enforcement	273,812	-
Health services	-	162,445
Debt service	-	367,914
Unrestricted (deficit)	2,493,502	(91,409)
Total Net Position	\$ 9,728,906	\$ 5,408,572

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, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 2,146,344	\$ 1,182,753	\$ 40,679	\$ -
Public safety	3,842,473	469,072	7,741	-
Public works	3,526,050	12,565	518,506	1,641
Courts	1,115,280	-	-	-
Health and welfare	570,669	-	106,844	-
Culture and recreation	520,494	-	-	-
Economic development	420,610	-	-	-
Interest on long-term debt	107,270	-	-	-
Total governmental activities	<u>12,249,190</u>	<u>1,664,390</u>	<u>673,770</u>	<u>1,641</u>
Total Primary Government	<u>\$ 12,249,190</u>	<u>\$ 1,664,390</u>	<u>\$ 673,770</u>	<u>\$ 1,641</u>
Component Units				
Pike County Department of Public Health	\$ 426,761	\$ 291,118	\$ 231,900	\$ -
Pike County J. Joel Edwards Public Library	189,695	7,629	168,611	-
Pike County Water and Sewerage Authority	392,675	162,363	210,045	-
Pike County Agribusiness Authority	28,547	17,781	171,000	-
Development Authority of Pike County	113,406	-	66,125	-
Pike County Recreation Authority	560,703	182,848	313,017	1,908
Total Component Units	<u>\$ 1,711,787</u>	<u>\$ 661,739</u>	<u>\$ 1,160,698</u>	<u>\$ 1,908</u>

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

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, 2019
(CONTINUED)

Net (Expense) Revenue and Changes in Net Position	
Primary Government	
Governmental Activities	Component Units
\$ (922,912)	
(3,365,660)	
(2,993,338)	
(1,115,280)	
(463,825)	
(520,494)	
(420,610)	
(107,270)	
<u>(9,909,389)</u>	
<u>(9,909,389)</u>	
	\$ 96,257
	(13,455)
	(20,267)
	160,234
	(47,281)
	<u>(62,930)</u>
	<u>112,558</u>
5,963,792	-
2,350,067	-
1,259,843	-
1,216,293	-
7,359	2,708
95,044	5,177
6,278	-
<u>10,898,676</u>	<u>7,885</u>
989,287	120,443
<u>8,739,619</u>	<u>5,288,129</u>
<u>\$ 9,728,906</u>	<u>\$ 5,408,572</u>

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

PIKE COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	General Fund	E911 Fund	Impact Fees Fund	SPLOST 2016 Fund	Non-Major Governmental Funds	Total Governmental Funds
<u>ASSETS</u>						
Cash and cash equivalents	\$ 2,335,280	\$ 263,647	\$ 773,603	\$ 1,264,781	\$ 868,336	\$ 5,505,647
Receivables, net of allowance						
Taxes	163,173	-	-	-	-	163,173
Other receivables	40,822	60,097	-	-	-	100,919
Due from other governments	92,333	-	-	123,761	431	216,525
Due from other funds	324,024	-	-	-	-	324,024
Inventory	3,108	-	-	-	-	3,108
Prepaid items	681	-	-	-	-	681
Total Assets	\$ 2,959,421	\$ 323,744	\$ 773,603	\$ 1,388,542	\$ 868,767	\$ 6,314,077
<u>LIABILITIES</u>						
Accounts payable	\$ 228,451	\$ 1,915	\$ -	\$ -	\$ 31,030	\$ 261,396
Accrued payroll deductions	81,062	6,930	-	-	-	87,992
Due to other funds	-	314,899	-	-	9,125	324,024
Due to other governments	-	-	-	7,730	-	7,730
Total Liabilities	309,513	323,744	-	7,730	40,155	681,142
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Unavailable revenue - property taxes	161,506	-	-	-	-	161,506
Total Deferred Inflows of Resources	161,506	-	-	-	-	161,506
<u>FUND BALANCES</u>						
Nonspendable	3,789	-	-	-	-	3,789
Restricted	-	-	773,603	1,380,812	637,111	2,791,526
Committed	133,237	-	-	-	-	133,237
Assigned	113,461	-	-	-	191,501	304,962
Unassigned	2,237,915	-	-	-	-	2,237,915
Total Fund Balances	2,488,402	-	773,603	1,380,812	828,612	5,471,429
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,959,421	\$ 323,744	\$ 773,603	\$ 1,388,542	\$ 868,767	\$ 6,314,077

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, 2019

Total Fund Balance per Balance Sheet of Governmental Funds	\$ 5,471,429
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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	17,631,228
Accumulated depreciation	(8,925,879)

Revenues

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	161,506
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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	(935,403)
Notes payable	(46,068)
Bonds payable	(3,280,000)
Landfill closure costs	(109,440)
Compensated absences	(222,176)
Accrued interest	(16,291)

Total Net Position of Governmental Activities	<u>\$ 9,728,906</u>
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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, 2019

	General Fund	E911 Fund	Impact Fees Fund	SPLOST 2016 Fund	Non-Major Governmental Funds	Total Governmental Funds
<u>REVENUES</u>						
Taxes						
Property tax	\$ 5,924,655	\$ -	\$ -	\$ -	\$ -	\$ 5,924,655
Sales tax	999,449	-	-	1,350,618	-	2,350,067
Other taxes	2,476,136	-	-	-	-	2,476,136
License and permits	235,225	-	282,154	-	-	517,379
Intergovernmental	165,264	-	-	-	508,506	673,770
Fines and forfeitures	445,155	-	-	-	82,777	527,932
Charges for services	234,883	384,196	-	-	-	619,079
Interest earnings	4,840	242	1,280	1,641	997	9,000
Rent	9,100	-	-	-	-	9,100
Other revenues	24,353	-	-	-	-	24,353
Total Revenues	10,519,060	384,438	283,434	1,352,259	592,280	13,131,471
<u>EXPENDITURES</u>						
Current						
General government	2,033,189	-	-	-	5,917	2,039,106
Public safety	2,940,813	593,786	-	-	42,032	3,576,631
Public works	2,363,801	-	-	262,490	582,806	3,209,097
Judicial	1,108,034	-	-	-	-	1,108,034
Health and welfare	561,328	-	-	-	-	561,328
Culture and recreation	501,159	-	1,908	-	-	503,067
Housing and development	426,127	-	-	-	-	426,127
Intergovernmental	-	-	-	100,069	-	100,069
Debt Service						
Principal	131,865	-	-	730,000	-	861,865
Interest and fiscal charges	56,584	-	-	54,311	-	110,895
Capital Outlay	-	-	82,496	18,350	104,429	205,275
Total Expenditures	10,122,900	593,786	84,404	1,165,220	735,184	12,701,494
Excess (Deficiency) of Revenues Over (Under) Expenditures	396,160	(209,348)	199,030	187,039	(142,904)	429,977
<u>OTHER FINANCING SOURCES (USES)</u>						
Transfers from other funds	-	209,348	4,766	-	272,798	486,912
Transfers to other funds	(482,146)	-	-	-	(4,766)	(486,912)
Insurance recoveries	61,591	-	-	-	-	61,591
Proceeds from sale of property	6,278	-	-	-	-	6,278
Total Other Financing Sources (Uses)	(414,277)	209,348	4,766	-	268,032	67,869
Net change in fund balances	(18,117)	-	203,796	187,039	125,128	497,846
Fund Balance - Beginning of Year	2,506,519	-	569,807	1,193,773	703,484	4,973,583
Fund Balance - End of Year	\$ 2,488,402	\$ -	\$ 773,603	\$ 1,380,812	\$ 828,612	\$ 5,471,429

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, 2019

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	\$ 497,846
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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	379,988
Total depreciation	(780,328)

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, disposals, trade-ins, and donations) is to increase net position.	(17,463)
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Long-term Debt

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	115,139
Bond payable	730,000
Note payable	16,726
Accrued interest	3,625
Landfill closure costs	19,710
Compensated absences	(15,093)

Revenues

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

39,137

Change in Net Position of Governmental Activities

\$ 989,287

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, 2019

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<u>Taxes</u>				
General property tax	\$ 6,743,824	\$ 6,281,939	\$ 5,924,655	\$ (357,284)
Local option sales tax	850,000	925,819	999,449	73,630
Other				
Motor vehicle tax	1,099,700	1,259,700	1,259,843	143
Intangible tax	9,000	115,000	96,148	(18,852)
Mobile home tax	14,500	14,500	16,864	2,364
Timber taxes	18,000	18,000	13,140	(4,860)
Insurance premium tax	875,000	875,000	987,564	112,564
Penalties and interest	40,000	40,000	39,317	(683)
Bank tax fee	50,000	50,000	52,445	2,445
Other taxes	100	100	10,815	10,715
Total Taxes	9,700,124	9,580,058	9,400,240	(179,818)
<u>Licenses and Permits</u>				
Alcohol beverage license	48,000	48,000	41,357	(6,643)
Business license	36,000	36,000	28,291	(7,709)
Building permits	130,000	190,885	157,043	(33,842)
Other	3,500	3,500	8,534	5,034
Total Licenses and Permits	217,500	278,385	235,225	(43,160)
<u>Intergovernmental Revenues</u>				
Federal grants	125,000	125,000	106,844	(18,156)
State grants				
Georgia Emergency Management Agency	7,651	7,651	7,651	-
Department of Juvenile Justice	8,400	8,400	-	(8,400)
Other				
Pre-Trial Diversion Program	500	500	90	(410)
City of Zebulon	12,000	12,000	10,000	(2,000)
Other grants	-	-	6,250	6,250
Real estate transfer tax	30,000	50,000	34,429	(15,571)
Total Intergovernmental Revenue	183,551	203,551	165,264	(38,287)

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, 2019
(CONTINUED)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<u>Fines and Forfeitures</u>				
Superior Court fines	105,000	105,000	120,019	15,019
Probate Court fines	120,000	120,000	155,260	35,260
Magistrate Court fines	20,000	20,000	16,417	(3,583)
Sheriff's cost and fees	162,000	162,000	153,459	(8,541)
Total Fines and Forfeitures	407,000	407,000	445,155	38,155
<u>Charges for Services</u>				
Tax Commissioner - commissions	200,000	215,000	220,219	5,219
Drive way culverts	500	500	12,565	12,065
Fire fees	-	-	2,099	2,099
Total Charges for Services	200,500	215,500	234,883	19,383
<u>Miscellaneous</u>				
Interest earnings	3,600	3,600	4,840	1,240
Rents	8,400	8,400	9,100	700
Miscellaneous	10,900	10,900	24,353	13,453
Total Miscellaneous	22,900	22,900	38,293	15,393
Total Revenues	10,731,575	10,707,394	10,519,060	(188,334)

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, 2019
(CONTINUED)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<u>General Government</u>				
General Administration	985,446	986,346	915,334	71,012
Tax Commissioner's Office	260,552	260,552	246,523	14,029
Tax Assessors	409,840	409,840	266,194	143,646
Board of Equalization	3,142	3,142	1,323	1,819
Voter Registrar	133,887	134,195	102,491	31,704
Cooperative Extension Service	81,474	91,474	75,241	16,233
Code Enforcement Officer	243,197	243,197	189,924	53,273
Building and Grounds	298,687	298,687	236,159	62,528
Total General Government	2,416,225	2,427,433	2,033,189	394,244
<u>Judicial</u>				
Judicial Administration	130,774	133,602	130,136	3,466
Superior Court	340,778	340,778	305,484	35,294
Probate Court	181,780	181,780	174,432	7,348
Magistrate Court	236,242	236,242	230,721	5,521
Public Defender	181,315	181,315	181,315	-
District Attorney	84,838	85,946	85,946	-
Total Judicial	1,155,727	1,159,663	1,108,034	51,629
<u>Public Safety</u>				
Sheriff's Office	1,604,710	1,624,710	1,592,244	32,466
Jail Operations	1,037,007	1,027,007	984,221	42,786
Fire Department	270,463	283,534	275,285	8,249
Animal Control	65,858	65,858	58,133	7,725
Coroner's Office	32,062	32,062	30,930	1,132
Total Public Safety	3,010,100	3,033,171	2,940,813	92,358
<u>Public Works</u>				
Sanitation	18,000	18,000	18,000	-
Road Department	1,923,528	2,345,801	2,345,801	-
Total Public Works	1,941,528	2,363,801	2,363,801	-

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, 2019
(CONTINUED)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<u>Health and Welfare</u>				
DFCS	37,475	37,475	37,475	-
Ambulance Contract	250,000	250,000	250,000	-
Emergency Management	55,855	60,437	37,090	23,347
Senior Center	123,621	144,297	140,717	3,580
Pike County Board of Health	70,000	70,000	70,000	-
McIntosh Trail RC	25,400	26,046	26,046	-
Total Health and Welfare	562,351	588,255	561,328	26,927
<u>Culture and Recreation</u>				
Recreation	317,724	317,724	313,016	4,708
Library	130,008	166,611	166,611	-
Flint River Regional Library	12,000	12,000	11,859	141
Forestry Resources	9,673	9,673	9,673	-
Total Culture and Recreation	469,405	506,008	501,159	4,849
<u>Housing and Development</u>				
Pike County Agribusiness Authority	21,000	21,000	21,000	-
Pike County Water Authority	210,045	213,158	213,158	-
Economic Development	84,485	90,735	88,741	1,994
Soil Conservation	40,545	40,545	40,228	317
Development Authority	63,000	63,000	63,000	-
Total Housing and Development	419,075	428,438	426,127	2,311
<u>Debt Service</u>				
Principal	168,784	131,865	131,865	-
Interest and fiscal charges	22,772	56,584	56,584	-
Total Debt Service	191,556	188,449	188,449	-
Total Expenditures	10,165,967	10,695,218	10,122,900	572,318
Excess Revenue Over (Under) Expenditures	565,608	12,176	396,160	383,984

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, 2019
(CONTINUED)

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget
	Original	Final		
<u>Other Financing Sources (Uses)</u>				
Transfer to E911 Fund	(240,333)	(240,333)	(209,348)	30,985
Transfer to LMIG Fund	(272,798)	(272,798)	(272,798)	-
Insurance recoveries	10,000	10,000	61,591	51,591
Proceeds from sale of property	1,000	1,000	6,278	5,278
Total Other Financing Sources (Uses)	(502,131)	(502,131)	(414,277)	87,854
Net change in fund balance	63,477	(489,955)	(18,117)	471,838
Fund Balance - Beginning of Year	2,506,519	2,506,519	2,506,519	-
Fund Balance - End of Year	<u>\$ 2,569,996</u>	<u>\$ 2,016,564</u>	<u>\$ 2,488,402</u>	<u>\$ 471,838</u>

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, 2019
(CONTINUED)

	Original Budget	Final Budget	Actual	Variance with Final Budget
<u>REVENUES</u>				
Charges for services	\$ 315,000	\$ 353,453	\$ 384,196	\$ 30,743
Interest income	-	-	242	242
Total Revenues	315,000	353,453	384,438	30,985
<u>EXPENDITURES</u>				
Current				
Public safety	554,723	593,786	593,786	-
Total Expenditures	554,723	593,786	593,786	-
Excess (deficiency) of revenues over (under) expenditures	(239,723)	(240,333)	(209,348)	30,985
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers from General Fund	240,333	240,333	209,348	(30,985)
Total Other Financing Sources (Uses)	240,333	240,333	209,348	(30,985)
Net change in fund balance	610	-	-	-
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	\$ 610	\$ -	\$ -	\$ -

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

PIKE COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2019

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 534,617
Total Assets	<u>\$ 534,617</u>
<u>LIABILITIES</u>	
Due to other governments	\$ 286,005
Due to others	<u>248,612</u>
Total Liabilities	<u>\$ 534,617</u>

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, 2019

	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	\$ 179,515	\$ 72,824	\$ 81,400	\$ 111,932	\$ 218,654	\$ 142,314	\$ 806,639
Receivables							
Accounts	39,333	-	7,500	-	-	1,461	48,294
Accrued interest	-	-	928	-	-	-	928
Non-current							
Restricted temporary cash investments	-	-	367,914	-	-	-	367,914
Capital Assets							
Nondepreciable	-	-	23,600	197,514	1,863,453	475,000	2,559,567
Depreciable capital assets, net	3,632	24,905	4,148,754	26,553	146,869	438,210	4,788,923
Total Assets	222,480	97,729	4,630,096	335,999	2,228,976	1,056,985	8,572,265
Deferred Outflows of Resources							
Deferred outflows of resources related to pensions	60,904	-	-	-	-	-	60,904
Deferred outflows of resources related to OPEB	73,847	-	-	-	-	-	73,847
Total Deferred Outflows of Resources	134,751	-	-	-	-	-	134,751
LIABILITIES							
Current Liabilities							
Accounts payable	14,362	3,086	3,694	125	143	15,763	37,173
Accrued interest	-	-	2,368	-	-	-	2,368
Accrued liabilities	-	-	1,333	-	275	5,058	6,666
Compensated absences	7,932	2,454	-	-	-	5,992	16,378
Meter deposit	-	-	37,005	-	-	-	37,005
Notes payable	-	-	-	3,557	260,107	-	263,664
Bonds payable	-	-	150,131	-	-	-	150,131
Long-term Liabilities							
Compensated absences	24,248	-	-	-	-	-	24,248
Notes payable (net of current portion)	-	-	-	83,190	-	-	83,190
Bonds payable (net of current portion)	-	-	2,197,637	-	-	-	2,197,637
Net pension liability	252,910	-	-	-	-	-	252,910
Net OPEB liability	138,814	-	-	-	-	-	138,814
Total Liabilities	438,266	5,540	2,392,168	86,872	260,525	26,813	3,210,184
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows of resources related to pensions	10,071	-	-	-	-	-	10,071
Deferred inflows of resources related to OPEB	78,189	-	-	-	-	-	78,189
Total Deferred Inflows of Resources	88,260	-	-	-	-	-	88,260
NET POSITION							
Net investment in capital assets	3,632	24,905	2,053,593	224,067	1,750,215	913,210	4,969,622
Restricted	162,445	-	367,914	-	-	-	530,359
Unrestricted (deficit)	(335,372)	67,284	(183,579)	25,060	218,236	116,962	(91,409)
Total Net Position	\$ (169,295)	\$ 92,189	\$ 2,237,928	\$ 249,127	\$ 1,968,451	\$ 1,030,172	\$ 5,408,572

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, 2019

	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	\$ -	\$ -	\$ -	\$ 28,547	\$ 104,419	\$ -	\$ 132,966
Health and welfare	426,761	-	-	-	-	-	426,761
Culture and recreation	-	189,695	-	-	-	560,703	750,398
Water and sewer	-	-	329,019	-	-	-	329,019
Interest on long term debt	-	-	63,656	-	8,987	-	72,643
Total Expenses	426,761	189,695	392,675	28,547	113,406	560,703	1,711,787
REVENUES							
Program revenues:							
Charges for services	291,118	7,629	162,363	17,781	-	182,848	661,739
Operating grants and contributions	231,900	168,611	210,045	171,000	66,125	313,017	1,160,698
Capital grants and contributions	-	-	-	-	-	1,908	1,908
Total Program Revenues	523,018	176,240	372,408	188,781	66,125	497,773	1,824,345
Net Program (Expense)	96,257	(13,455)	(20,267)	160,234	(47,281)	(62,930)	112,558
GENERAL REVENUES							
Interest earnings	344	190	1,821	47	-	306	2,708
Miscellaneous	-	143	-	-	-	5,034	5,177
Total General Revenues	344	333	1,821	47	-	5,340	7,885
Change in Net Position	96,601	(13,122)	(18,446)	160,281	(47,281)	(57,590)	120,443
Net Position - Beginning of year (deficit)	(265,896)	105,311	2,256,374	88,846	2,015,732	1,087,762	5,288,129
Net Position - End of year (deficit)	\$ (169,295)	\$ 92,189	\$ 2,237,928	\$ 249,127	\$ 1,968,451	\$ 1,030,172	\$ 5,408,572

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

NOTES TO THE FINANCIAL STATEMENTS

PIKE COUNTY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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, 2019. 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, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

(CONTINUED)

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, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

(CONTINUED)

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.

PIKE COUNTY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

(CONTINUED)

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.

PIKE COUNTY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019
(CONTINUED)

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.

PIKE COUNTY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

(CONTINUED)

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.

PIKE COUNTY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

(CONTINUED)

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

PIKE COUNTY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019
(CONTINUED)

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.

PIKE COUNTY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019
(CONTINUED)

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, 2019:

	General Fund	Impact Fees Fund	SPLOST 2016 Fund	Nonmajor Governmental	Total
Fund Balances					
Nonspendable					
Inventory	\$ 3,108	\$ -	\$ -	\$ -	\$ 3,108
Prepays	681	-	-	-	681
Restricted for					
Capital outlay	-	773,603	1,380,812	-	2,154,415
Road projects	-	-	-	297,177	297,177
Court programs	-	-	-	66,122	66,122
Law enforcement	-	-	-	273,812	273,812
Committed for					
Economic development	30,000	-	-	-	30,000
Capital outlay	20,000	-	-	-	20,000
Water infrastructure	15,737	-	-	-	15,737
Other	67,500	-	-	-	67,500
Assigned for					
Working capital	107,419	-	-	-	107,419
Capital outlay	-	-	-	180,745	180,745
Juvenile court	-	-	-	10,756	10,756
Fire department	6,042	-	-	-	6,042
Unassigned	2,237,915	-	-	-	2,237,915
Total fund balances	\$ 2,488,402	\$ 773,603	\$ 1,380,812	\$ 828,612	\$ 5,471,429

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.

PIKE COUNTY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019
(CONTINUED)

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, 2019, 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, 2018 – June 30, 2019, the County's total contribution was \$136,739. 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.

PIKE COUNTY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

(CONTINUED)

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. 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. The County had deposit accounts which were under collateralized by \$104,537 as of June 30, 2019.

At June 30, 2019, the carrying amount of deposits for the Pike County Department of Public Health, a discretely presented component unit, was \$179,515. All of the bank balance was covered by federal depository insurance or by collateral held.

At June 30, 2019, the carrying amount of deposits for the Pike County Library, a discretely presented component unit, was \$72,824. All of the bank balance was covered by federal depository insurance or by collateral held.

At June 30, 2019, the carrying amount of deposits for the Pike County Water and Sewerage Authority, a discretely presented component unit, was \$449,314. All of the bank balance was covered by federal depository insurance or by collateral held.

PIKE COUNTY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

(CONTINUED)

At June 30, 2019, the carrying amount of deposits for the Pike County Agribusiness Authority, a discretely presented component unit, was \$111,932. All of the bank balance was covered by federal depository insurance or by collateral held.

At June 30, 2019, the carrying amount of deposits for the Development Authority of Pike County, a discretely presented component unit, was \$218,654. All of the bank balance was covered by federal depository insurance or by collateral held.

At June 30, 2019, the carrying amount of deposits for the Pike County Recreation Authority, a discretely presented component unit, was \$142,314. 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 issued 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 25, 2018. Property taxes attached as an enforceable lien on property as of January 1. Property taxes were billed on September 25, 2018 and were payable on December 20, 2018.

NOTE 5 – RECEIVABLES

Receivables at June 30, 2019, consist of the following:

	General Fund	E911 Fund	Total
<u>Receivables</u>			
Taxes	\$ 200,334	\$ -	\$ 200,334
Accounts	40,822	60,097	100,919
Gross Receivables	241,156	60,097	301,253
Less: Allowance for Uncollectible	(37,161)	-	(37,161)
Net Total Receivables	\$ 203,995	\$ 60,097	\$ 264,092

PIKE COUNTY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019
(CONTINUED)

NOTE 6 – DUE FROM OTHER GOVERNMENTS

Amounts due from other governments at June 30, 2019, are as follows:

	State
Fund	
General Fund	\$ 92,333
SPLOST 2016 Fund	123,761
Non-Major Governmental	431
	<hr/>
Total	<u><u>\$ 216,525</u></u>

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, 2019, is as follows:

Due to / from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	E911 Fund	\$ 314,899
General Fund	Nonmajor Governmental	9,125
		<hr/>
Total		<u><u>\$ 324,024</u></u>

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	Impact Fees Fund	Nonmajor Governmental Funds	Total
Transfer Out:				
General Fund	\$ 209,348	\$ -	\$ 272,798	\$ 482,146
Nonmajor governmental funds	-	4,766	-	4,766
				<hr/>
Total	<u><u>\$ 209,348</u></u>	<u><u>\$ 4,766</u></u>	<u><u>\$ 272,798</u></u>	<u><u>\$ 486,912</u></u>

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 subsidies or matching fund for various grant programs.

PIKE COUNTY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019
(CONTINUED)

NOTE 8 – CAPITAL ASSETS

	Beginning Balance	Increase	Decrease	Transfer	Ending Balance
<u>Governmental Activities</u>					
Capital assets, not being depreciated					
Land	\$ 317,020	\$ -	\$ -	\$ -	\$ 317,020
Construction in progress	139,615	134,845	-	(135,265)	139,195
Total capital assets, not being depreciated	456,635	134,845	-	(135,265)	456,215
Capital assets, being depreciated					
Buildings	7,389,131	48,348	-	135,265	7,572,744
Furniture and fixtures	11,366	-	-	-	11,366
Machinery and equipment	4,590,659	73,128	-	-	4,663,787
Vehicles	3,807,042	123,667	(40,821)	-	3,889,888
Intangible assets	27,995	-	-	-	27,995
Infrastructure	1,009,234	-	-	-	1,009,234
Total capital assets, being depreciated	16,835,427	245,143	(40,821)	135,265	17,175,014
Less accumulated depreciation for					
Buildings	(2,301,807)	(189,898)	-	-	(2,491,705)
Furniture and fixtures	(7,451)	(1,518)	-	-	(8,969)
Machinery and equipment	(2,596,000)	(417,353)	-	-	(3,013,353)
Vehicles	(3,087,438)	(151,020)	23,358	-	(3,215,100)
Intangible assets	(27,995)	-	-	-	(27,995)
Infrastructure	(148,219)	(20,539)	-	-	(168,758)
Total accumulated depreciation	(8,168,910)	(780,328)	23,358	-	(8,925,880)
Total capital assets, being depreciated, net	8,666,517	(535,185)	(17,463)	135,265	8,249,134
Governmental activities capital assets, net	\$ 9,123,152	\$ (400,340)	\$ (17,463)	\$ -	8,705,349
Less related long-term debt outstanding					(4,261,471)
Net investment in capital assets					\$ 4,443,878

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

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019
(CONTINUED)

<u>Governmental activities</u>	
General government	\$ 142,271
Public safety	220,296
Public works	376,195
Courts	7,246
Culture and recreation	17,427
Housing and development	733
Health and welfare	16,160
Total depreciation expense - governmental activities	<u>\$ 780,328</u>

	Balance	Increase	Decrease	Balance
<u>Discretely presented component units</u>				
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	5,601,989	16,150	-	5,618,139
Vehicle	20,557	-	-	20,557
Storage building	2,700	-	-	2,700
Total capital assets, being depreciated	6,005,841	16,150	-	6,021,991
Less accumulated depreciation for				
Water tower, well and treatment plant	(113,367)	(14,483)	-	(127,850)
Water and sewer lines	(1,583,802)	(138,326)	-	(1,722,128)
Vehicle	(20,559)	-	-	(20,559)
Storage building	(2,615)	(85)	-	(2,700)
Total accumulated depreciation	(1,720,343)	(152,894)	-	(1,873,237)
Total capital assets, being depreciated, net	4,285,498	(136,744)	-	4,148,754
Water and Sewerage Authority capital assets, net	\$ 4,309,098	\$ (136,744)	\$ -	4,172,354
	Less: related long-term debt outstanding			(2,347,768)
	Plus: unspent bond proceeds			229,007
	Net investment in capital assets			\$ 2,053,593

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019
(CONTINUED)

	Beginning Balance	Increase	Decrease	Transfers	Ending Balance
Capital assets, not being depreciated					
Land	\$ 24,952	\$ -	\$ -	\$ -	\$ 24,952
Construction in progress	-	172,562	-	-	172,562
Total capital assets, not being depreciated	24,952	172,562	-	-	197,514
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	(54,143)	(3,704)	-	-	(57,847)
Site improvements	(15,241)	(1,905)	-	-	(17,146)
Total accumulated depreciation	(69,384)	(5,609)	-	-	(74,993)
Total capital assets, being depreciated, net	32,162	(5,609)	-	-	26,553
Agribusiness Authority capital assets, net	\$ 57,114	\$ 166,953	\$ -	\$ -	\$ 224,067

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PIKE COUNTY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

(CONTINUED)

Activity for the Pike County Recreation Authority for the fiscal year ended June, 30, 2019 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	490,227	9,151	-	499,378
Vehicles	15,708	-	-	15,708
Infrastructure	9,780	-	-	9,780
Total capital assets, being depreciated	1,000,589	9,151	-	1,009,740
Less accumulated depreciation for				
Building & improvements	(192,489)	(17,285)	-	(209,774)
Furniture, fixtures & equipment	(319,696)	(19,940)	-	(339,636)
Vehicles	(15,708)	-	-	(15,708)
Infrastructure	(5,760)	(652)	-	(6,412)
Total accumulated depreciation	(533,653)	(37,877)	-	(571,530)
Total capital assets, being depreciated, net	466,936	(28,726)	-	438,210
Recreation Authority capital assets, net	\$ 941,936	\$ (28,726)	\$ -	\$ 913,210

PIKE COUNTY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019
(CONTINUED)

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, 2019, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities</u>					
Notes payable					
First Bank of Pike	\$ 62,794	\$ -	\$ (16,726)	\$ 46,068	\$ 14,766
Capital Leases					
Caterpillar - road equipment	630,827	-	(73,343)	557,484	75,800
Caterpillar - asphalt compactor	99,919	-	(13,539)	86,380	14,395
Caterpillar - asphalt paver	257,852	-	(18,731)	239,121	20,791
Caterpillar - excavator	61,944	-	(9,526)	52,418	10,193
General Obligation Bonds					
2016 Bonds	4,010,000	-	(730,000)	3,280,000	760,000
Landfill postclosure cost	129,150	-	(19,710)	109,440	23,340
Compensated absences	207,083	185,836	(170,743)	222,176	155,523
Governmental activity					
Long-term liabilities	<u>\$ 5,459,569</u>	<u>\$ 185,836</u>	<u>\$ (1,052,318)</u>	<u>\$ 4,593,087</u>	<u>\$ 1,074,808</u>

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 2019 was \$2,539.

Year Ending June 30th	Governmental Activities	
	Principal	Interest
2020	\$ 14,766	\$ 1,703
2021	16,776	1,006
2022	14,526	284
Total	<u>\$ 46,068</u>	<u>\$ 2,993</u>

PIKE COUNTY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019
(CONTINUED)

Capital Lease Payables:

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, \$98,516 was included in depreciation expense and accumulated depreciation of \$180,298. Total interest paid for fiscal year 2019 was \$19,768. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2019 were as follows:

Year Ending June 30th	Governmental Activities	
	Principal	Interest
2020	\$ 75,800	\$ 17,310
2021	78,348	14,762
2022	80,981	12,129
2023	322,355	1,759
Total	<u>\$ 557,484</u>	<u>\$ 45,960</u>

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, \$15,381 was included in depreciation expense and accumulated depreciation of \$19,468. Total interest paid for fiscal year 2019 was \$4,197. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2019 were as follows:

Year Ending June 30th	Governmental Activities	
	Principal	Interest
2020	\$ 14,395	\$ 3,342
2021	15,011	2,725
2022	15,654	2,083
2023	41,320	1,225
Total	<u>\$ 86,380</u>	<u>\$ 9,375</u>

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, \$73,105 was included in depreciation expense and accumulated depreciation of \$91,732. Total interest paid for fiscal year 2019 was \$27,417.

PIKE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019
(CONTINUED)

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2019 were as follows:

Year Ending June 30th	Governmental Activities	
	Principal	Interest
2020	\$ 20,791	\$ 24,268
2021	23,078	21,981
2022	25,616	19,443
2023	169,636	13,192
Total	<u>\$ 239,121</u>	<u>\$ 78,884</u>

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, \$9,492 was included in depreciation expense and accumulated depreciation of \$10,324. Total interest paid for fiscal year 2019 was \$2,663. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2019 were as follows:

Year Ending June 30th	Governmental Activities	
	Principal	Interest
2020	\$ 10,193	\$ 1,996
2021	42,225	1,560
Total	<u>\$ 52,418</u>	<u>\$ 3,556</u>

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 2019 was \$64,443. Annual debt service requirements to maturity for this bond issue are as follows:

PIKE COUNTY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019
(CONTINUED)

Year Ending June 30th	Governmental Activities	
	Principal	Interest
2019	\$ 760,000	\$ 43,210
2021	800,000	31,588
2022	840,000	19,370
2023	880,000	6,556
Total	\$ 3,280,000	\$ 100,724

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 \$109,440. 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, 2019, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental Activities</u>					
2017 revenue bonds	\$ 2,493,975	\$ -	\$ (146,207)	\$ 2,347,768	\$ 150,131
 Water and Sewerage Authority					
long-term liabilities	\$ 2,493,975	\$ -	\$ (146,207)	\$ 2,347,768	\$ 150,131

PIKE COUNTY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019
(CONTINUED)

Activity for the Agribusiness Authority of Pike County for the fiscal year ended June 30, 2019, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental Activities</u>					
Note payable	\$ -	\$ 86,747	\$ -	\$ 86,747	\$ 3,557
Agribusiness Authority long-term liabilities	\$ -	\$ 86,747	\$ -	\$ 86,747	\$ 3,557

Activity for the Development Authority of Pike County for the fiscal year ended June 30, 2019, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental Activities</u>					
Note payable	\$ 291,188	\$ -	\$ (31,081)	\$ 260,107	\$ 260,107
Development Authority long-term liabilities	\$ 291,188	\$ -	\$ (31,081)	\$ 260,107	\$ 260,107

Activity for the Pike County Recreation Authority for the fiscal year ended June 30, 2019, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental Activities</u>					
Compensated Absences	\$ 6,613	\$ 9,681	\$ (10,302)	\$ 5,992	\$ 5,992
Recreation Authority long-term liabilities	\$ 6,613	\$ 9,681	\$ (10,302)	\$ 5,992	\$ 5,992

PIKE COUNTY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019
(CONTINUED)

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, 2019. 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
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	\$ 44,798	\$ 44,798	\$ 36,168	\$ 36,168	\$ 163,102

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, 2019 were \$12,215. The Member's contributions to GEBCorp for the fiscal year ended June 30, 2019 were \$43,918.

PIKE COUNTY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019
(CONTINUED)

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.

PIKE COUNTY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2019

(CONTINUED)

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, 2019, 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 – RECLASSIFICATION OF FUND BALANCE

In fiscal year 2019, the County elected to separate the activity in the Law Enforcement Confiscation Fund and present as two separate funds, the Federal Seizure Fund and the State Seizure Fund. There was no effect on fund balance in total.

PIKE COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019
(CONTINUED)

NOTE 15 – EVALUATION OF SUBSEQUENT EVENTS

The County has evaluated subsequent events through April 8, 2020, the date which the financial statements were available to be issued.

During March 2020, the County modified operations as a result of the COVID-19 pandemic and in compliance with state and federal recommendations. The extent of the impact of COVID-19 on the County's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak all of which are uncertain. Accordingly, the extent to which COVID-19 may impact the financial condition or results of operation cannot be determined.

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.

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

Federal Seizure Fund – This fund accounts for Federal 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, 2019

	Special Revenue Funds			
	Law Library	State Seizure	Federal Seizure	Drug Abuse Treatment
<u>ASSETS</u>				
Cash and cash equivalents	\$ 14,778	\$ 43,452	\$ 231,202	\$ 50,913
Due from other governments	-	-	-	431
Total Assets	<u>\$ 14,778</u>	<u>\$ 43,452</u>	<u>\$ 231,202</u>	<u>\$ 51,344</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities				
Accounts payable	\$ -	\$ 30,255	\$ -	\$ -
Due to other funds	-	-	-	-
Total Liabilities	<u>-</u>	<u>30,255</u>	<u>-</u>	<u>-</u>
Fund Balances				
Restricted	14,778	13,197	231,202	51,344
Assigned	-	-	-	-
Total Fund Balances	<u>14,778</u>	<u>13,197</u>	<u>231,202</u>	<u>51,344</u>
Total Liabilities and Fund Balances	<u>\$ 14,778</u>	<u>\$ 43,452</u>	<u>\$ 231,202</u>	<u>\$ 51,344</u>

PIKE COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2019

(CONTINUED)

Special Revenue Funds Juvenile Court	Capital Project Funds			Total Nonmajor Governmental Funds
	Jail Construction	Capital Improvements	LMIG Fund	
\$ 10,756	\$ 38,538	\$ 181,520	\$ 297,177	\$ 868,336
-	-	-	-	431
<u>\$ 10,756</u>	<u>\$ 38,538</u>	<u>\$ 181,520</u>	<u>\$ 297,177</u>	<u>\$ 868,767</u>
\$ -	\$ -	\$ 775	\$ -	\$ 31,030
-	9,125	-	-	9,125
<u>-</u>	<u>9,125</u>	<u>775</u>	<u>-</u>	<u>40,155</u>
-	29,413	-	297,177	637,111
10,756	-	180,745	-	191,501
<u>10,756</u>	<u>29,413</u>	<u>180,745</u>	<u>297,177</u>	<u>828,612</u>
<u>\$ 10,756</u>	<u>\$ 38,538</u>	<u>\$ 181,520</u>	<u>\$ 297,177</u>	<u>\$ 868,767</u>

PIKE COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Special Revenue Funds			
	Law Library	State Seizure	Federal Seizure	Drug Abuse Treatment
<u>REVENUES</u>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	11,535	780	38,403	11,842
Interest earnings	-	8	-	119
Total Revenues	11,535	788	38,403	11,961
<u>EXPENDITURES</u>				
Current				
General government	-	-	-	-
Public safety	5,359	5,289	5,733	9,935
Public works	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	5,359	5,289	5,733	9,935
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,176	(4,501)	32,670	2,026
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	6,176	(4,501)	32,670	2,026
Fund balance, beginning of year, restated	8,602	17,698	198,532	49,318
Fund balance, end of year	\$ 14,778	\$ 13,197	\$ 231,202	\$ 51,344

PIKE COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(CONTINUED)

Special Revenue Funds	Capital Project Funds			Total Nonmajor Governmental Funds
Juvenile Court	Jail Construction	Capital Improvements	LMIG Fund	
\$ -	\$ -	\$ -	\$ 508,506	\$ 508,506
1,713	18,504	-	-	82,777
30	74	471	295	997
1,743	18,578	471	508,801	592,280
-	-	5,917	-	5,917
3,660	12,056	-	-	42,032
-	-	-	582,806	582,806
-	-	104,429	-	104,429
3,660	12,056	110,346	582,806	735,184
(1,917)	6,522	(109,875)	(74,005)	(142,904)
-	-	-	272,798	272,798
-	-	(4,766)	-	(4,766)
-	-	(4,766)	272,798	268,032
(1,917)	6,522	(114,641)	198,793	125,128
12,673	22,891	295,386	98,384	703,484
\$ 10,756	\$ 29,413	\$ 180,745	\$ 297,177	\$ 828,612

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, 2019

	Final Budget	Actual	Variance with Final Budget
<u>REVENUES</u>			
Fines and forfeitures	\$ 5,359	\$ 11,535	\$ 6,176
Total Revenues	5,359	11,535	6,176
<u>EXPENDITURES</u>			
Current			
Public safety	5,359	5,359	-
Total Expenditures	5,359	5,359	-
Net change in fund balance	-	6,176	6,176
Fund balance - beginning of year	8,602	8,602	-
Fund balance - end of year	\$ 8,602	\$ 14,778	\$ 6,176

PIKE COUNTY, GEORGIA

STATE SEIZURE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance with Final Budget
<u>REVENUES</u>			
Fines and forfeitures	\$ 5,000	\$ 780	\$ (4,220)
Interest income	-	8	8
Total Revenues	5,000	788	(4,212)
<u>EXPENDITURES</u>			
Current			
Public safety	5,289	5,289	-
Total Expenditures	5,289	5,289	-
Net change in fund balance	(289)	(4,501)	(4,212)
Fund balance - beginning of year, restated	17,698	17,698	-
Fund balance - end of year	\$ 17,409	\$ 13,197	\$ (4,212)

PIKE COUNTY, GEORGIA

FEDERAL SEIZURE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Final Budget	Actual	Variance with Final Budget
<u>REVENUES</u>			
Fines and forfeitures	\$ 5,733	\$ 38,403	\$ 32,670
Total Revenues	5,733	38,403	32,670
<u>EXPENDITURES</u>			
Current			
Public safety	5,733	5,733	-
Total Expenditures	5,733	5,733	-
Net change in fund balance	-	32,670	32,670
Fund balance - beginning of year, restated	198,532	198,532	-
Fund balance - end of year	\$ 198,532	\$ 231,202	\$ 32,670

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, 2019

	Final Budget	Actual	Variance with Final Budget
<u>REVENUES</u>			
Fines and forfeitures	\$ 10,000	\$ 11,842	\$ 1,842
Interest income	-	119	119
Total Revenues	10,000	11,961	1,961
<u>EXPENDITURES</u>			
Current			
Public safety	10,000	9,935	65
Total Expenditures	10,000	9,935	65
Net change in fund balance	-	2,026	2,026
Fund balance - beginning of year	49,318	49,318	-
Fund balance - end of year	\$ 49,318	\$ 51,344	\$ 2,026

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, 2019

	Final Budget	Actual	Variance with Final Budget
<u>REVENUES</u>			
Fines and forfeitures	\$ 1,000	\$ 1,713	\$ 713
Interest income	-	30	30
Total Revenues	1,000	1,743	743
<u>EXPENDITURES</u>			
Current			
Public safety	3,660	3,660	-
Total Expenditures	3,660	3,660	-
Net change in fund balance	(2,660)	(1,917)	743
Fund balance - beginning of year	12,673	12,673	-
Fund balance - end of year	\$ 10,013	\$ 10,756	\$ 743

PIKE COUNTY, GEORGIA

SCHEDULE OF PROJECT EXPENDITURES WITH SPECIAL SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Project	Original Estimated Budget	Expenditures		Total
		Prior Years	Current Year	
2016 Special Local Option Sales Tax				
Road, Street and Bridge Projects	\$4,026,432	\$ 3,637,014	\$ 280,840	\$3,917,854
Debt Service:				
Interest	265,568	110,533	54,311	164,844
Issuance Cost	-	36,700	-	36,700
Intergovernmental:				
City of Williamson	197,200	169,215	13,086	182,301
City of Zebulon	689,040	591,261	45,724	636,985
City of Meansville	174,000	150,317	11,546	161,863
City of Molena	241,860	207,538	16,050	223,588
City of Concord	205,900	175,442	13,663	189,105
Total 2016 SPLOST	\$5,800,000	\$ 5,078,020	\$ 435,220	\$5,513,240

Note 1 The difference in SPLOST expenditures by project and the expenditures noted in the SPLOST 2016 Fund represents principal debt service payments totaling \$730,000 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	\$ 435,220
Bond principal payment	730,000
Current year expenditures per financial statements	<u>\$ 1,165,220</u>

PIKE COUNTY, GEORGIA

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
<u>Total - All Agency Funds</u>				
<u>ASSETS</u>				
Cash and cash equivalents	\$ 626,514	\$ 14,689,818	\$ 14,781,715	\$ 534,617
Total Assets	\$ 626,514	\$ 14,689,818	\$ 14,781,715	\$ 534,617
<u>LIABILITIES</u>				
Due to Board of Education	\$ 115,862	\$ 9,519,887	\$ 9,511,748	\$ 124,001
Due to State of Georgia	149,613	1,898,778	1,895,253	153,138
Due to Other Governments	8,934	168,116	168,184	8,866
Other	352,105	3,103,037	3,206,530	248,612
Total Liabilities	\$ 626,514	\$ 14,689,818	\$ 14,781,715	\$ 534,617

PIKE COUNTY, GEORGIA

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(CONTINUED)

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
<u>Superior Court</u>				
<u>ASSETS</u>				
Cash and cash equivalents	\$ 126,576	\$ 330,919	\$ 346,604	\$ 110,891
Total Assets	\$ 126,576	\$ 330,919	\$ 346,604	\$ 110,891
<u>LIABILITIES</u>				
Other	\$ 126,576	\$ 330,919	\$ 346,604	\$ 110,891
Total Liabilities	\$ 126,576	\$ 330,919	\$ 346,604	\$ 110,891
<u>Probate Court</u>				
<u>ASSETS</u>				
Cash and cash equivalents	\$ 5,342	\$ 70,474	\$ 71,206	\$ 4,610
Total Assets	\$ 5,342	\$ 70,474	\$ 71,206	\$ 4,610
<u>LIABILITIES</u>				
Other	\$ 5,342	\$ 70,474	\$ 71,206	\$ 4,610
Total Liabilities	\$ 5,342	\$ 70,474	\$ 71,206	\$ 4,610

PIKE COUNTY, GEORGIA

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(CONTINUED)

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
<u>Magistrate Court</u>				
<u>ASSETS</u>				
Cash and cash equivalents	\$ 4,858	\$ 60,122	\$ 56,815	\$ 8,165
Total Assets	\$ 4,858	\$ 60,122	\$ 56,815	\$ 8,165
<u>LIABILITIES</u>				
Other	\$ 4,858	\$ 60,122	\$ 56,815	\$ 8,165
Total Liabilities	\$ 4,858	\$ 60,122	\$ 56,815	\$ 8,165
<u>Sheriff's Office</u>				
<u>ASSETS</u>				
Cash and cash equivalents	\$ 36,630	\$ 7,632	\$ 4,665	\$ 39,597
Total Assets	\$ 36,630	\$ 7,632	\$ 4,665	\$ 39,597
<u>LIABILITIES</u>				
Other	\$ 36,630	\$ 7,632	\$ 4,665	\$ 39,597
Total Liabilities	\$ 36,630	\$ 7,632	\$ 4,665	\$ 39,597

PIKE COUNTY, GEORGIA

AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(CONTINUED)

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
<u>Tax Commissioner's Office</u>				
<u>ASSETS</u>				
Cash and cash equivalents	\$ 453,108	\$ 14,220,671	\$ 14,302,425	\$ 371,354
Total Assets	\$ 453,108	\$ 14,220,671	\$ 14,302,425	\$ 371,354
<u>LIABILITIES</u>				
Due to Board of Education	\$ 115,862	\$ 9,519,887	\$ 9,511,748	\$ 124,001
Due to State of Georgia	149,613	1,898,778	1,895,253	153,138
Due to Other Governments	8,934	168,116	168,184	8,866
Other	178,699	2,633,890	2,727,240	85,349
Total Liabilities	\$ 453,108	\$ 14,220,671	\$ 14,302,425	\$ 371,354

PIKE COUNTY, GEORGIA

BALANCE SHEET
PIKE COUNTY AGRIBUSINESS AUTHORITY
COMPONENT UNIT
JUNE 30, 2019

ASSETS

Cash and cash equivalents	\$ 111,931
Total Assets	<u>\$ 111,931</u>

LIABILITIES AND FUND BALANCE

Liabilities	
Accounts payable	\$ 125
Total Liabilities	<u>125</u>
Fund Balance	
Unassigned	<u>111,806</u>
Total Fund Balance	<u>111,806</u>
Total Liabilities and Fund Balance	<u>\$ 111,931</u>

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, 2019

REVENUES

Intergovernmental revenue	
Pike County	\$ 21,000
One Georgia Grant	150,000
Interest earnings	47
Other miscellaneous revenues	<u>17,780</u>
Total Revenues	<u>188,827</u>

EXPENDITURES

Current	
General government	22,938
Capital Outlay	<u>172,562</u>
Total Expenditures	<u>195,500</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,673)</u>

Other Financing Sources

Issuance of debt	<u>86,747</u>
Total Other Financing Sources	<u>86,747</u>
Net change in fund balance	80,074
Fund Balance, beginning of year	<u>31,732</u>
Fund Balance, end of year	<u><u>\$ 111,806</u></u>

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, 2019 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 April 8, 2020. 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.

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 2019-001, 2019-002, 2019-003 and 2019-004 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
April 8, 2020



PIKE COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified that are not considered to be material weakness(es)	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

There was not an audit of major federal award programs for the fiscal year ended June 30, 2019 due to the total amount expended being less than \$750,000.

Section II – Financial Statement Findings

The 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*:

2019-001 – Accounts Receivable/Revenue

CRITERIA

In accordance with generally accepted accounting principles, governmental fund revenues are recognized as soon as they are both measurable and available.

CONDITION

Various revenue items were not recorded in the proper fiscal period.

CONTEXT

The following adjustments were necessary to fairly state and classify revenues for the fiscal year ended June 30, 2019:

- An adjustment of \$12,723 in the General Fund to record the June reimbursement for Senior Meals.
- An adjustment of \$63,475 in the General Fund to correct property taxes.
- An adjustment of \$29,846 in the E911 Fund to record accounts receivable.

EFFECT

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

PIKE COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(CONTINUED)

CAUSE

The County does not have adequate accounting procedures in place to ensure the accrual of revenues in the proper fiscal year.

RECOMMENDATION

We recommend that the County develop procedures to ensure the recording of revenues when they become both measurable and available to finance expenditures of the fiscal period.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

Management agrees with the finding. The County is in the process of hiring a Finance Officer. Management will implement procedures to ensure proper accrual of revenues during the fiscal year.

PIKE COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(CONTINUED)

2019-002 – Accounts Payable/Expenditures

CRITERIA

In accordance with generally accepted accounting principles, expenditures are recognized as soon as a liability is incurred.

CONDITION

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

CONTEXT

Material audit adjustments were required to fairly state and classify expenditures for the year ended June 30, 2019 as follows:

- An adjustment of \$50,905 to increase expenditures in the General Fund public works department for additional accounts payable.
- An adjustment for a transfer of \$30,985 from the General Fund to the E911 Fund to eliminate the deficit in the E911 Fund.
- An adjustment of \$7,730 in the SPLOST 2016 Fund to correct balances due to other governments.

EFFECT

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

CAUSE

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

RECOMMENDATION

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

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

Management agrees with the finding. The County is in the process of hiring a Finance Officer. Management will develop procedures to ensure that expenditures are recorded as the liability is incurred.

PIKE COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(CONTINUED)

2019-003 – Control Procedures over Bank Reconciliations

CRITERIA

An effective system of internal controls includes the reconciliation of subsidiary records to their general ledger control accounts on a timely basis.

CONDITION

During fiscal year 2019, monthly bank reconciliations were not agreed to their general ledger control accounts.

CONTEXT

Accounting procedures were not performed to reconcile differences between bank reconciliations and general ledger control accounts. As a result, errors in the bank reconciliations were not detected until the year-end audit procedures.

EFFECT

Failure to properly perform reconciliations increases the likelihood that errors or misstatements, due to mistakes or fraud, will not be detected and corrected on a timely basis.

CAUSE

The individuals responsible for the preparation of the reconciliations lacked adequate training to properly perform the procedures.

RECOMMENDATION

The Finance Department should establish procedures to ensure that individuals responsible for the preparation of bank reconciliations possess the expertise to properly perform the duty. The County should also consider reinstating procedures which were utilized in prior years which included the review of bank reconciliation by an individual with no accounting responsibilities.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

Management agrees with the finding. The County will implement enhanced procedures where the County's consulting CPA will review bank reconciliations on a monthly basis.

PIKE COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(CONTINUED)

2019-004 – Management of Due To/From Accounts

CRITERIA

Generally accepted accounting principles require consideration of the collectability of receivables of all kinds whether external or internal to the County. As part of that process, the County should review the amounts included in the due to / from accounts (interfund receivables and payables) in each fund and make the appropriate settlements on a monthly basis.

CONDITION

The County did not monitor interfund receivable and payable accounts on a monthly basis and did not make the appropriate settlements between funds.

CONTEXT

At year end, the County had not settled the following interfund balances between the funds:

Receivable Fund	Amount	Payable Fund	Amount
General Fund	\$ 324,024	E911 Fund	\$ 314,899
		Jail Construction Fund	9,125
Total	<u>\$ 324,024</u>		<u>\$ 324,024</u>

EFFECT

The County's General Fund bank account paid for obligations of other funds which were not timely reimbursed for the fiscal year June 30, 2019.

CAUSE

The County did not consider the need for settlements between funds as part of the monthly close out procedures.

RECOMMENDATION

We recommend the County review all interfund receivables and payables on a monthly basis and consider the need for timely settlements between funds.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

Management agrees with the finding. Management will conduct periodic reviews to ensure that settlements between funds are conducted on a monthly basis.