PIERCE COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2022

PIERCE COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

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INTRODUCTORY SECTION

PIERCE COUNTY, GEORGIA

PRINCIPAL COUNTY OFFICIALS
DECEMBER 31, 2022

COUNTY COMMISSIONERS

Neal Bennett, Commission Chairman
Harold Rozier, Commissioner
Graham Raley, Commissioner
Randy Dixon, Commissioner
David Lowman, Commissioner

CONSTITUTIONAL OFFICERS

Ramsey Bennett – Sheriff
Thomas Sauls – Clerk of Courts
Moye Howard – Probate Judge
Terresa Davis – Tax Commissioner
Terry Thrift – Magistrate Court Judge
William Wilson - Coroner

COUNTY ADMINISTRATION

Raphel Maddox – County Manager
Lana Blankenship – Finance Officer

DEPARTMENT DIRECTORS

Bruce Carter – Road Superintendent
Chris Bond – Facilities, Buildings, & Codes Director
Bill Rozier – Chief Appraiser
Blake James – EMS Director
Santo Nino – Fire/EMA Director
Maureen Brown – Parks & Recreation Director

FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
of Pierce County, Georgia
Blackshear, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of **Pierce County, Georgia** (the "County"), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparisons for the General Fund and the American Rescue Plan Act ("ARPA") Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Pierce County Health Department (the "Health Department"), a discretely presented component unit, which represents 100% of the assets, net position and revenues of the discretely presented component unit as of December 31, 2022, and the respective changes in financial position for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the Health Department, are based solely on the report of the other auditors.

Basis for Opinions

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. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 the financial reports for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund statements and schedules, the accompanying Schedule of Expenditures of Federal Awards as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the Schedules of Expenditures of Special Purpose Local Option Sales Tax ("SPLOST") proceeds as required by the Official Code of Georgia Annotated §48-8-121 are presented for the purpose of additional analysis and are not required parts of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund statements and schedules, the Schedule of Expenditures of Federal Awards, and the Schedules of Expenditures of Special Purpose Local Option Sales Tax proceeds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express any opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2024 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the County'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 Pierce County, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Savannah, Georgia
June 11, 2024

BASIC FINANCIAL STATEMENTS

PIERCE COUNTY, GEORGIA

STATEMENT OF NET POSITION
DECEMBER 31, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Health Department
ASSETS				
Cash and cash equivalents	$ 21,232,572	$ 125,609	$ 21,358,181	$ 667,268
Taxes receivable, net	1,459,213	-	1,459,213	-
Accounts receivable, net	656,573	10,751	667,324	-
Due from other governments	246,528	-	246,528	66,352
Inventory	16,649	-	16,649	-
Prepaid items	3,635	-	3,635	-
Proportionate share of collective net OPEB benefit	-	-	-	35,800
Capital assets, non-depreciable	1,063,807	635,519	1,699,326	-
Capital assets, depreciable, net of accumulated depreciation	31,381,570	427,314	31,808,884	45,834
Total assets	56,060,547	1,199,193	57,259,740	815,254
DEFERRED OUTFLOWS OF RESOURCES				
Pension	-	-	-	164,559
OPEB	-	-	-	37,984
Total deferred outflows of resources	-	-	-	202,543
LIABILITIES				
Accounts payable	741,166	1,886	743,052	-
Accrued liabilities	1,169,981	3,125	1,173,106	-
Unearned revenues	3,078,917	-	3,078,917	-
Compensated absences due within one year	163,310	-	163,310	5,753
Compensated absences due in more than one year	-	-	-	23,012
Notes payable due within one year	231,000	17,000	248,000	-
Notes payable due in more than one year	190,171	152,011	342,182	-
Financed purchases due within one year	73,171	-	73,171	-
Financed purchases due in more than one year	254,661	-	254,661	-
Net pension liability	-	-	-	260,811
Total liabilities	5,902,377	174,022	6,076,399	289,576
DEFERRED INFLOWS OF RESOURCES				
Grants	-	-	-	-
Taxes	-	-	-	-
Pension	-	-	-	267,362
OPEB	-	-	-	144,724
Total deferred inflows of resources	-	-	-	412,086
NET POSITION				
Net investment in capital assets	31,696,374	893,822	32,590,196	45,834
Restricted for:				
Capital projects	5,669,635	131,349	5,800,984	-
Judicial	29,008	-	29,008	-
Public safety	90,451	-	90,451	331,630
Unrestricted	12,672,702	-	12,672,702	(61,329)
Total net position	$ 50,158,170	$ 1,025,171	$ 51,183,341	$ 316,135

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

PIERCE COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government				
Governmental activities:				
General government	$ 2,065,295	$ 488,903	$ 60,237	$ -
Judicial	1,332,489	388,800	-	-
Public safety	6,723,516	1,139,866	-	-
Public works	4,474,013	-	-	1,634,342
Health and welfare	478,720	-	-	-
Community development	955,648	167,031	-	-
Interest on long-term debt	15,164	-	-	-
Total governmental activities	16,044,845	2,184,600	60,237	1,634,342
Business-type activities:				
Industrial Dev. Auth.	173,878	66,539	-	-
Total business-type activities	173,878	66,539	-	-
Total primary government	$ 16,218,723	$ 2,251,139	$ 60,237	$ 1,634,342
Component unit				
Board of Health	$ 631,841	$ 333,339	$ 446,541	$ -
Total component unit	$ 631,841	$ 333,339	$ 446,541	$ -
General revenues:				
Property taxes				
Sales taxes				
Unrestricted investment earnings				
Other revenues				
Transfers				
Total general revenues				
Change in net position				
Net position, beginning of year, as previously stated				
Restatement				
Net position, beginning of year, as restated				
Net position, end of year				

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

Net (Expenses) Revenues and Changes in Net Position			
Governmental Activities	Business-Type Activiies	Total	Component Unit Board of Health
$ (1,516,155)	$ -	$ (1,516,155)	$ -
(943,689)	-	(943,689)	-
(5,583,650)	-	(5,583,650)	-
(2,839,671)	-	(2,839,671)	-
(478,720)	-	(478,720)	-
(788,617)	-	(788,617)	-
(15,164)	-	(15,164)	-
(12,165,666)	-	(12,165,666)	-
-	(107,339)	(107,339)	-
-	(107,339)	(107,339)	-
$ (12,165,666)	$ (107,339)	$ (12,273,005)	$ -
$ -	$ -	$ -	$ 148,039
-	-	-	148,039
13,642,301	-	13,642,301	-
2,728,296	-	2,728,296	-
376,563	160	376,723	-
182,877	308	183,185	93,480
(175,000)	175,000	-	-
16,755,037	175,468	16,930,505	93,480
4,589,371	68,129	4,657,500	241,519
45,082,814	957,042	46,039,856	74,616
485,985	-	485,985	-
45,568,799	957,042	46,525,841	74,616
$ 50,158,170	$ 1,025,171	$ 51,183,341	$ 316,135

PIERCE COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	General Fund	2020 SPLOST Fund	TSPLOST Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 10,751,367	$ 1,670,180	$ 1,226,488	$ 3,257,933	$ 4,326,604	$ 21,232,572
Taxes receivable, net	1,459,213	-	-	-	-	1,459,213
Accounts receivable, net	650,041	-	-	-	6,532	656,573
Due from other governments	-	246,528	-	-	-	246,528
Due from other funds	845,952	106,000	-	-	51,104	1,003,056
Inventory	16,649	-	-	-	-	16,649
Prepaid items	3,635	-	-	-	-	3,635
Total assets	$ 13,726,857	$ 2,022,708	$ 1,226,488	$ 3,257,933	$ 4,384,240	$ 24,618,226
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ 169,426	$ 128,903	$ 363,238	$ -	$ 79,599	$ 741,166
Accrued liabilities	1,080,461	-	-	-	-	1,080,461
Due to other governments	-	85,373	-	-	-	85,373
Unearned revenue	-	-	-	3,078,917	-	3,078,917
Due to other funds	51,104	25	25	175,319	776,583	1,003,056
Total liabilities	1,300,991	214,301	363,263	3,254,236	856,182	5,988,973
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues						
Taxes	1,357,756	-	-	-	-	1,357,756
Total deferred inflows of resources	1,357,756	-	-	-	-	1,357,756
FUND BALANCES						
Fund balances:						
Non-spendable:						
Inventory	16,649	-	-	-	-	16,649
Prepaid items	3,635	-	-	-	-	3,635
Restricted for:						
Capital projects	-	1,808,407	863,225	3,697	2,994,306	5,669,635
Public safety	-	-	-	-	90,451	90,451
Judicial	-	-	-	-	29,008	29,008
Assigned for:						
Public safety	-	-	-	-	5,836	5,836
Recreation	-	-	-	-	189,115	189,115
Capital projects	-	-	-	-	219,342	219,342
Unassigned	11,047,826	-	-	-	-	11,047,826
Total fund balances	11,068,110	1,808,407	863,225	3,697	3,528,058	17,271,497
Total liabilities, deferred inflows of resources and fund balances	$ 13,726,857	$ 2,022,708	$ 1,226,488	$ 3,257,933	$ 4,384,240	$ 24,618,226

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		$ 32,445,377
Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable in the funds.		1,357,756
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Capital leases	$ (327,832)	
Compensated absences	(163,310)	
Notes payable	(421,171)	
Accrued interest	(4,147)	(916,460)
Net position of governmental activities		$ 50,158,170

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

PIERCE COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

	General Fund	2020 SPLOST Fund	TSPLOST Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Taxes	$ 11,635,260	$ 2,728,296	$ 901,201	$ -	$ -	$ 15,264,757
Fines and forfeitures	199,739	-	-	-	24,231	223,970
Licenses and permits	163,125	-	-	-	-	163,125
Intergovernmental	60,237	-	-	243,718	1,390,624	1,694,579
Charges for services	1,305,723	-	-	-	-	1,305,723
E911 charge	-	-	-	-	324,751	324,751
Recreation	-	-	-	-	167,031	167,031
Interest income	369,120	1,812	1,392	776	3,463	376,563
Other revenue	182,478	-	-	-	399	182,877
Total revenues	13,915,682	2,730,108	902,593	244,494	1,910,499	19,703,376
Expenditures						
Current:						
General government	1,991,544	-	-	-	-	1,991,544
Judicial	1,198,767	-	-	-	366	1,199,133
Public safety	7,138,007	-	-	71,958	484,939	7,694,904
Public works	1,817,931	-	-	-	567,406	2,385,337
Health and welfare	434,786	-	-	-	-	434,786
Community development	78,114	-	-	-	449,048	527,162
Capital outlay	-	591,976	1,852,186	171,760	303,216	2,919,138
Debt service:						
Principal	-	388,943	41,589	-	-	430,532
Interest and other charges	-	8,382	6,782	-	-	15,164
Intergovernmental	-	944,810	-	-	-	944,810
Total expenditures	12,659,149	1,934,111	1,900,557	243,718	1,804,975	18,542,510
Excess (deficiency) of revenues over (under) expenditures	1,256,533	795,997	(997,964)	776	105,524	1,160,866
Other financing sources (uses)						
Financed purchases	-	-	369,421	-	-	369,421
Transfers in	879,205	-	-	-	359,541	1,238,746
Transfers out	(534,541)	(679,205)	-	-	(200,000)	(1,413,746)
Total other financing sources (uses)	344,664	(679,205)	369,421	-	159,541	194,421
Net change in fund balances	1,601,197	116,792	(628,543)	776	265,065	1,355,287
Fund balances, beginning of year	7,282,244	1,620,865	1,491,768	2,921	1,822,969	12,220,767
Prior period adjustment	2,184,669	70,750	-	-	1,440,024	3,695,443
Fund balances, beginning of year as restated	9,466,913	1,691,615	1,491,768	2,921	3,262,993	15,916,210
Fund balances, end of year	$ 11,068,110	$ 1,808,407	$ 863,225	$ 3,697	$ 3,528,058	$ 17,271,497

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

PIERCE 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 DECEMBER 31, 2022

Amounts reported for governmental activities in the Statement of Activities are different		
Net change in fund balances - total governmental funds		$ 1,355,287
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.		
Capital outlay	$ 3,698,506	
Depreciation expense	(1,545,814)	2,152,692
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.		(31,049)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This is the change in unavailable revenue.		1,105,840
while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Financed purchases	$ (369,421)	
Principal payments on debt	430,532	61,111
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Accrued interest	$ (3,683)	
Compensated absences	(50,827)	(54,510)
Change in net position of governmental activities		$ 4,589,371

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

PIERCE COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Taxes	$ 9,928,557	$ 9,928,557	$ 11,635,260	$ 1,706,703
Licenses and permits	130,950	130,950	163,125	32,175
Charges for services	1,528,800	1,528,800	1,305,723	(223,077)
Fines and forfeitures	169,530	169,530	199,739	30,209
Interest income	4,000	4,000	369,120	365,120
Intergovernmental	64,600	64,600	60,237	(4,363)
Other revenue	85,000	85,000	182,478	97,478
Total revenues	11,911,437	11,911,437	13,915,682	2,004,245
Expenditures				
Current:				
General government	2,065,113	2,065,113	1,991,544	73,569
Judicial	1,290,385	1,290,385	1,198,767	91,618
Public safety	6,188,521	6,188,521	7,138,007	(949,486)
Public works	1,114,417	1,114,417	1,817,931	(703,514)
Health and welfare	457,835	457,835	434,786	23,049
Community development	77,000	77,000	78,114	(1,114)
Total expenditures	11,193,271	11,193,271	12,659,149	(1,465,878)
Excess of revenues over expenditures	718,166	718,166	1,256,533	538,367
Other financing sources (uses)				
Transfers in	724,762	724,762	879,205	154,443
Transfers out	(727,243)	(727,243)	(534,541)	192,702
Total other financing sources (uses)	(2,481)	(2,481)	344,664	347,145
Net change in fund balance	715,685	715,685	1,601,197	885,512
Fund balance, beginning of year, as restated	9,466,913	9,466,913	9,466,913	-
Fund balance, end of year	$ 10,182,598	$ 10,182,598	$ 11,068,110	$ 885,512

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

PIERCE COUNTY, GEORGIA

ARPA FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Intergovernmental	$ -	$ -	$ 243,718	$ 243,718
Interest income	-	-	776	776
Total revenues	-	-	244,494	244,494
Expenditures				
Current:				
Public safety	-	-	71,958	(71,958)
Capital outlay	-	-	171,760	(171,760)
Total expenditures	-	-	243,718	(243,718)
Net change in fund balance	-	-	776	776
Fund balance, beginning of year	2,921	2,921	2,921	-
Fund balance, end of year	$ 2,921	$ 2,921	$ 3,697	$ 776

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

PIERCE COUNTY, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2022

	Industrial Development Authority
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 125,609
Accounts receivable	10,751
Total current assets	136,360
NON-CURRENT ASSETS	
Capital assets:	
Nondepreciable	635,519
Depreciable, net of accumulated depreciation	427,314
Total non-current assets	1,062,833
Total assets	1,199,193
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	1,886
Accrued liabilities	3,125
Current portion - notes payable	17,000
Total current liabilities	22,011
LONG-TERM LIABILITIES	
Notes payable, net of current portion	152,011
Total long-term liabilities	152,011
Total liabilities	174,022
NET POSITION	
Net investment in capital assets	893,822
Restricted for:	
Capital projects	131,349
Total net position	$ 1,025,171

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

PIERCE COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

	Industrial Development Authority
OPERATING REVENUES	
Charges for services	$ 66,539
Total operating revenues	66,539
OPERATING EXPENSES	
Personnel services and employee benefits	85,453
Purchased and contractual services	9,903
Supplies	2,110
Depreciation	17,367
Other	51,567
Total operating expenses	166,400
Operating loss	(99,861)
NON-OPERATING INCOME (EXPENSES)	
Interest and fiscal charges	(7,478)
Other revenue	308
Interest income	160
Total non-operating expenses, net	(7,010)
Loss before transfers	(106,871)
TRANSFERS IN	175,000
Change in net position	68,129
NET POSITION, beginning of year	957,042
NET POSITION, end of year	$ 1,025,171

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

PIERCE COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

	Industrial Development Authority
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	$ 55,788
Payments to suppliers	(62,034)
Payments to employees	(85,278)
Net cash used in operating activities	(91,524)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers in	175,000
Net cash provided by noncapital financing activities	175,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	(47,057)
Principal payments on notes payable	(19,126)
Interest paid	(7,478)
Other revenue	308
Net cash used in capital and related financing activities	(73,353)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	160
Net cash provided by investing activities	160
Net change in cash and cash equivalents	10,283
Cash and cash equivalents	
Beginning of year	115,326
End of year	$ 125,609
Reconciliation of operating loss to net cash used in operating activities	
Operating loss	$ (99,861)
Adjustments to reconcile operating loss to net cash used in operating activities	
Depreciation expense	17,367
Change in assets and liabilities:	
Increase in accounts receivable	(10,751)
Increase in accounts payable	1,546
Increase in accrued liabilities	175
Net cash provided by (used in) operating activities	$ (91,524)

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

PIERCE COUNTY, GEORGIA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2022

	Custodial Funds
ASSETS	
Cash and cash equivalents	$ 5,720,159
Total assets	5,720,159
LIABILITIES	
Due to others	40,073
Total liabilities	40,073
NET POSITION	
Restricted:	
Individuals, organizations and other governments	5,680,086
Total net position	$ 5,680,086

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

PIERCE COUNTY, GEORGIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2022

	Custodial Funds
ADDITIONS	
Taxes	$ 20,996,172
Fines and fees	1,552,126
Total additions	22,548,298
DEDUCTIONS	
Taxes and fees paid to other governments	17,331,399
Other custodial disbursements	1,498,778
Total deductions	18,830,177
Change in fiduciary net position	3,718,121
NET POSITION, beginning of year, as restated	1,961,965
NET POSITION, end of year	$ 5,680,086

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Pierce County, Georgia (the "County") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to governments. The Governmental Auditing Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

A. The Reporting Entity

Pierce County was established under the provisions of an act of the General Assembly of Georgia in 1857. The County operates under a County Commissioner form of government and provides the following services as authorized by state law: public safety (police and fire), highways and streets, sanitation, health and social services, community development, public improvements, planning and zoning, and general administrative services.

As required by GAAP, the financial statements of the reporting entity include those of Pierce County, Georgia (the primary government) and its component unit. The component unit discussed below is included in the County's reporting entity because of the significance of its operational or financial relationship with the County. In conformity with GAAP, as set forth in GASB Statement No. 14, as amended, the financial statements of the component unit are discretely presented in the government-wide financial statements.

Pierce County Health Department

The Pierce County Health Department (the "Health Department") provides public health care services and health education to the residents of the County. The Health Department receives financial support from Pierce County, Georgia, the State of Georgia and the Federal Government. The County Commission appoints a majority of the Board of Directors, and the Health Department issues separately audited financial statements. Although the County does not have the authority to approve or modify the budget of the Health Department, the County is obligated to provide financial support to the Health Department. The Health Department has a June 30th year-end. The Health Department's statements have been prepared separately and can be obtained by writing to:

Pierce County Health Department
Blackshear, Georgia 31516

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. *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.

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 those who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and 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 service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise fees, licenses, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

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

The ***2020 Special Purpose Local Option Sales Tax ("SPLOST") Fund*** accounts for the proceeds of a SPLOST. Funds are used for the purchase of equipment and construction of County buildings, roads and bridge projects, recreational facilities, and cultural facilities.

The **Transportation Special Purpose Local Option Sales Tax ("TSPLOST") Fund** accounts for the revenues and expenditures of the TSPLOST.

The ***American Rescue Plan Act ("ARPA") Fund*** accounts for the revenues and expenditures associated with the U.S. Department of Treasury's Coronavirus State and Local Recovery Funds established by the ARPA of 2021.

Additionally, the County reports the following fund types:

The ***special revenue funds*** account for specific revenues that are legally restricted to expenditures for particular purposes.

The ***capital project funds*** account for financial resources that are legally restricted to acquisition or construction of major capital facilities.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The ***custodial funds*** are used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals, such as cash bonds, traffic fines, support payments and ad valorem and property taxes.

Amounts reported as *program revenues* include: 1) charges for services 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. Likewise, general revenues include all taxes.

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

D. Cash and Cash Equivalents

The County'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.

E. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2022, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reserved as this amount is not available for general appropriation.

F. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. For the most part, the effect of interfund activity has been removed from the government-wide Statement of Net Position. In the fund financial statements, these receivables and payables are classified as "due from other funds" or "due to other funds."

In the government-wide financial statements, any residual balances outstanding between the governmental activities and business-type activities are reported as "internal balances".

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the County 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. The County has retroactively reported major general infrastructure assets. In this case, the County chose to include all items regardless of their acquisition date. The County was able to estimate the historical cost for the initial reporting of these assets through back trending.

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

Capital assets of the primary government are depreciated using the straight-line method over the following useful lives:

Asset Category	Years
Improvements other than buildings	10 – 60
Buildings	40 – 60
Machinery and equipment	3 – 10
Infrastructure	40

H. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable the employer will compensate the employees for the benefits paid through paid time off. Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent it is probable that the benefits will result in termination payments.

Compensated absences are recorded in the government-wide financial statements and proprietary fund. Governmental funds report compensated absences only when due.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position.

In the fund financial statements, governmental fund types recognize the face amount of debt issued as other financing sources. Payments made on debt are reported as debt service expenditures.

J. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has no items that require reporting in this category.

In addition to liabilities, the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has one item that qualifies for reporting in this category, which arises only under the 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 from property taxes and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balances." Fund equity for all other reporting is classified as "net position."

Fund Balances – Generally, fund balances represent the difference between the assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- ***Nonspendable*** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either: (a) not in spendable form (i.e., items that are not expected to be converted to cash), or (b) legally or contractually required to be maintained intact.

- ***Restricted*** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

- ***Committed*** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of County Commissioners through the adoption of a resolution. The Board of County Commissioners also may modify or rescind the commitment.

- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the Board of County Commissioners has authorized the County Manager to assign fund balances.

- ***Unassigned*** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balance may be reported in all funds.

Flow Assumptions – When both restricted and unrestricted amounts of fund balances 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 balances, it is the County's policy to use fund balances in the following order: 1) committed, 2) assigned, and 3) unassigned.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Fund Equity (Continued)

Net Position – Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the County has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

L. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from these estimates.

NOTE 2. LEGAL COMPLIANCE – BUDGETS

A. Budgets and Budgetary Accounting

Budgetary Data. The County adopts an annual operating budget for the General Fund and each Special Revenue Fund. A project budget is adopted for each Capital Projects Fund. The budget resolution reflects the total of each department's appropriation in each fund.

The General Fund budget is adopted on a basis consistent with GAAP. Budgets for the Special Revenue Funds are adopted on a basis consistent with GAAP. Budgets for Capital Projects Funds are adopted on a basis consistent with GAAP except the budget period is a project period rather than an annual period.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the department level within each individual fund. Any change in total to a fund or departmental appropriation within a fund requires approval of the Board of County Commissioners.

Either the County Chairman or County Administrator may approve budget transfers within departments, except those related to personnel or capital expenditures. The Board of County Commissioners must approve transfers of personnel or capital appropriations. During the year, the Board of County Commissioners approved budget revisions.

All unexpended annual appropriations lapse at year-end.

NOTE 2. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

B. Excess of Expenditures over Appropriations

For the year ended December 31, 2022, expenditures exceeded appropriations at the legal level of budgetary control as follows:

Department	Excess
General Fund	
Public safety	$ 949,486
Public works	703,514
Community development	1,114
ARPA	
Public safety	71,958
Capital outlay	171,760

These over expenditures were funded primarily by underspending in other departments and excess revenues.

NOTE 3. DEPOSITS AND INVESTMENTS

Credit risk. State statutes authorize the County to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. It is the County's policy to limit its investments to those allowed and authorized by state law. As of December 31, 2022, the County held no investments.

Custodial credit risk – deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of December 31, 2022, the deposits of the County and its component units were properly insured and collateralized as defined by GASB pronouncements and the Official Code of Georgia Annotated ("O.C.G.A.").

Interest rate risk. The County's investment policy is a means of managing its exposure to fair value losses arising from increasing interest rates. As such, they adhere to the following criteria regarding investments as outlined in the County's policies and procedures manual: the investment must always be concerned with the preservation of principal; all investments must be relatively liquid; and there must be a realization of competitive interest rates relative to the risk assumed. The County Manager is authorized to make all investment decisions on behalf of the County.

NOTE 4. RECEIVABLES

Receivables at December 31, 2022 consist of the following:

	General Fund	2020 SPLOST Fund	Nonmajor Governmental Funds	Total
Receivables:				
Taxes	$ 1,459,213	$ -	$ -	$ 1,459,213
Accounts	650,041	-	6,532	656,573
Due from other governments	-	246,528	-	246,528
Total receivables	$ 2,109,254	$ 246,528	$ 6,532	$ 2,362,314

The Board of County Commissioners levies property taxes by or about August 25th of each year. Property taxes attach as an enforceable lien on property as of January 1. Property taxes are billed on or about September 15th of each year and are payable within 60 days. The County bills and collects its own property taxes and also collects property taxes for the Pierce County Board of Education, the State of Georgia, and the City of Blackshear. Collection of the County's taxes, and for the other government agencies, is the responsibility of the Tax Commissioner's Office, which is accounted for as a Custodial Fund. County property tax revenue at the fund reporting level are recognized when levied to the extent that they result in current receivables (i.e., collectible in 60 days). For 2022, property tax bills were mailed on October 7, 2022, and were due on December 22, 2022.

NOTE 5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended December 31, 2022 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated:					
Land	$ 496,401	$ -	$ -	$ -	$ 496,401
Construction in progress	2,866,840	2,118,670	-	(4,418,104)	567,406
Total	3,363,241	2,118,670	-	(4,418,104)	1,063,807
Capital assets, being depreciated:					
Buildings	18,598,515	-	-	4,418,104	23,016,619
Machinery and equipment	9,540,852	1,579,836	(89,935)	-	11,030,753
Infrastructure	17,233,785	-	-	-	17,233,785
Total	45,373,152	1,579,836	(89,935)	4,418,104	51,281,157
Less accumulated depreciation for:					
Buildings	(6,134,772)	(541,933)	-	-	(6,676,705)
Machinery and equipment	(7,704,790)	(416,218)	58,886	-	(8,062,122)
Infrastructure	(4,573,097)	(587,663)	-	-	(5,160,760)
Total	(18,412,659)	(1,545,814)	58,886	-	(19,899,587)
Total capital assets, being depreciated, net	26,960,493	34,022	(31,049)	4,418,104	31,381,570
Governmental activities capital assets, net	$ 30,323,734	$ 2,152,692	$ (31,049)	$ -	$ 32,445,377

Beginning balances in the table above were restated as a result of error corrections from those previously reported in the December 31, 2021 financial statements. See Note 12 for additional information.

NOTE 5. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities					
Capital assets, not being depreciated:					
Land	$ 654,460	$ -	$ (18,941)	$ -	$ 635,519
Total	654,460	-	(18,941)	-	635,519
Capital assets, being depreciated:					
Buildings	399,638	-	(38,174)	(14,400)	347,064
Machinery and equipment	111,146	-	-	(88,404)	22,742
Infrastructure	18,098	65,998	-	102,804	186,900
Total	528,882	65,998	(38,174)	-	556,706
Less accumulated depreciation for:					
Buildings	(65,573)	(11,570)	38,174	(22,814)	(61,783)
Machinery and equipment	(54,169)	-	-	31,427	(22,742)
Infrastructure	(30,457)	(5,797)	-	(8,613)	(44,867)
Total	(150,199)	(17,367)	38,174	-	(129,392)
Total capital assets, being depreciated, net	378,683	48,631	-	-	427,314
Governmental activities capital assets, net	$ 1,033,143	$ 48,631	$ (18,941)	$ -	$ 1,062,833

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

Governmental activities:	
General government	$ 37,457
Judicial	130,910
Public safety	295,316
Public works	774,913
Health and welfare	42,609
Community development	264,609
Total depreciation expense - governmental activities	$ 1,545,814
Business-type activities:	
Industrial Development Authority	$ 17,367

NOTE 6. LONG-TERM DEBT

The following is a summary of long-term debt activity for the primary government for the year ended December 31, 2022:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Notes payable	$ 810,114	$ -	$ (388,943)	$ 421,171	$ 231,000
Financed purchases	-	369,421	(41,589)	327,832	73,171
Compensated absences	112,483	204,010	(153,183)	163,310	163,310
Governmental activities Long-term liabilities	$ 922,597	$ 573,431	$ (583,715)	$ 912,313	$ 467,481
Business-type activities:					
Notes payable	$ 188,137	$ -	$ (19,126)	$ 169,011	$ 17,000

For governmental activities, compensated absences are liquidated by the General Fund.

Notes Payable – Governmental Activities. In March 2017, the County refinanced the outstanding amount of their United States Department of Agriculture ("USDA") note payable with a bank note payable in the amount of $2,472,000. The note payments are due monthly through July 2023 and carries an interest rate of 1.898%.

In April 2021, the County entered into a note payable agreement with the Georgia Transportation Infrastructure Bank ("GTIB") through the State Road and Tollway Authority ("SRTA") for the purpose of paving and drainage improvements within the County. The total principal portion of the note once fully drawn will be $500,000. Of this amount, $190,171 had been drawn as of December 31, 2022. Upon completion of the draw down period, an amortization schedule will be provided, as such this note is not included in the maturity schedule below.

Debt service requirements to maturities on the governmental activities notes payable are as follows:

Year ended December 31,	Principal	Interest	Total
2023	$ 231,000	$ 1,461	$ 232,461

Financed Purchases – Governmental Activities. During the year ended December 31, 2022, the County entered into financed purchase agreements with a bank to purchase two pieces of equipment. The agreements require monthly payments through May 2027 and bear interest at rates of 2.78% and 3.75%.

NOTE 6. LONG-TERM DEBT (CONTINUED)

Financed Purchases – Governmental Activities (Continued).
Debt service requirements to maturity on the governmental activities financed purchases are as follows:

Year ended December 31,	Principal	Interest	Total
2023	$ 73,171	$ 9,751	$ 82,922
2024	75,610	7,312	82,922
2025	118,555	4,076	122,631
2026	42,369	1,545	43,914
2027	18,127	170	18,297
	$ 327,832	$ 22,854	$ 350,686

Note Payable – Business-type Activities. The Industrial Development Authority ("IDA") entered into a note payable agreement with a bank in August 2017 for the purchase of a building. The note is paid in equal monthly installments through 2031 and bears interest at a rate of 3.95%.

Debt service requirements to maturity on the IDA note payable are as follows:

Year ended December 31,	Principal	Interest	Total
2023	$ 17,000	$ 6,309	$ 23,309
2024	17,623	5,686	23,309
2025	18,332	4,977	23,309
2026	19,041	4,268	23,309
2027	19,750	3,559	23,309
2028 – 2032	77,265	9,816	87,081
	$ 169,011	$ 34,615	$ 203,626

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivable and payable balances as of December 31, 2022 are as follows:

Due To	Due From	Amount
General Fund	2020 SPLOST Fund	$ 25
General Fund	ARPA	74,319
General Fund	Nonmajor Governmental Funds	771,583
General Fund	TSPLOST	25
Nonmajor Governmental Funds	General Fund	51,104
2020 SPLOST Fund	ARPA	101,000
2020 SPLOST Fund	Nonmajor Governmental Funds	5,000
		$ 1,003,056

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

These balances resulted 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 as of December 31, 2022 are as follows:

Transfers In	Transfers Out	Amount
General Fund	2020 SPLOST Fund	$ 679,205
General Fund	Nonmajor Governmental Funds	200,000
Industrial Dev Auth	General Fund	175,000
Nonmajor Governmental Funds	General Fund	359,541
		$ 1,413,746

Transfers are used to: 1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them, 2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and 3) transfer funds for debt service.

NOTE 8. JOINT VENTURES

Under Georgia law, the County is a participating member of the Southern Georgia Regional Commission ("RC") and is required to pay annual dues thereto. During its year ended December 31, 2022, the County paid $18,728 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated ("O.C.G.A.") §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. O.C.G.A. §50-8-39.1 provides that the member governments are liable for any debts and obligations of an RC. Separate financial statements may be obtained from:

Southern Georgia Commission
3395 Harris Road
Waycross, Georgia 31503

NOTE 8. JOINT VENTURES (CONTINUED)

The Pierce County Industrial Development Authority, in conjunction with the Development Authorities of Appling, Jeff Davis, and Bacon, formed the Southern Georgia Regional Development Authority. The Pierce County Industrial Development Authority is not required to pay annual dues to the Southern Georgia Regional Development Authority. Pierce County Industrial Development Authority made a one-time transfer of 58.12 acres in the Pierce County Industrial Park to the Southern Georgia Regional Development Authority. Membership in the Southern Georgia Regional Development Authority is made up of the Directors of the Appling, Jeff Davis, Bacon, and Pierce County Development Authorities. The member Industrial Development Authorities are not responsible for any debts or obligations of the Southern Georgia Regional Development Authority. Separate financial statements may be obtained from:

Southern Georgia Regional Development Authority
S. Central Avenue
P.O. Box 47
Blackshear, Georgia 31516

NOTE 9. DEFINED CONTRIBUTION PENSION PLAN

The Pierce County Retirement Plan is a defined contribution plan which was adopted by the Pierce County Board of County Commissioners and was effective July 1, 1990. The plan is administered by Mass Mutual Financial Group. The plan is open to all full-time employees with more than one year of service. Employees are 100% vested in the County contribution after seven years of service. The contribution for 2022 to the County funded plan was $131,923. Employees do not contribute to this plan and the County does not have a required contribution. Contributions are established by the County Commission on an annual basis.

NOTE 10. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The County has joined the Association County Commissioners of Georgia (“ACCG”) Interlocal Risk Management Agency (“IRMA”). The membership allows the County to share liability, crime, motor vehicle and property damage risks. The County is also a part of the ACCG Workers' Compensation Self Insurance Fund.

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

NOTE 10. RISK MANAGEMENT (CONTINUED)

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the workers' compensation law of Georgia. The funds are 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.

Settled claims in the past three years have not exceeded coverage.

NOTE 11. CONTINGENCIES AND COMMITMENTS

Grant Contingencies: The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their representatives. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, County management believes such disallowances, if any, will not be significant.

Litigation: From time to time, the County is involved in pending lawsuits. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the County.

NOTE 12. RESTATEMENTS

Prior period adjustments. In order to correct certain errors reported in prior years financial statements, the County determined that restatements to ending net position and fund balance as of December 31, 2021 were required as follows:

	Governmental Activities	General Fund	Grants Fund	2020 SPLOST Fund
Fund balance as of December 31, 2021, as previously reported	$ -	$ 7,282,244	$ 311,788	$ 1,620,865
Net position as of December 31, 2021, as previously reported	45,082,814	-	-	-
Restatement No. 1 - Correction of governmental activities capital assets	(3,209,458)	-	-	-
Restatement No. 2 - Correction of unearned/unavailable revenue balances.	1,510,774	-	1,440,024	70,750
Restatement No. 3 - Correction of unavailable property tax revenue.	2,184,669	2,184,669	-	-
	485,985	2,184,669	1,440,024	70,750
Fund balance as of December 31, 2021, as restated		$ 9,466,913	$ 1,751,812	$ 1,691,615
Net position as of December 31, 2021, as restated	$ 45,568,799			

NOTE 12. RESTATEMENTS (CONTINUED)

Restatement No. 1 – The County determined its capital asset listing was not current and accurate as of December 31, 2021. As such an adjustment was required to reduce beginning net position and capital assets for governmental activities in the net amount of $3,209,458 as of January 1, 2022.

Restatement No. 2 – The County determined certain unearned/unavailable revenue amounts reported in the Grants and TSPLOST funds had been earned in prior periods. As a result, an adjustment was required to increase beginning fund balance and governmental activities net position and decrease unearned/unavailable revenue in the amount of $1,510,774 as of January 1, 2022.

Restatement No. 3 – The County determined unavailable revenue related to property taxes reported in the General Fund had been earned in prior periods. As a result, an adjustment was required to increase beginning fund balance and governmental activities net position and decrease unearned/unavailable revenue in the amount of $2,184,669 as of January 1, 2022.

Change in Accounting Principle. The County did not implement GASB Statement No. 84, *Fiduciary Activities*, in the prior year. Therefore, in conjunction with the implementation of GASB Statement No. 84, an adjustment was made to increase fiduciary net position in the amount of $1,961,965 to properly reflect the custodial funds in accordance with GASB Statement No. 84.

SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

PIERCE COUNTY, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Juvenile Program Fund is used to account for revenue and expenditures of juvenile program projects.

Sheriff's Confiscation Fund is used to account for revenues received as a result of cash confiscations or sales of capital items acquired through confiscation and the associated Sheriff related expenditures of these receipts.

E911 Fund is used to account for revenue and expenditures for the provision of emergency telephone services.

Law Library Fund is used to account for revenue and expenditures associated with the operation of the law library.

Drug Abuse Treatment and Education Fund is used to account for fines and forfeitures to be used for drug abuse treatment and education.

Sheriff's Grants Fund is used to account for revenues and expenditures in accordance with the grant agreement.

Recreation Fund is used to account for revenues and expenditures related to County recreational activities.

Capital Projects Funds

CDBG Fund accounts for the revenues and expenditures associated with the Community Development Block Grant.

NFC Fund accounts for the revenues and expenditures related to the Neighborhood Facilities Center ("NFC").

2014 Special Purpose Local Option Sales Tax ("SPLOST") Fund accounts for the revenues and expenditures of the 2014 SPLOST referendum.

Grants Fund accounts for the revenues and expenditures related to the various County grants including the Local Maintenance Infrastructure Grant ("LMIG").

PIERCE COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	Special Revenue Funds				
	Juvenile Program Fund	Sheriff's Confiscation Fund	E911 Fund	Law Library Fund	Drug Abuse Treatment & Education Fund
ASSETS					
Cash and cash equivalents	$ 492	$ 83,134	$ 412,082	$ 29,008	$ 11,240
Accounts receivable	-	-	-	-	-
Due from other funds	-	-	-	-	-
Total assets	$ 492	$ 83,134	$ 412,082	$ 29,008	$ 11,240
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ -	$ -	$ 22,156	$ -	$ -
Due to other funds	-	-	389,926	-	3,923
Total liabilities	-	-	412,082	-	3,923
FUND BALANCES					
Restricted for:					
Public safety	-	83,134	-	-	7,317
Judicial	-	-	-	29,008	-
Capital projects	-	-	-	-	-
Assigned for:					
Public safety	492	-	-	-	-
Recreation	-	-	-	-	-
Capital projects	-	-	-	-	-
Total fund balances	492	83,134	-	29,008	7,317
Total liabilities and fund balances	$ 492	$ 83,134	$ 412,082	$ 29,008	$ 11,240

Special Revenue Funds		Capital Projects Funds				Total Nonmajor Governmental Funds
Sheriff's Grant Fund	Recreation Fund	CDBG Fund	NFC Fund	2014 SPLOST Fund	Grants Fund	
$ 5,344	$ 621,529	$ 25	$ 219,342	$ 680,701	$ 2,263,707	$ 4,326,604
-	6,532	-	-	-	-	6,532
-	-	-	-	-	51,104	51,104
$ 5,344	$ 628,061	$ 25	$ 219,342	$ 680,701	$ 2,314,811	$ 4,384,240
$ -	$ 57,443	$ -	$ -	$ -	$ -	$ 79,599
-	381,503	25	-	1,206	-	776,583
-	438,946	25	-	1,206	-	856,182
-	-	-	-	-	-	90,451
-	-	-	-	-	-	29,008
-	-	-	-	679,495	2,314,811	2,994,306
5,344	-	-	-	-	-	5,836
-	189,115	-	-	-	-	189,115
-	-	-	219,342	-	-	219,342
5,344	189,115	-	219,342	679,495	2,314,811	3,528,058
$ 5,344	$ 628,061	$ 25	$ 219,342	$ 680,701	$ 2,314,811	$ 4,384,240

PIERCE COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

	Special Revenue Funds				
	Juvenile Program Fund	Sheriff's Confiscation Fund	E911 Fund	Law Library Fund	Drug Abuse Treatment & Education Fund
Revenues					
Fines and forfeitures	$ 270	$ 12,600	$ -	$ 6,264	$ 5,097
E911 charge	-	-	324,751	-	-
Recreation	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Interest income	-	-	278	65	-
Other revenue	-	-	399	-	-
Total revenues	270	12,600	325,428	6,329	5,097
Expenditures					
Current:					
Public safety	-	47,536	436,085	-	1,318
Public works	-	-	-	-	-
Judicial	-	-	-	366	-
Community development	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	-	47,536	436,085	366	1,318
Excess (deficiency) of revenues over (under) expenditures	270	(34,936)	(110,657)	5,963	3,779
Other financing sources (uses)					
Transfers in	-	-	56,551	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	56,551	-	-
Net change in fund balances	270	(34,936)	(54,106)	5,963	3,779
Fund balances, beginning of year	222	118,070	54,106	23,045	3,538
Prior period adjustment	-	-	-	-	-
Fund balances, beginning of year as restated	222	118,070	54,106	23,045	3,538
Fund balances, end of year	$ 492	$ 83,134	$ -	$ 29,008	$ 7,317

Special Revenue Funds		Capital Projects Funds				Total Nonmajor Governmental Funds
Sheriff's Grant Fund	Recreation Fund	CDBG Fund	NFC Fund	2014 SPLOST Fund	Grants Fund	
$ -	$ -	$ -	$ -	$ -	$ -	$ 24,231
-	-	-	-	-	-	324,751
-	167,031	-	-	-	-	167,031
-	-	567,406	-	-	823,218	1,390,624
1	483	-	219	860	1,557	3,463
-	-	-	-	-	-	399
1	167,514	567,406	219	860	824,775	1,910,499
-	-	-	-	-	-	484,939
-	-	567,406	-	-	-	567,406
-	-	-	-	-	-	366
-	449,048	-	-	-	-	449,048
-	-	-	-	41,440	261,776	303,216
-	449,048	567,406	-	41,440	261,776	1,804,975
1	(281,534)	-	219	(40,580)	562,999	105,524
-	302,990	-	-	-	-	359,541
-	-	-	(200,000)	-	-	(200,000)
-	302,990	-	(200,000)	-	-	159,541
1	21,456	-	(199,781)	(40,580)	562,999	265,065
5,343	167,659	-	419,123	720,075	311,788	1,822,969
-	-	-	-	-	1,440,024	1,440,024
5,343	167,659	-	419,123	720,075	1,751,812	3,262,993
$ 5,344	$ 189,115	$ -	$ 219,342	$ 679,495	$ 2,314,811	$ 3,528,058

PIERCE COUNTY, GEORGIA

CUSTODIAL FUNDS

Tax Commissioner – To account for the collection and payment to Pierce County and other taxing units of the property taxes levied, billed, and collected by the Tax Commissioner on behalf of Pierce County and other taxing units.

Sheriff – To account for all monies received by the Sheriff's Department on behalf of individuals, private organizations, other governmental units, and other funds.

Clerk of Court – To account for all monies received by the Clerk of Superior Court on behalf of individuals, private organizations, other governmental units, and other funds.

Probate Court – To account for all monies received by the Probate Court on behalf of individuals, private organizations, other governmental units, and other funds.

Magistrate Court – To account for all monies received by the Magistrate Court on behalf of individuals, private organizations, other governmental units, and other funds.

Commissary – To account for all monies received by the Jail that are custodial in nature.

PIERCE COUNTY, GEORGIA

COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2022

ASSETS	Tax Commissioner	Sheriff	Clerk of Court	Probate Court
Cash and cash equivalents	$ 5,540,569	$ 4,291	$ 87,218	$ 7,200
Total assets	5,540,569	4,291	87,218	7,200
LIABILITIES				
Due to others	-	1,162	3,113	5,510
Total liabilities	-	1,162	3,113	5,510
NET POSITION				
Restricted:				
Individuals, organizations and other governments	5,540,569	3,129	84,105	1,690
Total net position	$ 5,540,569	$ 3,129	$ 84,105	$ 1,690

Magistrate Court	Commissary	Total
$ 6,001	$ 74,880	$ 5,720,159
6,001	74,880	5,720,159
1,898	28,390	40,073
1,898	28,390	40,073
4,103	46,490	5,680,086
$ 4,103	$ 46,490	$ 5,680,086

PIERCE COUNTY, GEORGIA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

	Tax Commissioner	Sheriff	Clerk of Superior Court	Probate Court
ADDITIONS				
Taxes	$ 20,996,172	$ -	$ -	$ -
Fines and fees	-	11,024	1,086,480	63,711
Total additions	20,996,172	11,024	1,086,480	63,711
DEDUCTIONS				
Taxes and fees paid to other governments	17,331,399	-	-	-
Other custodial disbursements	-	11,174	1,068,318	63,247
Total deductions	17,331,399	11,174	1,068,318	63,247
Change in fiduciary net position	3,664,773	(150)	18,162	464
Net position, beginning of year, as restated	1,875,796	3,279	65,943	1,226
Net position, end of year	$ 5,540,569	$ 3,129	$ 84,105	$ 1,690

Magistrate Court	Commissary	Total
$ -	$ -	$ 20,996,172
69,012	321,899	1,552,126
69,012	321,899	22,548,298
-	-	17,331,399
64,909	291,130	1,498,778
64,909	291,130	18,830,177
4,103	30,769	3,718,121
-	15,721	1,961,965
$ 4,103	$ 46,490	$ 5,680,086

PIERCE COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2014 ISSUE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

Project Description	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
Pierce County:					
Pay Revenue Bonds	$ 3,004,000	$ 3,004,000	$ 2,403,442	$ -	$ 2,403,442
Building and Maintaining Road, Bridges and Streets	1,000,000	1,000,000	1,155,561	-	1,155,561
Public Safety	900,000	900,000	736,691	37,000	773,691
Law Enforcement Capital Improvements	100,000	100,000	229,232	-	229,232
Public Works	1,000,000	1,000,000	816,694	-	816,694
Cultural and Recreational Facilities	691,700	671,700	395,006	4,351	399,357
City of Blackshear:					
Water and Sewer Infrastructure	1,773,200	1,773,200	1,400,388	-	1,400,388
Public Safety	220,000	220,000	179,951	-	179,951
Road Maintenance	561,000	561,000	701,503	-	701,503
Recreational	138,600	138,600	107,758	89	107,847
Downtown Development Facilities	24,200	24,200	19,359	-	19,359
Road and Street Construction and Maintenance	495,000	495,000	581,064	-	581,064
City of Patterson:					
Road and Street Construction	80,034	80,034	75,685	-	75,685
Recreational Facility	97,314	97,314	92,326	-	92,326
Public Safety	23,192	23,192	17,876	-	17,876
Capital Outlay for Eagle Station	557,360	557,360	527,079	-	527,079
City of Offerman:					
Road and Streets	275,000	275,000	260,062	-	260,062
Cultural and Recreational Facilities	59,400	59,400	46,547	-	46,547
Total	$ 11,000,000	$ 10,980,000	$ 9,746,224	$ 41,440	$ 9,787,664

PIERCE COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2020 ISSUE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

Project Description	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
Pierce County:					
Pay Revenue Bonds (through July 2023)	$ 1,320,000	$ 1,320,000	$ 628,236	$ 397,326	$ 1,025,562
Facility Construction and Capital Improvements					
Through July 2023	1,269,600	1,269,600	189,142	27,073	216,215
From August 2023 through March 2026	2,071,680	2,071,680	-	-	-
Road Construction and Maintenance	1,728,000	1,728,000	100,515	127,065	227,580
Public Safety Capital Improvements	1,872,000	1,872,000	68,552	376,830	445,382
Cultural and Recreational Facilities	1,152,000	1,152,000	-	61,008	61,008
City of Blackshear:					
Road Maintenance and Construction	889,200	889,200	226,445	168,472	394,917
Water and Sewer Construction and Maintenance	1,991,808	1,991,808	533,205	377,378	910,583
Public Safety	335,680	335,680	95,216	67,389	162,605
Recreational-History-Downtown	320,112	320,112	85,687	60,650	146,337
City of Patterson:					
Road and Street Construction	49,608	49,608	13,280	9,399	22,679
Downtown Development Facilities	148,824	148,824	39,840	28,197	68,037
Recreational Facility	19,843	19,843	5,311	3,760	9,071
Public Safety	148,824	148,824	39,837	28,197	68,034
Eagle Station	128,981	128,981	34,526	24,437	58,963
Water and Sewer Infrastructure	496,080	496,080	132,790	93,990	226,780
City of Offerman:					
Road and Streets	218,800	218,800	64,386	41,470	105,856
Recreation and Cultural	218,800	218,800	64,386	41,470	105,856
Total	$ 14,379,840	$ 14,379,840	$ 2,321,354	$ 1,934,111	$ 4,255,465

COMPLIANCE SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

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
of Pierce County, Georgia
Blackshear, 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, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Pierce County, Georgia (the "County") as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 11, 2024. Our report includes a reference to other auditors who audited the financial statements of the Pierce County Health Department (the "Health Department") as described in our report on the County'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.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing 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 the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County'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 were not identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2022-001 and 2022-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County'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 financial statements. 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.*

Pierce County, Georgia's Responses to the Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's responses to the findings identified in our audit as described in the accompanying Schedule of Findings and Questioned Costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Mauldin & Jenkins, LLC

Savannah, Georgia
June 11, 2024

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Commissioners
of Pierce County, Georgia
Blackshear, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Pierce County, Georgia's (the "County") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2022. The County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Savannah, Georgia
June 11, 2024

PIERCE COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Contract or Project Number	Total Expenditures
U.S. DEPARTMENT OF TREASURY:			
Coronavirus State and Local Fiscal Recovery Funds - COVID 19	21.027	NA	$ 243,719
Total U.S. Department of Treasury			243,719
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed through Georgia Department of Community Affairs			
Community Development Block Grant	14.228	20-p-y-113-1-6155	567,406
Total U.S. Department of Housing and Urban Development			567,406
Total Expenditures of Federal Awards			$ 811,125

See accompanying notes to Schedule of Expenditures of Federal Awards.

PIERCE COUNTY, GEORGIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Pierce County, Georgia (the "County"), and is presented on the modified accrual basis of accounting.

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.* Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2. DE MINIMIS INDIRECT COST RATE

The County chose not to use the 10% de minimis cost rate for the year ended December 31, 2022.

NOTE 3. NON-CASH AWARDS

The County did not receive non-cash federal awards during the year ended December 31, 2022.

NOTE 4. SUBRECIPIENTS

The County did not pass through any funds to subrecipients during the year ended December 31, 2022.

PIERCE COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP.	Unmodified
Internal control over financial reporting: Material weaknesses identified?	__X__ Yes ____ No
Significant deficiencies identified not considered to be material weaknesses?	____ Yes __X__ None Reported
Noncompliance material to financial statements noted?	___ Yes __X__ No

Federal Awards

Internal control over major programs: Material weaknesses identified?	____ Yes __X__ No
Significant deficiencies identified not considered to be material weaknesses?	____ Yes __X__ None Reported
Type of report the auditor issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____ Yes __X__ No

Identification of major program:

AL Number	Name of Federal Program or Cluster
14.228	**U.S. Department of Housing and Urban Development** Community Development Block Grant

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	___ Yes __X__ No

PIERCE COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2022-001 Financial Reporting and Year-end Close-out

Criteria: Internal controls are processes designed to provide reasonable assurance about the achievement of an entity's objectives with regard to the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: The County required several significant year-end audit adjustments to properly report accounts receivable, accounts payable, accrued liabilities, and expenditures/expenses.

Context: We addressed this matter with County officials, who determined the propriety of all respective details and reconciliations in order to produce trial balances and supporting documentation as of and for the fiscal year ended December 31, 2022.

Effect: The ultimate effect of the above condition includes a delayed conclusion to the 2022 fiscal year financial reporting process as well as the potential for errors and irregularities to occur and not be detected and corrected in a timely manner. As noted in the context, adjustments were required across all funds and a listing has been provided to management.

Cause: There was a lack of appropriate controls implemented at the County during the fiscal year to ensure that the year-end balances were properly recorded and reconciled.

Recommendation: We recommend the County utilize their third-party accounting firm for assistance with adjusting account balances and performing the year-end close-out procedures in order to ensure all account balances are properly recorded at year-end.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will implement the necessary controls and procedures to ensure that balances are properly recorded and year-end close-out procedures are performed prior to the start of the annual audit process.

2022-002 Prior Period Adjustments

Criteria: Internal controls are processes designed to provide reasonable assurance about the achievement of an entity's objectives with regard to the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: The County did not properly record unearned/unavailable revenue, governmental activities capital assets, and related revenues/expenses/expenditures which resulted in prior period adjustments. Additionally, the County did not implement GASB Statement No.84.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2022-002 Prior Period Adjustments (Continued)

Context: We addressed this matter with County officials to determine the appropriate amounts to record as of December 31, 2021.

Effect: See footnote 12 of the financial statements.

Cause: There was a lack of appropriate controls implemented at the County during the fiscal year to ensure that the year-end balances were properly recorded and reconciled.

Recommendation: We recommend the County utilize their third-party accounting firm for assistance with adjusting account balances and ensuring all amounts are recorded in the correct period.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will implement the necessary controls and procedures to ensure that balances are properly recorded in a timely manner and within the appropriate accounting period.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

PIERCE COUNTY, GEORGIA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

None Reported.

PIERCE COUNTY, GEORGIA

BOARD OF COMMISSIONERS

K. NEAL BENNETT, CHAIRMAN
HAROLD ROZIER, DISTRICT 1
GRAHAM RALEY, DISTRICT 2
RANDY DIXON, DISTRICT 3
DAVID LOWMAN, DISTRICT 4
RAPHEL MADDOX, COUNTY MANAGER

June 11, 2024

Dear Sir or Madam:

Please find below the Pierce County, Georgia's Management's Corrective Action Plan for the audit findings and budget violations reported in the December 31, 2022 annual financial report.

2022-001 Financial Reporting and Year-end Close-out

Criteria: Internal controls are processes designed to provide reasonable assurance about the achievement of an entity's objectives with regard to the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: The County required several significant year-end audit adjustments to properly report accounts receivable, accounts payable, accrued liabilities, and expenditures/expenses.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will implement the necessary controls and procedures to ensure that balances are properly recorded and year-end close-out procedures are performed prior to the start of the annual audit process.

2022-002 Prior Period Adjustments

Criteria: Internal controls are processes designed to provide reasonable assurance about the achievement of an entity's objectives with regard to the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: The County did not properly record unearned/unavailable revenue, governmental activities capital assets, and related revenues/expenses/expenditures which resulted in prior period adjustments. Additionally, the County did not implement GASB Statement No.84.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will implement the necessary controls and procedures to ensure that balances are properly recorded in a timely manner and within the appropriate accounting period.

State Law Compliance - Expenditures exceed appropriations

PIERCE COUNTY, GEORGIA

BOARD OF COMMISSIONERS

K. NEAL BENNETT, CHAIRMAN
HAROLD ROZIER, DISTRICT 1
GRAHAM RALEY, DISTRICT 2
RANDY DIXON, DISTRICT 3
DAVID LOWMAN, DISTRICT 4
RAPHEL MADDOX, COUNTY MANAGER

Views of Responsible Officials and Planned Corrective Action: We concur. We will implement controls to ensure proper review of the County's budgets and appropriately amend the budgets throughout the year so that expenditures do not exceed appropriations at the legal level of budgetary control.

Please let me know if additional information is needed.

Thank you,

Raphel Maddox
County Administrator

Neal Bennett
County Commission Chairman