WILKES COUNTY, GEORGIA

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

WILKES COUNTY, GEORGIA

FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS

Page

FINANCIAL SECTION

Independent Auditor's Report ..... **1 – 3**

Basic Financial Statements:

Government-wide Financial Statements:

Statement of Net Position **4**

Statement of Activities ..... **5 and 6**

Fund Financial Statements:

Balance Sheet – Governmental Funds **7**

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds **8**

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities **9**

General Fund – Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual ..... **10 and 11**

Statement of Fiduciary Net Position – Fiduciary Funds **12**

Statement of Changes in Fiduciary Net Position – Fiduciary Funds **13**

Notes to Financial Statements ..... **14 – 41**

Required Supplementary Information:

Schedule of Changes in the County's Net Pension Liability and Related Ratios **42**

Schedule of County Contributions **43**

Combining and Individual Fund Statements and Schedules:

Combining Balance Sheet – Nonmajor Governmental Funds ..... **44 and 45**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds ..... **46 and 47**

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Special Revenue Funds ..... **48 – 53**

Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds – 2017 Issue **54**

Combining Statement of Fiduciary Net Position – Fiduciary Funds ..... **55 and 56**

Combining Statement of Changes in Fiduciary Net Position – Fiduciary Funds ..... **57 and 58**

WILKES COUNTY, GEORGIA

FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS (CONTINUED)

Page

COMPLIANCE SECTION

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* ..... 59 and 60

Schedule of Findings and Responses ..... 61 – 65

Summary of Prior Year Findings..... 66 – 71

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
of Wilkes County, Georgia
Washington, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Wilkes County, Georgia** (the "County"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Wilkes County Health Department (the "Health Department"), which represents 19%, 8%, and 58%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Health Department, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the General Fund for the year then ended in accordance with GAAP.

Emphasis of Matter

As discussed in Note 14, the County implemented Governmental Accounting Standards Board ("GASB") Statement No. 84, *Fiduciary Activities*, as of July 1, 2020. This standard significantly changed the accounting for the County's activities previously reported as agency funds. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

GAAP requires that the Schedule of Changes in the County's Net Pension Liability and Related Ratios (on page 42) and the Schedule of County Contributions (on page 43) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board ("GASB"), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis that GAAP requires 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 GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements of the County. The accompanying schedule of expenditures of special purpose local option sales tax proceeds is presented for the purpose of additional analysis as required by the Official Code of Georgia Annotated ("O.C.G.A.") §48-8-121, and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of special purpose local option sales tax proceeds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, and the schedule 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2021, 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 Wilkes County, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
December 20, 2021

BASIC FINANCIAL STATEMENTS

WILKES COUNTY, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2021

	Primary Government	Component Units	
	Governmental Activities	Health Department	Payroll Development Authority
ASSETS			
Cash and cash equivalents	$ 6,968,590	$ 540,791	579,121
Taxes receivable	238,071	-	-
Accounts receivable	102,935	15,593	-
Due from other governments	281,647	-	-
SEAD-OPEB Asset	-	41,705	-
Capital assets, non-depreciable	1,354,651	-	511,435
Capital assets, depreciable (net of accumulated depreciation)	28,905,882	-	1,538,399
Total assets	37,851,776	598,089	2,628,955
DEFERRED OUTFLOWS OF RESOURCES			
Other post-employment benefits	-	22,318	-
Pension	554,170	53,958	-
Total deferred outflows of resources	554,170	76,276	-
LIABILITIES			
Accounts payable	45,713	3,826	-
Accrued liabilities	4,303	-	-
Due to other governments	-	1,109	-
Capital leases due within one year	41,789	-	-
Bonds payable due within one year	335,000	-	-
Bonds payable due in more than one year	700,000	-	-
Compensated absences due in more than one year	303,399	24,187	-
Notes payable due within one year	40,462	-	214,312
Notes payable due in more than one year	-	-	396,501
Landfill due in more than one year	1,181,591	-	-
Total other post-employment benefit liability	-	63,540	-
Net pension liability	1,629,052	329,188	-
Total liabilities	4,281,309	421,850	610,813
DEFERRED INFLOWS OF RESOURCES			
Other post-employment benefits	-	70,723	-
Pension	295,200	673	-
Total deferred inflows of resources	295,200	71,396	-
NET POSITION			
Net investment in capital assets	29,143,282	-	2,049,834
Restricted for:			
Judicial	47,229	-	-
Public safety	216,030	-	-
Publc works	66,417		
Culture and recreation	43,842	-	-
Housing and development	1,000	-	-
Capital projects	2,647,868	-	-
Other purposes	-	250,350	-
Unrestricted	1,663,769	(69,231)	(31,692)
Total net position	$ 33,829,437	$ 181,119	$ 2,018,142

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

WILKES COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:				
General government	$ 2,429,954	$ 649,909	$ 490,745	$ 1,624,006
Judicial	580,439	1,460,101	-	-
Public safety	6,035,076	115,541	-	452,846
Public works	2,272,628	-	-	61
Health and welfare	202,041	-	12,498	-
Culture and recreation	285,274	-	-	-
Housing and development	270,630	-	-	-
Interest on long-term debt	27,619	-	-	-
Total primary government	$ 12,103,660	$ 2,225,551	$ 503,243	$ 2,076,913
Component unit:				
Health Department	$ 347,199	$ 61,625	$ 408,582	$ -
Payroll Development Authority	237,431	157,734	-	-
Total component unit	$ 584,630	$ 219,359	$ 408,582	$ -

General revenues:
- Property taxes
- Sales taxes
- Other taxes
- Unrestricted investment earnings
- Other

Total general revenues

Change in net position

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			
Primary Government	Component Units		
Governmental Activities	Health Department	Payroll Development Authority	
$ 334,707	$ -	$ -	
879,662	-	-	
(5,466,689)	-	-	
(2,272,567)	-	-	
(189,543)	-	-	
(285,274)	-	-	
(270,630)	-	-	
(27,619)	-	-	
(7,297,953)	-	-	
-	123,008	-	
-	-	(79,697)	
-	123,008	(79,697)	
5,805,977	-	-	
3,106,844	-	-	
88,471	-	-	
40	3,324	-	
-	-	188,409	
9,001,332	3,324	188,409	
1,703,379	126,332	108,712	
32,126,058	54,787	1,909,430	
$ 33,829,437	$ 181,119	$ 2,018,142	

WILKES COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

ASSETS	General Fund	T-SPLOST 2013 Fund	SPLOST 2017 Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 4,207,023	$ 1,448,331	$ 1,028,891	$ 284,345	$ 6,968,590
Taxes receivable	238,071	-	-	-	238,071
Accounts receivable	-	-	-	102,935	102,935
Due from other governments	73,747	94,442	113,458	-	281,647
Total assets	$ 4,518,841	$ 1,542,773	$ 1,142,349	$ 387,280	$ 7,591,243
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ -	$ 13,264	$ 32,449	$ -	$ 45,713
Accrued liabilities	-	-	-	4,303	4,303
Total liabilities	-	13,264	32,449	4,303	50,016
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	191,434	-	-	-	191,434
Total deferred inflows of resources	191,434	-	-	-	191,434
FUND BALANCES					
Fund balances:					
Restricted for:					
Judicial	-	-	-	47,229	47,229
Public safety	-	-	-	216,030	216,030
Public works	-	-	-	66,417	66,417
Culture and recreation	-	-	-	43,842	43,842
Housing and development	-	-	-	1,000	1,000
Capital projects	-	1,529,509	1,109,900	8,459	2,647,868
Unassigned	4,327,407	-	-	-	4,327,407
Total fund balances	4,327,407	1,529,509	1,109,900	382,977	7,349,793
Total liabilities, deferred inflows of resources and fund balances	$ 4,518,841	$ 1,542,773	$ 1,142,349	$ 387,280	

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.	30,260,533
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	191,434
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(4,231,293)
Deferred outflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.	554,170
Deferred inflows of resources are not available to pay for current expenditures and, therefore, are not reported in the funds.	(295,200)
Net position of governmental activities	$ 33,829,437

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

WILKES COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	General Fund	T-SPLOST 2013 Fund	SPLOST 2017 Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	$ 5,849,338	$ -	$ -	$ -	$ 5,849,338
Sales taxes	711,103	1,105,373	1,290,368	-	3,106,844
Other taxes	-	-	-	88,471	88,471
Licenses and permits	40,078	-	-	-	40,078
Intergovernmental	1,624,006	-	-	452,846	2,076,852
Charges for services	609,831	-	-	115,541	725,372
Court fees, fines and forfeitures	1,435,166	-	-	24,935	1,460,101
Interest	-	-	61	40	101
Other	490,745	-	-	12,498	503,243
Total revenues	10,760,267	1,105,373	1,290,429	694,331	13,850,400
EXPENDITURES					
Current:					
General government	1,050,050	-	-	-	1,050,050
Judicial	571,762	-	-	1,936	573,698
Public safety	5,046,299	-	-	248,037	5,294,336
Public works	2,089,577	-	-	197,682	2,287,259
Health and welfare	202,041	-	-	-	202,041
Culture and recreation	90,934	-	-	181,003	271,937
Housing and development	231,759	-	-	38,871	270,630
Intergovernmental	-	-	376,911	-	376,911
Capital outlay	-	675,015	643,370	-	1,318,385
Debt service:					
Principal	40,370	-	360,124	-	400,494
Interest	2,888	-	24,731	-	27,619
Total expenditures	9,325,680	675,015	1,405,136	667,529	12,073,360
Excess (deficiency) of revenues over (under) expenditures	1,434,587	430,358	(114,707)	26,802	1,777,040
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	102,763	102,763
Transfers out	(102,763)	-	-	-	(102,763)
Total other financing sources (uses)	(102,763)	-	-	102,763	-
Net change in fund balances	1,331,824	430,358	(114,707)	129,565	1,777,040
FUND BALANCES, beginning of year	2,995,583	1,099,151	1,224,607	253,412	5,572,753
FUND BALANCES, end of year	$ 4,327,407	$ 1,529,509	$ 1,109,900	$ 382,977	$ 7,349,793

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

WILKES COUNTY, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balances - total governmental funds	$ 1,777,040
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 depreciation exceeded capital outlay in the current period.	(241,371)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(43,361)
The issuance of long-term debt provides current financial resources to governmental funds, 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.	400,494
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.	(189,423)
Change in net position - governmental activities	$ 1,703,379

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

WILKES COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	$ 5,505,591	$ 5,505,591	$ 5,849,338	$ 343,747
Sales taxes	708,612	708,612	711,103	2,491
Licenses and permits	22,150	22,150	40,078	17,928
Intergovernmental	1,632,310	1,632,310	1,624,006	(8,304)
Charges for services	316,132	316,132	609,831	293,699
Fines and forfeitures	1,308,547	1,308,547	1,435,166	126,619
Other	323,253	323,253	490,745	167,492
Total revenues	9,816,595	9,816,595	10,760,267	943,672
EXPENDITURES				
Current				
General government:				
Governing body	125,603	125,603	122,849	2,754
Elections	45,935	45,935	24,689	21,246
Voter registrar	42,151	42,151	36,656	5,495
General administration	191,972	191,972	335,883	(143,911)
Tax Commissioner	176,250	176,250	182,433	(6,183)
Tax Assessor	220,794	220,794	204,186	16,608
Tax equalization board	7,988	7,988	2,148	5,840
Buildings and plant	146,492	146,492	141,206	5,286
Total general government	957,185	957,185	1,050,050	(92,865)
Judicial:				
Clerk of superior court	312,858	312,858	277,737	35,121
District attorney	16,300	16,300	15,037	1,263
Public defender	24,500	24,500	23,136	1,364
Magistrate Court	121,020	121,020	111,183	9,837
Probate Court	149,995	149,995	144,669	5,326
Total judicial	624,673	624,673	571,762	52,911
Public safety:				
Sheriff	2,039,786	2,039,786	2,008,672	31,114
Jail operations	1,061,315	1,061,315	1,076,804	(15,489)
Fire	221,461	221,461	199,131	22,330
Emergency medical services	1,280,019	1,280,019	1,330,350	(50,331)
Coroner	12,747	12,747	13,607	(860)
E-911	393,412	393,412	367,042	26,370
Animal control	30,999	30,999	28,067	2,932
Emergency management	22,626	22,626	22,626	-
Total public safety	5,062,365	5,062,365	5,046,299	16,066
Public works:				
Roads and bridges	1,144,277	1,144,277	1,068,079	76,198
Solid waste collection	335,777	335,777	266,195	69,582
Solid waste disposal	512,219	512,219	506,856	5,363
Airport	457,275	457,275	248,447	208,828
Total public works	2,449,548	2,449,548	2,089,577	359,971

(Continued)

WILKES COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budget			Variance with
	Original	Final	Actual	Final Budget
EXPENDITURES (CONTINUED)				
Current (Continued)				
Health and welfare:				
General clinics	$ 77,626	$ 77,626	$ 73,396	$ 4,230
Administration DFCS	11,515	11,515	6,532	4,983
Senior citizens nutrition	117,170	117,170	100,732	16,438
Family services	5,000	5,000	5,000	-
Education	20,000	20,000	16,381	3,619
Total health and welfare	231,311	231,311	202,041	29,270
Culture and recreation:				
Recreation	142,661	142,661	32,034	110,627
Library	58,900	58,900	58,900	-
Total culture and recreation	201,561	201,561	90,934	110,627
Housing and development:				
Conservation	142,708	142,708	138,804	3,904
Georgia Forestry Commission	22,683	22,683	22,683	-
Protective inspections department	20,626	20,626	18,595	2,031
Payroll development authority	97,013	97,013	45,106	51,907
Regional development center	6,922	6,922	6,571	351
Total housing and development	289,952	289,952	231,759	58,193
Debt service:				
Principal	-	-	40,370	(40,370)
Interest	-	-	2,888	(2,888)
Total debt service	-	-	43,258	(43,258)
Total expenditures	9,816,595	9,816,595	9,325,680	490,915
Excess of revenues over expenditures	-	-	1,434,587	1,434,587
OTHER FINANCING USES				
Transfers out	-	-	(102,763)	(102,763)
Total other financing uses	-	-	(102,763)	(102,763)
Net change in fund balances	-	-	1,331,824	1,331,824
FUND BALANCES, beginning of year	2,995,583	2,995,583	2,995,583	-
FUND BALANCES, end of year	$ 2,995,583	$ 2,995,583	$ 4,327,407	$ 1,331,824

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

WILKES COUNTY, GEORGIA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2021

	Custodial Funds
ASSETS	
Cash	$ 331,081
Taxes receivable	337,508
Total assets	$ 668,589
LIABILITIES	
Due to others	$ 170,027
Uncollected taxes	337,508
Total liabilities	$ 507,535
NET POSITION	
Restricted for individuals, organizations, and other governments	$ 161,054

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

WILKES COUNTY, GEORGIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2021

	Custodial Funds
ADDITIONS	
Taxes collected	$ 14,186,621
Fines and fees collected	1,077,640
Total additions	15,264,261
DEDUCTIONS	
Taxes disbursed	14,168,054
Fines and fees disbursed	1,081,480
Total deductions	15,249,534
Change in net position	14,727
Net position, beginning of year, as restated	146,327
Net position, end of year	$ 161,054

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Wilkes 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 County's significant accounting policies are described below.

A. The Reporting Entity

Wilkes County, Georgia was organized in 1777 by an act of the Georgia State Legislature. The County is under a five member Board of Commissioners, and the chairman serves as chief executive of the County.

As required by GAAP, the financial statements of the reporting entity include those of Wilkes County, Georgia (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationship with the County. In conformity with GAAP, as set forth in GASB Statement No. 14, as amended by Statements No. 39 and 61, the financial statements of the component units are appropriately presented in the government-wide financial statements.

Discretely Presented Component Units

Wilkes County Health Department

The Wilkes County Health Department (the "Health Department") provides public health services to the residents of the County under a contract with the Georgia Department of Human Resources. 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 the Wilkes County Health Department, Gordon Street, Washington, Georgia 30673.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. The Reporting Entity (Continued)

Discretely Presented Component Units (Continued)

Washington-Wilkes Payroll Development Authority

The governing board of the Washington-Wilkes Payroll Development Authority (the "Payroll Development Authority") consists of five members appointed by Wilkes County, City of Washington, and the Washington-Wilkes Chamber of Commerce. The Payroll Development Authority is a state chartered authority designed to enhance and improve the commercial and industrial base in the County. The Payroll Development Authority is fully funded by the County and state/federal grants. Although the County does not have the authority to approve or modify the budget of the Payroll Development Authority, the County does provide financial support to the Payroll Development Authority. Separately issued financial statements are not available for the Payroll Development Authority.

Blended Component Unit

Washington-Wilkes Parks and Recreation Department

The Washington-Wilkes Parks and Recreation Department (the "Department") is responsible for the County's parks and recreation day to day operations. Although the County does not have the authority to approve or modify the Department's budget, the Department is fiscally dependent on the County considering the Department's debt is expected to be repaid entirely with the County's resources. Separately issued financial statements are not available for the Department.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (Continued)

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 included among program revenues are reported instead as *general revenues*.

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the the fiduciary fund financial statements, which have no measurement focus. 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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Property taxes, sales taxes, intergovernmental grants, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and, therefore, 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 ***Transportation Special Purpose Local Option Sales Tax ("T-SPLOST") 2013 Fund*** accounts for the proceeds of the Transportation Special Purpose Local Option Sales Tax. Funds are used for various transportation projects within the County.

The ***Special Purpose Local Option Sales Tax ("SPLOST") 2017 Fund*** accounts for the proceeds of a 1% Special Purpose Local Option Sales Tax. Funds are used for road and drainage improvements, public safety projects, recreation projects, public building projects, County administration projects, debt service, and other City projects within the County.

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 ***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.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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. 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."

F. Capital Assets

Capital assets, which include buildings and improvements; equipment, furniture, and vehicles; and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental 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 asset lives are not capitalized.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Capital Assets (Continued)

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

Asset Category	Years
Buildings and improvements	40
Equipment, furniture and vehicles	7
Infrastructure	50

Capital assets of the Washington-Wilkes Payroll Development Authority are depreciated using the straight-line method over the following useful lives:

Asset Category	Years
Buildings and improvements	10
Engineering and construction	10

G. Compensated Absences

Unused vacation leave, not to exceed 360 hours, is paid when employees separate from service with the County. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. There is no liability for unpaid accumulated sick leave since the payment of benefits is contingent upon the future illness of an employee.

H. Long-Term Obligations

In the government-wide financial statements in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities of the statement of net position.

In the fund financial statements, governmental fund types report the face amount of the debt issued as other financing sources.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. 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 position that applies to a future period(s) and, therefore, will not be recognized as an outflow of resources (expense/expenditure) until then. The County has two items that qualify for reporting in this category. These items, relating to the County's retirement plan, qualify for reporting in this category and are combined in the Statement of Net Position under the heading "Pension". The County reports deferred outflow of resources for assumption changes which are amortized against pension expense over time. Also, experience differences result from periodic studies by the County's actuary, which adjust the net pension liability for actual experience for certain trend information that was previously assumed, resulting as a deferred outflow of resources and amortized over time.

In addition to liabilities, the statement of net position and 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, therefore, will not be recognized as an inflow of resources (revenue) until that time. The County has three items that qualify for reporting in this category, one of 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. Experience differences result from periodic studies by the County's actuary, which adjust the net pension liability for actual experience for certain trend information that was previously assumed, resulting as a deferred inflow of resources and amortized over time. In addition, the differences between projected investment return on pension investments and actual return on those investments is deferred and amortized over time, resulting in recognition as a deferred inflow of resources.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Fund Equity

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

Fund Balance – Generally, fund balance represents 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:

- ***Non-spendable*** – Fund balances are reported as non-spendable 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 Commissioners through the adoption of a resolution. Only the Board of Commissioners 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 Commissioners has authorized the County Chairman 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 balance are available for use for expenditures incurred, it is the County's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County's policy to use fund balance in the following order: 1) committed, 2) assigned, and 3) unassigned.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. 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.

K. 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. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this difference are as follows:

Capital leases payable	$ (41,789)
General obligation bonds	(1,035,000)
Notes payable	(40,462)
Landfill post-closure costs	(1,181,591)
Net pension liability	(1,629,052)
Compensated absences	(303,399)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$ (4,231,293)

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "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." The details of this difference are as follows:

Capital outlay	$ 1,080,843
Depreciation expense	(1,322,214)
Net adjustment to reduce *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$ (241,371)

Another element of that reconciliation states that "the issuance of long-term debt provides current financial resources to governmental funds, 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." The details of this difference are as follows:

Principal repayments:	
Capital leases	$ 40,370
General obligation bonds	330,000
Notes payable	30,124
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$ 400,494

Another element of that reconciliation states that "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." The details of this difference are as follows:

Compensated absences	$ (79,715)
Landfill post-closure costs	(14,011)
Net pension liability and related deferred outflows/inflows of resources	(95,697)
Net adjustment to reduce *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$ (189,423)

NOTE 3. LEGAL COMPLIANCE – BUDGETS

A. Budgets and Budgetary Accounting

Budgetary Data

The annual budget document is the financial plan for the operation of the County. The budget process exists for the purpose of providing a professional management approach to the establishment of priorities and the implementation of work programs while providing an orderly means for control and evaluation of the financial posture of the County. All budgets are adopted on a basis consistent with GAAP.

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 legal level of control for each legally adopted annual budget is the department level with the following provisions:

- The County Administrator may transfer funds from one object or purpose to another within the same department.
- The County Commission may amend the budget during the fiscal year.

Formal budgetary integration is employed as a management control device during the year for all budgets funds.

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

B. Excess Expenditures over Appropriations

For the year ended June 30, 2021, expenditures exceeded budget in the applicable governmental funds, as follows:

Fund or Department	Excess
General Fund:	
General administration	$ 143,911
Tax Commissioner	6,183
Jail operations	15,489
Emergency medical services	50,331
Coroner	860
Debt service - principal	40,370
Debt service - interest	2,888
Hotel/Motel Tax Fund	
Housing and development	$ 4,871
E-911 Fund	
Public safety	$ 55,935
Law Library Fund	
Judicial	$ 1,936

These over expenditures were funded by additional unanticipated revenues.

NOTE 4. 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 June 30, 2021, the County held no investments.

Balances per Statement of Net Position:		
Cash and cash equivalents - primary government	$	6,968,590
Cash - agency funds		331,081
	$	7,299,671
Balances by type:		
Cash deposited with financial institutions	$	7,299,671
	$	7,299,671

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 June 30, 2021, 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 5. RECEIVABLES

Receivables at June 30, 2021, consist of the following:

	General	T-SPLOST 2013	SPLOST 2017
Receivables:			
Taxes	$ 238,071	$ -	$ -
Accounts	-	-	-
Due from other governments	73,747	94,442	113,458
Gross receivables	311,818	94,442	113,458
Less allowance for uncollectibles	-	-	-
Net total receivables	$ 311,818	$ 94,442	$ 113,458

	Nonmajor Governmental Funds	Total Governmental Funds
Receivables:		
Taxes	$ -	$ 238,071
Accounts	102,935	102,935
Due from other governments	-	281,647
Gross receivables	102,935	622,653
Less allowance for uncollectibles	-	-
Net total receivables	$ 102,935	$ 622,653

Property taxes were levied on September 9, 2020. Bills are payable on or before December 20, 2020, after which the applicable property is subject to lien, penalties and interest are assessed. Property taxes attached as an enforceable lien on property as of December 20, 2020. The County bills and collects its own property taxes. Property taxes levied for 2021 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during the year ended June 30, 2021, and collected by August 31, 2021, are recognized as revenues in the year ended June 30, 2021. Net receivables estimated to be collected subsequent to August 31, 2021, are deferred as of June 30, 2021, and recorded as revenue when received. Prior year levies were recorded using substantially the same principles, and remaining receivables are reevaluated annually.

NOTE 6. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the fiscal year ended June 30, 2021, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 1,354,651	$ -	$ -	$ -	$ 1,354,651
Total	1,354,651	-	-	-	1,354,651
Capital assets, being depreciated:					
Infrastucture	21,597,062	714,985	-	-	22,312,047
Buildings and improvements	22,026,475	-	-	-	22,026,475
Equipment, furniture and vehicles	7,691,596	365,858	-	-	8,057,454
Total	51,315,133	1,080,843	-	-	52,395,976
Less accumulated depreciation for:					
Infrastucture	(5,003,514)	(454,947)	-	-	(5,458,461)
Buildings and improvements	(11,239,832)	(428,290)	-	-	(11,668,122)
Equipment, furniture and vehicles	(5,924,534)	(438,977)	-	-	(6,363,511)
Total	(22,167,880)	(1,322,214)	-	-	(23,490,094)
Total capital assets, being depreciated, net	29,147,253	(241,371)	-	-	28,905,882
Governmental activities capital assets, net	$ 30,501,904	$ (241,371)	$ -	$ -	$ 30,260,533

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

Governmental activities:	
General government	$ 952,009
Public safety	350,607
Public works	6,261
Culture and recreation	13,337
Total depreciation expense	$ 1,322,214

NOTE 6. CAPITAL ASSETS (CONTINUED)

B. Discretely Presented Component Unit – Payroll Development Authority

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Payroll Development Authority:					
Capital assets, not being depreciated:					
Land	$ 511,435	$ -	$ -	$ -	$ 511,435
Total	511,435	-	-	-	511,435
Capital assets, being depreciated:					
Buildings and improvements	2,279,873	-	-	-	2,279,873
Engineering and construction	377,987	-	-	-	377,987
Total	2,657,860	-	-	-	2,657,860
Less accumulated depreciation for:					
Buildings and improvements	(863,280)	(87,975)	-	-	(951,255)
Engineering and construction	(160,646)	(7,560)	-	-	(168,206)
Total	(1,023,926)	(95,535)	-	-	(1,119,461)
Total capital assets, being depreciated, net	1,633,934	(95,535)	-	-	1,538,399
Payroll Development Authority capital assets, net	$ 2,145,369	$ (95,535)	$ -	$ -	$ 2,049,834

Depreciation expense was charged to functions/programs of the Payroll Development Authority as follows:

Component Unit - Payroll Development Authority	
Housing and development	$ 95,535
Total depreciation expense	$ 95,535

NOTE 7. LONG-TERM DEBT

A. Primary Government

The following is a summary of long-term debt activity for the primary government for the year ended June 30, 2021:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	$ 1,365,000	$ -	$ (330,000)	$ 1,035,000	$ 335,000
Capital leases	82,159	-	(40,370)	41,789	41,789
Notes payable	70,586	-	(30,124)	40,462	40,462
Net pension liability	1,637,336	747,902	(756,186)	1,629,052	-
Compensated absences	223,684	135,724	(56,009)	303,399	-
Landfill post-closure costs	1,167,580	14,011	-	1,181,591	-
Governmental activities Long-term liabilities	$ 4,546,345	$ 897,637	$ (1,212,689)	$ 4,231,293	$ 417,251

For governmental activities, compensated absences and net pension liability are generally liquidated by the General Fund.

General Obligation Bonds. The County issued the Wilkes County General Obligation Sales Tax Bond, Series 2017 on July 1, 2017 in the amount of $2,000,000. The proceeds from the sale of the bonds were used for the purpose of financing certain capital outlay projects of the County and for paying the costs of issuing the bonds. General obligation bonds are direct obligations and pledge the full faith and credit of the County. The bonds interest rate was 1.81% and are due on September 1, 2023.

The bonds payable debt service requirements to maturity, including interest, are as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2022	$ 335,000	$ 18,708	$ 353,708
2023	345,000	12,652	357,652
2024	355,000	6,417	361,417
Total	$ 1,035,000	$ 37,777	$ 1,072,777

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Capital Leases. The County has entered into lease agreements as lessee for financing the acquisition of various items of equipment. The lease agreements qualify as capital leases for accounting purposes (title transfers at the end of the lease term) and, therefore, have been recorded at the present values of the future minimum lease payments as of the date of their inceptions.

The costs of assets under capital leases as of June 30, 2021:

	Governmental Activities
Machinery and equipment	$ 237,800
Less accumulated depreciation	(198,167)
Carrying value	$ 39,633

Current year depreciation expense of assets under capital lease totaled $39,633.

The County's total capital lease debt service requirements to maturity are as follows:

Fiscal year ending June 30,	
2022	$ 43,258
Total minimum lease payments	43,258
Less amount representing interest	1,469
Present value of future minimum lease payments	$ 41,789

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Notes Payable. The County entered into a notes payable agreement with a financial institution on October 12, 2018. The note had an original balance of $99,167 and was being used to finance the purchase of lights and equipment. Annual payments, including interest at 4% began on November 15, 2019 and with a maturity date of October 15, 2021. As of June 30, 2021, the outstanding balance was $40,462.

The notes payable debt service requirements to maturity, including interest, are as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2022	$ 40,462	$ 1,509	$ 41,971
Total	$ 40,462	$ 1,509	$ 41,971

Landfill Post-closure Costs. Effective October 27, 2000, the County closed its landfill and no additional waste has been accepted. According to state and federal laws and regulations, the County must perform certain maintenance and monitoring functions at the site for a minimum of 30 years. As of June 30, 2021, the County has a remaining 15 years of monitoring. Engineering studies estimate post-closure costs of approximately $1,181,591 over the 15-year period. These costs are based on the amount that would be paid if all equipment, facilities and services required to monitor and maintain the landfill were acquired as of June 30, 2021. Actual costs may be higher due to changes in inflation, changes in technology, or changes in regulations. Should any problems occur during this post-closure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

NOTE 7. LONG-TERM DEBT (CONTINUED)

B. Discretely Presented Component Unit – Payroll Development Authority

The following is a summary of long-term debt activity for the Payroll Development Authority for the year ended June 30, 2021:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Payroll Development Authority:					
Notes payable	$ 855,785	$ -	$ (244,972)	$ 610,813	$ 214,312
Payroll Development Authority Long-term liabilities	$ 855,785	$ -	$ (244,972)	$ 610,813	$ 214,312

Notes Payable. The Payroll Development Authority entered into a direct borrowing from several financial institutions, which was secured with several pieces of property and agreements. In the event of default, the County agrees to pay the financial institution the entire indebtedness, including the prepayment penalty, immediately on any amounts due and payable by the County under the agreements.

Notes payable outstanding at June 30, 2021, are as a follows:

Purpose	Interest Rate	Term	Due Date	Original Amount	Outstanding Amount
#1 Local economic development - farm	3.75%	10 years	2025	$ 418,019	$ 265,840
#2 Local economic development - hospital	3.75%	1 year	2021	275,000	125,000
#3 Local economic development - farm	3.75%	5 years	2023	136,784	31,595
#4 Local economic development - manufacturing	3.50%	3 years	2021	377,146	188,378
					$ 610,813

The Authority's note payable debt service requirements to maturity are as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2022	$ 214,312	$ 15,840	$ 230,152
2023	64,110	13,057	77,167
2024	151,074	8,317	159,391
2025	181,317	2,726	184,043
Total	$ 610,813	$ 39,940	$ 650,753

NOTE 8. INTERFUND TRANSFERS

Interfund transfers as of June 30, 2021, are as follows:

Transfers In	Transfers Out	Amount
Nonmajor Governmental Funds	General Fund	$ 102,763
		$ 102,763

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, and 2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 9. JOINT VENTURE

Under Georgia law, the County is a participating member of the Central Savannah River Area Regional Commission ("CSRA") and is required to pay annual dues thereto. During its year ended June 30, 2021, the County paid $6,571 in such dues. Membership in CSRA is required by the O.C.G.A. §50-8-34 which provides for the organizational structure of the CSRA in Georgia. The CSRA 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 CSRA. Separate financial statements may be obtained from: Central Savannah River Area Regional Commission, 2123 Wrightsboro Road, Augusta, Georgia 30914.

NOTE 10. RETIREMENT PLANS

Plan Description

The County sponsors the Association County Commissioners of Georgia Wilkes County Defined Benefit Plan (the "Plan"), which is a defined benefit pension plan. The County's pension plan is administered through the Association of County Commissioners of Georgia Third Restated Defined Benefit Plan (the "ACCG Plan"), an agent multiple-employer pension plan administered by GEBCorp and affiliated with the Association of County Commissioners of Georgia ("ACCG"). The Plan provides retirement, disability and death benefits to plan members and beneficiaries. The ACCG, in its role as the Plan sponsor, has the sole authority to establish and amend the benefit provisions and the contribution rates of the County related to the Plan, as provided in Section 19.03 of the ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of the Plan, as provided in Section 19.02 of the ACCG Plan document. The ACCG Plan issues a publicly available financial report that includes financial statements and required supplementary information for the pension trust. That report may be obtained at www.gebcorp.com, by writing to Association of County Commissioners of Georgia, Retirement Services, 191 Peachtree Street, NE, Atlanta, Georgia 30303 or by calling (800) 736-7166.

Plan membership as of January 1, 2020, (the most recent actuarial valuation date) is as follows:

Inactive plan members or beneficiaries currently receiving benefits	14
Inactive plan members entitled to but not receiving benefits	26
Active plan members	72
	112

The County is required to contribute an actuarially determined amount annually to the Plan's trust. The contribution amount is determined using actuarial methods and assumptions approved by the ACCG Plan trustees and must satisfy the minimum contribution requirement contained in the State of Georgia statutes. Plan participants are not required to contribute to the Plan. For the year ended June 30, 2021, the County's contribution rate was 14.6% of annual payroll. County contributions to the Plan were $373,639 for the year ended June 30, 2021.

NOTE 10. RETIREMENT PLAN (CONTINUED)

Net Pension Liability of the County

The County's net pension liability was measured as of December 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020, with update procedures performed by the actuary to roll forward to the total pension liability measured as of December 31, 2020.

Actuarial Assumptions. The total pension liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	3.00%
Salary increases:	3.00% - 5.00%
Investment rate of return:	7.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the Pub-2010 Amount weighted Mortality Table with a blend of 50% of the General Employees Table and 50% of the Public Safety Employees with a Scale AA to 2020.

The actuarial assumptions used in the January 1, 2020 valuation were based on the results of an actuarial experience study for February 2019.

The long-term expected rate of return on pension plan investments was determined through a blend of using a building-block method based on 20-year benchmarks (33.33%) and 30-year benchmarks (33.33%), as well as forward-looking capital market assumptions for a moderate asset allocation (33.34%), as determined by UBS. Expected future rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

NOTE 10. RETIREMENT PLAN (CONTINUED)

Net Pension Liability of the County (Continued)

Actuarial Assumptions (Continued). Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2020, are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return*
Fixed income	30%	25 - 35 %
Large cap equity	30%	25 - 35 %
International equity	15%	10 - 20 %
Other equity	20%	2.5 - 10 %
Real estate	5%	2.5 - 10 %
Total	100%	

* Rates shown are net of the 3.00% assumed rate of inflation.

Discount Rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that County contributions will be made based on the average County contribution made to the Plan over the prior five years. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

NOTE 10. RETIREMENT PLAN (CONTINUED)

Net Pension Liability of the County (Continued)

Changes in the Net Pension Liability of the County. The changes in the components of the net pension liability of the County for the year ended June 30, 2021, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2020	$ 4,413,304	$ 2,775,968	$ 1,637,336
Changes for the year:			
Service cost	143,788	-	143,788
Interest	295,903	-	295,903
Liability experience (gain)/loss	243,447	-	243,447
Assumption change	8,427	-	8,427
Contributions-employer	-	373,551	(373,551)
Net investment income	-	382,635	(382,635)
Benefit payments, including refunds of employee contributions	(372,217)	(372,217)	-
Administrative expense	-	(29,437)	29,437
Other changes	-	(26,900)	26,900
Net changes	319,348	327,632	(8,284)
Balances at June 30, 2021	$ 4,732,652	$ 3,103,600	$ 1,629,052

The required schedule of changes in the County's net pension liability and related ratios immediately following the notes to the financial statements presents multi-year trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the County, calculated using the discount rate of 7.00%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's net pension liability	$ 2,270,803	$ 1,629,052	$ 1,091,378

NOTE 10. RETIREMENT PLANS (CONTINUED)

Net Pension Liability of the County (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate (Continued). Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of December 31, 2020, and the current sharing pattern of costs between employer and employee.

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2021, the County recognized pension expense of $469,248. At June 30, 2021, the County reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Investment earnings difference	$ -	$ 250,658
Differences between expected and actual experience	340,897	44,542
Changes in assumptions	213,273	-
Total	$ 554,170	$ 295,200

The County's deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ending June 30,	
2022	$ 183,969
2023	45,916
2024	(1,492)
2025	30,577
Total	$ 258,970

NOTE 11. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; thefts of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in the ACCG Group Self-Insurance Workers' Compensation Fund and the Interlocal Risk Management Agency Property and Liability Insurance Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments.

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

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 the coverages.

NOTE 12. 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: The County is involved in a pending lawsuit. 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 13. TAX ABATEMENT AGREEMENTS

During the year ended June 30, 2017, the County implemented GASB Statement No. 77, *Tax Abatement Disclosures*. This statement requires the County to disclose information for any tax abatement agreements either entered into by the County, or agreements entered into by other governments that reduce the County's tax revenues. As of June 30, 2021, the County did not have any such agreements, either entered into by the County or by other governments that exceeded the quantitative threshold for disclosure.

NOTE 14. CHANGE IN ACCOUNTING PRINCIPLE

In conjunction with the implementation of GASB Statement No. 84, *Fiduciary Activities*, the County is required to reevaluate the accounting treatment of fiduciary activities. The new standard requires the County to determine if funds are still considered fiduciary, and if so, if they are considered custodial funds under the new definitions of GASB Statement No. 84. Therefore, in conjunction with the implementation of GASB Statement No. 84, the following restatement was required to the beginning net position of the fiduciary activities to properly report the custodial funds.

	Custodial Funds
Net position, beginning of the year, as previously reported	$ -
Adjustment needed to record beginning net position of the agency funds now reported as custodial funds in accordance with GASB Statement No. 84.	**146,327**
Net position, beginning of year, as restated	$ **146,327**

REQUIRED SUPPLEMENTARY INFORMATION

WILKES COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEARS ENDED JUNE 30,

	2021	2020	2019	2018	2017	2016
Total pension liability						
Service cost	**$ 143,788**	$ 130,006	$ 120,513	$ 92,551	$ 88,130	$ 86,117
Interest on total pension liability	**295,903**	285,611	265,067	266,943	267,779	241,538
Differences between expected and actual experience	**243,447**	(75,260)	121,044	8,763	116,072	9,107
Changes of assumptions	**8,427**	201,957	(166,719)	(498,821)	(466,605)	148,471
Benefit payments, including refunds of employee contributions	**(372,217)**	(418,320)	293,310	104,683	106,219	(270,713)
Net change in total pension liability	**319,348**	123,994	633,215	(25,881)	111,595	214,520
Total pension liability - beginning	**4,413,304**	4,289,310	3,656,095	3,681,976	3,570,381	3,355,861
Total pension liability - ending (a)	**4,732,652**	4,413,304	4,289,310	3,656,095	3,681,976	3,570,381
Plan fiduciary net position						
Contributions - employer	**373,551**	354,231	329,485	324,000	321,312	311,638
Net investment income	**382,635**	507,823	(123,878)	360,174	137,230	21,015
Benefit payments, including refunds of employee contributions	**(372,217)**	(418,320)	(160,887)	(481,371)	(449,740)	(270,713)
Administrative expenses	**(29,437)**	(28,161)	(16,415)	(12,582)	(16,955)	(14,060)
Other	**(26,900)**	(70,138)	(57,172)	(67,819)	7,367	(42,807)
Net change in fiduciary net position	**327,632**	345,435	(28,867)	122,402	(786)	5,073
Plan fiduciary net position - beginning	**2,775,968**	2,430,533	2,459,400	2,336,998	2,337,784	2,372,711
Plan fiduciary net position - ending (b)	**3,103,600**	2,775,968	2,430,533	2,459,400	2,336,998	2,377,784
County's net pension liability - ending (a) - (b)	**$ 1,629,052**	$ 1,637,336	$ 1,858,777	$ 1,196,695	$ 1,344,978	$ 1,192,597
Plan fiduciary net position as a percentage of total pension liability	**65.6%**	62.9%	56.7%	67.3%	63.5%	66.6%
Covered payroll	**$ 2,607,218**	$ 2,510,577	$ 2,320,448	$ 1,902,290	$ 2,067,659	$ 2,157,433
County's net pension liability as a percentage of covered payroll	**62.5%**	65.2%	80.1%	62.9%	65.0%	55.3%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

The assumptions used in the preparation of the above schedule are disclosed in Note 10 in the Notes to the Financial Statements.

WILKES COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY CONTRIBUTIONS
FOR THE YEARS ENDED JUNE 30,

	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	**$ 373,639**	$ 373,493	$ 354,231	$ 339,139	$ 349,381	$ 321,178
Contributions in relation to the actuarially determined contribution	**373,639**	373,493	354,231	339,139	349,381	321,178
Contribution deficiency (excess)	**$ -**	$ -	$ -	$ -	$ -	$ -
Covered payroll	**$ 2,558,897**	$ 2,607,218	$ 2,415,513	$ 2,111,369	$ 1,984,975	$ 2,112,546
Contributions as a percentage of covered payroll	**14.6%**	14.3%	14.7%	16.1%	17.6%	15.2%

Notes to the Schedule:

Valuation Date	January 1, 2020
Cost Method	Entry Age Normal
Actuarial Asset Valuation Method	Smoothed market value with a 5-year smoothing period
Assumed Rate of Return on Investments	7.00%
Projected Salary Increases	3.00% - 5.00%
Remaining Amortization Period	None remaining

The schedule will present 10 years of information once it is accumulated.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

WILKES COUNTY, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Section 5311 Transport Fund is used to account for activity from the Section 5311 grant.

Drug Abuse Treatment Fund is used to account for collection of additional penalties for certain drug related crimes and for expenditure of those funds solely and exclusively for drug abuse treatment and education programs.

Jail Construction and Staffing Fund is used to account for the expenditures made towards maintenance and operations of the County jail.

Sheriff Condemnation Fund is used to account for monies condemned by the Sheriff.

Law Library Fund is used to account for costs of operating and maintaining the County Law Library. Financing is provided from a charge added to and collected on all costs in civil and criminal cases.

Hotel/Motel Tax Fund is used to account for hotel/motel tax funds received. The resources are restricted by state law for tourism and tourism product development.

E-911 Fund is used to account for the cost of operating and maintaining the County E-911 system.

Airport Gas Tax Fund is used to account for the airport gas tax funds received.

Parks and Recreation Department Fund is used to account for the activity from the parks and recreation operations.

WILKES COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue Funds				
	Section 5311 Transport Fund	Drug Abuse Treatment Fund	Jail Construction/ Staffing Fund	Sheriff Condemnation Fund	Law Library Fund
ASSETS					
Cash and cash equivalents	$ -	$ 58,483	$ 9,925	$ 4	$ 47,229
Accounts receivable	66,417	-	-	-	-
Total assets	$ 66,417	$ 58,483	$ 9,925	$ 4	$ 47,229
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accrued liabilities	$ -	$ -	$ -	$ -	$ -
Total liabilities	-	-	-	-	-
FUND BALANCES					
Restricted for:					
Judicial	-	-	-	-	47,229
Public safety	-	58,483	9,925	4	-
Public works	66,417	-	-	-	-
Culture and recreation	-	-	-	-	-
Housing and development	-	-	-	-	-
Capital projects	-	-	-	-	-
Total liabilities and fund balances	66,417	58,483	9,925	4	47,229
	$ 66,417	$ 58,483	$ 9,925	$ 4	$ 47,229

Special Revenue Funds					
Hotel/Motel Tax Fund	E-911 Fund	Aiport Fuel Tax Fund	Parks and Recreation Department	Nonmajor Governmental Funds	
$ 1,000	$ 111,100	$ 8,459	$ 48,145	$ 284,345	
-	36,518	-	-	102,935	
$ 1,000	$ 147,618	$ 8,459	$ 48,145	$ 387,280	
$ -	$ -	$ -	$ 4,303	$ 4,303	
-	-	-	4,303	4,303	
-	-	-	-	47,229	
-	147,618	-	-	216,030	
-	-	-	-	66,417	
-	-	-	43,842	43,842	
1,000	-	-	-	1,000	
-	-	8,459	-	8,459	
1,000	147,618	8,459	43,842	382,977	
$ 1,000	$ 147,618	$ 8,459	$ 48,145	$ 387,280	

WILKES COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Special Revenue Funds				
	Section 5311 Transport Fund	Drug Abuse Treatment Fund	Jail Construction/ Staffing Fund	Sheriff Condemnation Fund	Law Library Fund
REVENUES					
Other taxes	$ -	$ -	$ -	$ -	$ -
Intergovernmental	238,035	8,417	-	-	-
Charges for services	-	-	-	-	-
Court fees, fines and forfeitures	-	-	18,554	-	6,381
Interest	-	40	-	-	-
Other	12,498	-	-	-	-
Total revenues	250,533	8,457	18,554	-	6,381
EXPENDITURES					
Current:					
Judicial	-	-	-	-	1,936
Public safety	-	16,475	20,000	-	-
Public works	197,682	-	-	-	-
Culture and recreation	-	-	-	-	-
Housing and development	-	-	-	-	-
Total expenditures	197,682	16,475	20,000	-	1,936
Excess (deficiency) of revenues over (under) expenditures	52,851	(8,018)	(1,446)	-	4,445
OTHER FINANCING SOURCES					
Transfers in	13,566	-	-	-	-
Total other financing sources	13,566	-	-	-	-
Net change in fund balances	66,417	(8,018)	(1,446)	-	4,445
FUND BALANCES, beginning of year	-	66,501	11,371	4	42,784
FUND BALANCES, end of year	$ 66,417	$ 58,483	$ 9,925	$ 4	$ 47,229

Special Revenue Funds				
Hotel/Motel Tax Fund	E-911 Fund	Aiport Fuel Tax Fund	Parks and Recreation Department	Nonmajor Governmental Funds
$ 38,841	$ -	$ 49,630	$ -	$ 88,471
-	206,394	-	-	452,846
-	-	-	115,541	115,541
-	-	-	-	24,935
-	-	-	-	40
-	-	-	-	12,498
38,841	206,394	49,630	115,541	694,331
-	-	-	-	1,936
-	158,924	52,638	-	248,037
-	-	-	-	197,682
-	-	-	181,003	181,003
38,871	-	-	-	38,871
38,871	158,924	52,638	181,003	667,529
(30)	47,470	(3,008)	(65,462)	26,802
-	-	-	89,197	102,763
-	-	-	89,197	102,763
(30)	47,470	(3,008)	23,735	129,565
1,030	100,148	11,467	20,107	253,412
$ 1,000	$ 147,618	$ 8,459	$ 43,842	$ 382,977

WILKES COUNTY, GEORGIA

SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Section 5311 Transport Fund		
	Final Budget	Actual	Variance with Final Budget
REVENUES			
Intergovernmental	$ 197,783	$ 238,035	$ 40,252
Court fees, fines and forfeitures	-	-	-
Interest	-	-	-
Other	16,000	12,498	(3,502)
Total revenues	213,783	250,533	36,750
EXPENDITURES			
Current:			
Public safety	-	-	-
Public works	213,783	197,682	16,101
Total expenditures	213,783	197,682	16,101
Deficiency of revenues under expenditures	-	52,851	52,851
OTHER FINANCING SOURCES			
Transfers in	-	13,566	13,566
Total other financing sources	-	13,566	13,566
Net change in fund balances	-	66,417	66,417
FUND BALANCES, beginning of year	-	-	-
FUND BALANCES, end of year	$ -	$ 66,417	$ 66,417

(Continued)

Drug Abuse Treatment Fund			Jail Construction/Staffing Fund		
Final Budget	Actual	Variance with Final Budget	Final Budget	Actual	Variance with Final Budget
$ 10,000	$ 8,417	$ (1,583)	$ -	$ -	$ -
-	-	-	23,000	18,554	(4,446)
150	40	(110)	-	-	-
-	-	-	-	-	-
10,150	8,457	(1,693)	23,000	18,554	(4,446)
27,000	16,475	10,525	40,000	20,000	20,000
-	-	-	-	-	-
27,000	16,475	10,525	40,000	20,000	20,000
(16,850)	(8,018)	8,832	(17,000)	(1,446)	15,554
-	-	-	-	-	-
-	-	-	-	-	-
(16,850)	(8,018)	8,832	(17,000)	(1,446)	15,554
66,501	66,501	-	11,371	11,371	-
$ 49,651	$ 58,483	$ 8,832	$ (5,629)	$ 9,925	$ 15,554

WILKES COUNTY, GEORGIA

SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Sheriff Condemnation Fund		
	Final Budget	Actual	Variance with Final Budget
REVENUES			
Other taxes	$ -	$ -	$ -
Court fees, fines and forfeitures	-	-	-
Total revenues	-	-	-
EXPENDITURES			
Current:			
Judicial	-	-	-
Housing and development	-	-	-
Total expenditures	-	-	-
Net change in fund balances	-	-	-
FUND BALANCES, beginning of year	4	4	-
FUND BALANCES, end of year	$ 4	$ 4	$ -

(Continued)

Law Library Fund			Hotel/Motel Tax Fund		
Final Budget	Actual	Variance with Final Budget	Final Budget	Actual	Variance with Final Budget
$ -	$ -	$ -	$ 34,000	$ 38,841	$ 4,841
-	6,381	6,381	-	-	-
-	6,381	6,381	34,000	38,841	4,841
-	1,936	(1,936)	-	-	-
-	-	-	34,000	38,871	(4,871)
-	1,936	(1,936)	34,000	38,871	(4,871)
-	4,445	4,445	-	(30)	(30)
42,784	42,784	-	1,030	1,030	-
$ 42,784	$ 47,229	$ 4,445	$ 1,030	$ 1,000	$ (30)

WILKES COUNTY, GEORGIA

SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	E-911 Fund		
	Final Budget	Actual	Variance with Final Budget
REVENUES			
Other taxes	$ -	$ -	$ -
Intergovernmental	102,989	206,394	103,405
Charges for services	-	-	-
Total revenues	102,989	206,394	103,405
EXPENDITURES			
Current:			
Public safety	102,989	158,924	(55,935)
Public works	-	-	-
Culture and recreation	-	-	-
Total expenditures	102,989	158,924	(55,935)
Excess (deficiency) of revenues over (under) expenditures	-	47,470	47,470
OTHER FINANCING USES			
Transfers in	-	-	-
Total other financing uses	-	-	-
Net change in fund balances	-	47,470	47,470
FUND BALANCES, beginning of year	100,148	100,148	-
FUND BALANCES, end of year	$ 100,148	$ 147,618	$ 47,470

(Continued)

Airport Fuel Tax Fund			Parks and Recreation Department		
Final Budget	Actual	Variance with Final Budget	Final Budget	Actual	Variance with Final Budget
$ 76,500	$ 49,630	$ (26,870)	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	190,000	115,541	(74,459)
76,500	49,630	(26,870)	190,000	115,541	(74,459)
-	-	-	-	-	-
71,500	52,638	18,862	-	-	-
-	-	-	189,708	181,003	8,705
71,500	52,638	18,862	189,708	181,003	8,705
5,000	(3,008)	(8,008)	292	(65,462)	(65,754)
-	-	-	-	89,197	89,197
-	-	-	-	89,197	89,197
5,000	(3,008)	(8,008)	292	23,735	23,443
11,467	11,467	-	20,107	20,107	-
$ 16,467	$ 8,459	$ (8,008)	$ 20,399	$ 43,842	$ 23,443

WILKES COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2017 ISSUE FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
City of Washington	$ 1,336,778	$ 1,336,778	$ 749,766	$ 319,384	$ 1,069,150
City of Tignall	176,387	176,387	100,023	42,143	142,166
City of Rayle	64,390	64,390	35,256	15,384	50,640
Jail renovations and improvements	500,000	500,000	21,649	21,652	43,301
Acquisition of bus for 4-H Department	40,000	40,000	52,962	-	52,962
E911 buiding and equipment	463,425	463,425	475,563	-	475,563
Floor and roof renovations - Health Department	15,000	15,000	32,530	-	32,530
Acquisition of fire/rescue vehicle	176,600	176,600	46,712	9,042	55,754
Acquisition of vehicles for law enforcement	290,000	290,000	65,111	102,250	167,361
Driveway improvements for Library	15,000	15,000	1,466	-	1,466
Recreation improvements	200,000	200,000	66,333	33,000	99,333
Hospital	500,000	500,000	225,000	150,000	375,000
Acquisition of election machines	40,000	40,000	-	9,373	9,373
Acquisition of tractor with backhoe for Solid Waste Management Department	130,000	130,000	63,500	-	63,500
Acquisition of vehicles and equipment for EMS	339,000	339,000	347,821	20	347,841
Renovations for airport hangars	75,000	75,000	-	-	-
Renovations for fire stations and acquisition of vehicles and equipment for fire service	551,600	551,600	810,276	-	810,276
Road, street and bridge improvements and equipment	683,385	683,385	186,877	351,033	537,910
	$ 5,596,565	$ 5,596,565	3,280,845	1,053,281	$ 4,334,126
Debt service payments on bond payments			727,059	351,855	
			$ 4,007,904	$ 1,405,136	

WILKES COUNTY, GEORGIA

CUSTODIAL FUNDS

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

Clerk of Superior 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.

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

WILKES COUNTY, GEORGIA

COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2021

	Tax Commissioner	Clerk of Superior Court	Probate Court	Magistrate Court
ASSETS				
Cash	$ 252,974	$ 20,962	$ 14,894	$ 14,135
Taxes receivable	337,508	-	-	-
Total assets	$ 590,482	$ 20,962	$ 14,894	$ 14,135
LIABILITIES				
Due to others	$ 135,064	$ 13,463	$ 7,541	$ 7,377
Uncollected taxes	337,508	-	-	-
Total Liabilities	$ 472,572	$ 13,463	$ 7,541	$ 7,377
NET POSITION				
Restricted for individuals, organizations, and other governments	$ 117,910	$ 7,499	$ 7,353	$ 6,758

Sheriff	Total
$ 28,116	$ 331,081
-	337,508
$ 28,116	$ 668,589
$ 6,582	$ 170,027
-	337,508
$ 6,582	$ 507,535
$ 21,534	$ 161,054

WILKES COUNTY, GEORGIA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2021

	Tax Commissioner	Clerk of Superior Court	Probate Court	Magistrate Court
ADDITIONS				
Taxes collected	$ 14,186,621	$ -	$ -	$ -
Fines and fees collected	-	314,734	356,532	158,647
Total additions	14,186,621	314,734	356,532	158,647
DEDUCTIONS				
Taxes disbursed	14,168,054	-	-	-
Fines and fees disbursed	-	323,140	349,179	162,286
Total deductions	14,168,054	323,140	349,179	162,286
Change in net position	18,567	(8,406)	7,353	(3,639)
Net position, beginning of year, as restated	99,343	15,905	-	10,397
Net position, end of year	$ 117,910	$ 7,499	$ 7,353	$ 6,758

Sheriff	Total
$ -	$ 14,186,621
247,727	1,077,640
247,727	15,264,261
-	14,168,054
246,875	1,081,480
246,875	15,249,534
852	14,727
20,682	146,327
$ 21,534	$ 161,054

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 Wilkes County, Georgia
Washington, Georgia

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Wilkes County, Georgia (the "County") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 20, 2021. Our report includes a reference to other auditors who audited the financial statements of the Wilkes 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. Our report also includes a reference to the change in accounting principle resulting from the implementation of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, as of July 1, 2020.

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 basis for designing 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 have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2021-001 and 2021-003 that we consider to be material weaknesses.

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2021-002.

Wilkes County, Georgia's Response to the Finding

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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

Macon, Georgia
December 20, 2021

WILKES COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	__X__ Yes ____ None Reported
Significant deficiencies identified not considered to be material weaknesses?	_____ Yes __X__ None Reported
Noncompliance material to financial statements noted?	__X__ Yes ____ No

Federal Awards

A single audit was not performed for the fiscal year ended June 30, 2021 due to the County not expending $750,000 or more of federal funds.

WILKES COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2021-001 – General Accounting Matters/Close Out Procedures

Criteria: Internal control is a process 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. Internal control is also a process of safeguarding assets against unauthorized acquisition, use, or disposition, and includes controls related to financial reporting and operations objectives. Generally accepted accounting principles require assets, liabilities, revenues and expenditures to be recognized in the accounting period in which they become both measurable and available. Further, a fundamental principle in accounting and financial reporting is the notion of timely recognition and recording of financial and non-financial transactions and activities.

Condition: During our audit, we noted an inordinate amount of accounting, reporting and reconciling not being properly performed and reviewed during the fiscal year which required a significant effort to close the County's 2021 fiscal year. Significant adjustments were determined and required to be recorded in the months that followed June 30, 2021. Specifically, we noted a lack of timely and/or accurate financial and non-financial information needed:

- to properly review bank reconciliations;
- to properly maintain the accounts payable on a periodic basis throughout the year;
- to accurately maintain and record the County's capital assets; and
- to close-out and report activities, events and transactions on a periodic basis

Context: We addressed the matter with the County officials who were able to provide all respective details and reconciliations as of and for the year ended June 30, 2021.

Effects: The ultimate effect of the above condition is the potential for errors and irregularities to occur and not be detected and corrected in a timely manner.

Cause: There was a lack of appropriate controls implemented at the County during the fiscal year to properly maintain financial and non-financial information and to properly close out the year-end.

Recommendation: We recommend the County consider a variety of options in addressing the above condition. The County needs to consider and evaluate its strengths and weaknesses relative to the accounting function, and take measures to address the concerns noted above with a goal of providing timely recording, reconciling and reporting of County operations and financial and non-financial activities. We also recommend the County seek the expertise of a technician to come in and diagnose the issues with the County's accounting software related to the accounts payable and capital assets to improve the overall audit.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will continue to review and improve policies and procedures in an effort to eliminate error and identify deficiencies from both operational and financial perspectives.

WILKES COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2021-002 – Budgetary Requirements

Criteria: Georgia Statutes (O.C.G.A. §36-81) establish budgetary requirements for governmental entities that there be a legal level of control at a minimum to be at the department level. In addition, each unit of local government shall adopt and operate under an annual balanced budget for the general fund, each special revenue fund, and each debt service fund in use by the local government. The annual balanced budget shall be adopted by ordinance or resolution and administered in accordance with this article.

Condition: For the year ended June 30, 2021, the County was in violation of State budget statutes:

- Departmental expenditures exceeded budgeted amounts at the legal level of control for the following funds:
  - General Fund
  - Hotel/Motel Tax Fund
  - E-911 Fund
  - Law Library Fund

- An annual budget was not adopted for the following funds:
  - Law Library Fund – no budget was adopted.
  - Drug Abuse Treatment Fund – budget was adopted but was not balanced.
  - Jail Construction/Staffing Fund – budget was adopted but was not balanced.
  - Airport Fuel Tax Fund – budget was adopted but was not balanced.
  - Parks and Recreation Department Fund – budget was adopted but was not balanced.

Context: We addressed the matter with the County to determine the appropriate actions needed as to be in compliance with state budget requirements at June 30, 2021.

Effects: County expenditures exceeded budgeted amounts at the department level in the funds noted above as of June 30, 2021. The County did not adopt an annual balanced budget for the funds noted above for the year ended June 30, 2021.

Cause: The above conditions were caused by the County expending more than the budgeted amounts at certain departmental levels and not adopting a balanced budget for all necessary funds.

Recommendation: We recommend County management closely monitor expenditures, periodically compare the adopted budget to actual expenditures, and amend the budget if deemed necessary. We also recommend the County adopt balanced budgets.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will continue to review and improve policies and procedures in an effort to eliminate error and identify deficiencies from both operational and financial perspectives. We will also review budgets to assure balanced budgets are adopted.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2021-003 – Segregation of Duties – Cash Accounts and Other Operational Functions

Criteria: Internal controls should be in place which provide reasonable assurance that an individual cannot misappropriate funds without such actions being detected during the normal course of business.

Condition: There is not appropriate segregation of duties among recording, distribution, and reconciliation of cash accounts and other operational functions at various offices of elected officials/custodial funds. Further, we noted a general lack of segregation of duties. We noted several bank statements were being reconciled by employees of these elected officials with no consistent review of the reconciled statements being performed. Specifically, we noted the following:

- Tax Commissioner's Office – one individual with the authority to post receipts to the general ledger/system also prepares bank deposits for the bank, deposits cash receipts at the bank, maintains access to cash, and reconciles bank statements. Also, the same individual with the authority to sign checks also prepares checks, mails checks, and reconciles the bank accounts.
- Magistrate Court – one individual with the authority to open the mail also prepares bank deposits for the bank, reconciles bank statements, maintains access to cash, and posts transactions to the general ledger/system. The same individual with the authority to sign checks also prepares checks, reconciles bank statements and opens the mail. Another individual with the authority to deposit cash receipts at the bank also reconciles the bank statement and maintains access to cash. Further, we noted no independent review of the reconciled bank statements.
- Probate Court – one individual with the authority to open the mail also prepares bank deposits for the bank, deposits cash receipts at the bank, reconciles bank statements, maintains access to cash, and posts transactions to the general ledger/system.
- Sheriff's Office – one individual with the authority to deposit cash receipts at the bank also prepares deposits for the bank, opens the mail, reconciles bank statements, maintains access to cash, and posts cash receipts to the general ledger/system. Also, the same individual with the authority to sign checks also prepares checks, opens the mail and reconciles bank statements. Further, we noted no independent review of the reconciled bank statements and noted that all bank statements are not reconciled on a monthly basis.
- Clerk of Court – one individual with the authority to open the mail also deposits cash receipts at the bank, reconciles bank statements, maintains access to cash, and posts transactions to the general ledger/system.

Context: Several instances of overlapping duties were noted during interviews regarding internal control procedures.

Effects: Failure to properly segregate duties can lead to misappropriation of funds that is not detected during the normal course of business.

Cause: The lack of segregation of duties is primarily due to the limited number of individuals in each office available to perform all of the duties.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2021-003 – Segregation of Duties – Cash Accounts and Other Operational Functions (Continued)

Recommendation: We recommend the duties of recording, distributing, and reconciling of accounts be segregated among employees. Also, we recommend greater separation of duties relative to: preparing deposits, making deposits, opening the mail, posting receipts, reconciling bank statements, and signing of checks.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will continue to review and improve policies and procedures in an effort to eliminate error and identify deficiencies from both operational and financial perspectives.

WILKES COUNTY, GEORGIA

SUMMARY OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

2020-001 – Proper Recognition of Cash

Criteria: Internal controls should be in place to ensure that all bank accounts belonging to the County are identified and recorded for financial reporting. Additionally, internal controls should be in place to ensure that all cash receipts and disbursements are recorded in the proper account in the proper period.

Condition: During the prior year, the County did not properly record cash balances for the OneGeorgia Edge Grant Fund.

Auditee Response/Status: Resolved in the current year.

2020-002 – Proper Recognition of Property Tax Receivables and Related Accounts

Criteria: Generally accepted accounting principles and governmental accounting standards require revenues to be recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Additionally, an allowance should be recorded if amounts are deemed to be uncollectible, if applicable.

Condition: During the prior year, the County did not properly record tax receivables, deferred inflows of resources – unavailable revenues, and due from tax commissioner (cash) balances at the fund level (General Fund). In addition, the County did not properly record tax receivables and due from tax commissioner (cash) balances at the entity wide level (governmental activities).

Auditee Response/Status: Resolved in the current year.

2020-003 – Proper Recognition of Receivables – T-SPLOST 2013 Fund and SPLOST 2017 Fund

Criteria: Generally accepted accounting principles and governmental accounting standards require revenues to be recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Additionally, an allowance should be recorded if amounts are deemed to be uncollectible, if applicable.

Condition: During the prior year, the County did not properly record taxes receivables from T-SPLOST and SPLOST in the T-SPLOST 2013 Fund and SPLOST 2017 Fund, respectively.

Auditee Response/Status: Resolved in the current year.

WILKES COUNTY, GEORGIA

SUMMARY OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

2020-004 – Proper Recognition of Landfill Liability

Criteria: Generally accepted accounting principles require landfill closure and post-closure costs to be estimated for accounting and financial reporting purposes based on a number of requirements: 1) estimate should include certain items that normally would be capitalized, 2) estimate should be based on current cost, 3) estimate should reflect all approved legal requirements, even those not yet in force, and 4) remeasurement annually.

Condition: During the prior year, the County did not properly record accrued landfill post-closure costs liability at the government-wide level for governmental activities as calculated by the State Environmental Protection Division's ("EPD") engineering studies estimate of post-closure costs as of June 30, 2019.

Auditee Response/Status: Resolved in the current year.

2020-005 – Proper Recognition of Capital Leases Payables

Criteria: Generally accepted accounting principles require that leases be recorded as either capital or operating in the period in which the lease is entered into.

Condition: During the prior year, the County did not properly record capital leases payables at the government-wide level for governmental activities.

Auditee Response/Status: Resolved in the current year.

2020-006 – Proper Recognition of Compensated Absences Payable

Criteria: Generally accepted accounting principles require a liability for compensated absences be recognized as employees earn their right to paid time off. If a minimum period of service is require, leave should be accrued as earned, to the extent that it is considered probable that an employee will meet that requirement.

Condition: During the prior year, the County did not properly record compensated absences payable at the government-wide level for governmental activities.

Auditee Response/Status: Resolved in the current year.

WILKES COUNTY, GEORGIA

SUMMARY OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

2020-007 – Proper Recognition of Pension Deferred Inflows of Resources

Criteria: The net pension liability for a defined benefit pension plan should be calculated by taking the actuarial determined total pension liability ("TPL") and reducing the TPL by the pension plan's fiduciary net position, to arrive at the net pension liability ("NPL").

Condition: During the prior year, the County did not properly record the deferred inflows of resources – pension and net position at the government-wide level.

Auditee Response/Status: Resolved in the current year.

2020-008 – Proper Recognition of Notes Payable for the Payroll Development Authority (Discretely Presented Component Unit)

Criteria: Generally accepted accounting principles require long-term obligations to be recorded in the accounting period in which they are incurred.

Condition: During the prior year, the County did not properly record notes payables at the government-wide level for the discretely presented component unit, Payroll Development Authority.

Auditee Response/Status: Resolved in the current year.

WILKES COUNTY, GEORGIA

SUMMARY OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

2020-009 – General Accounting Matters/Close Out Procedures

Criteria: Internal control is a process 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. Internal control is also a process of safeguarding assets against unauthorized acquisition, use, or disposition, and includes controls related to financial reporting and operations objectives. Generally accepted accounting principles require assets, liabilities, revenues and expenditures to be recognized in the accounting period in which they become both measurable and available. Further, a fundamental principle in accounting and financial reporting is the notion of timely recognition and recording of financial and non-financial transactions and activities.

Condition: During our audit, we noted an inordinate amount of accounting, reporting and reconciling not being properly performed and reviewed during the fiscal year which required a significant effort to close the County's 2020 fiscal year. Significant adjustments were determined and required to be recorded in the months that followed June 30, 2020. Specifically, we noted a lack of timely and accurate financial and non-financial information needed:

- to properly review bank reconciliations;
- to properly maintain the accounts payable on a periodic basis throughout the year;
- to accurately maintain and record the County's capital assets; and
- to close-out and report activities, events and transactions on a periodic basis

Auditee Response/Status: Unresolved. This is included in the current finding 2021-001.

WILKES COUNTY, GEORGIA

SUMMARY OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

2020-010 – Budgetary Requirements

Criteria: Georgia Statutes (O.C.G.A. §36-81) establish budgetary requirements for governmental entities that there be a legal level of control at a minimum to be at the department level. In addition, each unit of local government shall adopt and operate under an annual balanced budget for the general fund, each special revenue fund, and each debt service fund in use by the local government. The annual balanced budget shall be adopted by ordinance or resolution and administered in accordance with this article.

Condition: For the year ended June 30, 2020, the County was in violation of State budget statutes:

- Departmental expenditures exceeded budgeted amounts at the legal level of control for the following funds:
  - General Fund
  - Section 5311 Transport Fund
  - Sheriff Condemnation Fund
  - Law Library Fund

- An annual budget was not adopted for the following funds:
  - Law Library Fund – no budget was adopted.
  - Sheriff Condemnation Fund – no budget was adopted.
  - Section 5311 Transport Fund – budget was adopted but was not balanced.
  - Drug Abuse Treatment Fund – budget was adopted but was not balanced.
  - Jail Construction/Staffing Fund – budget was adopted but was not balanced.
  - Airport Fuel Tax Fund – budget was adopted but was not balanced.

Auditee Response/Status: Unresolved. This is included in the current finding 2021-002.

WILKES COUNTY, GEORGIA

SUMMARY OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

2020-011 – Prior Recognition of the Parks and Recreation Department Fund (Blended Component Unit)

Criteria: Generally accepted accounting principles require all component units to be properly recognized in the audit and appropriately included in the financial statement presentation, whether as a discretely presented component unit or as a blended component unit. A primary government's funds include the funds of its blended component units, which are, in substance, part of the primary government.

Condition: During the prior year, the County did not properly recognize the Parks and Recreation Department Fund, a blended component unit at both the fund level and the government-wide level for the primary government.

Auditee Response/Status: Resolved in the current year.

2020-12 – Proper Recognition of Notes Payable for the Primary Government

Criteria: Generally accepted accounting principles require long-term obligations to be recorded in the accounting period in which they are incurred.

Condition: During the prior year, the County did not properly record notes payables at the government-wide level for the primary government.

Auditee Response/Status: Resolved in the current year.

2020-013 – Proper Recognition of Capital Assets

Criteria: Generally accepted accounting principles require all general capital assets to be properly reported at the government-wide level in governmental activities as of date of acquisition.

Condition: During the prior year, the County did not properly record general capital assets at the government-wide level for the primary government.

Auditee Response/Status: Resolved in the current year.