WILKES COUNTY, GEORGIA

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

WILKES COUNTY, GEORGIA

FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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WILKES COUNTY, GEORGIA

FINANCIAL REPORT
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MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
of Wilkes County, Georgia
Washington, Georgia

Report on the Audit of Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2022, and the respective changes in financial position, and the respective budgetary comparison for the General Fund and the American Rescue Plan Act ("ARPA") Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Wilkes County Health Department (the "Health Department"), which represent 23%, 11%, and 44%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2022, and the respective changes in financial position for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the Health Department, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Changes in the County's Net Pension Liability and Related Ratios (on page42) and the Schedule of County Contributions (on page 43) information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis and budgetary comparison that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considered 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying combining and individual fund statements and schedules, the schedule of expenditures of special purpose local option sales tax proceeds as required by the Official Code of Georgia Annotated ("O.C.G.A") §48-8-121, and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of *Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles,* and *Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit and the report of the other auditors, the combining and individual nonmajor fund financial statements and schedules, the schedule of expenditures of federal awards, 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 28, 2022, on our consideration of the 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 the County's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
December 28, 2022

BASIC FINANCIAL STATEMENTS

WILKES COUNTY, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2022

	Primary Government	Component Units	
	Governmental Activities	Health Department	Payroll Development Authority
ASSETS			
Cash and cash equivalents	$ 8,733,945	$ 582,562	$ 383,424
Taxes receivable	242,634	-	-
Accounts receivable	41,444	15,875	-
Due from other governments	346,460	-	-
SEAD-OPEB Asset	-	100,478	-
Capital assets, non-depreciable	1,507,118	-	511,435
Capital assets, depreciable (net of accumulated depreciation)	28,102,230	-	1,442,864
Total assets	38,973,831	698,915	2,337,723
DEFERRED OUTFLOWS OF RESOURCES			
Other post-employment benefits	-	15,958	-
Pension	457,079	118,919	-
Total deferred outflows of resources	457,079	134,877	-
LIABILITIES			
Accounts payable	107,708	4,028	-
Accrued liabilities	3,422	-	-
Unearned revenue	433,456		
Due to other governments	-	1,109	-
Bonds payable due within one year	345,000	-	-
Bonds payable due in more than one year	355,000	-	-
Compensated absences due in more than one year	369,150	32,387	-
Landfill due in more than one year	1,230,036	-	-
Total other post-employment benefit liability	-	16,038	-
Net pension liability	1,457,520	194,199	-
Total liabilities	4,301,292	247,761	-
DEFERRED INFLOWS OF RESOURCES			
Other post-employment benefits	-	106,503	-
Pension	412,161	179,486	-
Total deferred inflows of resources	412,161	285,989	-
NET POSITION			
Net investment in capital assets	28,909,348	-	1,954,299
Restricted for:			
Judicial	61,513	-	-
Public safety	237,910	-	-
Publc works	-	-	-
Culture and recreation	55,562	-	-
Housing and development	1,000	-	-
Capital projects	3,352,889	-	-
Other purposes	-	279,487	-
Unrestricted	2,099,235	20,555	383,424
Total net position	$ 34,717,457	$ 300,042	$ 2,337,723

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

WILKES COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:				
General government	$ 3,279,127	$ 691,094	$ 1,140,007	$ 1,145,464
Judicial	616,728	1,783,333	-	-
Public safety	6,499,824	147,941	-	316,470
Public works	2,422,716	-	-	3
Health and welfare	225,316	-	15,512	-
Culture and recreation	332,113	-	-	-
Housing and development	268,692	-	-	-
Interest on long-term debt	18,321	-	-	-
Total primary government	$ 13,662,837	$ 2,622,368	$ 1,155,519	$ 1,461,937
Component unit:				
Health Department	$ 309,991	$ 91,685	$ 335,527	$ -
Payroll Development Authority	231,403	157,665	-	-
Total component unit	$ 541,394	$ 249,350	$ 335,527	$ -

General revenues:	
Property taxes	
Sales taxes	
Other taxes	
Unrestricted investment earnings	
Other	
Total general revenues	
Change in net position	
Net position, beginning of year	
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
$ (302,562)	$ -	$ -
1,166,605	-	-
(6,035,413)	-	-
(2,422,713)	-	-
(209,804)	-	-
(332,113)	-	-
(268,692)	-	-
(18,321)	-	-
(8,423,013)	-	-
-	117,221	-
-	-	(73,738)
-	117,221	(73,738)
5,418,621	-	-
3,723,866	-	-
168,517	-	-
29	1,702	-
-	-	393,319
9,311,033	1,702	393,319
888,020	118,923	319,581
33,829,437	181,119	2,018,142
$ 34,717,457	$ 300,042	$ 2,337,723

WILKES COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

ASSETS	General Fund	T-SPLOST 2013 Fund	SPLOST 2017 Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 4,772,317	$ 1,978,486	$ 1,198,928	$ 433,456	$ 350,758	$ 8,733,945
Taxes receivable	242,634	-	-	-	-	242,634
Accounts receivable	-	-	-	-	41,444	41,444
Due from other governments	96,072	102,585	147,803	-	-	346,460
Total assets	$ 5,111,023	$ 2,081,071	$ 1,346,731	$ 433,456	$ 392,202	$ 9,364,483
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ -	$ 64,598	$ 43,110	$ -	$ -	$ 107,708
Accrued liabilities	-	-	-	-	3,422	3,422
Unearned revenue	-	-	-	433,456	-	433,456
Total liabilities	-	64,598	43,110	433,456	3,422	544,586
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	184,192	-	-	-	-	184,192
Total deferred inflows of resources	184,192	-	-	-	-	184,192
FUND BALANCES						
Fund balances:						
Restricted for:						
Judicial	-	-	-	-	61,513	61,513
Public safety	-	-	-	-	237,910	237,910
Public works	-	-	-	-	-	-
Culture and recreation	-	-	-	-	55,562	55,562
Housing and development	-	-	-	-	1,000	1,000
Capital projects	-	2,016,473	1,303,621	-	32,795	3,352,889
Unassigned	4,926,831	-	-	-	-	4,926,831
Total fund balances	4,926,831	2,016,473	1,303,621	-	388,780	8,635,705
Total liabilities, deferred inflows of resources and fund balances	$ 5,111,023	$ 2,081,071	$ 1,346,731	$ 433,456	$ 392,202	

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.	29,609,348
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	184,192
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(3,756,706)
Deferred outflows of resources are not due and payable in the current period and, therefore, are not reported in the funds.	457,079
Deferred inflows of resources are not available to pay for current expenditures and, therefore, are not reported in the funds.	(412,161)
Net position of governmental activities	$ 34,717,457

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, 2022

	General Fund	T-SPLOST 2013 Fund	SPLOST 2017 Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	$ 5,425,863	$ -	$ -	$ -	$ -	$ 5,425,863
Sales taxes	998,449	1,189,341	1,536,076	-	-	3,723,866
Other taxes	-	-	-	-	168,517	168,517
Licenses and permits	42,421	-	-	-	-	42,421
Intergovernmental	1,145,464	-	-	516,079	316,470	1,978,013
Charges for services	648,673	-	-	-	147,941	796,614
Court fees, fines and forfeitures	1,706,366	-	-	-	76,967	1,783,333
Interest	-	-	3	-	29	32
Other	623,928	-	-	-	15,512	639,440
Total revenues	10,591,164	1,189,341	1,536,079	516,079	725,436	14,558,099
EXPENDITURES						
Current:						
General government	986,381	-	-	-	-	986,381
Judicial	609,267	-	-	-	2,219	611,486
Public safety	5,410,336	-	-	-	251,890	5,662,226
Public works	2,264,662	-	-	-	330,576	2,595,238
Health and welfare	225,316	-	-	-	-	225,316
Culture and recreation	78,884	-	-	-	239,892	318,776
Housing and development	209,325	-	-	-	59,367	268,692
Intergovernmental	-	-	408,447	-	-	408,447
Capital outlay	-	702,377	541,597	516,079	-	1,760,053
Debt service:						
Principal	41,789	-	375,462	-	-	417,251
Interest	1,469	-	16,852	-	-	18,321
Total expenditures	9,827,429	702,377	1,342,358	516,079	883,944	13,272,187
Excess (deficiency) of revenues over (under) expenditures	763,735	486,964	193,721	-	(158,508)	1,285,912
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	164,311	164,311
Transfers out	(164,311)	-	-	-	-	(164,311)
Total other financing sources (uses)	(164,311)	-	-	-	164,311	-
Net change in fund balances	599,424	486,964	193,721	-	5,803	1,285,912
FUND BALANCES, beginning of year	4,327,407	1,529,509	1,109,900	-	382,977	7,349,793
FUND BALANCES, end of year	$ 4,926,831	$ 2,016,473	$ 1,303,621	$ -	$ 388,780	$ 8,635,705

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, 2022

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	$	1,285,912
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.		(651,185)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(7,242)
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.		417,251
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.		(156,716)
Change in net position - governmental activities	$	888,020

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, 2022

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	$ 5,485,229	$ 5,485,229	$ 5,425,863	$ (59,366)
Sales taxes	771,518	771,518	998,449	226,931
Licenses and permits	37,700	37,700	42,421	4,721
Intergovernmental	820,613	820,613	1,145,464	324,851
Charges for services	579,301	579,301	648,673	69,372
Fines and forfeitures	1,470,609	1,470,609	1,706,366	235,757
Other	334,538	334,538	623,928	289,390
Total revenues	9,499,508	9,499,508	10,591,164	1,091,656
EXPENDITURES				
Current				
General government:				
Governing body	128,761	128,761	112,800	15,961
Elections	45,935	45,935	40,186	5,749
Voter registrar	46,485	46,485	55,155	(8,670)
General administration	192,039	192,039	247,851	(55,812)
Tax Commissioner	176,349	176,349	170,142	6,207
Tax Assessor	220,926	220,926	225,255	(4,329)
Tax equalization board	7,497	7,497	2,696	4,801
Buildings and plant	146,525	146,525	132,296	14,229
Total general government	964,517	964,517	986,381	(21,864)
Judicial:				
Clerk of superior court	302,140	302,140	290,462	11,678
District attorney	16,300	16,300	20,382	(4,082)
Public defender	24,500	24,500	21,337	3,163
Magistrate Court	124,273	124,273	115,576	8,697
Probate Court	152,214	152,214	161,510	(9,296)
Total judicial	619,427	619,427	609,267	10,160
Public safety:				
Sheriff	2,112,913	2,112,913	2,381,095	(268,182)
Jail operations	1,105,484	1,105,484	1,003,626	101,858
Fire	117,100	117,100	120,897	(3,797)
Emergency medical services	1,338,781	1,338,781	1,412,199	(73,418)
Coroner	12,747	12,747	11,355	1,392
E-911	387,509	387,509	426,820	(39,311)
Animal control	30,999	30,999	31,610	(611)
Emergency management	22,626	22,626	22,734	(108)
Total public safety	5,128,159	5,128,159	5,410,336	(282,177)
Public works:				
Roads and bridges	1,119,322	1,119,322	1,293,631	(174,309)
Solid waste collection	336,053	336,053	311,644	24,409
Solid waste disposal	526,420	526,420	574,144	(47,724)
Airport	105,275	105,275	85,243	20,032
Total public works	2,087,070	2,087,070	2,264,662	(177,592)

(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, 2022

	Budget			Variance with
	Original	Final	Actual	Final Budget
EXPENDITURES (CONTINUED)				
Current (Continued)				
Health and welfare:				
General clinics	$ 77,626	$ 77,626	$ 75,139	$ 2,487
Administration DFCS	11,515	11,515	6,377	5,138
Senior citizens nutrition	117,203	117,203	115,810	1,393
Family services	5,000	5,000	5,000	-
Education	20,000	20,000	22,990	(2,990)
Total health and welfare	231,344	231,344	225,316	6,028
Culture and recreation:				
Recreation	122,327	122,327	19,984	102,343
Library	58,900	58,900	58,900	-
Total culture and recreation	181,227	181,227	78,884	102,343
Housing and development:				
Conservation	142,741	142,741	121,285	21,456
Georgia Forestry Commission	22,683	22,683	22,683	-
Protective inspections department	20,626	20,626	18,558	2,068
Payroll development authority	94,792	94,792	39,878	54,914
Regional development center	6,922	6,922	6,921	1
Total housing and development	287,764	287,764	209,325	78,439
Debt service:				
Principal	-	-	41,789	(41,789)
Interest	-	-	1,469	(1,469)
Total debt service	-	-	43,258	(43,258)
Total expenditures	9,499,508	9,499,508	9,827,429	(327,921)
Excess of revenues over expenditures	-	-	763,735	763,735
OTHER FINANCING USES				
Transfers out	-	-	(164,311)	(164,311)
Total other financing uses	-	-	(164,311)	(164,311)
Net change in fund balances	-	-	599,424	599,424
FUND BALANCES, beginning of year	4,327,407	4,327,407	4,327,407	-
FUND BALANCES, end of year	$ 4,327,407	$ 4,327,407	$ 4,926,831	$ 599,424

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

WILKES COUNTY, GEORGIA

ARPA FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ -	$ -	$ 516,079	$ 516,079
Total revenues	-	-	516,079	516,079
EXPENDITURES				
Capital outlay	-	-	516,079	(516,079)
Total expenditures	-	-	516,079	(516,079)
Net change in fund balances	-	-	-	-
FUND BALANCES, beginning of year	-	-	-	-
FUND BALANCES, end of year	$ -	$ -	$ -	$ -

WILKES COUNTY, GEORGIA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022

	Custodial Funds
ASSETS	
Cash	$ 416,253
Taxes receivable	345,527
Total assets	$ 761,780
LIABILITIES	
Due to others	$ 165,216
Uncollected taxes	345,527
Total liabilities	$ 510,743
NET POSITION	
Restricted for individuals, organizations, and other governments	$ 251,037

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

WILKES COUNTY, GEORGIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Custodial Funds
ADDITIONS	
Taxes collected	$ 7,831,385
Fines and fees collected	1,141,766
Total additions	8,973,151
DEDUCTIONS	
Taxes disbursed	7,895,431
Fines and fees disbursed	987,737
Total deductions	8,883,168
Change in net position	89,983
Net position, beginning of year	161,054
Net position, end of year	$ 251,037

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, 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. 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.

The ***American Rescue Plan Act ("ARPA") Fund*** is used to account for monies received from the U.S Department of Treasury for grant activity.

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 assets 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 or net assets 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:

General obligation bonds	$ (700,000)
Landfill post-closure costs	(1,230,036)
Net pension liability	(1,457,520)
Compensated absences	(369,150)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$ (3,756,706)

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	$	737,539
Depreciation expense		(1,388,724)
Net adjustment to reduce *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$	(651,185)

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:		
Financed purchases	$	41,789
General obligation bonds		335,000
Notes payable		40,462
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$	417,251

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	$	(65,751)
Landfill post-closure costs		(48,445)
Net pension liability and related deferred outflows/inflows of resources		(42,520)
Net adjustment to reduce *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$	(156,716)

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, 2022, expenditures exceeded budget in the applicable governmental funds, as follows:

Fund or Department	Excess
General Fund:	
Voter registrar	$ 8,670
General administration	55,812
Tax Assessor	4,329
District attorney	4,082
Probate Court	9,296
Sheriff	268,182
Emergency medical services	73,418
E-911	39,311
Animal control	611
Emergency management	108
Roads and bridges	174,309
Solid waste collection	47,724
Education	2,990
Debt service - principal	41,789
Debt service - interest	1,469
Transfers in	164,311
Section 5311 Transport Fund	
Public Works	$ 32,780
Jail Construction/Staffing Fund	
Public Safety	$ 2,225
Sheriff Condemnation Fund	
Public Safety	$ 4
Law Library Fund	
Judicial	$ 2,219
Hotel/Motel Tax Fund	
Housing and development	$ 23,367
Airport Fuel Tax Fund	
Public Works	$ 13,314
Parks and Recreation Department	
Culture and recreation	$ 58,867
ARPA Fund	
Capital Outlay	$ 516,079

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, 2022, the County held no investments.

Balances per Statement of Net Position:		
Cash and cash equivalents - primary government	$	8,733,945
Cash - custodial funds		416,253
	$	9,150,198
Balances by type:		
Cash deposited with financial institutions	$	9,150,198
	$	9,150,198

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, 2022, the deposits of the County and its component units were properly insured and collateralized as defined by GASB pronouncements and the Official Code of Georgia Annotated ("O.C.G.A.").

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

NOTE 5. RECEIVABLES

Receivables at June 30, 2022, consist of the following:

	General	T-SPLOST 2013	SPLOST 2017
Receivables:			
Taxes	$ 242,634	$ -	$ -
Due from other governments	96,072	102,585	147,803
Gross receivables	338,706	102,585	147,803
Total receivables	$ 338,706	$ 102,585	$ 147,803

	Nonmajor Governmental Funds	Total Governmental Funds
Receivables:		
Taxes	$ -	$ 242,634
Accounts	41,444	41,444
Due from other governments	-	346,460
Gross receivables	41,444	630,538
Total receivables	$ 41,444	$ 630,538

Property taxes were levied on September 8, 2021. Bills are payable on or before December 19, 2021, 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 19, 2021. The County bills and collects its own property taxes. Property taxes levied for 2022 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during the year ended June 30, 2022, and collected by August 31, 2022, are recognized as revenues in the year ended June 30, 2022. Net receivables estimated to be collected subsequent to August 31, 2022, are deferred as of June 30, 2022, 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, 2022, is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 1,354,651	$ 30,000	$ -	$ -	$ 1,384,651
Constuction in progress	-	122,467	-	-	122,467
Total	1,354,651	152,467	-	-	1,507,118
Capital assets, being depreciated:					
Infrastucture	22,312,047	-	-	-	22,312,047
Buildings and improvements	22,026,475	-	-	-	22,026,475
Equipment, furniture and vehicles	8,057,454	585,072	-	-	8,642,526
Total	52,395,976	585,072	-	-	52,981,048
Less accumulated depreciation for:					
Infrastucture	(5,458,461)	(458,529)	-	-	(5,916,990)
Buildings and improvements	(11,668,122)	(428,290)	-	-	(12,096,412)
Equipment, furniture and vehicles	(6,363,511)	(501,905)	-	-	(6,865,416)
Total	(23,490,094)	(1,388,724)	-	-	(24,878,818)
Total capital assets, being depreciated, net	28,905,882	(803,652)	-	-	28,102,230
Governmental activities capital assets, net	$ 30,260,533	$ (651,185)	$ -	$ -	$ 29,609,348

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

Governmental activities:	
General government	$ 955,592
Public safety	368,360
Public works	51,435
Culture and recreation	13,337
Total depreciation expense	$ 1,388,724

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	(951,255)	(87,975)	-	-	(1,039,230)
Engineering and construction	(168,206)	(7,560)	-	-	(175,766)
Total	(1,119,461)	(95,535)	-	-	(1,214,996)
Total capital assets, being depreciated, net	1,538,399	(95,535)	-	-	1,442,864
Payroll Development Authority capital assets, net	$ 2,049,834	$ (95,535)	$ -	$ -	$ 1,954,299

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, 2022:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	$ 1,035,000	$ -	$ (335,000)	$ 700,000	$ 345,000
Financed purchases	41,789	-	(41,789)	-	-
Notes payable	40,462	-	(40,462)	-	-
Net pension liability	1,629,052	696,563	(868,095)	1,457,520	-
Compensated absences	303,399	119,972	(54,221)	369,150	-
Landfill post-closure costs	1,181,591	48,445	-	1,230,036	-
Governmental activities Long-term liabilities	$ 4,231,293	$ 864,980	$ (1,339,567)	$ 3,756,706	$ 345,000

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
2023	$ 345,000	$ 12,652	$ 357,652
2024	355,000	6,417	361,417
Total	$ 700,000	$ 19,069	$ 719,069

NOTE 7. LONG-TERM DEBT (CONTINUED)

A. Primary Government – (Continued)

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, 2022, the County has a remaining 15 years of monitoring. Engineering studies estimate post-closure costs of approximately $1,230,036 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, 2022. 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.

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, 2022:

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

NOTE 8. INTERFUND TRANSFERS

Interfund transfers as of June 30, 2022, are as follows:

Transfers In	Transfers Out	Amount
Nonmajor Governmental Funds	General Fund	$ 164,311
		$ 164,311

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 County ("CSRA") and is required to pay annual dues thereto. During its year ended June 30, 2022, 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 County, 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, 2021, (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	78
	118

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, 2022, the County's contribution rate was 13.2% of annual payroll. County contributions to the Plan were $373,668 for the year ended June 30, 2022.

NOTE 10. RETIREMENT PLAN (CONTINUED)

Net Pension Liability of the County

The County's net pension liability was measured as of December 31, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021, with update procedures performed by the actuary to roll forward to the total pension liability measured as of December 31, 2021.

Actuarial Assumptions. The total pension liability in the January 1, 2021 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, 2021 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, 2021, 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, 2022, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2021	$ 4,732,652	$ 3,103,600	$ 1,629,052
Changes for the year:			
Service cost	157,482	-	157,482
Interest	321,764	-	321,764
Liability experience (gain)/loss	164,332	-	164,332
Assumption change	7,669	-	7,669
Contributions-employer	-	373,668	(373,668)
Net investment income	-	494,427	(494,427)
Benefit payments, including refunds of employee contributions	(272,069)	(272,069)	-
Administrative expense	-	(30,642)	30,642
Other changes	-	(14,674)	14,674
Net changes	379,178	550,710	(171,532)
Balances at June 30, 2022	$ 5,111,830	$ 3,654,310	$ 1,457,520

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	$ 2,135,624	$ 1,457,520	$ 889,789

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, 2021, 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, 2022, the County recognized pension expense of $416,188. At June 30, 2022, 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	$ -	$ 382,978
Differences between expected and actual experience	339,624	29,183
Changes in assumptions	117,455	-
Total	$ 457,079	$ 412,161

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,	
2023	$ 96,686
2024	24,464
2025	(92,671)
2026	16,439
Total	$ 44,918

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.

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,

	2022	2021	2020
Total pension liability			
Service cost	**$ 157,482**	$ 143,788	$ 130,006
Interest on total pension liability	**321,764**	295,903	285,611
Differences between expected and actual experience	**164,332**	243,447	(75,260)
Changes of assumptions	**7,669**	8,427	201,957
Benefit payments, including refunds of employee contributions	**(272,069)**	(372,217)	(418,320)
Net change in total pension liability	**379,178**	319,348	123,994
Total pension liability - beginning	**4,732,652**	4,413,304	4,289,310
Total pension liability - ending (a)	**5,111,830**	4,732,652	4,413,304
Plan fiduciary net position			
Contributions - employer	**373,668**	373,551	354,231
Net investment income	**494,427**	382,635	507,823
Benefit payments, including refunds of employee contributions	**(272,069)**	(372,217)	(418,320)
Administrative expenses	**(30,642)**	(29,437)	(28,161)
Other	**(14,674)**	(26,900)	(70,138)
Net change in fiduciary net position	**550,710**	327,632	345,435
Plan fiduciary net position - beginning	**3,103,600**	2,775,968	2,430,533
Plan fiduciary net position - ending (b)	**3,654,310**	3,103,600	2,775,968
County's net pension liability - ending (a) - (b)	**$ 1,457,520**	$ 1,629,052	$ 1,629,052
Plan fiduciary net position as a percentage of total pension liability	**71.5%**	65.5%	62.9%
Covered payroll	**$ 2,785,993**	$ 2,607,218	$ 2,510,577
County's net pension liability as a percentage of covered payroll	**52.3%**	65.2%	62.5%

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.

2019	2018	2017	2016
$ 120,513	$ 92,551	$ 88,130	$ 86,117
265,067	266,943	267,779	241,538
121,044	8,763	116,072	9,107
(166,719)	(498,821)	(466,605)	148,471
293,310	104,683	106,219	(270,713)
633,215	(25,881)	111,595	214,520
3,656,095	3,681,976	3,570,381	3,355,861
4,289,310	3,656,095	3,681,976	3,570,381
329,485	324,000	321,312	311,638
(123,878)	360,174	137,230	21,015
(160,887)	(481,371)	(449,740)	(270,713)
(16,415)	(12,582)	(16,955)	(14,060)
(57,172)	(67,819)	7,367	(42,807)
(28,867)	122,402	(786)	5,073
2,459,400	2,336,998	2,337,784	2,372,711
2,430,533	2,459,400	2,336,998	2,377,784
$ 1,858,777	$ 1,196,695	$ 1,344,978	$ 1,192,597
56.7%	67.3%	63.5%	66.6%
$ 2,320,448	$ 1,902,290	$ 2,067,659	$ 2,157,433
80.1%	62.9%	65.0%	55.3%

WILKES COUNTY, GEORGIA

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

	2022	2021	2020
Actuarially determined contribution	**$ 373,668**	$ 373,639	$ 373,493
Contributions in relation to the actuarially determined contribution	**373,668**	373,639	373,493
Contribution deficiency (excess)	**$ -**	$ -	$ -
Covered payroll	**$ 2,839,250**	$ 2,558,897	$ 2,607,218
Contributions as a percentage of covered payroll	**13.2%**	14.6%	14.3%

Notes to the Schedule:

Valuation Date	January 1, 2021
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.

2019	2018	2017	2016
$ 354,231	$ 339,139	$ 349,381	$ 321,178
354,231	339,139	349,381	321,178
$ -	$ -	$ -	$ -
$ 2,415,513	$ 2,111,369	$ 1,984,975	$ 2,112,546
14.7%	16.1%	17.6%	15.2%

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 Fuel 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, 2022

	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	$ -	$ 50,713	$ 45,164	$ -	$ 61,513
Accounts receivable	7,413	-	-	-	-
Total assets	$ 7,413	$ 50,713	$ 45,164	$ -	$ 61,513
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accrued liabilities	$ -	$ -	$ -	$ -	$ -
Total liabilities	-	-	-	-	-
FUND BALANCES					
Restricted for:					
Judicial	-	-	-	-	61,513
Public safety	-	50,713	45,164	-	-
Public works	-	-	-	-	-
Culture and recreation	7,413	-	-	-	-
Housing and development	-	-	-	-	-
Capital projects	-	-	-	-	-
Total liabilities and fund balances	7,413	50,713	45,164	-	61,513
	$ 7,413	$ 50,713	$ 45,164	$ -	$ 61,513

Special Revenue Funds					
Hotel/Motel Tax Fund	E-911 Fund	Airport Fuel Tax Fund	Parks and Recreation Department	Nonmajor Governmental Funds	
$ 1,000	$ 108,002	$ 32,795	$ 51,571	$ 350,758	
-	34,031	-	-	41,444	
$ 1,000	$ 142,033	$ 32,795	$ 51,571	$ 392,202	
$ -	$ -	$ -	$ 3,422	$ 3,422	
-	-	-	3,422	3,422	
-	-	-	-	61,513	
-	142,033	-	-	237,910	
-	-	-	-	-	
-	-	-	48,149	55,562	
1,000	-	-	-	1,000	
-	-	32,795	-	32,795	
1,000	142,033	32,795	48,149	388,780	
$ 1,000	$ 142,033	$ 32,795	$ 51,571	$ 392,202	

WILKES COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	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	103,193	10,262	-	-	-
Charges for services	-	-	-	-	-
Court fees, fines and forfeitures	-	-	60,464	-	16,503
Interest	-	29	-	-	-
Other	15,512	-	-	-	-
Total revenues	118,705	10,291	60,464	-	16,503
EXPENDITURES					
Current:					
Judicial	-	-	-	-	2,219
Public safety	-	18,061	25,225	4	-
Public works	245,762	-	-	-	-
Culture and recreation	-	-	-	-	-
Housing and development	-	-	-	-	-
Total expenditures	245,762	18,061	25,225	4	2,219
Excess (deficiency) of revenues over (under) expenditures	(127,057)	(7,770)	35,239	(4)	14,284
OTHER FINANCING SOURCES					
Transfers in	68,053	-	-	-	-
Total other financing sources	68,053	-	-	-	-
Net change in fund balances	(59,004)	(7,770)	35,239	(4)	14,284
FUND BALANCES, beginning of year	66,417	58,483	9,925	4	47,229
FUND BALANCES, end of year	$ 7,413	$ 50,713	$ 45,164	$ -	$ 61,513

Special Revenue Funds					
Hotel/Motel Tax Fund	E-911 Fund	Airport Fuel Tax Fund	Parks and Recreation Department	Nonmajor Governmental Funds	
$ 59,367	$ -	$ 109,150	$ -	$ 168,517	
-	203,015	-	-	316,470	
-	-	-	147,941	147,941	
-	-	-	-	76,967	
-	-	-	-	29	
-	-	-	-	15,512	
59,367	203,015	109,150	147,941	725,436	
-	-	-	-	2,219	
-	208,600	-	-	251,890	
-	-	84,814	-	330,576	
-	-	-	239,892	239,892	
59,367	-	-	-	59,367	
59,367	208,600	84,814	239,892	883,944	
-	(5,585)	24,336	(91,951)	(158,508)	
-	-	-	96,258	164,311	
-	-	-	96,258	164,311	
-	(5,585)	24,336	4,307	5,803	
1,000	147,618	8,459	43,842	382,977	
$ 1,000	$ 142,033	$ 32,795	$ 48,149	$ 388,780	

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, 2022

	Section 5311 Transport Fund		
	Final Budget	Actual	Variance with Final Budget
REVENUES			
Intergovernmental	$ 199,074	$ 103,193	$ (95,881)
Court fees, fines and forfeitures	-	-	-
Interest	-	-	-
Other	13,908	15,512	1,604
Total revenues	212,982	118,705	(94,277)
EXPENDITURES			
Current:			
Public safety	-	-	-
Public works	212,982	245,762	(32,780)
Total expenditures	212,982	245,762	(32,780)
Excess (deficiency) of revenues over (under) expenditures	-	(127,057)	(127,057)
OTHER FINANCING SOURCES			
Transfers in	-	68,053	68,053
Total other financing sources	-	68,053	68,053
Net change in fund balances	-	(59,004)	(59,004)
FUND BALANCES, beginning of year	66,417	66,417	-
FUND BALANCES, end of year	$ 66,417	$ 7,413	$ (59,004)

(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	$ 10,262	$ 262	$ -	$ -	$ -
-	-	-	23,000	60,464	37,464
50	29	(21)	-	-	-
-	-	-	-	-	-
10,050	10,291	241	23,000	60,464	37,464
32,000	18,061	13,939	23,000	25,225	(2,225)
-	-	-	-	-	-
32,000	18,061	13,939	23,000	25,225	(2,225)
(21,950)	(7,770)	14,180	-	35,239	35,239
-	-	-	-	-	-
-	-	-	-	-	-
(21,950)	(7,770)	14,180	-	35,239	35,239
58,483	58,483	-	9,925	9,925	-
$ 36,533	$ 50,713	$ 14,180	$ 9,925	$ 45,164	$ 35,239

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, 2022

	Sheriff Condemnation Fund		
	Final Budget	Actual	Variance with Final Budget
REVENUES			
Other taxes	$ -	$ -	$ -
Court fees, fines and forfeitures	-	-	-
Total revenues	-	-	-
EXPENDITURES			
Current:			
Judicial	-	-	-
Public safety	-	4	(4)
Housing and development	-	-	-
Total expenditures	-	4	(4)
Net change in fund balances	-	(4)	(4)
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
$ -	$ -	$ -	$ 36,000	$ 59,367	$ 23,367
-	16,503	16,503	-	-	-
-	16,503	16,503	36,000	59,367	23,367
-	2,219	(2,219)	-	-	-
-	-	-	-	-	-
-	-	-	36,000	59,367	(23,367)
-	2,219	(2,219)	36,000	59,367	(23,367)
-	14,284	14,284	-	-	-
47,229	47,229	-	1,000	1,000	-
$ 47,229	$ 61,513	$ 14,284	$ 1,000	$ 1,000	$ -

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, 2022

	E-911 Fund		
	Final Budget	Actual	Variance with Final Budget
REVENUES			
Other taxes	$ -	$ -	$ -
Intergovernmental	209,100	203,015	6,085
Charges for services	-	-	-
Total revenues	209,100	203,015	6,085
EXPENDITURES			
Current:			
Public safety	209,100	208,600	500
Public works	-	-	-
Culture and recreation	-	-	-
Total expenditures	209,100	208,600	500
Excess (deficiency) of revenues over (under) expenditures	-	(5,585)	6,585
OTHER FINANCING SOURCES			
Transfers in	-	-	-
Total other financing sources	-	-	-
Net change in fund balances	-	(5,585)	6,585
FUND BALANCES, beginning of year	147,618	147,618	-
FUND BALANCES, end of year	$ 147,618	$ 142,033	$ 6,585

Airport Fuel Tax Fund			Parks and Recreation Department		
Final Budget	Actual	Variance with Final Budget	Final Budget	Actual	Variance with Final Budget
$ 76,500	$ 109,150	$ 32,650	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	190,000	147,941	(42,059)
76,500	109,150	32,650	190,000	147,941	(42,059)
-	-	-	-	-	-
71,500	84,814	(13,314)	-	-	-
-	-	-	181,025	239,892	(58,867)
71,500	84,814	(13,314)	181,025	239,892	(58,867)
5,000	24,336	19,336	8,975	(91,951)	(100,926)
-	-	-	-	96,258	96,258
-	-	-	-	96,258	96,258
5,000	24,336	19,336	8,975	4,307	(4,668)
8,459	8,459	-	43,842	43,842	-
$ 13,459	$ 32,795	$ 19,336	$ 52,817	$ 48,149	$ (4,668)

WILKES COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2017 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Estimated Cost	Current Estimated Cost	Prior Years	Current Year	Total
City of Washington	$ 1,336,778	$ 1,336,778	$ 1,069,150	$ 346,107	$ 1,415,257
City of Tignall	176,387	176,387	142,166	45,669	187,835
City of Rayle	64,390	64,390	50,640	16,672	67,312
Jail renovations and improvements	500,000	500,000	43,301	127,095	170,396
Acquisition of bus for 4-H Department	40,000	40,000	52,962	-	52,962
E911 building 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	55,754	-	55,754
Acquisition of vehicles for law enforcement	290,000	290,000	167,361	70,000	237,361
Driveway improvements for Library	15,000	15,000	1,466	-	1,466
Recreation improvements	200,000	200,000	99,333	55,481	154,814
Hospital	500,000	500,000	375,000	125,000	500,000
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	347,841	-	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	537,910	205,989	743,899
	$ 5,596,565	$ 5,596,565	4,334,126	992,013	$ 5,326,139
Debt service payments on bond payments			1,078,914	350,344	
			$ 5,413,040	$ 1,342,357	

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, 2022

	Tax Commissioner	Clerk of Superior Court	Probate Court	Magistrate Court
ASSETS				
Cash	$ 175,186	$ 133,515	$ 66,790	$ 17,817
Taxes receivable	345,527	-	-	-
Total assets	$ 520,713	$ 133,515	$ 66,790	$ 17,817
LIABILITIES				
Due to others	$ 121,322	$ 14,069	$ 17,001	$ 9,395
Uncollected taxes	345,527	-	-	-
Total Liabilities	$ 466,849	$ 14,069	$ 17,001	$ 9,395
NET POSITION				
Restricted for individuals, organizations, and other governments	$ 53,864	$ 119,446	$ 49,789	$ 8,422

Sheriff	Total
$ 22,945	$ 416,253
-	345,527
$ 22,945	$ 761,780
$ 3,429	$ 165,216
-	345,527
$ 3,429	$ 510,743
$ 19,516	$ 251,037

WILKES COUNTY, GEORGIA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Tax Commissioner	Clerk of Superior Court	Probate Court	Magistrate Court
ADDITIONS				
Taxes collected	$ 7,831,385	$ -	$ -	$ -
Fines and fees collected	-	327,601	427,470	106,506
Total additions	7,831,385	327,601	427,470	106,506
DEDUCTIONS				
Taxes disbursed	7,895,431	-	-	-
Fines and fees disbursed	-	215,654	385,034	104,842
Total deductions	7,895,431	215,654	385,034	104,842
Change in net position	(64,046)	111,947	42,436	1,664
Net position, beginning of year	117,910	7,499	7,353	6,758
Net position, end of year	$ 53,864	$ 119,446	$ 49,789	$ 8,422

Sheriff	Total
$ -	$ 7,831,385
280,189	1,141,766
280,189	8,973,151
-	7,895,431
282,207	987,737
282,207	8,883,168
(2,018)	89,983
21,534	161,054
$ 19,516	$ 251,037

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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 28, 2022. 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.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as 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 were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2022-001 and 2022-003 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 questioned costs as item 2022-002.

Wilkes County, Georgia's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 28, 2022

MAULDIN & JENKINS
CPAs & ADVISORS

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

Board of Commissioners
of Wilkes County, Georgia
Washington, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Wilkes County, Georgia's (the County) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2022. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2022-004. Our opinion on the major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the noncompliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-004 to be a material weakness.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the internal control over compliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Mauldin & Jenkins, LLC

Macon, Georgia
December 28, 2022

WILKES COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Contract or Project Number	Total Expenditures	Passed Through to Subrecepients
U.S. DEPARTMENT OF TRANSPORTATION				
Passed through Georgia Department of Transportation				
COVID-19 Airport Improvement Program	20.106	3-13-SBGP-042-2021	$ 32,000	$ -
Airport Improvement Program	20.106	3-13-SBGP-020-2017	23,139	-
Airport Improvement Program	20.106	3-13-SBGP-022-2016	103,579	-
Airport Improvement Program	20.106	3-13-SBGP-030-2020	7,040	-
Airport Improvement Program	20.106	3-13-SBGP-032-2021	49,155	-
Total Airport Improvement Program			214,913	-
Section 5311 - Formula Grants	20.509	GA-2021-011-00	103,193	-
Total U.S. Department of Transportation			318,106	-
U.S. DEPARTMENT OF THE TREASURY				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	SLT-10245	516,079	-
Total U.S. Department of the Treasury			516,079	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Aging Cluster:				
Nutrition Services Incentive Program	93.053	04-210-AAA-2021	34,421	-
Total U.S. Department of Health and Human Services			34,421	-
Total Expenditures of Federal Awards			$ 868,606	$ -

WILKES COUNTY, GEORGIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Wilkes County, Georgia (the "County") and is presented on the modified accrual basis of accounting in accordance with the requirements of 2 CFR Part 200, OMB's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2. NON-CASH ASSISTANCE AND LOANS

There were no federal awards expended in the form of noncash assistance during the year. There were also no loans or loan guarantees outstanding at year-end.

NOTE 3. DE MINIMIS INDIRECT COST RATE

The County did not use the 10% de minimis indirect cost rate.

WILKES COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

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

Federal Awards

Internal control over major programs: Material weaknesses identified?	X Yes ___ No
Significant deficiencies identified not considered to be material weaknesses?	___Yes X None Reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	X Yes ___ No

Identification of major programs:

AL Number	Name of Federal Program or Cluster
	U.S. Department of Treasury
21.027	Coronavirus State and Local Fiscal Recovery Funds

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

WILKES COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

2022-001 – 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 2022 fiscal year. Significant adjustments were determined and required to be recorded in the months that followed June 30, 2022. 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, 2022.

Effect: 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.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2022-001 – General Accounting Matters/Close Out Procedures (Continued)

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.

2022-002 – 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, 2022, 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
  - Law Library Fund
  - Section 5311 Transport Fund
  - Jail Construction/Staffing Fund
  - Airport Fuel Tax Fund
  - ARPA Fund
  - Sheriff Condemnation 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.
  - Section 5311 Transport 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.
  - ARPA Fund – no budget was adopted.
  - Sheriff Condemnation Fund – no budget was adopted.

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, 2022.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2022-002 – Budgetary Requirements (Continued)

Effects: County expenditures exceeded budgeted amounts at the department level in the funds noted above as of June 30, 2022. The County did not adopt an annual balanced budget for the funds noted above for the year ended June 30, 2022.

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.

2022-003 – 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.

SECTION II
FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS (CONTINUED)

2022-003 – Segregation of Duties – Cash Accounts and Other Operational Functions (Continued)

- 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.

Effect: 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.

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

2022-004 – Reporting Requirements for Federally Funded Projects – U.S. Department of Treasury Coronavirus State and Local Fiscal Recovery Funds, (Assistance Listing #21.027)

Criteria: Internal controls should be in place to ensure that periodic reporting requirements are submitted in a timely fashion by the due date.

Condition: During our testing of reporting requirements, it was noted that the CSFLRF annual report was not submitted by the April 30, 2022 deadline. The annual report was instead submitted on June 10, 2022.

Context: See condition above.

Cause: As this was a new program for the County with changing reporting requirements and allowable costs/activities, the County did not realize that this report was required to be submitted by the April 30, 2022 deadline regardless of when funds were expended.

Effects: Not submitting annual status reports by the deadline violates grant agreements and could result in a delay in the receipt of federal funding.

Questioned Costs: None.

Recommendations: We recommend that the County implement a procedure to ensure that grant award documents are carefully reviewed and any reporting requirements are identified and adhered to.

Auditee's Response: 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, 2022

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 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 2022-001.

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

2021-002 – Budgetary Requirements (Continued)

- 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.

Auditee Response/Status: Unresolved. This is included in the current finding 2022-002.

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.

- 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.

WILKES COUNTY, GEORGIA

SUMMARY OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

- 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.

Auditee Response/Status: Unresolved. This is included in the current finding 2022-003.

Wilkes County Board of Commissioners

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EDWARD J. GEDDINGS
E. CHARLES JACKSON
C. CLEM SLATON

County Clerk
KAREN M. BURTON
County Attorney
CHARLES LEGETTE

MANAGEMENT'S CORRECTIVE ACTION PLAN FOR THE YEAR ENDED JUNE 30, 2022

2022-001 General Accounting Matters/Close Out Procedures

Name of the Contact Person Responsible for the Corrective Action Plan: Karen Burton, County Clerk.

Corrective Action Plan: We concur. 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.

Anticipated Completion Date: June 30, 2023

2022-002 Budgetary Requirements

Name of the Contact Person Responsible for the Corrective Action Plan: Karen Burton, County Clerk.

Corrective Action Plan: We concur. 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.

Anticipated Completion Date: June 30, 2023

2022-003 Segregation of Duties – Cash Accounts and Other Operational Functions

Name of the Contact Person Responsible for the Corrective Action Plan: Karen Burton, County Clerk.

Corrective Action Plan: We concur. 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.

Anticipated Completion Date: June 30, 2023

2022-004 Reporting Requirements for Federally Funded Projects – U.S. Department of Treasury Coronavirus State and Local Fiscal Recovery Funds, (Assistance Listing #21.027)

Name of the Contact Person Responsible for the Corrective Action Plan: Karen Burton, County Clerk.

Corrective Action Plan: We concur. 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.

Anticipated Completion Date: June 30, 2023