# WILKES COUNTY, GEORGIA

## FINANCIAL REPORT

## FOR THE FISCAL YEAR ENDED
## JUNE 30, 2023

# WILKES COUNTY, GEORGIA

## FINANCIAL REPORT
## FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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# WILKES COUNTY, GEORGIA

## FINANCIAL REPORT
## FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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# FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

# INDEPENDENT AUDITOR'S REPORT

**Board of Commissioners**
**of Wilkes County, Georgia**
**Washington, Georgia**

## Report on the Audit of the 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, 2023, 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, 2023, 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 19%, 9%, and 70%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2023, 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 opinion, insofar as it relates to the amounts included for the Health Department, are based solely on the report of the other auditors.

### *Basis for Opinions*

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

***Responsibilities of Management for the Financial Statements***

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

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

***Required Supplementary Information***

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 pages 41 and 42) and the Schedule of County Contributions (on pages 43 and 44) 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 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 nonmajor fund statements and schedules and 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, 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, 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 May 30, 2024, 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
May 30, 2024

# BASIC FINANCIAL STATEMENTS

# WILKES COUNTY, GEORGIA

## STATEMENT OF NET POSITION
## JUNE 30, 2023

| | Primary Government | Component Units | |
|---|---|---|---|
| | Governmental Activities | Health Department | Payroll Development Authority |
| **ASSETS** | | | |
| Cash and cash equivalents | $ 10,027,567 | $ 547,659 | $ 407,514 |
| Taxes receivable | 320,145 | - | - |
| Accounts receivable | 46,214 | 15,954 | - |
| Leases receivable | - | - | 389,254 |
| Due from other governments | 386,531 | - | - |
| SEAD-OPEB Asset | - | 68,904 | - |
| Capital assets, non-depreciable | 1,517,668 | - | 554,425 |
| Capital assets, depreciable (net of accumulated depreciation) | 27,215,604 | - | 1,347,329 |
| Total assets | 39,513,729 | 632,517 | 2,698,522 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | | |
| Other post-employment benefits | - | 44,760 | - |
| Pension | 586,700 | 254,146 | - |
| Total deferred outflows of resources | 586,700 | 298,906 | - |
| **LIABILITIES** | | | |
| Accounts payable | 36,284 | 2,921 | - |
| Accrued liabilities | 9,204 | 473 | - |
| Unearned revenue | 923,828 | | |
| Due to other governments | - | - | - |
| Unearned revenue | - | - | |
| Bonds payable due within one year | 355,000 | - | - |
| Compensated absences due in more than one year | 423,724 | 38,606 | - |
| Landfill due in more than one year | 1,316,139 | - | - |
| Total other post-employment benefit liability | - | 28,073 | - |
| Net pension liability | 2,074,830 | 588,306 | - |
| Total liabilities | 5,139,009 | 658,379 | - |
| **DEFERRED INFLOWS OF RESOURCES** | | | |
| Leases | - | - | 385,100 |
| Other post-employment benefits | - | 37,912 | - |
| Pension | 107,883 | 5,336 | - |
| Total deferred inflows of resources | 107,883 | 43,248 | 385,100 |
| **NET POSITION** | | | |
| Net investment in capital assets | 28,378,272 | - | 1,901,754 |
| Restricted for: | | | |
| Judicial | 78,122 | - | - |
| Public safety | 268,808 | - | - |
| Publc works | 14,782 | - | - |
| Culture and recreation | 55,022 | - | - |
| Housing and development | 1,000 | - | - |
| Capital projects | 4,096,804 | - | - |
| Other purposes | - | 245,068 | - |
| Unrestricted | 1,960,727 | (15,272) | 411,668 |
| Total net position | $ 34,853,537 | $ 229,796 | $ 2,313,422 |

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

# WILKES COUNTY, GEORGIA

## STATEMENT OF ACTIVITIES
## FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| Functions/Programs | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Program Revenues: Capital Grants and Contributions |
|---|---|---|---|---|
| **Primary government:** | | | | |
| General government | $ 3,977,495 | $ 762,743 | $ 999,170 | $ 880,854 |
| Judicial | 675,060 | 1,958,546 | - | - |
| Public safety | 6,987,515 | 185,792 | - | 336,216 |
| Public works | 2,360,953 | - | - | - |
| Health and welfare | 214,650 | - | 16,883 | - |
| Culture and recreation | 363,138 | - | - | - |
| Housing and development | 265,534 | - | - | - |
| Interest on long-term debt | 9,414 | - | - | - |
| Total primary government | $ 14,853,759 | $ 2,907,081 | $ 1,016,053 | $ 1,217,070 |
| **Component unit:** | | | | |
| Health Department | $ 495,985 | $ 90,304 | $ 334,344 | $ - |
| Payroll Development Authority | 202,976 | 164,175 | - | - |
| Total component unit | $ 698,961 | $ 254,479 | $ 334,344 | $ - |

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 | |
| $ (1,334,728) | $ - | $ - | |
| 1,283,486 | - | - | |
| (6,465,507) | - | - | |
| (2,360,953) | - | - | |
| (197,767) | - | - | |
| (363,138) | - | - | |
| (265,534) | - | - | |
| (9,414) | - | - | |
| (9,713,555) | - | - | |
| | | | |
| - | (71,337) | - | |
| - | - | (38,801) | |
| - | (71,337) | (38,801) | |
| | | | |
| 5,597,223 | - | - | |
| 4,116,566 | - | - | |
| 135,768 | - | - | |
| 78 | 1,091 | - | |
| - | - | 14,500 | |
| 9,849,635 | 1,091 | 14,500 | |
| 136,080 | (70,246) | (24,301) | |
| 34,717,457 | 300,042 | 2,337,723 | |
| $ 34,853,537 | $ 229,796 | $ 2,313,422 | |

# WILKES COUNTY, GEORGIA

## BALANCE SHEET
## GOVERNMENTAL FUNDS
## JUNE 30, 2023

| ASSETS | General Fund | TSPLOST 2013 Fund | SPLOST 2017 Fund | ARPA Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|---|
| Cash and cash equivalents | $ 4,875,963 | $ 2,353,563 | $ 1,455,740 | $ 923,828 | $ 418,473 | $ 10,027,567 |
| Taxes receivable | 320,145 | - | - | - | - | 320,145 |
| Accounts receivable | - | - | - | - | 46,214 | 46,214 |
| Due from other governments | 100,495 | 133,238 | 152,798 | - | - | 386,531 |
| Total assets | $ 5,296,603 | $ 2,486,801 | $ 1,608,538 | $ 923,828 | $ 464,687 | $ 10,780,457 |
| **LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES** | | | | | | |
| **LIABILITIES** | | | | | | |
| Accounts payable | $ - | $ 18,528 | $ 17,756 | $ - | $ - | $ 36,284 |
| Accrued liabilities | - | - | - | - | 9,204 | 9,204 |
| Unearned revenue | - | - | - | 923,828 | - | 923,828 |
| Total liabilities | - | 18,528 | 17,756 | 923,828 | 9,204 | 969,316 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | | | |
| Unavailable revenue - property taxes | 269,165 | - | - | - | - | 269,165 |
| Total deferred inflows of resources | 269,165 | - | - | - | - | 269,165 |
| **FUND BALANCES** | | | | | | |
| Fund balances: | | | | | | |
| Restricted for: | | | | | | |
| Judicial | - | - | - | - | 78,122 | 78,122 |
| Public safety | - | - | - | - | 268,808 | 268,808 |
| Public works | - | - | - | - | 14,782 | 14,782 |
| Culture and recreation | - | - | - | - | 55,022 | 55,022 |
| Housing and development | - | - | - | - | 1,000 | 1,000 |
| Capital projects | - | 2,468,273 | 1,590,782 | - | 37,749 | 4,096,804 |
| Unassigned | 5,027,438 | - | - | - | - | 5,027,438 |
| Total fund balances | 5,027,438 | 2,468,273 | 1,590,782 | - | 455,483 | 9,541,976 |
| Total liabilities, deferred inflows of resources and fund balances | $ 5,296,603 | $ 2,486,801 | $ 1,608,538 | $ 923,828 | $ 464,687 | |

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. | 28,733,272 |
| Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. | 269,165 |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. | (4,169,693) |
| Deferred outflows of resources are not due and payable in the current period and, therefore, are not reported in the funds. | 586,700 |
| Deferred inflows of resources are not available to pay for current expenditures and, therefore, are not reported in the funds. | (107,883) |
| Net position of governmental activities | $ 34,853,537 |

**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, 2023

| | General Fund | TSPLOST 2013 Fund | SPLOST 2017 Fund | ARPA Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|---|---|---|---|---|---|
| **REVENUES** | | | | | | |
| Property taxes | $ 5,512,250 | $ - | $ - | $ - | $ - | $ 5,512,250 |
| Sales taxes | 1,136,254 | 1,244,629 | 1,735,683 | - | - | 4,116,566 |
| Other taxes | - | - | - | - | 135,768 | 135,768 |
| Licenses and permits | 37,418 | - | - | - | - | 37,418 |
| Intergovernmental | 880,854 | - | - | 459,162 | 336,216 | 1,676,232 |
| Charges for services | 725,325 | - | - | - | 185,792 | 911,117 |
| Court fees, fines and forfeitures | 1,875,992 | - | - | - | 82,554 | 1,958,546 |
| Interest | - | - | - | - | 78 | 78 |
| Other | 540,008 | - | - | - | 16,883 | 556,891 |
| Total revenues | 10,708,101 | 1,244,629 | 1,735,683 | 459,162 | 757,291 | 14,904,866 |
| **EXPENDITURES** | | | | | | |
| Current: | | | | | | |
| General government | 1,424,983 | - | - | - | - | 1,424,983 |
| Judicial | 669,480 | - | - | - | 2,595 | 672,075 |
| Public safety | 5,670,225 | - | - | - | 260,780 | 5,931,005 |
| Public works | 2,125,838 | - | - | - | 314,196 | 2,440,034 |
| Health and welfare | 214,650 | - | - | - | - | 214,650 |
| Culture and recreation | 75,882 | - | - | - | 273,919 | 349,801 |
| Housing and development | 213,583 | - | - | - | 51,951 | 265,534 |
| Intergovernmental | - | - | 470,720 | - | - | 470,720 |
| Capital outlay | - | 792,829 | 623,388 | 459,162 | - | 1,875,379 |
| Debt service: | | | | | | |
| Principal | - | - | 345,000 | - | - | 345,000 |
| Interest | - | - | 9,414 | - | - | 9,414 |
| Total expenditures | 10,394,641 | 792,829 | 1,448,522 | 459,162 | 903,441 | 13,998,595 |
| Excess (deficiency) of revenues over (under) expenditures | 313,460 | 451,800 | 287,161 | - | (146,150) | 906,271 |
| **OTHER FINANCING SOURCES (USES)** | | | | | | |
| Transfers in | - | - | - | - | 212,853 | 212,853 |
| Transfers out | (212,853) | - | - | - | - | (212,853) |
| Total other financing sources (uses) | (212,853) | - | - | - | 212,853 | - |
| Net change in fund balances | 100,607 | 451,800 | 287,161 | - | 66,703 | 906,271 |
| **FUND BALANCES, beginning of year** | 4,926,831 | 2,016,473 | 1,303,621 | - | 388,780 | 8,635,705 |
| **FUND BALANCES, end of year** | $ 5,027,438 | $ 2,468,273 | $ 1,590,782 | $ - | $ 455,483 | $ 9,541,976 |

**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, 2023

| | | |
|---|---|---|
| Amounts reported for governmental activities in the Statement of Activities are different because: | | |
| Net change in fund balances - total governmental funds | $ | 906,271 |
| 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. | | (876,076) |
| Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. | | 84,973 |
| 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. | | 345,000 |
| 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. | | (324,088) |
| Change in net position - governmental activities | $ | 136,080 |

**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, 2023

| | Budget | | | Variance with |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **REVENUES** | | | | |
| Property taxes | $ 6,329,561 | $ 6,329,561 | $ 5,512,250 | $ (817,311) |
| Sales taxes | - | - | 1,136,254 | 1,136,254 |
| Licenses and permits | 35,400 | 35,400 | 37,418 | 2,018 |
| Intergovernmental | 945,189 | 945,189 | 880,854 | (64,335) |
| Charges for services | 719,478 | 719,478 | 725,325 | 5,847 |
| Fines and forfeitures | 1,661,562 | 1,661,562 | 1,875,992 | 214,430 |
| Other | 420,365 | 420,365 | 540,008 | 119,643 |
| Total revenues | 10,111,555 | 10,111,555 | 10,708,101 | 596,546 |
| **EXPENDITURES** | | | | |
| **Current:** | | | | |
| **General government:** | | | | |
| Governing body | 104,038 | 104,038 | 110,729 | (6,691) |
| Elections | 58,200 | 58,200 | 36,036 | 22,164 |
| Voter registrar | 51,600 | 51,600 | 51,504 | 96 |
| General administration | 581,001 | 581,001 | 693,045 | (112,044) |
| Tax Commissioner | 170,349 | 170,349 | 193,643 | (23,294) |
| Tax Assessor | 214,680 | 214,680 | 195,851 | 18,829 |
| Tax equalization board | 7,388 | 7,388 | 2,297 | 5,091 |
| Buildings and plant | 144,245 | 144,245 | 141,878 | 2,367 |
| Total general government | 1,331,501 | 1,331,501 | 1,424,983 | (93,482) |
| **Judicial:** | | | | |
| Clerk of superior court | 314,385 | 314,385 | 321,265 | (6,880) |
| District attorney | 21,500 | 21,500 | 26,524 | (5,024) |
| Public defender | 25,000 | 25,000 | 23,786 | 1,214 |
| Magistrate Court | 119,461 | 119,461 | 120,281 | (820) |
| Probate Court | 181,360 | 181,360 | 177,624 | 3,736 |
| Total judicial | 661,706 | 661,706 | 669,480 | (7,774) |
| **Public safety:** | | | | |
| Sheriff | 2,077,717 | 2,077,717 | 2,483,832 | (406,115) |
| Jail operations | 1,074,286 | 1,074,286 | 1,076,486 | (2,200) |
| Fire | 117,100 | 117,100 | 117,539 | (439) |
| Emergency medical services | 1,294,822 | 1,294,822 | 1,398,871 | (104,049) |
| Coroner | 12,747 | 12,747 | 16,798 | (4,051) |
| E-911 | 412,465 | 412,465 | 522,621 | (110,156) |
| Animal control | 31,599 | 31,599 | 32,013 | (414) |
| Emergency management | 21,606 | 21,606 | 22,065 | (459) |
| Total public safety | 5,042,342 | 5,042,342 | 5,670,225 | (627,883) |
| **Public works:** | | | | |
| Roads and bridges | 1,128,304 | 1,128,304 | 1,096,217 | 32,087 |
| Solid waste collection | 378,452 | 378,452 | 361,401 | 17,051 |
| Solid waste disposal | 612,156 | 612,156 | 603,070 | 9,086 |
| Airport | 62,490 | 62,490 | 65,150 | (2,660) |
| Transit department | 212,487 | 212,487 | - | 212,487 |
| Total public works | 2,393,889 | 2,393,889 | 2,125,838 | 268,051 |

**(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, 2023

| | Budget | | | Variance with |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **EXPENDITURES (CONTINUED)** | | | | |
| **Current (Continued):** | | | | |
| **Health and welfare:** | | | | |
| General clinics | $ 81,295 | $ 81,295 | $ 74,894 | $ 6,401 |
| Administration DFCS | 11,515 | 11,515 | 4,527 | 6,988 |
| Senior citizens nutrition | 115,934 | 115,934 | 114,364 | 1,570 |
| Family services | 5,000 | 5,000 | 5,000 | - |
| Education | 27,265 | 27,265 | 15,865 | 11,400 |
| Total health and welfare | 241,009 | 241,009 | 214,650 | 26,359 |
| **Culture and recreation:** | | | | |
| Recreation | 122,327 | 122,327 | 16,982 | 105,345 |
| Library | 58,900 | 58,900 | 58,900 | - |
| Total culture and recreation | 181,227 | 181,227 | 75,882 | 105,345 |
| **Housing and development:** | | | | |
| Conservation | 144,764 | 144,764 | 137,755 | 7,009 |
| Georgia forestry commission | 22,683 | 22,683 | 22,678 | 5 |
| Protective inspections department | 20,410 | 20,410 | 18,470 | 1,940 |
| Payroll development authority | 65,102 | 65,102 | 28,388 | 36,714 |
| Regional development center | 6,922 | 6,922 | 6,292 | 630 |
| Total housing and development | 259,881 | 259,881 | 213,583 | 46,298 |
| Total expenditures | 10,111,555 | 10,111,555 | 10,394,641 | (283,086) |
| Excess of revenues over expenditures | - | - | 313,460 | 313,460 |
| **OTHER FINANCING USES** | | | | |
| Transfers out | - | - | (212,853) | (212,853) |
| Total other financing uses | - | - | (212,853) | (212,853) |
| Net change in fund balances | - | - | 100,607 | 100,607 |
| **FUND BALANCES, beginning of year** | 4,926,831 | 4,926,831 | 4,926,831 | - |
| **FUND BALANCES, end of year** | $ 4,926,831 | $ 4,926,831 | $ 5,027,438 | $ 100,607 |

**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, 2023

| | Budget | | | Variance with |
|---|---|---|---|---|
| | Original | Final | Actual | Final Budget |
| **REVENUES** | | | | |
| Intergovernmental | $ - | $ - | $ 459,162 | $ 459,162 |
| Total revenues | - | - | 459,162 | 459,162 |
| **EXPENDITURES** | | | | |
| Capital outlay | - | - | 459,162 | (459,162) |
| Total expenditures | - | - | 459,162 | (459,162) |
| 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, 2023

| | Custodial Funds |
|---|---|
| **ASSETS** | |
| Cash | $ 460,060 |
| Taxes receivable | 467,532 |
| Total assets | $ 927,592 |
| **LIABILITIES** | |
| Due to others | $ 182,794 |
| Uncollected taxes | 467,532 |
| Total liabilities | $ 650,326 |
| **NET POSITION** | |
| Restricted for individuals, organizations, and other governments | $ 277,266 |

**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, 2023

| | Custodial Funds |
|---|---|
| **ADDITIONS** | |
| Taxes collected | $ 8,268,811 |
| Fines and fees collected | 1,157,256 |
| Total additions | 9,426,067 |
| **DEDUCTIONS** | |
| Taxes disbursed | 8,120,326 |
| Fines and fees disbursed | 1,279,512 |
| Total deductions | 9,399,838 |
| Change in net position | 26,229 |
| Net position, beginning of year | 251,037 |
| Net position, end of year | $ 277,266 |

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

# NOTES TO FINANCIAL STATEMENTS

# NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of 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: 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 the 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 ("TSPLOST") 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. Leases

Lessor: The Wilkes County Payroll Development Authority (“PDA”) is a lessor for noncancellable leases of the former Concord Fabrics/Persimmon Homes warehouse. The Payroll Development Authority recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the PDA initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the County determines: 1) the discount rate it uses to discount the expected lease receipts to present value, 2) lease term, and 3) lease receipts.

- The County uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The PDA monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### H. 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.

### I. 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.

### J. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and, therefore, will not be recognized as an outflow of resources (expense/expenditure) until then. The County has three 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, 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 outflow of resources.

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 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.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### J. Deferred Outflows/Inflows of Resources (Continued)

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. The third items, deferred inflow of resources related to leases, is discussed further in Note 5.

### K. 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.

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### K. Fund Equity (Continued) –

***Fund Balance (Continued)***

- ***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.

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

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

### L. Use of Estimates

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

## NOTE 2. 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 | $ (355,000) |
| Landfill post-closure costs | (1,316,139) |
| Net pension liability | (2,074,830) |
| Compensated absences | (423,724) |
| Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities* | $ (4,169,693) |

### 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 | $ 558,294 |
| Depreciation expense | (1,434,370) |
| Net adjustment to reduce *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities* | $ (876,076) |

## 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 (Continued)

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: | |
| General obligation bonds | $ 345,000 |
| Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities* | $ 345,000 |

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 | $ (54,574) |
| Landfill post-closure costs | (86,103) |
| Net pension liability and related deferred outflows/inflows of resources | (183,411) |
| Net adjustment to reduce *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities* | $ (324,088) |

## 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, 2023, expenditures exceeded budget in the applicable governmental funds, as follows:

| Fund or Department | Excess |
|---|---|
| General Fund: | |
| Governing body | $ 6,691 |
| General administration | 112,044 |
| Tax Commissioner | 23,294 |
| Clerk of Superiour Court | 6,880 |
| District attorney | 5,024 |
| Magistrate Court | 820 |
| Sheriff | 406,115 |
| Jail operations | 2,200 |
| Fire | 439 |
| Emergency medical services | 104,049 |
| Coroner | 4,051 |
| E-911 | 110,156 |
| Animal control | 414 |
| Emergency management | 459 |
| Airport | 2,660 |
| Transfers out | 212,853 |
| Section 5311 Transport Fund | |
| Public Works | 22,846 |
| Drug Abuse Treatment Fund | |
| Public Safety | 2,316 |
| Law Library Fund | |
| Judicial | 2,595 |
| Hotel/Motel Tax Fund | |
| Housing and development | 6,951 |
| Parks and Recreation Department | |
| Culture and recreation | 45,452 |
| ARPA Fund | |
| Capital Outlay | 459,162 |

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, 2023, the County held no investments.

| | | |
|---|---|---|
| **Balances per Statement of Net Position:** | | |
| Cash and cash equivalents - primary government | $ | 10,027,567 |
| Cash - custodial funds | | 460,060 |
| | $ | 10,487,627 |
| **Balances by type:** | | |
| Cash deposited with financial institutions | $ | 10,487,627 |
| | $ | 10,487,627 |

**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, 2023, 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, 2023 consist of the following:

| | General | TSPLOST 2013 | SPLOST 2017 |
|---|---|---|---|
| Receivables: | | | |
| Taxes | $ 320,145 | $ - | $ - |
| Accounts | - | - | - |
| Due from other governments | 100,495 | 133,238 | 152,798 |
| Total receivables | $ 420,640 | $ 133,238 | $ 152,798 |

| | Nonmajor Governmental Funds | Total Governmental Funds |
|---|---|---|
| Receivables: | | |
| Taxes | $ - | $ 320,145 |
| Accounts | 46,214 | 46,214 |
| Due from other governments | - | 386,531 |
| Total receivables | $ 46,214 | $ 752,890 |

Property taxes were levied on September 9, 2022. Bills are payable on or before December 20, 2022, 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 2023 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during the year ended June 30, 2023, and collected by August 31, 2023, are recognized as revenues in the year ended June 30, 2023. Net receivables estimated to be collected subsequent to August 31, 2023, are deferred as of June 30, 2023, and recorded as revenue when received. Prior year levies were recorded using substantially the same principles, and remaining receivables are reevaluated annually.

The Wilkes County Payroll Development Authority is the lessor for the former Concord Fabrics/Persimmon Homes warehouse as noted in Note 1. The Wilkes County Payroll Development Authority recognized $149,071 as lease revenue for the year ended June 30, 2023.

## NOTE 6. CAPITAL ASSETS

### A. Primary Government

Capital asset activity for the fiscal year ended June 30, 2023, is as follows:

| | Beginning Balance | Increases | Decreases | Transfers | Ending Balance |
|---|---|---|---|---|---|
| Governmental activities: | | | | | |
| Capital assets, not being depreciated: | | | | | |
| Land | $ 1,384,651 | $ - | $ - | $ - | $ 1,384,651 |
| Constuction in progress | 122,467 | 10,550 | - | - | 133,017 |
| Total | 1,507,118 | 10,550 | - | - | 1,517,668 |
| Capital assets, being depreciated: | | | | | |
| Infrastucture | 22,312,047 | - | - | - | 22,312,047 |
| Buildings and improvements | 22,026,475 | - | - | - | 22,026,475 |
| Equipment, furniture and vehicles | 8,642,526 | 547,744 | - | - | 9,190,270 |
| Total | 52,981,048 | 547,744 | - | - | 53,528,792 |
| Less accumulated depreciation for: | | | | | |
| Infrastucture | (5,916,990) | (458,529) | - | - | (6,375,519) |
| Buildings and improvements | (12,096,412) | (428,290) | - | - | (12,524,702) |
| Equipment, furniture and vehicles | (6,865,416) | (547,551) | - | - | (7,412,967) |
| Total | (24,878,818) | (1,434,370) | - | - | (26,313,188) |
| Total capital assets, being depreciated, net | 28,102,230 | (886,626) | - | - | 27,215,604 |
| Governmental activities capital assets, net | $ 29,609,348 | $ (876,076) | $ - | $ - | $ 28,733,272 |

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

| | |
|---|---|
| Governmental activities: | |
| General government | $ 955,592 |
| Public safety | 377,433 |
| Public works | 88,008 |
| Culture and recreation | 13,337 |
| Total depreciation expense | $ 1,434,370 |

## 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 | $ 42,990 | $ - | $ - | $ 554,425 |
| Total | 511,435 | 42,990 | - | - | 554,425 |
| 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 | (1,039,230) | (87,975) | - | - | (1,127,205) |
| Engineering and construction | (175,766) | (7,560) | - | - | (183,326) |
| Total | (1,214,996) | (95,535) | - | - | (1,310,531) |
| Total capital assets, being depreciated, net | 1,442,864 | (95,535) | - | - | 1,347,329 |
| Payroll Development Authority capital assets, net | $ 1,954,299 | $ (52,545) | $ - | $ - | $ 1,901,754 |

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, 2023:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| **Governmental activities:** | | | | | |
| General obligation bonds | $ 700,000 | $ - | $ (345,000) | $ 355,000 | $ 355,000 |
| Net pension liability | 1,457,520 | 1,124,691 | (507,381) | 2,074,830 | - |
| Compensated absences | 369,150 | 118,141 | (63,567) | 423,724 | - |
| Landfill post-closure costs | 1,230,036 | 86,103 | - | 1,316,139 | - |
| Governmental activities Long-term liabilities | $ 3,756,706 | $ 1,328,935 | $ (915,948) | $ 4,169,693 | $ 355,000 |

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 |
|---|---|---|---|
| 2024 | $ 355,000 | $ 6,417 | $ 361,417 |
| Total | $ 355,000 | $ 6,417 | $ 361,417 |

## 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, 2023, the County has a remaining 15 years of monitoring. Engineering studies estimate post-closure costs of approximately $1,316,139 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, 2023. Actual costs may be higher due to changes in inflation, changes in technology, or changes in regulations. Should any problems occur during this post-closure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

## NOTE 8. INTERFUND TRANSFERS

Interfund transfers as of June 30, 2023 are as follows:

| Transfers In | Transfers Out | Amount |
|---|---|---|
| Nonmajor Governmental Funds | General Fund | $ 212,853 |
| | | $ 212,853 |

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, 2023, the County paid $5,942 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, 2022, (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 | 25 |
| Active plan members | 74 |
| | 113 |

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, 2023, the County's contribution rate was 12.8% of annual payroll. County contributions to the Plan were $387,195 for the year ended June 30, 2023.

## NOTE 10. RETIREMENT PLAN (CONTINUED)

### Net Pension Liability of the County

The County's net pension liability was measured as of December 31, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022, with update procedures performed by the actuary to roll forward to the total pension liability measured as of December 31, 2022.

*Actuarial Assumptions*. The total pension liability in the January 1, 2022 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 2022.

The actuarial assumptions used in the January 1, 2022 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, 2022, are summarized in the following table:

| Asset Class | Target Allocation | Range |
|---|---|---|
| Fixed income | 30% | 25 - 35 % |
| Large cap equity | 30% | 25 - 35 % |
| Mid cap equity | 5% | 2.5 - 10 % |
| Small cap equity | 5% | 2.5 - 10 % |
| International equity | 15% | 10 - 20 % |
| Other equity | 10% | 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, 2023, were as follows:

| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a) - (b) |
|---|---|---|---|
| Balances at June 30, 2022 | $ 5,111,830 | $ 3,654,310 | $ 1,457,520 |
| *Changes for the year:* | | | |
| Service cost | 159,994 | - | 159,994 |
| Interest | 346,904 | - | 346,904 |
| Liability experience (gain)/loss | (120,186) | - | (120,186) |
| Assumption change | 9,080 | - | 9,080 |
| Contributions-employer | - | 387,195 | (387,195) |
| Net investment income | - | (520,096) | 520,096 |
| Benefit payments, including refunds of employee contributions | (312,121) | (312,121) | - |
| Administrative expense | - | (32,812) | 32,812 |
| Other changes | - | (55,805) | 55,805 |
| *Net changes* | 83,671 | (533,639) | 617,310 |
| Balances at June 30, 2023 | $ 5,195,501 | $ 3,120,671 | $ 2,074,830 |

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 | $ 2,755,622 | $ 2,074,830 | $ 1,504,588 |

## 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, 2022, 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, 2023, the County recognized pension expense of $570,606. At June 30, 2023, 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 | $ 338,548 | $ - |
| Differences between expected and actual experience | 195,980 | 107,883 |
| Changes in assumptions | 52,172 | - |
| Total | $ 586,700 | $ 107,883 |

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, | |
|---|---|
| 2024 | $ 55,282 |
| 2025 | 100,881 |
| 2026 | 216,708 |
| 2027 | 105,946 |
| Total | $ 478,817 |

## 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, 2023

| | **2023** | 2022 | 2021 | 2020 |
|---|---|---|---|---|
| **Total pension liability** | | | | |
| Service cost | **$ 159,994** | $ 157,482 | $ 143,788 | $ 130,006 |
| Interest on total pension liability | **346,904** | 321,764 | 295,903 | 285,611 |
| Differences between expected and actual experience | **(120,186)** | 164,332 | 243,447 | (75,260) |
| Changes of assumptions | **9,080** | 7,669 | 8,427 | 201,957 |
| Benefit payments, including refunds of employee contributions | **(312,121)** | (272,069) | (372,217) | (418,320) |
| **Net change in total pension liability** | **83,671** | 379,178 | 319,348 | 123,994 |
| **Total pension liability - beginning** | **5,111,830** | 4,732,652 | 4,413,304 | 4,289,310 |
| **Total pension liability - ending (a)** | **5,195,501** | 5,111,830 | 4,732,652 | 4,413,304 |
| **Plan fiduciary net position** | | | | |
| Contributions - employer | **387,195** | 373,668 | 373,551 | 354,231 |
| Net investment income | **(520,096)** | 494,427 | 382,635 | 507,823 |
| Benefit payments, including refunds of employee contributions | **(312,121)** | (272,069) | (372,217) | (418,320) |
| Administrative expenses | **(32,812)** | (30,642) | (29,437) | (28,161) |
| Other | **(55,805)** | (14,674) | (26,900) | (70,138) |
| **Net change in fiduciary net position** | **(533,639)** | 550,710 | 327,632 | 345,435 |
| **Plan fiduciary net position - beginning** | **3,654,310** | 3,103,600 | 2,775,968 | 2,430,533 |
| **Plan fiduciary net position - ending (b)** | **3,120,671** | 3,654,310 | 3,103,600 | 2,775,968 |
| **County's net pension liability - ending (a) - (b)** | **$ 2,074,830** | $ 1,457,520 | $ 1,629,052 | $ 1,637,336 |
| **Plan fiduciary net position as a percentage of total pension liability** | **60.1%** | 71.5% | 65.5% | 62.9% |
| **Covered payroll** | **$ 2,839,250** | $ 2,785,993 | $ 2,607,218 | $ 2,510,577 |
| **County's net pension liability as a percentage of covered payroll** | **73.1%** | 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,

| | **2023** | 2022 | 2021 | 2020 |
|---|---|---|---|---|
| Actuarially determined contribution | **$ 387,195** | $ 373,668 | $ 373,639 | $ 373,493 |
| Contributions in relation to the actuarially determined contribution | **387,195** | 373,668 | 373,639 | 373,493 |
| Contribution deficiency (excess) | **$ -** | $ - | $ - | $ - |
| Covered payroll | **$ 3,021,562** | $ 2,839,250 | $ 2,558,897 | $ 2,607,218 |
| Contributions as a percentage of covered payroll | **12.8%** | 13.2% | 14.6% | 14.3% |

**Notes to the Schedule:**

| | |
|---|---|
| Valuation Date | January 1, 2022 |
| 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

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## 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.

**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, 2023

| | Special Revenue Funds | | | |
|---|---|---|---|---|
| | Section 5311 Transpor Fund | Drug Abuse Treatment Fund | Jail Construction/ Staffing Fund | Law Library Fund |
| **ASSETS** | | | | |
| Cash and cash equivalents | $ - | $ 53,810 | $ 87,514 | $ 78,122 |
| Accounts receivable | 14,782 | - | - | - |
| Total assets | $ 14,782 | $ 53,810 | $ 87,514 | $ 78,122 |
| **LIABILITIES AND FUND BALANCES** | | | | |
| **LIABILITIES** | | | | |
| Accrued liabilities | $ - | $ - | $ - | $ - |
| Total liabilities | - | - | - | - |
| **FUND BALANCES** | | | | |
| Restricted for: | | | | |
| Judicial | - | - | - | 78,122 |
| Public safety | - | 53,810 | 87,514 | - |
| Public works | 14,782 | - | - | - |
| Culture and recreation | - | - | - | - |
| Housing and development | - | - | - | - |
| Capital projects | - | - | - | - |
| Total liabilities and fund balances | 14,782 | 53,810 | 87,514 | 78,122 |
| | $ 14,782 | $ 53,810 | $ 87,514 | $ 78,122 |

| Special Revenue Funds | | | | | |
|---|---|---|---|---|---|
| Hotel/Motel Tax Fund | E-911 Fund | Airport Fuel Tax Fund | Parks and Recreation Department | Nonmajor Governmental Funds | |
| $ 1,000 | $ 96,052 | $ 37,749 | $ 64,226 | $ 418,473 | |
| - | 31,432 | - | - | 46,214 | |
| $ 1,000 | $ 127,484 | $ 37,749 | $ 64,226 | $ 464,687 | |
| | | | | | |
| $ - | $ - | $ - | $ 9,204 | $ 9,204 | |
| - | - | - | 9,204 | 9,204 | |
| | | | | | |
| - | - | - | - | 78,122 | |
| - | 127,484 | - | - | 268,808 | |
| - | - | - | - | 14,782 | |
| - | - | - | 55,022 | 55,022 | |
| 1,000 | - | - | - | 1,000 | |
| - | - | 37,749 | - | 37,749 | |
| 1,000 | 127,484 | 37,749 | 55,022 | 455,483 | |
| $ 1,000 | $ 127,484 | $ 37,749 | $ 64,226 | $ 464,687 | |

**WILKES COUNTY, GEORGIA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**
**NONMAJOR GOVERNMENTAL FUNDS**
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

| | Special Revenue Funds | | | |
|---|---|---|---|---|
| | Section 5311 Transpor Fund | Drug Abuse Treatment Fund | Jail Construction/ Staffing Fund | Law Library Fund |
| **REVENUES** | | | | |
| Other taxes | $ - | $ - | $ - | $ - |
| Intergovernmental | 107,966 | 37,335 | - | - |
| Charges for services | - | - | - | - |
| Court fees, fines and forfeitures | - | - | 63,350 | 19,204 |
| Interest | - | 78 | - | - |
| Other | 16,883 | - | - | - |
| Total revenues | 124,849 | 37,413 | 63,350 | 19,204 |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| Judicial | - | - | - | 2,595 |
| Public safety | - | 34,316 | 21,000 | - |
| Public works | 235,333 | - | - | - |
| Culture and recreation | - | - | - | - |
| Housing and development | - | - | - | - |
| Total expenditures | 235,333 | 34,316 | 21,000 | 2,595 |
| Excess (deficiency) of revenues over (under) expenditures | (110,484) | 3,097 | 42,350 | 16,609 |
| **OTHER FINANCING SOURCES** | | | | |
| Transfers in | 117,853 | - | - | - |
| Total other financing sources | 117,853 | - | - | - |
| Net change in fund balances | 7,369 | 3,097 | 42,350 | 16,609 |
| **FUND BALANCES, beginning of year** | 7,413 | 50,713 | 45,164 | 61,513 |
| **FUND BALANCES, end of year** | $ 14,782 | $ 53,810 | $ 87,514 | $ 78,122 |

| Special Revenue Funds | | | | | |
|---|---|---|---|---|---|
| Hotel/Motel Tax Fund | E-911 Fund | Airport Fuel Tax Fund | Parks and Recreation Department | Nonmajor Governmental Funds | |
| $ 51,951 | $ - | $ 83,817 | $ - | $ 135,768 | |
| - | 190,915 | - | - | 336,216 | |
| - | - | - | 185,792 | 185,792 | |
| - | - | - | - | 82,554 | |
| - | - | - | - | 78 | |
| - | - | - | - | 16,883 | |
| 51,951 | 190,915 | 83,817 | 185,792 | 757,291 | |
| | | | | | |
| - | - | - | - | 2,595 | |
| - | 205,464 | - | - | 260,780 | |
| - | - | 78,863 | - | 314,196 | |
| - | - | - | 273,919 | 273,919 | |
| 51,951 | - | - | - | 51,951 | |
| 51,951 | 205,464 | 78,863 | 273,919 | 903,441 | |
| | | | | | |
| - | (14,549) | 4,954 | (88,127) | (146,150) | |
| | | | | | |
| - | - | - | 95,000 | 212,853 | |
| | | | | | |
| - | - | - | 95,000 | 212,853 | |
| - | (14,549) | 4,954 | 6,873 | 66,703 | |
| | | | | | |
| 1,000 | 142,033 | 32,795 | 48,149 | 388,780 | |
| | | | | | |
| $ 1,000 | $ 127,484 | $ 37,749 | $ 55,022 | $ 455,483 | |

# 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, 2023

| | Section 5311 Transport Fund | | |
|---|---|---|---|
| | Final Budget | Actual | Variance with Final Budget |
| **REVENUES** | | | |
| Other taxes | $ - | $ - | $ - |
| Intergovernmental | 106,000 | 107,966 | 1,966 |
| Charges for services | - | - | - |
| Court fees, fines and forfeitures | - | - | - |
| Interest | - | - | - |
| Other | 14,500 | 16,883 | 2,383 |
| Total revenues | 120,500 | 124,849 | 4,349 |
| **EXPENDITURES** | | | |
| Current: | | | |
| Judicial | - | - | - |
| Public safety | - | - | - |
| Public works | 212,487 | 235,333 | (22,846) |
| Culture and recreation | - | - | - |
| Housing and development | - | - | - |
| Total expenditures | 212,487 | 235,333 | (22,846) |
| Excess (deficiency) of revenues over (under) expenditures | (91,987) | (110,484) | (18,497) |
| **OTHER FINANCING SOURCES** | | | |
| Transfers in | - | 117,853 | 117,853 |
| Total other financing sources | - | 117,853 | 117,853 |
| Net change in fund balances | (91,987) | 7,369 | 99,356 |
| **FUND BALANCES, beginning of year** | 7,413 | 7,413 | - |
| **FUND BALANCES (DEFICITS), end of year** | $ (84,574) | $ 14,782 | $ 99,356 |

**(Continued)**

| Drug Abuse Treatment Fund | | | Jail Construction/Staffing Fund | | |
|---|---|---|---|---|---|
| Final Budget | Actual | Variance with Final Budget | Final Budget | Actual | Variance with Final Budget |
| $ - | $ - | $ - | $ - | $ - | $ - |
| 11,000 | 37,335 | 26,335 | - | - | - |
| - | - | - | - | - | - |
| - | - | - | 32,000 | 63,350 | 31,350 |
| 30 | 78 | 48 | - | - | - |
| - | - | - | - | - | - |
| 11,030 | 37,413 | 26,383 | 32,000 | 63,350 | 31,350 |
| | | | | | |
| - | - | - | - | - | - |
| 32,000 | 34,316 | (2,316) | 26,000 | 21,000 | 5,000 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 32,000 | 34,316 | (2,316) | 26,000 | 21,000 | 5,000 |
| | | | | | |
| (20,970) | 3,097 | 24,067 | 6,000 | 42,350 | 36,350 |
| | | | | | |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| | | | | | |
| (20,970) | 3,097 | 24,067 | 6,000 | 42,350 | 36,350 |
| | | | | | |
| 50,713 | 50,713 | - | 45,164 | 45,164 | - |
| | | | | | |
| $ 29,743 | $ 53,810 | $ 24,067 | $ 51,164 | $ 87,514 | $ 36,350 |

# 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, 2023

| | Law Library Fund | | |
|---|---|---|---|
| | Final Budget | Actual | Variance with Final Budget |
| **REVENUES** | | | |
| Other taxes | $ - | $ - | $ - |
| Intergovernmental | - | - | - |
| Charges for services | - | - | - |
| Court fees, fines and forfeitures | - | 19,204 | 19,204 |
| Interest | - | - | - |
| Other | - | - | - |
| Total revenues | - | 19,204 | 19,204 |
| **EXPENDITURES** | | | |
| Current: | | | |
| Judicial | - | 2,595 | (2,595) |
| Public safety | - | - | - |
| Public works | - | - | - |
| Culture and recreation | - | - | - |
| Housing and development | - | - | - |
| Total expenditures | - | 2,595 | (2,595) |
| Excess (deficiency) of revenues over (under) expenditures | - | 16,609 | 16,609 |
| **OTHER FINANCING SOURCES** | | | |
| Transfers in | - | - | - |
| Total other financing uses | - | - | - |
| Net change in fund balances | - | 16,609 | 16,609 |
| **FUND BALANCES, beginning of year** | 61,513 | 61,513 | - |
| **FUND BALANCES, end of year** | $ 61,513 | $ 78,122 | $ 16,609 |

**(Continued)**

| Hotel/Motel Tax Fund | | | E-911 Fund | | |
|---|---|---|---|---|---|
| Final Budget | Actual | Variance with Final Budget | Final Budget | Actual | Variance with Final Budget |
| $ 45,000 | $ 51,951 | $ 6,951 | $ - | $ - | $ - |
| - | - | - | 206,100 | 190,915 | 15,185 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 45,000 | 51,951 | 6,951 | 206,100 | 190,915 | 15,185 |
| - | - | - | - | - | - |
| - | - | - | 281,100 | 205,464 | 75,636 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 45,000 | 51,951 | (6,951) | - | - | - |
| 45,000 | 51,951 | (6,951) | 281,100 | 205,464 | 75,636 |
| - | - | - | (75,000) | (14,549) | 60,451 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | (75,000) | (14,549) | 60,451 |
| 1,000 | 1,000 | - | 142,033 | 142,033 | - |
| $ 1,000 | $ 1,000 | $ - | $ 67,033 | $ 127,484 | $ 60,451 |

# 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, 2023

| | Airport Fuel Tax Fund | | |
|---|---|---|---|
| | Final Budget | Actual | Variance with Final Budget |
| **REVENUES** | | | |
| Other taxes | $ 86,500 | $ 83,817 | $ (2,683) |
| Intergovernmental | - | - | - |
| Charges for services | - | - | - |
| Court fees, fines and forfeitures | - | - | - |
| Interest | - | - | - |
| Other | - | - | - |
| Total revenues | 86,500 | 83,817 | (2,683) |
| **EXPENDITURES** | | | |
| Current: | | | |
| Judicial | - | - | - |
| Public safety | - | - | - |
| Public works | 86,500 | 78,863 | 7,637 |
| Culture and recreation | - | - | - |
| Housing and development | - | - | - |
| Total expenditures | 86,500 | 78,863 | 7,637 |
| Excess (deficiency) of revenues over (under) expenditures | - | 4,954 | 4,954 |
| **OTHER FINANCING SOURCES** | | | |
| Transfers in | - | - | - |
| Total other financing sources | - | - | - |
| Net change in fund balances | - | 4,954 | 4,954 |
| **FUND BALANCES, beginning of year** | 32,795 | 32,795 | - |
| **FUND BALANCES, end of year** | $ 32,795 | $ 37,749 | $ 4,954 |

| Parks and Recreation Department | | |
|---|---|---|
| Final Budget | Actual | Variance with Final Budget |
| $ - | $ - | $ - |
| - | - | - |
| 265,000 | 185,792 | (79,208) |
| - | - | - |
| - | - | - |
| - | - | - |
| 265,000 | 185,792 | (79,208) |
| | | |
| - | - | - |
| - | - | - |
| - | - | - |
| 228,467 | 273,919 | (45,452) |
| - | - | - |
| 228,467 | 273,919 | (45,452) |
| | | |
| 36,533 | (88,127) | (124,660) |
| | | |
| - | 95,000 | 95,000 |
| - | 95,000 | 95,000 |
| | | |
| 36,533 | 6,873 | (29,660) |
| | | |
| 48,149 | 48,149 | - |
| | | |
| $ 84,682 | $ 55,022 | $ (29,660) |

# WILKES COUNTY, GEORGIA

## SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2017 ISSUE FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | Original Estimated Cost | Current Estimated Cost | Prior Years | Current Year | Total |
|---|---|---|---|---|---|
| City of Washington | $ 1,336,778 | $ 1,336,778 | $ 1,415,257 | $ 398,875 | $ 1,814,132 |
| City of Tignall | 176,387 | 176,387 | 187,835 | 52,631 | 240,466 |
| City of Rayle | 64,390 | 64,390 | 67,312 | 19,214 | 86,526 |
| Jail renovations and improvements | 500,000 | 500,000 | 170,396 | 163,512 | 333,908 |
| 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 | 237,361 | - | 237,361 |
| Driveway improvements for Library | 15,000 | 15,000 | 1,466 | - | 1,466 |
| Recreation improvements | 200,000 | 200,000 | 154,814 | 18,295 | 173,109 |
| Hospital | 500,000 | 500,000 | 500,000 | - | 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 | 743,899 | 441,581 | 1,185,480 |
| Total | $ 5,596,565 | $ 5,596,565 | 5,326,139 | 1,094,108 | $ 6,420,247 |
| Debt service payments on bond payments | | | 1,429,258 | 354,414 | |
| | | | $ 6,755,397 | $ 1,448,522 | |

# WILKES COUNTY, GEORGIA

## CUSTODIAL FUNDS

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**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, 2023

| | Tax Commissioner | Clerk of Superior Court | Probate Court | Magistrate Court |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Cash | $ 321,778 | $ 42,538 | $ 21,566 | $ 15,453 |
| Taxes receivable | 467,532 | - | - | - |
| Total assets | $ 789,310 | $ 42,538 | $ 21,566 | $ 15,453 |
| **LIABILITIES** | | | | |
| Due to others | $ 119,429 | $ 11,562 | $ 21,716 | $ 8,580 |
| Uncollected taxes | 467,532 | - | - | - |
| Total Liabilities | $ 586,961 | $ 11,562 | $ 21,716 | $ 8,580 |
| **NET POSITION (DEFICIT)** | | | | |
| Restricted for individuals, organizations, and other governments | $ 202,349 | $ 30,976 | $ (150) | $ 6,873 |

| Sheriff | Total |
|---|---|
| $ 58,725 | $ 460,060 |
| - | 467,532 |
| $ 58,725 | $ 927,592 |
| $ 21,507 | $ 182,794 |
| - | 467,532 |
| $ 21,507 | $ 650,326 |
| $ 37,218 | $ 277,266 |

# WILKES COUNTY, GEORGIA

## COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
## CUSTODIAL FUNDS
## FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | Tax Commissioner | Clerk of Superior Court | Probate Court | Magistrate Court |
|---|---|---|---|---|
| **ADDITIONS** | | | | |
| Taxes collected | $ 8,268,811 | $ - | $ - | $ - |
| Fines and fees collected | - | 189,033 | 343,697 | 114,357 |
| Total additions | 8,268,811 | 189,033 | 343,697 | 114,357 |
| **DEDUCTIONS** | | | | |
| Taxes disbursed | 8,120,326 | - | - | - |
| Fines and fees disbursed | - | 277,503 | 393,636 | 115,906 |
| Total deductions | 8,120,326 | 277,503 | 393,636 | 115,906 |
| Change in net position | 148,485 | (88,470) | (49,939) | (1,549) |
| Net position, beginning of year | 53,864 | 119,446 | 49,789 | 8,422 |
| Net position (deficit), end of year | $ 202,349 | $ 30,976 | $ (150) | $ 6,873 |

| Sheriff | Total |
|---|---|
| $ - | $ 8,268,811 |
| 510,169 | 1,157,256 |
| 510,169 | 9,426,067 |
| - | 8,120,326 |
| 492,467 | 1,279,512 |
| 492,467 | 9,399,838 |
| 17,702 | 26,229 |
| 19,516 | 251,037 |
| $ 37,218 | $ 277,266 |

# 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, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated May 30, 2024. 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 responses as items 2023-001 and 2023-003 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 responses as item 2023-002.

**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
May 30, 2024

# WILKES COUNTY, GEORGIA

## SCHEDULE OF FINDINGS AND RESPONSES
## FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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## 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***

The Uniform Guidance allows for an alternative to the Single Audit (in the form of a compliance attestation engagement) for those governments who meet two criteria: 1) a total Coronavirus State and Local Fiscal Recovery Funds award of $10 million or less, and 2) other expenditures from other programs of less than $750,000 in total. Wilkes County, Georgia meets both criteria and has elected to do a compliance attestation engagement for the year ended June 30, 2023.

# WILKES COUNTY, GEORGIA

## SCHEDULE OF FINDINGS AND RESPONSES
## FOR THE FISCAL YEAR ENDED JUNE 30, 2023

## SECTION II
## FINANCIAL STATEMENT FINDINGS AND RESPONSES

### 2023-001 – 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 2023 fiscal year. Significant adjustments were determined and required to be recorded in the months that followed June 30, 2023. 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, 2023.

**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.

# WILKES COUNTY, GEORGIA

## SCHEDULE OF FINDINGS AND RESPONSES
## FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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## SECTION II
## FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

**2023-001 – 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.

**2023-002 – 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, 2023, 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
  - ARPA Fund
  - Drug Abuse Treatment Fund
  - Parks and Recreation Department Fund

- An annual budget was not adopted for the following funds:
  - Law Library Fund – no budget was adopted.
  - E-911 Fund – budget was adopted but was not balanced.
  - Drug Abuse Treatment Fund – budget was adopted but was not balanced.
  - Section 5311 Transport 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.
  - Jail Construction/Staffing Fund – budget was adopted but was not balanced.

**Context:** We addressed the matter with the County to determine the appropriate actions needed as to be in compliance with state budget requirements at June 30, 2023.

## SECTION II
## FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

**2023-002 – Budgetary Requirements (Continued)**

**Effects:** County expenditures exceeded budgeted amounts at the department level in the funds noted above as of June 30, 2023. The County did not adopt an annual balanced budget for the funds noted above for the year ended June 30, 2023.

**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.

**2023-003 – 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 RESPONSES (CONTINUED)

**2023-003 – 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

## SUMMARY OF PRIOR YEAR FINDINGS
## FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**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 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 2023-001.

**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

**2022-002 – 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.
  - 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.

**Auditee Response/Status:** Unresolved. This is included in the current finding 2023-002.

**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.

- 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.
  word
- 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.

# WILKES COUNTY, GEORGIA

## SUMMARY OF PRIOR YEAR FINDINGS
## FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

- 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.

**Auditee Response/Status:** Unresolved. This is included in the current finding 2023-003.

**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.

**Auditee Response/Status:** Single audit was not required to be performed in the current year.