

PIKE COUNTY, GEORGIA



ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR
ENDED JUNE 30, 2022

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Pike County
Zebulon, Georgia 30295

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Pike County, Georgia, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Pike County, Georgia's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Pike County, Georgia, as of June 30, 2022, and the respective changes in financial position, and the respective budgetary comparisons for the general fund, the E911 fund, and the American Rescue Plan fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Pike County Health Department, which represents 6 percent, 3 percent, and 27 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Pike County Health Department, is based solely on the report of the other auditor.

Basis for Opinion

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 Pike County, Georgia, 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 opinion.

Responsibilities of Management for the Financial Statements

The County's 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 Pike County, Georgia'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 Pike County, Georgia'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 Pike County, Georgia'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 page 50), the Schedule of County Contributions – Pension Plan (on page 51) 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 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 part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic

financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Pike County, Georgia's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of special purpose local sales tax proceeds are presented for the purpose 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. In our opinion, the combining and individual nonmajor fund financial statements, the schedule of expenditures of special purpose sales tax proceeds, and the schedule of expenditures of the community development block grant 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 July 24, 2023, on our consideration of Pike County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Pike County Georgia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Pike County, Georgia's internal control over financial reporting and compliance.



Morrow, Georgia
July 24, 2023

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FINANCIAL STATEMENTS

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PIKE COUNTY, GEORGIA
 STATEMENT OF NET POSITION
 June 30, 2022

	PRIMARY GOVERNMENT	
	Governmental Activities	Component Units
ASSETS		
Cash and cash equivalents	\$ 14,269,335	\$ 1,145,920
Receivables (net of allowance for uncollectible):		
Taxes	454,824	-
Accounts	70,556	27,890
Due from other governments	292,093	-
Inventory	10,717	-
Prepaid items	240,249	12,831
Restricted Assets:		
Temporary cash investments	-	142,341
Net OPEB asset	-	34,012
Capital assets:		
Non depreciable	421,744	2,830,316
Depreciable, net	8,351,310	4,663,297
TOTAL ASSETS	<u>24,110,828</u>	<u>8,856,607</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions	-	115,250
Deferred outflows of resources related to OPEB	-	30,825
Total Deferred Outflows of Resources	<u>-</u>	<u>146,075</u>

The notes to financial statements are an integral part of this statement.
 This financial statement continues on the next page.

PIKE COUNTY, GEORGIA
STATEMENT OF NET POSITION

June 30, 2022

	PRIMARY GOVERNMENT	
	Governmental Activities	Component Units
LIABILITIES		
Accounts payable	\$ 646,758	\$ 7,630
Accrued salaries and benefits	187,360	12,196
Accrued interest	4,040	2,208
Unearned Revenue	3,578,422	-
Customer deposits	-	58,261
Noncurrent liabilities		
Due within one year		
Notes payable	100,975	53,758
Capital leases	329,123	-
Bonds payable	880,000	162,408
Landfill post closure cost	16,080	-
Compensated absences	254,385	34,197
Due in more than one year		
Notes payable	83,574	230,124
Capital leases	-	-
Bonds payable	-	1,722,969
Landfill post closure cost	23,340	-
Compensated absences	125,233	14,947
Net pension liability	3,840,284	172,097
Net OPEB liability	-	19,204
TOTAL LIABILITIES	10,069,574	2,489,999
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pensions	134	159,058
Deferred inflows of resources related to OPEB	-	89,846
Total Deferred Inflows of Resources	134	248,904
NET POSITION		
Net investment in capital assets	7,379,382	5,324,354
Restricted for:		
Capital outlay	4,381,373	-
Court programs	67,027	-
Law enforcement	184,339	-
Health services	-	143,142
Debt service	-	142,341
Unrestricted	2,028,999	653,942
TOTAL NET POSITION	\$ 14,041,120	\$ 6,263,779

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

PIKE COUNTY, GEORGIA
STATEMENT OF ACTIVITIES

June 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Primary Government		Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities		
Primary Government							
Governmental activities:							
General government	\$ 3,279,353	\$ 813,282	\$ 1,716,389	\$ -	\$ (749,682)		
Public safety	6,707,299	549,070	-	-	(6,158,229)		
Public works	4,624,922	8,150	-	-	(4,616,772)		
Judicial	1,903,509	-	-	-	(1,903,509)		
Health and welfare	892,756	-	-	-	(892,756)		
Culture and recreation	696,763	-	-	-	(696,763)		
Housing and development	1,546,237	-	-	-	(1,546,237)		
Interest on long-term debt	55,380	-	-	-	(55,380)		
Total governmental activities	<u>19,706,219</u>	<u>1,370,502</u>	<u>1,716,389</u>	<u>-</u>	<u>(16,619,328)</u>		
Total Primary Government	\$ 19,706,219	\$ 1,370,502	\$ 1,716,389	\$ -	\$ (16,619,328)		
Component Units							
Pike County Department of Public Health	\$ 404,635	\$ 288,429	\$ 318,696	\$ -		\$ 202,490	
Pike County J. Joel Edward Public Library	163,162	7,132	158,502	-		2,472	
Pike County Water and Sewerage Authority	529,686	369,679	208,645	-		48,638	
Pike County Agribusiness Authority	45,184	9,784	41,000	-		5,600	
Development Authority of Pike County	22,734	-	63,000	-		40,266	
Pike County Recreation Authority	544,229	281,064	232,950	229,452		199,237	
Total Component Units	\$ 1,709,630	\$ 956,088	\$ 1,022,793	\$ 229,452		\$ 498,703	
General Revenues							
					\$ 6,822,418	\$ -	
Property tax					4,037,240	-	
Sales tax					3,425,359	-	
Other tax					447,370	-	
Licenses and permits					1,093	396	
Interest revenue					585,803	19,737	
Miscellaneous					50,312	-	
Gain on sale of asset							
Total General Revenues and Transfers					<u>15,369,595</u>	<u>20,133</u>	
Change in net position					\$ (1,249,733)	\$ 518,836	
Net position - beginning of year					<u>15,290,853</u>	<u>5,744,943</u>	
Net Position - End of year					<u>\$ 14,041,120</u>	<u>\$ 6,263,779</u>	

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

PIKE COUNTY, GEORGIA
GOVERNMENTAL FUNDS BALANCE SHEET

June 30, 2022

	General Fund	E911 Fund	American Rescue Plan Fund	SPLOST 2016 Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 5,112,150	\$ 416,204	\$ 3,589,089	\$ 2,806,463	\$ 2,345,429	\$ 14,269,335
Receivables, net of allowance						
Taxes	253,768	-	-	201,056	-	454,824
Other receivables	35,023	33,127	-	-	2,404	70,554
Due from other governments	152,448	-	-	-	139,646	292,094
Due from other funds	442,853	-	-	-	17,367	460,220
Inventory	10,717	-	-	-	-	10,717
Prepaid items	240,249	-	-	-	-	240,249
Total Assets	\$ 6,247,208	\$ 449,331	\$ 3,589,089	\$ 3,007,519	\$ 2,504,846	\$ 15,797,993
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ 381,009	\$ 2,309	\$ 10,112	\$ -	\$ 253,328	\$ 646,758
Accrued payroll deductions	175,795	11,565	-	-	-	187,360
Due to other governments	-	-	-	-	-	-
Unearned Revenue	-	-	3,578,422	-	-	3,578,422
Due to other funds	17,367	435,457	-	6,556	840	460,220
Total Liabilities	\$ 574,171	\$ 449,331	\$ 3,588,534	\$ 6,556	\$ 254,168	\$ 4,872,760
Deferred Inflows of Resources						
Unavailable Revenues - property taxes	\$ 201,291	\$ -	\$ -	\$ -	\$ -	\$ 201,291
Total Deferred Inflows of Resources	\$ 201,291	\$ -	\$ -	\$ -	\$ -	\$ 201,291
Fund Balances						
Nonspendable	\$ 250,966	\$ -	\$ -	\$ -	\$ -	\$ 250,966
Restricted	-	-	-	3,000,963	1,631,776	4,632,739
Committed	64,700	-	-	-	-	64,700
Assigned	-	-	-	-	618,902	618,902
Unassigned	5,156,080	-	555	-	-	5,156,635
Total Fund Balances	\$ 5,471,746	\$ -	\$ 555	\$ 3,000,963	\$ 2,250,678	\$ 10,723,942
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 6,247,208	\$ 449,331	\$ 3,589,089	\$ 3,007,519	\$ 2,504,846	\$ 15,797,993

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

PIKE COUNTY, GEORGIA RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

June 30, 2022

Total Fund Balance per Balance Sheet of Governmental Funds \$ 10,723,942

Amounts reported for governmental activities in the Statement of Net Position differ from amounts reported in the Balance Sheet of Governmental Funds due to the following:

Capital Assets

Capital assets used in governmental activities are not financial resources and are not reported in the funds

Cost of the assets	19,583,694
Accumulated depreciation	(10,810,640)

Revenues

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	201,291
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Long-Term Liabilities

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities both current and long-term are reported in the Statement of Net Position. Long-term liabilities at year-end consist of the following

Capital leases payable	(329,123)
Notes payable	(184,549)
Bonds payable	(880,000)
Landfill postclosure costs	(39,420)
Compensated absences	(379,618)
Accrued interest	(4,039)
Net pension liability	(3,840,284)

Deferred inflows of resources represent an acquisition of fund equity that will be recognized as an inflow of resources in a future period and therefore are not reported in the funds.

Deferred inflows of Pension Resources	<u>(134)</u>
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Total Net Position of Governmental Activities	<u><u>\$ 14,041,120</u></u>
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GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

June 30, 2022

	General Fund	E911 Fund	American Rescue Plan Fund	SPLOST 2016 Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues						
Taxes:						
Property tax	\$ 6,822,369	\$ -	\$ -	\$ -	\$ -	\$ 6,822,369
Sales tax	1,716,986	-	-	2,320,254	-	4,037,240
Other taxes	3,425,359	-	-	-	-	3,425,359
Licenses and permits	447,370	-	-	-	-	447,370
Intergovernmental	317,257	-	104,724	-	1,294,408	1,716,389
Fines and forfeitures	432,655	-	-	-	34,178	466,833
Charges for services	576,539	353,150	-	-	440,813	1,370,502
Interest earnings	466	27	190	202	208	1,093
Contributions and donations	7,058	-	-	-	-	7,058
Other revenues	111,912	-	-	-	-	111,912
Total revenues	\$ 13,857,971	\$ 353,177	\$ 104,914	\$ 2,320,456	\$ 1,769,607	\$ 18,406,125
Expenditures						
Current:						
General government	\$ 2,088,929	\$ -	\$ 104,724	\$ -	\$ 11,681	\$ 2,205,334
Public safety	3,568,817	571,456	-	-	16,937	4,157,210
Public works	3,710,129	-	-	648,091	-	4,358,220
Judicial	1,306,485	-	-	-	3,405	1,309,890
Health and welfare	791,322	-	-	-	-	791,322
Culture and recreation	426,692	-	-	-	229,452	656,144
Housing and development	546,879	-	-	-	753,822	1,300,701
Intergovernmental	-	-	-	293,265	-	293,265
Debt service						
Principal	253,570	-	-	840,000	-	1,093,570
Interest	38,762	-	-	19,370	-	58,132
Capital Outlay	-	-	-	-	310,109	310,109
Total expenditures	\$ 12,731,585	\$ 571,456	\$ 104,724	\$ 1,800,726	\$ 1,325,406	\$ 16,533,897
Excess (deficiency) of revenues over (under) expenditures	\$ 1,126,386	\$ (218,279)	\$ 190	\$ 519,730	\$ 444,201	\$ 1,872,228
Other financing sources (uses)						
Transfer from other funds	\$ -	\$ 218,279	\$ -	\$ -	\$ 261,830	\$ 480,109
Transfer to other funds	(480,109)	-	-	-	-	(480,109)
Loan Proceeds	-	-	-	-	-	-
Proceeds from sale of property	50,312	-	-	-	-	50,312
Total other financing sources (uses)	\$ (429,797)	\$ 218,279	\$ -	\$ -	\$ 261,830	\$ 50,312
Net change in fund balance	\$ 696,589	\$ -	\$ 190	\$ 519,730	\$ 706,031	\$ 1,922,541
Fund balance - beginning of year	4,775,157	-	365	2,481,233	1,544,647	8,801,402
Fund balance - end of year	\$ 5,471,746	\$ -	\$ 555	\$ 3,000,963	\$ 2,250,678	\$ 10,723,943

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

**PIKE COUNTY, GEORGIA RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**
For the Fiscal Year Ended June 30, 2022

Excess (deficit) of revenues and other financing sources over (under) expenditures and other uses per Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances		\$ 1,922,541
<p>Amounts reported for governmental activities in the Statement of Activities differ from amounts reported in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances due to the following:</p>		
Capital Assets		
<p>Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets are depreciated over their estimated useful lives and reported as depreciation expense in the current period.</p>		
Total capital outlays		520,610
Total depreciation		(835,781)
<p>In the statement of activities, the gain or loss on disposal of capital assets is reported, whereas in the governmental funds, the proceeds from the sale of capital assets increase financial resources</p>		
Cost of assets disposed		(94,384)
Related accumulated depreciation		94,384
Long-Term Debt		
<p>The proceeds of debt issuance, net of premiums, discounts and issuance costs provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principle is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In addition, interest on long-term debt is not recognized in the governmental funds until due, but is recognized in the statement of activities as it accrues.</p>		
Capital leases		74,213
Bond payable		840,000
Note payable		179,357
Accrued interest		2,752
Debt issued or incurred		-
Landfill postclosure costs		23,340
Compensated absences		(136,393)
Revenues		
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
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Change in Deferred Inflows of Resources		
<p>Deferred inflows of resources are not available to pay for current expenditures and therefore are not reported in the funds. These deferred inflows of resources consist of pension related differences between projected and actual earnings on plan.</p>		
		(134)
<p>Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contribution is reported as pension expense.</p>		
Pension contributions	240,217	
Cost of benefits earned net of employee contributions	<u>(4,080,501)</u>	<u>(3,840,284)</u>
Change in net position of governmental activities		<u>\$ (1,249,732)</u>

PIKE COUNTY, GEORGIA
GENERAL FUND STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Amended		
Taxes				
General property tax	\$ 6,866,359	\$ 6,866,359	\$ 6,822,369	\$ (43,990)
Local option sales tax	1,200,000	1,200,000	1,716,986	516,986
Other				
Motor vehicle tax	1,458,000	1,458,000	1,784,157	326,157
Intangible tax	225,000	225,000	271,387	46,387
Mobile home tax	15,000	15,000	13,240	(1,760)
Timber taxes	11,000	11,000	4,250	(6,750)
Insurance premium tax	1,100,000	1,100,000	1,162,716	62,716
Penalties and interest	33,000	33,000	30,451	(2,549)
Financial institution tax	62,000	62,000	61,356	(644)
Other taxes	66,000	66,000	97,802	31,802
Total Taxes	11,036,359	11,036,359	11,964,714	928,355
Licenses and Permits				
Alcohol beverage license	50,000	50,000	57,952	7,952
Business license	34,000	34,000	45,253	11,253
Building permits	200,000	200,000	266,752	66,752
Other	36,000	36,000	77,413	41,413
Total Licenses and Permits	320,000	320,000	447,370	127,370
Intergovernmental Revenues				
Federal grants				
Public Safety & First Responders	-	45,700	57,088	11,388
Hazard Mitigation Grant	-	-	111,911	111,911
State grants				
Georgia Emergency Management	7,651	7,651	9,031	1,380
Other				
ACCG Employee Safety	-	2,500	2,500	-
Senior Citizen Center	119,177	119,177	136,727	17,550
Total Intergovernmental Revenue	126,828	175,028	317,257	142,229

PIKE COUNTY, GEORGIA
GENERAL FUND STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original</u>	<u>Amended</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Fines and Forfeitures				
Animal Control Fines	2,000	2,000	7,412	5,412
Probate Court fines	145,000	145,000	161,104	16,104
Magistrate Court fines	17,000	17,000	14,488	(2,512)
Superior Court fines	176,000	176,000	228,801	52,801
Sheriff's cost and fees	20,000	20,000	20,850	850
Total Fines and Forfeitures	<u>360,000</u>	<u>360,000</u>	<u>432,655</u>	<u>72,655</u>
Charges for Services				
Tax Commissioner - commissions	314,000	348,000	347,664	(336)
Driveway culverts	18,000	18,000	8,150	(9,850)
Sheriff Services	158,093	158,093	195,920	37,827
Election Services	7,500	7,500	24,740	17,240
Other	250	250	65	(185)
Total Charges for Services	<u>497,843</u>	<u>531,843</u>	<u>576,539</u>	<u>44,696</u>
Miscellaneous				
Interest earnings	500	500	466	(34)
Contributions and donations	500	500	7,058	6,558
Miscellaneous	31,650	31,650	111,912	80,262
Total Miscellaneous	<u>32,650</u>	<u>32,650</u>	<u>119,436</u>	<u>86,786</u>
Total Revenues	<u><u>12,373,680</u></u>	<u><u>12,455,880</u></u>	<u><u>13,857,971</u></u>	<u><u>1,402,091</u></u>

PIKE COUNTY, GEORGIA
GENERAL FUND STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original</u>	<u>Amended</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
General Government				
General Administration	1,056,347	1,489,841	1,318,521	171,320
Tax Commissioner's Office	305,828	305,278	278,969	26,309
Tax Assessors	352,564	352,564	330,775	21,789
Board of Equalization	2,973	2,973	1,968	1,005
Voter Registrar	172,756	173,289	158,696	14,593
Total General Government	<u>1,890,468</u>	<u>2,323,945</u>	<u>2,088,929</u>	<u>235,016</u>
Judicial				
Judicial Administration	184,641	184,641	181,269	3,372
Superior Court	309,163	334,253	331,000	3,253
Probate Court	215,782	217,240	217,103	137
Magistrate Court	291,864	291,896	268,364	23,532
Public Defender	181,315	181,315	181,315	-
District Attorney	127,034	127,434	127,434	-
Total Judicial	<u>1,309,799</u>	<u>1,336,779</u>	<u>1,306,485</u>	<u>30,294</u>
Public Safety				
Sheriff's Office	2,100,853	2,150,506	2,104,144	46,362
Jail Operations	979,170	940,109	859,740	80,369
Fire Department	245,876	263,376	255,386	7,990
Inmate Care	147,708	181,908	180,935	973
Animal Control	87,233	145,187	128,304	16,883
Coroner's Office	34,976	44,023	40,308	3,715
Total Public Safety	<u>3,595,816</u>	<u>3,725,109</u>	<u>3,568,817</u>	<u>156,292</u>
Public Works				
Soil conservation	42,535	42,535	23,610	18,925
Solid waste	60,340	71,840	55,144	16,696
Waste and water	210,545	211,113	211,113	-
Buildings and grounds	310,989	310,989	293,648	17,341
Roads	2,584,408	3,138,090	3,126,614	11,476
Total Public Works	<u>3,208,817</u>	<u>3,774,567</u>	<u>3,710,129</u>	<u>64,438</u>

PIKE COUNTY, GEORGIA
GENERAL FUND STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original</u>	<u>Amended</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Health and Welfare				
DFCS	18,053	18,053	18,053	-
Ambulance Contract	401,475	457,919	457,919	-
Emergency Management	27,357	27,357	24,722	2,635
Senior Center	179,250	190,034	190,034	-
Pike County Board of Health	76,105	76,105	76,105	-
McIntosh Trail RC	24,489	24,489	24,489	-
Total Health and Welfare	<u>726,729</u>	<u>793,957</u>	<u>791,322</u>	<u>2,635</u>
Culture and Recreation				
Recreation	362,260	362,260	234,063	128,197
Library	201,043	201,043	182,956	18,087
Forestry Resources	9,673	9,673	9,673	-
Total Culture and Recreation	<u>572,976</u>	<u>572,976</u>	<u>426,692</u>	<u>146,284</u>
Housing and Development				
Pike County Agribusiness Authority	39,000	39,000	37,251	1,749
Planning and Zoning Development Authority	454,421	458,832	446,628	12,204
Economic Development	63,000	63,000	63,000	-
	26,728	26,728	-	26,728
Total Housing and Development	<u>583,149</u>	<u>587,560</u>	<u>546,879</u>	<u>40,681</u>
Debt Service				
Principal	253,570	253,570	253,570	-
Interest and fiscal charges	38,762	38,762	38,762	-
Total Debt Service	<u>292,332</u>	<u>292,332</u>	<u>292,332</u>	<u>-</u>
Total Expenditures	<u>12,180,086</u>	<u>13,407,225</u>	<u>12,731,585</u>	<u>675,640</u>
Excess Revenue Over (Under) Expenditures	<u>193,594</u>	<u>(951,345)</u>	<u>1,126,386</u>	<u>2,077,731</u>

PIKE COUNTY, GEORGIA
GENERAL FUND STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original</u>	<u>Amended</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Other Financing Sources (Uses)				
Transfer from ARPA	337,375	337,375		(337,375)
Transfer to E911 Fund	(348,544)	(512,540)	(218,279)	294,261
Transfer to LMIG Fund	(193,000)	(193,000)	(193,000)	-
Transfer to CDBG Fund	(40,000)	(68,830)	(68,830)	-
Proceeds from sales of property	50,812	50,812	50,312	(500)
Total other financing sources (uses)	<u>(193,357)</u>	<u>(386,183)</u>	<u>(429,797)</u>	<u>(43,614)</u>
Net change in fund balance	237	(1,337,528)	696,589	2,034,117
Fund Balance - Beginning of Year	<u>4,775,157</u>	<u>4,775,157</u>	<u>4,775,157</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 4,775,394</u>	<u>\$ 3,437,629</u>	<u>\$ 5,471,746</u>	<u>\$ 2,034,117</u>

PIKE COUNTY, GEORGIA
E-911 FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 350,000	\$ 350,000	\$ 353,150	\$ 3,150
Interest income	25	25	27	2
Total Revenues	350,025	350,025	353,177	3,152
Expenditures				
Current:				
Public safety	571,456	571,456	571,456	-
Capital outlay	-	-	-	-
Total Expenditures	571,456	571,456	571,456	-
Excess (deficiency) of revenues over (under) expenditures	(221,431)	(221,431)	(218,279)	3,152
Other Financing Sources (Uses)				
Transfers (to) from General Fund	512,540	512,540	218,279	(294,261)
Total Other Financing Sources (Uses)	512,540	512,540	218,279	(294,261)
Net change in fund balance	291,109	291,109	-	(291,109)
Fund Balance - Beginning of Year	-	-	-	-
Fund Balance - End of Year	\$ 291,109	\$ 291,109	\$ -	\$ (291,109)

PIKE COUNTY, GEORGIA
 AMERICAN RESCUE PLAN FUND STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the Fiscal Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental revenues	\$ -	\$ 104,724	\$ 104,724	\$ -
Interest income	-	-	190	190
Total Revenues	-	104,724	104,914	190
Expenditures				
Current:				
General Government	-	104,724	104,724	-
Total Expenditures	-	104,724	104,724	-
Excess (deficiency) of revenues over (under) expenditures	-	-	190	190
Other Financing Sources (Uses)				
Transfers to General Fund	(337,375)	(337,375)	-	337,375
Total Other Financing Sources (Uses)	(337,375)	(337,375)	-	337,375
Net change in fund balance	(337,375)	(337,375)	190	337,565
Fund Balance - Beginning of Year	365	365	365	-
Fund Balance - End of Year	\$ (337,010)	\$ (337,010)	\$ 555	\$ 337,565

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS

June 30, 2022

	<u>Custodial Funds</u>
ASSETS	
Cash	\$ 228,236
Taxes receivable	<u>599,857</u>
Total Assets	<u><u>828,093</u></u>
LIABILITIES	
Due to others	228,236
Uncollected taxes	<u>599,857</u>
Total Liabilities	<u><u>828,093</u></u>
NET POSITION:	
Restricted for individuals, organizations, and other and other governments	<u><u>\$ -</u></u>

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUNDS

June 30, 2022

	<u>Custodial Funds</u>
ADDITIONS	
Taxes	\$ 28,156,332
Fines and fees	1,797,202
Court individual cases	<u>34,635</u>
Total additions	<u>29,988,169</u>
DEDUCTIONS	
Due to other governments	29,766,893
Due to others	<u>221,275</u>
Total deductions	<u>29,988,168</u>
Net increase (decrease) in fiduciary net position	-
Net position - beginning	<u>-</u>
Net position - ending	<u><u>\$ -</u></u>

NOTES TO THE FINANCIAL STATEMENTS

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The County operates under a Commission-County Administrator form of government. As required by GAAP, the financial statements of the reporting entity include those of the County (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 and financial relationships with the County. In conformity with GAAP, as set forth in the Statement of Governmental Accounting Standard No. 14, "The Financial Reporting Entity," as amended by GASB Statements No. 39, 61, 80, 84, 85, 87, and 90, the component units' financial statements have been included as discretely presented component units. Each discretely presented component unit, on the other hand, is reported separately in the governmentwide financial statements to emphasize that it is legally separate from the County. The component units' financial information disclosed within the governmentwide financial statements reflects the most recently audited financial statements. The following is a brief review of each component unit addressed in defining the government's reporting entity.

Included with the reporting entity as Discretely Presented Component Units:

Pike County Department of Public Health (Health Department)

The Health Department is charged with determining the health needs and resources of its jurisdiction, developing programs, activities, and facilities responsive to those needs, and enforcing all laws related to health matters unless they fall under the jurisdiction of other agencies. The County appoints the voting majority of the board. The County provides significant operating subsidies to the department. The Health Department is presented as a governmental fund type. Complete financial statements of the Pike County Department of Public Health may be obtained from their administrative office at the following location:

Pike County Department of Public Health
201 Griffin Street
Zebulon, Georgia 30295

Pike County J. Joel Edwards Public Library

The Pike County J. Joel Edwards Public Library provides educational and other reading materials to Pike County citizens. The County provides significant operating subsidies to the library. The Pike County J. Joel Edwards Public Library is presented as a governmental fund type and only maintains a General Fund. Separate financial statements may be obtained from their administrative office at the following location:

Pike County J. Joel Edwards Public Library
P.O. Box 574
Zebulon, Georgia 30295

Pike County Agribusiness Authority

The Pike County Agribusiness is responsible for promoting agriculture in Pike County. The County provides significant operating subsidies to the Authority. The Pike County Agribusiness Authority is presented as a governmental fund type and only maintains a General Fund. The Pike County Agribusiness Authority does not issue separate financial statements.

Development Authority of Pike County

The Development Authority of Pike County promotes new industry and existing industries in Pike County. The County provides significant operating subsidies to the Authority. The Development Authority of Pike County is presented as a governmental fund type. Separate financial statements may be obtained from their administrative office at the following location:

Development Authority of Pike County
P.O. Box 1147
Zebulon, Georgia 30295

Pike County Water and Sewerage Authority

The Pike County Water and Sewerage Authority is responsible for developing the necessary infrastructure to provide water and sewerage service to the unincorporated areas of Pike County. The County provides significant operating subsidies to the Authority. The Pike County Water and Sewerage Authority is presented as a proprietary fund type. Separate financial statements may be obtained from their administrative office at the following location:

Pike County Water and Sewerage Authority
P.O. Box 948
Zebulon, Georgia 30295

Pike County Recreation Authority

The Pike County Recreation Authority is responsible for developing and promoting recreational needs within the County. The County provides significant operating subsidies to the Authority. The Pike County Recreation Authority is presented as a governmental fund type. Separate financial statements may be obtained from their administrative office at the following location:

Pike County Recreation Authority
P.O. Box 697
Zebulon, Georgia 30295

Under Georgia law, the County, in conjunction with other cities and counties in the five-county RC membership, is a member of the Three Rivers Regional Commission (RC) and is required to pay annual

dues thereto. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the RC's organizational structure in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

Three Rivers Regional Commission
P.O. Box 818
Griffin, Georgia 30224

B. Governmentwide and fund financial statements

The governmentwide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmentwide financial statements do not provide information by fund. Governmental activities are mainly supported by taxes and intergovernmental revenue. The primary government is reported separately from discretely presented component units. The statement of net position includes noncurrent assets and liabilities. In addition, the governmentwide statement of activities reflects depreciation expenses on the County's capital assets.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not considered program revenues are reported instead as general revenues.

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

C. Measurement focus, basis of accounting, and financial statement presentation

The governmentwide financial statements are reported using the flow of economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Under the modified accrual basis of accounting, revenues are recognized as soon as they are 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 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 and expenditures related to compensated absences, claims, and judgments are recorded only when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, local option sales taxes, intergovernmental revenues, interest, and charges for services associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues are considered to be measurable and available only when cash is received by the government.

The fund financial statements provide more detailed information about the government's most significant funds, not the government as a whole. The activities of the government are organized on the basis of funds, each of which is considered a separate accounting entity. Each Fund's operations are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The government reports the following major governmental funds:

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

E911 Fund – The special revenue fund is used to account for the E911 fees collected and disbursements for the operations of the E911 call center.

ARPA Fund – The special revenue fund is used to account for all Local Fiscal Recovery Funds received through the American Rescue Plan (ARP) Act of 2021.

SPLOST Fund – The capital project fund is used to account for various projects associated with the approved SPLOST. Funding is provided by a special County 1% sales and use tax.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Capital Project Funds – The LMIG Fund is used to account for the proceeds and various projects associated with the Local Maintenance & Improvement Grant. The Jail Construction fund is used to account for capital improvements made on the jail. Capital improvements fund was established to identify and monitor major capital expenditures of the County's various departments. The CDBG fund is used to account for a housing development project funded by a grant.

Custodial Funds – 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 tax.

D. Cash, cash equivalents and investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

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 governmentwide statement of net position. In the fund-level balance sheets or statements of net position, these receivables and payables are classified as “due from other funds” or “due to other funds.”

F. Inventories

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

G. Prepaid items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in government-wide and fund financial statements. These items are accounted for using the consumption method.

H. Capital Assets

Capital assets, which include property, plant equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items acquired subsequent to November 1, 2003), are reported in the government-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life over two years. Such assets are

recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The cost of routine maintenance and repairs that do not add to the asset's value or materially extend the asset's lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

Building	25-40 years
Equipment	5-20 years
Infrastructure	50 years
Furniture	5 years
Vehicles	5 years
Intangible assets	3-5 years

I. Compensated absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the 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, due to employee resignations and retirements.

J. Long-term obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be

recognized as an outflow of resources (expense/expenditure) until then. The County has one item that qualifies for reporting in this category. This item relates to the County's Retirement Benefit Plans and is reported in the governmentwide statement of net position. Certain changes in the net pension liability are recognized as pension expenses over time instead of all being recognized in the year of occurrence. Changes in actuarial assumptions, which adjust the net pension liability, are also recorded as deferred outflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. Experienced losses 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. These experienced losses are recorded as deferred outflows of resources and are amortized into pension expenses over the expected remaining service lives of the plan members. Contributions made subsequent to the measurement date are deferred and recognized as pension expenses in future years.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition as an inflow of resources (revenue) until that time. The County has two items that qualify for reporting in this area. One item relates to the County's Retirement Plan and the recording of changes in its net pension liability. Experience gains 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. These experience gains are recorded as deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of the plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five-year period. Changes in actuarial assumptions, which adjust the total pension liability, are also recorded as deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. The other item qualifying for reporting in this category arises only under a modified accrual basis of accounting. The item, unavailable revenue, is reported only in the governmental fund's balance sheet. The governmental funds report unavailable revenues for property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

L. 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 and deferred inflows of resources under the current financial resources measurement focus of accounting. In conformity with GAAP, as set forth in the Statement of Governmental Standards No. 54., "Fund Balance Reporting and Governmental Fund Type Definitions," the County established fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is

bound to observe constraints upon the use of the resources reported in the government funds. Fund balances are classified as follows:

- **Nonspendable** – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- **Restricted** – amounts are restricted when there are limitations imposed on their use through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments.
- **Committed** – amounts that can only be used 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, through a resolution, may modify or rescind the commitment.
- **Assigned** – amounts constrained by the County's intent to be used for specific purposes but are neither restricted nor committed. By resolution, the Board of Commissioners has authorized the County Manager or designee to assign fund balance for specific purposes in accordance with the intent and actions of the Board of Commissioners.
- **Unassigned** – amounts that are the residual amount when the balances do not meet any of the above criteria. The County reports positive unassigned only in the General Fund. Negative unassigned fund balances 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:

- Committed
- Assigned
- Unassigned

The County does not have a formal minimum fund balance policy.

The following is a summary of the fund balance classifications as of June 30, 2022

	General Fund	American Rescue Plan Fund	SPLOST 2016 Fund	Nonmajor Governmental	Total
<u>Fund Balances</u>					
Nonspendable					
Inventory	\$ 10,717	\$ -	\$ -	\$ -	\$ 10,717
Prepays	240,249	-	-	-	240,249
Restricted for					
Capital outlay	-	-	3,000,963	1,380,410	4,381,373
Court programs	-	-	-	67,027	67,027
Law enforcement	-	-	-	184,339	184,339
Committed for					
Capital outlay	12,500	-	-	-	12,500
Tax assessments	52,200	-	-	-	52,200
Assigned for					
Capital outlay	-	-	-	605,918	605,918
Juvenile court	-	-	-	12,984	12,984
Unassigned	<u>5,156,080</u>	<u>555</u>	<u>-</u>	<u>-</u>	<u>5,156,635</u>
Total fund					
balances	<u>\$5,471,746</u>	<u>\$ 555</u>	<u>\$3,000,963</u>	<u>\$2,250,678</u>	<u>\$ 10,723,942</u>

M. 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. The remaining 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 positions are available.

N. Risk Management

The County is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets, and errors or omissions. The County purchases commercial insurance for most types of risk. For these risks, settlements have not exceeded coverage for each of the past three fiscal years. The County had no significant reduction in insurance coverage from coverage in the prior year.

The County has joined together with other municipalities in the state as part of the ACCG Group Self Insurance Workers' Compensation Self Insurance Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

The Fund is to defend, in the name of and on behalf of the members, any suits or other proceedings, which may at any time be instituted against them on account of injuries or death within the preview of the Workers' Compensation Law of Georgia, or on the basis of employer's liability. The Fund is to pay all costs taxed against members in any legal proceeding defined by the members, all interest accruing after entry of judgment, and all expenses incurred for investigations, negotiation, or defense. For the fiscal year ending June 30, 2022, the County's total contribution was \$117,173 for the Workers Compensation Fund.

The County is a member of the ACCG Interlocal Risk Management Agency (ACCG-IRMA). This agency functions as a risk-sharing arrangement among Georgia County governments and is administered by the Association of County Commissioners of Georgia (ACCG). The purpose of ACCG-IRMA is to establish and administer one or more group self-insurance funds; to establish and administer a risk management service; to prevent or lessen the incidence or severity of casualty and property losses. Each member pays an annual contribution established by the Board of ACCG-IRMA. For the period July 1, 2021 – June 30, 2022, the County's total contribution was \$184,372. ACCG-IRMA may develop and issue such self-insurance coverage descriptions as it deems necessary. The current coverage provides a \$1,000,000 general liability unit with a \$1,000 per occurrence deductible.

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

NOTE 2 – LEGAL COMPLIANCE - BUDGET

Budgets and Budgetary Accounting

The annual budget document is the financial plan for the operation of Pike County. The budget process exists to provide a professional management approach to establishing priorities and implementing work programs while providing an orderly means for controlling and evaluating the County's financial posture.

The County prepares a separately issued budget report. An annual operating budget is prepared for the General and Special Revenue funds. Prior to year-end, the County Manager submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following November 1. The operating budget includes proposed expenditures and the means of financing them. The Board of Commissioners holds a public hearing on the budget, giving notice thereof at least ten days in advance by publication in the official organ of Pike County.

The budget is then revised and adopted or amended by the Board of Commissioners at a regular meeting before the year to which it applies. The budget so adopted may be revised during the year only by formal action of the Board of Commissioners in a regular meeting, and no increase shall be made therein without provision also being made for financing same. The legal level of control is at the department level.

Formal budgetary integration is employed as a management control device during the year. The General and Special Revenue Funds' budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). The General Fund is subject to budgetary control on a departmental basis, while the Special Revenue funds are subject to budgetary control on an individual fund basis. Budgets are prepared for the Capital Projects Funds on a project basis, usually covering two or more fiscal years. Budgeted amounts are as originally adopted or as amended by the Board of Commissioners. Individual amendments are not material in relation to the original appropriations.

Excess of Expenditures Over Appropriations

- Expenditures in the State Seizure Fund exceeded the budgeted amount by \$307.
- Expenditures in the Law Library Fund exceeded the budgeted amount by \$6,540.

NOTE 3 – DEPOSITS AND INVESTMENTS

Custodial Credit Risk – Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The County has no formal credit risk policy, but follows the State of Georgia requirement that all deposits be federally insured or fully collateralized. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2022, all the deposits of the County and the component units were properly insured and collateralized as required by the Official Code of Georgia Annotated (“O.C.G.A.”) §45-8-12(c) and as defined by GASB pronouncements.

On June 30, 2022, the carrying amount of deposits for the Pike County Department of Public Health, a discretely presented component unit, was \$488,209. All of the bank balance was covered by federal depository insurance or by collateral held.

On June 30, 2022, the carrying amount of deposits for the Pike County Library, a discretely presented component unit, was \$83,259. All of the bank balance was covered by federal depository insurance or by collateral held.

On June 30, 2022, the carrying amount of deposits for the Pike County Water and Sewerage Authority, a discretely presented component unit, was \$283,702. All of the bank balance was covered by federal depository insurance or by collateral held.

On June 30, 2022, the carrying amount of deposits for the Pike County Agribusiness Authority, a discretely presented component unit, was \$38,224. All of the bank balance was covered by federal depository insurance or by collateral held.

On June 30, 2022, the carrying amount of deposits for the Development Authority of Pike County, a discretely presented component unit, was \$116,783. All of the bank balance was covered by federal depository insurance or by collateral held.

On June 30, 2022, the carrying amount of deposits for the Pike County Recreation Authority, a discretely presented component unit, was \$135,743. All of the bank balance was covered by federal depository insurance or by collateral held.

Interest Rate Risk

Interest rate risk is the risk that debt investments' interest rates will adversely affect an investment's fair value. The County does not have a formal policy for managing interest rate risk.

Credit Risk

Georgia law authorizes local governments to invest in the following types of obligations: obligations of the State of Georgia or any other states; obligations issued by the United States; obligations fully insured or guaranteed by the United States government or governmental agency; prime banker's acceptances; State of Georgia Local Government Investment Pool; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. The County has no investment policy that further limits its investment choices.

NOTE 4 – PROPERTY TAXES

The Board of Commissioners levied property taxes on September 25, 2022. Property taxes attached as an enforceable lien on the property as of January 1. Property taxes were billed on September 25, 2022 and were payable on December 20, 2022.

NOTE 5 – RECEIVABLES

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

	General Fund	E911 Fund	SPLOST Fund	Nonmajor Funds	Total
<u>Receivables</u>					
Taxes	\$ 257,137	\$ -	\$ 201,056	\$ -	\$ 458,193
Accounts	35,023	33,127	-	2,404	70,554
Gross Receivables	<u>\$ 292,160</u>	<u>\$ 33,127</u>	<u>\$ 201,056</u>	<u>\$ 2,404</u>	<u>\$ 528,747</u>
Less: Allowance for Uncollectible	<u>(3,369)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,369)</u>
Net Total Receivables	<u>\$ 288,791</u>	<u>\$ 33,127</u>	<u>\$ 201,056</u>	<u>\$ 2,404</u>	<u>\$ 525,378</u>

NOTE 6 – DUE FROM OTHER GOVERNMENTS

Amounts due from other governments on June 30, 2022, are as follows:

<u>Fund</u>		
General Fund	\$	152,447
Nonmajor Funds		<u>139,646</u>
Total	\$	<u><u>292,093</u></u>

NOTE 7 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2022, is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Impact Fee Fund	General Fund	\$ 2,367
CDBG Fund	General Fund	15,000
General Fund	Law Library	115
General Fund	Jail Construction	725
General Fund	E-911	435,457
General Fund	SPLOST	<u>6,556</u>
Total		<u><u>\$ 460,220</u></u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers:

	<u>Transfer In:</u>		
	<u>E911</u>	<u>Nonmajor</u>	
	<u>Fund</u>	<u>Governmental</u>	<u>Total</u>
		<u>Funds</u>	
Transfer Out:			
General Fund	<u>\$ 218,279</u>	<u>\$ 261,830</u>	<u>\$ 480,109</u>
Total	<u><u>\$ 218,279</u></u>	<u><u>\$ 261,830</u></u>	<u><u>\$ 480,109</u></u>

Transfers are used to move unrestricted revenue to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

NOTE 8 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2022, is as follows:

	Beginning Balance	Increase	Decrease	Transfer	Ending Balance
<u>Governmental Activities</u>					
Capital assets, not being depreciated					
Land	\$ 317,020	\$ -	\$ -	\$ -	\$ 317,020
Equipment, not in service	-	-	-	-	-
Construction in progress	412,955	104,724	-	(412,955)	104,724
Total capital assets, not being depreciated	<u>729,975</u>	<u>104,724</u>	<u>-</u>	<u>(412,955)</u>	<u>421,744</u>
Capital assets, being depreciated					
Buildings	8,126,633	24,708	-	412,955	8,564,296
Furniture and fixtures	11,366	-	-	-	11,366
Machinery and equipment	4,728,900	139,261	-	-	4,868,161
Vehicles	4,435,636	208,372	(94,384)	-	4,549,624
Intangible assets	35,995	-	-	-	35,995
Infrastructure	1,088,963	43,545	-	-	1,132,508
Total capital assets, being depreciated	<u>18,427,493</u>	<u>415,886</u>	<u>(94,384)</u>	<u>412,955</u>	<u>19,161,950</u>
Less accumulated depreciation for					
Buildings	(2,878,734)	(226,395)	-	-	(3,105,129)
Furniture and fixtures	(11,242)	(124)	-	-	(11,366)
Machinery and equipment	(3,413,921)	(354,361)	-	-	(3,768,282)
Vehicles	(3,514,299)	(229,673)	94,384	-	(3,649,588)
Intangible assets	(30,114)	(2,667)	-	-	(32,781)
Infrastructure	(220,933)	(22,561)	-	-	(243,494)
Total accumulated depreciation	<u>(10,069,243)</u>	<u>(835,781)</u>	<u>94,384</u>	<u>-</u>	<u>(10,810,640)</u>
Total capital assets, being depreciated, net	<u>8,358,250</u>	<u>(419,895)</u>	<u>-</u>	<u>412,955</u>	<u>8,351,310</u>
Governmental activities capital assets, net	<u>\$ 9,088,225</u>	<u>\$ (315,171)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,773,054</u>
					Less related long-term debt outstanding <u>(1,393,672)</u>
					Net investment in capital assets <u>\$ 7,379,382</u>

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

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

Governmental activities

General government	\$ 245,513
Public safety	278,701
Public works	259,335
Judicial	10,346
Culture and recreation	25,620
Health and welfare	<u>16,266</u>
 Total depreciation expense - governmental activities	 <u><u>\$ 835,781</u></u>

Capital asset activity for the Pike County Agribusiness Authority for the fiscal year ended June 30, 2022, is as follows:

	Beginning Balance	Increase	Decrease	Tranfers	Ending Balance
Capital assets, not being depreciated					
Land	\$ 24,952	\$ -	\$ -	\$ -	\$ 24,952
Construction in progress	299,924	-	-	(299,924)	-
Total capital assets, not being depreciated	<u>295,386</u>	<u>-</u>	<u>-</u>	<u>(299,924)</u>	<u>24,952</u>
 Capital assets, being depreciated					
Building	82,496	-	-	-	82,496
Furniture and Fixtures	6,300	4,738	-	-	11,038
Site improvements	19,050	2,950	-	299,924	321,924
Total capital assets, being depreciated	<u>101,546</u>	<u>7,688</u>	<u>-</u>	<u>299,924</u>	<u>415,458</u>
 Less accumulated depreciation for					
Building	(62,631)	(719)	-	-	(63,350)
Furniture and Equipment	(45)	(2,554)	-	-	(2,599)
Site improvements	(19,050)	(22,855)	-	-	(41,905)
Total accumulated depreciation	<u>(80,962)</u>	<u>(26,128)</u>	<u>-</u>	<u>-</u>	<u>(107,854)</u>
 Total capital assets, being depreciated, net	 <u>20,584</u>	 <u>(18,440)</u>	 <u>-</u>	 <u>299,924</u>	 <u>307,604</u>
 Agribusiness Authority capital assets, net	 <u><u>\$ 315,970</u></u>	 <u><u>\$ (18,440)</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ 332,556</u></u>
					<u>(65,034.00)</u>
					<u><u>\$ 267,522.00</u></u>

Capital asset activity for the Development Authority of Pike County for the fiscal year ended June 30, 2022, is as follows:

Capital assets, not being depreciated				
Land	\$ 1,583,199	\$ -	\$ (93,934)	\$ 1,489,265
Gas line access	270,428	-	-	270,428
Total capital assets, not being depreciated	<u>1,853,627</u>	<u>-</u>	<u>(93,934)</u>	<u>1,759,693</u>
Capital assets, being depreciated				
Infrastructure	155,502	-	-	155,502
Equipment	7,950	-	-	7,950
Total capital assets, being depreciated	<u>163,452</u>	<u>-</u>	<u>-</u>	<u>163,452</u>
Less accumulated depreciation for				
Infrastructure	(14,853)	(3,110)	-	(17,963)
Equipment	(7,950)	-	-	(7,950)
Total accumulated depreciation	<u>(22,803)</u>	<u>(3,110)</u>	<u>-</u>	<u>(25,913)</u>
Total capital assets, being depreciated, net	<u>140,649</u>	<u>(3,110)</u>	<u>-</u>	<u>137,539</u>
Development Authority capital assets,	<u>\$ 1,994,276</u>	<u>\$ (3,110)</u>	<u>\$ (93,934)</u>	1,897,232
				less long-term debt outstanding <u>(70,074)</u>
				Net investments in capital assets <u>\$1,827,158</u>

Capital asset activity for the Pike Water and Sewerage Authority for the fiscal year ended June 30, 2022, is as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated				
Land	\$ 23,600	\$ -	\$ -	\$ 23,600
Construction in Progress	<u>21,140</u>	<u>86,408</u>	<u>-</u>	<u>107,548</u>
Total capital assets, not being depreciated	<u>44,740</u>	<u>86,408</u>	<u>-</u>	<u>131,148</u>
Capital assets, being depreciated				
Water Tower, Well & Treatment Plant	447,478	-	-	447,478
Water and Sewer Lines and Meters	5,661,815	14,687	-	5,676,502
Vehicles	20,557	-	-	20,557
Equipment	37,232	-	-	37,232
Storage Buildings	<u>2,700</u>	<u>20,327</u>	<u>-</u>	<u>23,027</u>
Total capital assets, being depreciated	<u>6,169,782</u>	<u>35,014</u>	<u>-</u>	<u>6,204,796</u>
Less accumulated depreciation for				
Water Tower, Well & Treatment Plant	(157,001)	(14,483)	-	(171,484)
Water and Sewer Lines and Meters	(2,001,978)	(141,791)	-	(2,143,769)
Vehicles	(20,557)	-	-	(20,557)
Equipment	(886)	(5,319)	-	(6,205)
Storage Buildings	<u>(2,700)</u>	<u>(1,016)</u>	<u>-</u>	<u>(3,716)</u>
Total accumulated depreciation	<u>(2,183,122)</u>	<u>(162,609)</u>	<u>-</u>	<u>(2,345,731)</u>
Total capital assets, being depreciated, net	<u>3,986,660</u>	<u>(127,595)</u>	<u>-</u>	<u>3,859,065</u>
Water & Sewerage Authority capital assets, net	<u>\$ 4,031,400</u>	<u>\$ (41,187)</u>	<u>\$ -</u>	3,990,213
Less: related long-term debt outstanding				<u>(1,885,377)</u>
Net investment in capital assets				<u>\$ 2,104,836</u>

Capital asset activity for the Pike County Recreation Authority for the fiscal year ended June 30, 2022, is as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated				
Land	\$ 475,000	\$ -	\$ -	\$ 475,000
Construction in Progress	<u>66,884</u>	<u>372,640</u>	<u>-</u>	<u>439,524</u>
Total capital assets, not being depreciated	<u>541,884</u>	<u>372,640</u>	<u>-</u>	<u>914,524</u>
Capital assets, being depreciated				
Building & Improvements	484,874	-	-	484,874
Furniture, fixtures & equipment	499,378	-	-	499,378
Vehicles	15,708	-	-	15,708
Infrastructure	<u>9,780</u>	<u>-</u>	<u>-</u>	<u>9,780</u>
Total capital assets, being depreciated	<u>1,009,740</u>	<u>-</u>	<u>-</u>	<u>1,009,740</u>
Less accumulated depreciation for				
Building & Improvements	(247,704)	(8,090)	-	(255,794)
Furniture, fixtures & equipment	(371,630)	(13,864)	-	(385,494)
Vehicles	(15,708)	-	-	(15,708)
Infrastructure	<u>(7,716)</u>	<u>(652)</u>	<u>-</u>	<u>(8,368)</u>
Total accumulated depreciation	<u>(642,758)</u>	<u>(22,606)</u>	<u>-</u>	<u>(665,364)</u>
Total capital assets, being depreciated, net	<u>366,982</u>	<u>(22,606)</u>	<u>-</u>	<u>344,376</u>
Recreation Authority capital assets, net	<u>\$ 908,866</u>	<u>\$ 350,034</u>	<u>\$ -</u>	<u>\$ 1,258,900</u>
Less: related long-term debt outstanding				<u>(148,774)</u>
Net investment in capital assets				<u>\$ 1,110,126</u>

Capital asset activity for the Pike County Board of Health for the fiscal year ended June 30, 2022, is as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, being depreciated				
Machinery & Equipment	\$ 18,603	\$ 2,655	-	\$ 21,258
Total capital assets, being depreciated	<u>18,603</u>	<u>2,655</u>	<u>-</u>	<u>21,258</u>
Less accumulated depreciation for				
Machinery & Equipment	(17,859)	(1,366)	-	(19,225)
Total accumulated depreciation	<u>(17,859)</u>	<u>(1,366)</u>	<u>-</u>	<u>(19,225)</u>
Total capital assets, being depreciated, net	<u>744</u>	<u>1,289</u>	<u>-</u>	<u>2,033</u>
Board of Health capital assets, net	<u>\$ 744</u>	<u>\$ 1,289</u>	<u>-</u>	<u>\$ 2,033</u>

Capital asset activity for the J. Joel Edwards Public Library of Pike County for the fiscal year ended June 30, 2022, is as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, being depreciated				
Equipment	\$ 6,900	\$ -	\$ -	\$ 6,900
Furniture and fixtures	26,947	-	-	26,947
Total capital assets, being depreciated	<u>33,847</u>	<u>-</u>	<u>-</u>	<u>33,847</u>
Less accumulated depreciation for				
Equipment	(2,760)	(1,380)	-	(4,140)
Furniture and fixtures	(14,332)	(2,695)	-	(17,027)
Total accumulated depreciation	<u>(17,092)</u>	<u>(4,075)</u>	<u>-</u>	<u>(21,167)</u>
Total capital assets, being depreciated, net	<u>16,755</u>	<u>(4,075)</u>	<u>-</u>	<u>12,680</u>
Library capital assets, net	<u>\$ 16,755</u>	<u>\$ (4,075)</u>	<u>-</u>	<u>\$ 12,680</u>

NOTE 9 – LONG TERM DEBT

For governmental activities, compensated absences and landfill post-closure costs are generally liquidated by the General Fund.

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2022, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental activities</u>					
Notes payable					
First Bank of Pike	\$ 11,660	\$ -	\$ (11,660)	\$ -	\$ -
First National Bank of Griffin	140,202	-	(46,562)	93,640	48,119
United Bank	142,301	-	(51,392)	90,909	52,856
United Bank	69,743	-	(69,743)	-	-
Capital Leases					
Caterpillar - road equipment	403,336	-	(74,213)	329,123	329,123
General Obligation Bonds					
2016 Bonds	1,720,000	-	(840,000)	880,000	880,000
Landfill postclosure cost	62,760	-	(23,340)	39,420	16,080
Compensated absences	<u>243,225</u>	<u>299,380</u>	<u>(162,987)</u>	<u>379,618</u>	<u>254,385</u>
Governmental activity					
Long-term liabilities	<u>\$ 2,793,227</u>	<u>\$ 299,380</u>	<u>\$ (1,279,897)</u>	<u>\$ 1,812,710</u>	<u>\$ 1,580,563</u>

NOTES PAYABLE:

First National Bank of Griffin

In 2021, the County entered into a \$144,006 note payable with the First National Bank of Griffin to finance two On-Highway Trucks. The note is due in 36 monthly installments of \$4,206 to May 28, 2024. Interest is at 3.250%. The total interest paid for the fiscal year 2022 was \$3,922.

Year Ending June 30th	Governmental Activities	
	Principal	Interest
2023	\$ 48,119	\$ 2,365
2024	45,521	758
Total	<u>\$ 93,640</u>	<u>\$ 3,123</u>

United Bank

In 2021, the County entered into a \$157,300 note payable with United Bank to finance a new paver and roller. The note is due in 36 monthly installments of \$4,586 to June 01, 2024. Interest is at 3.125%. The total interest paid for the fiscal year 2022 was \$3,640.

Year Ending June 30th	Governmental Activities	
	Principal	Interest
2023	\$ 52,856	\$ 3,089
2024	38,053	651
Total	<u>\$ 90,909</u>	<u>\$ 3,740</u>

CAPITAL LEASE PAYABLE:**Caterpillar Financial Services Corporation – road equipment**

The County obtained a \$690,115 capital lease from Caterpillar Financial Services Corporation to finance road equipment for Public Works. The equipment has a seven- year estimated useful life. This year, \$98,516 was included in depreciation expense and accumulated depreciation of \$476,118. Total interest paid for the fiscal year 2022 was \$18,897. The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2022, were as follows:

Year Ending June 30th	Governmental Activities	
	Principal	Interest
2023	\$ 329,123	\$ 2,667
Total	<u>\$ 329,123</u>	<u>\$ 2,667</u>

* balloon payment scheduled for year ending June 30, 2023.

General Obligation Bonds

On June 30, 2016, the County issued the \$4,640,000 Pike County, Georgia General Obligation Sales Tax Bonds Series 2016.

The Series 2016 Bonds were issued for the purpose of (1) funding various capital outlay projects and (2) paying expenses incident to accomplishing the foregoing. Interest on the General Obligation Sales Tax Bonds, Series 2016 is 1.49% over the life of the bonds. Interest is paid semi-annually on March 1 and September 1 of each year, and the principal is to be paid on September 1. The total interest paid for the fiscal year 2022 was \$19,370. Annual debt service requirements to maturity for this bond issue are as follows:

Year Ending June 30th	Governmental Activities	
	Principal	Interest
2023	\$ 880,000	\$ 6,556
Total	\$ 880,000	\$ 6,556

Landfill Post-Closure Costs

In 1994, the County closed its landfill site. State regulations require the County to perform certain maintenance and monitoring functions for thirty years after closure. Under GASB 18, the County is required to disclose the estimated maintenance and monitoring cost of \$16,080. The required plan for the closure of the landfill was adopted by the County and approved by the State of Georgia. Estimates were outlined in the plan and updated in 2017. These costs are subject to change due to inflation or deflation, technology, or applicable laws and regulations. The County is not required to commit current financial resources to guarantee future maintenance and monitoring activities.

Discretely presented component units:

Activity for the Pike County Water Sewerage Authority for the fiscal year ended June 30, 2022, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
2017 revenue bonds	\$ 2,043,573	\$ -	\$ (158,197)	\$ 1,885,376	\$ 162,408
Water and Sewerage					
Authority long-term liabilities	\$ 2,043,573	\$ -	\$ (158,197)	\$ 1,885,376	\$ 162,408

Activity for the Agribusiness Authority of Pike County for the fiscal year ended June 30, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Governmental Activities</u>					
Note payable	\$ 79,382	\$ -	\$ (14,348)	\$ 65,034	\$ 16,065
Agribusiness Authority long-term liabilities	<u>\$ 79,382</u>	<u>\$ -</u>	<u>\$ (14,348)</u>	<u>\$ 65,034</u>	<u>\$ 16,065</u>

Activity for the Development Authority of Pike County for the fiscal year ended June 30, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Governmental Activities</u>					
Note payable	\$ 106,550	\$ -	\$ (36,476)	\$ 70,074	\$ 37,693
Development Authority long-term liabilities	<u>\$ 106,550</u>	<u>\$ -</u>	<u>\$ (36,476)</u>	<u>\$ 70,074</u>	<u>\$ 37,693</u>

Activity for the Pike County Recreation Authority for the fiscal year ended June 30, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Governmental Activities</u>					
Notes Payable	\$ 5,355	\$ 143,419	\$ -	\$ 148,774	\$ -
Compensated Absences	<u>9,801</u>	<u>2,647</u>	<u>(4,067)</u>	<u>8,381</u>	<u>8,381</u>
Recreation Authority long-term liabilities	<u>\$ 15,156</u>	<u>\$ 146,066</u>	<u>\$ (4,067)</u>	<u>\$ 157,155</u>	<u>\$ 8,381</u>

Activity for the Pike County Board of Health for the fiscal year ended June 30, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Governmental Activities</u>					
Compensated absences	\$ 29,526	\$ 17,933	\$ (10,511)	\$ 36,948	\$ 22,169
Pike County Board of Health long-term liabilities	<u>\$ 29,526</u>	<u>\$ 17,933</u>	<u>\$ (10,511)</u>	<u>\$ 36,948</u>	<u>\$ 22,169</u>

Activity for the J. Joel Edwards Library of Pike County for the fiscal year ended June 30, 2022, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Governmental Activities</u>					
Compensated absences	\$ 3,647	\$ 5,127	\$ (4,959)	\$ 3,815	\$ 3,647
J. Joel Edwards Public Library long-term liabilities	<u>\$ 3,647</u>	<u>\$ 5,127</u>	<u>\$ (4,959)</u>	<u>\$ 3,815</u>	<u>\$ 3,647</u>

NOTE 11 - EMPLOYEE RETIREMENT PLANS

Defined Contribution Plan

Plan Description

The County contributes to the Association of County Commissioners of Georgia (ACCG) Defined Contribution Plan 401(a), administered by the Government Employee Benefits Corporation of Georgia (GEBCorp), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for Counties in the State of Georgia. GEBCorp provides retirement and death benefits to plan members and beneficiaries. GEBCorp issues a publicly available financial report that includes financial statements and required supplementary information for the County. That report may be obtained by writing to:

1100 Circle 75 Parkway
Suite 300
Atlanta, Georgia 30339

Funding Policy

County employees are required to contribute to the plan if they are to be members and receive the County match. The required member contribution is equal to 3% of the member's gross salary. The County is required to contribute 1% of the members' gross salary. The Plan provisions are established and may be amended by the Pike County Board of Commissioners and the ACCG Defined Benefit Board of Trustees. The contribution requirements of the plan members are established and may be amended by the ACCG Defined Benefit Board of Trustees.

This plan was frozen as of June 30, 2021.

Defined Benefit Plan

On July 01, 2021, the County adopted a Defined Benefit Plan.

Plan Description

The County contributes to the Association of County Commissioners of Georgia ("ACCG") Defined Benefit Plan, an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating counties in Georgia. The specific benefit provisions of the County's plan were established by an adoption agreement executed by the County Board of Commissioners. The plan provides benefits upon retirement, death, disablement, and termination of employment if certain eligibility conditions are met. The Plan issues a publicly available financial report that is available at the Pike County Finance Department located at 331 Thomaston Street, Zebulon, Georgia 30286.

Summary of Significant Accounting Policies

The Plan's financial statements are prepared on an accrual basis, modified to include unrealized gains or losses on marketable securities owned by the Plan.

Plan member contributions are recognized in the period in which contributions are due. County contributions are recognized when due, and the County has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable.

Investments in securities are valued at current market prices. The trust fund is invested approximately in 70% equities and 30% fixed-income securities on a cost basis.

Contributions

The County is required to contribute at an actuarially determined rate. Section 47-20 of the Georgia code sets forth the minimum funding standards for the state and local government pension plans. Certain administrative expenses are based on the total covered compensation of active plan participants and are added to the state-required annual funding requirements.

The Georgia Constitution enables the governing authority of the County, the Board of Commissioners, to establish, and amend from time to time the contribution rates for the County and its plan participants.

Net Pension Liability of the County

The County's net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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

Future Salary Increases 2.50% per year with an age-based scale
 Investment rate of return 7.00%

Mortality rates were based on the mortality tables developed specifically for governmental employees by the Society of Actuaries, released late in 2018. The tables were projected to 2021 to reflect that mortality rates in Georgia are in the quartile in the nation.

Participant Data

Participant counts as of January 1, 2021 (the most recent actuarial valuation date) and covered compensation (based on covered earnings for the preceding year) are shown below:

Retirees, Beneficiaries and Disabled participants receiving benefits	0
Terminated plan participants entitled to but not yet receiving benefits	0
Active employees participating in the Plan	<u>105</u>
Total number of Plan Participants	105
Part-time active employees not participating in the plan	8
Covered compensation for active participants	\$3,361,713
Average remaining future services for active participants	9.16

Sensitivity Analysis

The following presents the net pension liability, calculated using the discount rate of 7.0%, as well as what the 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%)
Employer's proportionate share of net pension liability	<u>\$4,668,205</u>	<u>\$3,840,284</u>	<u>\$3,404,904</u>

For the year ended June 30, 2022, Pike County recognized a pension expense of \$240,217.

At June 30, 2022, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ -
Changes in actuarial assumptions	-	-
Difference between projected and actual investment earnings	-	134
	<u>\$ -</u>	<u>\$ 134</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2022	\$ (33)
2023	(33)
2024	(34)
2025	<u>(34)</u>
Total	<u>\$ (134)</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions

For the year ended June 30, 2022 the County recognized pension expense of \$240,217. At June 30, 2022 the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2021	\$ 3,805,342	\$ -	\$ 3,805,342
Charges for the year:			
Service cost	132,408	-	132,408
Interest	133,187	-	133,187
Difference between expected and actual experience	-	-	-
Contributions - employer	-	240,217	(240,217)
Contributions - employee	-	-	-
Net investment income	-	-	-
Benefit payments	-	-	-
Administrative expense	-	(9,564)	9,564
Other	-	-	-
Net Changes	<u>265,595</u>	<u>230,653</u>	<u>34,942</u>
Balance at June 30, 2022	<u>\$ 4,070,937</u>	<u>\$ 230,653</u>	<u>\$ 3,840,284</u>

NOTE 12- SPECIAL FUNDING DEFINED BENEFIT PENSION PLANS

A. Employees' Retirement System

The County's Tax Commissioner is eligible to participate in the Employees' Retirement System (ERS), a voluntary pension system. The County makes no contributions to this plan. Pursuant to O.C.G.A. 47-2-292(a), the Department of Revenue receives an annual appropriation from the Georgia General Assembly to fund the employer contributions for local County Tax Commissioners. The plan is administered by the Employees' Retirement System, which issues a publicly available financial report that can be obtained at www.ers.ga.gov/formspubs/formspubs. This plan is considered immaterial to Pike County's financial statements.

B. Sheriffs' Retirement Fund of Georgia

The County's Sheriff is covered by the Sheriffs' Retirement Fund of Georgia. The County does not contribute to this plan. The County collects contributions as the agent for this Fund through its court systems. This plan is administered by the Georgia Sheriffs' Association (GSA), where separate financial statements may be obtained on their website. This plan is considered immaterial to Pike County's financial statements.

C. Judges of the Probate Courts Retirement Fund of Georgia

The County's Probate Judge is covered by the Judges of the Probate Courts Retirement Fund of Georgia. The County makes no contributions to this plan. The State of Georgia provides non-employer contributions to the Fund through the collection of court fines and forfeitures. These non-employer contributions are recognized as revenue by the Fund when collected from the courts. The Judges of the Probate Courts Retirement Fund of Georgia is a component unit of the State of Georgia. This plan is considered immaterial to Pike County's financial statements.

D. Magistrates Retirement Fund of Georgia

The Magistrates Retirement Fund of Georgia covers the County's Magistrate Judge. The County makes no contributions to this plan. The State of Georgia provides non-employer contributions to the Fund through the collection of court filing fees. These non-employer contributions are recognized as revenue by the Fund when collected from the courts. The Magistrates Retirement Fund of Georgia is a component unit of the State of Georgia. This plan is considered immaterial to Pike County's financial statements.

E. Georgia Firefighters' Pension Fund

The County's Volunteer Firemen are eligible to participate in the Georgia Firefighters' Pension Fund, a voluntary pension system. The County makes no contributions to this plan. Contributions are made through monthly dues by eligible firefighters electing to participate in the plan and non-employer contributions, which consist of insurance premium taxes collected and remitted by insurers directly to the pension fund in accordance with the law. The plan is administered by the Georgia Firefighters' Pension Fund located at 2171 Eastview Parkway NE in Conyers, Georgia, where separate financial statements may be obtained. This plan is considered immaterial to Pike County's financial statements.

F. Peace Officers' Annuity and Benefit Fund of Georgia

The County's Sheriff Deputies are covered by the State of Georgia Peace Officers' Annuity and Benefit Fund. The County does not contribute to this plan. The County collects contributions as the agent for this Fund through its court systems. This plan is administered through the Peace Officers' Annuity and Benefit Fund of Georgia, located at 1210 Greenbelt Parkway in Griffin, Georgia, where separate financial statements may be obtained. This plan is considered immaterial to Pike County's financial statements.

NOTE 13 - CONTINGENT LIABILITIES

A. Litigation

During the course of normal operations of the County, various claims and lawsuits arise. The County Attorney has advised that there are no potential liabilities that will impair the position as of the date of this audit report.

B. Federal Grants

The County participates in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives, and the audits of these programs for or including the fiscal year ended June 30, 2022, have not yet been conducted. Accordingly, the County's compliance with applicable grant requirements will be established at a later date. The amount, if any, of expenditures which the granting agencies may disallow cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

NOTE 14 - EVALUATION OF SUBSEQUENT EVENTS

The County has evaluated subsequent events through July 24, 2023 when the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

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PIKE COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION DEFINED BENEFIT PLAN

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

	<u>2022</u>
Total pension liability:	
Service Cost	\$ 132,408
Interest Cost	133,187
Changes in Benefit Terms	-
Differences Between Expected and Actual Experiences	-
Changes of Assumptions	-
Benefit Payments, Including Refunds of Member Contributions	-
Net change in total pension liability	<u>265,595</u>
Total pension liability - beginning	<u>3,805,342</u>
Total pension liability - ending (a)	<u>\$ 4,070,937</u>
Plan fiduciary net position	
Contributions - Employer	240,217
Contributions - Employee	-
Net Investment Income	-
Benefit payments	-
Administrative Expense	(9,564)
Net change in plan fiduciary net position	<u>230,653</u>
Plan fiduciary net position - beginning	-
Plan fiduciary net position - ending (b)	<u>\$ 230,653</u>
Net pension liability - ending (a) - (b)	<u>\$ 3,840,284</u>
Plan fiduciary net position as a percentage of the total total pension liability	5.7%
Covered payroll	3,886,713
Net pension liability as a percentage of covered payroll	98.81%

The assumptions used in the preparation of the above schedule are disclosed in Note 11 in the Notes to the Financial Statements.

NOTE: 2021 was the first year of implementation. Therefore, years prior are not reported.

PIKE COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION DEFINED BENEFIT PLAN

Schedule of Contributions

	<u>2022</u>
Actuarially determined employer contribution	\$ 235,610
Contributions in relation to the actuarially determined contribution	<u>(240,217)</u>
Contribution deficiency (excess)	<u>\$ (4,607)</u>
Covered payroll	\$ 3,886,713
Contributions as a percentage of payroll	6.18%

NOTE: 2021 was the first year of implementation. Therefore, years prior are not reported.

NONMAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET

June 30, 2022

	Special Revenue Funds						Capital Project Funds				Total Nonmajor Governmental Funds
	Law Library	Impact Fee Fund	State Seizure	Federal Seizure	Drug Abuse Treatment	Juvenile Court	Jail Construction	LMIG Fund	Capital Improvement	CDBG Fund	
<u>ASSETS</u>											
Cash and cash equivalents	\$ 26,174	\$ 1,383,877	\$ 24,868	\$ 130,567	\$ 40,968	\$ 12,984	\$ 34,219	\$ 650,898	\$ 37,870	\$ 3,004	\$ 2,345,429
Receivables, Other	-	2,404	-	-	-	-	-	-	-	-	2,404
Due from other funds	-	2,367	-	-	-	-	-	-	-	15,000	17,367
Grant Receivable	-	-	-	-	-	-	-	-	-	139,646	139,646
Total Assets	<u>\$ 26,174</u>	<u>\$ 1,388,648</u>	<u>\$ 24,868</u>	<u>\$ 130,567</u>	<u>\$ 40,968</u>	<u>\$ 12,984</u>	<u>\$ 34,219</u>	<u>\$ 650,898</u>	<u>\$ 37,870</u>	<u>\$ 157,650</u>	<u>\$ 2,504,846</u>
<u>LIABILITIES AND FUND BALANCES</u>											
Liabilities											
Accounts payable	\$ -	\$ 10,742	\$ 4,590	\$ -	\$ -	\$ -	\$ -	\$ 81,059	\$ 1,791	\$ 155,146	\$ 253,328
Due to other funds	115	-	-	-	-	-	725	-	-	-	840
Total Liabilities	<u>115</u>	<u>10,742</u>	<u>4,590</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>725</u>	<u>81,059</u>	<u>1,791</u>	<u>155,146</u>	<u>254,168</u>
Fund Balances											
Restricted	26,059	1,377,906	20,278	130,567	40,968	-	33,494	-	-	2,504	1,631,776
Assigned	-	-	-	-	-	12,984	-	569,839	36,079	-	618,902
Total Fund Balances	<u>26,059</u>	<u>1,377,906</u>	<u>20,278</u>	<u>130,567</u>	<u>40,968</u>	<u>12,984</u>	<u>33,494</u>	<u>569,839</u>	<u>36,079</u>	<u>2,504</u>	<u>2,250,678</u>
Total Liabilities and Fund Balances	<u>\$ 26,174</u>	<u>\$ 1,388,648</u>	<u>\$ 24,868</u>	<u>\$ 130,567</u>	<u>\$ 40,968</u>	<u>\$ 12,984</u>	<u>\$ 34,219</u>	<u>\$ 650,898</u>	<u>\$ 37,870</u>	<u>\$ 157,650</u>	<u>\$ 2,504,846</u>

NONMAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the Fiscal Year Ended June 30, 2021

	Special Revenue Funds					Capital Project Funds				Total Nonmajor Governmental Funds	
	Law Library	Impact Fee Fund	State Seizure	Federal Seizure	Drug Abuse Treatment	Juvenile Court	Jail Construction	LMIG Fund	Capital Improvements		CDBG Fund
Revenues											
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 583,894	\$ -	\$ 710,514	\$ 1,294,408
Charges for Service	-	440,813	-	-	-	-	-	-	-	-	440,813
Fines and forfeitures	10,953	-	-	-	4,766	1,000	17,459	-	-	-	34,178
Interest earnings	-	137	-	13	4	1	3	46	4	-	208
Total Revenues	10,953	440,950	-	13	4,770	1,001	17,462	583,940	4	710,514	1,769,607
Expenditures											
Current											
General government	-	11,681	-	-	-	-	-	-	-	-	11,681
Judicial	-	-	-	-	-	-	-	-	3,405	-	3,405
Public safety	6,640	-	5,307	1,942	17,796	240	17,277	-	-	-	16,937
Housing and Development	-	-	-	-	-	-	-	-	-	753,822	753,822
Culture and recreation	-	229,452	-	-	-	-	-	-	-	-	229,452
Capital Outlay	-	78,972	-	-	-	-	-	155,327	-	43,545	310,109
Total Expenditures	6,640	320,105	5,307	1,942	17,796	240	17,277	155,327	3,405	797,367	1,325,406
Excess (Deficiency) of Revenues											
Over (Under) Expenditures	4,313	120,845	(5,307)	(1,929)	(13,026)	761	185	428,613	(3,401)	(86,853)	444,201
Other Financing Sources (Uses)											
Transfers from other funds	-	-	-	-	-	-	-	193,000	-	68,830	261,830
Transfers to other funds	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	193,000	-	68,830	261,830
Net change in fund balances	4,313	120,845	(5,307)	(1,929)	(13,026)	761	185	621,613	(3,401)	(18,023)	706,031
Fund balance, beginning of year	21,746	1,257,061	25,585	132,496	53,994	12,223	33,309	(51,774)	39,480	20,527	1,544,647
Fund balance, end of year	\$ 26,059	\$ 1,377,906	\$ 20,278	\$ 130,567	\$ 40,968	\$ 12,984	\$ 33,494	\$ 569,839	\$ 36,079	\$ 2,504	\$ 2,250,678

**LAW LIBRARY FUND SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

For the Fiscal Year Ended June 30, 2022

	Final Budget	Actual	Variance with Final Budget
<u>REVENUES</u>			
Fines and forfeitures	\$ 100	\$ 10,953	\$ 10,853
Total Revenues	100	10,953	10,853
<u>EXPENDITURES</u>			
Current			
Public safety	100	6,640	(6,540)
Total Expenditures	100	6,640	(6,540)
Net change in fund balances	-	4,313	4,313
Fund balance, beginning of year	21,746	21,746	-
Fund balance, end of year	\$ 21,746	\$ 26,059	\$ 4,313

IMPACT FEE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2022

	Final Budget	Actual	Variance with Final Budget
<u>REVENUES</u>			
Charges for Service	\$ 390,580	\$ 440,813	\$ 50,233
Interest Income	-	137	137
	<u>390,580</u>	<u>440,950</u>	<u>50,370</u>
Total Revenues	<u>390,580</u>	<u>440,950</u>	<u>50,370</u>
<u>EXPENDITURES</u>			
Current			
General Government	\$ 45,000	\$ 11,681	\$ 33,319
Culture and Recreation	265,580	229,452	36,128
Capital Outlay	<u>80,000</u>	<u>78,972</u>	<u>1,028</u>
Total Expenditures	<u>390,580</u>	<u>320,105</u>	<u>70,475</u>
Net change in fund balances	-	120,845	120,845
Fund balance, beginning of year	<u>1,257,061</u>	<u>1,257,061</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,257,061</u>	<u>\$ 1,377,906</u>	<u>\$ 120,845</u>

STATE SEIZURE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2022

	Final Budget	Actual	Variance with Final Budget
<u>REVENUES</u>			
Fines and forfeitures	\$ 5,000	\$ -	\$ (5,000)
Interest income	-	-	-
	5,000	-	(5,000)
Total Revenues	5,000	-	(5,000)
<u>EXPENDITURES</u>			
Current			
Public safety	5,000	5,307	(307)
	5,000	5,307	(307)
Total Expenditures	5,000	5,307	(307)
Net change in fund balances	-	(5,307)	(5,307)
Fund balance, beginning of year	25,585	25,585	-
Fund balance, end of year	\$ 25,585	\$ 20,278	\$ (5,307)

FEDERAL SEIZURE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2022

	Final Budget	Actual	Variance with Final Budget
<u>REVENUES</u>			
Fines and forfeitures	\$ 5,000	\$ -	\$ (5,000)
Interest income	-	13	13
	5,000	13	(4,987)
<u>EXPENDITURES</u>			
Current			
Public safety	5,000	1,942	3,058
	5,000	1,942	3,058
Net change in fund balances	-	(1,929)	(1,929)
Fund balance, beginning of year	132,496	132,496	-
Fund balance, end of year	\$ 132,496	\$ 130,567	\$ (1,929)

DRUG ABUSE TREATMENT FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2022

	Final Budget	Actual	Variance with Final Budget
<u>REVENUES</u>			
Fines and forfeitures	\$ 5,000	\$ 4,766	\$ (234)
Interest income	-	4	4
Total Revenues	<u>5,000</u>	<u>4,770</u>	<u>(230)</u>
<u>EXPENDITURES</u>			
Current			
Public safety	<u>17,796</u>	<u>17,796</u>	<u>-</u>
Total Expenditures	<u>17,796</u>	<u>17,796</u>	<u>-</u>
Net change in fund balances	(12,796)	(13,026)	(230)
Fund balance, beginning of year	<u>53,994</u>	<u>53,994</u>	<u>-</u>
Fund balance, end of year	<u>\$ 41,198</u>	<u>\$ 40,968</u>	<u>\$ (230)</u>

JUVENILE COURT FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2022

	Final Budget	Actual	Variance with Final Budget
<u>REVENUES</u>			
Fines and forfeitures	\$ 1,500	\$ 1,000	\$ (500)
Interest income	-	1	1
Total Revenues	<u>1,500</u>	<u>1,001</u>	<u>(499)</u>
<u>EXPENDITURES</u>			
Current			
Public safety	<u>1,500</u>	<u>240</u>	<u>1,260</u>
Total Expenditures	<u>1,500</u>	<u>240</u>	<u>1,260</u>
Net change in fund balances	-	761	761
Fund balance, beginning of year	<u>12,223</u>	<u>12,223</u>	<u>-</u>
Fund balance, end of year	<u>\$ 12,223</u>	<u>\$ 12,984</u>	<u>\$ 761</u>

SCHEDULE OF PROJECT EXPENDITURES WITH SPECIAL SALES TAX PROCEEDS

For the Fiscal Year Ended June 30, 2022

Project	Original Estimated Budget	Expenditures		Total
		Prior Years	Current Year	
2016 Special Local Option Sales Tax				
Road, Street and Bridge Projects	\$ 4,026,432	\$ 4,369,302	\$ 648,090	\$ 5,017,392
Debt Service:				
Interest	265,568	239,642	19,370	259,012
Issuance Cost	-	36,700	-	36,700
Intergovernmental:				
City of Williamson	197,200	223,467	38,350	261,817
City of Zebulon	689,040	780,825	134,000	914,825
City of Meansville	174,000	198,186	33,838	232,024
City of Molena	241,860	274,078	47,035	321,113
City of Concord	205,900	232,088	40,042	272,130
Total 2016 SPLOST	<u>\$ 5,800,000</u>	<u>\$ 6,354,288</u>	<u>\$ 960,725</u>	<u>\$ 7,315,013</u>

Note 1 The difference in SPLOST expenditures by project and the expenditures noted in the SPLOST 2016 Fund represents principal debt service payments totalling \$800,000 attributed to repayment of the 2016 SPLOST bonds. The expenditures to purchase approved items are already included in the above schedule. If debt payments were included, the expenditures would be reported twice.

Current year expenditures from above	\$ 960,725
Bond principal payment	<u>840,000</u>
Current year expenditures per financial statements	<u><u>\$ 1,800,725</u></u>

SCHEDULE OF PROJECT EXPENDITURES
 COMMUNITY DEVELOPMENT BLOCK GRANT

19b-y-114-2-6086

For the Fiscal Year Ended June 30, 2022

Project	Original Estimated Budget	Expenditures		Total
		Prior Years	Current Year	
Community Development Block Grant				
Street and Drainage Improvement	\$ 1,000,000	\$ 279,318	\$ 710,513	\$ 989,831
Total 2018 CDGB Grant Project	\$ 1,000,000	\$ 279,318	\$ 710,513	\$ 989,831

CUSTODIAL FUNDS COMBINING STATEMENT OF FIDUCIARY NET POSITION

For the Fiscal Year Ended June 30, 2022

	TAX COMMISSIONER	CLERK OF COURT	SHERIFF'S DEPARTMENT	PROBATE COURT	MAGISTRATE COURT	TOTAL
ASSETS:						
Cash and cash equivalents	\$ 9,589	\$ 92,117	\$ 104,096	\$ 15,737	\$ 6,697	\$ 228,236
Taxes Receivable	<u>599,857</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>599,857</u>
Total Assets	<u><u>609,446</u></u>	<u><u>92,117</u></u>	<u><u>104,096</u></u>	<u><u>15,737</u></u>	<u><u>6,697</u></u>	<u><u>828,093</u></u>
LIABILITIES:						
Due to others	9,589	92,117	104,096	15,737	6,697	228,236
Uncollected taxes	<u>599,857</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>599,857</u>
Total Liabilities	<u><u>609,446</u></u>	<u><u>92,117</u></u>	<u><u>104,096</u></u>	<u><u>15,737</u></u>	<u><u>6,697</u></u>	<u><u>828,093</u></u>
NET POSITION:						
Restricted for individuals, organizations, and other governments	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CUSTODIAL FUNDS COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Fiscal Year Ended June 30, 2022

	TAX COMMISSIONER	CLERK OF COURT	SHERIFF'S DEPARTMENT	PROBATE COURT	MAGISTRATE COURT	TOTAL
ADDITIONS:						
Taxes	\$ 28,156,332	\$ -	\$ -	\$ -	\$ -	\$ 28,156,332
Intergovernmental	-	-	-	-	-	-
Fines and fees	-	1,164,983	232,466	279,393	120,360	1,797,202
Court individual cases	-	34,635	-	-	-	34,635
Total additions	<u>28,156,332</u>	<u>1,199,618</u>	<u>232,466</u>	<u>279,393</u>	<u>120,360</u>	<u>29,988,169</u>
DEDUCTIONS:						
Taxes and fees paid to other governments	28,156,332	1,075,450	231,930	182,822	120,360	29,766,893
Other custodial disbursements	-	124,168	536	96,571	-	221,275
Total deductions	<u>28,156,332</u>	<u>1,199,618</u>	<u>232,466</u>	<u>279,393</u>	<u>120,360</u>	<u>29,988,168</u>
Net increase (decrease) in fiduciary net position	-	-	-	-	-	-
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PIKE COUNTY, GEORGIA
 COMPONENT UNITS COMBINING STATEMENT OF NET POSITION

June 30, 2022

	Pike County Department of Public Health	Pike County J. Joel Edwards Public Library	Pike County Water and Sewerage Authority	Pike County Agribusiness Authority	Development Authority of Pike County	Pike County Recreation Authority	Total
Assets							
Current							
Cash and cash equivalents	\$ 488,209	\$ 83,259	\$ 283,702	\$ 38,224	\$ 116,783	\$ 135,743	\$ 1,145,920
Receivables							
Accounts	283	4,135	23,126	-	-	346	27,890
Prepaid Items	-	-	-	-	-	12,831	12,831
Non-current							
Restricted temporary cash investments	-	-	142,341	-	-	-	142,341
Net OPEB asset	34,012	-	-	-	-	-	34,012
Capital Assets							
Nondepreciable	-	-	131,148	24,952	1,759,693	914,523	2,830,316
Depreciable capital assets, net	2,033	12,680	3,859,065	307,604	137,539	344,376	4,663,297
Total Assets	\$ 524,537	\$ 100,074	\$ 4,439,382	\$ 370,780	\$ 2,014,015	\$ 1,407,819	\$ 8,856,607
Deferred Outflow of Resources							
Deferred outflows of resources related to pensions	\$ 115,250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 115,250
Deferred outflows of resources related to OPEB	30,825	-	-	-	-	-	30,825
Total Deferred Outflows of Resources	\$ 146,075	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 146,075
Liabilities							
Current Liabilities							
Accounts payable	\$ -	\$ 2,471	\$ -	\$ -	\$ -	\$ 5,159	\$ 7,630
Accrued interest	-	-	2,208	-	-	-	2,208
Accrued liabilities	-	4,135	1,333	-	-	6,728	12,196
Compensated absences	22,169	3,647	-	-	-	8,381	34,197
Meter deposit	-	-	58,261	-	-	-	58,261
Notes payable	-	-	-	16,065	37,693	-	53,758
Bonds payable	-	-	162,408	-	-	-	162,408
Long-term Liabilities							
Compensated absences	14,779	168	-	-	-	-	14,947
Notes payable, net of current portion	-	-	-	48,969	32,381	148,774	230,124
Bonds payable, net of current portion	-	-	1,722,969	-	-	-	1,722,969
Net pension liability	172,097	-	-	-	-	-	172,097
Net OPEB liability	19,204	-	-	-	-	-	19,204
Total Liabilities	\$ 228,249	\$ 10,421	\$ 1,947,179	\$ 65,034	\$ 70,074	\$ 169,042	\$ 2,489,999
Deferred Inflows of Resources							
Deferred inflows of resources related to pensions	\$ 159,058	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 159,058
Deferred inflows of resources related to OPEB	89,846	-	-	-	-	-	89,846
Total Deferred Inflows of Resources	\$ 248,904	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 248,904
Net Position							
Net investment in capital assets	\$ 2,033	\$ 12,680	\$ 2,104,836	\$ 267,522	\$ 1,827,158	\$ 1,110,125	\$ 5,324,354
Restricted	143,142	-	142,341	-	-	-	285,483
Unrestricted (deficit)	48,284	76,973	245,026	38,224	116,783	128,652	653,942
Total Net Position	\$ 193,459	\$ 89,653	\$ 2,492,203	\$ 305,746	\$ 1,943,941	\$ 1,238,777	\$ 6,263,779

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

PIKE COUNTY, GEORGIA
COMPONENT UNITS COMBINING STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2022

	Pike County Department of Public Health	Pike County J. Joel Edwards Public Library	Pike County Water and Sewerage Authority	Pike County Agribusiness Authority	Development Authority of Pike County	Pike County Recreation Authority	Total
Expenses							
Health and welfare	\$ 404,635	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 404,635
Housing and development	-	-	-	45,184	19,826	-	65,010
Culture and recreation	-	163,162	-	-	-	543,997	707,159
Water and sewer	-	-	477,955	-	-	-	477,955
Interest on long-term debt	-	-	51,731	-	2,909	231	54,871
Total Expenses	\$ 404,635	\$ 163,162	\$ 529,686	\$ 45,184	\$ 22,735	\$ 544,228	\$ 1,709,630
Revenues							
Program revenues							
Charges for services	\$ 288,429	\$ 7,132	\$ 369,679	\$ 9,784	\$ -	\$ 281,064	\$ 956,088
Operating grants and contributions	318,696	158,502	208,645	41,000	63,000	232,950	1,022,793
Capital grants and contributions	-	-	-	-	-	229,452	229,452
Total Program Revenues	\$ 607,125	\$ 165,634	\$ 578,324	\$ 50,784	\$ 63,000	\$ 743,466	\$ 2,208,333
Net Program (Expense)	\$ 202,490	\$ 2,472	\$ 48,638	\$ 5,600	\$ 40,265	\$ 199,238	\$ 498,703
General Revenues and Losses							
Interest earnings	\$ 40	\$ 9	\$ 321	\$ 3	\$ -	\$ 23	\$ 396
Miscellaneous	-	-	6,007	-	(3,185)	16,915	19,737
Total General Revenues	\$ 40	\$ 9	\$ 6,328	\$ 3	\$ (3,185)	\$ 16,938	\$ 20,133
Change in Net Position	202,530	2,481	54,966	5,603	37,080	216,176	518,836
Net Position - Beginning of year (deficit)	(9,071)	87,172	2,437,237	300,143	1,906,861	1,022,601	5,744,943
Net Position - End of year (deficit)	\$ 193,459	\$ 89,653	\$ 2,492,203	\$ 305,746	\$ 1,943,941	\$ 1,238,777	\$ 6,263,779

**REPORTS ON INTERNAL CONTROL
AND COMPLIANCE MATTERS**

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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

Pike County Board of Commissioners
Pike County, Georgia
Zebulon, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Pike County, Georgia as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Pike County, Georgia's basic financial statements, and have issued our report thereon dated July 24, 2023. Our report includes a reference to other auditors who audited the financial statements of the Pike County 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 Pike County, Georgia's internal control over financial reporting (internal control) as a 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 Pike County, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of Pike County, Georgia's internal control.

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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2022-01 and 2022-02 to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2022-03 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Pike County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Pike 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. Pike 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.



Morrow, Georgia
July 24, 2023

Section I – Financial Statement Findings

The findings noted on the Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*:

2022-01 – Management of Interfund Receivables, Payables and Transfers

CRITERIA

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

CONDITION

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

CONTEXT

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Impact Fee Fund	General Fund	\$ 2,367
CDBG Fund	General Fund	15,000
General Fund	Law Library	115
General Fund	Jail Construction	725
General Fund	E-911	435,457
General Fund	SPLOST	6,556
Total		<u>\$ 460,220</u>

EFFECT

The County’s General Fund bank account paid for obligations of other funds which were not timely reimbursed for the fiscal year June 30, 2022.

CAUSE

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

RECOMMENDATION

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

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

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

2022-02 – CAPITAL ASSETS & RELATED DEBT

CRITERIA

In accordance with generally accepted accounting principles, capital assets and related debt are recorded in the government-wide financial statements, and debt proceeds and capital outlays appropriately classified in the governmental fund financial statements.

CONDITION

The County does not have adequate accounting procedures to ensure that capitalizable assets are appropriately capitalized or that related debt is recorded.

CONTEXT

The County did not capture capital project expenditures or related debt for construction of a community center for the Recreation Authority. Material expenditures from the Impact Fees fund were used to fund much of the construction, and the Impact Fees will fund the debts incurred for additional construction costs via transfers. The Recreation Authority will own and maintain the asset. Material audit adjustments were required to fairly state and classify capital assets and related debt for the Recreation Authority, and transfers from the Impact Fees related to debt repayment and purchase of the assets. Additionally, other construction cost expenditures of \$104,724 from ARPA funds were not included as additions. The following audit journal entry was proposed to record this activity:

- Transfer of \$143,188 notes payable and \$372,640 for the related asset from the Impact Fees Fund to the Recreation Authority

EFFECT

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

CAUSE

The County lacked accounting procedures to ensure the recording and proper capitalization of incurred expenditures and related debt at the end of the fiscal period.

RECOMMENDATION

The County should establish procedures to ensure the proper accrual and classification of all liabilities and capital outlay expenditures incurred during the fiscal period and should reconcile the asset master to capital outlay general ledger accounts.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

Management agrees with the finding. The County recently hired a new Finance Officer. Management will develop procedures to ensure that capital assets and debt are appropriately accounted for.

2022-03 – RECORD MAINTENANCE (SIGNIFICANT DEFICIENCY)

CRITERIA

The County’s finance director position experienced some turnover during the audit year and, as a result, failed to properly maintain appropriate support and records for expenditures in the governmental funds.

CONDITION

The County does not have adequate internal control procedures to ensure that custody of all support and records for expenditures is properly maintained.

CONTEXT

The County could not provide support for 28 tested invoices and 8 journal entries from 2022.

EFFECT

The County does not have adequate records to support some of its transactions throughout the year.

CAUSE

The County had turnover within the finance department during and after the end of the fiscal year, and proper records could not be located.

RECOMMENDATION

The County should establish procedures to ensure the proper maintenance of records and support for all transactions.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

Management agrees with the finding. The County recently hired a new Finance Officer. Management will develop procedures to ensure that records are properly maintained.

2021-01 – Accounts Receivable/Revenue

CRITERIA

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

CONDITION

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

STATUS

Resolved.

2021-02 – Management of Due to/From Accounts and Interfund Transfers

CRITERIA

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

CONDITION

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

STATUS

See 2022-01.

2021-03 – Accounts Payable/Expenditures

CRITERIA

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

CONDITION

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

STATUS

Resolved.

2021-004 – CDBG Fund Reporting

CRITERIA

In accordance with generally accepted accounting principles, all funds should be reported in the Annual Financial Report.

CONDITION

The County does not have adequate accounting procedures to ensure all funds and their activities are properly reported.

STATUS

Resolved.