

**IRWIN COUNTY, GEORGIA**

**FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
AUGUST 31, 2022**

**IRWIN COUNTY, GEORGIA**  
**FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2022**

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**IRWIN COUNTY, GEORGIA**  
**FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED AUGUST 31, 2022**

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## **FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

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**Board of Commissioners  
of Irwin County, Georgia  
Ocilla, Georgia**

### **Report on the Audit of the Financial Statements**

#### ***Qualified and Unmodified Opinions***

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

#### *Summary of Opinions*

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Unmodified
Business-Type Activities	Unmodified
Aggregate Discretely Presented Component Units	Qualified
Each Major Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

#### *Qualified Opinion on Aggregate Discretely Presented Component Units*

In our opinion, based on our audit and the report of other auditors and except for the matter described in the "Basis for Qualified and Unmodified Opinions" section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the aggregate discretely presented component units of the County, as of August 31, 2022, and the changes in financial position and, where applicable, cash flows thereof 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 Irwin County Board of Health, which represents 42%, 16%, and 69%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Irwin County Board of Health, is based solely on the reports of the other auditors.

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*Unmodified Opinions on Governmental Activities, Business-Type Activities, Each Major Fund, and the Aggregate Remaining Fund Information*

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the County, as of August 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Qualified and Unmodified Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (“GAAS”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified audit opinions.

*Matters Giving Rise to Qualified Opinion on the Aggregate Discretely Presented Component Units*

The financial statements do not include financial data for the Hospital Authority of Irwin County, a legally separate component unit of the County. Accounting principles generally accepted in the United States of America require the financial data for this component unit to be reported with the financial data of the County’s primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units. The County has not issued such reporting entity financial statements. The effect of not including the County’s legally separate component unit on the aggregate discretely presented component units has not been determined.

***Emphasis of Matter***

As discussed in Note 14, the County implemented Governmental Accounting Standards Board (“GASB”) Statement No. 84, *Fiduciary Activities*, as of September 1, 2021. This standard significantly changed the accounting for the County’s activities previously reported as agency funds. Our opinions are not modified with respect to this matter.

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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, we:

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

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

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***Required Supplementary Information***

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

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the Schedule of Expenditures of Special Purpose Local Option Sales Tax proceeds, as required by the Official Code of Georgia Annotated ("O.C.G.A.") §48-8-121, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit and the report of the other auditors, the combining and individual nonmajor fund financial statements and schedules and the Schedule of Expenditures of Special Purpose Local Option Sales Tax proceeds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2023, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Irwin County, Georgia's internal control over financial reporting and compliance.

*Mauldin & Jenkins, LLC*

Macon, Georgia  
June 28, 2023

# IRWIN COUNTY, GEORGIA

## STATEMENT OF NET POSITION AUGUST 31, 2022

ASSETS	Primary Government		
	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 4,480,173	\$ 15,971	\$ 4,496,144
Investments	803,898	-	803,898
Taxes receivable	156,526	-	156,526
Accounts receivable, net of allowances	372,573	-	372,573
Interest receivable	-	-	-
Notes receivable	-	-	-
Due from other governments	118,125	-	118,125
Prepaid items	-	-	-
Restricted assets:			
Cash	-	-	-
Property held for resale	-	-	-
Net OPEB asset	-	-	-
Capital assets:			
Non-depreciable	-	5,600	5,600
Depreciable, net of accumulated depreciation	9,675,049	495,115	10,170,164
Total assets	15,606,344	516,686	16,123,030
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension	-	-	-
OPEB	-	-	-
Total deferred outflows of resources	-	-	-

(Continued)

<b>Component Units</b>	
<b>Board of Health</b>	<b>Development Authority</b>
\$ 322,328	\$ 222,170
-	-
-	-
-	-
-	-
-	344,003
8,750	-
-	4,167
-	49,916
-	18,017
51,963	-
-	-
-	-
<u>383,041</u>	<u>638,273</u>
69,937	-
18,489	-
<u>88,426</u>	<u>-</u>

# IRWIN COUNTY, GEORGIA

## STATEMENT OF NET POSITION AUGUST 31, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>LIABILITIES</b>			
Accounts payable	\$ 73,173	\$ 3,124	\$ 76,297
Accrued liabilities	81,649	-	81,649
Customer deposits	-	5,250	5,250
Other payables	171,047	-	171,047
Due to other governments	-	-	-
Unearned revenues	1,672,994	-	1,672,994
Financed purchases due within one year	239,498	-	239,498
Financed purchases due in more than one year	2,295,525	-	2,295,525
Notes payable due within one year	54,803	-	54,803
Notes payable due in more than one year	257,467	-	257,467
Compensated absences due within one year	7,207	-	7,207
Compensated absences due in more than one year	64,861	-	64,861
Closure and post-closure care costs due within one year	21,000	-	21,000
Closure and post-closure care costs due in more than one year	57,423	-	57,423
Net pension liability	-	-	-
Net OPEB liability	-	-	-
Total liabilities	4,996,647	8,374	5,005,021
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension	-	-	-
OPEB	-	-	-
Total deferred inflows of resources	-	-	-
<b>NET POSITION</b>			
Net investment in capital assets	6,827,756	500,715	7,328,471
Restricted for:			
Public safety	313,279	-	313,279
Federal programs	4,646	-	4,646
Prior year program income	-	-	-
Capital outlay	2,292,207	-	2,292,207
Unrestricted	1,171,808	7,597	1,179,405
Total net position	\$ 10,609,696	\$ 508,312	\$ 11,118,008

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

<b>Component Units</b>	
<b>Board of Health</b>	<b>Development Authority</b>
\$ -	\$ 152
-	2,040
-	-
-	-
-	-
-	-
-	-
-	10,477
-	19,705
13,584	-
9,056	-
-	-
-	-
115,706	-
12,726	-
<u>151,072</u>	<u>32,374</u>
114,729	-
88,298	-
<u>203,027</u>	<u>-</u>
-	-
-	-
-	-
119,087	-
-	-
(1,719)	605,899
<u>\$ 117,368</u>	<u>\$ 605,899</u>

**IRWIN COUNTY, GEORGIA**

**STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED AUGUST 31, 2022**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Primary government</b>				
Governmental activities:				
General government	\$ 1,634,990	\$ 47,841	\$ 191,130	\$ -
Judicial	849,248	262,634	11,732	-
Public safety	3,771,448	846,759	538,984	-
Public works	1,528,119	16,115	67,871	810,083
Health and welfare	54,057	-	-	-
Parks and recreation	155,331	9,215	58,493	-
Housing and development	161,016	25,996	3,581	-
Interest on long-term debt	109,063	-	-	-
Total governmental activities	<u>8,263,272</u>	<u>1,208,560</u>	<u>871,791</u>	<u>810,083</u>
Business-type activities:				
Mystic Water	40,456	9,545	-	-
Total business-type activities	<u>40,456</u>	<u>9,545</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 8,303,728</u>	<u>\$ 1,218,105</u>	<u>\$ 871,791</u>	<u>\$ 810,083</u>
Component units:				
Board of Health	\$ 294,268	\$ 140,031	\$ 244,560	\$ -
Development Authority	139,578	-	-	-
Total component units	<u>\$ 433,846</u>	<u>\$ 140,031</u>	<u>\$ 244,560</u>	<u>\$ -</u>
		General revenues:		
		Property taxes		
		Sales taxes		
		Franchise fees		
		Other taxes		
		Unrestricted investment earnings		
		Other revenue		
		Gain on sale of capital assets		
		Total general revenues		
		Change in net position		
		Net position, beginning of year		
		Net position, end of year		

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

**Net (Expenses) Revenues and  
Changes in Net Position**

<b>Primary Government</b>			<b>Component units</b>	
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Board of Health</b>	<b>Development Authority</b>
\$ (1,396,019)	\$ -	\$ (1,396,019)	\$ -	\$ -
(574,882)	-	(574,882)	-	-
(2,385,705)	-	(2,385,705)	-	-
(634,050)	-	(634,050)	-	-
(54,057)	-	(54,057)	-	-
(87,623)	-	(87,623)	-	-
(131,439)	-	(131,439)	-	-
(109,063)	-	(109,063)	-	-
<u>(5,372,838)</u>	<u>-</u>	<u>(5,372,838)</u>	<u>-</u>	<u>-</u>
-	(30,911)	(30,911)	-	-
-	(30,911)	(30,911)	-	-
<u>(5,372,838)</u>	<u>(30,911)</u>	<u>(5,403,749)</u>	<u>-</u>	<u>-</u>
-	-	-	90,323	-
-	-	-	-	(139,578)
-	-	-	<u>90,323</u>	<u>(139,578)</u>
4,107,102	-	4,107,102	-	166,385
1,947,818	-	1,947,818	-	-
1,692	-	1,692	-	-
532,257	-	532,257	-	-
4,594	-	4,594	-	5,053
145,197	-	145,197	-	-
858	-	858	-	-
<u>6,739,518</u>	<u>-</u>	<u>6,739,518</u>	<u>-</u>	<u>171,438</u>
1,366,680	(30,911)	1,335,769	90,323	31,860
9,243,016	539,223	9,782,239	27,045	574,039
<u>\$ 10,609,696</u>	<u>\$ 508,312</u>	<u>\$ 11,118,008</u>	<u>\$ 117,368</u>	<u>\$ 605,899</u>

# IRWIN COUNTY, GEORGIA

## BALANCE SHEET GOVERNMENTAL FUNDS AUGUST 31, 2022

	General	ARPA	TIA
<b>ASSETS</b>			
Cash and cash equivalents	\$ 341,766	\$ 1,677,640	\$ 890,365
Investments	803,898	-	-
Receivables, net of allowance:			
Taxes	156,526	-	-
Accounts	258,630	-	113,943
Due from other funds	-	-	6,075
Due from other governments	34,316	-	-
Total assets	\$ 1,595,136	\$ 1,677,640	\$ 1,010,383
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 70,295	\$ -	\$ -
Accrued liabilities	81,649	-	-
Due to other funds	-	-	-
Unearned revenues	-	1,672,994	-
Other liabilities	171,047	-	-
Total liabilities	322,991	1,672,994	-
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	106,879	-	-
Unavailable revenue - ambulance fees	2,891	-	-
Total deferred inflows of resources	109,770	-	-
<b>FUND BALANCES</b>			
Restricted for:			
Public safety	-	-	-
Capital outlay	-	-	1,010,383
Federal programs	-	4,646	-
Assigned for:			
Judicial	-	-	-
Public safety	-	-	-
Unassigned	1,162,375	-	-
Total fund balances	1,162,375	4,646	1,010,383
Total liabilities, deferred inflows of resources and fund balances	\$ 1,595,136	\$ 1,677,640	\$ 1,010,383

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

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

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.

Certain long-term liabilities are not due and payable in the current period and are, therefore, not reported in the funds.

Net position of governmental activities

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

<u>LMIG</u>	<u>SPLOST #5</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental</u>
\$ 689,535	\$ 527,987	\$ 352,880	\$ 4,480,173
-	-	-	803,898
-	-	-	156,526
-	-	-	372,573
-	-	-	6,075
-	70,377	13,432	118,125
<u>\$ 689,535</u>	<u>\$ 598,364</u>	<u>\$ 366,312</u>	<u>\$ 5,937,370</u>

\$ -	\$ -	\$ 2,878	\$ 73,173
-	-	-	81,649
6,075	-	-	6,075
-	-	-	1,672,994
-	-	-	171,047
<u>6,075</u>	<u>-</u>	<u>2,878</u>	<u>2,004,938</u>

-	-	-	106,879
-	-	-	2,891
<u>-</u>	<u>-</u>	<u>-</u>	<u>109,770</u>

-	-	313,279	313,279
683,460	598,364	-	2,292,207
-	-	-	4,646
-	-	839	839
-	-	49,316	49,316
-	-	-	1,162,375
<u>683,460</u>	<u>598,364</u>	<u>363,434</u>	<u>3,822,662</u>
<u>\$ 689,535</u>	<u>\$ 598,364</u>	<u>\$ 366,312</u>	

9,675,049

109,770

(2,997,784)

\$ 10,609,697

# IRWIN COUNTY, GEORGIA

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

	General	ARPA	TIA
<b>Revenues</b>			
Property taxes	\$ 4,049,198	\$ -	\$ -
Sales taxes	425,878		662,285
Franchise taxes	1,692	-	-
Other taxes	532,257	-	-
Licenses and permits	48,393	-	-
Intergovernmental	725,923	155,668	-
Charges for services	718,546	-	-
Fines and forfeitures	262,634	-	-
Interest revenue	-	4,586	-
Other revenues	145,197	60	-
Total revenues	6,909,718	160,314	662,285
<b>Expenditures</b>			
Current:			
General government	1,083,019	26,644	-
Judicial	785,439	11,732	-
Public safety	3,181,868	75,590	-
Public works	1,043,812	25,871	-
Health and welfare	18,076	-	-
Culture and recreation	150,829	2,450	-
Economic development	149,513	3,581	-
Intergovernmental payments	-	-	-
Capital outlay	-	9,800	62,324
Debt service:			
Principal	65,433	-	53,955
Interest	102,804	-	5,329
Total expenditures	6,580,793	155,668	121,608
Excess (deficiency) of revenues over (under) expenditures	328,925	4,646	540,677
<b>Other financing sources (uses)</b>			
Proceeds from the sale of capital assets	4,233	-	-
Proceeds from financed purchases	211,700	-	-
Transfers in	-	-	-
Transfers out	(349,481)	-	-
Total other financing sources (uses)	(133,548)	-	-
Net change in fund balances	195,377	4,646	540,677
<b>Fund balances, beginning of year</b>	966,998	-	469,706
<b>Fund balances, end of year</b>	\$ 1,162,375	\$ 4,646	\$ 1,010,383

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

<u>LMIG</u>	<u>SPLOST #5</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental</u>
\$ -	\$ -	\$ -	\$ 4,049,198
-	859,655	-	1,947,818
-	-	-	1,692
-	-	-	532,257
-	-	-	48,393
545,920	-	226,773	1,654,284
-	-	163,411	881,957
-	-	23,628	286,262
-	-	8	4,594
-	5,000	25,921	176,178
<u>545,920</u>	<u>864,655</u>	<u>439,741</u>	<u>9,582,633</u>
-	-	-	1,109,663
-	-	-	797,171
-	-	401,697	3,659,155
-	-	-	1,069,683
-	-	-	18,076
-	-	-	153,279
-	-	-	153,094
-	355,175	-	355,175
163,339	638,189	249,363	1,123,015
-	108,412	-	227,800
-	930	-	109,063
<u>163,339</u>	<u>1,102,706</u>	<u>651,060</u>	<u>8,775,174</u>
<u>382,581</u>	<u>(238,051)</u>	<u>(211,319)</u>	<u>807,459</u>
-	-	-	4,233
-	493,765	-	705,465
-	-	349,481	349,481
-	-	-	(349,481)
<u>-</u>	<u>493,765</u>	<u>349,481</u>	<u>709,698</u>
382,581	255,714	138,162	1,517,157
<u>300,879</u>	<u>342,650</u>	<u>225,272</u>	<u>2,305,505</u>
<u>\$ 683,460</u>	<u>\$ 598,364</u>	<u>\$ 363,434</u>	<u>\$ 3,822,662</u>

# IRWIN COUNTY, GEORGIA

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED AUGUST 31, 2022

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

Net change in fund balances - total governmental funds	\$	1,517,157
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation in the current period.

Capital outlay	\$ 929,758		
Depreciation expense	<u>(575,293)</u>		354,465

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.			(3,375)
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	\$ 57,904		
Ambulance fees	<u>(11,442)</u>		46,462

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The amount of items that make up these differences in the treatment of long-term debt and related items are as follows:

Financed purchases issuances	\$ (705,465)		
Principal payments on financed purchases	173,845		
Principal payments on notes payable	<u>53,955</u>		(477,665)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in prepaid items	\$ (91,833)		
Change in compensated absences	465		
Change in closure and post-closure care costs	<u>21,005</u>		<u>(70,363)</u>

Net change in net position - governmental activities	\$	<u><u>1,366,681</u></u>
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**The accompanying notes are an integral part of these financial statements.**

# IRWIN COUNTY, GEORGIA

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

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Property taxes	\$ 4,190,040	\$ 4,969,154	\$ 4,049,198	\$ (919,956)
Sales taxes	-	-	425,878	425,878
Franchise taxes	-	-	1,692	1,692
Other taxes	-	-	532,257	532,257
Licenses and permits	58,195	48,393	48,393	-
Intergovernmental	698,340	852,569	725,923	(126,646)
Charges for services	581,950	718,150	718,546	396
Fines and forfeitures	232,780	262,634	262,634	-
Other revenues	58,195	87,527	145,197	57,670
Total revenues	5,819,500	6,938,427	6,909,718	(28,709)
<b>Expenditures</b>				
<b>Current</b>				
<b>General government:</b>				
Commissioners office	354,330	647,434	554,200	93,234
Elections	147,208	143,678	143,743	(65)
Tax commissioner	173,656	180,484	179,938	546
Tax assessor	168,948	121,063	118,002	3,061
Government buildings	7,882	102,148	87,136	15,012
Total general government	852,024	1,194,807	1,083,019	111,788
<b>Judicial:</b>				
Superior court	159,050	215,871	217,988	(2,117)
Clerk of superior court	173,295	171,090	170,945	145
Board of equalization	6,200	475	458	17
District attorney	50,450	64,315	53,976	10,339
Magistrate court	150,132	153,954	154,119	(165)
Probate court	134,011	137,311	136,296	1,015
Juvenile court	46,400	59,663	51,657	8,006
Total judicial	719,538	802,679	785,439	17,240
<b>Public safety:</b>				
Sheriff	1,192,780	1,243,362	1,235,665	7,697
Drug task force	30,000	30,000	30,000	-
Jail operations	83,343	123,383	126,960	(3,577)
Fire	70,032	336,012	336,122	(110)
Emergency medical services	961,997	1,180,290	1,424,762	(244,472)
Coroner/medical examiner	11,959	21,090	20,822	268
Emergency management	14,958	8,335	7,537	798
Total public safety	2,365,069	2,942,472	3,181,868	(239,396)

(Continued)

# IRWIN COUNTY, GEORGIA

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

Expenditures (Continued)	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Current (Continued)</b>				
<b>Public works:</b>				
Highways and streets	\$ 852,547	\$ 889,380	\$ 830,761	\$ 58,619
Solid waste collection	196,610	206,758	213,051	(6,293)
Total public works	1,049,157	1,096,138	1,043,812	52,326
<b>Health and welfare:</b>				
Public health administration	50,000	54,597	428	54,169
Intergovernmental Welfare	3,000	800	779	21
Senior assistance	12,750	4,033	3,965	68
Community services	14,017	13,865	12,904	961
Total health and welfare	79,767	73,295	18,076	55,219
<b>Culture and recreation:</b>				
Recreation	29,668	47,185	43,799	3,386
Parks	43,684	51,650	51,617	33
Libraries	55,000	55,355	55,413	(58)
Total parks and recreation	128,352	154,190	150,829	3,361
<b>Housing and development:</b>				
Agricultural resources	58,928	61,645	55,163	6,482
Forest resources	13,086	12,841	12,736	105
Planning and zoning	71,359	85,986	81,614	4,372
Total housing and development	143,373	160,472	149,513	10,959
<b>Debt service:</b>				
Principal	165,200	162,013	65,433	96,580
Interest	-	-	102,804	(102,804)
Total debt service	165,200	162,013	168,237	(6,224)
Total expenditures	5,502,480	6,586,066	6,580,793	5,273
Excess (deficiency) of revenues over (under) expenditures	317,020	352,361	328,925	(23,436)
<b>Other financing sources (uses)</b>				
Sale of assets	-	-	4,233	4,233
Proceeds from financed purchases	-	-	211,700	211,700
Transfers out	(317,020)	(352,361)	(349,481)	2,880
Total other financing sources (uses)	(317,020)	(352,361)	(133,548)	218,813
Net change in fund balances	-	-	195,377	195,377
<b>Fund balance, beginning of year</b>	966,998	966,998	966,998	-
<b>Fund balance, end of year</b>	\$ 966,998	\$ 966,998	\$ 1,162,375	\$ 195,377

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

# IRWIN COUNTY, GEORGIA

## STATEMENT OF NET POSITION PROPRIETARY FUND AUGUST 31, 2022

		<u>Mystic Water</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents		\$ 15,971
Total current assets		<u>15,971</u>
<b>NON-CURRENT ASSETS</b>		
Capital assets:		
Nondepreciable		5,600
Depreciable, net of accumulated depreciation		495,115
Total non-current assets		<u>500,715</u>
Total assets		<u>516,686</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable		3,124
Customer deposits		5,250
Total current liabilities		<u>8,374</u>
Total liabilities		<u>8,374</u>
<b>NET DEFICIT</b>		
Investment in capital assets		500,715
Unrestricted		7,597
Total net position		<u>\$ 508,312</u>

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

# IRWIN COUNTY, GEORGIA

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

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	<u>Mystic Water</u>
<b>OPERATING REVENUES</b>	
Charges for services	\$ 9,545
Total operating revenues	<u>9,545</u>
<b>OPERATING EXPENSES</b>	
Cost of sales and services	11,884
Supplies	8,210
Administration	623
Depreciation	19,739
Total operating expenses	<u>40,456</u>
Change in net position	(30,911)
<b>NET POSITION, beginning of year</b>	<u>539,223</u>
<b>NET POSITION, end of year</b>	<u>\$ 508,312</u>

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

**IRWIN COUNTY, GEORGIA**

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

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	<u>Mystic Water</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from other customers	\$ 9,545
Payments to suppliers	<u>(19,374)</u>
Net cash used in operating activities	<u>(9,829)</u>
Decrease in cash and cash equivalents	(9,829)
<b>Cash and cash equivalents:</b>	
Beginning of year	<u>25,800</u>
End of year	<u><u>\$ 15,971</u></u>
<b>Reconciliation of operating loss to net cash used in operating activities</b>	
Operating loss	\$ (30,911)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	19,739
Increase in accounts payable	1,343
Net cash used in operating activities	<u><u>\$ (9,829)</u></u>

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

# IRWIN COUNTY, GEORGIA

## STATEMENT OF FIDUCIARY NET POSITION CUSTODIAL FUNDS AUGUST 31, 2022

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	<b>ASSETS</b>	<b>Custodial Funds</b>
Cash and cash equivalents		\$ 408,706
Total assets		<u>408,706</u>
	<b>LIABILITIES</b>	
Due to others		161,352
Total liabilities		<u>161,352</u>
	<b>NET POSITION</b>	
Restricted:		
Individuals, organizations, and other governments		247,354
Total net position		<u>\$ 247,354</u>

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

# IRWIN COUNTY, GEORGIA

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

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<b>ADDITIONS</b>	
Taxes	\$ 5,983,525
Fines and fees	387,878
Other custodial collections	<u>403,099</u>
Total additions	<u>6,774,502</u>
<b>DEDUCTIONS</b>	
Taxes paid to other governments	5,931,526
Other custodial disbursements	<u>697,639</u>
Total deductions	<u>6,629,165</u>
Net increase in fiduciary net position	145,337
Net position, beginning of year, restated	<u>102,017</u>
Net position, end of year	<u><u>\$ 247,354</u></u>

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

# IRWIN COUNTY, GEORGIA

## NOTES TO FINANCIAL STATEMENTS AUGUST 31, 2022

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Irwin County, Georgia (the “County”) have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the County’s accounting policies are described below.

#### A. Reporting Entity

Irwin County, Georgia was incorporated in the state of Georgia on December 15, 1818. The County operates under a five-member Board of Commissioners form of government. Commissioners serve concurrent terms of four years. The Chairman is elected at large and the other Commissioners are elected in districts. The chairman is a full-time position. The County provides the following services: public safety, roads and bridges, sanitation, health and social services, emergency medical services, library and recreation programs jointly with the City of Ocilla.

As required by accounting principles generally accepted in the United States of America, 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.

The **Irwin County Board of Health (the “Board”)** provides healthcare services for the citizens of the County. The County Commissioners appoint a voting majority to the Board. The component unit column in the combined financial statements includes the financial data of the Board, as reflected in their most recently audited financial statements. The fiscal year end of the Board is June 30. Complete financial statements for the Board may be obtained at the entity’s administrative offices.

The **Ocilla-Irwin County Industrial Development Authority (the “Authority”)** was created to enhance the economic development of the area by pursuing and assisting new industries in locating or relocating in the City of Ocilla and Irwin County. The County is financially accountable for the Authority. Separate financial statements are not issued for the Authority.

The **Hospital Authority of Irwin County (the “Hospital Authority”)** owns and operates an acute care hospital and a hospital-based nursing home. The Hospital Authority has a nine-member board consisting of all five of the County Commissioners and four other members appointed by the County Commissioners. The fiscal year-end of the Hospital Authority is November 30. The Hospital Authority has been omitted from the component unit column in the combined financial statements because the Hospital Authority’s November 30, 2021 financial statements are not available.

## NOTES TO FINANCIAL STATEMENTS

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

#### B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Likewise, the *primary government* is reported separately from certain legally separate component units for which the primary government is financially accountable. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

## NOTES TO FINANCIAL STATEMENTS

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

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

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

The County reports the following major governmental funds:

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

The **American Rescue Plan Act ("ARPA") Fund** accounts for the Local Fiscal Recovery Funds received by the County through the American Rescue Plan Act of 2021.

The **Transportation Investment Act ("TIA") Fund** accounts for the discretionary portion of the Transportation Investment Act proceeds and expenditures for transportation projects that are not capital projects.

The **Local Maintenance and Improvement Grant ("LMIG") Fund** accounts for the proceeds of the Local Maintenance & Improvement Grant program.

The **Special Purpose Local Option Sales Tax ("SPLOST") #5 Fund** accounts for the collection and disbursement of a six-year special 1% sales tax in effect July 1, 2018 through June 30, 2024.

The County reports the following major proprietary fund:

The **Mystic Water Fund** accounts for the activities of the Mystic water system.

Additionally, the County reports the following fund types:

The **special revenue funds** account for revenue sources that are legally restricted or committed for expenditures of specific purposes.

The **capital project fund** accounts for the acquisition or construction of capital facilities.

The **custodial funds** are used to account for assets held by the County as an agent for individuals, private organizations, other governmental units, and/or other funds.

## NOTES TO FINANCIAL STATEMENTS

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

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

Amounts reported as *program revenues* include: 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services provided. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

#### D. Cash, Cash Equivalents and Investments

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

State statutes authorize the County to invest in obligations of the State of Georgia or other states, obligations issued by the U.S. Government, obligations fully insured or guaranteed by the U.S. Government or by a government agency of the United States, obligations of any corporation of the U.S. Government, prime bankers' acceptance, the local government investment pool, repurchase agreements, and obligations of other political subdivisions of Georgia.

Investments for the County are reported at fair value.

#### E. Interfund Receivables and Payables

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

## NOTES TO FINANCIAL STATEMENTS

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

#### F. Inventory and Prepaid Items

The costs of inventories are recorded as expenditures when purchased in all funds. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as expenditures when paid in the governmental funds and as prepaid items in both the government-wide and proprietary fund financial statements.

#### G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost which exceeds certain capitalization thresholds and an estimated useful life in excess of two years. In the case of the initial capitalization of general infrastructure assets, the County has capitalized items acquired or constructed after August 31, 2003. As the County constructs or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital improvements are capitalized as projects are constructed.

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

<u>Asset Category</u>	<u>Capitalization Threshold</u>	<u>Years</u>
Buildings	\$ 10,000	25 – 50
Machinery and Equipment	5,000	5 – 15
Improvements	5,000	10 – 20
Public Domain Infrastructure	25,000	15 – 40
Water System	5,000	15 – 50

#### H. 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), therefore, will not be recognized as an outflow of resources (expense/expenditure) until then. The County does not have any items that qualify for reporting in this category.

## NOTES TO FINANCIAL STATEMENTS

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

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

In addition to liabilities, the balance sheet and Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balances that apply to a future period(s), therefore, will not be recognized as an inflow of resources (revenue) until that time. The County has only one type of item, arising only under a modified accrual basis of accounting, that qualifies for reporting in this category. *Unavailable revenue* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and ambulance fees not received within 60 days after year-end. These amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

#### I. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, and proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payables are reported net of the applicable bond premium or discount. Bond issuance costs, except any portion related to prepaid insurance costs, are reported as expenses in the year the debt is issued.

In the fund financial statements, governmental fund types recognize bond premiums, discounts and 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.

#### J. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from County service. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

There is no liability for unpaid accumulated sick leave since the County does not have a policy to pay any amounts when the employees separate from service with the County.

## NOTES TO FINANCIAL STATEMENTS

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

#### K. Fund Equity

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

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

- **Non-spendable** – Fund balances are reported as non-spendable when amounts cannot be spent because they are either: a) not in spendable form (i.e., items that are not expected to be converted to cash), or b) legally or contractually required to be maintained intact.
- **Restricted** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- **Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of County Commissioners through the adoption of a resolution. Only the Board of County Commissioners may modify or rescind the commitment. Once approved, the limitation imposed remains in place until a similar action is taken to remove or reverse the limitation.
- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the County’s intent to be used for specific purposes, but are neither restricted nor committed. The Board of County Commissioners may assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment.
- **Unassigned** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balances only in the General Fund. Negative unassigned fund balances may be reported in all funds.

## NOTES TO FINANCIAL STATEMENTS

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

#### K. Fund Equity (Continued)

**Flow Assumptions** – When both restricted and unrestricted amounts of fund balances are available for use for expenditures incurred, it is the County’s policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balances, it is the County’s policy to use fund balances in the following order:

- Committed
- Assigned
- Unassigned

**Net Position** – Net position represents the difference between assets/deferred outflows of resources and liabilities/deferred inflows of resources 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 balances as described in the section above. All other net position is reported as unrestricted.

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

#### L. Management Estimates

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

#### M. Tax Abatement Agreements

Effective June 30, 2017, the County implemented GASB Statement No. 77, *Tax Abatement Disclosures*. This statement requires the County to disclose information for any tax abatement agreements either entered into by the County, or agreements entered into by other governments that reduce the County’s tax revenues. For the fiscal year ended August 31, 2022, the County did not have any such agreements, either entered into by the County or by other governments that exceeded the quantitative threshold for disclosure.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

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

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide Statement of Net Position. One element explains that “capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.” The details of this difference are as follows:

Cost	\$ 16,760,655
Accumulated depreciation	(7,085,606)
Net adjustment to increase fund balance - total governmental funds to arrive at <i>net position - governmental activities</i>	<u>\$ 9,675,049</u>

Another element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this difference are as follows:

Financed purchases	\$ (2,535,023)
Notes payable	(312,270)
Compensated absences	(72,068)
Closure and post-closure care costs	(78,423)
Net adjustment to decrease fund balance - total governmental funds to arrive at <i>net position - governmental activities</i>	<u>\$ (2,997,784)</u>

### NOTE 3. LEGAL COMPLIANCE – BUDGETS

#### A. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with GAAP for all governmental funds except capital projects funds, which adopt project-length budgets. All annual appropriations lapse at fiscal year-end. All agencies of the County submit requests for appropriations to the County’s manager so that a budget may be prepared. The proposed budget is presented to the Board of County Commissioners for review. The Board of County Commissioners holds public hearings and a final budget must be prepared and adopted no later than August 31. The appropriated budget is prepared by fund, function and department. The County’s department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Board of County Commissioners. The legal level of budgetary control is the department level. For the fiscal year ended August 31, 2022, the County did not adopt annual budgets for the special revenue funds.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

#### B. Excess of Expenditures Over Appropriations

For the year ended August 31, 2022, expenditures exceeded budget as follows:

Department	Excess
General Fund:	
General government - elections	\$ 65
Judicial - superior court	2,117
Judicial - magistrate court	165
Public safety - jail operations	3,577
Public safety - fire	110
Public safety - emergency medical services	244,472
Public works - solid waste collection	6,293
Culture and recreation - libraries	58
Debt service	6,224

Excess expenditures over budget were funded by under-expenditures in other departments, revenues that exceeded budget, and available fund balance.

### NOTE 4. DEPOSITS AND INVESTMENTS

**Credit risk.** State statutes authorize the County to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia.

At August 31, 2022, the County had the following investments:

Investments	Maturities	Credit Rating	Fair Value
Primary government:			
Certificates of deposit	October 15, 2023	(a)	\$ 803,898
Development Authority:			
Certificates of deposit	September 30, 2022	(a)	\$ 49,916

(a) These are certificates of deposits held at a local financial institution and are not rated.

**Interest rate risk.** The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

**Custodial credit risk – Deposits.** The County does not have a formal custodial credit risk policy. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of August 31, 2022, none of the County deposits were exposed to custodial credit risk as uninsured and uncollateralized as defined by GASB pronouncements.

**Fair Value Measurements.** The County categorizes its fair value investments within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. Certificates of deposit are investments carried at cost. As a result, the County and the Development Authority do not disclose their position in certificates of deposits of \$803,898 and \$49,916, respectively, within the fair value hierarchy.

### NOTE 5. RECEIVABLES

#### Primary Government

Receivables at August 31, 2022, for the County's individual major funds and nonmajor funds in the aggregate, are as follows:

	General Fund	TIA Fund	Total
Receivables:			
Taxes	\$ 158,107	\$ -	\$ 158,107
Accounts	422,960	113,943	536,903
	581,067	113,943	695,010
Less allowance for uncollectibles	(165,911)	-	(165,911)
Total receivables	\$ 415,156	\$ 113,943	\$ 529,099

The County's property taxes were levied on the assessed values of all real and personal property with utilities, including mobile homes and motor vehicles, located in the County.

The tax billing cycle for fiscal year 2022 is as follows:

Levy date	August 31, 2021
Payment due date	December 20, 2021
Delinquency date	January 1, 2022

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. RECEIVABLES (CONTINUED)

#### Discretely Presented Component Unit

The Development Authority has issued notes receivable to various businesses to assist them in obtaining financing to locate or relocate in the City of Ocilla and Irwin County or for other economic development purposes. The Authority also entered into a lease agreement with Advent Care Systems, Inc. for a building. The balance on these receivables at August 31, 2022 was \$391,455, which included \$123,559 in restricted notes receivable and an allowance for uncollectible notes of \$47,452.

### NOTE 6. CAPITAL ASSETS

The County's capital asset activity for the fiscal year ended August 31, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Governmental activities</b>					
Capital assets, not being depreciated:					
Construction in progress	\$ 670,420	\$ -	\$ -	\$ (670,420)	\$ -
Total	<u>670,420</u>	<u>-</u>	<u>-</u>	<u>(670,420)</u>	<u>-</u>
Capital assets, being depreciated:					
Buildings	6,709,885	-	-	-	6,709,885
Infrastructure	5,255,518	302,793	-	670,420	6,228,731
Improvements other than buildings	62,133	-	-	-	62,133
Machinery and equipment	3,538,382	626,965	(405,441)	-	3,759,906
Total	<u>15,565,918</u>	<u>929,758</u>	<u>(405,441)</u>	<u>670,420</u>	<u>16,760,655</u>
Less accumulated depreciation for:					
Buildings	(2,689,246)	(167,946)	-	-	(2,857,192)
Infrastructure	(1,655,765)	(141,467)	-	-	(1,797,232)
Improvements other than buildings	(57,113)	(837)	-	-	(57,950)
Machinery and equipment	(2,510,255)	(265,043)	402,066	-	(2,373,232)
Total accumulated depreciation	<u>(6,912,379)</u>	<u>(575,293)</u>	<u>402,066</u>	<u>-</u>	<u>(7,085,606)</u>
Total capital assets, being depreciated, net	<u>8,653,539</u>	<u>354,465</u>	<u>(3,375)</u>	<u>670,420</u>	<u>9,675,049</u>
Governmental activities capital assets, net	<u>\$ 9,323,959</u>	<u>\$ 354,465</u>	<u>\$ (3,375)</u>	<u>\$ -</u>	<u>\$ 9,675,049</u>

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 6. CAPITAL ASSETS (CONTINUED)**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Business-type activities</b>					
Capital assets, not being depreciated:					
Land	\$ 5,600	\$ -	\$ -	\$ -	\$ 5,600
Total capital assets, not being depreciated	<u>5,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,600</u>
Capital assets, being depreciated:					
Buildings and system	846,763	-	-	-	846,763
Total	<u>846,763</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>846,763</u>
Less accumulated depreciation for:					
Buildings and system	(331,909)	(19,739)	-	-	(351,648)
Total	<u>(331,909)</u>	<u>(19,739)</u>	<u>-</u>	<u>-</u>	<u>(351,648)</u>
Total capital assets, being depreciated, net	<u>514,854</u>	<u>(19,739)</u>	<u>-</u>	<u>-</u>	<u>495,115</u>
Business-type activities capital assets, net	<u>\$ 520,454</u>	<u>\$ (19,739)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 500,715</u>

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

<b>Governmental activities</b>	
General government	\$ 78,197
Judicial	48,321
Public safety	106,852
Public works	292,344
Health and welfare	35,981
Parks and recreation	5,171
Housing and development	8,427
Total depreciation expense	<u>\$ 575,293</u>
<b>Business-type activities</b>	
Mystic water	\$ 19,739
Total depreciation expense	<u>\$ 19,739</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. LONG-TERM DEBT

The following is a summary of long-term debt activity for the fiscal year ended August 31, 2022:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Governmental activities</b>					
Compensated absences	\$ 72,533	\$ 369,556	\$ (370,021)	\$ 72,068	\$ 7,207
Financed purchases	2,003,403	705,465	(173,845)	2,535,023	239,498
Notes payable	366,225	-	(53,955)	312,270	54,803
Closure and post-closure care costs	99,428	-	(21,005)	78,423	21,000
Governmental activities long-term liabilities	<u>\$ 2,541,589</u>	<u>\$ 1,075,021</u>	<u>\$ (618,826)</u>	<u>\$ 2,997,784</u>	<u>\$ 322,508</u>
<b>Component unit - Development Authority</b>					
Notes payable	\$ 37,063	\$ -	\$ (6,881)	\$ 30,182	\$ 10,477
Irwin County Development Authority long-term liabilities	<u>\$ 37,063</u>	<u>\$ -</u>	<u>\$ (6,881)</u>	<u>\$ 30,182</u>	<u>\$ 10,477</u>

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

#### Governmental Activities

**Financed purchases.** The County has entered into direct borrowing agreements through a local institution for financing the acquisition of capital assets. The financed purchase agreements qualify as direct borrowings for accounting purposes and, therefore, have been recorded at the present values of the future minimum payments as of the date of their inception.

Debt service requirements to maturity on the financed purchases are as follows:

<b>Fiscal Year Payable</b>	<b>Total</b>	<b>Principal</b>	<b>Interest</b>
2023	\$ 307,121	\$ 239,498	\$ 67,623
2024	294,533	231,127	63,406
2025	254,857	196,151	58,706
2026	254,857	200,650	54,207
2027	1,760,365	1,470,550	289,815
2028 – 2030	197,834	197,047	787
	<u>\$ 3,069,567</u>	<u>\$ 2,535,023</u>	<u>\$ 534,544</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. LONG-TERM DEBT (CONTINUED)

#### Governmental Activities (Continued)

**Notes payable.** On October 15, 2018, the County entered into a loan agreement with the Georgia Transportation Infrastructure Bank in the amount of \$486,240 to help fund the paving of Clarence Paulk Road. In connection with the loan, the County also received a grant in the amount of \$261,289. The grant and loan proceeds were received during the year ended August 31, 2020. Only \$392,889 was drawn on the loan, which is being repaid in monthly installments of \$4,940 at an annual interest rate of 1.56%. The outstanding balance on this note at August 31, 2022 was \$312,270.

Notes payable debt service requirements to maturity are as follows as of August 31, 2022:

<u>Fiscal Year Payable</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 59,284	\$ 54,803	\$ 4,481
2024	59,284	55,664	3,620
2025	59,284	56,539	2,745
2026	59,284	57,427	1,857
2027	59,284	58,809	475
2028	29,078	29,028	50
	<u>\$ 325,498</u>	<u>\$ 312,270</u>	<u>\$ 13,228</u>

#### Discretely Presented Component Unit

**Notes Payable.** On June 18, 2015, the Development Authority entered into a loan agreement with the City of Ocilla for \$100,000 to assist a local industry, Forest River, Inc. The interest rate is 1.8% and the note is being repaid in monthly principal and interest payments of \$911. The outstanding balance on this note at August 31, 2022 was \$30,182.

Notes payable debt service requirements to maturity are as follows as of August 31, 2022:

<u>Fiscal Year Payable</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 10,934	\$ 10,477	\$ 457
2024	10,934	10,668	266
2025	9,110	9,037	73
	<u>\$ 30,978</u>	<u>\$ 30,182</u>	<u>\$ 796</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of August 31, 2022 is as follows:

Receivable Fund	Payable Fund	Amount
TIA Fund	LMIG Fund	\$ 6,075

These balances result 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 for the fiscal year ended August 31, 2022 consisted of the following:

Transfers In	Transfers Out	Amount
Nonmajor Governmental Funds	General Fund	\$ 349,481

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

### NOTE 9. LANDFILL CLOSURE AND POST-CLOSURE CARE COST

State and federal laws and regulations require that the County place a final cover on its landfills when closed and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The City of Ocilla and the County co-own the landfill and share costs accordingly. The landfill no longer accepts waste and was closed prior to April 1994. The estimated liability for post-closure care costs is based on 100% of landfill capacity used to date. The revised estimated post-closure care costs for the landfill are \$156,846. This estimate is based on the cost of compliance monitoring through the year 2025. The County is responsible for \$78,423 of these costs. The County reported these costs as an operating expense in prior years in the government-wide financial statements while changes in the estimate are reported in current periods. Expenditures for the current year were \$21,005. Actual costs may be higher due to inflation or deflation, revisions to laws or regulations, or changes in technology.

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 10. PENSIONS**

The County adopted a resolution to create the Irwin County IRS 457 Deferred Compensation Plan, in accordance with Internal Revenue Code Section 457, on December 4, 1989. The plan, administered by GEBCORP, covers participating full-time employees with at least three months (90 days) of service and permits independent contractors to participate in the plan. Effective August 1, 2009, the County adopted a restated plan. The plan contains a contribution formula, which requires employees to defer a minimum of 1% of compensation or \$20. The County is permitted to make non-elective contributions at its sole discretion, which was 3% for the year ended August 31, 2022. All contributions and other requirements are established by County resolution. The County contributed \$34,697, the plan and employee deferrals were \$9,131 for the year ended August 31, 2022.

### **NOTE 11. RISK MANAGEMENT**

The County is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the County carries commercial insurance purchased either directly or indirectly from independent third parties. The County participates in the ACCG Group Self-Insurance Workers' Compensation Fund public entity risk pool currently operating as common risk management and insurance programs for member local governments.

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

The fund is to defend and protect the members of the fund against liability or loss as prescribed in the member government contract and in accordance with the Workers' Compensation Law of Georgia. The fund is to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 12. COMMITMENTS AND CONTINGENT LIABILITIES

#### A. Litigation

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

#### B. Grant Contingencies

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

#### C. Discretely Presented Component Unit

The Development Authority has agreed to repay the City of Ocilla's RLF \$12,500 per year for ten years as long as Moore Funds (Harvey's) stays in business. The Authority is contingently liable for seven payments at August 31, 2022.

### NOTE 13. JOINT VENTURES

#### Southern Georgia Regional Commission

Under Georgia law, the County, in conjunction with cities and counties in the South Georgia area, is a member of the Southern Georgia Regional Commission ("SGRC"). During its year ended August 31, 2022, the County paid \$10,157 in such dues. Membership in a regional commission is required by the Official Code of Georgia Annotated ("O.C.G.A.") §50-8-34, which provides for the organizational structure of the regional commission in Georgia. The SGRC Board membership includes the chief elected official of each county and municipality of the area. O.C.G.A. §50-8-39.1 provides that the member governments are liable for any debts or obligations of a regional commission. Separate financial statements may be obtained from:

Southern Georgia Regional Commission  
327 West Savannah Avenue  
Valdosta, Georgia 31601

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 14. RESTATEMENT – CHANGE IN ACCOUNTING PRINCIPLE

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

Net Position, Custodial Funds, as previously reported	\$ -
Adjustment needed to record beginning net position of the agency funds now reported as custodial funds in accordance with GASB Statement No. 84	<u>102,017</u>
Net Position, Custodial Funds, as restated	<u><u>\$ 102,017</u></u>

## **SUPPLEMENTARY INFORMATION**

# IRWIN COUNTY, GEORGIA

## NONMAJOR GOVERNMENTAL FUNDS

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### SPECIAL REVENUE FUNDS

**Sheriff's Drug Enforcement Fund** – This fund is used to account for collection and disbursement of federally forfeited funds which are to be used solely for local drug enforcement.

**E-911 Fund** – This fund is used to account for collection and disbursement of telephone charges to operate an Emergency 911 system.

**Drug Abuse Treatment & Education Fund** – This fund is used to account for collection and disbursement of monies used exclusively for drug abuse treatment and education programs relating to controlled substances and marijuana.

**Jail Improvement Fund** – This fund is used to account for an additional 10% on all fines collected for the purpose of jail additions and improvements.

**Juvenile Services Fund** – This fund is used to account for collection and disbursement of monies to be used in providing supplemental community based services to juvenile offenders.

### CAPITAL PROJECT FUND

**Community Development Block Grant ("CDBG") 2018 Fund** – This fund is used to account for a Community Development Block Grant to pave Clark Howell Road.

# IRWIN COUNTY, GEORGIA

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS AUGUST 31, 2022

ASSETS	Special Revenue Funds				
	Sheriff's Drug Enforcement	E-911	Drug Abuse Treatment & Education	Jail Improvement	Juvenile Services
Cash and cash equivalents	\$ 6,220	\$ 291,317	\$ 4,811	\$ 49,693	\$ 839
Due from other governments	-	13,432	-	-	-
Total assets	\$ 6,220	\$ 304,749	\$ 4,811	\$ 49,693	\$ 839
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ 2,501	\$ 377	\$ -
Total liabilities	-	-	2,501	377	-
<b>FUND BALANCES</b>					
Restricted for:					
Public safety	6,220	304,749	2,310	-	-
Assigned to:					
Judicial	-	-	-	-	839
Public safety	-	-	-	49,316	-
Total fund balances	6,220	304,749	2,310	49,316	839
Total liabilities and fund balances	\$ 6,220	\$ 304,749	\$ 4,811	\$ 49,693	\$ 839

**Capital  
Projects Fund**

<u>CDBG 2018</u>	<u>Totals</u>
-	\$ 352,880
-	13,432
<u>\$ -</u>	<u>\$ 366,312</u>

<u>\$ -</u>	<u>\$ 2,878</u>
-	2,878

-	313,279
-	839
-	49,316
-	363,434
<u>\$ -</u>	<u>\$ 366,312</u>

# IRWIN COUNTY, GEORGIA

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

	Special Revenue Funds				
	Sheriff's Drug Enforcement	E-911	Drug Abuse Treatment & Education	Jail Improvement	Juvenile Services
<b>Revenues</b>					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	163,411	-	-	-
Fines and forfeitures	-	-	6,415	17,213	-
Interest revenue	8	-	-	-	-
Other revenues	3,331	-	-	-	-
Total revenues	3,339	163,411	6,415	17,213	-
<b>Expenditures</b>					
Current:					
Public safety	1,882	382,054	15,800	1,961	-
Capital outlay	-	-	-	-	-
Total expenditures	1,882	382,054	15,800	1,961	-
Excess (deficiency) of revenues over (under) expenditures	1,457	(218,643)	(9,385)	15,252	-
<b>Other financing sources</b>					
Transfers in	-	349,481	-	-	-
Total other financing sources	-	349,481	-	-	-
Net change in fund balances	1,457	130,838	(9,385)	15,252	-
<b>Fund balances, beginning of year</b>	4,763	173,911	11,695	34,064	839
<b>Fund balances, end of year</b>	\$ 6,220	\$ 304,749	\$ 2,310	\$ 49,316	\$ 839

**Capital  
Projects Fund**

<b>CDBG 2018</b>	<b>Totals</b>
\$ 226,773	\$ 226,773
-	163,411
-	23,628
-	8
22,590	25,921
<u>249,363</u>	<u>439,741</u>
-	401,697
<u>249,363</u>	<u>249,363</u>
<u>249,363</u>	<u>651,060</u>
-	<u>(211,319)</u>
-	349,481
<u>-</u>	<u>349,481</u>
-	138,162
<u>-</u>	<u>225,272</u>
<u>\$ -</u>	<u>\$ 363,434</u>

# IRWIN COUNTY, GEORGIA

## SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED AUGUST 31, 2022

Project Description	Original and Current Estimated Costs	Expenditures		
		Prior Years	Current Year	Total
County projects	\$ 2,475,000			
Roads, Streets and Bridges		\$ 803,970	\$ 617,184	\$ 1,421,154
Landfill		73,645	21,005	94,650
City of Ocilla	2,025,000	998,132	355,175	1,353,307
Totals	\$ 4,500,000	\$ 1,875,747	993,364	\$ 2,869,111

**Reconciliation to the Statement of Revenues, Expenditures  
and Changes in Fund Balance - Governmental Funds:**

Debt service principal expenditures already included in amounts above	108,412
Debt service interest expenditures already included in amounts above	930
Total per Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	\$ 1,102,706

# IRWIN COUNTY, GEORGIA

## CUSTODIAL FUNDS

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**Clerk of Superior Court** – This fund is used to account for all monies received by the Clerk of Court on behalf of individuals, private organizations, other governmental units, and other funds.

**Probate Court** – This fund is used to account for the collection of fees for firearms licenses, certificates, marriage licenses, passports, etc., which are disbursed to other parties.

**Sheriff's Office** – This fund is used to account for all monies received by the Sheriff's Department on behalf of individuals, private organizations, other governmental units, and other funds.

**Tax Commissioner** – This fund is used to account for the collection and payment to the County and other taxing units of the property taxes levied, billed, and collected by the Tax Commissioner on behalf of the County and other taxing units.

**Magistrate Court** – This fund is used to account for the receipt and disbursement of court-ordered fines and fees made on behalf of third parties.

# IRWIN COUNTY, GEORGIA

## COMBINING STATEMENT OF FIDUCIARY NET POSITION CUSTODIAL FUNDS AUGUST 31, 2022

	Clerk of Superior Court	Probate Court	Sheriff's Office
<b>ASSETS</b>			
Cash and cash equivalents	\$ 144,836	\$ 56,913	\$ 15,423
Total assets	144,836	56,913	15,423
<b>LIABILITIES</b>			
Due to others	13,539	8,501	519
Total liabilities	13,539	8,501	519
<b>NET POSITION</b>			
Restricted: Individuals, organizations, and other governments	131,297	48,412	14,904
Total net position	\$ 131,297	\$ 48,412	\$ 14,904

<b>Tax Commissioner</b>	<b>Magistrate Court</b>	<b>Total</b>
\$ 187,070	\$ 4,464	\$ 408,706
<u>187,070</u>	<u>4,464</u>	<u>408,706</u>
<u>135,071</u>	<u>3,722</u>	<u>161,352</u>
<u>135,071</u>	<u>3,722</u>	<u>161,352</u>
<u>51,999</u>	<u>742</u>	<u>247,354</u>
<u>\$ 51,999</u>	<u>\$ 742</u>	<u>\$ 247,354</u>

# IRWIN COUNTY, GEORGIA

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

	Clerk of Superior Court	Probate Court	Sheriff's Office
<b>ADDITIONS</b>			
Taxes	\$ -	\$ -	\$ -
Fines and fees	-	295,980	10,789
Other custodial collections	403,099	-	-
Total additions	403,099	295,980	10,789
<b>DEDUCTIONS</b>			
Taxes paid to other governments	-	-	-
Other custodial disbursements	311,779	293,301	12,192
Total deductions	311,779	293,301	12,192
Net increase (decrease) in fiduciary net position	91,320	2,679	(1,403)
Net position, beginning of year, as restated	39,977	45,733	16,307
Net position, end of year	\$ 131,297	\$ 48,412	\$ 14,904

<b>Tax Commissioner</b>	<b>Magistrate Court</b>	<b>Total</b>
\$ 5,983,525	\$ -	\$ 5,983,525
-	81,109	387,878
-	-	403,099
<u>5,983,525</u>	<u>81,109</u>	<u>6,774,502</u>
5,931,526	-	5,931,526
-	80,367	697,639
<u>5,931,526</u>	<u>80,367</u>	<u>6,629,165</u>
51,999	742	145,337
-	-	102,017
<u>\$ 51,999</u>	<u>\$ 742</u>	<u>\$ 247,354</u>

## **COMPLIANCE SECTION**



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

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**Board of Commissioners  
of Irwin County, Georgia  
Ocilla, 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 business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Irwin County, Georgia** (the "County"), as of and for the year ended August 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 28, 2023. Our report includes a reference to other auditors who audited the financial statements of the Irwin County Board of Health and the Hospital Authority of Irwin County, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings and Responses, we identified certain deficiencies in internal control that we consider to be a material weakness 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 deficiency described in the accompanying Schedule of Findings and Responses as item 2022-002, to be a material weakness.

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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 Responses as item 2022-001 to be a significant deficiency.

#### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Responses as item 2022-003.

#### **Irwin 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 as described in the accompanying Schedule of Findings and Responses. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

#### **Purpose of This Report**

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

*Mauldin & Jenkins, LLC*

Macon, Georgia  
June 28, 2023

# IRWIN COUNTY, GEORGIA

## SCHEDULE OF FINDINGS AND RESPONSES FOR THE FISCAL YEAR ENDED AUGUST 31, 2022

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### SECTION I SUMMARY OF AUDITOR'S RESULTS

#### **Financial Statements**

Type of auditor's report issued

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

Yes  No

Significant deficiencies identified not considered  
to be material weaknesses?

Yes  None Reported

Noncompliance material to financial statements noted?

Yes  No

#### **Federal Awards**

There was not an audit of major federal award programs as of August 31, 2022 due to the total amount expended being less than \$750,000.

# IRWIN COUNTY, GEORGIA

## SCHEDULE OF FINDINGS AND RESPONSES FOR THE FISCAL YEAR ENDED AUGUST 31, 2022

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### SECTION II FINANCIAL STATEMENTS FINDINGS AND RESPONSES

#### 2022-001. Segregation of Duties

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

**Condition:** For the fiscal year ended August 31, 2022, we noted a lack of proper segregation of duties within several areas of the County's operations, including the Clerk of Court, Magistrate Court, Probate Court, Tax Commissioner's office, Sheriff's office, Development Authority, and County finance department. Examples of segregation of duties issues are as follows:

- ◆ Cash receipts are handled by the same individual(s) who also makes bank deposits, reconciles the bank accounts, and posts activities to the general ledger.
- ◆ Individuals responsible for the processing of invoices and related payables are also involved in the disbursement process and general ledger functions.
- ◆ Bank reconciliations are not being formally reviewed.

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

**Effect:** The failure of the County to have a proper segregation of duties could lead to undetected misappropriation of funds or other irregularities.

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

**Recommendation:** We recommend the County institute proper segregation of duties in order to mitigate the opportunity for misappropriation of assets.

**Views of Responsible Officials and Planned Corrective Action:** We concur. We will work with staff to segregate duties and apply compensating controls to the extent possible.

# IRWIN COUNTY, GEORGIA

## SCHEDULE OF FINDINGS AND RESPONSES FOR THE FISCAL YEAR ENDED AUGUST 31, 2022

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

#### 2022-002. General Accounting Matters/Close-Out Procedures

**Criteria:** Internal control is a process designed to provide reasonable assurance about the achievement of an entity's objectives with regard to the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. Internal control is also a process of safeguarding assets against unauthorized acquisition, use, or disposition, and includes controls related to financial reporting and operations objectives. Generally accepted accounting principles ("GAAP") require assets, liabilities, revenues and expenditures to be recognized in the accounting period in which they become both measurable and available. Further, a fundamental principle in accounting and financial reporting is the notion of timely recognition and recording of financial and non-financial transactions and activities.

**Condition:** During our audit, we noted accounting, reporting and reconciling not being properly performed and reviewed consistently during the fiscal year which required a significant effort to close the County's 2022 fiscal year. Significant adjustments were determined and required to be recorded in the months that followed August 31, 2022. Specifically, we noted a lack of timely and accurate financial and non-financial information needed:

- to properly maintain the accounts payable and accrued liabilities on a periodic basis throughout the year;
- to properly maintain the accounts receivable on a periodic basis throughout the year;
- to accurately maintain and record the County's capital assets;
- to accurately maintain and record the County's debt; and
- to close-out and report activities, events, and transactions on a periodic basis.

We believe it is important to note that we observed a genuine interest by the County's accounting personnel in their desire to learn and assume greater responsibilities for the County's accounting and financial reporting and noticed great improvement throughout the audit.

**Context:** We addressed the matter with the County officials who were able to provide all respective details and reconciliations as of and for the year ended August 31, 2022.

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

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

# IRWIN COUNTY, GEORGIA

## SCHEDULE OF FINDINGS AND RESPONSES FOR THE FISCAL YEAR ENDED AUGUST 31, 2022

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

#### 2022-002. General Accounting Matters/Close-Out Procedures (Continued)

**Recommendation:** We recommend the County consider a variety of options in addressing the above condition. The County should continue to evaluate its strengths and weaknesses relative to the accounting function, and take appropriate measures to address the concerns noted above with a goal of providing timely recording, reconciling and reporting of County operations and financial and non-financial activities. We have noted the County has begun implementing a number of processes/procedures to improve the overall accounting function during audit fieldwork.

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

#### 2022-003. Budget Adoption

**Criteria:** State law requires the County adopt an annual balanced budget for the General Fund and Special Revenue Funds and follow procedures that limit expenditures exceeding the budget at the Department level.

**Condition:** Careful monitoring of expenditures compared to budget would alert management and the public to budget violations, and possible misuse of County resources.

**Context:** The County did not adopt budgets for their Special Revenue Funds.

**Effects:** The ultimate effect of the above condition is the potential for budget violations and possible misuse of County resources.

**Cause:** Financial statements and budget comparison statements are not reviewed. Budgets were not amended. The County did not record all budgetary transactions.

**Recommendation:** Financial statements and budget-to-actual statements for all funds should be reviewed by the County manager and the County Clerk prior to the Board of Commissioners meeting. The budgets for all funds should be amended as often as necessary to provide for source of funds for unbudgeted expenditures.

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

**IRWIN COUNTY, GEORGIA**

**SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED AUGUST 31, 2022**

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**SECTION III  
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

Not applicable.

# IRWIN COUNTY, GEORGIA

## SCHEDULE OF PRIOR YEAR FINDINGS FOR THE FISCAL YEAR ENDED AUGUST 31, 2022

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### 2021-001. Budget Adoption

**Criteria:** The Official Code of Georgia Annotated §36-81-3(b) requires an annual balanced budget for the General Fund, each special revenue fund, and each debt service fund and requires a project-length budget for each capital projects fund.

**Condition:** For the fiscal year ended August 31, 2021, the County did not adopt annual budgets for the special revenue funds.

**Auditee Response/Status:** Unresolved. See current year financial audit finding 2022-003.

### 2021-002. Segregation of Duties

**Criteria:** There should be segregation of duties among financial functions to reduce the risk of asset misappropriation and to ensure the County's fiduciary responsibility to the public.

**Condition:** There was a lack of segregation of duties due to the same individual performing multiple financial functions and comprehensive compensating controls have not been implemented.

**Auditee Response/Status:** Unresolved. See current year financial audit finding 2022-001.

### 2021-003. Cash Reconciliation

**Criteria:** Bank reconciliations should be prepared by personnel independent of the cash receipt and disbursement functions and reviewed by appropriate personnel. Reconciling items should be investigated timely and properly recorded or adjusted.

**Condition:** The same individual performs the reconciliation and cash receipts and disbursement functions for the same bank account and reconciling items of the General Fund operating account were not properly adjusted. As a result, cash was misstated which required adjustments to correct the balance reported in the account.

**Auditee Response/Status:** Resolved.

### 2021-004. Payroll Reporting

**Criteria:** The payroll deduction subledgers should be reconciled with the general ledger control accounts regularly to ensure improper disbursements are not made and the balances in the accounts are correctly stated. Reconciling items should be investigated timely and properly recorded or adjusted.

**Condition:** Payroll deductions and withholding remittances were not properly recorded and the activity was not reconciled to the general ledger control accounts.

**Auditee Response/Status:** Resolved.