

IRWIN COUNTY, GEORGIA

FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
AUGUST 31, 2023**

IRWIN COUNTY, GEORGIA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

TABLE OF CONTENTS

Page

Table of Contents i and ii

FINANCIAL SECTION

Independent Auditor’s Report..... 1 – 4

BASIC FINANCIAL STATEMENTS:

Government-wide Financial Statements:

Statement of Net Position 5 – 8
Statement of Activities 9 and 10

Fund Financial Statements:

Balance Sheet – Governmental Funds 11 and 12
Statement of Revenues, Expenditures and Changes in Fund
Balances – Governmental Funds 13 and 14
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities..... 15
Statement of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual – General Fund 16 and 17
Statement of Net Position – Proprietary Fund 18
Statement of Revenues, Expenses and Changes in Fund
Net Position – Proprietary Fund 19
Statement of Cash Flows – Proprietary Fund 20
Statement of Fiduciary Net Position – Custodial Funds 21
Statement of Changes in Fiduciary Net Position – Custodial Funds 22
Notes to Financial Statements 23 – 40

IRWIN COUNTY, GEORGIA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

TABLE OF CONTENTS (CONTINUED)

Page

SUPPLEMENTARY INFORMATION

Nonmajor Governmental Funds:

| | |
|---|-----------|
| Combining and Individual Nonmajor Fund Financial Statements and Schedules: | |
| Combining Balance Sheet – Nonmajor Governmental Funds..... | 41 |
| Combining Statement of Revenues, Expenditures and Changes in Fund | |
| Balances – Nonmajor Governmental Funds | 42 |
| Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds..... | 43 |
| Combining Statement of Fiduciary Net Position – Custodial Funds | 44 and 45 |
| Combining Statement of Changes in Fiduciary Net Position – Custodial Funds | 46 and 47 |

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 <i>Government Auditing Standards</i>..... | |
| | 48 – 50 |
| Schedule of Findings and Responses..... | 51 – 55 |
| Schedule of Prior Year Findings | 56 |

FINANCIAL SECTION



INDEPENDENT AUDITOR’S REPORT

**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 accompanying 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, 2023, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements as listed in the table of contents.

Summary of Opinions

| Opinion Unit | Type of Opinion |
|--|-----------------|
| 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, 2023, 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 41%, 13%, and 77%, 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.

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

In our opinion, the 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, 2023, 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”) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (“*Government Auditing Standards*”). 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.

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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Management has omitted the management’s discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considered it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County’s basic financial statements. The 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 22, 2024, 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
May 22, 2024

BASIC FINANCIAL STATEMENTS

IRWIN COUNTY, GEORGIA

**STATEMENT OF NET POSITION
AUGUST 31, 2023**

| | Primary Government | | |
|--|------------------------------------|-------------------------------------|-------------------|
| | Governmental Activities | Business-type Activities | Total |
| ASSETS | | | |
| Cash and cash equivalents | \$ 3,432,799 | \$ 3,409 | \$ 3,436,208 |
| Investments | 810,032 | - | 810,032 |
| Taxes receivable | 197,379 | - | 197,379 |
| Accounts receivable, net of allowances | 263,086 | - | 263,086 |
| Notes receivable | - | - | - |
| Due from other governments | 156,479 | - | 156,479 |
| Prepaid items | - | - | - |
| Restricted assets: | | | |
| Cash | - | - | - |
| Property held for resale | - | - | - |
| Net OPEB asset | - | - | - |
| Capital assets: | | | |
| Non-depreciable | 621,112 | 5,600 | 626,712 |
| Depreciable, net of accumulated depreciation | 10,106,409 | 475,376 | 10,581,785 |
| Total assets | <u>15,587,296</u> | <u>484,385</u> | <u>16,071,681</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Pension | - | - | - |
| OPEB | - | - | - |
| Total deferred outflows of resources | <u>-</u> | <u>-</u> | <u>-</u> |

(Continued)

| Component Units | |
|------------------------|------------------------------|
| Board of Health | Development Authority |
| \$ 305,921 | \$ 140,581 |
| - | 53,564 |
| - | - |
| - | - |
| - | 352,303 |
| - | - |
| - | 4,167 |
| - | 32,681 |
| - | 158,485 |
| 34,483 | - |
| - | - |
| - | - |
| <u>340,404</u> | <u>741,781</u> |
| 148,096 | - |
| 29,134 | - |
| <u>177,230</u> | <u>-</u> |

IRWIN COUNTY, GEORGIA

**STATEMENT OF NET POSITION
AUGUST 31, 2023**

| | Primary Government | | |
|---|------------------------------------|-------------------------------------|----------------------|
| | Governmental Activities | Business-type Activities | Total |
| LIABILITIES | | | |
| Accounts payable | \$ 126,172 | \$ - | \$ 126,172 |
| Accrued liabilities | 107,867 | - | 107,867 |
| Customer deposits | - | 5,600 | 5,600 |
| Other payables | 256,443 | - | 256,443 |
| Unearned revenues | 1,672,994 | - | 1,672,994 |
| Financed purchases due within one year | 191,796 | - | 191,796 |
| Financed purchases due in more than one year | 2,064,398 | - | 2,064,398 |
| Notes payable due within one year | 55,664 | - | 55,664 |
| Notes payable due in more than one year | 201,803 | - | 201,803 |
| Compensated absences due within one year | 8,788 | - | 8,788 |
| Compensated absences due in more than one year | 79,089 | - | 79,089 |
| 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 | 33,548 | - | 33,548 |
| Net pension liability | - | - | - |
| Net OPEB liability | - | - | - |
| Total liabilities | <u>4,819,562</u> | <u>5,600</u> | <u>4,825,162</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Pension | - | - | - |
| OPEB | - | - | - |
| Total deferred inflows of resources | <u>-</u> | <u>-</u> | <u>-</u> |
| NET POSITION | | | |
| Net investment in capital assets | 8,213,860 | 480,976 | 8,694,836 |
| Restricted for: | | | |
| Public safety | 190,606 | - | 190,606 |
| Federal programs | 14,254 | - | 14,254 |
| Prior year program income | - | - | - |
| Capital outlay | 1,713,071 | - | 1,713,071 |
| Unrestricted | 635,943 | (2,191) | 633,752 |
| Total net position | <u>\$ 10,767,734</u> | <u>\$ 478,785</u> | <u>\$ 11,246,519</u> |

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

| Component Units | |
|------------------------|------------------------------|
| Board of Health | Development Authority |
| \$ - | \$ 152 |
| - | 3,741 |
| - | - |
| - | - |
| 9,843 | - |
| - | - |
| - | - |
| - | 10,477 |
| - | 9,228 |
| 11,303 | - |
| 7,535 | - |
| - | - |
| - | - |
| 337,329 | - |
| 19,932 | - |
| <u>385,942</u> | <u>23,598</u> |
| 3,060 | - |
| 34,762 | - |
| <u>37,822</u> | - |
| - | - |
| - | - |
| - | - |
| 151,167 | - |
| - | - |
| (57,297) | 718,183 |
| <u>\$ 93,870</u> | <u>\$ 718,183</u> |

IRWIN COUNTY, GEORGIA

STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

| Functions/Programs | Expenses | Program Revenues | | |
|----------------------------------|--------------|----------------------|------------------------------------|----------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary government | | | | |
| Governmental activities: | | | | |
| General government | \$ 1,458,946 | \$ 16,408 | \$ 18,771 | \$ - |
| Judicial | 850,884 | 355,821 | - | - |
| Public safety | 3,607,426 | 793,251 | 32,488 | - |
| Public works | 2,917,307 | 18,276 | - | 1,081,764 |
| Health and welfare | 60,965 | - | - | - |
| Parks and recreation | 183,847 | 31,507 | - | - |
| Housing and development | 137,331 | 23,177 | - | - |
| Interest on long-term debt | 72,104 | - | - | - |
| Total governmental activities | 9,288,810 | 1,238,440 | 51,259 | 1,081,764 |
| Business-type activities: | | | | |
| Mystic Water | 33,455 | 3,928 | - | - |
| Total business-type activities | 33,455 | 3,928 | - | - |
| Total primary government | \$ 9,322,265 | \$ 1,242,368 | \$ 51,259 | \$ 1,081,764 |
| Component units: | | | | |
| Board of Health | \$ 499,043 | \$ 151,167 | \$ 324,378 | \$ - |
| Development Authority | 302,379 | - | 200,000 | - |
| Total component units | \$ 801,422 | \$ 151,167 | \$ 524,378 | \$ - |
| 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**

| Primary Government | | | Component units | |
|----------------------------|-----------------------------|----------------------|--------------------|--------------------------|
| Governmental Activities | Business-type Activities | Total | Board of Health | Development Authority |
| \$ (1,423,767) | \$ - | \$ (1,423,767) | \$ - | \$ - |
| (495,063) | - | (495,063) | - | - |
| (2,781,687) | - | (2,781,687) | - | - |
| (1,817,267) | - | (1,817,267) | - | - |
| (60,965) | - | (60,965) | - | - |
| (152,340) | - | (152,340) | - | - |
| (114,154) | - | (114,154) | - | - |
| (72,104) | - | (72,104) | - | - |
| <u>(6,917,347)</u> | <u>-</u> | <u>(6,917,347)</u> | <u>-</u> | <u>-</u> |
| - | (29,527) | (29,527) | - | - |
| - | (29,527) | (29,527) | - | - |
| <u>(6,917,347)</u> | <u>(29,527)</u> | <u>(6,946,874)</u> | <u>-</u> | <u>-</u> |
| - | - | - | (23,498) | - |
| - | - | - | - | (102,379) |
| - | - | - | <u>(23,498)</u> | <u>(102,379)</u> |
| 4,302,984 | - | 4,302,984 | - | 207,144 |
| 2,114,975 | - | 2,114,975 | - | - |
| 1,416 | - | 1,416 | - | - |
| 522,550 | - | 522,550 | - | - |
| 9,608 | - | 9,608 | - | 7,519 |
| 75,226 | - | 75,226 | - | - |
| 48,626 | - | 48,626 | - | - |
| <u>7,075,385</u> | <u>-</u> | <u>7,075,385</u> | <u>-</u> | <u>214,663</u> |
| 158,038 | (29,527) | 128,511 | (23,498) | 112,284 |
| 10,609,696 | 508,312 | 11,118,008 | 117,368 | 605,899 |
| <u>\$ 10,767,734</u> | <u>\$ 478,785</u> | <u>\$ 11,246,519</u> | <u>\$ 93,870</u> | <u>\$ 718,183</u> |

IRWIN COUNTY, GEORGIA

BALANCE SHEET GOVERNMENTAL FUNDS AUGUST 31, 2023

| | General | ARPA | TIA |
|---|--------------|--------------|------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 743,189 | \$ 877,216 | \$ 792,924 |
| Investments | - | 810,032 | - |
| Receivables, net of allowance: | | | |
| Taxes | 197,379 | - | - |
| Accounts | 205,262 | - | 57,824 |
| Due from other funds | - | - | 6,075 |
| Due from other governments | 70,890 | - | - |
| Total assets | \$ 1,216,720 | \$ 1,687,248 | \$ 856,823 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Accounts payable | \$ 125,053 | \$ - | \$ - |
| Accrued liabilities | 107,867 | - | - |
| Due to other funds | - | - | - |
| Unearned revenues | - | 1,672,994 | - |
| Other liabilities | 256,443 | - | - |
| Total liabilities | 489,363 | 1,672,994 | - |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable revenue - property taxes | 186,575 | - | - |
| Unavailable revenue - ambulance fees | 13,496 | - | - |
| Total deferred inflows of resources | 200,071 | - | - |
| FUND BALANCES | | | |
| Restricted for: | | | |
| Public safety | - | - | - |
| Capital outlay | - | - | 856,823 |
| Federal programs | - | 14,254 | - |
| Assigned for: | | | |
| Judicial | - | - | - |
| Public safety | - | - | - |
| Unassigned | 527,286 | - | - |
| Total fund balances | 527,286 | 14,254 | 856,823 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 1,216,720 | \$ 1,687,248 | \$ 856,823 |

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> |
|-------------------|-------------------|----------------------------------|-------------------------------|
| \$ 653,449 | \$ 136,717 | \$ 229,304 | \$ 3,432,799 |
| - | - | - | 810,032 |
| - | - | - | 197,379 |
| - | - | - | 263,086 |
| - | - | - | 6,075 |
| - | 72,157 | 13,432 | 156,479 |
| <u>\$ 653,449</u> | <u>\$ 208,874</u> | <u>\$ 242,736</u> | <u>\$ 4,865,850</u> |

| | | | |
|--------------|----------|--------------|------------------|
| \$ - | \$ - | \$ 1,119 | \$ 126,172 |
| - | - | - | 107,867 |
| 6,075 | - | - | 6,075 |
| - | - | - | 1,672,994 |
| - | - | - | 256,443 |
| <u>6,075</u> | <u>-</u> | <u>1,119</u> | <u>2,169,551</u> |

| | | | |
|---|---|---|----------------|
| - | - | - | 186,575 |
| - | - | - | 13,496 |
| - | - | - | <u>200,071</u> |

| | | | |
|-------------------|-------------------|-------------------|------------------|
| - | - | 190,606 | 190,606 |
| 647,374 | 208,874 | - | 1,713,071 |
| - | - | - | 14,254 |
| - | - | 839 | 839 |
| - | - | 50,172 | 50,172 |
| - | - | - | 527,286 |
| <u>647,374</u> | <u>208,874</u> | <u>241,617</u> | <u>2,496,228</u> |
| <u>\$ 653,449</u> | <u>\$ 208,874</u> | <u>\$ 242,736</u> | |

10,727,521

200,071

(2,656,086)

\$ 10,767,734

IRWIN COUNTY, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2023**

| | <u>General</u> | <u>ARPA</u> | <u>TIA</u> |
|--|-------------------|------------------|-------------------|
| Revenues | | | |
| Property taxes | \$ 4,223,287 | \$ - | \$ - |
| Sales taxes | 501,630 | | 710,743 |
| Franchise taxes | 1,416 | - | - |
| Other taxes | 522,550 | - | - |
| Licenses and permits | 37,366 | - | - |
| Intergovernmental | 51,259 | - | - |
| Charges for services | 622,250 | - | - |
| Fines and forfeitures | 355,821 | - | - |
| Interest revenue | - | 9,608 | - |
| Other revenues | 75,226 | - | - |
| Total revenues | <u>6,390,805</u> | <u>9,608</u> | <u>710,743</u> |
| Expenditures | | | |
| Current: | | | |
| General government | 1,416,682 | - | - |
| Judicial | 800,072 | - | - |
| Public safety | 2,809,177 | - | - |
| Public works | 1,148,510 | - | - |
| Health and welfare | 24,984 | - | - |
| Culture and recreation | 178,922 | - | - |
| Economic development | 128,904 | - | - |
| Intergovernmental payments | - | - | - |
| Capital outlay | - | - | 805,019 |
| Debt service: | | | |
| Principal | 132,078 | - | 54,803 |
| Interest | 67,279 | - | 4,481 |
| Total expenditures | <u>6,706,608</u> | <u>-</u> | <u>864,303</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(315,803)</u> | <u>9,608</u> | <u>(153,560)</u> |
| Other financing sources (uses) | | | |
| Sale of capital assets | 80,000 | - | - |
| Transfers in | - | - | - |
| Transfers out | (399,286) | - | - |
| Total other financing sources (uses) | <u>(319,286)</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | (635,089) | 9,608 | (153,560) |
| Fund balances, beginning of year | <u>1,162,375</u> | <u>4,646</u> | <u>1,010,383</u> |
| Fund balances, end of year | <u>\$ 527,286</u> | <u>\$ 14,254</u> | <u>\$ 856,823</u> |

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> |
|-------------------|-------------------|----------------------------------|-------------------------------|
| \$ - | \$ - | \$ - | \$ 4,223,287 |
| - | 902,602 | - | 2,114,975 |
| - | - | - | 1,416 |
| - | - | - | 522,550 |
| - | - | - | 37,366 |
| 1,081,764 | - | - | 1,133,023 |
| - | - | 159,147 | 781,397 |
| - | - | 35,834 | 391,655 |
| - | - | - | 9,608 |
| - | - | 17,417 | 92,643 |
| <u>1,081,764</u> | <u>902,602</u> | <u>212,398</u> | <u>9,307,920</u> |
| - | - | - | 1,416,682 |
| - | - | - | 800,072 |
| - | - | 479,435 | 3,288,612 |
| - | - | - | 1,148,510 |
| - | - | - | 24,984 |
| - | - | - | 178,922 |
| - | - | - | 128,904 |
| - | 405,371 | - | 405,371 |
| 1,117,850 | 739,626 | 254,066 | 2,916,561 |
| - | 146,751 | - | 333,632 |
| - | 344 | - | 72,104 |
| <u>1,117,850</u> | <u>1,292,092</u> | <u>733,501</u> | <u>10,714,354</u> |
| <u>(36,086)</u> | <u>(389,490)</u> | <u>(521,103)</u> | <u>(1,406,434)</u> |
| - | - | - | 80,000 |
| - | - | 399,286 | 399,286 |
| - | - | - | (399,286) |
| <u>-</u> | <u>-</u> | <u>399,286</u> | <u>80,000</u> |
| (36,086) | (389,490) | (121,817) | (1,326,434) |
| <u>683,460</u> | <u>598,364</u> | <u>363,434</u> | <u>3,822,662</u> |
| <u>\$ 647,374</u> | <u>\$ 208,874</u> | <u>\$ 241,617</u> | <u>\$ 2,496,228</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, 2023

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

| | | |
|--|----|-------------|
| Net change in fund balances - total governmental funds | \$ | (1,326,434) |
|--|----|-------------|

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 exceeded depreciation in the current period.

| | | |
|----------------------|------------------|-----------|
| Capital outlay | \$ 1,704,292 | |
| Depreciation expense | <u>(620,446)</u> | 1,083,846 |

| | | |
|--|--|----------|
| The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position. | | (31,374) |
|--|--|----------|

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

| | | |
|----------------|---------------|--------|
| Property taxes | \$ 79,697 | |
| Ambulance fees | <u>10,605</u> | 90,302 |

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:

| | | |
|--|---------------|---------|
| Principal payments on financed purchases | \$ 278,829 | |
| Principal payments on notes payable | <u>54,803</u> | 333,632 |

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 compensated absences | \$ (15,809) | |
| Change in closure and post-closure care costs | <u>23,875</u> | <u>8,066</u> |

| | | |
|--|----|-----------------------|
| Net change in net position - governmental activities | \$ | <u><u>158,038</u></u> |
|--|----|-----------------------|

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, 2023

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|----------------------------|------------------|--------------|--------------|----------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Property taxes | \$ 5,048,889 | \$ 5,242,494 | \$ 4,223,287 | \$ (1,019,207) |
| Sales taxes | - | - | 501,630 | 501,630 |
| Franchise taxes | - | - | 1,416 | 1,416 |
| Other taxes | - | - | 522,550 | 522,550 |
| Licenses and permits | 52,017 | 42,336 | 37,366 | (4,970) |
| Intergovernmental | - | - | 51,259 | 51,259 |
| Charges for services | 607,400 | 674,091 | 622,250 | (51,841) |
| Fines and forfeitures | 269,900 | 351,337 | 355,821 | 4,484 |
| Other revenues | 96,819 | 551,993 | 75,226 | (476,767) |
| Total revenues | 6,075,025 | 6,862,251 | 6,390,805 | (471,446) |
| Expenditures | | | | |
| Current: | | | | |
| General government: | | | | |
| Commissioners office | 440,901 | 675,000 | 722,868 | (47,868) |
| Elections | 151,787 | 255,000 | 251,461 | 3,539 |
| Tax commissioner | 177,531 | 209,000 | 204,843 | 4,157 |
| Tax assessor | 166,290 | 190,000 | 198,459 | (8,459) |
| Government buildings | 95,000 | 40,000 | 39,051 | 949 |
| Total general government | 1,031,509 | 1,369,000 | 1,416,682 | (47,682) |
| Judicial: | | | | |
| Superior court | 160,120 | 230,000 | 244,759 | (14,759) |
| Clerk of superior court | 180,115 | 159,000 | 154,647 | 4,353 |
| Board of equalization | 6,150 | 1,550 | 1,526 | 24 |
| District attorney | 49,950 | 49,950 | 49,632 | 318 |
| Magistrate court | 154,344 | 160,300 | 144,677 | 15,623 |
| Probate court | 138,341 | 140,400 | 136,410 | 3,990 |
| Juvenile court | 44,775 | 60,000 | 68,421 | (8,421) |
| Total judicial | 733,795 | 801,200 | 800,072 | 1,128 |
| Public safety: | | | | |
| Sheriff | 1,201,580 | 1,375,000 | 1,345,130 | 29,870 |
| Drug task force | 30,000 | 30,000 | 30,000 | - |
| Jail operations | 108,618 | 56,050 | 55,161 | 889 |
| Fire | 162,000 | 190,000 | 221,793 | (31,793) |
| Emergency medical services | 941,735 | 1,114,000 | 1,129,732 | (15,732) |
| Coroner/medical examiner | 22,914 | 22,600 | 22,007 | 593 |
| Emergency management | 14,768 | 5,400 | 5,354 | 46 |
| Total public safety | 2,481,615 | 2,793,050 | 2,809,177 | (16,127) |

(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, 2023

| | Budgeted Amounts | | Actual | Variance with Final Budget |
|--|---------------------|---------------------|-------------------|----------------------------------|
| | Original | Final | | |
| Expenditures (Continued) | | | | |
| Current (Continued): | | | | |
| Public works: | | | | |
| Highways and streets | \$ 781,070 | \$ 819,100 | \$ 893,575 | \$ (74,475) |
| Solid waste collection | 196,810 | 200,000 | 254,935 | (54,935) |
| Total public works | <u>977,880</u> | <u>1,019,100</u> | <u>1,148,510</u> | <u>(129,410)</u> |
| Health and welfare: | | | | |
| Public health administration | 50,000 | 50,000 | 1,898 | 48,102 |
| Intergovernmental Welfare | 3,000 | 630 | 625 | 5 |
| Senior assistance | 4,250 | 2,581 | 2,579 | 2 |
| Community services | 14,950 | 14,990 | 19,882 | (4,892) |
| Total health and welfare | <u>72,200</u> | <u>68,201</u> | <u>24,984</u> | <u>43,217</u> |
| Culture and recreation: | | | | |
| Recreation | 44,596 | 55,000 | 71,816 | (16,816) |
| Parks | 43,930 | 52,500 | 51,081 | 1,419 |
| Libraries | 55,000 | 56,100 | 56,025 | 75 |
| Total parks and recreation | <u>143,526</u> | <u>163,600</u> | <u>178,922</u> | <u>(15,322)</u> |
| Housing and development: | | | | |
| Agricultural resources | 54,505 | 48,700 | 47,973 | 727 |
| Forest resources | 13,148 | 12,800 | 12,676 | 124 |
| Planning and zoning | 98,152 | 70,100 | 68,255 | 1,845 |
| Total housing and development | <u>165,805</u> | <u>131,600</u> | <u>128,904</u> | <u>2,696</u> |
| Debt service: | | | | |
| Principal | 162,100 | 206,500 | 132,078 | 74,422 |
| Interest | - | - | 67,279 | (67,279) |
| Total debt service | <u>162,100</u> | <u>206,500</u> | <u>199,357</u> | <u>7,143</u> |
| Total expenditures | <u>5,768,430</u> | <u>6,552,251</u> | <u>6,706,608</u> | <u>(154,357)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>306,595</u> | <u>310,000</u> | <u>(315,803)</u> | <u>(625,803)</u> |
| Other financing sources (uses) | | | | |
| Sale of assets | - | - | 80,000 | 80,000 |
| Transfers out | (306,595) | (310,000) | (399,286) | (89,286) |
| Total other financing sources (uses) | <u>(306,595)</u> | <u>(310,000)</u> | <u>(319,286)</u> | <u>(9,286)</u> |
| Net change in fund balances | - | - | (635,089) | (635,089) |
| Fund balance, beginning of year | <u>1,162,375</u> | <u>1,162,375</u> | <u>1,162,375</u> | <u>-</u> |
| Fund balance, end of year | <u>\$ 1,162,375</u> | <u>\$ 1,162,375</u> | <u>\$ 527,286</u> | <u>\$ (635,089)</u> |

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

IRWIN COUNTY, GEORGIA

**STATEMENT OF NET POSITION
PROPRIETARY FUND
AUGUST 31, 2023**

| | ASSETS | <u>Mystic Water</u> |
|--|---------------|---------------------|
| CURRENT ASSETS | | |
| Cash and cash equivalents | | \$ 3,409 |
| Total current assets | | <u>3,409</u> |
| NON-CURRENT ASSETS | | |
| Capital assets: | | |
| Nondepreciable | | 5,600 |
| Depreciable, net of accumulated depreciation | | <u>475,376</u> |
| Total non-current assets | | <u>480,976</u> |
| Total assets | | <u>484,385</u> |
| LIABILITIES | | |
| CURRENT LIABILITIES | | |
| Customer deposits | | <u>5,600</u> |
| Total current liabilities | | <u>5,600</u> |
| Total liabilities | | <u>5,600</u> |
| NET DEFICIT | | |
| Investment in capital assets | | 480,976 |
| Unrestricted | | (2,191) |
| Total net position | | <u>\$ 478,785</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, 2023**

| | <u>Mystic Water</u> |
|--|---------------------|
| OPERATING REVENUES | |
| Charges for services | \$ 3,717 |
| Other revenue | 211 |
| Total operating revenues | <u>3,928</u> |
| OPERATING EXPENSES | |
| Cost of sales and services | 6,499 |
| Supplies | 7,217 |
| Depreciation | 19,739 |
| Total operating expenses | <u>33,455</u> |
| Change in net position | (29,527) |
| NET POSITION, beginning of year | <u>508,312</u> |
| NET POSITION, end of year | <u>\$ 478,785</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, 2023**

| | <u>Mystic Water</u> |
|---|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Receipts from other customers | \$ 3,928 |
| Payments to suppliers | <u>(16,490)</u> |
| Net cash used in operating activities | <u>(12,562)</u> |
| Decrease in cash and cash equivalents | (12,562) |
| Cash and cash equivalents: | |
| Beginning of year | <u>15,971</u> |
| End of year | <u>\$ 3,409</u> |
| Reconciliation of operating loss to net cash used in operating activities | |
| Operating loss | \$ (29,527) |
| Adjustments to reconcile operating loss to net cash used in operating activities: | |
| Depreciation | 19,739 |
| Decrease in accounts payable | (3,124) |
| Increase in customer deposits | 350 |
| Net cash used in operating activities | <u>\$ (12,562)</u> |

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

IRWIN COUNTY, GEORGIA

**STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
AUGUST 31, 2023**

| | | <u>Custodial Funds</u> |
|---|---------------------|----------------------------|
| | ASSETS | |
| Cash and cash equivalents | | \$ 366,774 |
| Taxes receivable | | 235,675 |
| Total assets | | <u>602,449</u> |
| | LIABILITIES | |
| Due to others | | 334,955 |
| Total liabilities | | <u>334,955</u> |
| | NET POSITION | |
| Restricted: | | |
| Individuals, organizations, and other governments | | 267,494 |
| Total net position | | <u>\$ 267,494</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, 2023**

| ADDITIONS | | |
|--|--|-------------------|
| Taxes | | \$ 6,304,539 |
| Fines and fees | | 429,404 |
| Other custodial collections | | <u>382,457</u> |
| Total additions | | <u>7,116,400</u> |
| DEDUCTIONS | | |
| Taxes paid to other governments | | 6,234,052 |
| Other custodial disbursements | | <u>862,208</u> |
| Total deductions | | <u>7,096,260</u> |
| Net increase in fiduciary net position | | 20,140 |
| Net position, beginning of year | | <u>247,354</u> |
| Net position, end of year | | <u>\$ 267,494</u> |

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

NOTES TO FINANCIAL STATEMENTS

IRWIN COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2023

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 GAAP, the financial statements of the reporting entity include those of the County (the “primary government”) and its component units. The component units discussed below are included in the County’s reporting entity because of the significance of their operational and financial relationships with the County.

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, 2022 financial statements are not available.

NOTES TO FINANCIAL STATEMENTS

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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”.

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 acquisition 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 |

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Compensated Absences (Continued)

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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Fund Equity (Continued)

- **Unassigned** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balances only in the General Fund. Negative unassigned fund balances may be reported in all funds.

Flow Assumptions – When both restricted and unrestricted amounts of fund 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.

NOTES TO FINANCIAL STATEMENTS

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 | \$ 18,427,298 |
| Accumulated depreciation | (7,699,777) |
| Net adjustment to increase fund balance - total governmental funds to arrive at <i>net position - governmental activities</i> | <u>\$ 10,727,521</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 | \$ (2,256,194) |
| Notes payable | (257,467) |
| Compensated absences | (87,877) |
| Closure and post-closure care costs | (54,548) |
| Net adjustment to decrease fund balance - total governmental funds to arrive at <i>net position - governmental activities</i> | <u>\$ (2,656,086)</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, 2023, 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, 2023, expenditures exceeded budget as follows:

| Department | Excess |
|--|-----------|
| General Fund: | |
| General government - commissioners office | \$ 47,868 |
| General government - tax assessor | 8,459 |
| Judicial - superior court | 14,759 |
| Judicial - juvenile court | 8,421 |
| Public safety - fire | 31,793 |
| Public safety - emergency medical services | 15,732 |
| Public works highway and streets | 74,475 |
| Public works - solid waste collection | 54,935 |
| Health and welfare - community services | 4,892 |
| Culture and recreation - recreation | 16,816 |
| Debt service - interest | 67,279 |

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, 2023, the County had the following investments:

| Investments | Maturities | Credit Rating | Fair Value |
|-------------------------|--------------------|---------------|------------|
| Primary government: | | | |
| Certificates of deposit | October 15, 2023 | (a) | \$ 810,032 |
| Development Authority: | | | |
| Certificates of deposit | September 30, 2023 | (a) | \$ 53,564 |

(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, 2023, 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 \$810,032 and \$53,564, respectively, within the fair value hierarchy.

NOTE 5. RECEIVABLES

Primary Government

Receivables at August 31, 2023, for the County's individual major funds and nonmajor funds in the aggregate, are as follows:

| | General Fund | TIA Fund | Total |
|-----------------------------------|-------------------------|---------------------|--------------|
| Receivables: | | | |
| Taxes | \$ 203,483 | \$ - | \$ 203,483 |
| Accounts | 509,200 | 57,824 | 567,024 |
| | 712,683 | 57,824 | 770,507 |
| Less allowance for uncollectibles | (310,042) | - | (310,042) |
| Total receivables | \$ 402,641 | \$ 57,824 | \$ 460,465 |

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 2023 is as follows:

| | |
|------------------|-------------------|
| Ley date | August 31, 2022 |
| Payment due date | December 20, 2022 |
| Delinquency date | January 1, 2023 |

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, 2023 was \$399,755, which included \$107,416 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, 2023 was as follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Transfers</u> | <u>Ending Balance</u> |
|--|------------------------------|---------------------|--------------------|------------------|---------------------------|
| Governmental activities | | | | | |
| Capital assets, not being depreciated: | | | | | |
| Construction in progress | \$ - | \$ 621,112 | \$ - | \$ - | \$ 621,112 |
| Total | <u>-</u> | <u>621,112</u> | <u>-</u> | <u>-</u> | <u>621,112</u> |
| Capital assets, being depreciated: | | | | | |
| Buildings | 6,709,885 | - | - | - | 6,709,885 |
| Infrastructure | 6,228,731 | 19,024 | - | - | 6,247,755 |
| Improvements other than buildings | 62,133 | - | - | - | 62,133 |
| Machinery and equipment | 3,759,906 | 1,064,156 | (37,649) | - | 4,786,413 |
| Total | <u>16,760,655</u> | <u>1,083,180</u> | <u>(37,649)</u> | <u>-</u> | <u>17,806,186</u> |
| Less accumulated depreciation for: | | | | | |
| Buildings | (2,857,192) | (167,900) | - | - | (3,025,092) |
| Infrastructure | (1,797,232) | (149,512) | - | - | (1,946,744) |
| Improvements other than buildings | (57,950) | (837) | - | - | (58,787) |
| Machinery and equipment | (2,373,232) | (302,197) | 6,275 | - | (2,669,154) |
| Total accumulated depreciation | <u>(7,085,606)</u> | <u>(620,446)</u> | <u>6,275</u> | <u>-</u> | <u>(7,699,777)</u> |
| Total capital assets, being depreciated, net | <u>9,675,049</u> | <u>462,734</u> | <u>(31,374)</u> | <u>-</u> | <u>10,106,409</u> |
| Governmental activities capital assets, net | <u>\$ 9,675,049</u> | <u>\$ 1,083,846</u> | <u>\$ (31,374)</u> | <u>\$ -</u> | <u>\$ 10,727,521</u> |

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

| | Beginning Balance | Additions | Deletions | Transfers | Ending Balance |
|---|----------------------|-------------|-----------|-----------|-------------------|
| Business-type activities | | | | | |
| Capital assets, not being depreciated: | | | | | |
| Land | \$ 5,600 | \$ - | \$ - | \$ - | \$ 5,600 |
| Total capital assets, not being depreciated | 5,600 | - | - | - | 5,600 |
| Capital assets, being depreciated: | | | | | |
| Buildings and system | 846,763 | - | - | - | 846,763 |
| Total | 846,763 | - | - | - | 846,763 |
| Less accumulated depreciation for: | | | | | |
| Buildings and system | (351,648) | (19,739) | - | - | (371,387) |
| Total | (351,648) | (19,739) | - | - | (371,387) |
| Total capital assets, being depreciated, net | 495,115 | (19,739) | - | - | 475,376 |
| Business-type activities capital assets, net | \$ 500,715 | \$ (19,739) | \$ - | \$ - | \$ 480,976 |

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

| | |
|-------------------------------------|------------|
| Governmental activities | |
| General government | \$ 78,197 |
| Judicial | 48,321 |
| Public safety | 133,170 |
| Public works | 311,425 |
| Health and welfare | 35,981 |
| Parks and recreation | 4,925 |
| Housing and development | 8,427 |
| Total depreciation expense | \$ 620,446 |
| Business-type activities | |
| Mystic water | \$ 19,739 |
| Total depreciation expense | \$ 19,739 |

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, 2023:

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---|----------------------|------------------|---------------------|---------------------|------------------------|
| Governmental activities | | | | | |
| Compensated absences | \$ 72,068 | \$ 84,698 | \$ (68,889) | \$ 87,877 | \$ 8,788 |
| Financed purchases | 2,535,023 | - | (278,829) | 2,256,194 | 191,796 |
| Notes payable | 312,270 | - | (54,803) | 257,467 | 55,664 |
| Closure and post-closure care costs | 78,423 | - | (23,875) | 54,548 | 21,000 |
| Governmental activities long-term liabilities | <u>\$ 2,997,784</u> | <u>\$ 84,698</u> | <u>\$ (426,396)</u> | <u>\$ 2,656,086</u> | <u>\$ 277,248</u> |
| Component unit - Development Authority | | | | | |
| Notes payable | \$ 30,182 | \$ - | \$ (10,477) | \$ 19,705 | \$ 10,477 |
| Irwin County Development Authority long-term liabilities | <u>\$ 30,182</u> | <u>\$ -</u> | <u>\$ (10,477)</u> | <u>\$ 19,705</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. Interest rates on the financed purchases range from 2.25% to 5.75% and payments are due through 2030.

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

| Fiscal Year Payable | Total | Principal | Interest |
|---------------------|---------------------|---------------------|-------------------|
| 2024 | \$ 254,858 | \$ 191,796 | \$ 63,062 |
| 2025 | 254,857 | 196,151 | 58,706 |
| 2026 | 254,857 | 200,650 | 54,207 |
| 2027 | 1,760,365 | 1,470,550 | 289,815 |
| 2028 | 75,732 | 75,117 | 615 |
| 2029 and 2030 | 122,102 | 121,930 | 172 |
| | <u>\$ 2,722,771</u> | <u>\$ 2,256,194</u> | <u>\$ 466,577</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, 2023 was \$257,467.

Notes payable debt service requirements to maturity are as follows as of August 31, 2023:

| <u>Fiscal Year Payable</u> | <u>Total</u> | <u>Principal</u> | <u>Interest</u> |
|----------------------------|-------------------|-------------------|-----------------|
| 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>\$ 266,214</u> | <u>\$ 257,467</u> | <u>\$ 8,747</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, 2023 was \$19,705.

Notes payable debt service requirements to maturity are as follows as of August 31, 2023:

| <u>Fiscal Year Payable</u> | <u>Total</u> | <u>Principal</u> | <u>Interest</u> |
|----------------------------|------------------|------------------|-----------------|
| 2024 | \$ 10,743 | \$ 10,477 | \$ 266 |
| 2025 | 9,301 | 9,228 | 73 |
| | <u>\$ 20,044</u> | <u>\$ 19,705</u> | <u>\$ 339</u> |

NOTES TO FINANCIAL STATEMENTS

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of August 31, 2023 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, 2023 consisted of the following:

| Transfers In | Transfers Out | Amount |
|-----------------------------|---------------|------------|
| Nonmajor Governmental Funds | General Fund | \$ 399,286 |

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 \$54,548 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 \$23,875. Actual costs may be higher due to inflation or deflation, revisions to laws or regulations, or changes in technology.

NOTES TO FINANCIAL STATEMENTS

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, 2023. All contributions and other requirements are established by County resolution. The County contributed \$5,200 to the plan and employee deferrals were \$9,984 for the year ended August 31, 2023.

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

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, 2023.

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, 2023, the County paid \$7,168 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

SUPPLEMENTARY INFORMATION

IRWIN COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS

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.

IRWIN COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2023

| ASSETS | Special Revenue Funds | | | | | Totals |
|--|---|-------------------|---|-----------------------------|------------------------------|-------------------|
| | Sheriff's Drug Enforcement | E-911 | Drug Abuse Treatment & Education | Jail Improvement | Juvenile Services | |
| Cash and cash equivalents | \$ 8,172 | \$ 157,049 | \$ 13,072 | \$ 50,172 | \$ 839 | \$ 229,304 |
| Due from other governments | - | 13,432 | - | - | - | 13,432 |
| Total assets | \$ 8,172 | \$ 170,481 | \$ 13,072 | \$ 50,172 | \$ 839 | \$ 242,736 |
| LIABILITIES AND FUND BALANCES | | | | | | |
| LIABILITIES | | | | | | |
| Accounts payable | \$ - | \$ 1,119 | \$ - | \$ - | \$ - | \$ 1,119 |
| Total liabilities | - | 1,119 | - | - | - | 1,119 |
| FUND BALANCES | | | | | | |
| Restricted for: | | | | | | |
| Public safety | 8,172 | 169,362 | 13,072 | - | - | 190,606 |
| Committed for: | | | | | | |
| Assigned to: | | | | | | |
| Judicial | - | - | - | - | 839 | 839 |
| Public safety | - | - | - | 50,172 | - | 50,172 |
| Total fund balances | 8,172 | 169,362 | 13,072 | 50,172 | 839 | 241,617 |
| Total liabilities and fund balances | \$ 8,172 | \$ 170,481 | \$ 13,072 | \$ 50,172 | \$ 839 | \$ 242,736 |

IRWIN COUNTY, GEORGIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2023**

| | Special Revenue Funds | | | | | Totals |
|---|----------------------------------|-------------------|--|---------------------|----------------------|-------------------|
| | Sheriff's Drug Enforcement | E-911 | Drug Abuse Treatment & Education | Jail Improvement | Juvenile Services | |
| Revenues | | | | | | |
| Charges for services | \$ - | \$ 159,147 | \$ - | \$ - | \$ - | \$ 159,147 |
| Fines and forfeitures | - | - | 11,861 | 23,973 | - | 35,834 |
| Other revenues | 17,417 | - | - | - | - | 17,417 |
| Total revenues | <u>17,417</u> | <u>159,147</u> | <u>11,861</u> | <u>23,973</u> | <u>-</u> | <u>212,398</u> |
| Expenditures | | | | | | |
| Current: | | | | | | |
| Public safety | 15,465 | 439,754 | 1,099 | 23,117 | - | 479,435 |
| Capital outlay | - | 254,066 | - | - | - | 254,066 |
| Total expenditures | <u>15,465</u> | <u>693,820</u> | <u>1,099</u> | <u>23,117</u> | <u>-</u> | <u>733,501</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>1,952</u> | <u>(534,673)</u> | <u>10,762</u> | <u>856</u> | <u>-</u> | <u>(521,103)</u> |
| Other financing sources | | | | | | |
| Transfers in | - | 399,286 | - | - | - | 399,286 |
| Total other financing sources | <u>-</u> | <u>399,286</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>399,286</u> |
| Net change in fund balances | 1,952 | (135,387) | 10,762 | 856 | - | (121,817) |
| Fund balances, beginning of year | <u>6,220</u> | <u>304,749</u> | <u>2,310</u> | <u>49,316</u> | <u>839</u> | <u>363,434</u> |
| Fund balances, end of year | <u>\$ 8,172</u> | <u>\$ 169,362</u> | <u>\$ 13,072</u> | <u>\$ 50,172</u> | <u>\$ 839</u> | <u>\$ 241,617</u> |

IRWIN COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

| Project Description | Original and Current Estimated Costs | Expenditures | | |
|----------------------------|---|--------------|--------------|--------------|
| | | Prior Years | Current Year | Total |
| County projects: | \$ 2,475,000 | | | |
| Roads, Streets and Bridges | | \$ 803,970 | \$ 715,751 | \$ 1,519,721 |
| Landfill | | 73,645 | 23,875 | 97,520 |
| City of Ocilla | 2,025,000 | 998,132 | 405,371 | 1,403,503 |
| Totals | \$ 4,500,000 | \$ 1,875,747 | 1,144,997 | \$ 3,020,744 |

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

| | |
|---|--------------|
| Debt service principal expenditures already included in amounts above | 146,751 |
| Debt service interest expenditures already included in amounts above | 344 |
| Total per Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds | \$ 1,292,092 |

IRWIN COUNTY, GEORGIA

CUSTODIAL FUNDS

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, 2023**

| | Clerk of Superior Court | Probate Court | Sheriff's Office |
|--|------------------------------------|--------------------------|-----------------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 87,970 | \$ 57,003 | \$ 18,714 |
| Taxes receivable | - | - | - |
| Total assets | 87,970 | 57,003 | 18,714 |
| LIABILITIES | | | |
| Due to others | 9,128 | 9,802 | 446 |
| Total liabilities | 9,128 | 9,802 | 446 |
| NET POSITION | | | |
| Restricted: | | | |
| Individuals, organizations, and other governments | 78,842 | 47,201 | 18,268 |
| Total net position | \$ 78,842 | \$ 47,201 | \$ 18,268 |

| <u>Tax Commissioner</u> | <u>Magistrate Court</u> | <u>Total</u> |
|-----------------------------|-----------------------------|-------------------|
| \$ 199,305 | \$ 3,782 | \$ 366,774 |
| 235,675 | - | 235,675 |
| <u>434,980</u> | <u>3,782</u> | <u>602,449</u> |
| | | |
| <u>312,494</u> | <u>3,085</u> | <u>334,955</u> |
| <u>312,494</u> | <u>3,085</u> | <u>334,955</u> |
| | | |
| <u>122,486</u> | <u>697</u> | <u>267,494</u> |
| <u>\$ 122,486</u> | <u>\$ 697</u> | <u>\$ 267,494</u> |

IRWIN COUNTY, GEORGIA

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE FISCAL YEAR ENDED AUGUST 31, 2023**

| | <u>Clerk of Superior Court</u> | <u>Probate Court</u> | <u>Sheriff's Office</u> |
|---|------------------------------------|--------------------------|-----------------------------|
| ADDITIONS | | | |
| Taxes | \$ - | \$ - | \$ - |
| Fines and fees | - | 334,521 | 15,380 |
| Other custodial collections | <u>382,457</u> | <u>-</u> | <u>-</u> |
| Total additions | <u>382,457</u> | <u>334,521</u> | <u>15,380</u> |
| DEDUCTIONS | | | |
| Taxes paid to other governments | - | - | - |
| Other custodial disbursements | <u>434,912</u> | <u>335,732</u> | <u>12,016</u> |
| Total deductions | <u>434,912</u> | <u>335,732</u> | <u>12,016</u> |
| Net increase (decrease) in fiduciary net position | (52,455) | (1,211) | 3,364 |
| Net position, beginning of year | <u>131,297</u> | <u>48,412</u> | <u>14,904</u> |
| Net position, end of year | <u>\$ 78,842</u> | <u>\$ 47,201</u> | <u>\$ 18,268</u> |

| <u>Tax Commissioner</u> | <u>Magistrate Court</u> | <u>Total</u> |
|-----------------------------|-----------------------------|-------------------|
| \$ 6,304,539 | \$ - | \$ 6,304,539 |
| - | 79,503 | 429,404 |
| <u>-</u> | <u>-</u> | <u>382,457</u> |
| <u>6,304,539</u> | <u>79,503</u> | <u>7,116,400</u> |
| 6,234,052 | - | 6,234,052 |
| - | 79,548 | 862,208 |
| <u>6,234,052</u> | <u>79,548</u> | <u>7,096,260</u> |
| 70,487 | (45) | 20,140 |
| <u>51,999</u> | <u>742</u> | <u>247,354</u> |
| <u>\$ 122,486</u> | <u>\$ 697</u> | <u>\$ 267,494</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**

**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, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated May 22, 2024. Our report includes a reference to other auditors who audited the financial statements of the Irwin County Board of Health 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. 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.

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 2023-002, to be a material weakness.

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 2023-001 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 accompany Schedule of Findings and Responses as item 2023-003.

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
May 22, 2024

IRWIN COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED AUGUST 31, 2023

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, 2023 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, 2023

SECTION II FINANCIAL STATEMENTS FINDINGS AND RESPONSES

2023-001. 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, 2023, 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, 2023

SECTION II FINANCIAL STATEMENTS FINDINGS AND RESPONSES (CONTINUED)

2023-002. 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 2023 fiscal year. Significant adjustments were determined and required to be recorded in the months that followed August 31, 2023. 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, 2023.

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, 2023

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2023-002. 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.

2023-003. 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, 2023

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, 2023

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, 2023, 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

Auditee Response/Status: Unresolved. See current year financial audit finding 2023-001.

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 2023 fiscal year. Significant adjustments were determined and required to be recorded in the months that followed August 31, 2023.

Auditee Response/Status: Unresolved. See current year financial audit finding 2023-002.

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.

Auditee Response/Status: Unresolved. See current year financial audit finding 2023-003.