

BANKS COUNTY
HOMER, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

**BANKS COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

TABLE OF CONTENTS

EXHIBITS

Independent Auditor's Report	1-3
-------------------------------------	-----

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements

Exhibit 1	Statement of Net Position	4-5
Exhibit 2	Statement of Activities	6

Fund Financial Statements

Governmental Funds Financial Statements

Exhibit 3	Balance Sheet	7-8
Exhibit 3A	Reconciliation of the Balance Sheet of Governmental Funds to The Statement of Net Position	9
Exhibit 4	Statement of Revenues, Expenditures and Changes in Fund Balances	10-11
Exhibit 4A	Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balances	12

Governmental Funds

Proprietary Fund Financial Statements

Exhibit 5	Statement of Net Position	13
Exhibit 6	Statement of Revenues, Expenses and Changes in Fund Net Position	14
Exhibit 7	Statement of Cash Flows	15

Fiduciary Fund Financial Statements

Exhibit 8	Statement of Fiduciary Net Position	16
Exhibit 9	Statement of Changes in Fiduciary Net Position	17

Notes to the Financial Statements	18-50
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**REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Budgetary Comparison Schedules

Exhibit 10	General Fund	51
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**BANKS COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

TABLE OF CONTENTS

Exhibit 11	E-911 Fund	52
------------	------------	----

Pension Disclosures

Exhibit 12	Schedule of Changes in the Net Pension Liability and Related Ratios	53-54
Exhibit 13	Schedule of Contributions	55-56
Notes	Notes to the Required Supplementary Information	57

OTHER SUPPLEMENTARY INFORMATION

SCHEDULES

**Combining Statements
Non-major Governmental Funds**

Schedule 1	Combining Balance Sheet	58-59
Schedule 2	Combining Statements of Revenues Expenditures and Changes in Fund Balances	60-61
Schedule 3	Budgetary Comparison Schedules – Non-major Governmental Funds Public Transportation Special Revenue Fund	62

Agency Funds

Schedule 4	Combining Statement of Assets and Liabilities	63
Schedule 5	Statement of Changes in Assets and Liabilities	64

OTHER REPORTING SECTION

Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting based on an Audit of Financial Statements performed in accordance with <i>Government Auditing Standards</i>	65-66
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	67-69
Schedule of Expenditures of Federal Awards by Grant	70
Notes to the Schedule of Expenditures of Federal Awards	71
Schedule of Findings and Questioned Costs	72-73

**BANKS COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

TABLE OF CONTENTS

STATE REPORTING SECTION

Schedule 6-8	Schedules of Projects Constructed with Special Purpose Local Option Sales Tax	74-76
Schedule 9	Schedule of Projects Constructed with Transportation Special Purpose Local Option Sales Tax	77

INDEPENDENT AUDITOR'S REPORT



DUNCAN & KITCHENS, LLC
Certified Public Accountants

Members of
American Institute of
Georgia Society of
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Honorable Chairman and Members
of the Board of Commissioners
Banks County, Georgia

Report on the Financial Statements

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 Banks County, Georgia (the "County"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Banks County, Georgia as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Banks County Health Department, a discretely presented component unit of Banks County, Georgia. 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 Banks County Health Department, is based solely on the report of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and 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.

HABERSHAM COUNTY

P.O. Box 1330 • 327 Monroe Street, Suite D
Clarksville, GA 30523
Phone: 706.754.5814 • Fax: 706.754.9069

RABUN COUNTY

P.O. Box 1470 • 45 South Main Street
Clayton, GA 30525
Phone: 706.782.7022 • Fax: 706.782.6189

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town'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 Town'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 things, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that identified during the audit.

Required Supplementary Information

Management has omitted Management's Discussion and Analysis that accounting principles 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 considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America also requires that the Budget Comparison Schedule and the Schedule of Funding Progress on pages 51-57 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information

for consistency with management's responses to our inquiries, the basic financial statement, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.


Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Banks County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and supplemental budgetary comparison schedules, and schedules of expenditures of special purpose local option sales tax proceeds, as required by Official Code of Georgia 48-8-121, and the schedule of transportation special purpose local option sales tax, as required by Official Code of Georgia 48-8-260 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of *Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the supplemental budgetary comparison schedules, the schedule of projects financed with special purpose local option sales tax, and the schedule of transportation special purpose local option sales tax proceeds are the responsibility of management and were derived from and relate directly to the underlying accounting and other record used to prepare the basic financial statements. Such information have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non major fund financial statements and schedules, the schedules of expenditures of special purpose local option sales tax proceeds, the schedule of expenditures of transportation special purpose local option sales tax proceeds, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2022 on our consideration of the Banks County, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 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 Banks County Georgia's internal control over financial reporting and compliance.


Duncan & Kitchens, LLC
Certified Public Accountants
Clarksville, Georgia
December 16, 2022

BASIC FINANCIAL STATEMENTS

BANKS COUNTY, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2022

EXHIBIT 1

	PRIMARY GOVERNMENT			COMPONENT UNITS	
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	INDUSTRIAL BUILDING AUTHORITY	BANKS COUNTY HEALTH DEPARTMENT
ASSETS					
Current Assets					
Cash	\$ 17,439,140	\$ 8,440,328	\$ 25,879,468	\$ 65,246	\$ 809,551
Receivables					
Taxes	282,137		282,137		
Accounts	1,551,944	129,911	1,681,855		13,088
Net OPEB Assets					4,355
Prepaid Expenses	273,856	23,429	297,285		
Restricted Assets					
Cash	15,001,816		15,001,816		
Receivables-SPLOST	813,507		813,507		
Receivables TSPLOST	513,324		513,324		
Total Current Assets	35,875,724	8,593,668	44,469,392	65,246	826,994
Noncurrent Assets					
Land - Non Depreciable	444,464	3,606,373	4,050,837		
Depreciable Assets, Net	22,742,350	29,439,022	52,181,372	2,437,040	
Total Noncurrent Assets	23,186,814	33,045,395	56,232,209	2,437,040	
TOTAL ASSETS	59,062,538	41,639,063	100,701,601	2,502,286	826,994
DEFERRED OUTFLOWS OF RESOURCES					
Pension Related Items	19,976		19,976		209,313
TOTAL ASSETS AND DEFERRED					
OUTFLOWS OF RESOURCES	\$ 59,082,514	\$ 41,639,063	\$ 100,721,577	\$ 2,502,286	\$ 1,036,307
LIABILITIES					
Current Liabilities					
Payables	\$	\$	\$	\$	\$ 24,371
Accounts	184,812	163,048	347,860		
Accrued Payroll	247,178	36,013	283,191		
Payroll Taxes Payable	103,298		103,298		
Accrued Health Insurance	78,519		78,519		
Accrued Vacation					15,500
Unearned Revenue	1,780,183		1,780,183		
Notes Payable - Current		217,671	217,671		
Bonds Payable - Current				83,141	
Total Current Liabilities	2,393,990	416,732	2,810,722	83,141	39,871
Noncurrent Liabilities					
Accrued Vacation					29,199
Net Pension Liability	32,094		32,094		241,422
Net OPEB Liability					
Water Meter Deposits		323,865	323,865		
Notes Payable		4,467,972	4,467,972		
Bonds Payable				1,309,325	
Total Noncurrent Liabilities	32,094	4,791,837	4,823,931	1,309,325	270,621
TOTAL LIABILITIES	2,426,084	5,208,569	7,634,653	1,392,466	310,492

The accompanying notes are an integral part of this statement.

BANKS COUNTY, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2022

	PRIMARY GOVERNMENT			COMPONENT UNITS	
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	INDUSTRIAL BUILDING AUTHORITY	BANKS COUNTY HEALTH DEPARTMENT
DEFERRED INFLOWS OF RESOURCES					
Pension Related Items	113,717		113,717		341,335
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	2,539,801	5,208,569	7,748,370	1,392,466	651,827
NET POSITION					
Net Investment in Capital Assets	\$ 23,186,814	\$ 28,359,752	\$ 51,546,566	\$ 1,044,574	\$
Restricted for:					
Capital Outlay Projects	7,627,510		7,627,510		
Judicial Programs	77,003		77,003		
Public Safety Programs	486,481		486,481		
Public Works	13,372		13,372		
Unrestricted	25,151,533	8,070,742	33,222,275	65,246	384,480
TOTAL NET POSITION	\$ 56,542,713	\$ 36,430,494	\$ 92,973,207	\$ 1,109,820	\$ 384,480

The accompanying notes are an integral part of this statement.

**BANKS COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

EXHIBIT 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position				
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
					Governmental Activities	Business-type Activities	Total	Industrial Building Authority	Banks County Health Department
Primary Government									
Governmental Activities									
General Government	\$ 3,185,389	\$ 2,791,404	\$ 87,806	\$	\$ (306,179)	\$	\$ (306,179)	\$	\$
Judicial	1,205,815	822,478			(383,337)		(383,337)		
Public Safety	12,424,683	2,012,310	232,358	358,138	(9,821,877)		(9,821,877)		
Public Works	2,070,707			695,891	(1,374,816)		(1,374,816)		
Health and Welfare	248,211				(248,211)		(248,211)		
Culture and Recreation	1,035,059	103,157			(931,902)		(931,902)		
Housing and Development	278,039				(278,039)		(278,039)		
Law Library	17,072				(17,072)		(17,072)		
Transportation	106,519	59,343	47,176		0		0		
Tourism and Promotion	372,371				(372,371)		(372,371)		
Intergovernmental	1,116,969				(1,116,969)		(1,116,969)		
Capital Expenditures	3,712,038	0			(3,712,038)		(3,712,038)		
Total Governmental Activities	25,772,872	5,788,692	367,340	1,054,029	(18,562,811)		(18,562,811)		
Business-type Activities									
Public Utilities	3,250,330	3,471,969		3,197,875		3,419,514	3,419,514		
Development Authority	80,450	481,971				401,521	401,521		
Total Business-type Activities	3,330,780	3,953,940		3,197,875		3,821,035	3,821,035		
Total Primary Government	\$ 29,103,652	\$ 9,742,632	\$ 367,340	\$ 4,251,904	(18,562,811)	3,821,035	(14,741,776)		
Component Units:									
Industrial Building Authority	\$ 140,608	\$ 151,194	\$	\$				10,586	
Banks County Health Department	521,014	158,165	296,270						(66,579)
Total Component Units	\$ 661,622	\$ 309,359	\$ 296,270	\$	\$	\$	\$	\$ 10,586	\$ (66,579)

General Revenues:

Taxes:									
Property	\$ 6,681,703	\$		\$ 6,681,703					
Intangible Tax	262,902			262,902					
Local Option Sales Tax	3,711,995			3,711,995					
Special Purpose Local Option Sales Tax	2,849,611			2,849,611					
Transportation SPLOST	2,838,120			2,838,120					
Beverage	261,054			261,054					
Insurance Premium Tax	1,134,736			1,134,736					
Other	2,655,221			2,655,221					
Intergovernmental	217,870			217,870					120,000
Unrestricted investment earnings	105,044			111,571	6,527		140		
Gain on Sale of Property				349,661					
Transfers- Net	781,652			(781,652)		0	(50,000)		
Total General Revenues and Transfers	21,499,908			(425,464)		21,074,444	(49,860)		120,000
Change in Net Position	2,937,097			3,395,571		6,332,668	(39,274)		53,421
Net Position - Beginning of Year (Original)	53,605,616			33,034,923		86,640,539	1,149,094		320,998
Prior Period Adjustments									10,061
Net Position - Beginning of Year (Restated)	53,605,616			33,034,923		86,640,539	1,149,094		331,059
Net Position - End of Year	\$ 56,542,713			\$ 36,430,494		\$ 92,973,207	\$ 1,109,820		\$ 384,480

The accompanying notes are an integral part of this statement.

**BANKS COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022**

	<u>GENERAL FUND</u>	<u>E-911 FUND</u>	<u>2017 SPLOST</u>
ASSETS			
Cash	\$ 17,329,309	\$ 109,831	\$
Restricted Cash			2,136,230
Receivables			
Taxes	282,137		
SPLOST			
TSPLOST			
Accounts	1,551,944		
Due From Other Funds	9,593,840		
Prepaid Items	273,856		
TOTAL ASSETS	<u>\$ 29,031,086</u>	<u>\$ 109,831</u>	<u>\$ 2,136,230</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Payables	\$	\$	\$
Accounts	148,643	35,958	
Accrued Payroll	216,864	30,314	
Health Insurance Payable	78,519		
Payroll Taxes Payable	103,298		
Unearned revenue			
Due to Other Funds		9,593,840	
TOTAL LIABILITIES	<u>547,324</u>	<u>9,660,112</u>	
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	<u>13,579</u>		
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>560,903</u>	<u>9,660,112</u>	
FUND BALANCES			
Nonspendable:			
Prepaid expenditure	273,856		
Long Term Interfund			
Receivable	9,593,840		
Restricted:			
Capital outlay projects			2,136,230
Judicial programs			
Public safety programs			
Public Works			
Assigned to:			
Capital outlay projects			
Unassigned	<u>18,602,487</u>	<u>(9,550,281)</u>	
TOTAL FUND BALANCES	<u>28,470,183</u>	<u>(9,550,281)</u>	<u>2,136,230</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 29,031,086</u>	<u>\$ 109,831</u>	<u>\$ 2,136,230</u>

The accompanying notes are an integral part of this statement.

EXHIBIT 3

AMERICAN RESCUE PLAN	2018 TSPLOST	CAPITAL FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL FUNDS
\$ 1,780,183	\$ 3,442,831	\$ 6,343,887	\$ 1,298,685	\$ 17,439,140
				15,001,816
				282,137
			813,507	813,507
	513,324			513,324
				1,551,944
				9,593,840
				273,856
<u>\$ 1,780,183</u>	<u>\$ 3,956,155</u>	<u>\$ 6,343,887</u>	<u>\$ 2,112,192</u>	<u>\$ 45,469,564</u>
\$	\$	\$	\$	\$
			211	184,812
				247,178
				78,519
				103,298
1,780,183				1,780,183
<u>1,780,183</u>	<u></u>	<u></u>	<u>211</u>	<u>9,593,840</u>
				11,987,830
				13,579
<u>1,780,183</u>	<u></u>	<u></u>	<u>211</u>	<u>12,001,409</u>
				273,856
				9,593,840
	3,956,155		1,535,125	7,627,510
			77,003	77,003
			486,481	486,481
			13,372	13,372
		6,343,887		6,343,887
<u></u>	<u>3,956,155</u>	<u>6,343,887</u>	<u>2,111,981</u>	<u>9,052,206</u>
				33,468,155
<u>\$ 1,780,183</u>	<u>\$ 3,956,155</u>	<u>\$ 6,343,887</u>	<u>\$ 2,112,192</u>	<u>\$ 45,469,564</u>

BANKS COUNTY, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2022

EXHIBIT 3A

Adjustments to the Statement of Net Position

Fund Balance	\$ 33,468,155
Capital assets \$41,144,939, net of accumulated depreciation of (\$19,721,888) used in governmental activities are not current financial resources and therefore are not reported in the governmental funds	23,186,814
Long-term assets (receivables) are not available to pay current period expenditures and, therefore, are deferred in the fund. These are deferred property taxes.	13,579
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds	
Pension Liability \$ (165,378)	(32,094)
Deferred inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	(113,717)
Deferred outflows of resources related to pensions are applicable to future periods and, therefore, are not report in the funds.	19,976

Total Net Position of Governmental Activities (Exhibit 1)	<u>\$ 56,542,713</u>
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The accompanying notes are an integral part of this statement.

BANKS COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

REVENUES	GENERAL FUND	E-911 FUND	2017 SPLOST
Taxes			
Property Tax	\$ 6,701,047	\$	\$
Local Option Sales Tax	3,711,995		
Intangible Tax	262,902		
Special Purpose Local Option Sales Tax			2,849,611
Transportaion SPLOST			
Beverage	261,054		
Insurance Premium Tax	1,134,736		
Other	115,047		
Intergovernmental			
License and Permits	259,462		
Fines & Forfeitures	892,879		
Grants	358,138		
Landfill Fees	2,127,641		
Fees	1,565,988	363,684	
Interest	47,411		4,873
Other	42,123		
TOTAL REVENUES	17,480,423	363,684	2,854,484
EXPENDITURES			
Current:			
General Government	2,930,010		
Judicial	1,185,029		
Public Safety	10,194,269	1,249,528	
Public Works	662,639		
Health and Welfare	253,425		
Culture and Recreation	1,031,806		
Housing and Development	278,039		
Law Library			
Transportation			
Tourism and Promotion			
Capital Expenditures			4,879,511
Payments to Board of Education			
Payments to Cities			747,421
TOTAL EXPENDITURES	16,535,217	1,249,528	5,626,932
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	945,206	(885,844)	(2,772,448)
OTHER FINANCING SOURCES (USES)			
Transfers from Other County Funds	1,340,208		
Transfers (to) Other County Funds	(75,572)		
Total Other Financing Sources (Uses)	1,264,636	-	-
NET CHANGE IN FUND BALANCE	2,209,842	(885,844)	(2,772,448)
FUND BALANCE - BEGINNING OF YEAR	26,260,341	(8,664,437)	4,908,678
FUND BALANCE - END OF YEAR	\$ 28,470,183	\$ (9,550,281)	\$ 2,136,230

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

EXHIBIT 4

AMERICAN RESCUE PLAN	2018 TSPLOST	CAPITAL FUND	NONMAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
\$	\$		\$	\$
				6,701,047
				3,711,995
				262,902
				2,849,611
	2,838,120			2,838,120
				261,054
				1,134,736
			2,540,175	2,655,222
			217,870	217,870
				259,462
			86,801	979,680
87,806	212,348	483,543	279,534	1,421,369
				2,127,641
		11,380	480,857	2,421,909
		10,484	152	62,920
				42,123
87,806	3,050,468	505,407	3,605,389	27,947,661
		6,000		2,936,010
		31,217		1,216,246
		365,369	363,241	12,172,407
87,806		786,294		1,536,739
				253,425
				1,031,806
				278,039
			17,072	17,072
			106,519	106,519
			372,371	372,371
	1,629,985		93,837	6,603,333
			295,425	295,425
			74,123	821,544
87,806	1,629,985	1,188,880	1,322,588	27,640,936
-	1,420,483	(683,473)	2,282,801	306,725
		75,572		1,415,780
-		-	(558,556)	(634,128)
-		75,572	(558,556)	781,652
-	1,420,483	(607,901)	1,724,245	1,088,377
	2,535,672	6,951,788	387,736	32,379,778
\$ -	\$ 3,956,155	6,343,887	\$ 2,111,981	\$ 33,468,155

BANKS COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Adjustments to the Statement of Activities

Net Change In Fund Balance	\$ 1,088,377
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which Capital Outlays (\$3,375,105) exceeded Depreciation (\$1,611,342).	1,763,763
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These include recognition of unavailable deferred revenue.	(19,344)
Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned, net of employer contributions is reported as pension expense:	
Cost of benefits net of employee contributions	<u>104,301</u>
Change in Net Position of Governmental Activities (Exhibit 2)	<u>\$ 2,937,097</u>

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

**BANKS COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022**

EXHIBIT 5

	<u>BUSINESS-TYPE ACTIVITIES</u>		
	<u>PUBLIC UTILITIES</u>	<u>DEVELOPMENT AUTHORITY</u>	<u>TOTAL</u>
ASSETS			
Current Assets:			
Cash	\$ 5,761,900	\$ 2,678,428	\$ 8,440,328
Accounts Receivable	129,911		129,911
Prepaid Items	23,429		23,429
Total Current Assets	<u>5,915,240</u>	<u>2,678,428</u>	<u>8,593,668</u>
Non-current Assets:			
Capital Assets			
Land	1,529,838	2,076,535	3,606,373
Depreciable Assets, Net	<u>27,061,079</u>	<u>2,377,943</u>	<u>29,439,022</u>
Total Non-current Assets	<u>28,590,917</u>	<u>4,454,478</u>	<u>33,045,395</u>
 TOTAL ASSETS	 <u>\$ 34,506,157</u>	 <u>\$ 7,132,906</u>	 <u>\$ 41,639,063</u>
 LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 163,048	\$	\$ 163,048
Accrued Payroll	36,013		36,013
Current Portion of Long-Term Notes	<u>217,671</u>		<u>217,671</u>
Total Current Liabilities	<u>416,732</u>		<u>416,732</u>
Non-current Liabilities			
Customer Deposits	323,865		323,865
Long-term Notes Payable	<u>4,467,972</u>		<u>4,467,972</u>
Total Non-current Liabilities	<u>4,791,837</u>		<u>4,791,837</u>
 TOTAL LIABILITIES	 <u>5,208,569</u>		 <u>5,208,569</u>
 NET POSITION			
Net Investment in Capital Assets	23,905,274	4,454,478	28,359,752
Unrestricted Assets	<u>5,392,314</u>	<u>2,678,428</u>	<u>8,070,742</u>
 TOTAL NET POSITION	 <u>29,297,588</u>	 <u>7,132,906</u>	 <u>36,430,494</u>
 TOTAL LIABILITIES AND NET POSITON	 <u>\$ 34,506,157</u>	 <u>\$ 7,132,906</u>	 <u>\$ 41,639,063</u>

The accompanying notes are an integral part of this statement.

BANKS COUNTY, GEORGIA
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

EXHIBIT 6

	BUSINESS-TYPE ACTIVITIES		
	PUBLIC	DEVELOPMENT	
	UTILITIES	AUTHORITY	TOTAL
OPERATING REVENUES			
Charges for Service	\$ 3,471,969	\$ 481,971	\$ 3,953,940
TOTAL OPERATING REVENUES	<u>3,471,969</u>	<u>481,971</u>	<u>3,953,940</u>
OPERATING EXPENSES			
Salaries	814,026	32,520	846,546
Payroll Tax	61,744		61,744
Training	4,606		4,606
Employee Retirement	24,441		24,441
Office	35,637		35,637
Insurance	154,504		154,504
Testing	20,138		20,138
Purchased Water	56,888		56,888
Utilities	178,786		178,786
Dues and Memberships	14,215		14,215
Vehicle Expense	48,819		48,819
Supplies	124,691	16	124,707
Repairs & Maintenance	196,692		196,692
Depreciation	1,189,828	47,914	1,237,742
Telephone	12,890		12,890
Loan fees	250,000		250,000
Uniforms	2,962		2,962
TOTAL OPERATING EXPENSES	<u>3,190,867</u>	<u>80,450</u>	<u>3,271,317</u>
OPERATING INCOME (LOSS)	<u>281,102</u>	<u>401,521</u>	<u>682,623</u>
NON-OPERATING REVENUES (EXPENSE)			
Interest Income	5,802	725	6,527
Interest Expense	(59,463)		(59,463)
Gain on Sale of Property		349,661	349,661
TOTAL NON-OPERATING REVENUE (EXPENSE)	<u>(53,661)</u>	<u>350,386</u>	<u>296,725</u>
NET INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>227,441</u>	<u>751,907</u>	<u>979,348</u>
Capital Contributions	3,197,875		3,197,875
Transfers In (Out)	(781,652)		(781,652)
TOTAL TRANSFERS	<u>2,416,223</u>		<u>2,416,223</u>
CHANGE IN NET POSITION	<u>2,643,664</u>	<u>751,907</u>	<u>3,395,571</u>
TOTAL NET POSITION - BEGINNING OF YEAR	<u>26,653,924</u>	<u>6,380,999</u>	<u>33,034,923</u>
TOTAL NET POSITION - END OF YEAR	<u>\$ 29,297,588</u>	<u>\$ 7,132,906</u>	<u>\$ 36,430,494</u>

The accompanying notes are an integral part of this statement.

**BANKS COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

EXHIBIT 7

	BUSINESS TYPE ACTIVITIES		
	PUBLIC UTILITIES	DEVELOPMENT AUTHORITY	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 3,471,969	\$ 481,971	\$ 3,953,940
Payments to Suppliers	(1,122,505)	(16)	(1,122,521)
Payments to Employees	(814,026)	(32,520)	(846,546)
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,535,438	449,435	1,984,873
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfer(to) from other funds	(781,652)		(781,652)
NET CASH USED BY NONCAPITAL AND RELATED FINANCING ACTIVITIES	(781,652)		(781,652)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Receipts from Other Funds	3,197,875		3,197,875
Acquisition and Construction of Capital Assets	(4,722,841)	(60,317)	(4,783,158)
Proceeds from Sale of Land		1,459,000	1,459,000
Notes Proceeds	3,136,098		3,136,098
Principal Paid on Notes Payable	(216,389)		(216,389)
Interest Paid On Notes Payable	(59,462)		(59,462)
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	1,335,281	1,398,683	2,733,964
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest Earned	5,802	725	6,527
NET CASH PROVIDED BY INVESTING ACTIVITIES	5,802	725	6,527
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,094,869	1,848,843	3,943,712
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	3,667,031	829,585	4,496,616
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 5,761,900	\$ 2,678,428	\$ 8,440,328
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities			
Operating Income (Loss)	\$ 281,102	\$ 401,521	\$ 682,623
Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided By Operating Activities			
Depreciation	1,189,828	47,914	1,237,742
Changes in Assets and Liabilities			
(Increase) Decrease in Accounts Receivable	4,840		4,840
Increase (Decrease) in Accounts Payable	33,057		33,057
Increase (Decrease) in Accrued Payroll	(743)		(743)
Increase (Decrease) in Deposits	27,354		27,354
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 1,535,438	\$ 449,435	\$ 1,984,873

The accompanying notes are an integral part of this statement.

**BANKS COUNTY, GEORGIA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2022**

EXHIBIT 8

	<u>Custodial Funds</u>
ASSETS	
Cash	\$ <u>1,603,290</u>
TOTAL ASSETS	<u>1,603,290</u>
LIABILITIES	
Amounts held for others	<u>801,069</u>
TOTAL LIABILITIES	<u>801,069</u>
NET POSITION	
Restricted for others	<u>802,221</u>
TOTAL NET POSITION	\$ <u>802,221</u>

The accompanying notes are an integral part of this statement.

BANKS COUNTY, GEORGIA
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
JUNE 30, 2022

EXHIBIT 9

	<u>Custodial Funds</u>
ADDITIONS	
Taxes collected for other entities	\$ 19,363,698
Court fees collected for other entities	996,814
Court individual casees	1,596,421
Sheriff's seizures	354,905
Sheliff inmate account deposits	<u>121,850</u>
Total Additions	<u>22,433,688</u>
DEDUCTIONS	
Taxes distributed to other entities	19,368,635
Court fees distributed to other agencies	2,014,915
Payments to others	593,157
Payments from inmates to others	<u>119,848</u>
Total Deductions	<u>22,096,555</u>
Changes in Net Position	337,133
Net Position - Beginning of Year	<u>465,088</u>
Total Net Position - End of Year	<u><u>\$ 802,221</u></u>

The accompanying notes are an integral part of this statement.

BANKS COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Narrative Profile

Banks County (the "County") is a political subdivision of the State of Georgia. The County was incorporated in 1858 and is governed by an elected board of five County Commissioners. As required by generally accepted accounting principles, these financial statements present all the fund types of the County and its component units, entities for which the County is considered to be financially accountable.

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

A. Financial Reporting Entity

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organization; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to the organization; or the County is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the County in that the County approves the budget, levies taxes, or issues their debt.

The County's component units are presented either as "blended" or "discretely presented". If blended, it is reported as if it were a fund of the County throughout the year. It is included at both the government-wide and fund financial reporting levels.

Discretely presented component units are reported only at the government-wide financial reporting level. The component unit columns included on the government-wide financial statements identifies the financial data of the County's discretely presented component units. They are reported separately to emphasize that they are legally separate from the County.

A brief description of the blended component unit follows:

Development Authority of Banks County - The Development of Banks County was created in 1986. The members of the governing board of the Authority are appointed by the Board of Commissioners of Banks County. Although the County does not have the authority to approve or modify the budget of the Authority, the County provides financial support of the Authority. The objective of the Development Authority of Banks County is to enable economic development and to foster sustainable development in the County. Financial information can be obtained at the County's offices. The Authority is reported as an Enterprise fund. The Authority does not issue separate financial statements.

BANKS COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – (Continued)

- The following component units are discretely presented in the reporting entity:

Banks County Industrial Building Authority - The Banks County Industrial Building Authority was created in 1973. The Banks County Industrial Building Authority consists of the chairman of the Banks County Commissioners, the Mayor of Homer as Ex-Officio, as well as three members appointed by the Banks County Commissioners. The Authority serves as a financial conduit for debt issued to construct the recreation building. This Authority is reported as a component unit. The Authority does not issue separate financial statements.

Banks County Health Department – The Health Department provides health services to all citizens of Banks County. These services are offered free or at a nominal charge depending on the person's ability to pay. The County is responsible for a shared portion of the Health Department's annual operating budget. The County is also responsible for continuing the operation of the Health Department in the event of its failure.

Complete financial statements of this component unit may be obtained at the entity's administrative offices.

Banks County Health Department
Homer, Georgia 30547

B. Basis of Presentation

The County's basic financial statements consist of government-wide statements, including a statement of net position, a statement of activities and fund financial statements, which provide a more detailed level of financial information.

Government-wide 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 primary government and its component units. 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. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the County. The statements distinguish between governmental activities, generally supported by taxes, intergovernmental revenues, and other non-exchange transactions and business-type activities, which are generally financed in whole or in part by fees charged to external parties.

The statement of net position presents the financial position of the governmental and business type activities of the County and its discretely presented component units at year end.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities, for identifiable activity of the business-type activities of the County and for each major component unit. Direct expenses are those that are clearly identifiable with a specific function or segment. The County does not allocate indirect expenses to functions in the statement of activities.

BANKS COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – (Continued)

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. These revenues are subject to externally imposed restrictions to these program uses.

For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which functions the revenues are *restricted*.

Taxes and other revenue sources not properly included with the program revenues are reported as general revenues of the County. The comparison between direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the County.

Fund Financial Statements – During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. Fund financial statements are provided for governmental, proprietary, and fiduciary funds.

Major individual governmental and enterprise funds are reported in separate columns with composite columns for Nonmajor funds. Fiduciary funds are presented by type.

Fund Accounting – The County uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The County uses three categories of funds: governmental, proprietary and fiduciary.

Governmental Funds: - Governmental Funds are those through which most of the governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balance of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The County reports the difference between governmental fund assets and liabilities as fund balance. The following are the County's major governmental funds:

The *General Fund* is the government'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 *E-911 Special Revenue Fund* is used to account for the County's share of telephone fees for the operation of the 911 emergency system.

BANKS COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – (Continued)

The *2017 SPLOST Capital Projects Fund* accounts for funds received from a special local 1% sales tax restricted for construction and various capital projects.

The *American Rescue Plan* accounts for revenues and expenditures of the American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Fund.

The *2018 Transportation SPLOST Capital Projects Fund* accounts for funds received from a special local 1% sales tax restricted for construction and various roads and bridges projects.

The *Capital Fund* accounts for financial resources to be used for the acquisition or construction of major capital facilities.

Proprietary Funds: – Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. The County has two major proprietary funds:

The *Water and Sewer enterprise fund* accounts for the revenues and expenses related to operating and maintaining a water utility system consisting of a water supply and filtration system with storage and transmission capabilities to residents in Banks County. This fund also accounts for the revenue and expenses related to operating and maintaining a sewer utility system.

The *Development Authority enterprise fund* accounts for activities of the Banks County Development Authority, which exists to promote business development in the County.

Non-major Governmental Funds:

The *Special Revenue Funds* are used to account for the proceeds of specific revenue sources that are legally or donor restricted to expenditure for specified purposes.

Fiduciary Fund Types

The *Custodial Funds* are custodial in nature and are accounted for using the accrual basis of accounting. These funds are used to account for assets that are held for others.

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

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the County are included in the statement of net position. The statement of activities reports revenues and expenses.

BANKS COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – (Continued)

Fund Financial Statements – All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and liabilities associated with the operation of these funds are included on the statements of net position. The statements of changes in fund net position present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

The basis of accounting determines when transactions are recorded in the financial records and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting.

At the fund reporting level, governmental funds use the modified accrual basis of accounting and the fiduciary funds use the accrual basis of accounting. Proprietary funds use the accrual basis of accounting at both reporting levels. Differences in the accrual method and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues- Exchange Transactions – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the calendar year which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current calendar year. For the County, the phrase “available for exchange transactions” means expected to be received within 60 days of year end.

Revenues – Non-exchange Transactions – Non-exchange transactions, in which the County receives value without directly giving equal value in return, includes sales tax, property taxes, grants and donations. On an accrual basis, revenue from sales tax is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the calendar year for which the taxes are levied. Revenue from grants and donations is recognized in the calendar year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected before June 30, 2022 for property taxes and within 60 days for other non-exchange transactions) before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales tax, special assessments, and federal and state grants.

BANKS COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – (Continued)

Expenses/Expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred, if measurable. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

D Assets, Liabilities and Equity

1. **Cash and Investments** - Cash and cash equivalents include amounts in demand and time deposits as well as short-term investments with a maturity date within three months of the date acquired by the County. Cash and cash equivalents are reported on the balance sheets, statements of net position and in cash flow statements.

State statutes authorize the County to invest in the following types of obligations:

- Obligations of the State of Georgia or of any other states
- Obligations of the United States Government
- Obligations fully insured or guaranteed by the United States Government or Government Agency
- Obligations of any corporation of the United States Government
- Prime Bankers acceptances
- The State of Georgia local government investment pool (i.e., Georgia Fund 1)
- Obligations of the other political subdivisions of the State of Georgia

2. **Receivables** – Levied property taxes are recorded as receivables and recognized as revenue in the year they become due. The levy is made on assessed valuations as of January 1, and the taxes are due on December 20 of each year.

The tax bills are mailed at least 60 days prior to the due date. The billings are considered past due 60 days after the tax billings date or December 20, whichever is later, at which time the applicable property is subject to lien, and penalties are assessed.

All trade and property tax receivables are shown net of an allowance for uncollectible, where applicable.

3 Interfund Balances

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to /from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to / from other funds.” Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

BANKS COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – (Continued)

4 *Inventories and Prepaid Items*

The cost of supplies is recorded as expenditure at the time the individual items are purchased. The amount of inventory on hand is insignificant and therefore not recorded.

5 *Prepaid Items*

Payments made to vendors for services that will benefit periods beyond June 30, 2018, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditures/expenses in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reserved as this amount is not available for general appropriation.

6 *Capital Assets*

Capital outlays are recorded as expenditures of the General Fund and as assets in the government-wide financial statements to the extent that the County's capitalization threshold is met. Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, culverts, and similar items acquired subsequent to July 1, 2003) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. General infrastructure assets acquired prior to July 1, 2003, are not reported in the basic financial statements. The County capitalizes asset purchases valued at \$5,000 or more. Depreciation is recorded on general fixed assets on a government-wide basis. Capital outlays of the Proprietary Fund are recorded as fixed assets and depreciated over their estimated useful lives on a straight-line basis on both the funds basis and the government-wide basis. All fixed assets are valued at historical cost or estimated historical cost if actual cost was not available. Donated capital assets are valued at their estimated fair market value on the date donated.

Maintenance, repairs, and minor equipment are charged to operations when incurred. Expenditures that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of land, buildings, and equipment, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the results of operations.

7 *Compensated Absences*

It is the County's policy to permit employees to accumulate earned but unused vacation. Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and fund liability of the government fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as long term liabilities.

8 *Accrued Liabilities and Long-term Obligations*

The County reports long-term debt of governmental activities at face value in the Government-wide Statement of Net Position. Long-term debt is not reported for governmental activities in the fund financial statements. Long-term debt and other obligations financed by the proprietary fund are reported as liabilities in both the Government-wide and fund financial statements.

BANKS COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – (Continued)

9 Fund Equity

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

Fund balance – Generally, fund balance represents the difference between the current assets and current liabilities. 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:

- *Nonspendable* – Fund balances are reported as nonspendable when the 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 like inventories and prepaid items) or (b) legally or contractually required to be maintained intact.
- *Restricted* – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- *Committed* – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners through the adoption of a resolution prior to the end of the fiscal year. In order to modify or rescind the commitment, the Board of Commissioners must adopt another resolution.
- *Assigned* – Fund balances are reported as assigned when the amounts are constrained by the County’s intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the Board of Commissioners has authorized the County’s finance director to assign fund balances.
- *Unassigned* – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterions. The County reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all other governmental funds.

Net Position Flow Assumptions – In order to report net position as a restricted-net position and an unrestricted-net position in the government-wide and proprietary fund financial statements, the County has established a flow assumption policy. It is the County’s policy to use restricted – net position first before using unrestricted-net position.

Fund Balance Flow Assumptions - It is the County’s policy to consider restricted fund balance to have been used before any of the components of unrestricted fund balance. Further, when the components of unrestricted

fund balance can be used for the same purpose, it is the County’s policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

BANKS COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – (Continued)

Net Position – The net position represents the difference between assets and liabilities. The net position component “Net Investment in Capital Assets”, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any debt used for the acquisition, construction, or improvement of those assets. In determining the outstanding balance of any borrowing, proceeds of that debt which has not been spent is deducted. Accounts payable for costs related to acquisition, construction, or improvement of those capital assets is considered debt for this calculation. Net position is reported as restricted as described in the fund balance section above. All other assets are reported as unrestricted.

10 Operating Revenue and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* 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. 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 nonoperating revenues and expenses.

11 Interfund Activity

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/ expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

12 Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain 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. Accordingly, actual results could differ from those estimates.

13 Deferred Outflows/Inflows of Resources

The County implemented GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB No. 65, *Items Previously Reported as Assets and Liabilities* in fiscal year 2013. This implementation resulted primarily in changes to terminology and the elimination of reporting unamortized debt issuance costs (i.e., unamortized loan origination fees) as a deferred charge.

In addition to assets, the statement of financial 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 position that applies to future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditures) until then. The County has no items that qualify for reporting in this category.

BANKS COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents the acquisition of net position that applies to future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A Budgetary Information

The County finance director prepares a draft of the annual budget from which the Commissioners prepare a proposed budget. The County then advertises in a local newspaper giving notice regarding a public hearing in which local citizens may give their input regarding the proposed budget. The County also places a copy of the proposed budget on file for public inspection prior to actual approval. Once all of the steps have been taken, the Commissioners then formally adopt the annual, balanced budget. The legal level of control of the budget is at the department level. All appropriations lapse at year end. During the current fiscal year, there were no amendments made to the original budget.

The Commission annually adopts budgets for the General Fund of the Primary Government. All appropriations are legally controlled at the departmental level for the General Fund1. The budgets are integrated into the accounting system, and the budgetary, as presented in financial statements for all funds with annual budgets, compare the expenditures with the amended budgets. All budgets are presented on the modified accrual basis of accounting. Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditures are recorded to reserve that portion of the applicable appropriation - is not utilized by the Banks County Commissioners.

During the fiscal year ended June 30, 2022, the County incurred expenditures in the following general fund departments that were materially in excess of the amounts appropriated.

Department	Budget	Actual	Variance
Public Safety	\$ 8,355,782	\$ 10,194,269	\$ (1,838,487)
Culture and Recreation	945,831	1,031,806	(85,975)

B–Fund Deficits

The E-911 Special Revenue fund has a deficit fund balance of \$9,550,281. This is due to management’s decision to show the transfers to E-911 from Special Revenue as an Interfund liability rather than a transfer.

NOTE 3 – DEPOSIT AND INVESTMENT RISK

Custodial Risk – Deposits

Custodial risk is the risk that in the event of a financial institution failure, the County’s deposits may not be returned. The County has no formal policy, but follows the State of Georgia requirement that all deposits be federally insured or fully collateralized.

BANKS COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 – (Continued)

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.

Credit Risk

State of Georgia law limits investments to include certificates of deposit, repurchase agreements, direct and agency obligations of the United States, obligations of any corporation of the United States government, obligations of the State of Georgia or other states, obligations of other political subdivisions of the State of Georgia, and pooled investment programs of the State of Georgia. The County has no investment policy that would further limit its investment choices.

The County participates in the State of Georgia Local Government Investment Pool (Georgia Fund 1). Assets in this pool are invested in the Georgia Fund 1, created by OCGA 36-83-8, which is a stable net asset investment pool that follows Standard and Poor's criteria for AAAM rated money market funds. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company.

The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines the participants shares sold and redeemed based on \$1.00 per share. Georgia Fund 1 is managed by the Georgia Office of State Treasurer. The investment policies of Georgia Fund 1 are established by the Georgia State Depository Board.

The Georgia Fund 1 is rated AAAM by Standards and Poor's. The weighted average maturity at June 30, 2022, was 10 days. At June 30, 2022, the County's balance in Georgia Fund 1 was \$5118,112.

Concentration of Credit Risk

The County has no formal policy on the amount the County may invest in any one issuer.

Foreign Currency Risk

The County has no investments denominated in a foreign currency.

NOTE 4– DEPOSITS

At June 30, 2022, the carrying amount of the County's deposits was \$ 43,514,077 and the bank balance was 42,484,574. All bank balances of deposits as of June 30, 2022 are entirely insured or collateralized with securities held by the County's agent in the County's name.

BANKS COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 – RESTRICTED CASH

Primary Government

The County's restricted cash in the Governmental Activities on June 30, 2022, consisted of the following:

2017 SPLOST	\$ 2,136,230
America Rescue Plan	1,780,183
2018 TSPLOST	3,442,831
Capital Projects Fund	6,343,887
Non Major Special Revenue Funds	<u>1,298,685</u>
Total Restricted Cash	<u>\$ 15,001,816</u>

NOTE 6 - RECEIVABLES

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

	<u>Governmental Activities</u>	<u>Enterprise Fund</u>	<u>SPLOST</u>	<u>Transportation SPLOST</u>
Receivables:				
Taxes	\$ 282,137	\$	\$	\$
Intergovernmental			813,507	513,324
Accounts	<u>1,551,944</u>	<u>129,911</u>		
Total Receivables	<u>\$ 1,834,081</u>	<u>\$ 129,911</u>	<u>\$ 813,507</u>	<u>\$ 513,324</u>

The delinquent taxes receivable account represents uncollected tax levies. No allowance for uncollectible taxes has been provided as delinquent taxes are considered fully collectible.

Property taxes are assessed as of January 1, 2021, on property values. Taxes were levied on October 19, 2021, for the 2022 tax year, and were due on December 20, 2021. All unpaid taxes levied on October 20, 2021 become delinquent as of December 21, 2021. Interest and penalties accrue after December 21, 2021.

Due to the high collection rate in the Enterprise Fund, no allowance has been made for bad debts.

BANKS COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 – INTERFUND BALANCES

DUE TO - FROM OTHER FUNDS

Balances due to/from other funds at June 30, 2022, consist of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Current:		
Noncurrent:		
General Fund	E-911 Fund	\$ 9,593,840
Subtotal		<u>\$ 9,593,840</u>

The interfund payable from the E-911 fund to the General Fund are for annual appropriations not reimbursed. This is a long term obligation that is not expected to be repaid within one year.

Interfund transfers are used to 1) move revenues from the fund that statute or budget requires them to the fund that statute or budget requires to expend them, and 2) use restricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers are eliminated in the government –wide financial statements if the interfund transfer is within the governmental fund group or business-type group.

	<u>Major Funds</u>			<u>Funds</u>	
	<u>General</u>	<u>Capital Fund</u>	<u>Public Utilities</u>	<u>Hotel Motel Tax</u>	<u>Combined</u>
Transfer Out To:					
<i>Major Funds</i>					
General	\$	\$	\$ (781,652)	\$ (558,556)	\$ (1,340,208)
Capital Fund		(75,572)			(75,572)
Transfers In From:					
<i>Major Funds</i>					
General		75,572			75,572
Public Utilities	781,652				781,652
<i>Nonmajor Funds</i>					-
Hotel Motel Tax	558,556				558,556
	<u>\$ 1,264,636</u>	<u>\$ 75,572</u>	<u>\$ (781,652)</u>	<u>\$ (558,556)</u>	<u>\$ -</u>

BANKS COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 - CHANGES IN CAPITAL ASSETS

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

	<u>Balance 7/1/2021</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance 6/30/2022</u>
Primary Government:				
Capital Assets not being Depreciated				
Land	\$ 444,464	\$ -	\$ -	\$ 444,464
Depreciable assets				
Buildings	15,066,695	946,192		16,012,887
Furniture & Equipment	6,356,028	358,248	-	6,714,276
Fire Equipment	3,284,708	820,999		4,105,707
Machinery & Equipment	6,897,704	-	-	6,897,704
Jail	3,776,934	-	-	3,776,934
Roads	993,816	238,818		1,232,634
Recreation	4,324,590	1,010,848	-	5,335,438
Total depreciable assets	<u>40,700,475</u>	<u>3,375,105</u>	<u>-</u>	<u>44,075,580</u>
Less: Accumulated Depreciation				
Buildings	(5,042,474)	(365,629)		(5,408,103)
Furniture & Equipment	(2,305,783)	(389,037)	-	(2,694,820)
Fire Equipment	(3,284,708)	-		(3,284,708)
Machinery & Equipment	(6,270,675)	(85,609)	-	(6,356,284)
Jail	(2,131,914)	(628,998)	-	(2,760,912)
Roads	(12,423)	(13,458)		(25,881)
Recreation	(673,911)	(128,611)	-	(802,522)
Total accumulated depreciation	<u>(19,721,888)</u>	<u>(1,611,342)</u>	<u>-</u>	<u>(21,333,230)</u>
Total depreciable assets, net	<u>20,978,587</u>	<u>1,763,763</u>	<u>-</u>	<u>22,742,350</u>
Governmental Activities capital assets, net	<u>\$ 21,423,051</u>	<u>\$ 1,763,763</u>	<u>\$ -</u>	<u>\$ 23,186,814</u>

Depreciation was charged to governmental functions as follows:

Primary Government	
Governmental activities	
General Government	\$ 275,454
Public Safety	793,453
Public Works	533,968
Culture and Recreation	8,467
Total depreciation expense for governmental activities	<u>\$ 1,611,342</u>

BANKS COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 – (Continued)

Business-Type Activities:

	Balance 7/1/2021	Increase	Decrease	Balance 6/30/2022
Business-type Activities				
Capital Assets not being				
Depreciated				
Land	\$ 3,606,373	\$ -		\$ 3,606,373
Construction in Progress	\$ 2,365,539	\$ -	\$ 2,365,539	\$ -
Total Non-depreciable Assets	<u>5,971,912</u>	<u>-</u>	<u>2,365,539</u>	<u>3,606,373</u>
Depreciable assets				
Plant	37,234,106	7,128,092		44,362,198
Industrial Park	1,109,339		1,109,339	-
Furniture & Equipment	249,662	20,605	-	270,267
Road	1,284,408	-	-	1,284,408
Dam	3,878,261	-	-	3,878,261
Vehicles	299,056	-	-	299,056
Total depreciable assets	<u>44,054,832</u>	<u>7,148,697</u>	<u>1,109,339</u>	<u>50,094,190</u>
Less: Accumulated				
Depreciation				
Plant	(16,505,439)	(1,064,129)	-	(17,569,568)
Furniture & Equipment	(135,042)	(3,208)	-	(138,250)
Road	(115,158)	(7,067)	-	(122,225)
Dam	(2,550,860)	(156,531)	-	(2,707,391)
Vehicles	(110,927)	(6,807)	-	(117,734)
Total accumulated depreciation	<u>(19,417,426)</u>	<u>(1,237,742)</u>	<u>-</u>	<u>(20,655,168)</u>
Total depreciable assets, net	<u>24,637,406</u>	<u>5,910,955</u>	<u>1,109,339</u>	<u>29,439,022</u>
Business-type Activities				
capital assets, net	<u>\$ 30,609,318</u>	<u>\$ 5,910,955</u>	<u>\$ 3,474,878</u>	<u>\$ 33,045,395</u>

BANKS COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 – (Continued)

Discretely Presented Component Units:

Banks County Industrial Building Authority – Activity for the fiscal year ended June 30, 2022, was as follows:

	Balance 7/1/2021	Increase	Decrease	Balance 6/30/2022
Banks County Industrial Building Authority				
Depreciable assets				
Recreation Building	\$ 1,499,260	\$ -	\$ -	\$ 1,499,260
DFACS Building	1,880,565			1,880,565
Total Depreciable Assets	3,379,825	-	-	3,379,825
Less: Accumulated				
Depreciation	(858,289)	(84,496)	-	(942,785)
Net Depreciable Assets	\$ 2,521,536	\$ (84,496)	\$ -	\$ 2,437,040

In the governmental and business-type activities, the following estimated useful lives are used to compute depreciation using the straight-line method:

General Government Buildings	40	Years
Road	40	Years
Dam	50	Years
Water and Sewer System	50	Years
Utility Plant	50	Years
Machinery and Equipment	5-20	Years

Net Investment in Capital Assets

	Governmental Activities	Enterprise Fund	Component Unit
Net Investment in Capital Assets:			
Cost of Capital Assets	\$ 44,520,044	\$ 53,700,563	\$ 3,379,825
Accumulated Depreciation	(21,333,230)	(20,655,168)	(942,785)
Book Value	23,186,814	33,045,395	2,437,040
Capital Related Debt	-	(4,685,643)	(1,392,466)
Total	\$ 23,186,814	\$ 28,359,752	\$ 1,044,574

BANKS COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 - LONG-TERM DEBT

The following is a summary of Long-Term Debt transactions of the County for the year ended June 30, 2022:

Governmental Activities:

	Balance				Balance	Due Within
	7/1/2021	Additions	Payments		6/30/2022	One Year
Contracts Payable	\$ 1,472,607	\$ -	\$ 80,141	\$ 1,392,466	\$ 83,141	
Pension Liability	165,378	-	133,284	32,094		
	<u>\$ 1,637,985</u>	<u>\$ -</u>	<u>\$ 213,425</u>	<u>\$ 1,424,560</u>	<u>\$ 83,141</u>	

All long-term obligations of the County's governmental funds are financed through future General Fund expendable available financial resources as they become due.

Business Type Activities:

	Balance				Balance	Due Within
	7/1/2021	Additions	Payments		6/30/2022	One Year
Long Term						
Notes Payable	\$ 1,765,934	\$ 3,136,098	\$ 216,389	\$ 4,685,643	\$ 217,671	

Notes Payable – Georgia Environmental Facilities Authority

To finance the waterline extension, this is GEFA note 2007L34WS. The total amount of loan was \$969,012.51. This loan was completed May 1, 2010, and went into permanent financing. Principal and interest shall be due and payable in two hundred and forty payments of \$4,975.84 each commencing on June 1, 2010, and continuing monthly on the first day of each month thereafter. The note bears an interest rate of 2.16% per annum.

Fiscal Year				
Ending				
June 30,	Principal	Interest	Total	
2023	\$ 50,834	8,876	59,710	
2024	51,943	7,767	59,710	
2025	53,076	6,634	59,710	
2026	54,234	5,476	59,710	
2027	55,417	4,293	59,710	
2028-2030	164,440	5,519	169,959	
Totals	<u>\$ 429,944</u>	<u>\$ 38,565</u>	<u>\$ 468,509</u>	

BANKS COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 – (Continued)

Notes Payable – Georgia Environmental Facilities Authority

The County entered into an agreements with the Georgia Environmental Facilities Authority (GEFA) for Water and Sewer system improvements which are in progress on June 30, 2022. The County has drawn \$2,532,205 from note CW2019-015 as of June 30, 2022. Monthly installments of principal and interest are due beginning the on the first day of the calendar month following the date the loans are fully disbursed (the Amortization Commencement Date).

Notes Payable – Georgia Environmental Facilities Authority

The County entered into an agreements with the Georgia Environmental Facilities Authority (GEFA) for Water and Sewer system improvements which are in progress on June 30, 2022. The County has drawn \$936,440 from note CW2020-029 as of June 30, 2022. Monthly installments of principal and interest are due beginning the on the first day of the calendar month following the date the loans are fully disbursed (the Amortization Commencement Date).

Notes Payable – South State Bank

On November 29, 2016, the County adopted a resolution to issue revenue with South State Bank to pay off a loan with the Georgia Environmental Facilities Authority. The original amount of this loan was \$1,630,000. Principal and interest shall be due and payable in one hundred twenty monthly payments in the amount of \$15,485.63, commencing on January 15, 2017. The note bears interest at 2.634% per annum.

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	166,837	18,991	185,828
2024	171,310	14,518	185,828
2025	175,979	9,849	185,828
2026	180,736	5,092	185,828
2027	92,193	719	92,912
Totals	\$ 787,055	\$ 49,169	\$ 836,224

Contract Payable

The County has entered into an intergovernmental contract dated February 1, 2015, with the Banks County Industrial Building Authority (Authority) to pay the Authority amounts sufficient to enable the Authority to pay the debt service on the Series 2015 Bonds. The total issue amount for these bonds was \$1,880,563 with an issuance cost of \$125,000 which mature October 1, 2035, and bear interest at 3.68 %. These bonds were for the construction of a government services building in the County, including approximately 6,750 square feet of rentable office space. The building is being leased to the State of Georgia Facilities Authority and current houses the Department of Family and Children's Services.

BANKS COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 – (Continued)

The annual requirements to amortize this debt as of June 30, 2022, are as follows:

Fiscal Year				
Ending				
June 30,	Principal	Interest	Total	
2023	\$ 83,141	49,835	132,976	
2024	86,252	46,723	132,975	
2025	89,480	43,495	132,975	
2026	92,829	40,146	132,975	
2027	96,303	36,672	132,975	
2027-2031	538,357	126,518	664,875	
2032-2035	406,104	25,158	431,262	
Totals	\$ <u>1,392,466</u>	\$ <u>368,547</u>	\$ <u>1,761,013</u>	

NOTE 10 – FUND BALANCE/NET POSITION

Additional details related to fund balances at the governmental fund level are presented below:

Nonspendable:

General Fund

Prepaid expenditures – For the amount in prepaid insurance in the general fund \$ 273,856

Long-term interfund receivable- For the amount due from E-911 Fund 9,593,840

\$ 9,867,696

Restricted:

Capital Outlay Projects:

2017 SPLOST Fund

Capital outlay projects – For funds received from the imposition of the Special Purpose Local Option Sales Tax (SPLOST) restricted by the voter approved Referendum \$2,136,230

2018 Transportation SPLOST Fund

Capital outlay projects– To account for funds received from the Imposition of the 2018 Transportation Special Purpose Local Option Sales Tax (TSPLOST) Restricted by the voter approved referendum. \$3,956,155

BANKS COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10– (Continued)

Nonmajor Special Revenue Funds

Judicial Programs:

Victims' assistance – Used to account for surcharges on fines and forfeitures which are used to provide victims assistance. \$18,169

Juvenile Supervision – Used to account for surcharges on fines and forfeitures which are used in juvenile supervision programs \$24,371

Law Library – To account for surcharges on fines and forfeitures which are for the operation of the County law library and other general expenditures as decided by the trustees of the library \$34,463

Public Safety Programs:

Jail Fund – To account for funds received from surcharges on fines and forfeitures restricted for operations of the County jail \$7,419

Training Grant – To account for grant received from the State of Georgia restricted for a training facility \$224,697

Drug Surcharge Fund – Used to account for funds collected from fines and forfeitures to be used in drug treatment and education programs \$70,914

Confiscated Assets – To account for property confiscated by the Sheriff. \$149,976

Opto Traffic Operation- To account for the proceeds from a highway speed Camera at the entrance to the County school complex \$33,475

Public Works:

Solar Fund - Used to account for rents received from property used for the solar power generation programs \$13,372

Capital Outlay Projects:

2022 SPLOST Fund

Capital outlay projects – For funds received from the imposition of the Special Purpose Local Option Sales Tax (SPLOST) restricted by the voter approved Referendum \$1,535,125

\$ 8,204,366

BANKS COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10– (Continued)

Assigned to:

Capital Projects Fund

Capital outlay projects - To account for funds from state grants and transfers from the general fund for capital outlay projects

\$6,343,887

NOTE 11 - EMPLOYEE RETIREMENT PLANS

DEFINED BENEFIT PENSION PLAN

A. PLAN DESCRIPTION

The Plan provides retirement, disability and death benefits to plan members and beneficiaries. The Plan is affiliated with the Association County Commissioners of Georgia Defined Benefit Plan (the ACCG Plan), an agent multiple-employer defined benefit pension plan administered by the Government Employee Benefits Corporation of Georgia (GEBCorp). The ACCG, in its role as the Plan sponsor, has the sole authority to amend the provisions of the ACCG Plan, as provided in Section 19.03 of the ACCG Plan document. The County retains the authority to amend the adoption agreement, which defines the specific operational provisions of the Plan. A separately issued financial report of the Plan may be obtained by writing GEBCorp at 191 Peachtree Street NE, Suite 700, Atlanta, Georgia 30303.

Control over the operation and administration of the Plan is vested with ACCG along with custody of the Plan assets. The Plan provides that the County has no liability with respect to payments or benefits or otherwise under the plan except to pay over to ACCG such actuarially determined contributions as are required to meet minimum funding's standards of the Public Retirement Systems Standards Law and provide benefits thereunder. If terminated, the plan provides that if there are funds remaining after satisfaction of all liabilities, such funds shall not revert to the County but shall be allocated to employees.

There are no loans to any of the County officials or other "party-in-interest", and there are no prohibited transactions. The plan assets do not include any securities or investments in Banks County. The funds are managed by independent money managers.

Participants counts as of December 31, 2021 (the most recent actuarial valuation date) and covered compensation (based on covered earnings for the preceding year) are shown below:

Retirees, Beneficiaries and Disables receiving benefits	19
Terminated plan participants entitled to but not yet receiving benefits	21
Active employees participating in the Plan	<u>5</u>
Total number of Plan Participants	<u><u>37</u></u>
Covered compensation for active participants	\$ 242,059

BANKS COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 – (Continued)

Benefits Provided. The plan provides retirement and death benefits. Benefits are based on years of credited service, equal to one year of full-time employment. Benefits vest evenly over five years of service. Participants become eligible to retire with unreduced benefits at age 65 with 5 years of plan participation. The amount of monthly benefits provided to each participant at their normal retirement date is equal to one percent of the participant's average annual compensation multiplied by the participant's total number of years of service. The plan also provides benefits in the event of death or disability.

Contributions. Employees make no contributions to the plan. The County is required to contribute the remaining amounts necessary to fund the plan in compliance with minimum funding standards of the Public Retirement Systems Law. This funding policy is set by ordinance. The current rate is 4.9% of annual covered payroll. The Board of Commissioners provides for the benefits and funding policy through County ordinance and maintains authority to change the policy.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At June 30, 2022, the County reported a net pension liability of \$ 32,094. The net pension liability was measured as of December 31, 2021, and the total pension liability was used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. For the fiscal year ended June 30, 2022, the County recognized pension expense of \$ 11,087.

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

	Net Deferred Outflows	Net Deferred Inflows
Asset (Gain)/Loss	\$ 19,976	\$ (113,717)
Liability (Gain)/Loss	\$ -	\$ -
(Gain)/Loss due to Assumption Change	\$ -	\$ -
	<u>\$ 19,976</u>	<u>\$ (113,717)</u>

Amounts reported as deferred outflows and deferred inflows or resources will be recognized in pension expense as follows:

Year Ending June 30	Primary Government
2023	\$ 18,748
2024	18,748
2025	18,748
2026	18,748
2027	18,749
Totals	<u>\$ 93,741</u>

BANKS COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 – (Continued)

B. CHANGE IN NET PENSION LIABILITY

	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (a)-(b)
Balances at December 31, 2020	\$ 956,579	\$ 791,201	\$ 165,378
Changes for the year:			
Service Cost	973		973
Interest	64,885		64,885
Liability experience (gain)/loss	(92,469)		(92,469)
Assumption Changes	3,013		3,013
Employer contributions		11,087	(11,087)
Employee contributions	-	-	-
Net investment income		118,627	(118,627)
Benefit payments	(59,308)	(59,308)	-
Administrative expense		(16,521)	16,521
Other		(3,507)	3,507
Net Changes	<u>(82,906)</u>	<u>50,378</u>	<u>(133,284)</u>
Balances at December 31, 2021	\$ <u>873,673</u>	\$ <u>841,579</u>	\$ <u>32,094</u>

C. SENSITIVITY ANALYSIS FOR THE MEASUREMENT PERIOD ENDED DECEMBER 31, 2021

The following represents what the County's net position liability calculation would be if it were calculated using a discount rate one percentage point higher (8.0%) or one percentage point lower (6.0%):

	<u>6.00%</u>	<u>8.00%</u>
Total Pension Liability	\$ 946,767	\$ 810,101
Fiduciary Net Position	\$ <u>841,579</u>	\$ <u>841,579</u>
Net Pension Liability	\$ 105,188	\$ (31,478)

BANKS COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 – (Continued)

D. SCHEDULE OF ACCRUED LIABILITIES

Actuarial Present Value of Accumulated Plan Benefits as of December 31, 2021

1	Total Pension Liability	\$	873,673
2	Fiduciary Net Position	\$	841,579
3	Net Pension Liability	\$	32,094
4	Fiduciary Net Position as % of Total Pension Liability (2)/(1)		96.3%

E. SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

Investment Return: 7.00% per year
Future Salary Increases: 3.00% per year with an age based scale as follows:

<u>Age</u>	<u>Salary Increase</u>
Under 30	3.0% rate plus 1.0%
30-39	3.0% rate plus 0.5%
40-49	3.0% rate less 0.5%
50+	3.0% rate less 1.0%

Based on results of February 2019 experience study.

The long-term expected rate of return on pension investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

BANKS COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 – (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2021, are summarized in the following table:

	Target Allocation	Range
Fixed Income:	30	25-35%
Equities:	70%	65%-75%
Large Cap	30	25-35%
Mid Cap	5	2.5-10%
Small Cap	5	2.5-10%
REIT	5	2.5-10%
International	15	10-20%
Multi Cap	5	2.5-10%
Global Allocation	5	2.5-10%

Disability: Male and female rates derived from the 198 CIDA Table Class 1. Incidence of disability resulting in eligibility for both disability benefits under the County retirement plan and Social Security. Sample rate as follows:

	Probability of Disability (male)	Probability of Disability (female)
<u>Age</u>		
20	0.029%	0.030%
25	0.380%	0.047%
30	0.480%	0.080%
35	0.690%	0.136%
40	0.117%	0.211%
45	0.202%	0.323%
50	0.358%	0.533%
55	0.722%	0.952%
60 & over	0.000%	0.000%

Based on results of February, 2019 experience Study.

BANKS COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 – (Continued)

Retirement:	Probability of Retirement
age 55 to 60	10%
age 61 to 64	20%
age 65 to 69	30%
age 70	100%

Administrative Expenses: The contribution payable at the end of the Plan Year includes administrative fees set by contract between the Association County Commissioners of Georgia and ACCG Retirement Services.

Actuarial Value of Assets: Market value as of measurement date.

Actuarial Cost Method: Entry Age Normal: A method under which the actuarial present of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the service over the service of the individual between entry age and assumed exit age(s).

F. SUMMARY OF MAIN PLAN PROVISIONS FOR VALUATION PURPOSES

Effective Date: January 1, 1987. Amended October 31, 1997. Restated January 1, 2015

Participant: Any full-time employee meeting the provisions as set out in the Adoption Agreement.

Eligibility: The January 1 coincident with or following the date the employee completes three years of Service.

BANKS COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 – (Continued)

Plan Year: Period from January 1 to the next December 31, inclusive.

Service: Complete years and months, from the date of employment to the date on which an employee ceases to be an employee. Credited Service was frozen on October 31, 1997.

Average Annual Compensation : The highest average of the Participant's compensation over five consecutive plan years during the ten plan years preceding the Participant's date of retirement, or other termination, or date Plan was frozen.

Eligibility for Benefits:

Normal Retirement	The earlier of attained age 65 and 3 years of participation, but not beyond age 70.
Late Retirement	Any date subsequent to Normal Retirement.
Early Retirement	Attained age 60, 10 years Service and 3 years plan participation.
Disability Retirement	Ten years of Service and deemed to be totally disabled by the Federal Social Security Administration. Payments will not begin prior to age 50.
Vested Termination	One hundred percent after five years of Service.

Benefit Amounts:

- a. Normal Retirement A benefit payable monthly for life equal to the Participant's Accrued Benefit at Normal Retirement.
- b. Late Retirement A benefit payable monthly for life equal to the Participant's Accrued Benefit at Late Retirement.
- c. Early Retirement A benefit payable monthly for life equal to the Participant's Accrued Benefit at Early Retirement.
- d. Disability Retirement A benefit payable monthly for life equal to the Participant's frozen Accrued Benefit as of October 31, 1997.
- e. Vested Termination A benefit payable monthly for life beginning at Normal Retirement equal to the Participant's Accrued Benefit. Participants with 10 Years of Service may elect to receive benefits at an Early Retirement date calculated in the same manner as an early retirement.

BANKS COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 – (Continued)

- | | | |
|-------------------------------------|--------------|--|
| f. Pre-Retirement
Death Benefit | i. Lump- Sum | The Beneficiary of active Participant's eligible for this benefit will receive a lump sum death benefit equal to 50 times the frozen monthly benefit based on level earnings and Service to October 31, 1997. |
| | ii. Lump-Sum | The beneficiary will receive a lump-sum death benefit based on the participant's accrued benefit payable under the normal form as follows: 50 times the Participant's monthly pension benefit limited to \$50,000. |
| g. Post-Retirement
Death Benefit | | The beneficiary will receive a lump-sum death benefit equal to 50 times the retiree's monthly benefit as of the benefit commencement date limited to \$15,000. |

Form of Benefit: The normal form of benefit is a straight line annuity. Other forms of payment are available and are actuarially equivalent to the normal form

Investment Return Assumption:

Estimated 65th percentile return based on UBS Capital Market Assumptions:	6.10%
Five year performance in excess of benchmarks:	<u>0.90%</u>
Assumed annual investment return	7.00%

G. SUMMARY OF PLAN ASSET MATTERS AND ACCOUNTING PRINCIPLES

Summary of Significant Accounting Policies

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

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

BANKS COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 – (Continued)

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

Contributions

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

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

Board of Trustees

The Trustees for the Association County Commissioners of Georgia (ACCG) Pension Plan and Trust oversees the administration, investment and funding of the Association County Commissioners of Georgia Retirement Program for member employers.

DEFINED CONTRIBUTION PENSION PLAN

Effective October 14, 1997, the County, by resolution, adopted the ACCG Defined Contribution Money Purchase Plan, which operates in conjunction with the Deferred Compensation Plan. There is no waiting period for employees to participate. The County adopted a graduated vesting system, as follows: 1-2 years of service, employees are not vested; after 3 years of service, employees are 50% vested; after 4 years of service, employees are 75% vested; and after 5 years of service, employees are 100% vested. The County contributes 3% of salary as a base contribution for employees. The County may change the contribution requirements by resolution.

DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Because the assets are held in trust for the employees, they are not assets of the County and are not reported in these financial statements.

OTHER PLANS

In addition to the above pension plans, the following pension plans cover County employees but the county is not legally responsible for contributions to the pension plans. Other governmental entities are legally responsible for these contributions as well as required disclosures.

- **PROBATE JUDGES' RETIREMENT FUND OF GEORGIA**
The Probate Judge is covered under a pension plan which requires that certain sums from marriage licenses and fines or bond forfeitures be remitted to the pension plan before the payment of any costs or other claims.
- **CLERK OF SUPERIOR COURT RETIREMENT FUND**
The Clerk of Superior Court is covered under a pension plan which requires that certain sums from fees and fines or bond forfeitures be remitted to the pension plan before the payment of any costs or other claims.

BANKS COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 – (Continued)

- SHERIFF'S RETIREMENT FUND/PEACE OFFICER'S ANNUITY AND BENEFIT FUND

The Sheriff and Sheriff's Deputies are covered under separate pension plans which require that certain sums from fines or bond forfeitures be remitted by the Probate Judge or Clerk of Superior Court to the pension plans before the payment of any costs or other claims.

- GEORGIA STATE EMPLOYEES' RETIREMENT SYSTEM

The Health Department's eligible employees participate in the Georgia State Employee's Retirement System (ERS), a statewide multiple-employer public employee retirement system covering employees of local boards of health and various agencies and departments of the State of Georgia. ERS is funded through employer and employee contributions and the Health Department has no legal obligation for paying benefits.

NOTE 12– OTHER POST-EMPLOYMENT BENEFITS

Banks County Health Department

Eligible employees of the Banks County Health Department are provided OPEB through the State of Georgia OPEB Fund, a cost sharing multiple employer defined benefit post-employment healthcare plan and life insurance through the SEAD-OPEB Fund, a cost-sharing multiple employer defined benefit plan. During the current fiscal year, the Department contributed \$49,782. At the end of the fiscal year, the Department reported a net liability of \$26,837 for its proportionate share ((0.009764% of the State of Georgia OPEB Fund and 0.000644% for the SEAD-OPEB Fund) of the net OPEB liability. Further information regarding the plans can be obtained from the Departments annual audit report by contacting District 2 Public Health, 1280 Athens Street, Gainesville, GA 30507.

NOTE 13– CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts collected, may constitute a liability of the applicable funds. The amount, if any which may be disallowed by the grantor cannot be determined at this time although the government expects such amount, if any, to be immaterial.

NOTE 14- RISK MANAGEMENT

Material estimates have been made by management about the historical cost of fixed assets and the life of depreciated fixed assets. Management has used a conservative approach on these estimates.

BANKS COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 14 – (Continued)

The County is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has joined together with other counties in the state as part of the Interlocal Risk Management Agency (IRMA) for property and liability insurance and the ACCG Group Self-Insurance Worker's Compensation Fund (WCSIF), public entity risk pools currently operating as common risk management and insurance programs for member local governments. The Association County Commissioners of Georgia (ACCG) administers both risk pools.

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

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member governments' contracts and in accordance with the workers' compensation laws of Georgia. The funds are to pay all cost 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.

Management estimates liabilities for unpaid claims based on the probability of losses exceeding the occurrence limits and the reasonableness of estimating these losses. At June 30, 2021, the County has no losses that are probable or estimable and accordingly has not recognized any liability.

NOTE 15– GEORGIA MOUNTAIN REGIONAL COMMISSION

Banks County, in conjunction with cities and counties in the Northeast Georgia area, is a member of the Georgia Mountains Regional Commission (RC). Membership in an RC is automatic for each municipality and county in the state. The official Code of Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the RCs. Each county and municipality in the state is required by law to pay minimum annual dues to the RC. The RC Board membership includes the chief elected official of each county and the chief elected official of each municipality. The County Board members and municipal Board members from the same county elect one member of the Board who is a resident (but not an elected or appointed official or employee of the county or municipality) to serve as the non-public Board member from a County. Separate financial statements can be obtained from:

Georgia Mountains Regional Commission
1310 West Ridge Road
Gainesville, Georgia 30501

The Georgia Planning Act of 1989 (O.C.G.A. 50-8-34) defines RCs as "public agencies and instrumentalities of their members". Georgia laws also provide that the member governments are liable for any debts or obligations of an RC beyond its resources. (O.C.G.A. 50-8-39.1)

BANKS COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 16– HOTEL MOTEL TAX

The County collects a 5% hotel-motel tax and is required to spend 40% of this for promoting tourism, conventions and trade shows. Below is a summary of collections and expenditures.

	<u>Amount</u>	<u>Percent</u>
Collections	\$ 930,927	100%
Tourism Promotion	372,371	40%

NOTE 17– CHANGES IN BEGINNING BALANCES

A prior period adjustment has been made to adjust revenue and expenses at June 30, 2022. This adjustment was required due to an improper recording of revenue and expenses in the component unit in the prior year. This adjustment increased the beginning net position of the Banks County Health Department by \$10,061.

NOTE 18– TAX ABATEMENTS

The County is subject to tax incentives granted by the Banks County Development of Banks County, an entity created by the State of Georgia and activated by the Board of Commissioners of Banks County (“Authority”). These incentives are negotiated on an individual basis as a reduction of property taxes by percentage of total taxes and have the stated purpose of increasing business activity and employment in the County by allowing localities to abate property taxes for a variety of economic development purposes, including business relocation, retention, or expansion. The incentives may be granted to any business located within or promising to relocate to a local government’s geographic area and require the business to enter into a sale-leaseback transaction with the Authority in exchange for tax exempt debt financing for the purpose of locating to the area or expansion of current facilities. In addition to the commitment to the debt financing, the business may also commit to certain economic or employment increases. The incentive agreements contain a provision that the business may lose a portion of the abatement for that year if the business fails to meet its jobs and/or investment goals.

The County has not made any commitments as part of the agreement other than to reduce taxes. This agreement qualifies for disclosure under GASB Statement No. 77, *Tax Abatement Disclosures*.

During fiscal year 2018, the Development Authority entered into an agreement with an industrial entity to abate up to a maximum of 100 percent of the tax bills through a reduction of the assessed value. The term period agreement is five years beginning in fiscal year 2019. Under this agreement, County abatement of personal and real property tax was \$243,626 for the fiscal year ended June 30, 2022.

During fiscal year 2019, the Development Authority entered into an agreement with an industrial entity to abate real and personal property taxes on a graduated scale through a reduction of the assessed value. The term period agreement is listed below. Under this agreement, County abatement of personal and real property tax was \$66,236 for the fiscal year ended June 30, 2022.

BANKS COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 14 – (Continued)

FISCAL YEAR	PAYMENT PERCENTAGE (Based upon Assessed Value)
2021	0%
2022	10%
2023	20%
2024	30%
2025	40%
2026	50%
2027	60%
2028	70%
2029	80%
2030 and thereafter	Fair Market Value

REQUIRED SUPPLEMENTARY INFORMATION
(unaudited)

In accordance with the Governmental Accounting Standards Board Statement No. 34,
The following information is a required part of the financial statements.

BANKS COUNTY, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

EXHIBIT 10

	<u>ORIGINAL BUDGET</u>	<u>BUDGET AS AMENDED</u>	<u>ACTUAL</u>	<u>VARIANCE FROM AMENDED</u>
REVENUES				
Taxes				
Property Tax	\$ 5,848,300	\$ 5,848,300	\$ 6,701,047	\$ 852,747
Local Option Sales Tax	2,700,000	2,700,000	3,711,995	1,011,995
Beverage	219,100	219,100	261,054	41,954
Other	1,355,000	1,355,000	1,512,685	157,685
License and Permits	229,000	229,000	259,462	30,462
Fines & Forfeitures	545,000	545,000	892,879	347,879
Grants			358,138	358,138
Fees	2,660,700	2,660,700	3,693,629	1,032,929
Interest	30,000	30,000	47,411	17,411
Other	5,000	5,000	42,123	37,123
TOTAL REVENUES	<u>13,592,100</u>	<u>13,592,100</u>	<u>17,480,423</u>	<u>3,888,323</u>
EXPENDITURES				
Current:				
General Government	3,181,268	3,181,268	2,930,010	251,258
Judicial	1,186,514	1,186,514	1,185,029	1,485
Public Safety	8,355,782	8,355,782	10,194,269	(1,838,487)
Public Works	796,866	796,866	662,639	134,227
Health and Welfare	262,476	262,476	253,425	9,051
Culture and Recreation	945,831	945,831	1,031,806	(85,975)
Housing and Development	492,760	492,760	278,039	214,721
TOTAL EXPENDITURES	<u>15,221,497</u>	<u>15,221,497</u>	<u>16,535,217</u>	<u>(1,313,720)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,629,397)</u>	<u>(1,629,397)</u>	<u>945,206</u>	<u>2,574,603</u>
OTHER FINANCING SOURCES (USES)				
Transfers (To) from Other County Funds	896,001	896,001	1,264,636	368,635
Total Other Financing Sources (Uses)	<u>896,001</u>	<u>896,001</u>	<u>1,264,636</u>	<u>368,635</u>
NET CHANGE IN FUND BALANCE	(733,396)	(733,396)	2,209,842	2,943,238
FUND BALANCE - BEGINNING OF YEAR	<u>733,396</u>	<u>733,396</u>	<u>26,260,341</u>	<u>25,526,945</u>
FUND BALANCE - END OF YEAR	\$ <u> </u>	\$ <u> </u>	\$ <u>28,470,183</u>	\$ <u>28,470,183</u>

Note to the Budgetary Comparison Schedule

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

**BANKS COUNTY, GEORGIA
BUDGETARY COMPARISON SCHEDULE
E-911 SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

EXHIBIT 11

	<u>ORIGINAL BUDGET</u>	<u>BUDGET AS AMENDED</u>	<u>ACTUAL</u>	<u>VARIANCE FROM AMENDED</u>
REVENUES				
Fees	\$ 250,000	\$ 250,000	\$ 363,684	\$ 113,684
TOTAL REVENUES	<u>250,000</u>	<u>250,000</u>	<u>363,684</u>	<u>113,684</u>
EXPENDITURES				
Current:				
Payroll	639,279	639,279	592,803	46,476
Insurance	153,588	153,588	103,781	49,807
Payroll Taxes	48,906	48,906	48,055	
Employee Benefits	19,180	19,180	18,233	947
Repairs and Maintenance	2,000	2,000	15,009	(13,009)
Utilities	33,825	33,825	34,725	(900)
Vehicle and Travel	1,500	1,500	2,002	(502)
Technical Services	135,431	135,431	141,336	(5,905)
Office Expense	2,000	2,000	16,377	(14,377)
Leases	2,400	2,400	12,786	(10,386)
Uniforms	1,500	1,500	1,943	(443)
Education				0
Capital Expenditures	422,998	422,998	262,478	160,520
TOTAL EXPENDITURES	<u>1,462,607</u>	<u>1,462,607</u>	<u>1,249,528</u>	<u>213,079</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,212,607)</u>	<u>(1,212,607)</u>	<u>(885,844)</u>	<u>326,763</u>
OTHER FINANCING SOURCES (USES)				
Advance from General Fund	1,212,607	1,212,607		(1,212,607)
Total Other Financing Sources (Uses)	<u>1,212,607</u>	<u>1,212,607</u>		<u>(1,212,607)</u>
NET CHANGE IN FUND BALANCE			(885,844)	(885,844)
FUND BALANCE - BEGINNING OF YEAR			(8,664,437)	(8,664,437)
FUND BALANCE - END OF YEAR	\$ <u> </u>	\$ <u> </u>	\$ <u>(9,550,281)</u>	\$ <u>(9,550,281)</u>

Note to the Budgetary Comparison Schedule

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

BANKS COUNTY, GEORGIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS
JUNE 30, 2022
(Unaudited)

	FISCAL YEAR END		
	2021	2020	2019
Total Pension Liability as of the beginning of year (1)	\$ 956,579	\$ 961,894	\$ 976,053
Service Cost	973	1,874	1,756
Interest on Total Pension Liability	64,885	65,062	68,324
Plan Change	-	-	-
Assumption Change	3,013	1,560	39,951
Benefit Payments (Adjusted for Interest)	(59,308)	(64,891)	(114,080)
Experience (gain)/(loss)	(92,469)	(8,920)	(10,110)
Total Pension Liability as of December 31 (2)	\$ <u>873,673</u>	\$ <u>956,579</u>	\$ <u>961,894</u>
Fiduciary Net Position as of beginning of year (3)	\$ 791,201	\$ 782,558	\$ 752,499
Employer Contributions	11,087	11,949	9,526
Employee Contributions (including buy back)	-	-	-
Net Investment Income	118,627	95,910	149,554
Benefit Payments	(59,308)	(64,891)	(110,222)
Employee Contribution Refunds	-	-	-
Administrative Expense	(16,521)	(16,096)	(15,170)
Other	(3,507)	(18,229)	(3,629)
Fiduciary Net Position as of End of Year (4)	\$ <u>841,579</u>	\$ <u>791,201</u>	\$ <u>782,558</u>
Net pension liability as of beginning of year (1)-(3)	\$ <u>165,378</u>	\$ <u>179,336</u>	\$ <u>223,554</u>
Net Pension liability as of end of year (2) - (4)	\$ <u>32,094</u>	\$ <u>165,378</u>	\$ <u>179,336</u>
Fiduciary Net Position as a % of Total Pension Liability (4)/(2)	96.3%	82.7%	81.4%
Covered-employee payroll	242,059	239,412	237,294
Net pension liability as a % of covered-employee payroll	13.3%	69.1%	75.6%

Note: Fiscal year 2014 was the first year of implementation. Therefore, only seven years are shown.

FISCAL YEAR END					
2018	2017	2016	2015	2014	
\$ 950,285	\$ 924,714	\$ 872,028	\$ 854,843	\$ 839,560	
1,657	2,054	2,027	1,935	2,141	
68,896	67,042	65,402	64,113	62,967	
-	-	-	-	-	
21,017	2,039	19,484	29,487	-	
(53,008)	(50,935)	(49,456)	(48,650)	(49,825)	
(12,794)	5,371	15,229	(29,700)	-	
<u>\$ 976,053</u>	<u>\$ 950,285</u>	<u>\$ 924,714</u>	<u>\$ 872,028</u>	<u>\$ 854,843</u>	
\$ 841,730	\$ 764,592	\$ 759,938	\$ 801,430	\$ 799,913	
6,966	10,895	12,793	6,669	9,804	
-	-	-	-	-	
(37,044)	123,554	51,046	6,728	58,017	
(51,154)	(49,153)	(47,668)	(46,892)	(48,024)	
-	-	-	-	-	
(4,290)	(2,716)	(6,270)	(2,726)	(2,863)	
(3,709)	(5,442)	(5,247)	(5,271)	(15,417)	
<u>\$ 752,499</u>	<u>\$ 841,730</u>	<u>\$ 764,592</u>	<u>\$ 759,938</u>	<u>\$ 801,430</u>	
<u>\$ 108,555</u>	<u>\$ 160,122</u>	<u>\$ 112,090</u>	<u>\$ 53,413</u>	<u>\$ 39,647</u>	
<u>\$ 223,554</u>	<u>\$ 108,555</u>	<u>\$ 160,122</u>	<u>\$ 112,090</u>	<u>\$ 53,413</u>	
77.1%	88.6%	82.7%	87.1%	93.8%	
233,650	255,921	260,840	248,763	\$ 278,016	
95.7%	42.4%	61.4%	45.06%	19.21%	

BANKS COUNTY, GEORGIA
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS
JUNE 30, 2021
(Unaudited)

	FISCAL YEAR END		
	2021	2020	2019
Actuarially determined contribution	\$ 11,087	\$ 11,966	\$ 9,569
Contribution in relation to the actuarially determined contribution	(11,087)	(11,966)	(9,569)
Contribution deficiency (excess)			
Covered-employee payroll	242,059	239,412	237,294
Contributions as a percentage of covered-employee payroll	4.58%	5.00%	4.03%

Note: Fiscal year 2014 was the first year of implementation. Therefore, only seven years are shown.

FISCAL YEAR END				
2018	2017	2016	2015	2014
\$ 7,320	\$ 11,042	\$ 12,793	\$ 6,669	\$ 9,804
(7,320)	(11,042)	(12,793)	(6,669)	(9,804)
233,650	255,921	260,840	248,763	278,016
3.13%	4.31%	4.90%	2.68%	3.53%

BANKS COUNTY, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022

1. Valuation Date

The actuarially determined contribution rate was determined as of December 31, 2021 with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending June 30, 2022.

2. Methods and Assumptions Used to Determine Contributions Rates

Actuarial cost method = Entry Age Normal

Amortization method = Closed level dollar for remaining unfunded liability.

Remaining amortization period = Remaining amortization period varies for the bases, with a net effective amortization period of 15 years.

Asset valuation method = Smoothed market value with a 5-year smoothing period.

Net investment rate of return = 7.0%

Projected salary increases = 4.00% per year with age based scale

Cost of living adjustments = N/A

Retirement age for inactive vested participants = 65

Mortality = Healthy mortality rates were based on the RP-2000 Combined Healthy Mortality Table with sex distinct rates, set forward two years for males and one year for females. Disabled mortality rates were based on the Social Security Administration standard rate.

3. Changes in Benefits

There have been no substantive changes since the last actuarial valuation.

4. Changes of Assumptions

There have been no substantive changes since the last actuarial valuation.

OTHER SUPPLEMENTARY INFORMATION

COMBINING STATEMENTS

Nonmajor Governmental Funds

**BANKS COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	SPECIAL REVENUE				
	<u>VICTIMS ASSISTANCE</u>	<u>JUVENILE SUPERVISION</u>	<u>SOLAR PROGRAM</u>	<u>JAIL FUND</u>	<u>OPTO TRAFFIC</u>
ASSETS					
Cash	\$ 18,169	\$ 24,371	\$ 13,372	\$ 7,419	\$ 33,475
SPLOST Receivable					
TOTAL ASSETS	<u>\$ 18,169</u>	<u>\$ 24,371</u>	<u>\$ 13,372</u>	<u>\$ 7,419</u>	<u>\$ 33,475</u>
LIABILITIES					
Accounts Payable	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
TOTAL LIABILITIES	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
FUND BALANCE					
Restricted:					
Capital Outlay Projects					
Judicial programs	18,169	24,371			
Public Works			13,372		
Public safety programs				7,419	33,475
TOTAL FUND BALANCES	<u>18,169</u>	<u>24,371</u>	<u>13,372</u>	<u>7,419</u>	<u>33,475</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 18,169</u>	<u>\$ 24,371</u>	<u>\$ 13,372</u>	<u>\$ 7,419</u>	<u>\$ 33,475</u>

SCHEDULE 1

CONFISCATED ASSETS	LAW ENFORCEMENT TRAINING GRANT	2022 SPLOST	LAW LIBRARY	DRUG SURCHAGE	TOTAL NONMAJOR GOVERNMENTAL FUNDS
\$ 149,976	\$ 224,897	\$ 721,629	\$ 34,463	\$ 70,914	\$ 1,298,685
		813,507			813,507
<u>\$ 149,976</u>	<u>\$ 224,897</u>	<u>\$ 1,535,136</u>	<u>\$ 34,463</u>	<u>\$ 70,914</u>	<u>\$ 2,112,192</u>
\$	\$ 200	\$ 11	\$	\$	\$ 211
	200	11			211
		1,535,125			1,535,125
			34,463		77,003
149,976	224,697	0		70,914	13,372
<u>149,976</u>	<u>224,697</u>	<u>1,535,125</u>	<u>34,463</u>	<u>70,914</u>	<u>486,481</u>
					<u>2,111,981</u>
<u>\$ 149,976</u>	<u>\$ 224,897</u>	<u>\$ 1,535,136</u>	<u>\$ 34,463</u>	<u>\$ 70,914</u>	<u>\$ 2,112,192</u>

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

	SPECIAL REVENUE						
	VICTIMS ASSISTANCE	JUVENILE SUPERVISION FUND	SOLAR GRANT	JAIL FUND	OPTO TRAFFIC	CONFISCATED ASSETS	LAW ENFORCEMENT TRAINING GRANT
REVENUES							
Grants	\$	\$	\$	\$	\$	\$	\$
Intergovernmental							232,358
Fines and Forfeitures							217,870
Taxes							
Fees	24,901			57,256	328,900	71,633	
Interest		90	7				
TOTAL REVENUE	<u>24,901</u>	<u>90</u>	<u>7</u>	<u>57,256</u>	<u>328,900</u>	<u>71,633</u>	<u>450,228</u>
EXPENDITURES							
Tourism and Promotion							
Law Enforcement	28,702			61,746		40,892	225,531
Law Library							
Transportation System							
Capital Expenditures					295,425		
Intergovernmental							
Payments to Cities							
TOTAL EXPENDITURES	<u>28,702</u>			<u>61,746</u>	<u>295,425</u>	<u>40,892</u>	<u>225,531</u>
EXCESS -DEFICIENCY REVENUES OVER EXPENDITURES	(3,801)	90	7	(4,490)	33,475	30,741	224,697
OTHER FINANCING SOURCES (USES)							
Transfers Out:							
NET CHANGES IN FUND BALANCE	<u>(3,801)</u>	<u>90</u>	<u>7</u>	<u>(4,490)</u>	<u>33,475</u>	<u>30,741</u>	<u>224,697</u>
FUND BALANCE BEGINNING OF YEAR	<u>21,970</u>	<u>24,281</u>	<u>13,365</u>	<u>11,909</u>		<u>119,235</u>	
FUND BALANCE END OF YEAR	<u>\$ 18,169</u>	<u>\$ 24,371</u>	<u>\$ 13,372</u>	<u>\$ 7,419</u>	<u>\$ 33,475</u>	<u>\$ 149,976</u>	<u>\$ 224,697</u>

SCHEDULE 2

		SPECIAL REVENUE				TOTAL	
2012 SPLOST	2022 SPLOST	LAW LIBRARY	DRUG SURCHARGE	PUBLIC TRANSPORTATION	HOTEL MOTEL TAX	NONMAJOR GOVERNMENTAL FUNDS	
\$	\$	\$	\$	\$	\$	\$	
	1,609,248		15,168			279,534	
						217,870	
		10,457		59,343	930,927	86,801	
						2,540,175	
						480,857	
55	0					152	
55	1,609,248	10,457	15,168	106,519	930,927	3,605,389	
			6,370		372,371	372,371	
						363,241	
		17,072		106,519		17,072	
						106,519	
93,837						93,837	
	74,123					295,425	
93,837	74,123	17,072	6,370	106,519	372,371	74,123	
						1,322,588	
(93,782)	1,535,125	(6,615)	8,798		558,556	2,282,801	
(93,782)	1,535,125	(6,615)	8,798		(558,556)	(558,556)	
						1,724,245	
93,782		41,078	62,116			387,736	
\$	\$	\$	\$	\$	\$	\$	
	1,535,125	34,463	70,914			2,111,981	

BANKS COUNTY, GEORGIA
PUBLIC TRANSPORTATION SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

REVENUES	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE FROM BUDGET
Grants	\$ 47,176	\$ 47,176	\$
Fees	38,081	59,343	21,262
TOTAL REVENUE	<u>85,257</u>	<u>106,519</u>	<u>21,262</u>
 EXPENDITURES			
Administrative	20,480	20,480	
Transportation	<u>64,777</u>	<u>86,039</u>	<u>(21,262)</u>
TOTAL EXPENDITURES	<u>85,257</u>	<u>106,519</u>	<u>(21,262)</u>
 EXCESS -DEFICIENCY REVENUES OVER EXPENDITURES			
 FUND BALANCES BEGINNING OF YEAR	<u> </u>	<u> </u>	<u> </u>
FUND BALANCES END OF YEAR	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>

BANKS COUNTY, GEORGIA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
ALL CUSTODIAL FUNDS
JUNE 30, 2022

SCHEDULE 4

	TAX COMMISSIONER	SHERIFF	PROBATE COURT	CLERK OF COURT	MAGISTRATE COURT	PROBATION OFFICE	COMBINED TOTALS
ASSETS							
Cash	\$ 577,832	\$ 184,008	\$ 69,243	\$ 765,515	\$ 4,795	\$ 1,897	\$ 1,603,290
TOTAL ASSETS	577,832	184,008	69,243	765,515	4,795	1,897	1,603,290
LIABILITIES							
Amounts held for others	577,832	0	6,000	213,649	1,691	1,897	801,069
TOTAL LIABILITIES	577,832	0	6,000	213,649	1,691	1,897	801,069
NET POSITION							
Restricted for others	0	184,008	63,243	551,866	3,104	0	802,221
TOTAL NET POSITION	\$ 0	\$ 184,008	\$ 63,243	\$ 551,866	\$ 3,104	\$ 0	\$ 802,221

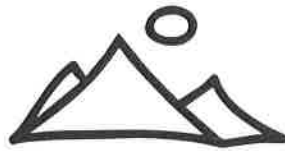
BANKS COUNTY, GEORGIA
CUSTODIAL FUNDS

SCHEDULE 5

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

	TAX COMMISSIONER	SHERIFF	PROBATE COURT	CLERK OF COURT	MAGISTRATE COURT	PROBATION OFFICE	COMBINED TOTALS
ADDITIONS							
Taxes collected for other entities	\$ 19,363,698	\$	\$	\$	\$	\$	\$ 19,363,698
Court fees collected for other entities			471,563	362,836	73,506	88,909	996,814
Court individual cases			212,846	1,383,575			1,596,421
Sheriff's fees		354,905					354,905
Sheff inmate account deposits		121,850					121,850
Total Additions	19,363,698	476,755	684,409	1,746,411	73,506	88,909	22,433,688
DEDUCTIONS							
Taxes distributed to other entities	19,368,635						19,368,635
Court fees distributed to other agencies			471,563	1,380,824	73,619	88,909	2,014,915
Payments to others		279,187	236,697	77,273			593,157
Payments from inmates to others		119,848					119,848
Total Deductions	19,368,635	399,035	708,260	1,458,097	73,619	88,909	22,096,555
Changes in Net Position	(4,937)	77,720	(23,851)	288,314	(113)	-	337,133
Net Positions- Beginning of Year	4,937	106,288	87,094	263,552	3,217	-	465,088
Total Net Position - End of Year	\$ -	\$ 184,008	\$ 63,243	\$ 551,866	\$ 3,104	\$ -	\$ 802,221

OTHER REPORTS



**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**

Honorable Chairman and Members
of the Board of Commissioners
Banks County, 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 Banks County, Georgia, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Banks County, Georgia's basic financial statements and have issued our report thereon dated December 16, 2022. Our report includes a reference to other auditors who audited the financial statements of the Banks County Health Department, as described in our report on Banks County, Georgia's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control over Financial Reporting

In planning and performing our audit, we considered Banks County, Georgia's internal control over financial reporting (internal control) to determine the 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 Banks County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employee, 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 significant deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency or 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.

HABERSHAM COUNTY

P.O. Box 1330 • 327 Monroe Street, Suite D
Clarksville, GA 30523
Phone: 706.754.5814 • Fax: 706.754.9069

RABUN COUNTY

P.O. Box 1470 • 45 South Main Street
Clayton, GA 30525
Phone: 706.782.7022 • Fax: 706.782.6189

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given those limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters


As part of obtaining reasonable assurance about whether Banks County, Georgia's financial statements are free of 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 determination of financial statement amounts. 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 an instance of noncompliance that is required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings and responses as finding 2022-01.

Banks County, Georgia's Response to Findings

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

Purpose of this Report

This report is intended 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 Banks County, Georgia's internal control over compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Duncan & Kitchens, LLC
Certified Public Accountants
Clarksville, Georgia
December 16, 2022

SINGLE AUDIT SECTION

This section contains reports required by Uniform Guidance and grantor agencies.

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

Honorable Chairman and
Members of the Board of Commissioners
Banks County, Georgia

Report on Compliance for Each Major Program

Opinion on Each Major Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

HABERSHAM COUNTY

P.O. Box 1330 • 327 Monroe Street, Suite D
Clarkesville, GA 30523
Phone: 706.754.5814 • Fax: 706.754.9069

RABUN COUNTY

P.O. Box 1470 • 45 South Main Street
Clayton, GA 30525
Phone: 706.782.7022 • Fax: 706.782.6189

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect or correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance we considered to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

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

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



Duncan & Kitchens, LLC
Certified Public Accountants
Clarkeville, Georgia
December 16, 2022

BANKS COUNTY, GEORGIA
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS BY GRANT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-Through Number</i>	<i>Federal Expenditures</i>
Clean Water State Revolving Fund Cluster			
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY			
<i>Indirect Federal Grants:</i>			
Passed through Georgia Environmental Facilities Authority (GEFA) Drinking Water Program			
Capitalization Grants for Clean Water State Revolving Funds	66.458	CWSRF 2020-029	\$ <u>1,751,493</u>
Capitalization Grants for Clean Water State Revolving Funds	66.458	CWSRF 2019-015	<u>936,440</u>
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY			<u>2,687,933</u>
UNITED STATES DEPARTMENT OF HOMELAND SECURITY			
Passed through Georgia Emergency Management Agency (GEMA)			
Assistance to Firefighters Grant	97.044	2020-FG-12687	240,000
Staffing for Adequate Emergency Response (SAFER)	97.083	2019-FF00407	<u>291,262</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>531,262</u>
UNITED STATE DEPARTMENT OF THE TREASURY			
Passed through the Georgia Governor's Office of Planning and Budget			
COVID-19 Coronavirus Relief Fund	21.019	10500-CRF	<u>87,806</u>
TOTAL UNITED STATES DEPARTMENT OF THE TREASURY			<u>87,806</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ <u><u>3,307,001</u></u>

BANKS COUNTY, GEORGIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2022

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Banks County, Georgia under programs of the federal government for the fiscal year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because this schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

In instances where the grant agreement requires the County to match grant awards with County funds, such matching funds are excluded from the accompanying schedule of expenditures of federal awards. Grant programs that did not have transactions in FYE 2022 have not been presented herein. Grant revenues and expenditures incurred prior to 2022 under these grants remain subject to audit by either the grantor agency or its representatives with the limitations of the Uniform Guidance.

Federal grant programs that are administered through State agencies (pass-through awards) have been included in the accompanying schedule of expenditures of federal awards. These programs are operated according to federal regulations promulgated by the originating federal agency providing the funding.

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as a reimbursement.

Banks County, Georgia has elected not to use the 10 percent *de minimis* indirect cost rate allowed under Uniform Guidance.

For the current fiscal year, Banks County, Georgia did not pass federal funds through to subrecipients.

The County's Capitalization Grants for Clean Water State Revolving loan have the following outstanding loan balances. The draws made during the year are included in the schedule of expenditures of federal awards. The balance of the loans outstanding at June 30, 2022, is :

GEFA CW2019-015	\$2,532,205
GEFA CW 2020-029	\$ 936,440

BANKS COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2022

1. SUMMARY OF THE AUDITOR'S RESULTS

A. FINANCIAL STATEMENTS

Type of auditor's report issued:	Unmodified
Internal Control over financial reporting:	
Material weaknesses identified:	None Reported
Significant deficiencies identified	
Not considered material weaknesses?	None Reported
Noncompliance material to financial statements noted:	Yes

B. FEDERAL AWARDS

Internal control over major programs:	
Material weaknesses identified:	None Reported
Significant deficiencies identified	
Not considered material weaknesses?	None Reported
Type of auditor's report issued on Compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?	None Reported
Identification of major programs:	
66.458 Capitalization Grants for Clean Water State Revolving Funds	
Dollar threshold used to distinguish Between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee	No

BANKS COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2022

2. Financial Statement Findings

A. Current Year Audit Findings

Finding 2022-01 Expenditures in Excess of Appropriations

Condition: The County experienced an excess of expenditures in the General Fund.

Criteria: OCGA Code Section 36-81-3 requires local governments to operate under an approved annual budget for the General Fund, Special Revenue Funds and Debt Service Funds.

Effect: Failure to maintain expenditures with the balanced budget for the General Fund places the County in violation of State law.

Recommendation: County management should ensure that annual operating budgets are adhered to throughout the year. Budget to actual comparisons should be periodically reviewed by County management and budgets amended as needed to ensure that the County remains in compliance with State law.

Management Response: Management concurs with this finding. The County finance director will ensure that the annual budget is reviewed with budget to actual comparisons and recommend any necessary budget revisions to County Commissioners.

B. Prior Year Audit Findings

None Reported

3. Federal Award Findings and Questioned Costs

The audit of the basic financial statements and schedule of expenditures of federal awards disclosed no audit findings or questioned costs which are required to be reported under *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

STATE REPORTING SECTION

This section contains additional reports required by the state of Georgia.

BANKS COUNTY
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

SCHDULE 6

2012 SPECIAL PURPOSE LOCAL OPTION SALES TAX

<u>PROJECT</u>	<u>ORIGINAL ESTIMATED * COST</u>	<u>PRIOR TOTAL</u>	<u>CURRENT TOTAL</u>	<u>ESTIMATED PERCENTAGE OF COMPLETION</u>
Water/Sewer Improvements	\$ 4,470,000	\$ 3,532,631	\$ 16,207	79.39%
General Obligation Debt	450,000			0.00%
Roads and Bridges	4,825,500	5,725,795	0	118.66%
Public Safety	1,900,000	2,233,810	77,630	121.65%
Parks and Recreation	1,000,000	2,152,641	0	215.26%
Senior Center	30,000	48,627	0	162.09%
Vehicles	192,000	73,243	0	38.15%
Plotter Equipment	7,500	6,832	0	91.09%
City Projects				
Maysville	400,000	400,000	0	100.00%
Homer	800,000	800,861	0	100.11%
Gillsville	20,000	19,229	0	96.15%
Lula	45,000	54,437	0	120.97%
Alto	60,000	59,726	0	99.54%
Baldwin	200,000	200,180	0	100.09%
Total Expenditures	\$ <u>14,400,000</u>	\$ <u>15,308,012</u>	\$ <u>93,837</u>	

Estimated cost represents the portion of these projects to be financed with Special Purpose Local Option Sales Tax. Actual costs that are in excess of these amounts have been financed through alternative funds.

BANKS COUNTY
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

SCHDULE 7

2017 SPECIAL PURPOSE LOCAL OPTION SALES TAX

<u>PROJECT</u>	<u>ORIGINAL ESTIMATED * COST</u>	<u>PRIOR TOTAL</u>	<u>CURRENT TOTAL</u>	<u>ESTIMATED PERCENTAGE OF COMPLETION</u>
Water/Sewer Improvements	\$ 3,271,910	\$ 1,669,845	\$ 2,287,723	120.96%
Candler Building and Library	75,000	74,897	0	99.86%
Roads and Bridges	4,175,423	911,810	367,166	30.63%
Public Safety	3,470,406	2,669,702	1,164,497	110.48%
Parks and Recreation	1,000,000	459,570	1,055,070	151.46%
Senior Center	600,000	607,404	5,056	102.08%
Code Enforcement	25,000	29,092	0	116.37%
GPS System	20,000	14,341	0	71.71%
City Projects				
Maysville	623,206	474,576	197,149	107.79%
Homer	767,903	581,359	243,050	107.36%
Gillsville	18,844	13,551	5,698	102.15%
Lula	106,335	77,162	33,552	104.12%
Alto	347,273	257,861	110,054	105.94%
Baldwin	498,700	377,700	157,917	107.40%
Total Expenditures	\$ <u>15,000,000</u>	\$ <u>8,218,870</u>	\$ <u>5,626,932</u>	

Estimated cost represents the portion of these projects to be financed with Special Purpose Local Option Sales Tax. Actual costs that are in excess of these amounts have been financed through alternative funds.

BANKS COUNTY
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

SCHDULE 8

2022 SPECIAL PURPOSE LOCAL OPTION SALES TAX

<u>PROJECT</u>	<u>ORIGINAL ESTIMATED * COST</u>	<u>PRIOR TOTAL</u>	<u>CURRENT TOTAL</u>	<u>ESTIMATED PERCENTAGE OF COMPLETION</u>
Water/Sewer Improvements	\$ 4,500,000	\$ -	\$ 0	0.00%
Fire and EMS	2,970,000	-	0	0.00%
Sheriff & Jail	2,500,000	-	0	0.00%
Roads and Bridges	1,500,000	-	0	0.00%
Parks and Recreation	1,300,000	-	0	0.00%
EMA & 911	1,000,000	-	0	0.00%
Vehicles	500,000	-	0	0.00%
Courthouse and Annex	180,600	-	0	0.00%
Coroner	115,000			
City Projects				
Maysville	905,400	-	19,551	2.16%
Homer	1,116,000	-	24,102	2.16%
Gillsville	27,000	-	566	2.10%
Lula	154,800	-	3,329	2.15%
Alto	505,800	-	10,914	2.16%
Baldwin	725,400	-	15,661	2.16%
Total Expenditures	\$ <u>18,000,000</u>	\$ <u>-</u>	\$ <u>74,123</u>	

Estimated cost represents the portion of these projects to be financed with Special Purpose Local Option Sales Tax. Actual costs that are in excess of these amounts have been financed through alternative funds.

BANKS COUNTY
SCHEDULE OF PROJECTS CONSTRUCTED
WITH 2018 TRANSPORTATION SPECIAL PURPOSE LOCAL
OPTION SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

SCHDULE 9

2018 TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX

<u>PROJECT</u>	<u>ORIGINAL ESTIMATED * COST</u>	<u>PRIOR TOTAL</u>	<u>CURRENT TOTAL</u>	<u>ESTIMATED PERCENTAGE OF COMPLETION</u>
Roads, streets, and bridges	\$ 11,175,000	\$ 3,923,579.00	\$ 1,417,637	47.80%
City Projects				
Alto	540,000	-	0	0.00%
Baldwin	775,500	-	0	0.00%
Gillsville	31,500	-	0	0.00%
Homer	1,194,000	-	0	0.00%
Lula	165,000	-	0	0.00%
Maysville	969,000	-	0	0.00%
State Administration	150,000			
Total Expenditures	\$ <u>15,000,000</u>	\$ <u>3,923,579</u>	<u>1,417,637</u>	
Roads and Bridges Equipment, Vehicles, Resurfacing and Improvements Financed by Intergovernmental Revenues				<u>212,348</u>
Total Expenditures of 2018 TSPLOST Capital Projects Fund			\$ <u>1,629,985</u>	

Estimated cost represents the portion of these projects to be financed with Transportation Special Purpose Local Option Sales Tax. Actual costs that are in excess of these amounts have been financed through alternative funds.