

WALKER COUNTY, GEORGIA

Annual Financial Report

For the fiscal year ended September 30, 2021

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WALKER COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
For the fiscal year ended September 30, 2021

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Walker County, Georgia, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Walker County Health Department, a component unit of Walker 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 Walker County Health Department, is based solely on the report of the other auditors. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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 discretely presented component unit, each major fund, and the aggregate remaining fund information of Walker County, Georgia, as of September 30, 2021, and the respective changes in the financial position and, where applicable, cash flows thereof, and the budgetary comparisons of the General Fund, Fire and Rescue Fund, American Rescue Plan Act Fund, and the Development Authority Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information on pages 4 through 14 and 79 through 84, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Walker County, Georgia's basic financial statements. The combining and individual fund financial statements and schedules, the schedule of projects financed with special purpose local option sales tax, and the schedule of projects financed with transportation special purpose local option sales tax 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 fund financial statements and schedules, the schedule of projects financed with special purpose local option sales tax, the schedule of projects financed with transportation special purpose local option sales tax, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules, the schedule of projects financed with special purpose local option sales tax, the schedule of projects financed with transportation special purpose local option sales tax, 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 Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2022, on our consideration of Walker County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and 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 Walker County, Georgia's internal control over financial reporting and compliance.

Rushton, LLC

Certified Public Accountants

Gainesville, Georgia
October 14, 2022

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WALKER COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
September 30, 2021

As management of Walker County, it is our pleasure to present this narrative discussion and analysis of Walker County's financial performance, providing an overview of the activities for the fiscal year ended September 30, 2021. The purpose of this narrative is to provide readers of financial statements with information that will help them make timely and meaningful financial decisions or draw conclusions about Walker County. As required by the Governmental Accounting Standards Board (GASB) Statement No. 34, this discussion and analysis provides comparisons with the previous year.

Financial Highlights

- Walker County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at September 30, 2021 by \$125,893,813 (reported as *net position*). Of this amount, \$27,571,752 (reported as *unrestricted net position*) may be used to meet the County's ongoing obligations.
- As of September 30, 2021, Walker County's governmental funds reported combined ending fund balances of \$30,755,907. The governmental funds reported a combined ending unassigned fund balance of \$23,357,949.

More detailed information regarding these activities and funds begins on page 15.

Overview of the Financial Statements

This discussion and analysis narrative is intended to serve as an introduction to Walker County's basic financial statements. Walker County's basic financial statements are composed of three elements: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains required supplementary information in addition to our basic financial statements.

Government-wide Financial Statements (Reporting the County as a whole). The focus of the government-wide financial statements is on the overall financial position and activities of Walker County and is designed to provide readers with a broad overview of the County's financial activities in a manner similar to a private business enterprise.

The County's government-wide financial statements include the Statement of Net Position and the Statement of Activities. These two statements report information about Walker County using the accrual basis of accounting, which is similar to the accounting used by most private-sector businesses. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The purpose of the **Statement of Net Position** (pages 15-16) is to attempt to report all of the assets held and liabilities owed by the County. The County reports all of its assets when it acquires ownership over the assets and reports all of its liabilities when they are incurred. The difference between the total assets and total liabilities is labeled *net position*. Although the purpose of the County is

not to accumulate net position, in general, as this amount increases it indicates that the financial position of the County is improving over time.

The **Statement of Activities** (page 17), on the other hand, presents the revenues and expenses of the County. Under the accrual basis of accounting mentioned earlier, revenues are recognized when earned and expenses when incurred in this statement. Thus, revenues are reported even when they may not be collected for several weeks after the end of the accounting period and expenses are recorded even though they may not have used cash during the current period. The difference is described as *change in net position*. The Statement of Activities primary focus is on the *net cost* of various activities provided by the County and identifies the extent to which each function of the County draws from general revenues or is self-financing through fees, grants, or other sources.

In the Statement of Net Position and the Statement of Activities, we divide Walker County into three types of activities:

- **Governmental activities** – Most of the County's basic services are reported under this category which includes: judicial, public safety, public works, and general administration. Taxes such as: property, sales, insurance premium and intangible finance most of these services.
- **Business-type activities** – The County charges fees to customers to assist in covering the cost for providing certain services. The County's Landfill and Mountain Cove Farms activities are reported in this category.
- **Discretely Presented Component Units** – A component unit is a legally separate organization for which the elected officials of the County can be financially accountable. The Walker County Health Department, although legally separate, function for all practical purposes as departments of walker County and have been included as an integral part of the government.

The County's government-wide financial statements are presented on pages 15-17.

Fund Financial Statements (Reporting the County's Major Funds).

The focus of fund financial statements is directed to specific activities of the County and its most significant funds, not the County as a whole. A fund is an entity with a self-balancing set of accounts that the County uses to track specific resources and expenditures, either for management purposes or because of legal mandates. In addition to the major funds, individual fund data for the County's non-major funds can be found beginning on page 85. The County's funds are divided into three broad categories – governmental, proprietary, and fiduciary – and use different prescribed accounting methodologies.

- **Governmental Funds** – These funds account for essentially the same functions reported as governmental activities in the government-wide financial statements; however, governmental fund financial statements focus on the short-term view of the County's general government operations and the basic services it provides. Governmental funds are reported using an accounting method called modified accrual accounting,

which measures cash and all other financial assets that can readily be converted to cash.

Because the focus of the governmental fund financial statements is narrower than that of the government-wide financial statements and because of the different accounting methods used to prepare them, there are often significant differences between the totals presented in these financial statements. It is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. An analysis of the balance sheet and the statement of revenues, expenditures, and changes in fund balances that reconciles the two statements are provided following each statement.

Walker County maintains sixteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Fire and Rescue Fund, American Rescue Plan Act Fund, Development Authority Fund, SPLOST Fund, and TSPLOST Fund, which are considered major funds. Data from the other ten governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 85-86 of this report.

Walker County adopts an annual appropriated budget for its General Fund and special revenue funds. A budgetary comparison statement has been provided for the General Fund, Fire and Rescue Fund, American Rescue Plan Fund, and Development Authority Fund to demonstrate compliance with these budgets.

The County's basic governmental fund financial statements are presented on pages 18-28 of this report.

- ***Proprietary Funds*** – When the County charges customers for the services it provides, whether to outside customers or to other departments of the County, these services are generally reported in proprietary funds. These proprietary funds are prepared using the same accounting basis as the government-wide financial statements.

Enterprise fund statements report the same functions presented in the business-type activities columns of the government-wide financial statements. Walker County uses enterprise funds to account for its landfill and Mountain Cove Farms.

The County's proprietary fund financial statements are presented on pages 29-31.

- ***Fiduciary Funds*** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the

resources of those funds are not available to support Walker County's own programs and services. The accounting used for fiduciary funds is much like that used for proprietary funds.

Fiduciary funds are presented in the fund financial statements but are not reported in the government-wide financial statements.

The County's fiduciary fund financial statements are presented on pages 32-33.

Notes to the Financial Statements.

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 34-78 of this report.

Required Supplementary Information.

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the County's defined benefit pension plan. The required supplementary information can be found on pages 79-84 of this report.

Other Supplementary Information.

Other supplementary information includes combining financial statements for non-major governmental funds. These funds are added together and presented in single columns in the basic financial statements but are not reported individually, as with major funds, on the government-wide financial statements.

This report includes two schedules (pages 20 and 23) which reconciles the amounts reported on the governmental fund financial statements (modified accrual basis of accounting) with the governmental activities reported on the government-wide financial statements (accrual basis of accounting). The following summarizes the impact of transitioning from modified accrual to accrual accounting:

- Capital assets used in governmental activities on the government-wide statements are not reported on fund financial statements.
- Certain tax revenues that are earned, but not available, are reported as revenue on the government-wide statement but are reported as deferred inflows of resources on the fund statements.
- Unless due and payable, long-term liabilities, such as lease obligations, compensated absences, bonds and notes payable, and others only appear as liabilities in the government-wide statements.
- Capital outlay spending results in capital assets on the government-wide statements but is reported as expenditures on the governmental fund financial statements.
- Certain other outflows represent either increases or decreases in liabilities on the government-wide statements but are reported as expenditures on the governmental fund financial statements.

Overview of the County's Financial Position and Operations

The County's overall financial position and operations for this fiscal year is summarized as follows based on the information included in the government-wide financial statements (see pages 15-17):

Walker County Net Position (Financial Position) Fiscal Years 2021 and 2020

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets						
Current assets	\$ 53,357,807	\$ 40,216,999	\$ (527,356)	\$ 375,425	\$ 52,830,451	\$ 40,592,424
Capital assets	105,086,286	100,258,779	1,667,313	1,733,393	106,753,599	101,992,172
Total assets	158,444,093	140,475,778	1,139,957	2,108,818	159,584,050	142,584,596
Deferred outflows of resources	982,784	993,322	35,202	0	1,017,986	993,322
Liabilities						
Current liabilities	14,337,984	8,475,659	138,777	139,260	14,476,761	8,614,919
Noncurrent liabilities	16,521,525	18,022,221	3,620,470	4,288,391	20,141,995	22,310,612
Total liabilities	30,859,509	26,497,880	3,759,247	4,427,651	34,618,756	30,925,531
Deferred inflows of resources	87,002	0	2,465	0	89,467	0
Net position						
Net investment in capital assets	89,040,330	82,202,373	1,667,313	939,413	90,707,643	83,141,786
Restricted	7,614,418	8,961,170	0	0	7,614,418	8,961,170
Unrestricted	31,825,618	23,807,677	(4,253,866)	(3,258,246)	27,571,752	20,549,431
Total net position	\$ 128,480,366	\$ 114,971,220	\$ (2,586,553)	\$ (2,318,833)	\$ 125,893,813	\$ 112,652,387

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Net position totaled \$125,893,813 at the close of the fiscal year.

Approximately 72.0% of Walker County's net position is reflected in its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure), less any related debt outstanding that was needed to construct or acquire the assets. The County uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position comprises 6.1% of the total net position. This amount represents net position that is subject to external restrictions or enabling legislation on how they can be used.

Unrestricted net position, comprising the remaining 21.9%, represents resources that can be used to meet the County's ongoing obligations to citizens and creditors.

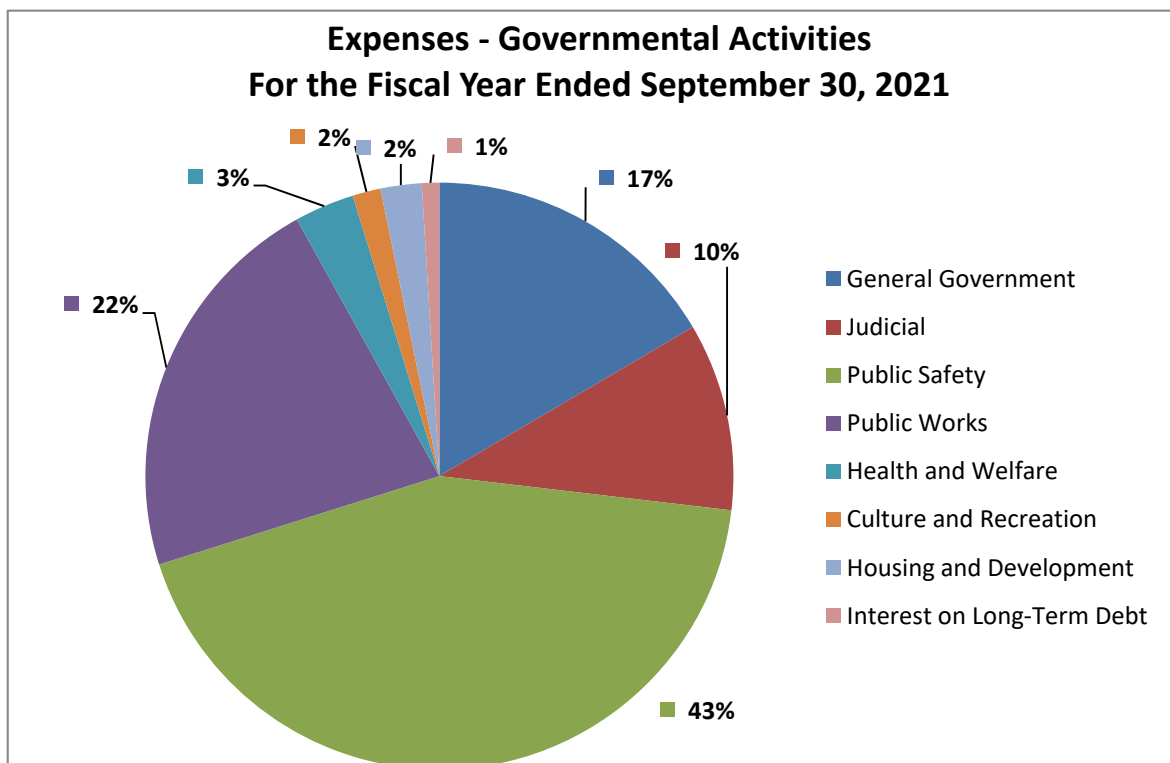
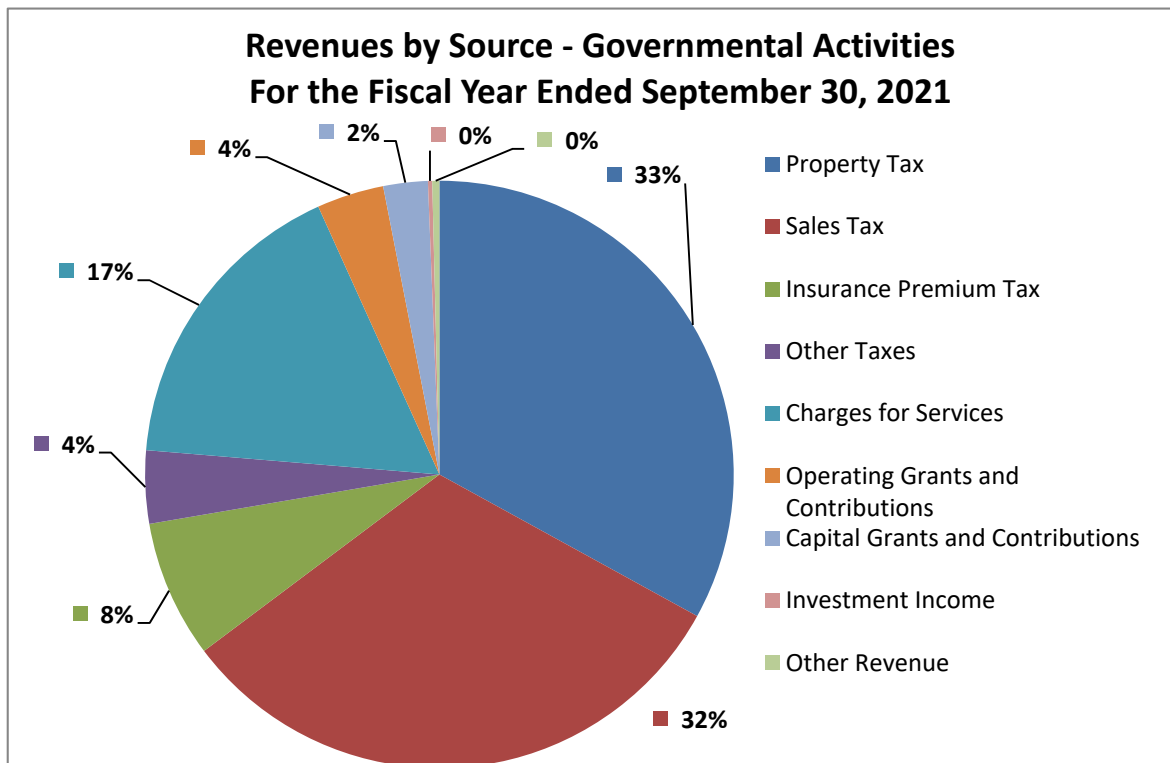
The following condensed financial information was derived from the government-wide Statement of Activities and reflects how Walker County's net position changed during the fiscal year.

**Walker County
Changes in Net Position
For the Fiscal Years 2021 and 2020**

	Governmental Activities		Business-Type Activities		Total	
Revenues	2021	2020	2021	2020	2021	2020
Program revenues:						
Charges for services	\$ 8,949,670	\$ 9,265,941	\$ 1,604,739	\$ 1,515,347	\$ 10,554,409	\$ 10,781,288
Operating grants and contributions	1,943,929	3,996,272	0	0	1,943,929	3,996,272
Capital grants and contributions	1,290,018	1,107,173	0	0	1,290,018	1,107,173
General revenues:						
Property tax	17,444,897	18,549,824	0	0	17,444,897	18,549,824
Sales tax	16,768,673	15,139,666	0	0	16,768,673	15,139,666
Insurance premium tax	3,998,718	3,903,546	0	0	3,998,718	3,903,546
Other taxes	2,118,819	629,638	0	0	2,118,819	629,638
Interest and investment earnings	125,777	217,743	0	0	125,777	217,743
Other revenue	205,433	730,685	1,305	0	206,738	730,685
Total revenues	52,845,934	53,540,488	1,606,044	1,515,347	54,451,978	55,055,835
Expenses						
General Government	6,432,667	10,351,049	0	0	6,432,667	10,351,049
Judicial	4,020,476	6,574,382	0	0	4,020,476	6,574,382
Public Safety	16,839,499	12,055,653	0	0	16,839,499	12,055,653
Public Works	8,488,704	2,466,752	0	0	8,488,704	2,466,752
Health and Welfare	1,282,937	1,489,883	0	0	1,282,937	1,489,883
Culture and Recreation	600,986	388,040	0	0	600,986	388,040
Housing and Development	877,156	376,950	0	0	877,156	376,950
Intergovernmental	0	601,214	0	0	0	601,214
Interest on long-term debt	376,908	302,601	0	0	376,908	302,601
Landfill	0	0	1,634,474	2,496,619	1,634,474	2,496,619
Mountain Cove Farms	0	0	187,370	205,564	187,370	205,564
Total expenses	38,919,333	34,606,524	1,821,844	2,702,183	40,741,177	37,308,707
Increase (decrease) in net position	13,926,601	18,933,964	(215,800)	(1,186,836)	13,710,801	17,747,128
Net position-beginning (original)	114,971,220	96,037,256	(2,318,833)	(1,131,997)	112,652,387	94,905,259
Prior period adjustments	(417,455)	0	(51,920)	0	(469,375)	0
Net position-beginning (restated)	114,553,765	96,037,256	(2,370,753)	(1,131,997)	112,183,012	94,905,259
Net position-ending	\$ 128,480,366	\$ 114,971,220	\$ (2,586,553)	\$ (2,318,833)	\$ 125,893,813	\$ 112,652,387

Governmental Activities –

The following charts illustrate revenues and expenses of the governmental activities for the fiscal year:



The revenue chart indicates that property tax, followed by sales tax, and charges for services were the three largest sources of revenue for governmental activities for fiscal year 2021. Total revenues of the governmental activities decreased more than \$690,000. The largest cause of the decrease was a decrease in operating grants and contributions of \$2,050,000 due to prior fiscal year CARES Act funds received. Property tax revenues also decreased more than \$1,100,000. Sales tax revenues increased by more than \$1,600,000. With the exception of several classification differences, all other revenues remained relatively similar when comparing to the prior year.

The expense chart indicates that the three most significant governmental activities expenses for Walker County during fiscal year 2021 were public safety services, such as fire, police protection, and other emergency services followed by public works and general government. Overall, governmental activities expenses increased by more than \$4,300,000 from the prior fiscal year. Classification of expenses changed due to prior year expenses reimbursed by the CARES Act funds classified as general government expenses. Public safety expenses also increased due to a large payment for medical services. Overall, personal services expenses are up approximately \$810,000.

Business-Type Activities –

Business-type activities did not contribute to a significant increase or decrease in Walker County's net position. The Landfill fund reported a decrease in net position of \$136,656 and Mountain Cove Farms reported a decrease in net position of \$79,144. Both decreases were due predominantly to operating losses.

Financial Analysis of the County's Funds

As noted earlier, Walker County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

- As the County completed this fiscal year, its governmental funds reported a combined ending fund balance of \$30,755,907. The governmental funds reported a combined unassigned fund balance of \$23,357,949. The remainder of fund balance is nonspendable, restricted, committed, or assigned for projects, and is not available for spending.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$23,357,949, while total fund balance reached \$23,486,433. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 94% of total General Fund expenditures, while total fund balance represents approximately 94% of that same amount.

Revenues increased \$1,880,000 from the prior fiscal year. Property taxes increased by approximately \$1,200,000. Local option sales taxes increased by approximately \$490,000. Expenditures decreased \$1,480,000 from the prior fiscal year. Debt service expenditures decreased by more than \$4,230,000 due to the nonexchange financial guarantee payoff in the prior fiscal year. General Government Buildings and Plants increased by more than \$550,000 due to increased capital outlay. Sheriff increased by more than \$1,250,000 due to increased personal services. Medical Services increased by more than \$980,000 due to a large payment to others. The County ended the fiscal year by increasing fund balance of the General Fund by \$6,327,311, or approximately 35.6%.

At the end of the current fiscal year, the Fire and Rescue Special Revenue Fund had total fund balance of \$220,669, of which \$206,680 is restricted for fire and rescue activities and \$13,989 is nonspendable. Fund balance decreased \$420,812 during the current fiscal year due to increased personal services expenditures.

For the current fiscal year, the American Rescue Plan Act Special Revenue Fund did not report significant fund balance, revenues or expenditures. This new fund will account for significant revenues and expenditures for the American Rescue Plan funding.

At the end of the current fiscal year, the Development Authority Special Revenue Fund had total fund balance of \$1,364,912, all of which is restricted for economic development. Fund balance increased \$215,082 during the current fiscal year due to transfers from the General Fund and charges for services in excess of debt service payments.

At the end of the current fiscal year, the SPLOST Capital Projects Fund had total fund balance of \$4,014,839, all of which is restricted for capital outlay. Fund balance decreased \$896,029 for fiscal year 2021 due to current year expenditures in accordance with the SPLOST referendums. Further details of the SPLOST expenditures can be found in the Schedule of Projects Financed with Special Purpose Local Option Sales Tax at the end of this report.

At the end of the current fiscal year, the TSPLOST Capital Projects Fund had total fund balance of \$681,635, all of which is restricted for capital outlay. Fund balance decreased \$864,856 for fiscal year 2021 due to current year expenditures in accordance with the TSPLOST referendum and LMIG receipts for road projects. Further details of the TSPLOST expenditures can be found in the Schedule of Projects Financed with Transportation Special Purpose Local Option Sales Tax at the end of this report.

General Fund Budget Highlights

The original budget for the General Fund was amended by various appropriations approved after the beginning of the fiscal year. Budgeted revenues remained the same and expenditures in total decreased from original to final budgets. The County experienced increased revenues and decreased expenditures from the prior fiscal year. The County ended the fiscal year with revenues up significantly and expenditures down slightly from budgeted expectations. Overall, the General Fund's revenues and other financing sources were greater than its expenditures and other financing uses.

Proprietary Funds. Walker County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Net position of the County's proprietary funds totaled as follows:

▪ Landfill	(\$2,612,898)
▪ Mountain Cove Farms	\$ 26,345

Due predominantly to operating losses, the Landfill fund reported a decrease in net position of \$136,656 and Mountain Cove Farms reported a decrease in net position of \$79,144. Other factors concerning the finances of these funds have already been addressed in the discussion of the County's business-type activities.

Capital Assets and Debt Administration

Capital Assets. Walker County has invested \$106,753,599 in capital assets (net of accumulated depreciation). 98% of the investment is related to governmental activities and includes land, construction in progress, buildings, land improvements, machinery and equipment, furniture and fixtures, vehicles, and infrastructure.

Capital assets held by the County at the end of the fiscal year are summarized as follows:

Walker County
Capital Assets (net of accumulated depreciation)
Fiscal Years 2021 and 2020

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 9,111,953	\$ 9,111,953	\$ 169,000	\$ 169,000	\$ 9,280,953	\$ 9,280,953
Construction in progress	3,889,651	1,210,882	743,174	737,177	4,632,825	1,948,059
Infrastructure	116,237,991	111,909,997	0	0	116,237,991	111,909,997
C&D landfill	0	0	4,985,021	4,985,021	4,985,021	4,985,021
Buildings and improvements	44,776,840	43,716,069	667,026	667,026	45,443,866	44,383,095
Machinery and equipment	14,863,037	13,851,355	1,849,729	1,852,153	16,712,766	15,703,508
Vehicles	14,316,905	14,750,565	36,971	49,148	14,353,876	14,799,713
Total	203,196,377	194,550,821	8,450,921	8,459,525	211,647,298	203,010,346
Accumulated Depreciation	(98,110,091)	(94,292,042)	(6,783,608)	(6,726,132)	(104,893,699)	(101,018,174)
Net Capital Assets	\$ 105,086,286	\$ 100,258,779	\$ 1,667,313	\$ 1,733,393	\$ 106,753,599	\$ 101,992,172

Major capital asset expenditures during the current fiscal year for governmental activities included the following:

- Upgrades to the E911 system
- Investments in machinery, equipment, and vehicles throughout the County
- Paving and resurfacing of various roads, bridges, and culverts throughout the County

Additional information on the County's capital assets can be found in Note 9 to the financial statements on pages 55-57 of this report.

Long-term Debt. On September 30, 2021, Walker County had total long-term debt in the amount of \$12,817,639, a decrease of \$6,032,747 from the prior fiscal year. The decrease was due to normal scheduled principal payments and the payoff of a note payable. Additional information on the County's long-term debt can be found in Notes 10 and 11 to the financial statements on pages 58-61 of this report.

Economic Condition and Outlook

Walker County continues to fair well while still recovering from the COVID-19 pandemic that began during the previous fiscal year. Several factors were considered during preparation of the budget for fiscal year 2022, including the following:

- Possible increases or decreases in revenues, particularly property, sales, and other taxes
- Fluctuations in the price of fuel due to market instability.
- Plans for future capital improvements
- Unforeseen natural disasters, such as tornados, storms, etc.
- Capital outlay requirements for vehicles, equipment and program expansions to improve public services to the community

Contacting the County's Financial Services Department

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of Walker County's finances and to demonstrate the County's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed as follows:

Walker County Accounting Department
PO Box 445
LaFayette, Georgia 30728

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BASIC FINANCIAL STATEMENTS

WALKER COUNTY, GEORGIA
STATEMENT OF NET POSITION
September 30, 2021

	Primary Government			Health Department Component Unit
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash and cash equivalents	\$ 30,512,066	\$ 528,882	\$ 31,040,948	\$ 2,025,685
Restricted cash and cash equivalents	522,467	0	522,467	0
Certificates of deposit	504,269	0	504,269	0
Receivables (net)				
Accounts	925,853	91,000	1,016,853	0
Intergovernmental	5,085,462	0	5,085,462	346,494
Taxes	14,370,801	0	14,370,801	0
Notes	146,417	0	146,417	0
Inventories	0	761	761	10,626
Prepaid items	142,473	0	142,473	331
Internal balances	1,147,999	(1,147,999)	0	0
Total current assets	53,357,807	(527,356)	52,830,451	2,383,136
Noncurrent assets				
Capital assets				
Non-depreciable	13,001,604	912,174	13,913,778	0
Depreciable (net)	92,084,682	755,139	92,839,821	0
Total noncurrent assets	105,086,286	1,667,313	106,753,599	0
Total assets	158,444,093	1,139,957	159,584,050	2,383,136
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources - pension	982,784	35,202	1,017,986	117,557
Deferred outflows of resources - OPEB	0	0	0	62,749
Total deferred outflows of resources	982,784	35,202	1,017,986	180,306
LIABILITIES				
Current liabilities				
Accounts payable	4,375,404	108,884	4,484,288	1,159
Customer deposits payable	0	18,582	18,582	0
Interest payable	59,456	0	59,456	0
Accrued liabilities	519,185	1,911	521,096	0
Compensated absences	1,354,188	9,400	1,363,588	0
Unearned revenue	6,788,015	0	6,788,015	0
Other liabilities	54,097	0	54,097	0
Capital leases payable	207,639	0	207,639	0
Bonds payable	980,000	0	980,000	0
Total current liabilities	14,337,984	138,777	14,476,761	1,159
Noncurrent liabilities				
Compensated absences	0	0	0	56,373
Net pension liability	2,537,481	71,866	2,609,347	726,827
Net OPEB liability	0	0	0	108,276
Bonds payable	11,630,000	0	11,630,000	0
Landfill closure and post-closure care costs	2,354,044	3,548,604	5,902,648	0
Total noncurrent liabilities	16,521,525	3,620,470	20,141,995	891,476
Total liabilities	30,859,509	3,759,247	34,618,756	892,635

WALKER COUNTY, GEORGIA
STATEMENT OF NET POSITION
September 30, 2021

	Primary Government			Health Department Component Unit
	Governmental Activities	Business-type Activities	Total	
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - pension	\$ 87,002	\$ 2,465	\$ 89,467	\$ 44,558
Deferred inflows of resources - OPEB	0	0	0	311,486
Total deferred inflows of resources	87,002	2,465	89,467	356,044
NET POSITION				
Net investment in capital assets	89,040,330	1,667,313	90,707,643	0
Restricted for:				
Law library operations	28,777	0	28,777	0
Judicial activities	109,104	0	109,104	0
Fire and rescue activities	520,681	0	520,681	0
E911 system operations	161,337	0	161,337	0
Sheriff facilities, equipment, and operations	380,974	0	380,974	0
Transit system operations	92,469	0	92,469	0
Economic development	1,511,329	0	1,511,329	0
Trade and tourism	15,269	0	15,269	0
Tourism product development	36,785	0	36,785	0
Grant specifications	61,219	0	61,219	0
Capital outlay	4,696,474	0	4,696,474	0
Unrestricted	31,825,618	(4,253,866)	27,571,752	1,314,763
Total net position	\$ 128,480,366	\$ (2,586,553)	\$ 125,893,813	\$ 1,314,763

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	Program Revenues				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue
FUNCTIONS/PROGRAMS					
Primary government					
Governmental activities					
General Government	\$ 6,432,667	\$ 877,143	\$ 109,781	\$ 0	\$ (5,445,743)
Judicial	4,020,476	146,047	622,484	0	(3,251,945)
Public Safety	16,839,499	7,396,899	138,523	0	(9,304,077)
Public Works	8,488,704	289,257	15,018	1,290,018	(6,894,411)
Health and Welfare	1,282,937	100,318	1,058,123	0	(124,496)
Culture and Recreation	600,986	15,006	0	0	(585,980)
Housing and Development	877,156	125,000	0	0	(752,156)
Interest on long-term debt	376,908	0	0	0	(376,908)
Total governmental activities	38,919,333	8,949,670	1,943,929	1,290,018	(26,735,716)
Business-type activities					
Landfill	1,634,474	1,497,253	0	0	(137,221)
Mountain Cove Farms	187,370	107,486	0	0	(79,884)
Total business-type activities	1,821,844	1,604,739	0	0	(217,105)
Total primary government	40,741,177	10,554,409	1,943,929	1,290,018	(26,952,821)
Component Units					
Health Department					
Health and Welfare	671,510	447,986	619,569	0	396,045
Total component units	671,510	447,986	619,569	0	396,045
Primary Government					
	Governmental Activities	Business-Type Activities	Total	Component Units	
Change in net position					
Net (expense) revenue	\$ (26,735,716)	\$ (217,105)	\$ (26,952,821)	\$ 396,045	
General revenues					
Taxes					
Property	17,444,897	0	17,444,897	0	
Sales	16,768,673	0	16,768,673	0	
Insurance premium	3,998,718	0	3,998,718	0	
Intangible	630,718	0	630,718	0	
Alcohol Excise	335,780	0	335,780	0	
Other	1,152,321	0	1,152,321	0	
Interest and investment earnings	125,777	0	125,777	13,265	
Payments from Walker County	0	0	0	130,000	
Gain on sale of capital assets	60,470	455	60,925	0	
Other	144,963	850	145,813	49	
Total general revenues	40,662,317	1,305	40,663,622	143,314	
Change in net position	13,926,601	(215,800)	13,710,801	539,359	
Net position - beginning (original)	114,971,220	(2,318,833)	112,652,387	775,404	
Prior period adjustments	(417,455)	(51,920)	(469,375)	0	
Net position - beginning (restated)	114,553,765	(2,370,753)	112,183,012	775,404	
Net position - ending	\$ 128,480,366	\$ (2,586,553)	\$ 125,893,813	\$ 1,314,763	

WALKER COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2021

	General	Fire and Rescue	American Rescue Plan Act
ASSETS			
Cash and cash equivalents	\$ 11,477,971	\$ 111,659	\$ 6,793,669
Restricted cash and cash equivalents	522,467	0	0
Certificates of deposit	0	0	0
Receivables (net)			
Accounts	216,221	370,458	0
Intergovernmental	4,803,792	0	0
Taxes	13,436,786	0	0
Notes	0	0	0
Due from other funds	5,245,999	144,224	0
Prepaid items	128,484	13,989	0
Total assets	\$ 35,831,720	\$ 640,330	\$ 6,793,669
LIABILITIES			
Accounts payable	\$ 621,523	\$ 94,399	\$ 0
Accrued liabilities	502,495	11,261	0
Due to other funds	816,488	0	0
Unearned revenue	0	0	6,775,128
Other liabilities	0	0	0
Total liabilities	1,940,506	105,660	6,775,128
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	10,369,551	0	0
Unavailable revenue - fire fees	0	314,001	0
Unavailable revenue - public health fees	35,230	0	0
Unavailable revenue - intergovernmental	0	0	0
Total deferred inflows of resources	10,404,781	314,001	0
FUND BALANCES			
Nonspendable prepaid items	128,484	13,989	0
Restricted for:			
Law library operations	0	0	0
Judicial activities	0	0	0
Fire and rescue activities	0	206,680	0
E911 system operations	0	0	0
Sheriff facilities, equipment, and operations	0	0	0
Transit system operations	0	0	0
Economic development	0	0	0
Trade and tourism	0	0	0
Tourism product development	0	0	0
Grant specifications	0	0	18,541
Capital outlay	0	0	0
Assigned for trade and tourism	0	0	0
Unassigned	23,357,949	0	0
Total fund balances	23,486,433	220,669	18,541
Total liabilities, deferred inflows of resources, and fund balances	\$ 35,831,720	\$ 640,330	\$ 6,793,669

Development Authority	SPLOST	TSPLOST	Nonmajor Governmental Funds	Totals
\$ 608,219	\$ 7,350,058	\$ 2,828,570	\$ 1,341,920	\$ 30,512,066
0	0	0	0	522,467
504,269	0	0	0	504,269
125,000	0	0	214,174	925,853
0	0	0	281,670	5,085,462
0	488,136	418,888	26,991	14,370,801
146,417	0	0	0	146,417
127,424	0	246,256	298,584	6,062,487
0	0	0	0	142,473
<u>\$ 1,511,329</u>	<u>\$ 7,838,194</u>	<u>\$ 3,493,714</u>	<u>\$ 2,163,339</u>	<u>\$ 58,272,295</u>
\$ 0	\$ 700,121	\$ 2,812,079	\$ 147,282	\$ 4,375,404
0	0	0	5,429	519,185
0	3,123,234	0	974,766	4,914,488
0	0	0	12,887	6,788,015
0	0	0	54,097	54,097
<u>0</u>	<u>3,823,355</u>	<u>2,812,079</u>	<u>1,194,461</u>	<u>16,651,189</u>
0	0	0	0	10,369,551
0	0	0	0	314,001
0	0	0	0	35,230
146,417	0	0	0	146,417
<u>146,417</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,865,199</u>
0	0	0	0	142,473
0	0	0	28,777	28,777
0	0	0	109,104	109,104
0	0	0	0	206,680
0	0	0	161,337	161,337
0	0	0	380,974	380,974
0	0	0	92,469	92,469
1,364,912	0	0	0	1,364,912
0	0	0	15,269	15,269
0	0	0	36,785	36,785
0	0	0	42,678	61,219
0	4,014,839	681,635	0	4,696,474
0	0	0	101,485	101,485
0	0	0	0	23,357,949
<u>1,364,912</u>	<u>4,014,839</u>	<u>681,635</u>	<u>968,878</u>	<u>30,755,907</u>
<u>\$ 1,511,329</u>	<u>\$ 7,838,194</u>	<u>\$ 3,493,714</u>	<u>\$ 2,163,339</u>	<u>\$ 58,272,295</u>

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WALKER COUNTY, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
September 30, 2021

Total fund balances - total governmental funds	\$	30,755,907
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Amounts reported for governmental activities in the statement of net position are different because:

Some assets are not financial resources and therefore are not reported in the funds.
These are:

Capital assets, net of accumulated depreciation		105,086,286
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These are unavailable property taxes and intergovernmental revenues.		10,865,199
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Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds. These are:

Deferred outflows of resources - pension	982,784		
Deferred inflows of resources - pension	(87,002)		895,782

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These are:

Accrued interest	(59,456)		
Compensated absences	(1,354,188)		
Net pension liability	(2,537,481)		
Capital leases payable	(207,639)		
Bonds payable	(12,610,000)		
Landfill post-closure care costs	(2,354,044)		(19,122,808)

Net position of governmental activities	\$	128,480,366
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WALKER COUNTY, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the fiscal year ended September 30, 2021

	<u>General</u>	<u>Fire and Rescue</u>	<u>American Rescue Plan Act</u>
REVENUES			
Taxes	\$ 28,984,008	\$ 0	\$ 0
Licenses and permits	432,165	0	0
Intergovernmental	587,660	0	0
Charges for services	1,211,984	4,124,197	0
Fines, fees and forfeitures	1,153,797	0	0
Interest	93,996	0	18,541
Contributions	1,444	0	0
Other	144,963	0	0
	<u>32,610,017</u>	<u>4,124,197</u>	<u>18,541</u>
Total revenues	<u>32,610,017</u>	<u>4,124,197</u>	<u>18,541</u>
EXPENDITURES			
Current			
General Government	7,460,122	0	0
Judicial	3,205,096	0	0
Public Safety	10,489,616	4,545,009	0
Public Works	2,441,749	0	0
Health and Welfare	301,397	0	0
Culture and Recreation	610,289	0	0
Housing and Development	380,446	0	0
Capital outlay	0	0	0
Debt service	85,667	0	0
Intergovernmental	0	0	0
	<u>24,974,382</u>	<u>4,545,009</u>	<u>0</u>
Total expenditures	<u>24,974,382</u>	<u>4,545,009</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,635,635</u>	<u>(420,812)</u>	<u>18,541</u>
Other financing sources (uses)			
Transfers in	19,000	0	0
Transfers out	(1,456,787)	0	0
Proceeds from sale of capital assets	129,463	0	0
	<u>(1,308,324)</u>	<u>0</u>	<u>0</u>
Total other financing sources (uses)	<u>(1,308,324)</u>	<u>0</u>	<u>0</u>
Net change in fund balance	<u>6,327,311</u>	<u>(420,812)</u>	<u>18,541</u>
Fund balances, October 1 (original)	17,774,528	641,481	0
Prior period adjustments	<u>(615,406)</u>	<u>0</u>	<u>0</u>
Fund balances, October 1 (restated)	<u>17,159,122</u>	<u>641,481</u>	<u>0</u>
Fund balances, September 30	<u><u>\$ 23,486,433</u></u>	<u><u>\$ 220,669</u></u>	<u><u>\$ 18,541</u></u>

Development Authority	SPLOST	TSPLOST	Nonmajor Governmental Funds	Totals
\$ 0	\$ 6,976,312	\$ 4,908,998	\$ 195,548	\$ 41,064,866
0	0	0	0	432,165
0	0	1,205,037	1,845,667	3,638,364
125,000	0	0	1,389,178	6,850,359
0	0	0	31,511	1,185,308
4,676	21,302	63,679	793	202,987
0	0	0	70,571	72,015
95,600	0	0	0	240,563
<u>225,276</u>	<u>6,997,614</u>	<u>6,177,714</u>	<u>3,533,268</u>	<u>53,686,627</u>
0	0	0	0	7,460,122
0	0	0	801,871	4,006,967
0	0	0	1,396,951	16,431,576
0	0	0	15,018	2,456,767
0	0	0	1,225,387	1,526,784
0	0	0	0	610,289
2,710	0	0	89,173	472,329
0	1,384,570	7,042,570	0	8,427,140
1,305,944	3,997,601	0	40,481	5,429,693
0	2,511,472	0	0	2,511,472
<u>1,308,654</u>	<u>7,893,643</u>	<u>7,042,570</u>	<u>3,568,881</u>	<u>49,333,139</u>
<u>(1,083,378)</u>	<u>(896,029)</u>	<u>(864,856)</u>	<u>(35,613)</u>	<u>4,353,488</u>
1,298,460	0	0	158,327	1,475,787
0	0	0	(19,000)	(1,475,787)
0	0	0	0	129,463
<u>1,298,460</u>	<u>0</u>	<u>0</u>	<u>139,327</u>	<u>129,463</u>
<u>215,082</u>	<u>(896,029)</u>	<u>(864,856)</u>	<u>103,714</u>	<u>4,482,951</u>
1,149,830	4,861,350	1,546,491	508,487	26,482,167
0	49,518	0	356,677	(209,211)
<u>1,149,830</u>	<u>4,910,868</u>	<u>1,546,491</u>	<u>865,164</u>	<u>26,272,956</u>
<u>\$ 1,364,912</u>	<u>\$ 4,014,839</u>	<u>\$ 681,635</u>	<u>\$ 968,878</u>	<u>\$ 30,755,907</u>

WALKER COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the fiscal year ended September 30, 2021

Net change in fund balances - total governmental funds **\$ 4,482,951**

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlays	\$ 10,576,072	
Depreciation	<u>(5,679,572)</u>	4,896,500

In the statement of activities, the gain/loss on the disposal of assets is reported, whereas in the governmental funds, the proceeds from the sale of capital assets increases financial resources.

Cost of assets disposed	(1,930,516)	
Related accumulated depreciation	<u>1,861,523</u>	(68,993)

Repayment of note receivable in rental income in the governmental funds, but the repayment reduces the note receivable asset in the statement of net position. (87,829)

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 revenue. (813,338)

Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

Pension contributions	884,937	
Cost of benefits earned net of employee contributions	<u>(433,262)</u>	451,675

The proceeds of debt issuance, net of premiums, discounts and issuance costs provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In addition, interest on long-term debt is not recognized in the governmental funds until due, but is recognized in the statement of activities as it accrues.

Debt principal payments	5,238,767	
Net change in interest payable	<u>30,565</u>	5,269,332

Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.

Compensated absences	(175,783)	
Landfill post-closure care costs	<u>(27,914)</u>	(203,697)

Change in net position of governmental activities	<u>\$ 13,926,601</u>	
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WALKER COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended September 30, 2021

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 25,531,300	\$ 25,531,300	\$ 28,984,008	\$ 3,452,708
Licenses and permits	296,400	296,400	432,165	135,765
Intergovernmental	459,700	459,700	587,660	127,960
Charges for services	927,121	927,121	1,211,984	284,863
Fines, fees and forfeitures	987,700	987,700	1,153,797	166,097
Interest	150,000	150,000	93,996	(56,004)
Contributions	0	0	1,444	1,444
Other	58,300	58,300	144,963	86,663
Total revenues	28,410,521	28,410,521	32,610,017	4,199,496
EXPENDITURES				
Current				
General Government				
Governing Body	761,951	761,951	657,328	104,623
Elections	297,089	297,089	334,870	(37,781)
Accounting	420,300	420,300	387,629	32,671
Licensing	5,580	5,580	2,950	2,630
Legal	124,735	124,735	115,467	9,268
Data Processing	819,500	707,040	823,320	(116,280)
Human Resources	77,000	77,000	11,533	65,467
Employee Health Clinic	222,500	222,500	157,631	64,869
Tax Commissioner	1,160,535	1,160,535	1,153,711	6,824
Tax Assessor	1,230,646	1,230,646	1,158,759	71,887
Board of Equalization	12,000	12,000	2,684	9,316
Risk Management	385,000	385,000	406,530	(21,530)
General Government Buildings and Plant	2,138,800	2,138,800	2,141,367	(2,567)
Marsh Warthen House	22,120	22,120	5,987	16,133
Records Management	69,800	69,800	40,443	29,357
General Administration Fees	62,000	62,000	59,913	2,087
Judicial				
Superior Court	169,450	169,450	157,187	12,263
Clerk of Courts	730,550	730,550	717,796	12,754
District Attorney	562,143	562,143	412,104	150,039
State Court	371,600	371,600	310,480	61,120
State Court Solicitor	228,750	228,750	213,833	14,917
Magistrate Court	408,558	408,558	386,735	21,823
Probate Court	324,426	324,426	312,347	12,079
Juvenile Court	619,075	619,075	485,289	133,786
Public Defender	296,671	296,671	209,325	87,346
Public Safety				
County Police	674,200	674,200	506,055	168,145
Sheriff	6,141,604	6,096,604	5,632,645	463,959
Jail Operations	2,674,396	2,674,396	2,573,124	101,272
Medical Services	250,000	250,000	1,084,583	(834,583)
Coroner / Medical Examiner	80,000	80,000	96,483	(16,483)
Animal Control	585,703	585,703	454,350	131,353
Emergency Management	111,210	111,210	142,376	(31,166)
Public Works				
Highways and Streets	2,232,250	2,232,250	1,803,805	428,445
Closure and Postclosure Costs	85,000	85,000	79,936	5,064
Maintenance and Shop	632,025	632,025	558,008	74,017

WALKER COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended September 30, 2021

	Budget		Actual	Variance with Final Budget
	Original	Final		
EXPENDITURES (continued)				
Current				
Health and Welfare				
Public Health Administration	\$ 132,500	\$ 132,500	\$ 130,500	\$ 2,000
Welfare Payments to Others	36,000	36,000	23,935	12,065
DFACS Building and Plant	19,500	19,500	103,122	(83,622)
Meals on Wheels	47,700	47,700	39,659	8,041
Senior Center	16,800	16,800	4,181	12,619
Culture and Recreation				
Civic Center	188,915	188,915	123,457	65,458
Other Recreational Facilities	26,720	26,720	22,308	4,412
Agricultural Center	21,200	21,200	15,725	5,475
Historical Preservation	4,000	4,000	2,094	1,906
Library Administration	300,000	300,000	446,705	(146,705)
Housing and Development				
County Agent	75,165	75,165	59,359	15,806
Forest Resources	13,000	13,000	12,018	982
Planning and Zoning	131,070	131,070	72,177	58,893
Economic Development	233,382	233,382	236,892	(3,510)
Debt service				
Public Safety				
Sheriff	0	0	85,667	(85,667)
Total expenditures	26,233,119	26,075,659	24,974,382	1,101,277
Excess (deficiency) of revenues over expenditures	2,177,402	2,334,862	7,635,635	5,300,773
Other financing sources (uses)				
Transfers in	0	0	19,000	19,000
Transfers out	(2,192,202)	(2,349,662)	(1,456,787)	892,875
Proceeds from sales of capital assets	0	0	129,463	129,463
Total other financing sources (uses)	(2,192,202)	(2,349,662)	(1,308,324)	1,041,338
Net change in fund balance	(14,800)	(14,800)	6,327,311	6,342,111
Fund balances, October 1 (original)	14,800	14,800	17,774,528	17,759,728
Prior period adjustments	0	0	(615,406)	(615,406)
Fund balances, October 1 (restated)	14,800	14,800	17,159,122	17,144,322
Fund balances, September 30	\$ 0	\$ 0	\$ 23,486,433	\$ 23,486,433

WALKER COUNTY, GEORGIA
FIRE AND RESCUE SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended September 30, 2021

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services	\$ 4,088,500	\$ 4,088,500	\$ 4,124,197	\$ 35,697
Total revenues	<u>4,088,500</u>	<u>4,088,500</u>	<u>4,124,197</u>	<u>35,697</u>
EXPENDITURES				
Current				
Public Safety				
Fire and Rescue	3,982,000	3,982,000	4,545,009	(563,009)
Total expenditures	<u>3,982,000</u>	<u>3,982,000</u>	<u>4,545,009</u>	<u>(563,009)</u>
Excess (deficiency) of revenues over expenditures	106,500	106,500	(420,812)	(527,312)
Other financing sources (uses)				
Transfers out	(106,500)	(106,500)	0	106,500
Net change in fund balance	0	0	(420,812)	(420,812)
Fund balances, October 1	0	0	641,481	641,481
Fund balances, September 30	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 220,669</u>	<u>\$ 220,669</u>

WALKER COUNTY, GEORGIA
AMERICAN RESCUE PLAN ACT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended September 30, 2021

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Interest	\$ 0	\$ 0	\$ 18,541	\$ 18,541
Total revenues	<u>0</u>	<u>0</u>	<u>18,541</u>	<u>18,541</u>
EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balance	0	0	18,541	18,541
Fund balances, October 1	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund balances, September 30	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 18,541</u></u>	<u><u>\$ 18,541</u></u>

WALKER COUNTY, GEORGIA
DEVELOPMENT AUTHORITY SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended September 30, 2021

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services	\$ 0	\$ 0	\$ 125,000	\$ 125,000
Interest	0	0	4,676	4,676
Other	0	0	95,600	95,600
Total revenues	<u>0</u>	<u>0</u>	<u>225,276</u>	<u>225,276</u>
EXPENDITURES				
Current				
Housing and Development				
Economic Development	0	0	2,710	(2,710)
Debt Service				
Principal	0	0	950,000	(950,000)
Interest	0	0	355,944	(355,944)
Total expenditures	<u>0</u>	<u>0</u>	<u>1,308,654</u>	<u>(1,308,654)</u>
Excess (deficiency) of revenues over expenditures	0	0	(1,083,378)	(1,083,378)
Other financing sources (uses)				
Transfers in	0	0	1,298,460	1,298,460
Net change in fund balance	0	0	215,082	215,082
Fund balances, October 1	0	0	1,149,830	1,149,830
Fund balances, September 30	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,364,912</u>	<u>\$ 1,364,912</u>

WALKER COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2021

	Business-Type Activities		
	Landfill	Mountain Cove Farms	Totals
ASSETS			
Current assets			
Cash and cash equivalents	\$ 900	\$ 527,982	\$ 528,882
Accounts receivable (net)	91,000	0	91,000
Inventories	0	761	761
Total current assets	91,900	528,743	620,643
Noncurrent assets			
Capital assets			
Non-depreciable	743,174	169,000	912,174
Depreciable (net)	435,478	319,661	755,139
Total noncurrent assets	1,178,652	488,661	1,667,313
Total assets	1,270,552	1,017,404	2,287,956
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources - pension	35,202	0	35,202
LIABILITIES			
Current liabilities			
Accounts payable	104,490	4,394	108,884
Customer deposits payable	0	18,582	18,582
Accrued salaries and payroll liabilities	1,452	459	1,911
Compensated absences	5,051	4,349	9,400
Due to other funds	184,724	963,275	1,147,999
Total current liabilities	295,717	991,059	1,286,776
Noncurrent liabilities			
Net pension liability	71,866	0	71,866
Landfill closure and post-closure care costs	3,548,604	0	3,548,604
Total noncurrent liabilities	3,620,470	0	3,620,470
Total liabilities	3,916,187	991,059	4,907,246
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - pension	2,465	0	2,465
NET POSITION			
Investment in capital assets	1,178,652	488,661	1,667,313
Unrestricted	(3,791,550)	(462,316)	(4,253,866)
Total net position	<u>\$ (2,612,898)</u>	<u>\$ 26,345</u>	<u>\$ (2,586,553)</u>

WALKER COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the fiscal year ended September 30, 2021

	Business-Type Activities		
	Landfill	Mountain Cove Farms	Totals
OPERATING REVENUES			
Charges for sales and services	\$ 1,497,253	\$ 107,486	\$ 1,604,739
Other	110	740	850
Total operating revenues	1,497,363	108,226	1,605,589
OPERATING EXPENSES			
Personal services	457,457	122,765	580,222
Costs of sales and services	1,104,789	54,252	1,159,041
Depreciation	60,454	10,353	70,807
Total operating expenses	1,622,700	187,370	1,810,070
Operating income (loss)	(125,337)	(79,144)	(204,481)
Nonoperating revenues (expenses)			
Interest expense	(11,774)	0	(11,774)
Gain (loss) on sale of capital assets	455	0	455
Total nonoperating revenues (expenses)	(11,319)	0	(11,319)
Change in net position	(136,656)	(79,144)	(215,800)
Net position, October 1 (original)	(2,424,322)	105,489	(2,318,833)
Prior period adjustments	(51,920)	0	(51,920)
Net position, October 1 (restated)	(2,476,242)	105,489	(2,370,753)
Net position, September 30	\$ (2,612,898)	\$ 26,345	\$ (2,586,553)

WALKER COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended September 30, 2021

	Business-Type Activities		
	Lanfill	Mountain Cove Farms	Totals
Cash flows from operating activities:			
Receipts from customers	\$ 1,520,544	\$ 126,068	\$ 1,646,612
Payments to suppliers	(1,030,692)	(93,723)	(1,124,415)
Payments to employees	(471,548)	(121,724)	(593,272)
Other receipts	110	740	850
Net cash provided (used) by operating activities	18,414	(88,639)	(70,225)
Cash flows from non-capital financing activities:			
Receipts from other funds	791,612	182,439	974,051
Cash flows from capital and related financing activities:			
Proceeds from sale of capital assets	4,051	0	4,051
Payments for acquisitions of capital assets	(8,323)	0	(8,323)
Interest paid	(11,774)	0	(11,774)
Principal payments - promissory notes	(793,980)	0	(793,980)
Net cash provided (used) by capital and related financing activities	(810,026)	0	(810,026)
Net increase (decrease) in cash and cash equivalents	0	93,800	93,800
Cash and cash equivalents, October 1	900	434,182	435,082
Cash and cash equivalents, September 30	\$ 900	\$ 527,982	\$ 528,882
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (125,337)	\$ (79,144)	\$ (204,481)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	60,454	10,353	70,807
Landfill closure/postclosure costs	42,079	0	42,079
(Increase) decrease in accounts receivable	23,291	0	23,291
(Increase) decrease in inventories	0	(761)	(761)
(Increase) decrease in deferred outflows of resources - pension	(3,269)	0	(3,269)
Increase (decrease) in accounts payable	32,018	(38,710)	(6,692)
Increase (decrease) in customer deposits	0	18,582	18,582
Increase (decrease) in accrued payroll liabilities	(1,300)	1,041	(259)
Increase (decrease) in net pension liability	(7,412)	0	(7,412)
Increase (decrease) in deferred inflows of resources - pension	(2,110)	0	(2,110)
Total adjustments	143,751	(9,495)	134,256
Net cash provided (used) by operating activities	\$ 18,414	\$ (88,639)	\$ (70,225)

WALKER COUNTY, GEORGIA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
September 30, 2021

	Pension Trust Fund	Custodial Funds
ASSETS		
Cash and cash equivalents	\$ 0	\$ 3,292,683
Investments, at fair value:		
Guaranteed fixed income account	5,939,949	0
Mutual funds	191,792	0
Contributions receivable	70,000	0
Taxes receivable	0	23,700,916
Total assets	6,201,741	26,993,599
LIABILITIES		
Due to others	0	26,211,543
NET POSITION		
Restricted for pension benefits	6,201,741	0
Restricted for individuals, organizations, and other governments	0	782,056
Total net position	\$ 6,201,741	\$ 782,056

WALKER COUNTY, GEORGIA
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the fiscal year ended September 30, 2021

	Pension Trust Fund	Custodial Funds
ADDITIONS		
Employer contributions	\$ 910,000	\$ 0
Change in fair value of investments	745,418	0
Taxes collected for other agencies	0	33,665,512
Court fees collected for other agencies	0	1,529,569
Court individual cases	0	92,655
Sheriff inmate account deposits	0	563,965
Total additions	1,655,418	35,851,701
DEDUCTIONS		
Pension benefits paid	974,285	0
Taxes distributed to other agencies	0	33,575,098
Court fees distributed to other agencies	0	1,550,327
Payments to others	0	142,150
Payments from inmates to others	0	556,150
Total deductions	974,285	35,823,725
Change in net position	681,133	27,976
Net position, October 1 (original)	5,450,608	0
Prior period adjustments	70,000	754,080
Net position, October 1 (restated)	5,520,608	754,080
Net position, September 30	\$ 6,201,741	\$ 782,056

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

1. Description of Government Unit

Walker County, Georgia (the "County") was created by legislative act in 1833 and operates under a County Commissioners form of government, providing the following services as authorized by its charter: public safety, highways and streets, health and social services, culture-recreation, courts, public improvements, planning and zoning, and general administrative services.

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

2. Summary of Significant Accounting Policies

A. Description of 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 nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

B. Reporting Entity

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of Walker County (the primary government) and material component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational and financial relationship with the County.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

In conformity with generally accepted accounting principles, as set forth in Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, as amended by Statement No. 61, the financial statements of component units have been included either as blended or discretely presented component units.

Blended Component Units – Blended component units, although legally separate entities, are, in substance, part of the Government's operations.

Walker County Development Authority – The Development Authority was created by legislative act in the state of Georgia for the purpose of developing industry in the County by assisting in the purchase and financing of property through bond issues and other debt. The board of the Development Authority is comprised of the County Commission Chairman, one representative appointed by three of the largest five municipalities within the County, and two members appointed at large by the existing board members. Walker County provides substantially all funding for the Development Authority and is also responsible for paying the Authority's debt. Separate financial statements for the Development Authority were not prepared. Financial information for the Development Authority is included in Walker County's Annual Financial Report and is reported as a special revenue fund.

Discretely Presented Component Units – Discretely presented component units are reported in a separate column in the combined financial statements to emphasize it is legally separate from the government.

Walker County Health Department – The Health Department is governed by a seven member board, of which four members are either County officials or members appointed by the governing authority of the County. The three remaining members are the superintendent of schools, an appointment by the largest municipality, and a member or appointment of the largest municipality. Although the County does not have the authority to modify and approve the Health Department's budget, the County provides financial support to the Health Department. The Health Department has a June 30th year-end and is presented as a governmental type component unit. The Health Department's financial statements can be obtained at 603 E Villanow St., LaFayette, GA 30728.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

2. Summary of Significant Accounting Policies (continued)

C. Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's enterprise funds. 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.

As discussed earlier, the government has one discretely presented component unit. While it is not considered to be a major component unit, it is shown in a separate column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

General Fund – The general operating fund of the County is used to account for all financial resources except those required to be accounted for in another fund.

Fire and Rescue Special Revenue Fund – This fund is used to account for fees collected by the Tax Commissioner on behalf of the County that are specifically restricted to providing fire and rescue services.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

American Rescue Plan Act Special Revenue Fund – This fund is used to account for revenues and expenditures of the American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Fund.

Development Authority Special Revenue Fund – This fund is used to account for the activity and operations of the Walker County Development Authority, a blended component unit.

SPLOST Capital Projects Fund – This fund is used to account for the revenues and expenditures relating to the County's 2013 and 2020 one percent Special Purpose Local Option Sales Tax.

TSPLOST Capital Projects Fund – This fund is used to account for the revenues and expenditures relating to the County's one percent Transportation Special Purpose Local Option Sales Tax.

The County reports the following major proprietary funds:

Landfill Enterprise Fund – This fund is used to account for the operation, maintenance, and development of the County's transfer station and construction and demolition landfill.

Mountain Cove Farms Enterprise Fund – This fund is used to account for the operations of the Mountain Cove Farms convention and recreation area.

Additionally, the County reports the following fund types:

Governmental Fund Types

Special Revenue Funds – This fund type is used to account for specific revenues that are legally or donor restricted or committed to expenditure for particular purposes.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

Capital Projects Funds – This fund type is used to account for financial resources to be used for the acquisition or construction of specifically planned projects (other than those financed by proprietary funds).

Fiduciary Fund Types

Pension Trust Fund – This fund accounts for the activities of the County's defined benefit pension plan.

Custodial Funds – 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.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

2. Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

2. Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting, continued

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

F. Revenues and Expenditures/Expenses

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. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

2. Summary of Significant Accounting Policies (continued)

F. Revenues and Expenditures/Expenses, continued

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

G. Budgetary Information

The Commission Chairman prepares a proposed budget for the upcoming fiscal year and makes it available for public inspection at the county courthouse, Commissioners' office and on the County's website. After two public hearings on the proposed budget are held, the proposed budget is adopted by resolution of the Board of Commissioners.

The budget amounts for the fiscal year may be amended by the Board of Commissioners to actual operating figures. The County prepares an annual operating budget for all governmental funds. At the fund level, actual expenditures cannot exceed budgeted appropriations; however, with proper approval by the Board of Commissioners, budgetary transfers between departments can be made. The legal level of budgetary control is at the summary line-item level with summary levels designated as personnel expenses, other expenses (operating), and capital outlay. All appropriations lapse at the end of each fiscal year. The capital projects funds have project length budgets.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

2. Summary of Significant Accounting Policies (continued)

H. Cash and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposit, and other short-term investments with original maturities of three months or less from the date of acquisition. For the purpose of the proprietary fund type statement of cash flows, the County considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

The statutes of the State of Georgia authorize the County to invest in U.S. Government obligations; obligations fully insured or guaranteed by the U.S. Government or by a government agency of the United States; obligations of any Corporation of the U.S. Government; State of Georgia obligations and other States; obligations of other counties, municipal corporations and political subdivisions of the State of Georgia; repurchase agreements when collateralized by U.S. Government or agency obligations; prime banker's acceptances; certificates of deposit or time deposit of any national state bank or savings and loan which have deposits insured by the FDIC or FSLIC; and pooled investment programs sponsored by the State of Georgia for the investment of local government funds.

In accordance with the provisions of GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, the County has reported the investments at fair value. Money market investments and those investments which had a remaining maturity at the time of purchase of one year or less are recorded at amortized cost or cost plus accrued interest, which approximates fair value. The fair value of all other investments are calculated using quoted market prices because these prices have been determined to be the most reliable and verifiable and are the most understood by investors, creditors and other users of financial information.

All investment income including changes in the fair market value of investments has been reported as revenue in the operating statements.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

2. Summary of Significant Accounting Policies (continued)

I. Intergovernmental Receivables

Receivables from state, federal, and local governments are recorded as revenue for the period of the allocation or as earned based on expenditures made for which reimbursement is due.

J. Inventories

Inventories are valued at cost on the first-in, first-out method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

K. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the current fiscal year are recorded as prepaid items. The costs of governmental fund-type prepaid items are recorded as expenditures when consumed rather than when purchased.

L. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 for governmental fund and \$500 for business-type activities and an estimated useful life in excess of two years. An exception to the threshold is capital lease assets. The County capitalizes all capital lease assets. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value.

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

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

2. Summary of Significant Accounting Policies (continued)

L. Capital Assets, continued

The costs of normal maintenance and repairs that do not add value or materiality extend the life of the asset are charged to operations as incurred. Costs of major additions and improvements are capitalized.

Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets ranging as follows:

	Useful Life in Years
Infrastructure	30-75
C&D landfill	15-20
Buildings and improvements	20-50
Machinery and equipment	5-20
Vehicles	6

M. Deferred Outflows/Inflows of Resources

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 a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The County reports deferred outflows of resources related to their defined benefit pension plan.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has one type of item that 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, fire fees, public health fees, and intergovernmental. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The County also reports deferred inflows of resources related to their defined benefit pension plan.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

2. Summary of Significant Accounting Policies (continued)

N. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and half of their sick pay benefits. There is no liability for non-vesting accumulated rights to receive sick pay benefits since the County does not have a policy to pay any amounts when employees separate from service with the County. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

O. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are recognized during the period in which they are incurred.

In the fund financial statements, governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. The face amount of debt issued is reported as any other financing source. Premiums received on debt issuances are reported as other financial sources while discounts on debt issuances are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

2. Summary of Significant Accounting Policies (continued)

P. Fund Balances – Governmental Funds

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

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities and deferred inflows of resources under the current financial resources management focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. All amounts reported as nonspendable at the end of the current fiscal year by the County are nonspendable in form. The County has not reported any amounts that are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Commissioners, the County's highest level of decision making authority, which include the language “committed for the purpose of”. Commitments may be modified or rescinded only through adoption of a subsequent resolution, which shall refer to the original resolution by its number.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

2. Summary of Significant Accounting Policies (continued)

P. Fund Balances – Governmental Funds, continued

Assigned – includes amounts that are intended to be used by the County for a specific purpose, but do not meet the definition of restricted or committed fund balance. Intent can only be expressed by the Board of Commissioners or their designee. Assigned Fund Balance differs from Committed Fund Balance in that assignments do not require a resolution.

Unassigned – includes amounts that do not fall into one of the above four categories. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. In addition, any remaining deficits in the County's governmental funds which remain after all other fund balances have been exhausted are classified as unassigned.

Q. Net Position

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

R. Net Position Flow Assumption

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

2. Summary of Significant Accounting Policies (continued)

S. Fund Balance Flow Assumption

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

T. Restricted Assets and Restricted Net Position

Restricted assets represent certain resources restricted by funding source or required to be set aside for the repayment of debt. They are maintained in a separate bank account and their use is limited.

Restricted net position is equal to the excess of the restricted assets funded from operations over the liabilities to be paid with restricted assets which are due in one year or less. Restricted assets exclude bond proceeds for calculation of restricted net position.

U. Capital Contributions

Federal, state and local government assistance in the form of grants that are permanent in nature and restricted for the construction or acquisition of specific property and equipment is recorded as an asset and as non-operating revenue.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

2. Summary of Significant Accounting Policies (continued)

V. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures/expenses during the period. Actual results could differ from those estimates.

3. Deposit and Investment Risk

Custodial Credit Risk – Deposits

Custodial credit 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.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates may adversely affect an investment's fair value. The County has no 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 statutes authorize the government to invest in obligations of the United States Treasury (100%) and of its agencies and instrumentalities (80%); bonds or certificates of indebtedness of this state and of its agencies and instrumentalities (25%); certificates of deposits of banks insured by FDIC (75%); prime bankers' acceptances (10%); the State of Georgia Local Government Investment Pool (100%); repurchase agreements (25%); bonds, debentures, notes or other evidence of indebtedness of any solvent corporation subject to certain conditions (0%).

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

3. Deposit and Investment Risk (continued)

Concentration of Credit Risk

Walker County places no limit on the amount it may invest in any one issuer.

Foreign currency risk

The County has no investments denominated in a foreign currency.

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 AAAf 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 participant's shares sold and redeemed based on \$1.00 per share. Georgia Fund 1 is managed by the Georgia Office of the State Treasurer. The investment policies of Georgia Fund 1 are established by the Georgia State Depository Board.

The Georgia Fund 1 is rated AAAf by Standard & Poor's. The weighted average maturity at the end of the current fiscal year was 40 days. At the end of the current fiscal year, the County's balance in Georgia Fund 1 was \$841,739.

At the end of the current fiscal year, the County's Pension Trust Fund investments consist of the following:

<u>Investment</u>	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Credit Rating</u>	<u>Weighted Average Maturity</u>
Guaranteed fixed income account	\$ 5,939,949	\$ 5,939,949	N/A	N/A
Mutual funds	191,792	191,792	N/A	N/A
	<u>\$ 6,131,741</u>	<u>\$ 6,131,741</u>		

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

3. Deposit and Investment Risk (continued)

Mutual funds are classified as Level 1 of the hierarchy and are valued using prices quoted in active markets. Guaranteed fixed income account investments are classified as Level 2 of the hierarchy and are valued using a matrix pricing technique that values securities based on their relationship to benchmark quoted prices.

4. Accounts Receivable

Net accounts receivable at the end of the current fiscal year consist of the following:

Primary Government:

Major Funds

General Fund		\$ 216,221
Fire and Rescue Special Revenue Fund		370,458
Development Authority Special Revenue Fund		125,000
Solid Waste Enterprise Fund	\$ 95,800	
Less allowance for doubtful accounts	<u>(4,800)</u>	91,000

Nonmajor Funds

E911 Special Revenue Fund	\$ 199,949	
Transportation Special Revenue Fund	2,788	
Inmate Welfare Special Revenue Fund	<u>11,437</u>	<u>214,174</u>

Total primary government		<u><u>\$ 1,016,853</u></u>
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WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

5. Intergovernmental Receivables

Intergovernmental receivables at the end of the current fiscal year consist of the following:

Primary Government:

Major Funds

General Fund		\$ 4,803,792
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Nonmajor Funds

Special Court Special Revenue Fund	\$ 89,888	
Multiple Grant Special Revenue Fund	70,076	
Transportation Special Revenue Fund	119,565	
Forfeiture Special Revenue Fund	2,141	281,670

Total primary government		<u>\$ 5,085,462</u>
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Component Unit

Health Department		<u>\$ 346,494</u>
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6. Property Taxes

Property taxes for the current fiscal year were levied on August 26, 2021 and billed on September 20, 2021. Property values were assessed as of January 1, 2021. Bills are payable on or before December 20, 2021, after which the applicable property is subject to lien and penalties and interest as assessed. Property taxes are recognized as revenue when they are levied because they are considered to be both measurable and available.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

7. Interfund Receivables and Payables

A summary of interfund receivables and payables at the end of the current fiscal year follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	SPLOST	\$ 3,123,234
	Nonmajor Governmental	974,766
	Landfill	184,724
	Mountain Cove Farms	963,275
Fire and Rescue	General	144,224
Development Authority	General	127,424
TSPLOST	General	246,256
Nonmajor Governmental	General	298,584
		<u>\$ 6,062,487</u>

The balances reported as Due to/Due from resulted from the time lag between the dates that transactions are recorded in the accounting system and payments between the funds are made. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances". The amount due from the General Fund to the TSPLOST Fund is for LMIG funds electronically deposited to the General Fund cash account that were transferred after the end of the fiscal year.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

8. Interfund Transfers

A summary of interfund transfers for the current fiscal year follows:

<u>Transfer Out Fund</u>	<u>Transfer In Fund</u>	<u>Amount</u>
General	Development Authority	\$ 1,298,460
	Nonmajor Governmental	158,327
Nonmajor Governmental	General	19,000
		<u>\$ 1,475,787</u>

Interfund transfers are used to 1) move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them, 2) use unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations, and 3) move capital assets between governmental activities and business-type activities. Transfers are eliminated in the government-wide financial statements if the interfund transfer is within the governmental fund group or business-type fund group.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

9. Capital Assets

Capital asset activity for the primary government for the current fiscal year follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Non-depreciable assets				
Land	\$ 9,111,953	\$ 0	\$ 0	\$ 9,111,953
Construction in progress	1,210,882	2,821,080	(142,311)	3,889,651
Total non-depreciable assets	10,322,835	2,821,080	(142,311)	13,001,604
Depreciable assets				
Infrastructure	111,909,997	4,327,994	0	116,237,991
Buildings and improvements	43,716,069	1,060,771	0	44,776,840
Machinery and equipment	13,851,355	1,308,759	(297,077)	14,863,037
Vehicles	14,750,565	1,199,779	(1,633,439)	14,316,905
Total depreciable assets	184,227,986	7,897,303	(1,930,516)	190,194,773
Less accumulated depreciation				
Infrastructure	(58,618,934)	(3,476,374)	0	(62,095,308)
Buildings and improvements	(12,045,319)	(894,992)	0	(12,940,311)
Machinery and equipment	(11,549,227)	(490,598)	292,101	(11,747,724)
Vehicles	(12,078,562)	(817,608)	1,569,422	(11,326,748)
Total accumulated depreciation	(94,292,042)	(5,679,572)	1,861,523	(98,110,091)
Total depreciable assets, net	89,935,944	2,217,731	(68,993)	92,084,682
Governmental activities capital assets, net	<u>\$ 100,258,779</u>	<u>\$ 5,038,811</u>	<u>\$ (211,304)</u>	<u>\$ 105,086,286</u>

NOTE: Beginning balance classifications changed. However, total beginning balances did not change.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

9. Capital Assets (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Non-depreciable assets				
Land	\$ 169,000	\$ 0	\$ 0	\$ 169,000
Construction in progress	737,177	5,997	0	743,174
Total non-depreciable assets	906,177	5,997	0	912,174
Depreciable assets				
C&D landfill	4,985,021	0	0	4,985,021
Buildings and improvements	667,026	0	0	667,026
Machinery and equipment	1,852,153	2,326	(4,750)	1,849,729
Vehicles	49,148	0	(12,177)	36,971
Total depreciable assets	7,553,348	2,326	(16,927)	7,538,747
Less accumulated depreciation				
C&D landfill	(4,985,021)	0	0	(4,985,021)
Buildings and improvements	(240,940)	(14,130)	0	(255,070)
Machinery and equipment	(1,451,023)	(56,677)	1,154	(1,506,546)
Vehicles	(49,148)	0	12,177	(36,971)
Total accumulated depreciation	(6,726,132)	(70,807)	13,331	(6,783,608)
Total depreciable assets, net	827,216	(68,481)	(3,596)	755,139
Business-type activities capital assets, net	<u>\$ 1,733,393</u>	<u>\$ (62,484)</u>	<u>\$ (3,596)</u>	<u>\$ 1,667,313</u>

NOTE: Beginning balance classifications changed. However, total beginning balances did not change.

Capital asset activity for the discretely presented component units for the respective year ends follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Walker County Health Department				
Depreciable assets				
Machinery and equipment	\$ 50,741	\$ 0	\$ 0	\$ 50,741
Less accumulated depreciation				
Machinery and equipment	(49,455)	(1,286)	0	(50,741)
Health Department capital assets, net	<u>\$ 1,286</u>	<u>\$ (1,286)</u>	<u>\$ 0</u>	<u>\$ 0</u>

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

9. Capital Assets (continued)

Depreciation expense was charged to functions/programs as follows:

Primary Government

Governmental activities

General Government	\$ 195,376
Judicial	58,736
Public Safety	1,084,067
Public Works	3,587,854
Health and Welfare	235,894
Culture and Recreation	112,819
Housing and Development	404,826

Total depreciation expense for governmental activities	<u><u>\$ 5,679,572</u></u>
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Business-type activities

Landfill	\$ 60,454
Mountain Cove Farms	10,353

Total depreciation expense for business-type activities	<u><u>\$ 70,807</u></u>
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Discretely presented component units

Walker County Health Department	<u><u>\$ 1,286</u></u>
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WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

10. Capital Lease Agreements

Governmental Activities

The County has entered into lease-purchase agreements to finance the acquisition of machinery, equipment, and vehicles. The terms of the agreements meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, which defines a capital lease generally as one which transfers benefits and risk of ownership to the lessee. Two leases were paid in full during the current fiscal year. The principal balance of the remaining lease at the end of the current fiscal year is \$207,639 for governmental activities. At the end of the current fiscal year, the County had \$1,868,061 of machinery, equipment, and vehicles, with associated accumulated depreciation of \$1,098,547 financed under the capital lease. Depreciation expense for the current fiscal year on the leased assets totaled \$120,865.

The following is a schedule of the future minimum lease payments together with the present value of the net minimum lease payments as of the end of the current fiscal year:

Fiscal Year Ending September 30,	Governmental Activities
<u>2022</u>	<u>\$ 216,546</u>
Less amounts representing interest	<u>(8,907)</u>
Present value of minimum lease payments	<u><u>\$ 207,639</u></u>

The County's lease agreements, other than such agreements described above, are relatively minor commitments and are in compliance with state law.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

11. Long-Term Liabilities

Governmental Activities

Bonds from Direct Placements

Walker County, Georgia General Obligation Bonds, Series 2013: On December 20, 2013, the County issued \$26,400,000 general obligation bonds maturing January 1, 2021, with an average interest rate of 1.63%. Principal payments range in amounts from \$3,965,000 to \$4,695,000. Principal payments began in January 2016 and mature in January 2021. Interest is due semi-annually while principal payments are due on an annual basis. The Bonds are general obligations of Walker County, Georgia and are payable and secured first from a 1% special purpose local option sales and use tax collected within Walker County, Georgia and second from the levy of an ad valorem tax, without limitation as to rate or amount, on all property within Walker County, Georgia subject to taxation for bond purposes. The remaining principal balance of the bonds was paid in full during the current fiscal year.

Walker County Development Authority (Georgia) Economic Development Taxable Refunding Revenue Bonds, Series 2019: On August 22, 2019, the Walker County Development Authority issued \$14,505,000 revenue bonds maturing in August 2033, with interest rates ranging between 2.00% and 3.00%. Principal payments range in amounts from \$445,000 to \$1,250,000. Interest is due semi-annually while principal payments are due on an annual basis. The bonds were issued to refund all of the outstanding Series 2015 Bonds and pay issuance costs. The bonds are secured by an intergovernmental contract with the County that requires the County to pay the principal and interest on the bonds. Upon the happening and continuance of an event of default, the holders of not less than 55% in principal amount of the bonds then outstanding may declare the principal of all bonds outstanding to be due and payable immediately.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

11. Long-Term Liabilities (continued)

Governmental Activities, continued

Bonds from Direct Placements, continued

The annual requirements to amortize bonds from direct placements at the end of the current fiscal year follows:

Fiscal Year Ending September 30,	Principal	Interest	Total
2022	\$ 980,000	\$ 318,960	\$ 1,298,960
2023	1,010,000	289,560	1,299,560
2024	1,030,000	269,360	1,299,360
2025	1,050,000	247,730	1,297,730
2026	1,075,000	224,630	1,299,630
2027 - 2031	5,770,000	717,890	6,487,890
2032 - 2033	1,695,000	62,950	1,757,950
Totals	<u>\$ 12,610,000</u>	<u>\$ 2,131,080</u>	<u>\$ 14,741,080</u>

Business-Type Activities

Notes from Direct Borrowings

The County entered into a borrowing with the Georgia Environmental Finance Authority to finance the construction of a new construction and demolition (C&D) cell at the landfill. The note is secured by all income and revenue derived by the County from the ownership and operation of the landfill. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable. Interest at 3.03% on outstanding draws is due monthly through the date of completion of the draws. Principal and interest payments will be due commencing in May 2020 and for 239 consecutive months in an amount necessary to pay all outstanding principal and interest by the end of the payment period. The remaining principal balance of the note was paid in full during the current fiscal year.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

11. Long-Term Liabilities (continued)

Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the current fiscal year:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
Capital leases payable	\$ 531,406	\$ 0	\$ (323,767)	\$ 207,639	\$ 207,639
Bonds from direct placements	17,525,000	0	(4,915,000)	12,610,000	980,000
Landfill post-closure care costs	2,326,130	27,914	0	2,354,044	0
Compensated absences	1,178,405	1,354,188	(1,178,405)	1,354,188	1,354,188
Total governmental activities	<u>\$ 21,560,941</u>	<u>\$ 1,382,102</u>	<u>\$ (6,417,172)</u>	<u>\$ 16,525,871</u>	<u>\$ 2,541,827</u>
Business-type activities					
Notes from direct borrowings	\$ 793,980	\$ 0	\$ (793,980)	\$ 0	\$ 0
Landfill closure and post-closure care costs	3,506,525	42,079	0	3,548,604	0
Compensated absences	11,570	9,400	(11,570)	9,400	9,400
Total business-type activities	<u>\$ 4,312,075</u>	<u>\$ 51,479</u>	<u>\$ (805,550)</u>	<u>\$ 3,558,004</u>	<u>\$ 9,400</u>
Component Units					
Health Department					
Compensated absences	<u>\$ 46,438</u>	<u>\$ 14,907</u>	<u>\$ (4,972)</u>	<u>\$ 56,373</u>	<u>\$ 5,637</u>

Bond discounts/premiums are amortized over the life of the related debt using the straight-line method. For governmental activities, compensated absences are liquidated by the General Fund. The total interest incurred and charged to expense for the current fiscal year was \$376,908 for the governmental activities and \$11,774 for the business-type activities.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

12. Conduit Debt

Walker County Development Authority

The Development Authority has special limited obligations related to various projects that represent conduit debt obligations. Conduit debt obligations are limited-obligation bonds or similar instruments issued by a governmental unit to provide capital financing for a third party that is not part of the reporting entity. Debt proceeds are typically used to finance development of industry, hospital, or environmental facilities within the governmental unit's jurisdiction that are transferred to the third party by sale or lease. The governmental unit has no obligation for the debt beyond the resources received from the third party by sale or lease. The obligations issued by the Development Authority do not constitute an indebtedness or pledge of the faith and credit of the Development Authority or the County.

13. Landfill Closure and Post-Closure Care Costs

The County currently owns a solid waste landfill and a construction and demolition disposal area. State and federal laws and regulations require the County to close the landfills once capacity is reached and to monitor and maintain the site for thirty subsequent years. Although certain closure and post-closure care costs will be paid only near or after the date that the landfills stop accepting waste, the County reports a portion of these closure and post closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. At the end of the current fiscal year, the County had incurred a liability of approximately \$3,548,604 for the construction and demolition disposal area which represents the amount of costs reported to date based on approximately 100 percent of landfill capacity used to date. The estimated costs of closure and post-closure care, as determined by the Georgia Environmental Protection Division, are subject to change including the effects of inflation, revision of laws, changes in technology, actual sequence of landfill development and closure, and other variables.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

13. Landfill Closure and Post-Closure Care Costs (continued)

The County also owns a solid waste landfill which discontinued operations in June 1998. The solid waste is accepted at a transfer station and transported to a location out of the County by an outside contractor. The landfill will continue to incur costs associated with the closing of the landfill in order to comply with Environmental Protection Agency requirements. In addition, the County will be required to monitor various wells for a period of time. At the end of the current fiscal year, a liability for post-closure care costs is recorded in the amount of \$2,354,044, which is based on engineering reports, for maintaining the landfill site in future years. However, management's estimate of post closure costs is contingent upon its ability to satisfy EPA requirements, and costs could be significantly higher if full compliance is not achieved. These costs will be met with future County revenues.

14. Net Investment in Capital Assets

The net investment in capital assets reported on the government-wide statement of net position is calculated as follows at the end of the current fiscal year:

	Governmental Activities	Business-type Activities
Cost of capital assets	\$ 203,196,377	\$ 8,450,921
Accumulated depreciation	(98,110,091)	(6,783,608)
Capital assets net book value	105,086,286	1,667,313
Capital-related accounts payable	(3,228,317)	0
Capital-related capital leases payable	(207,639)	0
Capital-related bonds payable	(12,610,000)	0
Net investment in capital assets	<u>\$ 89,040,330</u>	<u>\$ 1,667,313</u>

15. Deficit Equity Balances

At the end of the current fiscal year, the Landfill Enterprise Fund has a deficit net position of \$2,612,898. This is due to the payment of services in anticipation of future revenues. The County plans to liquidate this deficit net position through future revenue recognition.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

16. Retirement Plans

County Defined Benefit Pension Plan

Plan Description. Fifty (50) of the County's full time employees are covered by the Pension Plan for Employees of the Walker County Commissioner and Sheriff's Department. This self-administered plan is a single employer, noncontributory, defined benefit plan established January 1, 1973, restated effective January 1, 1984 and amended effective December 31, 2005. Authority to establish, amend or discontinue the plan is assigned to the County. The plan is included in this report because the County has oversight responsibility as prescribed by the GASB. The plan does not issue separate financial statements but includes the financial statements and required supplementary information in the County's annual financial report.

As of January 1, 2021, the date of the most recent actuarial valuation, the plan membership included the following categories of participants:

Retirees, beneficiaries and disabled	23
Terminated plan participants entitled to but not yet receiving benefits	43
Active employees - below retirement age	47
Active employees - at or above retirement age	3
Total number of plan participants	116

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

16. Retirement Plans (continued)

County Defined Benefit Pension Plan, continued

Benefits Provided. The plan provides retirement, disability, and death benefits to all employees hired prior to December 31, 2005, and their beneficiaries, that have been employed full time for one year. Employees begin vesting after 3 years of service and are fully vested after 7 years. Members may retire at age 65 with 3 years of service, age 60 with 20 years of service, or age 55 with 25 years of service. Benefits are calculated at 1.10% of five years average earnings multiplied by credited service plus 0.65% of average earnings in excess of \$10,000 multiplied by credited service up to 35 years. Disability retirement benefits are determined in the same manner as retirement benefits but are payable after 6 months of disablement. Death benefits before retirement are payable on an insured death benefit equal to the greater of 60 times his monthly projected benefit, \$10,000, or the lump sum value of the vested benefit commencing at normal retirement age. No death benefit is payable after retirement unless an optional form of benefit had been elected which provides one. The plan was amended effective December 31, 2005, and participation was frozen for individuals who were not active employees or participants on that date and who were hired or rehired after that date.

Contributions. Contribution requirements are actuarially determined and may be amended by the County. Plan members are not allowed to contribute to the plan. The funding policy for the plan is to make annual contributions at least equal to the minimum contribution required for public retirement systems under Section 47-20-10 of the Official Code of Georgia Annotated. This minimum contribution is equal to the normal cost for the year plus annual payments to amortize increases (decreases) in the unfunded actuarial accrued liability over 15 years. During the current fiscal year, the County made actual contributions of \$910,000, or 36.07% of covered payroll.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At the end of the current fiscal year, the County reported a net pension liability of \$2,609,347. The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021. For the current fiscal year, the County recognized pension expense of \$447,251. For the governmental activities, the net pension liability is liquidated by the General Fund.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

16. Retirement Plans (continued)

County Defined Benefit Pension Plan, continued

The components of the net pension liability are as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at December 31, 2019	\$ 7,913,294	\$ 5,034,842	\$ 2,878,452
Changes for the year:			
Service cost	134,539	0	134,539
Interest	395,401	0	395,401
Difference between expected and actual experience	212,632	0	212,632
Changes of assumptions	(17,436)	0	(17,436)
Employer contributions	0	771,717	(771,717)
Net investment income	0	222,524	(222,524)
Benefit payments	(283,068)	(283,068)	0
Net changes	442,068	711,173	(269,105)
Balances at December 31, 2020	\$ 8,355,362	\$ 5,746,015	\$ 2,609,347
Plan fiduciary net position as a percentage of the total pension liability		68.77%	
Covered payroll		\$ 2,591,754	
Net pension liability as a percentage of covered payroll		100.68%	

At the end of the current fiscal year, the County reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 12,626	\$ 0
Differences between expected and actual experience	305,360	(55,045)
Changes of assumptions	0	(34,422)
County contributions subsequent to measurement date	700,000	0
Totals	\$ 1,017,986	\$ (89,467)

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

16. Retirement Plans (continued)

County Defined Benefit Pension Plan, continued

The \$700,000 of deferred outflows of resources resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net position liability in the subsequent fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

Fiscal Year Ending September 30	
2022	\$ 89,400
2023	113,032
2024	17,830
2025	8,257
Totals	<u><u>\$ 228,519</u></u>

Actuarial Assumptions. The total pension liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	4.00%
Future salary increases	4.00% per year
Cost of living adjustments	N/A
Net investment rate of return	5.00% per year, net of investment expenses
Healthy mortality rates were based on the RP-2014 Mortality Table (2006 base year) projected using improvement Scale MP-2020 applied on a generational basis. Disabled mortality rates were based on the RP-2014 Disabled Mortality Table (2006 base year) projected using improvement Scale MP-2020 applied on a generational basis.	

The mortality and economic actuarial assumptions used in the January 1, 2021 valuation were selected by the County. Given the size of the population, there is not enough creditable experience available to perform a detailed experience study.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

16. Retirement Plans (continued)

County Defined Benefit Pension Plan, continued

The long-term expected rate of return on pension plan investments was based upon a review of the existing portfolio structure, a review of recent experience, and future long-term expectations of rates of return. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
Fixed Income	5.00%	97.00%
Domestic Large Equities	9.00%	3.00%

Discount Rate. The discount rate used to measure the total pension liability was 5.00%. The projection of cash flows used to determine the discount rate assumed that Walker County contributions will continue to follow the current funding policy of contributing in excess of the employer normal cost plus a 12-year closed amortization of unfunded liabilities. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Had there been a point where assets were projected to be depleted, a municipal bond rate of 1.93% would have been used in the development of the blended GASB discount rate after that point. The 1.93% rate is based on the S&P Municipal Bond 20 Year High Grade Rate Index.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (4%) or 1 percentage-point higher (6% percent) than the current rate:

	Discount Rate	Net Pension Liability
1% decrease	4.00%	\$ 3,365,410
Current discount rate	5.00%	2,609,347
1% increase	6.00%	1,968,488

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

16. Retirement Plans (continued)

County Defined Benefit Pension Plan, continued

Investments. The investments in the pension plan are held by the Lincoln Financial Group and invested in compliance with the plan document. A summary of these investments at the end of the current fiscal year is as follows:

	Fair Value	Percent of Total
Guaranteed fixed income	\$ 5,939,949	96.87%
Balanced funds	71,262	1.17%
Government / corporate bond funds	24,169	0.39%
Equity growth funds	96,361	1.57%
	<u>\$ 6,131,741</u>	<u>100.00%</u>

County Defined Contribution Plan

The County also offers its employees a deferred compensation, defined contribution plan created under Internal Revenue Code Section 457. The Plan is administered by the Government Employee Benefits Corporation of Georgia (GEBCORP) as the third party service provider and The Charles Schwab Trust Company serves as the trustee of the trust fund under the Plan. Under the terms of the Plan, employees may defer a portion of their salary through voluntary contributions to the Plan. Employee contributions are limited to the maximum allowed by the Internal Revenue Code.

Funds are vested 100% at the time of contribution. Amounts held in the Plan are not available to the employees until termination, retirement, death, or unforeseeable emergency. During the current fiscal year, Plan members made voluntary contributions of \$302,790.

The County has no fiduciary relationship with the plan, and plan assets are not available to the County or its general creditors. The Plan assets are held in trust by the administrator for the exclusive benefit of the participants of the Plan. The County Commission provides for the policy through a County ordinance and maintains the authority to change the policy. Separate financial statements are not issued for the Plan.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

16. Retirement Plans (continued)

Other County Plans

In addition to the plan above, various County employees are covered under the following plans: Georgia Firefighters' Pension Fund, Georgia State Employees' Retirement System (ERS), Magistrates' Retirement Fund of Georgia, Peace Officers' Annuity and Benefit Fund of Georgia, Probate Judges' Retirement Fund of Georgia, Sheriffs' Retirement Fund of Georgia, and Superior Court Clerks' Retirement Fund of Georgia. Further information regarding these plans can be obtained from the plans' annual reports. These plans are immaterial to the financial statements.

Walker County Health Department Retirement Plan

Eligible employees of the Walker County Health Department participate in the Georgia State Employees' Retirement System (ERS), a statewide cost-sharing multiple-employer defined benefit public employee retirement system. During the fiscal year ended June 30, 2021, the Health Department contributed \$96,168. As of June 30, 2021, the Health Department reported a liability in the amount of \$726,827 for its proportionate share (0.017244%) of the net pension liability. The Health Department recognized pension expense of \$29,053 for the fiscal year ended June 30, 2021. Further information regarding the plan can be obtained from the Department's annual audit report by contacting Walker County Health Department, 603 E Villanow St., LaFayette, GA 30728.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

17. Other Post-Employment Benefits

Walker County Health Department OPEB Plans

Eligible employees of the Walker 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 post-employment benefit plan. During the fiscal year ended June 30, 2021, the Health Department contributed \$21,709. As of June 30, 2021, the Health Department reported a net liability in the amount of \$108,276 for its proportionate share (0.015860% for the State of Georgia OPEB Fund and 0.024721% for the SEAD-OPEB Fund) of the net OPEB liability. The Health Department recognized OPEB expense of (\$159,486) for the fiscal year ended June 30, 2021. Further information regarding the plan can be obtained from the Department's annual audit report by contacting Walker County Health Department, 603 E Villanow St., LaFayette, GA 30728.

18. Hotel/Motel Lodging Tax

The County has levied a 8% lodging tax in accordance with OCGA 48-13-51(b). A summary of the transactions for the current fiscal year follows:

Lodging tax receipts	\$ 195,548
Disbursements for trade and tourism	\$ 89,173 46% of tax receipts
Disbursements for tourism product development	\$ 0 0% of tax receipts
Transfers to the General Fund	\$ 0 0% of tax receipts

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

19. Tax Abatements

The County enters into property tax abatement agreements in order to induce individuals or entities to take specific actions that contribute to the economic development or otherwise benefit the County or its citizens. Pursuant to GASB Statement No. 77, *Tax Abatement Disclosures*, the County discloses the following information related to its tax abatement agreements. For the current fiscal year, the County abated ad valorem property taxes totaling \$654,145. Individual tax abatement agreements that each exceeded ten percent of the total amount abated are as follows:

- 100% property tax abatement for a local manufacturer of consumer goods for continued investment in operations and local employment. The abatement amounted to \$265,394.
- 100% property tax abatement for a local manufacturer of consumer goods for continued investment in operations and local employment. The abatement amounted to \$124,151.
- 40% property tax abatement for a local manufacturer of commercial goods for continued investment in operations and local employment. The abatement amounted to \$243,868.

20. Joint Venture

Under Georgia law, the County, in conjunction with other cities and counties in the northwest Georgia area, is a member of the Northwest Georgia Regional Commission (RC) and is required to pay annual dues thereto. Membership in the RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official in each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. A copy of the RC financial statements can be obtained from Northwest Georgia Regional Commission, PO Box 1798, Rome, Georgia 30162.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

21. Risk Management

The County is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Being unable to obtain workers' compensation insurance at a cost it considered to be economically justifiable, the County joined together with other counties in the state in participation in the Association of County Commissioners of Georgia - Group Self-Insured Workers' Compensation Fund (the Fund). These are public entity risk pools currently operating as a common risk management and insurance program for many of the counties in the State. The County pays an annual premium to the Fund for workers' compensation insurance coverage. The agreement between the members of the public entity risk pools provides that members may be required to pay additional assessments as shall be established by the board of the pool. However, no additional assessments have been required of the members since formation of the pools.

The County is obligated to cooperate with the pools' agents and attorneys, to follow loss reduction procedures established by the Fund, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the Fund being required to pay any claim of loss. The County is also to allow the 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 Fund is to defend and protect the members of the Fund against liability or loss as prescribed in the member government's contracts and in accordance with the workers' compensation laws of Georgia. The Fund is 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.

The County continues to carry commercial insurance for general liability, employee health, and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

21. Risk Management (continued)

The County maintains a medical benefit plan to self-insure claims up to \$110,000 per year for each individual covered; claims above \$110,000 are covered by a stop-loss insurance policy. The County also had an aggregate stop-loss insurance policy which covers claims above \$204,147 monthly and \$2,449,759 annually. The County and its covered employees contribute to the fund to pay the claims and stop-loss insurance premiums. At the end of the current fiscal year, management believes that the County has made provisions sufficient to cover estimated claims, including claims incurred but not yet reported.

A summary of the changes in claims liability for the current fiscal year is as follows:

Beginning balance	\$ 176,933
Incurred claims, net of any changes	2,605,256
Payments	<u>(2,535,413)</u>
Ending balance	<u><u>\$ 246,776</u></u>

22. Commitments and Contingencies

Commitments

At the end of the current fiscal year, the County has outstanding agreements with contractors for future work on existing construction projects in the approximate amount of \$7,397,377.

Contingencies

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

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

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

23. Transportation Expenditures

Amounts expended on transportation include transportation maintenance and operation costs and correspond with classifications and subclassifications specified in the local government uniform chart of accounts under subsection (e) of Code Section 36-81-3 within section 4200, including noncapital expenditures within sections 4210-4290.

Total general fund expenditures within these categories totaled \$1,803,805 for the current fiscal year.

24. Related Party Transactions

The County is governed by a Board of Commissioners. The Chairman of the Board is also listed as the CEO of Whitfield Oil Company. Whitfield Oil Company is a vendor for the County. During the current fiscal year, the County paid a total of \$2,483 to Whitfield Oil Company for lubricants and specialty products that were competitively priced with other local vendors.

25. Excess of Expenditures over Appropriations in Individual Governmental Funds for which Budgets are Adopted

During the current fiscal year, the County incurred material expenditures in the General Fund which were in excess of the amounts appropriated:

Department	Budget	Actual	Variance
Elections	\$ 297,089	\$ 334,870	\$ (37,781)
Data Processing	707,040	823,320	(116,280)
Risk Management	385,000	406,530	(21,530)
Medical Services	250,000	1,084,583	(834,583)
Coroner / Medical Examiner	80,000	96,483	(16,483)
Emergency Management	111,210	142,376	(31,166)
DFACS Building and Plant	19,500	103,122	(83,622)
Library Administration	300,000	446,705	(146,705)

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

25. Excess of Expenditures over Appropriations in Individual Governmental Funds for which Budgets are Adopted (continued)

Also during the current fiscal year, the County incurred material expenditures in excess of the amounts appropriated in the following special revenue funds:

Fund	Budget	Actual	Variance
Fire and Rescue	\$ 3,982,000	\$ 4,545,009	\$ (563,009)
Development Authority	0	1,308,654	(1,308,654)
Law Library	19,900	29,278	(9,378)
Hotel/Motel Tax	40,100	89,173	(49,073)
Transportation	913,500	1,225,387	(311,887)
Forfeiture	0	47,258	(47,258)
Inmate Welfare	0	22,487	(22,487)
Sheriff Special Projects	0	46,991	(46,991)

26. New Accounting Pronouncements

The County implemented GASB Statement No. 84, *Fiduciary Activities*, effective for the County's current fiscal year.

The County implemented GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, effective for the County's current fiscal year.

The County implemented GASB Statement No. 89, *Certain Accounting for Interest Cost Incurred Before the End of a Construction Period*, effective for the County's current fiscal year.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

27. Changes in Beginning Balances

Governmental Activities

A prior period adjustment has been made to correct the balance of net pension liability and related deferred outflows/inflows of resources at September 30, 2020. This adjustment decreased beginning net position by \$208,244.

General Fund

Prior period adjustments have been made to correct the balances of cash and cash equivalents at September 30, 2020. This adjustment decreased beginning fund balance by \$278,824.

Prior period adjustments have been made to correct the balance of cash and cash equivalents at September 30, 2020. These adjustments decreased beginning fund balance by \$336,582.

The net effect of these adjustments was to decrease beginning fund balance in the General Fund by \$615,406.

SPLOST Capital Projects Fund

A prior period adjustment has been made to correct the recording of accounts payable at September 30, 2020. This adjustment increased beginning fund balance by \$49,518.

Nonmajor Governmental Funds

Prior period adjustments have been made to correct the balance of cash and cash equivalents at September 30, 2020. These adjustments increased beginning net position by \$356,677.

The net effect of these adjustments was to decrease beginning net position in the Governmental Activities by \$417,455.

WALKER COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2021

27. Changes in Beginning Balances (continued)

Business-Type Activities

Landfill Enterprise Fund

A prior period adjustment has been made to correct the balance of net pension liability and related deferred outflows/inflows of resources at September 30, 2020. This adjustment decreased beginning net position by \$51,920.

Fiduciary Funds

Pension Trust Fund

A prior period adjustment has been made to record a receivable at September 30, 2020. This adjustment increased beginning net position by \$70,000.

Custodial Funds

Prior period adjustments have been made to adjust beginning net position in the Tax Commissioner, Clerk of Courts, and Sheriff Custodial Funds. These adjustments were required due to the implementation of GASB Statement No. 84, *Fiduciary Activities*, and increased beginning net position in the Tax Commissioner Custodial Fund by \$420,927, increased beginning net position in the Clerk of Courts Custodial Fund by \$286,861, and increased beginning net position in the Sheriff Custodial Fund by \$46,292.

The net effect of these adjustments increased beginning net position of the Custodial Funds by \$754,080.

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REQUIRED SUPPLEMENTARY INFORMATION

WALKER COUNTY, GEORGIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS
September 30, 2021
(Unaudited)

	Fiscal Year End	
	2021	2020
Total pension liability		
Service cost	\$ 134,539	\$ 138,054
Interest	395,401	367,748
Changes in benefit terms	0	0
Difference between expected and actual experience	212,632	333,886
Changes of assumptions	(17,436)	(16,465)
Benefit payments	(283,068)	(250,619)
Net change in total pension liability	442,068	572,604
Total pension liability - beginning	7,913,294	7,340,690
Total pension liability - ending (a)	\$ 8,355,362	\$ 7,913,294
Plan fiduciary net position		
Contributions - employer	\$ 771,717	\$ 910,000
Net investment income	222,524	203,293
Benefit payments	(283,068)	(250,619)
Administrative expense	0	0
Net change in plan fiduciary net position	711,173	862,674
Plan fiduciary net position - beginning	5,034,842	4,172,168
Plan fiduciary net position - ending (b)	\$ 5,746,015	\$ 5,034,842
Net pension liability - ending : (a) - (b)	\$ 2,609,347	\$ 2,878,452
Plan's fiduciary net position as a percentage of the total pension liability	68.77%	63.63%
Covered payroll	\$ 2,591,754	\$ 2,855,304
Net pension liability as a percentage of covered payroll	100.68%	100.81%

Note: Fiscal year 2015 was the first year of implementation. Therefore, fiscal years prior are not reported.

Fiscal Year End				
2019	2018	2017	2016	2015
\$ 155,675	\$ 170,632	\$ 251,876	\$ 226,555	\$ 274,417
373,305	370,165	397,057	505,649	554,233
0	0	352,565	0	0
(178,288)	27,320	586,414	7,761	47,438
(16,977)	(68,704)	(35,676)	681,701	0
(599,570)	(425,759)	(3,502,918)	(413,705)	(2,840,762)
(265,855)	73,654	(1,950,682)	1,007,961	(1,964,674)
7,606,545	7,532,891	9,483,573	8,475,612	10,440,286
<u>\$ 7,340,690</u>	<u>\$ 7,606,545</u>	<u>\$ 7,532,891</u>	<u>\$ 9,483,573</u>	<u>\$ 8,475,612</u>
\$ 840,000	\$ 786,726	\$ 859,582	\$ 790,436	\$ 780,000
259,531	192,153	126,602	122,382	272,621
(599,570)	(425,759)	(3,502,918)	(413,705)	(2,840,762)
0	(16,726)	(19,582)	(20,436)	(31,334)
499,961	536,394	(2,536,316)	478,677	(1,819,475)
3,672,207	3,135,813	5,672,129	5,193,452	7,012,927
<u>\$ 4,172,168</u>	<u>\$ 3,672,207</u>	<u>\$ 3,135,813</u>	<u>\$ 5,672,129</u>	<u>\$ 5,193,452</u>
<u>\$ 3,168,522</u>	<u>\$ 3,934,338</u>	<u>\$ 4,397,078</u>	<u>\$ 3,811,444</u>	<u>\$ 3,282,160</u>
56.84%	48.28%	41.63%	59.81%	61.28%
\$ 2,836,012	\$ 3,027,577	\$ 3,271,128	\$ 4,536,786	\$ 5,285,342
111.72%	129.95%	134.42%	84.01%	62.10%

WALKER COUNTY, GEORGIA
SCHEDULE OF PENSION CONTRIBUTIONS
LAST TEN FISCAL YEARS
September 30, 2021
(Unaudited)

	Fiscal Year End			
	2021	2020	2019	2018
Actuarially determined contribution	\$ 422,751	\$ 447,694	\$ 465,053	\$ 542,501
Contributions in relation to the actuarially determined contribution	<u>(910,000)</u>	<u>(910,000)</u>	<u>(840,000)</u>	<u>(786,726)</u>
Contribution deficiency (excess)	<u><u>\$ (487,249)</u></u>	<u><u>\$ (462,306)</u></u>	<u><u>\$ (374,947)</u></u>	<u><u>\$ (244,225)</u></u>
Covered payroll	\$ 2,522,676	\$ 2,855,304	\$ 2,836,012	\$ 3,027,577
Contributions as a percentage of covered payroll	36.07%	31.87%	29.62%	25.99%

Fiscal Year End					
2017	2016	2015	2014	2013	2012
\$ 597,452	\$ 573,095	\$ 551,476	\$ 167,932	\$ 565,166	\$ 796,609
<u>(859,582)</u>	<u>(790,436)</u>	<u>(804,705)</u>	<u>(941,295)</u>	<u>(945,118)</u>	<u>(1,290,355)</u>
<u>\$ (262,130)</u>	<u>\$ (217,341)</u>	<u>\$ (253,229)</u>	<u>\$ (773,363)</u>	<u>\$ (379,952)</u>	<u>\$ (493,746)</u>
\$ 3,271,128	\$ 4,536,786	\$ 5,347,289	\$ 5,682,532	\$ 6,354,848	\$ 6,531,854
26.28%	17.42%	15.05%	16.56%	14.87%	19.75%

WALKER COUNTY, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2021

1. Valuation Date

The actuarially determined contribution rate was determined as of January 1, 2021, with an interest adjustment to the fiscal year.

2. Methods and Assumptions Used to Determine Contribution 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 12 years

Asset valuation method = Market value

Net investment rate of return = 5.00% per year, net of investment expenses

Future salary increases = 4.00% per year

Cost of living adjustments = N/A

Normal retirement age = 65

Mortality = Healthy mortality rates were based on the RP-2014 Mortality Table (2006 base year) projected using improvement Scale MP-2020 applied on a generational basis. Disabled mortality rates were based on the RP-2014 Disabled Mortality Table (2006 base year) projected using improvement Scale MP-2020 applied on a generational basis.

3. Changes in Benefits

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

WALKER COUNTY, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2021

4. Changes of Assumptions

The mortality improvement scale was changed from MP-2019 to MP-2020 applied on a generational basis. The effect of the assumption change was a decrease in the actuarial accrued liability.

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COMBINING STATEMENTS

Nonmajor Governmental Funds

WALKER COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2021

	Special Revenue										Total Nonmajor Governmental Funds
	Law Library	Court Supervision	E911	Special Court	Multiple Grant	Hotel / Motel Tax	Transportation	Forfeiture	Inmate Welfare	Sheriff Special Projects	
ASSETS											
Cash and cash equivalents	\$ 28,777	\$ 23,079	\$ 0	\$ 0	\$ 897,635	\$ 177,794	\$ 0	\$ 54,097	\$ 83,701	\$ 76,837	\$ 1,341,920
Receivables											
Accounts	0	0	199,949	0	0	0	2,788	0	11,437	0	214,174
Intergovernmental	0	0	0	89,888	70,076	0	119,565	2,141	0	0	281,670
Taxes	0	0	0	0	0	26,991	0	0	0	0	26,991
Due from other funds	0	0	0	91,405	0	0	0	207,179	0	0	298,584
Total assets	\$ 28,777	\$ 23,079	\$ 199,949	\$ 181,293	\$ 967,711	\$ 204,785	\$ 122,353	\$ 263,417	\$ 95,138	\$ 76,837	\$ 2,163,339
LIABILITIES AND FUND BALANCES											
Liabilities											
Accounts payable	\$ 0	\$ 0	\$ 7,318	\$ 94,661	\$ 10,662	\$ 32,125	\$ 2,195	\$ 321	\$ 0	\$ 0	\$ 147,282
Accrued liabilities	0	0	3,201	607	0	0	1,621	0	0	0	5,429
Due to other funds	0	0	28,093	0	901,484	19,121	26,068	0	0	0	974,766
Unearned revenue	0	0	0	0	12,887	0	0	0	0	0	12,887
Other liabilities	0	0	0	0	0	0	0	54,097	0	0	54,097
Total liabilities	0	0	38,612	95,268	925,033	51,246	29,884	54,418	0	0	1,194,461
Fund balances											
Restricted for:											
Law library operations	28,777	0	0	0	0	0	0	0	0	0	28,777
Judicial activities	0	23,079	0	86,025	0	0	0	0	0	0	109,104
E911 system operations	0	0	161,337	0	0	0	0	0	0	0	161,337
Sheriff facilities, equipment, and operations	0	0	0	0	0	0	0	208,999	95,138	76,837	380,974
Transit system operations	0	0	0	0	0	0	92,469	0	0	0	92,469
Trade and tourism	0	0	0	0	0	15,269	0	0	0	0	15,269
Tourism product development	0	0	0	0	0	36,785	0	0	0	0	36,785
Grant specifications	0	0	0	0	42,678	0	0	0	0	0	42,678
Assigned for trade and tourism	0	0	0	0	0	101,485	0	0	0	0	101,485
Total fund balances	28,777	23,079	161,337	86,025	42,678	153,539	92,469	208,999	95,138	76,837	968,878
Total liabilities and fund balances	\$ 28,777	\$ 23,079	\$ 199,949	\$ 181,293	\$ 967,711	\$ 204,785	\$ 122,353	\$ 263,417	\$ 95,138	\$ 76,837	\$ 2,163,339

WALKER COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended September 30, 2021

	Special Revenue										Total Nonmajor Governmental Funds
	Law Library	Court Supervision	E911	Special Court	Multiple Grant	Hotel/Motel Tax	Transportation	Forfeiture	Inmate Welfare	Sheriff Special Projects	
REVENUES											
Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 195,548	\$ 0	\$ 0	\$ 0	\$ 0	\$ 195,548
Intergovernmental	0	0	0	415,184	372,361	0	1,058,122	0	0	0	1,845,667
Charges for services	0	0	1,225,959	0	0	0	87,369	5,367	70,483	0	1,389,178
Fines, fees, and forfeitures	16,430	1,525	0	0	0	0	0	13,556	0	0	31,511
Interest	0	100	0	0	0	637	0	0	0	56	793
Contributions	0	0	0	0	0	0	0	0	0	70,571	70,571
Total revenues	16,430	1,625	1,225,959	415,184	372,361	196,185	1,145,491	18,923	70,483	70,627	3,533,268
EXPENDITURES											
Current											
Judicial	29,278	0	0	421,369	351,224	0	0	0	0	0	801,871
Public Safety	0	0	1,215,665	0	64,550	0	0	47,258	22,487	46,991	1,396,951
Public Works	0	0	0	0	15,018	0	0	0	0	0	15,018
Health and Welfare	0	0	0	0	0	0	1,225,387	0	0	0	1,225,387
Housing and Development	0	0	0	0	0	89,173	0	0	0	0	89,173
Debt service	0	0	40,481	0	0	0	0	0	0	0	40,481
Total expenditures	29,278	0	1,256,146	421,369	430,792	89,173	1,225,387	47,258	22,487	46,991	3,568,881
Excess (deficiency) of revenues over (under) expenditures	(12,848)	1,625	(30,187)	(6,185)	(58,431)	107,012	(79,896)	(28,335)	47,996	23,636	(35,613)
Other financing sources (uses)											
Transfers in	0	0	0	20,000	58,431	0	79,896	0	0	0	158,327
Transfers out	0	0	0	0	0	0	0	(19,000)	0	0	(19,000)
Total other financing sources (uses)	0	0	0	20,000	58,431	0	79,896	(19,000)	0	0	139,327
Net change in fund balances	(12,848)	1,625	(30,187)	13,815	0	107,012	0	(47,335)	47,996	23,636	103,714
Fund balances, October 1 (original)	41,625	21,454	191,524	72,210	42,678	46,527	92,469	0	0	0	508,487
Prior period adjustments	0	0	0	0	0	0	0	256,334	47,142	53,201	356,677
Fund balances, October 1 (restated)	41,625	21,454	191,524	72,210	42,678	46,527	92,469	256,334	47,142	53,201	865,164
Fund balances, September 30	\$ 28,777	\$ 23,079	\$ 161,337	\$ 86,025	\$ 42,678	\$ 153,539	\$ 92,469	\$ 208,999	\$ 95,138	\$ 76,837	\$ 968,878

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally or donor restricted or committed to expenditure for particular purposes.

Law Library Fund – This fund is used to account for the fines and forfeitures received that are restricted for providing a County Law Library.

Court Supervision Fund – This fund is used to account for fines and fees restricted for juvenile programs in the justice system.

E911 Fund – This fund is used to account for receipt of fees imposed on land and wireless telephone lines in the County used to offset the operation and personnel costs of providing emergency services.

Special Court Fund – This fund is used to account for grant revenues for the court system.

Multiple Grant Fund – This fund is used to account for grant monies received from various Federal and State agencies and the expenditure of these monies for the purposes intended.

Hotel / Motel Tax Fund – This fund is used to account for hotel/motel tax collections that are restricted for tourism in the County.

Transportation Fund – This fund is used to account for the operations of the Walker County Transit System.

Forfeiture Fund – This fund is used to account for forfeitures that are restricted for law enforcement.

Inmate Welfare Fund – This fund is used to account for receipts from commissary sales restricted for use of the benefit of inmates in the County jail.

Sheriff Special Projects Fund – This fund is used to account for contributions restricted for Sheriff programs.

WALKER COUNTY, GEORGIA
LAW LIBRARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended September 30, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines, fees, and forfeitures	\$ 19,900	\$ 16,430	\$ (3,470)
Total revenues	<u>19,900</u>	<u>16,430</u>	<u>(3,470)</u>
EXPENDITURES			
Current			
Judicial			
Contract services	9,000	16,446	(7,446)
Materials and supplies	10,900	12,832	(1,932)
Total expenditures	<u>19,900</u>	<u>29,278</u>	<u>(9,378)</u>
Net change in fund balances	0	(12,848)	(12,848)
Fund balances, October 1	<u>0</u>	<u>41,625</u>	<u>41,625</u>
Fund balances, September 30	<u><u>\$ 0</u></u>	<u><u>\$ 28,777</u></u>	<u><u>\$ 28,777</u></u>

WALKER COUNTY, GEORGIA
COURT SUPERVISION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended September 30, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines, fees, and forfeitures	\$ 4,150	\$ 1,525	\$ (2,625)
Interest	<u>150</u>	<u>100</u>	<u>(50)</u>
Total revenues	<u>4,300</u>	<u>1,625</u>	<u>(2,675)</u>
EXPENDITURES			
Current			
Judicial			
Contract services	<u>4,300</u>	<u>0</u>	<u>4,300</u>
Total expenditures	<u>4,300</u>	<u>0</u>	<u>4,300</u>
Net change in fund balances	0	1,625	1,625
Fund balances, October 1	<u>0</u>	<u>21,454</u>	<u>21,454</u>
Fund balances, September 30	<u><u>\$ 0</u></u>	<u><u>\$ 23,079</u></u>	<u><u>\$ 23,079</u></u>

WALKER COUNTY, GEORGIA
E911 SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended September 30, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 1,205,809	\$ 1,225,959	\$ 20,150
Total revenues	<u>1,205,809</u>	<u>1,225,959</u>	<u>20,150</u>
EXPENDITURES			
Current			
Public Safety			
Personal services	1,007,400	997,019	10,381
Contract services	236,050	168,282	67,768
Materials and supplies	39,850	37,472	2,378
Capital outlay	0	12,892	(12,892)
Debt service			
Public Safety			
Principal	39,009	39,003	6
Interest	1,500	1,478	22
Total expenditures	<u>1,323,809</u>	<u>1,256,146</u>	<u>67,663</u>
Excess (deficiency) of revenues over (under) expenditures	(118,000)	(30,187)	87,813
Other financing sources (uses)			
Transfers in (out)			
General Fund	<u>118,000</u>	<u>0</u>	<u>(118,000)</u>
Net change in fund balances	0	(30,187)	(30,187)
Fund balances, October 1	<u>0</u>	<u>191,524</u>	<u>191,524</u>
Fund balances, September 30	<u><u>\$ 0</u></u>	<u><u>\$ 161,337</u></u>	<u><u>\$ 161,337</u></u>

WALKER COUNTY, GEORGIA
SPECIAL COURT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended September 30, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 424,285	\$ 415,184	\$ (9,101)
Total revenues	<u>424,285</u>	<u>415,184</u>	<u>(9,101)</u>
EXPENDITURES			
Current			
Judicial			
Personal services	187,968	197,957	(9,989)
Contract services	209,205	223,412	(14,207)
Materials and supplies	40,000	0	40,000
Total expenditures	<u>437,173</u>	<u>421,369</u>	<u>15,804</u>
Excess (deficiency) of revenues over (under) expenditures	(12,888)	(6,185)	6,703
Other financing sources (uses)			
Transfers in (out)			
General Fund	12,888	20,000	7,112
Net change in fund balances	0	13,815	13,815
Fund balances, October 1	0	72,210	72,210
Fund balances, September 30	<u><u>\$ 0</u></u>	<u><u>\$ 86,025</u></u>	<u><u>\$ 86,025</u></u>

WALKER COUNTY, GEORGIA
MULTIPLE GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended September 30, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 768,484	\$ 372,361	\$ (396,123)
Total revenues	<u>768,484</u>	<u>372,361</u>	<u>(396,123)</u>
EXPENDITURES			
Current			
Judicial			
Personal services	197,303	224,992	(27,689)
Contract services	104,993	122,153	(17,160)
Materials and supplies	11,149	4,079	7,070
Public Safety			
Personal services	435,498	20,627	414,871
Materials and supplies	41,254	22,245	19,009
Capital outlay	41,603	21,678	19,925
Public Works			
Personal services	<u>0</u>	<u>15,018</u>	<u>(15,018)</u>
Total expenditures	<u>831,800</u>	<u>430,792</u>	<u>401,008</u>
Excess (deficiency) of revenues over (under) expenditures	(63,316)	(58,431)	4,885
Other financing sources (uses)			
Transfers in (out)			
General Fund	<u>63,316</u>	<u>58,431</u>	<u>(4,885)</u>
Net change in fund balances	0	0	0
Fund balances, October 1	<u>0</u>	<u>42,678</u>	<u>42,678</u>
Fund balances, September 30	<u><u>\$ 0</u></u>	<u><u>\$ 42,678</u></u>	<u><u>\$ 42,678</u></u>

WALKER COUNTY, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended September 30, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Taxes	\$ 40,000	\$ 195,548	\$ 155,548
Interest	100	637	537
Total revenues	<u>40,100</u>	<u>196,185</u>	<u>156,085</u>
EXPENDITURES			
Current			
Housing and Development			
Contract services	<u>40,100</u>	<u>89,173</u>	<u>(49,073)</u>
Total expenditures	<u>40,100</u>	<u>89,173</u>	<u>(49,073)</u>
Net change in fund balances	0	107,012	107,012
Fund balances, October 1	<u>0</u>	<u>46,527</u>	<u>46,527</u>
Fund balances, September 30	<u><u>\$ 0</u></u>	<u><u>\$ 153,539</u></u>	<u><u>\$ 153,539</u></u>

WALKER COUNTY, GEORGIA
TRANSPORTATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended September 30, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 382,750	\$ 1,058,122	\$ 675,372
Charges for services	148,000	87,369	(60,631)
Total revenues	<u>530,750</u>	<u>1,145,491</u>	<u>614,741</u>
EXPENDITURES			
Current			
Health and Welfare			
Personal services	737,000	543,566	193,434
Contract services	54,000	41,147	12,853
Materials and supplies	122,500	137,707	(15,207)
Capital outlay	0	502,967	(502,967)
Total expenditures	<u>913,500</u>	<u>1,225,387</u>	<u>(311,887)</u>
Excess (deficiency) of revenues over (under) expenditures	(382,750)	(79,896)	302,854
Other financing sources (uses)			
Transfers in (out)			
General Fund	<u>382,750</u>	<u>79,896</u>	<u>(302,854)</u>
Net change in fund balances	0	0	0
Fund balances, October 1	<u>0</u>	<u>92,469</u>	<u>92,469</u>
Fund balances, September 30	<u><u>\$ 0</u></u>	<u><u>\$ 92,469</u></u>	<u><u>\$ 92,469</u></u>

WALKER COUNTY, GEORGIA
FORFEITURE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended September 30, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 0	\$ 5,367	\$ 5,367
Fines, fees, and forfeitures	<u>0</u>	<u>13,556</u>	<u>13,556</u>
Total revenues	<u>0</u>	<u>18,923</u>	<u>18,923</u>
EXPENDITURES			
Current			
Public Safety			
Personal services	0	11,423	(11,423)
Contract services	0	20,163	(20,163)
Materials and supplies	0	8,844	(8,844)
Capital outlay	0	6,328	(6,328)
Payments to others	<u>0</u>	<u>500</u>	<u>(500)</u>
Total expenditures	<u>0</u>	<u>47,258</u>	<u>(47,258)</u>
Excess (deficiency) of revenues over (under) expenditures	0	(28,335)	(28,335)
Other financing sources (uses)			
Transfers in (out)			
General Fund	<u>0</u>	<u>(19,000)</u>	<u>(19,000)</u>
Net change in fund balances	<u>0</u>	<u>(47,335)</u>	<u>(47,335)</u>
Fund balances, October 1 (original)	0	0	0
Prior period adjustments	<u>0</u>	<u>256,334</u>	<u>256,334</u>
Fund balances, October 1 (restated)	<u>0</u>	<u>256,334</u>	<u>256,334</u>
Fund balances, September 30	<u><u>\$ 0</u></u>	<u><u>\$ 208,999</u></u>	<u><u>\$ 208,999</u></u>

WALKER COUNTY, GEORGIA
INMATE WELFARE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended September 30, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 0	\$ 70,483	\$ 70,483
Total revenues	<u>0</u>	<u>70,483</u>	<u>70,483</u>
EXPENDITURES			
Current			
Public Safety			
Materials and supplies	<u>0</u>	<u>22,487</u>	<u>(22,487)</u>
Total expenditures	<u>0</u>	<u>22,487</u>	<u>(22,487)</u>
Net change in fund balances	<u>0</u>	<u>47,996</u>	<u>47,996</u>
Fund balances, October 1 (original)	0	0	0
Prior period adjustments	<u>0</u>	<u>47,142</u>	<u>47,142</u>
Fund balances, October 1 (restated)	<u>0</u>	<u>47,142</u>	<u>47,142</u>
Fund balances, September 30	<u><u>\$ 0</u></u>	<u><u>\$ 95,138</u></u>	<u><u>\$ 95,138</u></u>

WALKER COUNTY, GEORGIA
SHERIFF SPECIAL PROJECTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended September 30, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Interest	\$ 0	\$ 56	\$ 56
Contributions	<u>0</u>	<u>70,571</u>	<u>70,571</u>
Total revenues	<u>0</u>	<u>70,627</u>	<u>70,627</u>
EXPENDITURES			
Current			
Public Safety			
Materials and supplies	<u>0</u>	<u>46,991</u>	<u>(46,991)</u>
Total expenditures	<u>0</u>	<u>46,991</u>	<u>(46,991)</u>
Net change in fund balances	<u>0</u>	<u>23,636</u>	<u>23,636</u>
Fund balances, October 1 (original)	0	0	0
Prior period adjustments	<u>0</u>	<u>53,201</u>	<u>53,201</u>
Fund balances, October 1 (restated)	<u>0</u>	<u>53,201</u>	<u>53,201</u>
Fund balances, September 30	<u><u>\$ 0</u></u>	<u><u>\$ 76,837</u></u>	<u><u>\$ 76,837</u></u>

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CUSTODIAL FUNDS

These funds are used to account for assets held by the County as a custodian to be expended in accordance with the conditions of its custodial capacity.

Tax Commissioner - This fund accounts for assets and related liabilities for the collection of taxes and tag and title fees.

Clerk of Courts, Probate Judge, and Magistrate Judge - These funds account for assets and related liabilities for the collection of court related fees.

Sheriff - This fund accounts for deposits held for incarcerated inmates.

WALKER COUNTY, GEORGIA
CUSTODIAL FUNDS
STATEMENT OF FIDUCIARY NET POSITION
September 30, 2021

	<u>Tax Commissioner</u>	<u>Clerk of Courts</u>	<u>Probate Judge</u>	<u>Magistrate Judge</u>	<u>Sheriff</u>	<u>Total Custodial Funds</u>
ASSETS						
Cash and cash equivalents	\$ 2,054,479	\$ 1,160,556	\$ 4,447	\$ 12,968	\$ 60,233	\$ 3,292,683
Taxes receivable	<u>23,700,916</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>23,700,916</u>
Total assets	<u>25,755,395</u>	<u>1,160,556</u>	<u>4,447</u>	<u>12,968</u>	<u>60,233</u>	<u>26,993,599</u>
LIABILITIES						
Due to others	<u>25,244,054</u>	<u>943,948</u>	<u>4,447</u>	<u>12,968</u>	<u>6,126</u>	<u>26,211,543</u>
NET POSITION						
Restricted for individuals, organizations, and other governments	<u>\$ 511,341</u>	<u>\$ 216,608</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 54,107</u>	<u>\$ 782,056</u>

WALKER COUNTY, GEORGIA
CUSTODIAL FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the fiscal year ended September 30, 2021

	Tax Commissioner	Clerk of Courts	Probate Judge	Magistrate Judge	Sheriff	Total Custodial Funds
ADDITIONS						
Taxes collected for other agencies	\$ 33,665,512	\$ 0	\$ 0	\$ 0	\$ 0	\$ 33,665,512
Court fees collected for other agencies	0	1,339,858	98,767	90,944	0	1,529,569
Court individual cases	0	92,655	0	0	0	92,655
Sheriff inmate account deposits	0	0	0	0	563,965	563,965
Total additions	33,665,512	1,432,513	98,767	90,944	563,965	35,851,701
DEDUCTIONS						
Taxes distributed to other agencies	33,575,098	0	0	0	0	33,575,098
Court fees distributed to other agencies	0	1,360,616	98,767	90,944	0	1,550,327
Payments to others	0	142,150	0	0	0	142,150
Payments from inmates to others	0	0	0	0	556,150	556,150
Total deductions	33,575,098	1,502,766	98,767	90,944	556,150	35,823,725
Change in net position	90,414	(70,253)	0	0	7,815	27,976
Net position, October 1 (original)	0	0	0	0	0	0
Prior period adjustments	420,927	286,861	0	0	46,292	754,080
Net position, October 1 (restated)	420,927	286,861	0	0	46,292	754,080
Net position, September 30	\$ 511,341	\$ 216,608	\$ 0	\$ 0	\$ 54,107	\$ 782,056

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SINGLE AUDIT SECTION

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**Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed In Accordance with *Government Auditing Standards***

Honorable Chairman and Members
of the Board of Commissioners
Walker 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of Walker County, Georgia, as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise Walker County, Georgia's basic financial statements and have issued our report thereon dated October 14, 2022. Our report includes a reference to other auditors who audited the financial statements of the Walker County Health Department, as described in our report on Walker County, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that were reported on separately by those auditors.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2021-001 to 2021-004 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompany schedule of findings and questioned costs as items 2021-005 to 2021-011 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Walker County, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2021-012.

Walker County, Georgia's Responses to Findings

Walker County, Georgia's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Walker County, Georgia's responses were 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 Walker County, Georgia's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rushton, LLC

Certified Public Accountants

Gainesville, Georgia
October 14, 2022

**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
Walker County, Georgia

Report on Compliance for Each Major Federal Program

We have audited Walker County, Georgia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Walker County, Georgia's major federal programs for the year ended September 30, 2021. Walker 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Walker County, Georgia's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Walker County, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Walker County, Georgia's compliance.

Opinion on Each Major Federal Program

In our opinion, Walker 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 September 30, 2021.

Report on Internal Control over Compliance

Management of Walker County, Georgia is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Walker County, Georgia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Walker County, Georgia's 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 and 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 a 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 over compliance 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of 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.

Rushton, LLC

Certified Public Accountants

Gainesville, Georgia
October 14, 2022

WALKER COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the fiscal year ended September 30, 2021

Federal Grant/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass- Through Number	Expenditures
<u>U.S. Department of Justice</u>			
Passed through the Criminal Justice Coordinating Council Crime Victim Assistance	16.575	C19-8-102 C19-8-103	\$ 33,816 159,225 <u>193,041</u>
Bulletproof Vest Partnership Program	16.607	N/A	2,210
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	<u>14,076</u>
Total U.S. Department of Justice			<u>209,327</u>
<u>U.S. Department of Transportation</u>			
Passed through the Georgia Department of Transportation: Formula Grants for Rural Areas	20.509	T006392	391,717
COVID-19 Formula Grants for Rural Areas	20.509	T006392	<u>666,406</u>
Total U.S. Department of Transportation			<u>1,058,123</u>
<u>U.S. Department of the Treasury</u>			
Equitable Sharing Program	21.016	N/A	<u>1,500</u>
<u>U.S. Department of Homeland Security</u>			
Passed through the Georgia Emergency Management Agency: Homeland Security Grant Program	97.067	EMA 2020-EP-00012	<u>20,453</u>
Total Federal Awards			<u><u>\$ 1,289,403</u></u>

See accompanying notes to the schedule of expenditures of federal awards and the schedule of findings and questioned costs.

WALKER COUNTY, GEORGIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the fiscal year ended September 30, 2021

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Walker County, Georgia, under programs for the federal government for the fiscal year ended September 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) 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.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in 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 to reimbursement.

3. De Minimis Indirect Cost Rate

Walker County, Georgia has elected to use the 10-percent *de minimis* indirect cost rate allowed under the Uniform Guidance.

4. Payments to Subrecipients

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

WALKER COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the fiscal year ended September 30, 2021

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?	Yes
Significant deficiencies identified not considered material weaknesses?	Yes
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 the Uniform Guidance?	None reported
Identification of major programs:	
20.509 COVID-19 Formula Grants for Rural Areas and Tribal Transit Program	
20.509 Formula Grants for Rural Areas and Tribal Transit Program	
Dollar threshold used to distinguish Between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

WALKER COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the fiscal year ended September 30, 2021

2. Financial Statement Findings and Responses

A. Current Year Audit Findings

2021-001

Condition: The prior fiscal year financial statements were restated for errors and incorrectly reported amounts in the Governmental Activities, General Fund, and SPLOST Capital Projects Fund, Nonmajor Governmental Funds, Landfill Enterprise Fund, and Pension Trust Fund Fiduciary Fund.

Criteria: Generally accepted accounting principles require that accruals be properly calculated and recorded.

Effect: Failure to properly apply generally accepted accounting principles led to financial statements that were materially misstated.

Cause: Staff made various posting and classification errors.

Recommendation: Management should review their year-end procedures for recording assets and liabilities.

Management Response: Management concurs with this finding. The Finance Director will review all year-end accruals to ensure they are properly calculated and recorded. This action was taken immediately upon receipt of the comment from our auditors.

2021-002

Condition: The County lacks sufficient controls and procedures regarding year-end close to ensure timely and accurate financial reporting. This included material adjustments during the audit process.

Criteria: Internal controls should be in place to ensure the County can perform timely and accurate year-end close procedures for the County to be able to produce its annual financial statements timely.

Effect: Failure to properly design and implement internal controls over year-end close procedures may lead to financial statements that are materially misstated and lead to delays in financial reporting.

Cause: Various posting and classification errors led to account balances not agreeing to subsidiary ledgers.

Recommendation: We recommend that the County's Finance Department continue to implement and/or strengthen internal controls over the year-end closeout procedures. We also recommend management reconcile account balances monthly to the subsidiary ledgers to ensure proper and timely recording.

Management Response: Management concurs with this finding. Management will ensure that proper internal controls over the year-end close procedures are designed and implemented. Also, the Finance Department will ensure that account balances are reconciled monthly to the subsidiary ledgers. This action was taken immediately upon receipt of the comment from our auditors.

WALKER COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the fiscal year ended September 30, 2021

2. Financial Statement Findings and Responses (continued)

A. Current Year Audit Findings (continued)

2021-003

Condition: While performing audit procedures at the Sheriff's Department, we were unable to test traffic citations due to lack of supporting documentation. Supporting documentation was not generated, not maintained, or not provided.

Criteria: Proper internal controls require supporting documentation be maintained for all transactions.

Effect: Failure to maintain adequate control over traffic citations subjects the assets of the County to greater risk of misappropriation.

Cause: Adequate supporting documentation is not maintained for traffic citations.

Recommendation: In order to maintain adequate internal control over traffic citations, a process should be implemented that provides proper segregation of duties and adequate supporting documentation.

Management Response: Management has provided a copy of this finding to the appropriate Elected Official and they concur with this finding. Action was taken immediately upon receipt of this comment from our auditors.

2021-004

Condition: While performing audit procedures on cash, we noted the Jury bank account has not been reconciled in multiple years.

Criteria: Proper internal controls require that cash accounts be reconciled to the general ledger in a timely manner, usually monthly.

Effect: Failure to reconcile cash accounts exposes the County to greater risk of loss and may lead to management decisions based on incorrect information.

Cause: Staff is not reconciling the bank account monthly.

Recommendation: Bank reconciliations should be completed for all bank accounts on a monthly basis.

Management Response: Management has provided a copy of this finding. The jury bank account will be reconciled on a monthly basis. Action was taken immediately upon receipt of this comment from our auditors.

WALKER COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the fiscal year ended September 30, 2021

2. Financial Statement Findings and Responses (continued)

A. Current Year Audit Findings (continued)

2021-005

Condition: There is not appropriate segregation of duties between recording, distribution, and reconciliation of cash accounts and other operational functions in certain departments, component units, and constitutional offices of the County.

Criteria: Segregation of duties is a key internal control whereby the authorization, custody, record keeping, and reconciling duties are separated among several persons.

Effect: Failure to properly segregate the duties exposes the County to a greater risk of loss due to fraud.

Cause: There are several departments, component units, and constitutional offices of the County in which the segregation of duties could be improved.

Recommendation: Segregation of duties should be implemented to the extent practical and accounting records should be reviewed by responsible officials on a regular basis.

Management Response: Management concurs with this finding. The County Administration will work to continually improve and implement as many procedures as possible to improve internal controls in this area. This action was taken immediately upon receipt of the comment from our auditors.

2021-006

Condition: While performing audit procedures at the Landfill, we noted that there is no approval process for voided transactions.

Criteria: Proper internal controls require that all voided transactions are properly approved.

Effect: Failure to maintain proper supporting documentation with evidence of approval for voided transactions subjects the assets of the County to greater risk of misappropriation.

Cause: Management is not approving voided transactions.

Recommendation: Supporting documentation with evidence of approval should be retained for all voided transactions.

Management Response: Management concurs with this finding. Management has advised the department head to implement the recommendation and to ensure that voided transactions are approved. This action was taken immediately upon receipt of the comment from our auditors.

WALKER COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the fiscal year ended September 30, 2021

2. Financial Statement Findings and Responses (continued)

A. Current Year Audit Findings (continued)

2021-007

Condition: While performing audit procedures on receipts for building permits, alcoholic beverage licenses, and business licenses, we noted instances where deposits were not made timely. We noted 14 of 32 (44%) building permit, 15 of 20 (75%) alcoholic beverage license, and 22 of 31 (71%) business license receipts tested were held for more than seven days before depositing.

Criteria: Proper internal controls require that cash receipts be deposited and transactions recorded in a timely manner.

Effect: Failure to deposit cash receipts in a timely manner exposes the County to a greater risk of loss due to fraud.

Cause: Staff is not depositing receipts at least once per week.

Recommendation: At a minimum, deposits should be made weekly.

Management Response: Management concurs with this finding. Management has advised the department head to implement the recommendation and to ensure that deposits are made timely. This action was taken immediately upon receipt of the comment from our auditors.

2021-008

Condition: While performing audit procedures at the Clerk of Court, we noted instances where deposits were not made timely. We noted 21 of 40 (53%) receipts tested were held for more than seven days before depositing.

Criteria: Proper internal controls require that cash receipts be deposited and transactions recorded in a timely manner.

Effect: Failure to deposit cash receipts in a timely manner exposes the County to a greater risk of loss due to fraud.

Cause: Staff is not depositing receipts at least once per week.

Recommendation: At a minimum, deposits should be made weekly.

Management Response: Management has provided a copy of this finding to the appropriate Elected Official and they concur with this finding. This action was taken immediately upon receipt of the comment from our auditors.

WALKER COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the fiscal year ended September 30, 2021

2. Financial Statement Findings and Responses (continued)

A. Current Year Audit Findings (continued)

2021-009

Condition: While performing audit procedures at the Sheriff's Department, we noted deposits were not made timely.

Criteria: Proper internal controls require that cash receipts be deposited and transactions recorded in a timely manner.

Effect: Failure to deposit cash receipts in a timely manner exposes the County to a greater risk of loss due to fraud.

Cause: Staff is not depositing receipts at least once per week.

Recommendation: At a minimum, deposits should be made weekly.

Management Response: Management has provided a copy of this finding to the appropriate Elected Official and they concur with this finding. This action was taken immediately upon receipt of the comment from our auditors.

2021-010

Condition: While performing audit procedures at the Sheriff's Department, we noted bank reconciliations are not reviewed.

Criteria: Proper internal controls require that bank reconciliations be reviewed.

Effect: Failure to maintain proper supporting documentation with evidence of review subjects the assets of the County to greater risk of misappropriation.

Cause: Management is not reviewing bank reconciliations.

Recommendation: Bank reconciliations should be reviewed monthly with evidence of review documented.

Management Response: Management has provided a copy of this finding to the appropriate Elected Official and they concur with this finding. This action was taken immediately upon receipt of the comment from our auditors.

2021-011

Condition: While performing audit procedures at the Tax Commissioner's office, we noted 8 of 25 (32%) tag and title voided transactions were receipted by the same individual who voided the transaction.

Criteria: Proper internal controls require adequate segregation of duties.

Effect: Failure to maintain adequate segregation of duties subjects the assets of the County to greater risk of misappropriation.

Cause: The same employee is receipting monies and voiding transactions.

WALKER COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the fiscal year ended September 30, 2021

2. Financial Statement Findings and Responses (continued)

A. Current Year Audit Findings (continued)

2021-011, continued

Recommendation: To ensure that sufficient internal controls are in place, the Tax Commissioner's Office should properly segregate duties over voided transactions.

Management Response: Management has provided a copy of this finding to the appropriate Elected Official and they concur with this finding. This action was taken immediately upon receipt of the comment from our auditors.

2021-012

Condition: The County experienced a material excess of expenditures over appropriations in the General Fund, Fire and Rescue Special Revenue Fund, Law Library Special Revenue Fund, Hotel/Motel Tax Special Revenue Fund, and Transportation Special Revenue Fund. Also, an annual budget was not adopted for the American Rescue Plan Act Special Revenue Fund, Development Authority Special Revenue Fund, Forfeiture Special Revenue Fund, Inmate Welfare Special Revenue Fund, and Sheriff Special Projects Special Revenue Fund, as required by state law.

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

Effect: Failure to maintain expenditures within the balanced budgets and failure to adopt annual budgets as required by OCGA Code Section 36-81-3 will place the County in violation of state law.

Cause: The County did not adopt or amend budgets as required.

Recommendation: County management should ensure that annual operating budgets are adopted for the General Fund, each Special Revenue Fund, and each Debt Service Fund as required by state law. 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. Management will ensure that an annual budget is adopted for the General Fund, each Special Revenue Fund, and each Debt Service Fund, and will review the budget to actual comparisons and recommend any necessary budget revisions to the County Commission. This action was taken immediately upon receipt of the comment from our auditors.

WALKER COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the fiscal year ended September 30, 2021

2. Financial Statement Findings and Responses (continued)

B. Prior Year Audit Findings Follow-Ups

Finding 2007-001: Some material balance sheet accounts were not reconciled to supporting documentation at year end. Also, the Jury Fund bank account was not reconciled for the year. In some instances, the ending balances were identified and supporting worksheets were prepared, however, circumstances prevented the accounting department from having all pertinent information necessary to determine the correct balance in a timely manner.

Not Corrected

Finding 2015-004: The Clerks of Superior, State, and Juvenile Courts were unable to provide reconciliations of funds being held for others. These funds represent amounts collected in years prior to the current clerk assuming office.

Not Corrected

3. Federal Award Findings and Questioned Costs

The audit of our 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.

WALKER COUNTY, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended September 30, 2021

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
2013 Issue					
Industrial Park	\$ 6,600,000	\$ 6,600,000	\$ 4,268,831	\$ 0	\$ 4,268,831
Road resurfacing and other capital roadwork improvements	9,100,000	9,100,000	5,443,773	0	5,443,773
Equipment and vehicles for law enforcement	1,900,000	1,900,000	455,353	0	455,353
Bridges and right of way acquisitions and maintenance	250,000	250,000	45,960	0	45,960
Emergency services equipment including vehicles, fire hydrants and radio repeater for E-911	1,000,000	1,000,000	973,188	0	973,188
Shooting range for Sheriff's office	30,000	30,000	0	0	0
State patrol bar code readers and 10 assault rifles	30,000	30,000	30,000	0	30,000
Industrial Park Development	1,300,000	1,300,000	9,101,025	0	9,101,025
Library - LaFayette project	300,000	300,000	507,173	0	507,173
Library - Rossville project	600,000	600,000	0	0	0
Multipurpose emergency facility - Mt. Pleasant community	400,000	400,000	0	0	0
Multipurpose emergency facility - Hinkle community	250,000	250,000	1,094,897	0	1,094,897
Emergency facility and community center - Cedar Grove	1,500,000	1,500,000	1,447,308	0	1,447,308
Recreational Facilities	1,000,000	1,000,000	617,584	0	617,584
Water and Sewer improvements, including Armuchee	2,000,000	2,000,000	2,464,526	0	2,464,526
Office equipment and furnishings	100,000	100,000	172,117	0	172,117
City of LaFayette	2,904,660	2,904,660	2,725,481	0	2,725,481
City of Rossville	1,674,420	1,674,420	1,282,825	0	1,282,825
City of Chickamauga	1,265,220	1,265,220	968,860	0	968,860
City of Lookout Mountain	653,400	653,400	511,291	0	511,291
City of Ft. Oglethorpe	102,300	102,300	74,871	0	74,871
Total	\$ 32,960,000	\$ 32,960,000	\$ 32,185,063	\$ 0	\$ 32,185,063

Debt service - principal 3,965,000
Debt service - interest and fiscal agent fees 32,601

Total Expenditures per Financial Statements - 2013 Issue \$ 3,997,601

NOTE: Prior years expenditures for City of LaFayette have been adjusted by \$49,518 to reflect prior fiscal year overaccrual of payable.

WALKER COUNTY, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended September 30, 2021

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
<u>2020 Issue</u>					
Equipment for additional 911 communication radio tower	\$ 750,000	\$ 750,000	\$ 0	\$ 250,000	\$ 250,000
Emergency management and first responder radio communication and computer technology	1,000,000	1,000,000	0	0	0
Emergency generators for facilities and critical systems	850,000	850,000	0	0	0
Equipment, technology, and facilities upgrades for the 911 center operations	425,000	425,000	0	306,614	306,614
Law enforcement vehicles, including outfitting of vehicles	2,500,000	2,500,000	0	264,258	264,258
Law enforcement body & vehicle cameras	400,000	400,000	0	0	0
Emergency services equipment including emergency vehicles, outfitting of vehicles, and fire station facilities improvements	3,750,000	3,750,000	0	0	0
Facility completion of the Hinkle fire department on Lookout Mountain	300,000	300,000	0	0	0
Public works equipment, roadside mowers, and vehicles	3,000,000	3,000,000	0	383,801	383,801
Right of way improvement, road paving, bridge replacement/upgrades	6,000,000	6,000,000	0	0	0
Equipment and facility improvements to the LaFayette / Walker Senior Citizen Center	200,000	200,000	0	0	0
Equipment and building addition / expansion to the agriculture center	1,200,000	1,200,000	0	0	0
Technology advancements, books, and facility improvements for the three public libraries	150,000	150,000	0	0	0
Improvements to the Historic Marsh House	90,000	90,000	0	0	0
Recreational improvements for the civic center campus	350,000	350,000	0	0	0
Additional fire hydrants	250,000	250,000	0	2,437	2,437
Improvements / investment of county facilities including Courthouse and Courthouse Annex	4,100,000	4,100,000	0	0	0
Computer systems and technology advancements	325,000	325,000	0	0	0
Equipment for transportation maintenance facility	175,000	175,000	0	8,022	8,022
County vehicles	700,000	700,000	0	0	0

WALKER COUNTY, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended September 30, 2021

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
<u>2020 Issue, continued</u>					
Equipment and facility improvements for the animal shelter	145,000	145,000	0	0	0
Equipment and facility improvements for county landfill operations	1,500,000	1,500,000	0	169,438	169,438
City of LaFayette	5,632,000	5,632,000	0	892,968	892,968
City of Rossville	3,991,680	3,991,680	0	632,891	632,891
City of Chickamauga	3,446,080	3,446,080	0	546,385	546,385
City of Lookout Mountain	2,632,960	2,632,960	0	417,462	417,462
City of Ft. Oglethorpe	137,280	137,280	0	21,766	21,766
Total	<u>\$ 44,000,000</u>	<u>\$ 44,000,000</u>	<u>\$ 0</u>	<u>\$ 3,896,042</u>	<u>\$ 3,896,042</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.

WALKER COUNTY, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH TRANSPORTATION
SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended September 30, 2021

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
Transportation Purposes:	\$ 25,000,000	\$ 26,205,037			
Roads and bridges resurfacing and other capital roadwork improvements			\$ 8,292,943	\$ 7,042,570	\$ 15,335,513
Equipment and vehicles			70,245	0	70,245
Total	<u>\$ 25,000,000</u>	<u>\$ 26,205,037</u>	<u>\$ 8,363,188</u>	<u>\$ 7,042,570</u>	<u>\$ 15,405,758</u>

NOTE: A Schedule of Projects Financed with Transportation Special Purpose Local Option Sales Tax has not been reported in prior years.

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