SCHLEY COUNTY, GEORGIA

FINANCIAL REPORT

For the Fiscal Year Ended
JUNE 30, 2023

SCHLEY COUNTY, GEORGIA
Annual Financial Report
For the Year Ended JUNE 30, 2023

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Annual Financial Report
For the Fiscal Year Ended JUNE 30, 2023

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FINANCIAL SECTION

CHAMBLISS, SHEPPARD, ROLAND
& ASSOCIATES, LLP

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners

Schley County

Ellaville, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Schley County, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Schley County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Schley County, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Schley County Health Department, which represents 100 percent of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors, in accordance with *Government Auditing Standards*, whose reports have been furnished to us, and our opinion, insofar as it relates to amounts included for the aggregate discretely presented component unit, is based solely on the reports of the other auditors.

Basis of Opinion

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

Responsibilities of Management for the Financial Statements

The county's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the

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design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Schley County's basic financial statements. The combining and individual nonmajor fund financial statements and schedules of projects constricted with special sales tax proceeds are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules of projects constructed with special sales tax proceeds is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 nonmajor fund financial statements and schedules of projects with special sales tax proceeds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 10, 2024, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Schley County, Georgia's internal control over financial reporting and compliance.

Chambliss Sheppard Roland & Associates LLP

Americus, Georgia

May 10, 2024

SCHLEY COUNTY, GEORGIA
STATEMENT OF NET POSITION
June 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Schley County Department of Public Health
ASSETS				
Cash	$ 1,471,856	$ 26,377	$ 1,498,233	$ 252,365
Receivables (Net, where applicable, of allowances for uncollectible):				
Property taxes	112,238	-	112,238	-
Intergovernmental	101,772	-	101,772	7,250
Due from City of Ellaville	1,657	-	1,657	-
Accounts	60,299	88,389	148,688	324
Inventory	22,243	23,802	46,045	-
Prepaid items	28,308	-	28,308	
Internal balances	(21,028)	21,028	-	-
Restricted cash	15,508	83,971	99,479	-
OPEB asset	-	-	-	16,891
Capital assets, non-depreciable	535,102	10,000	545,102	-
Capital assets, depreciable net of accumulated depreciation	2,518,340	9,443,988	11,962,328	24,382
Total Assets	4,846,295	9,697,555	14,543,850	301,212
DEFERRED OUTFLOWS OF RESOURCES				
Pension items	112,586	17,630	130,216	38,944
OPEB items	-	-	-	5,801
Total deferred outflows of resources	112,586	17,630	130,216	44,745
LIABILITIES				
Accounts payable	30,183	941	31,124	
Other payables	-	-	-	510
Accrued wages and payroll liabilities	54,461	1,989	56,450	-
Due to City of Ellaville	13,409	-	13,409	-
Compensated absences due, within one year	20,302	2,679	22,981	-
Landfill post-closure care costs, due within one year	17,800	-	17,800	-
Accrued interest payable	-	16,820	16,820	-
Short-term loan	-	480,582	480,582	-
Unearned revenue	174,391	-	174,391	-
Finance purchase, due within one year	28,616	-	28,616	-
Note payable, due within one year	-	16,034	16,034	-
Bonds payable, due within one year	-	135,483	135,483	-
Net pension liability	228,472	35,779	264,251	128,360
Compensated absences, due in more than one year	60,904	8,036	68,940	-
Customer deposits	-	83,914	83,914	-
Landfill post-closure care costs, due in more than one year	74,100	-	74,100	-
Finance purchase, due in more than one year	57,968	-	57,968	-
Note payable, due in more than one year	-	269,207	269,207	-
Bonds payable, due in more than one year	-	5,699,442	5,699,442	-
Total Liabilities	760,606	6,750,906	7,511,512	128,870
DEFERRED INFLOWS OF RESOURCES				
Pension items	19,033	2,980	22,013	16,002
OPEB items	-	-	-	159
Total deferred inflows of resources	19,033	2,980	22,013	16,161
NET POSITION				
Net investment in capital assets	2,966,858	3,333,822	6,300,680	24,382
Restricted for:				
Capital projects	775,916	-	775,916	-
Judicial purposes	33,475	-	33,475	-
Public safety purposes	34,690	-	34,690	-
Health and welfare purposes	-	-	-	63,992
Unrestricted (deficit)	368,303	(372,523)	(4,220)	112,552
Total Net Position	$ 4,179,242	$ 2,961,299	$ 7,140,541	$ 200,926

See accompanying notes to financial statements.

SCHLEY COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

		Program Revenues			Net (Expenses) Revenues and Net (Expenses) Revenues and Changes in Net Assets			
					Primary Government			Component Unit
Functions/Program	Expenses	Fees, Fines & Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Schley County Department of Public Health
Governmental Activities:								
General Government	$ 996,912	$ 62,080	$ -	$ -	$ (934,832)	$ -	$ (934,832)	$ -
Judicial	340,386	93,506	-	-	(246,880)	-	(246,880)	-
Public Safety	1,521,992	298,497	7,963	-	(1,215,532)	-	(1,215,532)	-
Public Works	836,136	151,086	244,726	-	(440,324)	-	(440,324)	-
Health and Welfare	56,756	-	-	-	(56,756)	-	(56,756)	-
Culture and Recreation	83,745	-	-	-	(83,745)	-	(83,745)	-
Housing and Development	42,387	28,178	-	-	(14,209)	-	(14,209)	-
Interest	3,957	-	-	-	(3,957)	-	(3,957)	-
Total Governmental Activities	3,882,271	633,347	252,689	-	(2,996,235)	-	(2,996,235)	-
Business-Type Activities:								
Utilities Authority Water Fund	751,389	404,762	-	-	-	(346,627)	(346,627)	-
Sanitation Department	295,609	245,712	-	-	-	(49,897)	(49,897)	-
Total Business-Type Activities	1,046,998	650,474	-	-	-	(396,524)	(396,524)	-
Total Primary Government	$ 4,929,269	$ 1,283,821	$ 252,689	$ -	(2,996,235)	(396,524)	(3,392,759)	
Component Unit:								
Schley County Health Department	249,742	147,104	115,681	-	-	-	-	13,043
Total Component Unit	$ 249,742	$ 147,104	$ 115,681					13,043
General revenues:								
Taxes:								
Property and Timber					1,423,960	-	1,423,960	-
Motor Vehicle and Mobile Home					270,949	-	270,949	-
Sales					1,227,742	-	1,227,742	-
Insurance Premium					221,221	-	221,221	-
Other					126,986	-	126,986	-
Allotments from Participating Local Government					-	-	-	29,000
Interest Earnings					160	-	160	-
Rental Earnings					36,446	-	36,446	-
Gain on Sale of Capital Assets					90,675	-	90,675	-
Miscellaneous					69,118	-	69,118	-
Transfers					(247,680)	247,680	-	-
Total general revenues and transfers					3,219,577	247,680	3,467,257	29,000
Change in net position					223,342	(148,844)	74,498	42,043
Net position - Beginning of Year					3,955,900	3,110,143	7,066,043	158,883
Net position - ending of year					$ 4,179,242	$ 2,961,299	$ 7,140,541	$ 200,926

See accompanying notes to financial statements.

SCHLEY COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

	General	ARPA	Transportation Special 1% Sales Tax Fund	Special 1% Sales Tax Fund 2019	Other Governmental Funds	Total
ASSETS						
Cash in Bank	$ 523,475	$ 174,391	$ 228,487	$ 455,750	$ 89,755	$ 1,471,858
Receivables (net of allowance for uncollectible)	202,485	-	32,177	41,304	-	275,966
Due from Other Funds	265	-	-	-	-	265
Inventories	12,676	-	9,567	-	-	22,243
Prepaid Items	28,308	-	-	-	-	28,308
Restricted cash	15,508	-	-	-	-	15,508
Total Assets	782,717	174,391	270,231	497,054	89,755	1,814,148
LIABILITIES						
Accounts Payable	30,183	-	-	-	-	30,183
Due to City of Ellaville	-	-	-	13,409	-	13,409
Accrued Salaries and Payroll Liabilities	54,461	-	-	-	-	54,461
Due to Other Funds	15,802	-	5,491	-	-	21,293
Unearned Revenue	-	174,391	-	-	-	174,391
Total Liabilities	100,446	174,391	5,491	13,409	-	293,737
DERERRED INFLOWS OF RESOURCES						
Unavailable Revenue-Property Tax	30,343	-	-	-	-	30,343
Total Deferred Inflows of Resources	30,343	-	-	-	-	30,343
FUND BALANCES						
Nonspendable	40,984	-	9,567	-	-	50,551
Restricted	15,508	-	255,173	483,645	73,966	828,292
Committed	-	-	-	-	3,842	3,842
Assigned	-	-	-	-	11,947	11,947
Unassigned	595,436	-	-	-	-	595,436
Total Fund Balances	651,928	-	264,740	483,645	89,755	1,490,068
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 782,717	$ 174,391	$ 270,231	$ 497,054	$ 89,755	

Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		3,053,442
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		
Property Tax		30,343
Pension Deferred Outflows		112,586
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Capital; Leases Payable	(86,584)	
Compensated Absences	(81,206)	
Net Pension Liability	(228,472)	
Pension Deferred Inflows	(19,033)	
Landfill Postclosure Care Costs	(91,900)	(507,195)
Rounding		(2)
Net position of governmental activities		$ 4,179,242

See accompanying notes to financial statements.

SCHLEY COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year ended June 30, 2023

	General	ARPA	Transportation Special 1% Sales Tax Fund	Special 1% Sales Tax Fund 2019	Other Governmental Funds	Total
REVENUES:						
Property and Timber Taxes	$ 1,433,365	$ -	$ -	$ -	$ -	$ 1,433,365
Motor Vehicle and Mobile Home Taxes	63,409	-	-	-	-	63,409
Title Ad Valorem Tax	207,540	-	-	-	-	207,540
Sales Tax	327,483	-	376,173	524,086	-	1,227,742
Insurance Premium Tax	221,221	-	-	-	-	221,221
Financial Institutions Tax	14,892	-	-	-	-	14,892
Other Taxes	112,094	-	-	-	-	112,094
Licenses and Permits	28,178	-	-	-	-	28,178
Intergovernmental	227,080	25,609	-	-	-	252,689
Charges for Services	590,308	-	-	-	-	590,308
Fines and Forfeitures	5,331	-	-	-	9,530	14,861
Interest	148	-	-	-	12	160
Miscellaneous	96,360	-	-	-	9,204	105,564
Total Revenues	3,327,409	25,609	376,173	524,086	18,746	4,272,023
EXPENDITURES:						
Current Operating Expenditures						
General Government	924,379	-	-	-	-	924,379
Judicial	326,788	-	-	-	13,144	339,932
Public Safety	1,378,461	-	-	-	22,977	1,401,438
Public Works	363,697	25,609	343,245	-	-	732,551
Health and Welfare	50,118	-	-	-	-	50,118
Culture and Recreation	82,167	-	-	-	-	82,167
Housing and Development	42,387	-	-	-	-	42,387
Intergovernmental (City of Ellaville)	-	-	-	149,665	-	149,665
Capital Outlay	-	-	1,567	477,301	-	478,868
Debt Service						
Principal	8,791	-	22,875	-	-	31,666
Interest and Fiscal Charges	999	-	2,958	-	-	3,957
Total Expenditures	3,177,787	25,609	370,645	626,966	36,121	4,237,128
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	149,622	-	5,528	(102,880)	(17,375)	34,895
OTHER FINANCING SOURCES (USES):						
Insurance proceeds	-	-	-	-	-	-
Workman's Compensation refund	-	-	-	-	-	-
Proceeds from sales of capital assets	105,679	-	-	-	-	105,679
Proceeds from Capital Lease	-	-		-	-	-
Transfers In	-	-	-	-	-	-
Transfers Out	(247,680)	-	-	-	-	(247,680)
Total Other Financing Sources (Uses)	(142,001)	-	-	-	-	(142,001)
NET CHANGE IN FUND BALANCES	7,621	-	5,528	(102,880)	(17,375)	(107,106)
FUND BALANCE - BEGINNING OF YEAR	644,307	-	259,212	586,525	107,130	1,597,174
FUND BALANCE - END OF YEAR	$ 651,928	$ -	$ 264,740	$ 483,645	$ 89,755	$ 1,490,068

See accompanying notes to financial statements.

SCHLEY COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023

The change in net position reported for governmental activities in the statement of activities is different because:

Net change in *fund balances* - total governmental funds.		$ (107,106)
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	474,211	
Depreciation	(292,106)	182,105
In the statement of activities, the gain or loss on the sale or disposal of capital assets reported, whereas, in the governmental funds the proceeds from the sale increase financial resources.		
Cost of assets disposed	(97,340)	
Related accumulated depreciation	82,336	(15,004)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property tax receivable	(9,405)	(9,405)
The proceeds of the issuance of the capital lease provides current financial resources to the governmental funds, but issuing the 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.		
Finance purchase payments	31,666	31,666
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated absences	(12,717)	
Net pension liability	125,418	
Landfill expenditures	28,385	141,086
Change in Net Position of Governmental Activities.		$ 223,342

See accompanying notes to financial statements.

SCHLEY COUNTY, GEORGIA
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance with Final Budget
REVENUES				
TAXES				
Real and Personal Property	$ 1,520,000	$ 1,355,348	$ 1,394,177	$ 38,829
Timber Tax	55,000	72,097	39,188	(32,909)
Mobile Home	14,500	13,430	15,244	1,814
Motor Vehicle	50,000	50,294	48,165	(2,129)
Title Ad Valorem Tax	225,000	215,585	207,540	(8,045)
Local Option Sales Tax	200,000	292,073	327,483	35,410
Insurance Premium Tax	200,000	221,221	221,221	-
Financial Institutions	15,000	14,892	14,892	-
Forest Land Protection Act	71,000	64,183	64,183	-
Real Estate Transfer Tax	9,000	9,658	10,225	567
Intangible Recordings	19,000	16,391	18,324	1,933
Interest, Cost, Penalties & Fees	11,000	18,597	17,923	(674)
Franchise Tax	1,200	1,439	1,439	-
Total Taxes	2,390,700	2,345,208	2,380,004	34,796
LICENSES AND PERMITS				
Building Permits	22,693	28,178	28,178	-
Total Licenses and Permits	22,693	28,178	28,178	-
INTERGOVERNMENTAL				
Local Maintenance and Improvement Grant	-	219,117	219,117	-
Other - Fire Equipment Grant	4,000	1,663	1,663	-
State EMA Grants	7,000	6,300	6,300	-
Total Intergovernmental	11,000	227,080	227,080	-
CHARGES FOR SERVICES				
Sheriff Fees	12,000	4,902	4,664	(238)
School Resource Officer	42,872	50,332	50,161	(171)
Superior Court Fees	23,000	20,087	24,342	4,255
Probate Court Fees & Fines	65,000	61,666	61,198	(468)
Shop Receipts - Other	-	480	480	-
Ambulance Fees	150,000	130,168	124,183	(5,985)
Commission on Tax	60,000	63,456	62,080	(1,376)
Jail Contract City of Ellaville	18,000	26,513	24,425	(2,088)
Sheriff Secretary (City)	7,308	682	682	-
Right of Way Maintenance Contract	137,150	137,151	137,151	-
Probation Reimbursement	-	87,087	87,087	-
Other Fees	7,500	16,941	13,855	(3,086)
Total Charges for Services	522,830	599,465	590,308	(9,157)
FINES & FORFEITURES				
Magistrate Court Fines	-	5,648	5,331	(317)
	$ -	$ 5,648	$ 5,331	$ (317)
INVESTMENT INCOME				
Interest Revenues	$ 250	$ 150	$ 148	$ (2)
MISCELLANEOUS				
Rental Income	32,767	36,446	36,446	-
Driveway Pipe & Dirt Sales	5,000	14,220	14,220	-
FICA Reimbursement from Tax Commissioner	1,961	1,728	1,728	-
Miscellaneous	2,700	23,335	43,966	20,631
Total Miscellaneous Revenue	42,428	75,729	96,360	20,631
Total Revenues	2,989,901	3,281,458	3,327,409	45,951

(continued)

See accompanying notes to financial statements.

SCHLEY COUNTY, GEORGIA
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance with Final Budget
EXPENDITURES				
CURRENT				
GENERAL GOVERNMENT				
County Administration	$ 130,403	$ 123,075	$ 134,001	$ (10,926)
County Clerk	116,791	126,938	124,211	2,727
Elections	55,329	43,565	39,333	4,232
Courthouse Upkeep & Utilities	13,370	19,975	19,288	687
Tax Commissioner	112,138	116,028	108,010	8,018
Tax Assessor	112,237	94,763	86,689	8,074
Board of Equalization	5,631	9,914	9,914	-
General Operations	421,065	344,540	402,933	(58,393)
Total General Government	966,964	878,798	924,379	(45,581)
JUDICIAL				
Probate & Magistrate Court	161,380	164,418	164,026	392
Superior Court	105,229	103,363	104,871	(1,508)
Superior Court Judges	34,113	35,983	29,749	6,234
District Attorney	12,000	12,000	12,000	-
Grand Jury	9,450	9,202	9,299	(97)
Juvenile Court and Supervision	18,116	12,584	6,843	5,741
Total Judicial	340,288	337,550	326,788	10,762
PUBLIC SAFETY				
Sheriff	431,758	479,596	482,031	(2,435)
Jail	240,282	233,631	226,890	6,741
Community Service Supervision	2,692	160	160	-
Probation		83,503	90,295	(6,792)
Fire Department & Ambulance Service	481,257	525,121	525,422	(301)
Coroner	16,355	19,723	19,723	-
Emergency Management	12,050	1,679	1,787	(108)
Middle Flint E-911	28,146	27,600	32,153	(4,553)
Total Public Safety	1,212,540	1,371,013	1,378,461	(7,448)
PUBLIC WORKS				
Road	420,894	338,502	335,344	3,158
Landfill Closure Costs	23,000	28,353	28,353	-
Total Public Works	$ 443,894	$ 366,855	$ 363,697	$ 3,158
HEALTH AND WELFARE				
Health Department	$ 55,110	$ 43,543	$ 43,004	$ 539
Family and Children Services	6,850	8,119	7,114	1,005
Total Health and Welfare	61,960	51,662	50,118	1,544
CULTURE AND RECREATION				
Recreation	40,000	40,000	40,000	-
Library	24,695	23,559	22,167	1,392
Senior Citizens Center	27,000	20,000	20,000	-
Total Culture and Recreation	91,695	83,559	82,167	1,392

(Continued)

See accompanying notes to financial statements.

SCHLEY COUNTY, GEORGIA
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance with Final Budget
EXPENDITURES (continued)				
CURRENT (continued)				
HOUSING AND DEVELOPMENT				
Zoning Board	2,500	1,300	1,300	-
Extension Service	25,018	25,018	32,089	(7,071)
Forestry Commission	8,998	8,998	8,998	-
Total Housing and Development	36,516	35,316	42,387	(7,071)
DEBT SERVICE				
Principal	-	9,000	8,791	209
Interest and Fiscal Charges	-	1,000	999	1
Total Debt Service	-	10,000	9,790	210
Total Expenditures	3,153,857	3,134,753	3,177,787	(43,034)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(163,956)	146,705	149,622	2,917
OTHER FINANCING SOURCES / (USES)				
Loan proceeds	-	100,000	-	(100,000)
Proceeds from sales of capital assets		38,877	105,679	66,802
Transfers (In)	-	-	-	-
Transfers (Out)	(210,567)	(260,089)	(247,680)	12,409
Total Other Financial Sources	(210,567)	(121,212)	(142,001)	(20,789)
NET CHANGE IN FUND BALANCE	$ (374,523)	$ 25,493	$ 7,621	$ (17,872)
FUND BALANCE, BEGINNING OF YEAR	644,307	644,307	644,307	-
FUND BALANCE, END OF YEAR	$ 269,784	$ 669,800	$ 651,928	$ (17,872)

See accompanying notes to financial statements.

SCHLEY COUNTY, GEORGIA
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
T-SPLOST FUND
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance with Final Budget
REVENUES				
TAXES				
Transportation Special Purpose Local Option Sales Tax	$ 360,000	$ 360,000	$ 376,173	$ 16,173
EXPENDITURES				
PUBLIC WORKS				
Road	360,000	360,000	343,245	16,755
Debt service				-
Principal	-	-	22,875	(22,875)
Interest	-	-	2,958	(2,958)
Capital Outlay	-	-	1,567	(1,567)
Total Expenditures	360,000	360,000	370,645	(10,645)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	5,528	5,528
OTHER FINANCING SOURCES / (USES)				
Transfers (In)	-	-	-	-
Transfers (Out)	-	-	-	-
Total Other Financial Sources	-	-	-	-
NET CHANGE IN FUND BALANCE	$ -	$ -	$ 5,528	$ 5,528
FUND BALANCE, BEGINNING OF YEAR	259,212	259,212	259,212	-
FUND BALANCE, END OF YEAR	$ 259,212	$ 259,212	$ 264,740	$ 5,528

See accompanying notes to financial statements.

SCHLEY COUNTY, GEORGIA
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
AMERICAN RESCUE PLAN ACT (ARPA) FUND
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual Amounts Budgetary Basis	Variance with Final Budget
REVENUES				
TAXES				
Intergovernmental Grant	$ -	$ 100,000	$ 25,609	$ (74,391)
EXPENDITURES				
Public Works	-	100,000	25,609	74,391
Total Expenditures	-	100,000	25,609	74,391
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES / (USES)				
Transfers (In)	-	-	-	-
Transfers (Out)	-	-	-	-
Total Other Financial Sources	-	-	-	-
NET CHANGE IN FUND BALANCE	$ -	$ -	$ -	$ -
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	$ -	$ -	$ -	$ -

See accompanying notes to financial statements.

SCHLEY COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2023

	Enterprise Fund		
	Utilities Authority Water Fund	Sanitation Fund	Total
ASSETS			
Current Assets:			
Cash	$ 2,987	$ 23,390	$ 26,377
Accounts Receivable, net of Allowance for Doubtful Accounts	43,480	44,909	88,389
Due from General Fund	-	15,802	15,802
Due from Sanitation Fund	2,953	-	2,953
Due from TSPLOST Fund	5,226	-	5,226
Inventory	23,802	-	23,802
Total Current Assets	78,448	84,101	162,549
Noncurrent Assets:			
Cash - Customer Deposits	83,971	-	83,971
Capital Assets, Non-Depreciable	10,000	-	10,000
Capital Assets, Depreciable, net of depreciation	9,443,988	-	9,443,988
Total Noncurrent Assets	9,537,959	-	9,537,959
Total Assets	9,616,407	84,101	9,700,508
Deferred Outflows of Resources			
Pension	13,672	3,958	17,630
Total Deferred Outflows of Resources	13,672	3,958	17,630
LIABILITIES			
Current Liabilities:			
Accounts Payable	941	-	941
Accrued Wages	1,574	415	1,989
Due to Water Fund	-	2,953	2,953
Compensated Absences	1,647	1,032	2,679
Accrued Interest Payable	16,820	-	16,820
Notes Payable Bank	480,582	-	480,582
Notes Payable GEFA	16,034	-	16,034
Notes Payable USDA Bonds	135,483	-	135,483
Total Current Liabilities	653,081	4,400	657,481
Long-Term Liabilities:			
Customer Water Deposits	83,914	-	83,914
Net Pension Liability	27,746	8,033	35,779
Compensated Absences	4,941	3,095	8,036
Notes Payable GEFA	269,207	-	269,207
Notes Payable USDA Bonds	5,699,442	-	5,699,442
Total Long-Term Liabilities	6,085,250	11,128	6,096,378
Total Liabilities	6,738,331	15,528	6,753,859
Deferred Inflows of Resources			
Pensions	2,311	669	2,980
Total Deferred Inflows of Resources	2,311	669	2,980
NET POSITION			
Net investment in capital assets	3,333,822	-	3,333,822
Unrestricted	(444,385)	71,862	(372,523)
Total Net Position	$ 2,889,437	$ 71,862	$ 2,961,299

See accompanying notes to financial statements.

SCHLEY COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2023

	Enterprise Fund		
	Utilities Authority Water Fund	Sanitation Fund	Total
OPERATING REVENUES			
Charges for Services	$ 397,541	$ 238,679	$ 636,220
Water Tap-on and Other Fees	6,650	-	6,650
Other Fees	571	7,033	7,604
Total Operating Revenues	404,762	245,712	650,474
OPERATING EXPENSES			
Personal Services	79,353	17,696	97,049
Material & Supplies	21,076	-	21,076
Maintenance, Operations & Contracted	149,296	277,913	427,209
Depreciation	327,548	-	327,548
Total Operating Expenses	577,273	295,609	872,882
Operating Income (Loss)	(172,511)	(49,897)	(222,408)
NON-OPERATING REVENUE (EXPENSE)			
Interest Expense	(174,116)	-	(174,116)
Net Non-Operating Revenue (Expense)	(174,116)	-	(174,116)
Income (Loss) before transfers	(346,627)	(49,897)	(396,524)
TRANSFERS			
Transfers in	247,680	-	247,680
Net transfers in / (out)	247,680	-	247,680
CHANGE IN NET POSITION	(98,947)	(49,897)	(148,844)
NET POSITION - BEGINNING OF YEAR	2,988,384	121,759	3,110,143
NET POSITION - END OF YEAR	$ 2,889,437	$ 71,862	$ 2,961,299

See accompanying notes to financial statements.

SCHLEY COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2023

	Enterprise Fund		
	Utilities Authority Water Fund	Sanitation Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	$ 393,395	$ 242,643	$ 636,038
Cash payments to suppliers for materials and supplies	(23,994)	-	(23,994)
Cash payments to employees for services	(95,120)	(25,529)	(120,649)
Maintenance, operating & contract services	(157,338)	(277,455)	(434,793)
Net Cash Provided (Used) by Operating Activities	116,943	(60,341)	56,602
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Customer water deposits received	7,629	-	7,629
Customer water deposits refunded or applied to bill	(2,792)	-	(2,792)
Transfer from General Fund	247,680	-	247,680
Net Cash Provided by Non-Capital Financing Activities	252,517	-	252,517
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal paid on long-term debt	(147,814)	-	(147,814)
Interest paid on long-term debt	(149,634)	-	(149,634)
Payment to TSPLOST Fund	(1,773)	-	(1,773)
Proceeds from short-term bank loan	480,582	-	480,582
Payments on short-term bank loan	(521,680)	-	(521,680)
Interest paid on short-term bank loan	(12,978)	-	(12,978)
Net Cash Used In Capital and Related Financing Activities	(353,297)	-	(353,297)
Net Increase (Decrease) in Cash and Cash Equivalents	16,163	(60,341)	(44,178)
Cash and Cash Equivalents at June 30, 2022	70,795	83,731	154,526
Cash and Cash Equivalents at June 30, 2023	$ 86,958	$ 23,390	$ 110,348
Displayed as:			
Cash - Operations Account	$ 2,987	$ 23,390	$ 26,377
Cash - Customer Deposits	83,971	-	83,971
	$ 86,958	$ 23,390	$ 110,348

See accompanying notes to financial statements.

SCHLEY COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2023

	Enterprise Fund		
	Utilities Authority Water Fund	Sanitation Fund	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Operating Income (Loss)	$ (172,511)	$ (49,897)	$ (222,408)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities :			
Depreciation	327,548	-	327,548
(Increase) Decrease in Inventory	(4,788)	-	(4,788)
(Increase) Decrease in Accounts Receivable	(7,575)	10,385	2,810
(Increase) Decrease in Deferred Outflows - Pensions	(8,309)	(2,093)	(10,402)
(Increase) Decrease in Due to Sanitation fund	(2,953)	-	(2,953)
(Increase) Decrease in Due to General fund	-	(15,802)	(15,802)
Increase (Decrease) in Due to Water fund	-	2,953	2,953
Increase (Decrease) in Accounts Payable	(7,101)	-	(7,101)
Increase (Decrease) in Accrued Wages	(1,054)	(193)	(1,247)
Increase (Decrease) in Compensated Absences	373	(3,376)	(3,003)
Increase (Decrease) in Pension Liability	(6,661)	(1,929)	(8,590)
Increase (Decrease) in Deferred Inflows - Pension	(26)	(389)	(415)
Net Cash Provided By (Used In) Operations	$ 116,943	$ (60,341)	$ 56,602

See accompanying notes to financial statements.

SCHLEY COUNTY, GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
June 30, 2023

	Custodial Funds
ASSETS	
Cash and cash equivalents	$ 24,014
Taxes receivable	185,765
Total Assets	209,779
LIABILITIES	
Due to others	13,867
Uncollected taxes	185,765
Total Liabilities	199,632
NET POSITION	
Restricted:	
Individuals organizations, and other governments	$ 10,147

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

SCHLEY COUNTY, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
For the Year Ended June 30, 2023

	Custodial Funds
ADDITIONS	
Taxes collected for other governments	$ 3,441,743
Court fines and fees collected for other agencies	100,328
Other custodial collections	33,808
Total additions	3,575,879
DEDUCTIONS	
Taxes paid to other governments	3,441,743
Court fines and fees disbursed to other agencies	100,328
Other custodial disbursements	29,266
Total deductions	3,571,337
Net increase in fiduciary net position	4,542
Net position, beginning of year, restated	5,605
Net position, end of year	$ 10,147

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

Note 1 – Summary of Significant Accounting Policies

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

The most significant of the County's accounting policies are described below.

1-A. Reporting Entity

Schley County was established in 1857, and is a political subdivision of the State of Georgia. The County operates under the County Commissioner-Manager form of government. The County is governed by a five-member Board of Commissioners four of whom are elected to represent the four districts in the County plus one commissioner elected at large to serve as chairman. The Commissioners, who serve on a part-time basis, are elected to staggered terms of four years. The Commissioners have employed a full-time county manager who is responsible for the day-to-day operations of the general government including the proprietary funds. The Board of County Commissioners' regular monthly meeting is held on the second Tuesday morning of each month.

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of Schley County, Georgia (the primary government), and component units. The primary government of the County consists of all funds, departments, boards and agencies of the County.

Component units are legally separate organizations for which the County is financially accountable. Depending on the significance or accountability of their operational or financial relationships to the County (as distinct from legal relationships) they may be reported as blended or discrete. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organizations; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to the organization; or the County is obligated for the debt of the organization.

Blended component units, although legally separate entities, are, in substance, part of the County's operations, and management of the County has operational responsibility for the component units. The following component unit is reported as blended:

Schley County Utilities Authority: By action of the Georgia State Legislature Senate Bill 220 was passed and subsequently signed by the Governor of Georgia establishing the Schley County Utilities Authority, a body corporate and politic, a political subdivision of the State of Georgia and a public corporation. The effective date of the Authority was July 1, 2016. The Authority shall consist of five members, appointed by the Board of Commissioners of Schley County, all of whom must be residents of Schley County. The powers of the authority include the operation and management of the current water system, to issue revenue bonds to finance and pay for the costs of construction, maintenance, and expansion of the Utilities Authority water system and, if established the Utilities Authority sewer system. All employees and water operations are performed by the County; therefore, financial data from the Authority are combined with the financial data of the primary government as a major enterprise fund.

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

Schley County Health Department (Health Department): Title 31, Chapter 3 of the Official Code of Georgia Annotated, establishes County Boards of Health and prescribes their powers, functions and membership. The Health Department is charged with determining the health needs and resources of the County, developing programs, activities, and facilities responsive to those needs, and enforcing all laws relating to health matters unless they fall under the jurisdiction of other agencies. The Board of Health is composed of seven members whose, qualifications are stipulated in the Code. One member is a Schley County Commissioner, and three are appointed by the County Commission. The County does not have the authority to approve or modify the Health Department's budgets, however, it does have the ability to control the amount of funding it provides and such funding is significant to the operations of the Health Department. The Health Department issued separately audited financial statements with a fiscal year ended June 30, 2023. Copies of these financial statements may be obtained from the administrative office at: The Schley County Health Department, 45 W. Oglethorpe St., Suite B, Ellaville, Georgia 31806.

Excluded Potential Component Unit

Ellaville-Schley County Recreation Authority: Schley County and the City of Ellaville jointly contribute to the Ellaville-Schley County Recreation Authority funds to support the recreation program. The Authority Board is composed of seven members, four are appointed by the Schley County Board of Commissioners and three are appointed by the City of Ellaville. The County does not have the authority to approve or modify the Recreation Authority's budgets, however, it does have the ability to control the amount of funding it provides, and such funding is significant to the operations of the Recreation Authority. During the year ended June 30, 2023, Schley County contributions were $40,000 cash, and provided the use of a County building for which the County pays utilities and upkeep for the Recreation Authority. Financial statements as of and for the year ended December 31, 2020, have not been prepared, however financial information for the Ellaville-Schley County Recreation Authority can be obtained from: Ellaville-Schley County Recreation Authority, P.O. Box 1144, Ellaville, Georgia 31806.

See Notes 15 & 16 for descriptions of relationships with organizations other than component units.

1-B. Basis of Presentation

The County's basic financial statements consist of: government-wide statements, and fund financial statements.

Government-wide Financial Statements – The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information for the County as a whole for all of the non-fiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges between the County's proprietary funds and the various other functions of the County. G*overnmental activities*, which generally are supported by taxes and County general revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of net position presents the financial position on the last day of the fiscal year of the primary government (its governmental and business-type activities) and the discretely presented component units of the County.

The statement of activities presents a comparison between direct expenses and program revenues (defined below) for each function of the County's governmental activities and for each identifiable activity of the business-type activities of the County. A *function* is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. The comparisons of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the County.

The statement of activities reports the expenses of a given function offset by program revenues directly related to the functional program. *Direct expenses* are those that are specifically associated with a function, and are, therefore, clearly identifiable to that particular function. The County does not allocate indirect expenses to functions in the statement of activities. *Program revenues* include: (1) charges for services which report fees and other charges to users of the County's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is to which function the revenues are restricted. Taxes and other revenue sources not properly included with program revenues are reported as *general revenues* of the County.

Fund Financial Statements – In order to aid financial management and to demonstrate legal compliance, the County segregates transactions related to certain County functions or activities in separate funds. A fund is a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements are designed to present financial information of the County at this more detailed level. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. The major individual governmental and enterprise funds are reported in separate columns. Non-major funds are reported together in one column. Custodial funds are the only fiduciary fund. The County uses funds to maintain its financial records during the year. The County uses three categories of funds: governmental, proprietary, and fiduciary.

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

General Fund – The general fund accounts for all financial resources except those required to be accounted for in other funds described below. It also provides ambulance services and emergency medical services to the citizens of the County for which it charges a fee. This service is treated as an exchange transaction. Exchange transactions are those in which each party receives and gives up essentially equal values. The general fund's fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of Georgia.

***Special 1% Sales Tax Funds* (SPLOST 2019)** – This is a Capital Projects Fund which is used to collect a special 1% sales tax to pay for the following county-wide projects: renovation/expansion of the gymnasium, purchase a Class A Pumper truck, purchase a new ambulance, renovations/expansion of other public buildings, purchase three sheriff vehicles, purchase of public works vehicles and equipment, renovation of public facilities including fire stations, construction/expansion of County storage facilities, purchase of additional public safety vehicles, tools and equipment. An agreed upon percentage of the tax is allocated to the City of Ellaville for their capital purposes.

Transportation Special 1% Sales Tax Fund (T-SPLOST) – This Governmental Fund is used to collect allocations of a special 1% sales tax by the county for transportation projects as defined in paragraph (10) of Code Section 48-8-242 or as the local match as required for state transportation projects and grants.

ARPA Fund (American Rescue Plan Act) is used to account for the revenues received from the American Rescue Plan Act. This program is intended to provide support to State, territorial, local, and Tribal governments in responding to the economic and public health impacts of COVID-19 and in their efforts to contain impacts on their communities, residents, and businesses.

Proprietary Funds – Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds are classified as enterprise funds. Operating revenues are charges for services, which result from exchange transactions associated with the principal activity of the fund. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. The major proprietary funds are as follows:

Utilities Authority Water Fund – This fund is used to account for the operation of the County's water system which provides services to the residents and businesses located within Schley County and portions of Sumter County. It is a blended component unit; see Note 1.A. Schley County Utilities Authority on page 18.

Sanitation Fund – This fund is used to account for the operations of the County's solid waste disposal program. The County contracts for the disposition of its solid waste.

Additionally, the County reports the following fund types:

The **Special Revenue Funds** account for revenue sources that are legally restricted to expenditures for specific purposes.

Custodial Funds are used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals, such as traffic fines, support payments and ad valorem and property taxes. They are accounted for using the accrual basis of accounting.

The measurement focus (defined below) of the governmental funds balance sheet generally includes only current assets and current liabilities. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

1-C. 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. Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

Government-wide Financial Statements – The government-wide and proprietary funds 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 the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Custodial funds are reported using the *economic resources* measurement focus and the *accrual basis* of accounting.

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

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

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for services for water and solid waste programs. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activities of each program. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

1-D. Assets, Liabilities and Fund Equity

1-D-1. Cash, Cash Equivalents, and Investments

For the County and the discretely presented component units, cash and cash equivalents include amounts in demand deposit accounts as well as short-term investments with a maturity date within three months of the date acquired by the County. The County does not have a formal deposit policy for custodial credit risk.

Georgia law, authorizes the County to invest in obligations of the State of Georgia or of any other states, obligations of the United States Government, obligations fully insured or guaranteed by the government or governmental agency, obligations of any corporation of the government, prime bankers' acceptances, the State of Georgia local government investment pool (i.e., Georgia Fund 1), repurchase agreements, and obligations of the other political subdivisions of the State of Georgia.

Investments, if any, are stated at fair value based on quoted market prices. The County does not have a formal investment policy that would identify and manage investment rate risk.

1-D-2. Prepaid Items

Payments to vendors applicable to future accounting periods are recorded as prepaid items in the proprietary funds, the government-wide financial statements, and the government funds.

1-D-3. Restricted Assets

Customer security deposits, and funds held in separate accounts required by bond covenants are classified as restricted in the fund statements and the Statement of Net Position.

1-D-4. Receivables and Payables

All trade receivables and property tax receivables are reported net of an allowance for uncollectibles, where applicable. Receivables and payables are recorded on the County's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectability. The provision of ambulance services to the citizens of Schley County is considered an exchange transaction; therefore, income earned is recognized in the period the service is rendered (net of allowance for uncollectible accounts) in both the fund financial statements (General Fund) and the government-wide financial statements.

1-D-5. Interfund Receivables and Payables

On the governmental fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "due to/from other funds." These amounts are eliminated in the governmental and business-type activities columns of the government-wide statement of net position, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as "internal balances".

1-D-6. Inventories

On the government-wide financial statements and the fund financial statements, inventories are presented at the lower of cost (first-in, first-out basis) or market. Inventories of the governmental funds and the proprietary funds are expensed when used (i.e., the consumption method). Inventory reported in the governmental fund balance sheet consists of bulk fuel and culverts for the road department.

1-D-7. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The County reports these assets in the governmental activities column of the government-wide statement of net position, but does not report these assets in the governmental fund financial statements. Capital assets utilized by enterprise funds are reported both in the business-type activities column of the government-wide statement of net position and in the enterprise funds' statement of net position.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The County maintains a capitalization threshold of five thousand dollars. Improvements to capital assets are capitalized. The County has not capitalized infrastructure assets (roads and bridges) acquired prior to July 1, 2003. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

In the government-wide and proprietary funds financial statements, interest cost incurred before the end of a construction period is recognized as an expense in the period in which the cost is incurred. In the governmental fund financial statements, interest cost incurred before the end of a construction period is recognized as an expenditure on a basis consistent with governmental fund accounting principles

All reported capital assets are depreciated, except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Primary Government		
Land Improvements	20 years	20 years
Buildings and Plant	50 years	45 - 50 years
Machinery and equipment	5 – 12 years	5 – 10 years
Vehicles	4 - 8 years	6 years
Water plant and wells	Not Applicable	35 – 50 years
Infrastructure	50 years	Not Applicable
Component Unit		
Machinery and equipment	5 – 10 years	5 – 10 years

1-D-8 Deferred Outflows / Inflows of Resources

In addition to assets, the statement of net position and the balance sheet 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 or fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditure) until then. The County has no items that qualify for reporting in this category other than items related to changes in the net pension liability.

In addition to liabilities, the statement of net position and the balance sheet 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 or fund balance 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, which arise 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. These amounts are deferred and recognized as an inflow of resources in the period that they become available. The County also reports deferred inflows of resources related to their defined benefit pension plan.

1-D-9. Pension Plan

Net pension liability is the amount by which the total pension liability exceeds the fiduciary's net position available for paying benefits. Calculations are made by the Plan actuary based upon employee date, financial information and plan provisions provided by the County and other persons or organizations designated by the County. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows or resources related to pensions, and pension expense, information about the fiduciary net position of the Schley County Defined Benefit Plan (the Plan) and additions to or deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reposted at fair value.

The Plan actuaries produce an annual financial report that contains information necessary to make adjustments to the County's Government-Wide financial statements in accordance with GASB Statement 68. The report includes certain changes in the net pension liability that are to be recognized as pension expense over time. The following items are reported as deferred outflows or deferred inflows of resources: employer contributions made to the pension plan subsequent to the measurement date (will be recognized as reduction to the County's net pension liability in the following year); assumption changes are amortized into pension expense over the average expected remaining service lives of the plan members; differences between projected investment return on pension investments and actual return; experience gains or losses that result from periodic studies by the actuary for certain trend information that was previously assumed, for example the assumed rates of retirement of plan members.

1-D-10. Unearned Revenue

Unearned revenues arise when potential revenues do not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the County before it has legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures.

1-D-11. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick benefits. Based on length of service, employees earn vacation leave at the rate of from 40 to 120 hours per year. For employees who started after October 12, 2020, up to 160 hours of unused vacation time may be carried over and may be paid upon termination or resignation. For employees who were hired prior to October 13, 2020, an unlimited number of hours can be carried over and used at retirement or resignation, however, only 160 hours can be paid. On December 31 of any year, an employee can also ask to be paid for unused annual leave. This is a change in accounting that affects only the government-wide financial statements. (See Note 18)

Employees accrue sick leave at the rate of one day for each month worked, and may accumulate up to 90 days. No liability accrues for unpaid accumulated sick leave.

All vacation pay is accrued when incurred in the government-wide and the proprietary fund financial statements. Governmental funds report the compensated absence liability at the fund reporting level only *"when due."*

1-D-12. Accrued Liabilities and Long-term Obligations

In both the government-wide financial statements and in the proprietary fund type financial statements, all payables, accrued liabilities, and long-term obligations are reported in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

In the fund financial statements, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of these funds. The face amount of long-term debt issued is reported as other financing sources. Debt service expenditures are recognized as a liability in the governmental fund financial statements when due.

1-D-13. Bond Premiums, Discounts and Issuance Costs

In the government-wide financial statements, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. In the fund financial statements, governmental fund types report bond premiums and discounts as other financing sources and uses, separately from the face amount of the bonds issued. Bond issuance costs are reported as debt service expenditures.

1-D-14. Fund Equity

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

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities under the current financial resources measurement focus. In the fund financial statements, government funds report fund balance classifications following a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purpose for which amounts in the fund can be spent. Fund balances are classified as follows: *Nonspendable* – Amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. *Restricted* - Amounts that can only be used for the specific purposes stipulated by (a) constitutional provisions or enabling legislation or (b) external constraints imposed by creditors, resource providers, or laws or regulations of other governments. *Committed* - Amounts that can only be used for specific purposes pursuant to constraints imposed by resolution of the Schley County Board of Commissioners. *Assigned* – Amounts intended to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the Board of Commissioners, another body (such as a finance committee), or by an official to whom that authority has been given. *Unassigned* - This is the residual classification for the County's general fund and includes all spendable amounts not contained in the other classifications. The County reports positive unassigned fund balance only in the General Fund.

Flow Assumptions - When both restricted and unrestricted fund balances are available for expenditures, restricted amounts will be used first and then unrestricted amounts as available. Unrestricted amounts of fund balance will be used in the following order: committed, assigned, unassigned.

Net Position – Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net position are reported as unrestricted. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then, unrestricted resources as they are needed.

1-D-15. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside loan principal forgiveness, contributions of capital assets, grants, or other contributions of resources restricted to capital acquisition and construction.

1-E. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and as a separate category after non-operating revenues/ expenses in proprietary funds.

Transfers between governmental and business-type activities on the government-wide statement of activities are reported below general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business type activities column are eliminated.

1-F. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Note 2 – Stewardship, Compliance and Accountability

2-A. Budgetary Information

Schley County adopts an annual appropriated budget for the general fund on a basis consistent with generally accepted accounting principles, Annual budgets are also adopted for each special revenue required by OCGA 36-81-3(b). The County Manager prepares the budget based on requests from department heads and elected officials, and submits it to the Board of County Commissioners for review. After conducting public hearings, the Commissioners adopt the budget by passing the budget resolution. The operating budget includes proposed expenditures and the means of financing them.

Annual operating budgets are adopted for the water fund, and the sanitation fund for planning, control, and evaluation purposes. Budgets for the Capital Projects Funds (SPLOST Funds) are adopted on a project basis.

The level of budgetary control (the level at which expenditures may not exceed appropriations) is the department level with the following provisions:

- The County Commissioners may transfer funds from one object or purpose to another within the same department.
- The Commissioners may amend the budget by motion during the fiscal year.

2-B. Excess of Expenditures Over Appropriations

The following schedule presents excess of actual expenditures over the appropriations for the year ended June 30, 2023, at the department level (the legal level of control):

	Final Budget	Actual	Overage
GENERAL FUND			
County Administration	$ 123,075	$ 134,001	$ (10,926)
General Operations	344,540	402,933	(58,393)
Superior Court	103,363	104,871	(1,508)
Grand Jury	9,202	9,299	(97)
Sheriff	479,596	482,031	(2,435)
Probation	83,503	90,295	(6,792)
Fire Department & Ambulance Service	525,121	525,422	(301)
Emergency Management	1,679	1,787	(108)
Middle Flint E-911	27,600	32,153	(4,553)
Extension Service	25,018	32,089	(7,071)
T-SPLOST FUND			
Principal Payments	-	22,875	(22,875)
Interest	-	2,958	(2,958)
Capital Outlay	-	1,567	(1,567)

The excesses were funded with revenue overages, existing unassigned fund balance, and cost savings in other departments.

2-C. *Deficit Fund Equity*

In the Enterprise Fund, the Water Fund unrestricted net deficit is due to operating expenditures and bond interest expense exceeding revenues. The Commissioners expect that the deficit in the Water Fund will not be corrected in future years, because new customers tap-on to the system are expected to continue to be substantially less than projected. Future operating deficits will be funded by transfers from the General Fund.

Note 3 – Deposits and Investments

Deposits - State statutes require that the County take appropriate measures to mitigate *Custodial Credit Risk* for their deposits. Custodial Credit Risk for deposits is the risk that, in the event of bank failure, the County's funds on deposit would be lost. The County has no formal policy for deposit custodial credit risk. County funds are on deposit at a local FDIC insured bank in non-interest-bearing accounts. All of the county's deposits in excess of FDIC coverage are collateralized by securities in the bank's "Pledging Pool".

Investments - As of and for the year ended June 30, 2023, the County did not have any investments. To mitigate *Credit Risk,* State statutes authorize the County to invest in obligations of the State of Georgia or other states; obligations fully insured or guaranteed by the U.S. government or by any government agency or the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. The County does not have a formal investment policy that addresses *Interest Rate Risk* as a means of limiting its exposure to fair value losses arising from rising interest rates.

Note 4 – Receivables

Receivables as of year-end for the County's individual major funds and nonmajor governmental, including the applicable allowances for uncollectible accounts, are as follows:

GOVERMENTAL ACTIVITIES	General	T-SPLOST	SPLOST 2019	Total
Receivables				
Property Taxes	$ 124,568	$ -	$ -	$ 124,568
Intergovernmental	28,291	32,177	41,304	101,772
City of Ellaville	1,657	-	-	1,657
Accounts	248,600	-	-	248,600
Gross Receivables	403,116	32,177	41,304	476,597
Less: Allowance for Uncollectible	(200,631)	-	-	(200,631)
Net Receivables	$ 202,485	$ 32,177	$ 41,304	$ 275,966

Non-current property tax receivable of $30,343 (net of allowance for uncollectible of $12,330) is reported as assets, but on the Balance Sheet of the Governmental Funds, it is reported as deferred inflows of resources, because they do not represent financial resources available to pay current expenditures.

Property taxes for the 2022 digest were levied on September 21, 2022. Taxes were billed on September 27, 2022, and were due and payable by December 20, 2022.

The County bills and collects its own property taxes as well as taxes for the State, County School District, and the City of Ellaville. Collections of the County taxes and their remittances are accounted for in the Tax Commissioner's Custodial Fund.

Note 4 – Receivables (continued)

Receivables as of year-end for the County's individual major enterprise funds, including the applicable allowances for uncollectible accounts, are as follows:

ENTERPRISE FUNDS

	Water	Sanitation	Total
Receivables			
Accounts	$ 47,514	$ 97,503	$ 145,017
Gross Receivables	47,514	97,503	145,017
Less: Allowance for Uncollectible	(4,034)	(52,594)	(56,628)
Net Receivables	$ 43,480	$ 44,909	$ 88,389

Note 5 – Capital Assets

Capital asset activity for the year ended June 30, 2023, was as follows:

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Governmental Activities:					
Capital Assets, Nondepreciable:					
Land	$ 217,123	$ -	$ -	$ 65,000	$ 282,123
Construction in Progress	102,258	252,979	-	(102,258)	252,979
Total Nondepreciable Capital Assets	319,381	252,979	-	(37,258)	535,102
Capital Assets, Being Depreciated:					
Buildings	2,401,279	64,720	-	-	2,465,999
Machinery and Equipment	2,896,592	156,512	(97,340)	-	2,955,764
Furniture and Fixtures	192,831	-	-	37,258	230,089
Infrastructure	676,154	-	-	-	676,154
Total Capital Assets, Being Depreciated	6,166,856	221,232	(97,340)	37,258	6,328,006
Accumulated Depreciation:					
Buildings	(1,222,630)	(66,036)	-	-	(1,288,666)
Machinery and Equipment	(2,027,526)	(208,148)	82,336	-	(2,153,338)
Furniture and Fixtures	(181,829)	(4,399)	-	-	(186,228)
Infrastructure	(167,911)	(13,523)	-	-	(181,434)
Total Accumulated Depreciation	(3,599,896)	(292,106)	82,336	-	(3,809,666)
Total Depreciable Assets, Net	2,566,960	(70,874)	(15,004)	37,258	2,518,340
Governmental Activities, Capital Assets, Net	$ 2,886,341	$ 182,105	$ (15,004)	$ -	$ 3,053,442

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

Governmental Activities	
General Government	$ 46,978
Judicial	-
Public Safety	107,569
Public Works	115,820
Infrastructure	13,523
Health and Welfare	6,638
Culture and Recreation	1,578
Total Governmental Activities Depreciation Expense	$ 292,106

Note 5 – Capital Assets (continued)

	Beginning Balance	Additions	Decreases	Ending Balance
Business-Type Activities:				
Capital Assets, Nondepreciable:				
Land	$ 10,000	$ -	$ -	$ 10,000
Total Nondepreciable Capital Assets	10,000	-	-	10,000
Capital Assets, Being Depreciated:				
Building and Plant	20,796	-	-	20,796
Machinery and Equipment	168,250	-	-	168,250
Furniture and Fixtures	10,206	-	-	10,206
Water Plant and Wells	14,241,310	-	-	14,241,310
Total Capital Assets, Being Depreciated	14,440,562	-	-	14,440,562
Accumulated Depreciation:				
Buildings and Plant	(7,660)	(416)	-	(8,076)
Machinery and Equipment	(161,247)	(955)	-	(162,202)
Furniture and Fixtures	(10,206)	-	-	(10,206)
Water Plant and Wells	(4,489,913)	(326,176)	-	(4,816,089)
Total Accumulated Depreciation	(4,669,026)	(327,547)	-	(4,996,573)
Capital Assets, Being Depreciated, Net	9,771,536	(327,547)	-	9,443,989
Business-Type Activities Capital Assets, Net	$ 9,781,536	$ (327,547)	$ -	$ 9,453,989

Business-Type Activities Depreciation Expense:	
Water Fund	$ 327,547
Sanitation Fund	-
Total business-Type Activities Depreciation Expense	$ 327,547

Note 6 – Interfund Receivables, Payables and Transfers

The composition of interfund balances at June 30, 2023 is as follows:

Due to / from other funds: The General Fund maintains a central payroll account through which salaries and wages and related taxes and benefits are paid for the general fund and the enterprise funds. The funds record receivables and payables for their share of reimbursable expenses and, when funds are available, they make reimbursements to the general fund.

The composition of interfund balances as of June 30, 2023, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	T-SPLOST	$ 265
Sanitation Fund	General Fund	15,802
Water Fund	T-SPLOST	5,226
		$ 21,293

Interfund transfers: The following is a summary of interfund transfers for the year:

Transfers In	Transfers Out	Amount
Water Fund	General Fund	$ 247,680
		$ 247,680

Note 8 – Short-Term Debt

General Fund: On August 1, 2022, the Board of Commissioners authorized a Tax Anticipation Note (TAN), in the amount of $500,000 from local bank. Interest at 6.0% is due on maturity. The loan was not used, in the year ended June 30, 2023.

Water Fund: To provide operating cash and funds for installation of additional water lines. Revenues from the Water Fund will be used to repay these loans.

Single Advance loan dated December 31, 2022, was obtained from a local bank; maturity date is December 31, 2023. Interest accrues at 7.0% per annum payable at maturity.	$ 480,582
Accrued interest payable as of June 30, 2023, was $16,820.	

The short-term loan is not collateralized.

	Outstanding 6/30/2022	Additions	Reductions	Outstanding 6/30/2023
Single Advance Note	$ 521,680	$ 480,582	$ (521,680)	$ 480,582
Total Business-Type Activities	$ 521,680	$ 480,582	$ (521,680)	$ 480,582

Note 9 – Long-Term Debt

Primary Government

Changes in Long-Term Debt – Changes in the County's long-term obligations consisted of the following for the year ended June 30, 2023:

	Outstanding 6/30/2022	Additions	Reductions	Outstanding 6/30/2023	Amounts Due in one Year
Governmental Activities:					
Finanace Purchase	$ 118,250	$ -	$ (31,666)	$ 86,584	$ 28,616
Compensated Absences	68,489	39,402	(26,685)	81,206	20,302
Net Pension Liability	283,314	26,424	(81,266)	228,472	-
Landfill Postclosure Costs	120,285	-	(28,385)	91,900	17,800
Total Governmental Activities	$ 590,338	$ 65,826	$ (168,002)	$ 488,162	$ 66,718

For governmental activities compensated absences, net pension liability and landfill postclosure care costs will be liquidated by the General Fund.

The prior period adjustment to compensated absences was to record accumulated hours for certain employees who had accumulated over 160 hours.

Finanace Purchase Agreement: On January 26, 2021, the County signed a Georgia Municipal Capital Lease-Purchase Agreement for the purpose of financing "Financial Software". The lease calls for 48 monthly payments of $889.96, each which includes interest at $4.98% per annum. The software was placed in service on April 30, 2023 with a total cost of $37,257.50. Depreciation expense for the year ended June 30, 2023 was $1,242.

Note 6 – Interfund Receivables, Payables and Transfers (continued)

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, and 2) use unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers are eliminated in the government-wide financial statements if the interfund transfer is within the governmental fund group or the Business-type fund group.

The transfer from the General Fund to the Water Fund was for payment of principal and interest on the short-term bank loan, to supplement operating expenses, and payment of principal and interest on the USDA Series 2017 Bonds.

Note 7 – Fund Equity

Below are the fund balance classifications for the governmental funds at June 30, 2023:

	General	ARPA Fund	T-SPLOST	SPLOST 2019	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances						
Non Spendable						
Inventory	$ 12,676	$ -	$ 9,567	$ -	$ -	$ 22,243
Prepaid items	28,308	-	-	-	-	28,308
Total Non Spendable	40,984	-	9,567	-	-	50,551
Restricted						
Capital Projects	15,508	-	255,173	483,645	21,590	775,916
Law Library	-	-	-	-	29,985	29,985
Drug Education	-	-	-	-	16,057	16,057
Jail Maintenance	-	-	-	-	2,844	2,844
Clerk of Court	-	-	-	-	3,490	3,490
Total Restricted	15,508	-	255,173	483,645	73,966	828,292
Committed						
Jail Inmate Services	-	-	-	-	3,842	3,842
Total Committed	-	-	-	-	3,842	3,842
Assigned						
Sheriff's Department	-	-	-	-	11,947	11,947
Total Assigned	-	-	-	-	11,947	11,947
Unassigned	613,238	-	-	-	-	613,238
Total Fund Balances	$ 669,730	$ -	$ 264,740	$ 483,645	$ 89,755	$ 1,507,870

NOTE: The Board of Commissioners with the approval of the Georgia Department of Transportation has restricted LMIG funding for this and the next year for the paving of approved County roads.

Note 9 – Long-Term Debt (continued)

Primary Government (continued)

Finance Purchase Agreement (continued):

Finance Purchase Agreement: On December 9, 2021, the County signed a Caterpillar Financial Services Equipment Lease-Purchase Agreement for the purpose of financing 2021 Caterpillar Motor Grader. The lease calls for 59 monthly payments of $1,845.22, each which includes interest at 3.07% per annum. The Motor Grader's total costs to was $210,470. Depreciation for the year ended June 30, 2023 was $30,067.

The County's capital leases debt service requirements to maturity are as follows:

Fiscal year ending June 30:	Governmental Activities
2024	30,978
2025	29,263
2026	22,143
2027	9,224
Total minimum lease payments	91,608
Less: Amount representing interest	(5,024)
Present value of future minimum lease payments	$ 86,584

	Outstanding 6/30/2022	Additions	Reductions	Outstanding 6/30/2023	Amounts Due in one Year
Business-Type Activities:					
Compensated Absences	$ 8,777	$ 3,972	$ (2,034)	$ 10,715	$ 2,679
Note Payable	301,133	-	(15,892)	285,241	16,034
Water Revenue Bonds	5,966,847	-	(131,922)	5,834,925	135,483
Net Pension Liability	44,369	8,637	(17,227)	35,779	-
Total Business-Type Activities	$ 6,321,126	$ 12,609	$ (167,075)	$ 6,166,660	$ 154,196

Principal and interest payments related to the County's water enterprise fund are financed from income derived from the operation of the water system. The General Fund provides supplemental financing as needed by way of inter-fund transfer. Compensated absences and net pension liability are liquidated by the Water and Sanitation Funds.

Landfill post closure costs: In 1996 the Schley County Municipal Solid Waste Landfill (MSWLF) was closed following EPD Guidelines. In accordance with State and Federal laws and regulations, the County must perform certain maintenance and monitoring functions at the site for a minimum of 30 years. As of June 30, 2023, the County has 3 years of monitoring remaining. The County has contracted with a geotechnical, environmental and construction materials consultant to conduct post-closure monitoring and assessment. This work includes routine monitoring activity and contamination assessment. Based on the consultant's projections of the postclosure care costs for the remaining ten years, management has estimated the liability to be $91,900. Actual costs may be higher due to changes in inflation, technology or applicable laws or regulations. Post-closure monitoring and assessment costs will be paid from the General and/or Sanitation Fund based on budget.

Note 9 – Long-Term Debt *(continued)*

Primary Government (continued)

Water Revenue Bonds:
Series 2003: On April 9, 2003, Schley County issued Water Revenue Bonds, Series 2003, in the principal amount of $1,594,600 to finance part of the cost of a county–wide water distribution, commonly referred to as Phase One. The registered owner of the Bonds is the United States Department of Agriculture, Rural Development. The Bonds are secured by a first and prior pledge of and charge or lien on the revenues of the Water System of Schley County. Beginning May 9, 2004, the County is to make monthly installments of $7,240 which includes interest at 4.50% for a maximum of 468 payments.

The Sinking Fund required to be used in accordance with the issuing Resolution has had no transactions applied since its inception.

The following schedule presents annual payment amortization of the 2003 Series Water Revenue Bonds for the next five years, and in five-year increments thereafter for the life of the bonds:

Year Ending June 30,	Principal	Interest
2024	36,490	50,390
2025	38,166	48,714
2026	39,920	46,960
2027	41,754	45,126
2028	43,672	43,208
2029 - 2033	250,361	184,039
2034 - 2038	313,401	120,999
2039 - 2043	372,605	61,795
Total	$ 1,136,369	$ 601,231

Series 2017 - On February 21, 2017, Schley County issued Water Revenue Bonds, Series 2017, in the principal amount of $5,282,072.97 for the purpose of exchanging and cancelling the Series 2008 Bond. The issuance is duly authorized by resolutions of the Board of County Commissioners, adopted January 14, 2003 and January 19, 2017. The purpose of the Bond is to finance part of the cost of a county–wide water distribution system, commonly referred to as Phase Two. The registered owner of the Bonds is the United States Department of Agriculture, Rural Development. The Bonds are secured by a first lien on the net revenues of the Water System of Schley County, on a parity with the lien thereon securing the Series 2003 bonds. Beginning March 21, 2017, the Bonds require monthly installments of $16,005 which includes interest at 2.00% for a maximum of 468 payments. Maturity is scheduled for March 21, 2057.

The Sinking Fund required to be used in accordance with the issuing Resolution has had no transactions applied since its inception.

Note 9 – Long-Term Debt (continued)

Primary Government (continued)

Debt service requirements to maturity on the bonds payable are as follows:

Year Ending June 30,	Principal	Interest
2024	98,993	93,067
2025	100,991	91,069
2026	103,030	89,030
2027	105,109	86,951
2028	107,231	84,829
2029 - 2033	569,507	390,793
2034 - 2038	629,349	330,951
2039 - 2043	695,481	264,819
2044 - 2048	768,561	191,739
2049 - 2053	849,321	110,979
2054 - 2057	670,983	888,201
Total	$ 4,698,556	$ 2,622,428

SCHLEY COUNTY UTILITIES AUTHORITY

Note Payable: On March 20, 2018, the Utilities Authority obtained a loan from the Drinking Water State Revolving Fund administered by the Georgia Environmental Finance Authority ("GEFA") in the amount of $446,000. The loan was obtained for the purpose of treatment improvements to the Goolsby-Stevens Road well. The project was completed and the loan was finalized on December 4, 2019. GEFA granted a $107,040 principal forgiveness, thus, the initial principal balance was $338,960. The terms of the loan are for monthly installments of $1,542.28 which includes interest at 0.89% per annum. The maturity date is January 1, 2040. Note payable debt service requirements to maturity are as follows as of June 30, 2023:

Year Ending June 30,	Principal	Interest
2024	16,034	2,473
2025	16,177	2,330
2026	16,322	2,186
2027	16,468	2,040
2028	16,615	1,892
2029 - 2033	85,328	7,209
2034 - 2038	89,211	3,326
2039 - 2040	29,086	217
Total	$ 285,241	$ 21,673

Note 10 – Defined Benefit Pension Plan

A. Primary Government

The County has changed the plan and will no longer offer it to new employees starting June 30,2023. The County has established a non-contributory defined benefit pension plan, the Schley County Defined Benefit Plan (the Plan). All full-time employees meeting the provisions set out in the Adoption Agreement are eligible on the first day of the month coincident with or following the date the employee completes three years of service. The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. The Plan, through execution of the adoption agreement, is affiliated with the Association County Commissioners of Georgia Third Restated Defined Benefit Plan (The ACCG Plan), an agent multiple-employer public employees retirement system that acts as a common investment and administrative agent for participating counties in Georgia. The Trustees for

Note 10 – Defined Benefit Pension Plans (continued)

A. Primary Government (continued)

the Association County Commissioners of Georgia (ACCG) Pension Plan and the Trust oversees the administration, investment and funding of the ACCG Plan. The ACCG, in its role as the Plan Sponsor, has the sole authority to amend the provisions of the ACCG Plan, as provided in Section 19.03 of the ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of The Plan, as provided in Section 19.02 of the ACCG Plan document.

Normal retirement (as opposed to early retirement, vested termination or disability retirement) is at age 65 and one year of vesting service. Upon eligibility to retire, participants are entitled to monthly benefit equal to 0.75% of Average Annual Compensation (the highest average of the participant's compensation over five consecutive plan years during the ten plan years preceding the participant's date of retirement or other termination) multiplied by years of service.

The ACCG Plan issues a publicly available financial report that includes financial statements and required supplementary information for the pension trust. That report may be obtained at www.gebcorp.com or by writing to Association County Commissioners of Georgia, Retirement Services, 191 Peachtree Street, NE, Atlanta, Georgia 30303 or by calling (800) 736-7166.

Plan Membership
As of January 1, 2023, the date of the most recent actuarial valuation date, pension plan membership consisted of the following:

Retirees, beneficiaries and disableds receiving benefits	8
Terminated plan participants entitled to but not receiving benefits	6
Active employees participating in the Plan	18
	32

Contributions
The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of the ACCG Plan has adopted a recommended actuarial funding policy for the plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the plan. The funding policy for the Plan, as adopted by the County Commission, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. No contributions are made by plan participants. For the year ended June 30, 2023, the County's contribution rate was 10.9% of annual covered payroll. The County's contribution to the Plan was $81,266 for the year ended June 30, 2023.

Net Pension Liability of the County
The County's net pension liability was measured as of December 31, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as January 1, 2023.

Actuarial Assumptions. The total pension liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Cost of Living Adjustment	2.0% per year
Salary increases	2.5% - 5.5% per year adjusted for age
Investment rate of return	7.00 % per year

Mortality rates were based on the Pub-2010 GE (50%) & PS (50%) projected with Scale AA to 2022. The actuarial assumptions used in the January 1, 2023 valuation were based on the results of an actuarial experience study for February, 2019.

Note 10 – Defined Benefit Pension Plans (continued)

A. Primary Government (continued)

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

The Trustees' guidelines for asset allocation are as follows:

	Target Allocation	Range
Fixed income	30%	25%-35%
Equities:		
Large Cap	30%	25%-35%
Med Cap	5%	2.5%-10%
Small Cap	5%	2.5%-10%
REIT	5%	2.5%-10%
International	15%	10%-20%
Multi Cap	5%	2.5%-10%
Global Allocation	5%	2.5%-10%

Discount Rate. The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that County contributions will be made based on the average County contribution made to the Plan over the prior five years. 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. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability of the County. The changes in the components of the net pension liability of the County for the year ended June 30, 2023, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2022	$ 680,001	$ 352,318	$ 327,683
Changes for the year:			
Service cost	30,608	-	30,608
Interest	46,668	-	46,668
Liability experience (gain) / loss	52,039	-	52,039
Assumption Change	1,322	-	1,322
Contributions - employer	-	81,266	(81,266)
Plan Change	(185,892)	-	(185,892)
Net investment income	-	(49,344)	49,344
Benefit payments	(26,621)	(26,621)	-
Administrative expense	-	(22,536)	22,536
Other charges	-	(1,209)	1,209
Net changes	(81,876)	(18,444)	(63,432)
Balances at June 30, 2023	$ 598,125	$ 333,874	$ 264,251

Governmental Activities	$ 228,472
Business-Type Activities	35,779
	$ 264,251

Note 10 – Defined Benefit Pension Plans (continued)

A. Primary Government (continued)

The required schedule of changes in the County's net pension liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the County, calculated using the discount rate of 7.0 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate.

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
County's net pension liability	$ 324,433	$ 264,252	$ 212,739

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of December 31, 2021 and the current sharing pattern of costs between employer and employee.

Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions
For the year ended June 30, 2023, the County recognized pension expense of $93,858. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	Deferred Outflows of Resources		
	Governmental Activities	Business-Type Activities	Total
Difference between projected and actual earnings on pension plan investments	$ 50,915	$ 7,973	$ 58,888
Difference between projected and actual pension liabilities	55,687	8,720	64,407
Pension assumption changes	5,984	937	6,921
	$ 112,586	$ 17,630	$ 130,216

	Deferred Inflows of Resources		
	Governmental Activities	Business-Type Activities	Total
Difference between projected and actual earnings on pension plan investments	$ (19,033)	$ (2,980)	$ (22,013)
Difference between projected and actual pension liabilities	-	-	-
Pension assumption changes	-	-	-
	$ (19,033)	$ (2,980)	$ (22,013)

Note 10 – Defined Benefit Pension Plans (continued)

A. Primary Government (continued)

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

Year ended June 30:		
2023	$	44,191
2024		35,309
2025		31,141
2026		19,575
	$	130,216

Note 11 – Deferred Compensation Plan

Schley County has adopted the ACCG Deferred Compensation Program created in accordance with Internal Revenue Code Section 457. The plan is administered by the Governmental Employee Benefits Corporation of Georgia (GEBCorp), 1100 Circle 75 Parkway, Suite 300, Atlanta, Georgia 30339. Eligible employees, including elected or appointed officials, may elect to participate in the in the plan. All amounts of compensation deferred, all property rights purchased and all income, property, or rights are (until paid or made available to the employee or other beneficiary) held in trust for the exclusive benefit of the participants and their beneficiaries.

Plan benefit provisions and contribution requirements can be amended by the Board of Commissioners. For the year ended June 30, 2023, employees contributed $39,981. Schley County is not required to contribute to the plan and the County made no contribution for 2023.

Note 12 – Other Benefit Plans

The County provides certain group health insurance benefits to eligible employees and elected officials who are employed over 90 days and elect the coverage. The County's expense for the year ended June 30, 2023, was $172,453.

Various county employees and elected officials are covered under the following plans: Georgia Firefighters' Pension Fund, Magistrates' Retirement Fund of Georgia, Probate Judges' Retirement Fund of Georgia, Peace Officers' Annuity and Benefit Fund of Georgia, Sheriff's 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.

Note 13 – Risk Management

The County is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has joined the Georgia Interlocal Risk Management Agency for property and liability insurance and the Association of County Commissioners of Georgia Group Self-Insurance Workers Compensation Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments.

As part of these risk pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction

Note 13 – Risk Management (continued)

procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the pool's agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

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

There have been no significant reductions of insurance coverage from coverage in the previous year, and settled claims in the past three years have not exceeded the coverage.

Note 14 – Commitments and Contingencies

Litigation:
The County is not involved in any litigation, nor is management aware of any pending litigation against Schley County.

Grant Contingencies:
Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. Based upon prior experience, management believes such disallowances, if any, will not be significant.

Debt Burden:
For the year ended June 30, 2023, net position of the Water Fund decreased by $98,946, primarily due to depreciation, debt service and operating expenses. Operating bank loans in the Water Fund was reduced by $41,098 to $480,582.

Note 15 – Joint Ventures

A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest, or (b) an ongoing financial responsibility.

River Valley Regional Commission: Under Georgia law, the County, in conjunction with other cities and counties in the eight county west central Georgia area, is a member of the Middle Flint Regional Commission and is required to pay annual dues thereto. During the year ended June 30, 2023, the County paid $3,970 in such dues. Membership in Regional Commission is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the Regional Commission's in Georgia. The RDC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a Regional Commission.

Separate financial statements may be obtained from: River Valley Regional Commission, P.O. Box 1908, Columbus, Georgia 31902-4908.

Note 15 – Joint Ventures (continued)

Middle Flint Regional E-911 Authority: Pursuant to the authority granted in OCGA Section 46-5-120 et. Seq., Schley County is a "Participating County", together with Dooly, Macon, Marion, Sumter, Talbot, Taylor, and Webster Counties, in the Middle Flint Regional E-911 Authority ("Authority"). The Authority is governed by an eight-member board appointed by the participating counties. The Authority maintains custody and control of the equipment and furnishings at the E-911 Center, located in Ellaville, Georgia. Each Participating County holds interest in the title to the equipment in such portion as each county has subscribers as of January 1 of each year. The E-911 Center will receive telephone calls relating to public safety; it will provide emergency call answering services and dispatching. Funding for the E-911 Center is derived from a service charge added to telephone subscribers in the six Participating Counties. Operating costs not covered by the service charge will be paid by the Participating Counties in accordance with their relative number of subscribers. Schley County contributed $ to the Authority during the twelve months ended June 30, 2023.

Financial statements for the Middle Flint Regional E-911 Authority can be obtained from: Middle Flint Regional E-911 Center, 222 Hayes Avenue, Ellaville, Georgia 31806.

Note 16 - Related Organizations

An organization for which a primary government is not financially accountable (because it does not impose will or have a financial benefit or burden relationship) even though the primary government may appoint a voting majority of the organization's governing board.

Schley – Sumter – Macon - Webster Counties Joint Development Authority: The four counties by separate and concurrent resolutions created the Authority under O.C.G.A. 36-62-5.1 to promote and expand business, industry and trade in Schley, Sumter, Webster and Macon Counties, and to attract and support new business industry, to provide increased employment for the citizens living within the jurisdiction of the Authority, and to expand the ad valorem property tax base for the three counties. The Authority is controlled by a nine-member board of directors consisting of three members from each county appointed by each Board of County Commissioners. No dues are required or paid by the participating counties.

Financial statements for the Schley – Sumter – Macon- Webster Counties Joint Development Authority may be obtained from their office at 409 Elm Avenue, Americus, Georgia 31709.

Note 17 – Related Parties

One member of the Board of Commissioners owns a repair shop which the County uses for vehicle and equipment service and repair. Total paid by the company during this fiscal year was $9,129. The Board of Commissioners was aware of these transactions, and the costs are reasonable, furthermore they maintain the position that the services provided by these commissioners are necessary and no other companies within a reasonable proximity to Schley County are qualified.

REQUIRED SUPPLEMENTARY INFORMATION

Schley County, Georgia
SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY
AND RELATED RATIOS
for the Measurement Period Ended December 31, of the years indicated

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability									
Service cost	$ 30,608	$ 25,263	$ 25,361	$ 17,728	$ 15,459	$ 11,693	$ 10,473	$ 8,893	$ 6,614
Interest on total pension liability	46,668	42,636	39,167	33,006	29,572	30,330	28,952	24,988	24,660
Changes of benefit terms	(185,892)								
Liability Experience (Gain) / Loss	52,039	24,616	15,696	20,426	22,578	(6,998)	(10,618)	21,141	-
Changes of assumptions	1,322	1,140	1,153	26,063	13,596	(8,784)	12,262	15,327	-
Benefit payments, including refunds of employee contributions	(26,621)	(22,739)	(31,820)	(18,411)	(16,749)	(28,321)	(17,500)	(17,500)	(18,157)
Net change in total pension liability	(81,876)	70,916	49,557	78,812	64,456	(2,080)	23,569	52,849	13,117
Total pension liability - beginning	680,001	609,085	559,528	480,716	416,260	418,340	394,771	341,922	328,805
Total pension liability - ending (a)	$ 598,125	$ 680,001	$ 609,085	$ 559,528	$ 480,716	$ 416,260	$ 418,340	$ 394,771	$ 341,922
Plan fiduciary net position									
Contributions - employer	81,266	72,830	60,778	47,181	39,818	$ 31,730	$ -	$ -	$ 23,904
Net investment income	(49,346)	40,640	28,021	38,154	(7,636)	29,179	10,268	953	15,046
Benefit payments, including refunds of employee contributions	(26,621)	(21,970)	(30,744)	(18,411)	(16,749)	(27,330)	(17,500)	(17,500)	(17,501)
Administrative expenses	(22,535)	(19,533)	(19,356)	(17,768)	(6,700)	(3,660)	(7,457)	(3,873)	(3,105)
Other	(1,209)	(1,212)	(961)	(1,003)	(15,788)	(1,494)	(1,534)	(1,645)	(14,376)
Net change in plan fiduciary net position	(18,445)	70,755	37,738	48,153	(7,055)	28,425	(16,223)	(22,065)	3,968
Plan fiduciary net position - beginning	352,318	281,563	243,825	195,672	202,727	174,302	190,525	212,590	208,622
Plan fiduciary net position - ending (b)	$ 333,873	$ 352,318	$ 281,563	$ 243,825	$ 195,672	$ 202,727	$ 174,302	$ 190,525	$ 212,590
County's net pension liability - ending (a) - (b)	$ 264,252	$ 327,683	$ 327,522	$ 315,703	$ 285,044	$ 213,533	$ 244,038	$ 204,246	$ 129,332
Plan fiduciary net position as a percentage of the total pension liability	55.82%	51.81%	46.23%	43.58%	40.70%	48.70%	41.67%	48.26%	62.17%
Covered-employee payroll	$ 747,746	$ 651,154	$ 692,111	$ 572,578	$ 529,984	$ 370,669	$ 405,184	$ 393,452	$ 306,494
County's net pension liability as a percentage of covered-employee payroll	35.34%	50.32%	47.32%	55.14%	53.78%	57.61%	60.23%	51.91%	42.20%

Notes to the Schedule:
The schedule will present 10 years of information once it is accumulated.

Schley County, Georgia
SCHEDULE OF COUNTY CONTRIBUTIONS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	$ 81,266	$ 72,830	$ 60,778	$ 47,181	$ 39,818	$ 31,730	$ 32,598	$ 26,604	$ 21,384	$ 20,013
Contributions in relation to the actuarially determined contribution	81,266	72,830	60,778	47,181	39,818	31,730	-	-	23,904	21,617
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ 32,598	$ 26,604	$ (2,520)	$ (1,604)
Covered-employee payroll	$ 747,746	$ 651,154	$ 692,111	572,578	529,984	370,669	393,452	393,452	306,494	270,242
Contributions as a percentage of covered -employee payroll	10.87%	11.18%	8.78%	8.24%	7.51%	8.56%	0.00%	0.00%	7.80%	8.00%

Notes to the Schedule:

Valuation date	January 1, 2023
Funding Method	Entry Age Normal
Actuarial Asset Valuation Method	Smoothed market value with a 5-year smoothing period
Assumed Rate of Return on Investments	7.00%
Projected Salary Increases	2.5% -5% per year adjusted for age
Cost of living adjustment	NA
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	14.4

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

SCHLEY COUNTY, GEORGIA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2023

	Special Revenue							Capital Projects	
	Law Library	Drug Forfeiture Fund	Jail Construction Fund	Clerk's Account	Sheriff's Drug Fund	Sheriff's Miscellaneous Account	Jail Inmate Services Fund	SPLOST 2013	Total
ASSETS									
Cash and cash equivalents	$ 29,985	$ 16,057	$ 2,844	$ 3,490	$ 5,880	$ 6,067	$ 3,842	$ 21,590	$ 89,755
Due from other funds	-	-	-	-	-	-	-	-	-
Total assets	$ 29,985	$ 16,057	$ 2,844	$ 3,490	$ 5,880	$ 6,067	$ 3,842	$ 21,590	$ 89,755
FUND BALANCES									
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Restricted									
Capital projects	-	-	-	-	-	-	-	21,590	21,590
Judicial	29,985	-	-	3,490	-	-	-	-	33,475
Public Safety	-	16,057	2,844	-	-	-	-	-	18,901
Committed	-	-	-	-	-	-	3,842	-	3,842
Assigned	-	-	-	-	5,880	6,067	-	-	11,947
Total fund balances	29,985	16,057	2,844	3,490	5,880	6,067	3,842	21,590	89,755
Total Liabilities and Fund Balances	$ 29,985	$ 16,057	$ 2,844	$ 3,490	$ 5,880	$ 6,067	$ 3,842	$ 21,590	$ 89,755

SCHLEY COUNTY, GEORGIA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
June 30, 2023

	Tax Commissioner	Clerk of Superior Court	Sheriff	Probate Court	Magistrate Court	Total
ASSETS						
Cash and cash equivalents	$ 171	$ 18,113	$ 560	$ 3,733	$ 1,437	$ 24,014
Taxes receivable	185,765	-	-	-	-	185,765
Total Assets	185,936	18,113	560	3,733	1,437	209,779
LIABILITIES						
Due to others	171	8,526	-	3,733	1,437	13,867
Uncollected taxes	185,765	-	-	-	-	185,765
Total Liabilities	185,936	8,526	-	3,733	1,437	199,632
NET POSITION						
Restricted:						
Individuals organizations, and other governments	$ -	$ 9,587	$ 560	$ -	$ -	$ 10,147

SCHLEY COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2023

	Special Revenue							Capital Projects	
	Law Library	Drug Forfeiture Fund	Jail Construction Fund	Clerk's Account	Sheriff's Drug Fund	Sheriff's Miscellaneous Account	Jail Inmate Services Fund	SPLOST 2013	Total
Revenues									
Fines and forfeitures	$ 2,635	$ 1,140	$ 5,755	$ -	$ -	$ -	$ -	$ -	$ 9,530
Interest income	-	8	4	-	-	-	-	-	12
Other revenues	-	-	-	5,590	2,364	1,050	200	-	9,204
Total revenues	2,635	1,148	5,759	5,590	2,364	1,050	200	-	18,746
Expenditures									
Current									
Judicial	7,920	-	-	5,224	-	-	-	-	13,144
Public safety	-	544	12,475	-	3,133	6,040	785	-	22,977
Capital outlay	-	-	-	-	-	-	-	-	-
Total expenditures	7,920	544	12,475	5,224	3,133	6,040	785	-	36,121
Excess (deficiency) of revenues over (under) expenditures	(5,285)	604	(6,716)	366	(769)	(4,990)	(585)	-	(17,375)
Fund balances, beginning of year	35,270	15,453	9,560	3,124	6,649	11,057	4,427	21,590	107,130
Fund balances, end of year	$ 29,985	$ 16,057	$ 2,844	$ 3,490	$ 5,880	$ 6,067	$ 3,842	$ 21,590	$ 89,755

SCHLEY COUNTY, GEORGIA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
For the Year Ended June 30, 2023

	Tax Commissioner	Clerk of Superior Court	Sheriff	Probate Court	Magistrate Court	Total
ADDITIONS						
Taxes collected for other agencies	$ 3,441,743	$ -	$ -	$ -	$ -	$ 3,441,743
Court fines and fees collected for other agencies	-	61,316	-	35,447	3,565	100,328
Other custodial collections	-	11,894	1,676	-	20,238	33,808
Total additions	3,441,743	73,210	1,676	35,447	23,803	3,575,879
DEDUCTIONS						
Taxes paid to other governments	3,441,743	-	-	-	-	3,441,743
Court fines and fees disbursed to other agencies	-	61,316	-	35,447	3,565	100,328
Other custodial disbursements	2,062	5,290	1,676	-	20,238	29,266
Total deductions	3,443,805	66,606	1,676	35,447	23,803	3,571,337
Net increase in fiduciary net position	(2,062)	6,604	-	-	-	4,542
Net position, beginning of year, restated	2,062	2,983	560	-	-	5,605
Net position, end of year	$ -	$ 9,587	$ 560	$ -	$ -	$ 10,147

SCHLEY COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF
2013-2019 SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
For the Year Ended June 30, 2023

PROJECT	ORIGINAL ESTIMATED COSTS	CURRENT ESTIMATED COSTS	PRIOR YEARS	EXPENDITURES CURRENT YEAR	TOTAL
Courthouse Renovation/Expansion	$ 400,000.00		$ 571,312.71	$ -	$ 571,312.71
Renovations and improvements to the existing recreation facilities	250,000.00		5,047.00		5,047.00
Fire Truck (Class A Pumper)	110,000.00		-	-	-
Ambulance	90,000.00		252,896.00	-	252,896.00
Building Repairs/Renovations to County Buildings	140,000.00		134,291.89	-	134,291.89
3- Sheriff Vehicles	100,000.00		181,012.92	-	181,012.92
Road Department Equipment					
Pick-up Truck	25,000.00		70,622.44	-	70,622.44
Front-End Loader	80,000.00		-		-
Dump Truck	50,000.00		-		-
Road Equipment	85,000.00		-		-
Fire Station	100,000.00		-		-
Additional Covered Storage	30,000.00		12,287.00	-	12,287.00
Rescue Truck	40,000.00		50,470.32	-	50,470.32
Extraction Tools & Equipment	75,000.00		5,374.57	-	5,374.57
Bank charges & Legal Advertising	-		344.64	-	344.64
Total County projects	1,575,000.00		1,283,659.49	-	1,283,659.49
Tax allocation paid to City of Ellaville	725,000.00		558,157.48	-	558,157.48
SPLOST 2013-2019 funds used	$ 2,300,000.00	$ 1,854,941.84	$ 1,841,816.97	$ -	$ 1,841,816.97

The following supplemental revenues have been received and expended for the following projects:

	PRIOR YEARS	CURRENT YEAR	TOTAL
Contribution from City of Ellaville for Courthouse Christmas Lights	$ 7,000.00	$ -	$ 7,000.00
Transfer in from the General Fund for Courthouse Renovation	1,500.00	-	1,500.00
Transfer in from 2003-07 SPLOST for Courthouse Renovation	75,706.08	-	75,706.08
Transfer in from 2003-07 SPLOST-for Sheriff's Vehicle	29,031.00	-	29,031.00
	$113,237.08	-	113,237.08
SPLOST 2013-2019 expenditures	$ 1,955,054.05	$ -	$ 1,955,054.05

NOTES:

1. The County follows the accrual basis of accounting in preparing this schedule. The method is consistent with the preparation of the County's financial statements. There are no differences between the current year expenditures reported on this schedule and the expenditures reported on the Statement of Revenues, Expenditures and Changes in Fund Balances on Page 7.
2. On November 6, 2012, the voters of Schley County approved a special 1% sales tax to become effective July 1, 2013. This Special Purpose Sales Tax is a joint effort with the City of Ellaville, Georgia. The County receives 100% of the distributions from the State of Georgia and in turn distributes funds to the City as required.
3. Courthouse renovation have been funded as follows:

SPLOST 2013-2019 funds	$ 571,312.71
Contribution from the City of Ellaville	7,000.00
Transfer in from the General Fund	1,500.00
Transfer in from 2003-07 SPLOST	75,706.08
	$ 655,518.79

4. Sheriff vehicles have been funded as follows:

SPLOST 2013-2019 funds	$ 133,993.81
Transfer in from 2003-07 SPLOST	29,031.00
	$ 163,024.81

5. Unexpended funds of $8,464.95 from the 2008-2013 SPLOST was transferred in on September 16, 2016.
6. SPLOST 2013 - 19 expired on June 30, 2019.

COMPLIANCE SECTION

CSR
CHAMBLISS, SHEPPARD, ROLAND
& ASSOCIATES, LLP

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

Board of Commissioners of
Schley County, Georgia
Ellaville, 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 units, each major fund, and the aggregate remaining fund information of Schley County, Georgia, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Schley County's basic financial statements, and have issued our report thereon dated May 10, 2024. Our report includes a reference to other auditors who audited the financial statements of the Schley County Department of Public Health, as described in our report on Schley 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 are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be material weaknesses. (2023-001, 2023-002).

CERTIFIED PUBLIC ACCOUNTANTS
Donald R. Roland James R. Roland

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GEORGIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

Compliance and Other Matters

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

Schley County's Response to Findings

Schley County, Georgia's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. Schley County, Georgia's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Chambliss Sheppard Roland & Associates LLP

Americus, Georgia
May 10, 2024

SCHLEY COUNTY, GEORGIA

Schedule of Findings and Responses
For the Year Ended JUNE 30, 2023

Section II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2023-001 General Fund Expenditures in Excess of the Budget

Criteria: State law provides that Schley County adopt an annual balanced budget and follow procedures that limit expenditures exceeding the budget at the Department level.

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

Context: Minutes of the Schley County Board of Commissioners record that financial reports are submitted, presented or otherwise distributed to the Commissioners. The minutes do not record any consideration of budget overages and how to resolve them.

Effect: Expenditures for the following General Fund departments or line items exceeded the budget:

GENERAL FUND	Final Budget	Actual	Overage
County Administration	$ 123,075	$ 134,001	$ (10,926)
General Operations	344,540	402,933	(58,393)
Superior Court	103,363	104,871	(1,508)
Grand Jury	9,202	9,299	(97)
Sheriff	479,596	482,031	(2,435)
Probation	83,503	90,295	(6,792)
Fire Department & Ambulance Service	525,121	525,422	(301)
Emergency Management	1,679	1,787	(108)
Middle Flint E-911	27,600	32,153	(4,553)
Extension Service	25,018	32,089	(7,071)
T-SPLOST FUND			
Principal Payments	-	22,875	(22,875)
Interest	-	2,958	(2,958)
Capital Outlay	-	1,567	(1,567)

Cause: Lack of monitoring and insufficient budget oversight.

Recommendation: Financial reports should be prepared promptly each month and budget to actual reports should be carefully reviewed by the County Manager and County Clerk. The budget should be amended as necessary to provide for source of funds for unbudgeted expenditures.

Management's Response: We concur with the finding. Budget amendments will be obtained as needed. The County Manager will closely review budget-to-actual reports, and advise department heads of potential budget overruns, and require budget amendments promptly as necessary. There were no mis-uses of County funds.

SCHLEY COUNTY, GEORGIA

Schedule of Findings and Responses
For the Year Ended JUNE 30, 2023

2023-002 Accounting Posting Errors

Criteria: Good accounting policies require supervision and oversight of the accounting function.

Condition: Numerous posting errors especially in regards to interfund transfers.

Effect: Errors in accounting resulted in incomplete or inadequate financial reports.

Cause: Ineffective oversight and review.

Recommendation: Policies should be developed where the County Clerk and County Manager review monthly financial reports. Particular attention should be given to transactions posted to balance sheet accounts.

Management's Response: We concur with the finding. We will review interfund transfers

Section III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Not applicable.

SCHLEY COUNTY, GEORGIA

Status of Prior Year Findings
As of JUNE 30, 2023

2022-001 Expenditures in Excess of the Budget

Criteria: State law provides that Schley County adopt an annual balanced budget and follow procedures that limit expenditures exceeding the budget at the Department level.

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

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

2022-002 Failure to Adopt Budgets for the Special Revenue Fund.

Criteria: Georgia law (O.C.G.A. 36-81-3b) requires an annual balanced budget for the general fund and each special revenue fund and each debt service fund.

Condition: The County did not adopt annual budgets for the following Special Revenue Funds:

Auditee Response/ Status: Resolved.

2022-003 Accounting Posting Errors

Criteria: Good accounting policies require supervision and oversight of the accounting function.

Condition: Numerous posting errors especially in regards to interfund transfers.

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