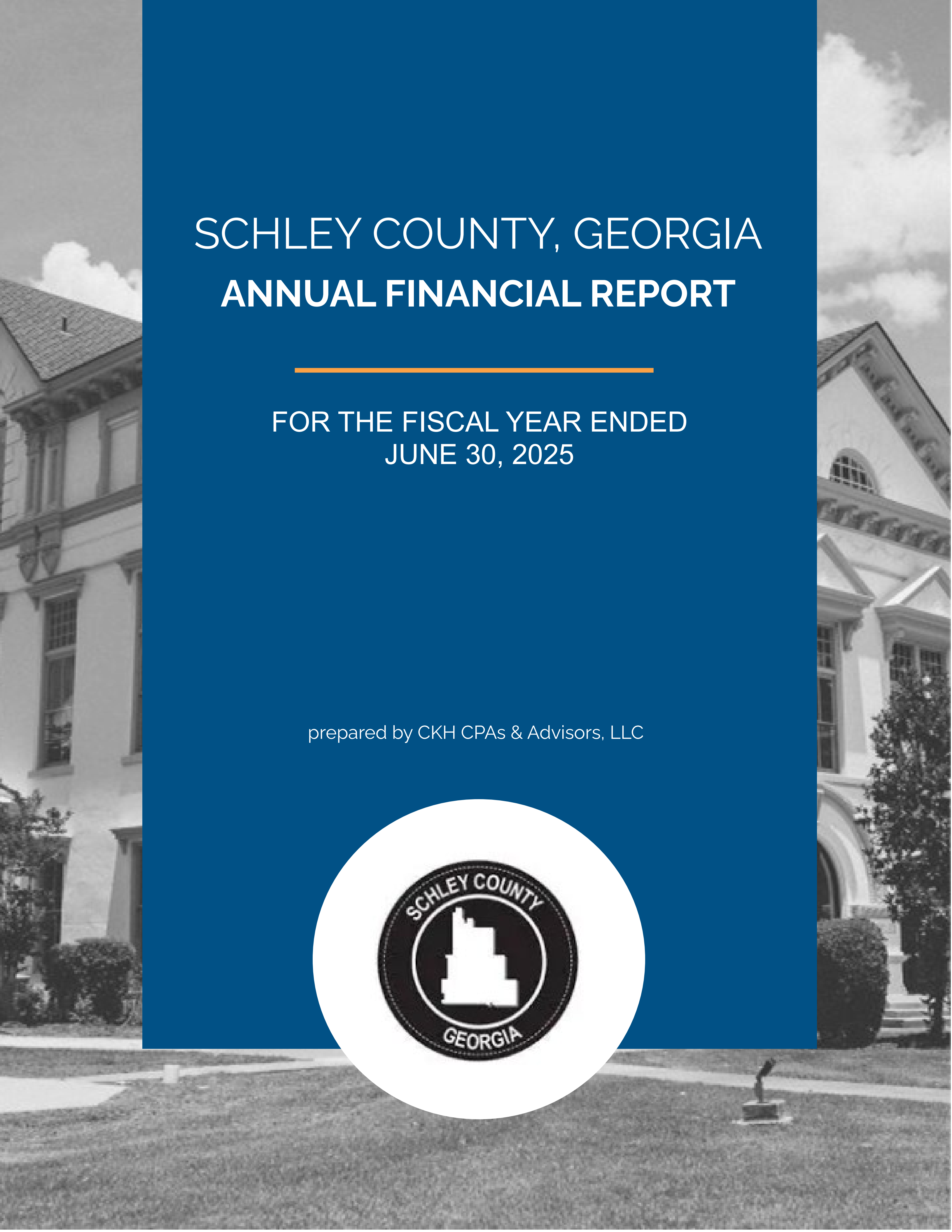

SCHLEY COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

prepared by CKH CPAs & Advisors, LLC

SCHLEY COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

SCHLEY COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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CKH
CPAs & Advisors

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners of 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, Georgia (the "County"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, 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 unit, each major fund, and the aggregate remaining fund information of the County as of June 30, 2025, 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 unit. 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 for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of the Changes in the County's Net Pension Liability and Related Ratios, the Schedule of County Contributions, the budgetary comparison schedules for the General Fund and ARPA Grant Fund as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management, 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 financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements for nonmajor governmental funds, and the combining fiduciary fund financial statements, the schedule of projects constructed with proceeds from special purpose local option sales tax as required by the Official Code of Georgia Annotated ("O.C.G.A") 48-8-121, the comparative statements, and the schedule of expenditure of federal awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, combining and individual fund financial statements for nonmajor governmental funds, and the combining fiduciary fund financial statements, the schedule of projects constructed with proceeds from special purpose local option sales tax the comparative statements, and the schedule of expenditure of federal awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* 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 December 19, 2025 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 the County's internal control over financial reporting and compliance.

CKH CPAs and Advisors, LLC

CKH CPA's and Advisors, LLC
Atlanta, Georgia
December 19, 2025

BASIC FINANCIAL STATEMENTS

SCHLEY COUNTY, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2025

	Primary Government			Schley County Department of Public Health	Ellaville-Schley County Recreation Authority
	Governmental Activities	Business-type Activities	Total		
ASSETS					
Cash and cash equivalents	$ 1,296,398	$ 123,500	$ 1,419,898	$ 251,488	$ 102,158
Restricted cash	15,308	116,127	131,435	-	-
Receivables (net of allowance for uncollectibles)	77,235	60,677	137,912	696	-
Taxes receivable	47,547	-	47,547	-	-
Due from other funds	-	79,090	79,090	-	-
Due from other governments	142,398	-	142,398	9,750	-
Inventories	14,760	17,936	32,696	-	-
Prepaid items	6,216	-	6,216	-	-
Noncurrent assets					
Capital assets, nondepreciable	282,123	10,000	292,123	-	-
Capital assets, depreciable, net of accumulated depreciation	3,808,476	9,794,226	13,602,702	19,317	54,669
Total assets	5,690,461	10,201,556	15,892,017	281,251	156,827
DEFERRED OUTFLOWS OF RESOURCES					
Pension related items	51,832	1,782	53,614	-	-
Total deferred outflows of resources	51,832	1,782	53,614	-	-
LIABILITIES					
Accounts payable	49,489	107,511	157,000	-	-
Accrued expenses	35,258	1,989	37,247	-	-
Accrued interest payable	3,901	13,957	17,858	-	-
Due to other funds	79,090	-	79,090	-	-
Short-term loans	350,000	434,888	784,888	-	-
Customer deposits payable	-	92,772	92,772	-	-
Due to other governments	27,041	-	27,041	250	-
Unearned revenue	-	23,355	23,355	-	-
Noncurrent liabilities due within one year				-	-
Compensated absences	23,763	1,986	25,749	-	-
Landfill liability	95,975	-	95,975	-	-
Note payable	-	16,322	16,322	-	-
Bonds payable	-	142,801	142,801	-	-
Noncurrent liabilities due in more than one year					
Compensated absences payable	71,289	5,957	77,246	-	-
Landfill liability	32,997	-	32,997	-	-
Note payable	-	236,708	236,708	-	-
Bonds payable	-	5,417,484	5,417,484	-	-
Net pension liability	210,045	7,220	217,265	-	-
Total liabilities	978,848	6,502,950	7,481,798	250	-
DEFERRED INFLOWS OF RESOURCES					
Pension related items	28,794	990	29,784	8,319	-
Total deferred inflows of resources	28,794	990	29,784	8,319	-
NET POSITION					
Net investment in capital assets	3,994,624	3,990,911	7,985,535	19,317	54,669
Restricted for:					
Debt service	15,308	-	15,308	-	-
Judicial	39,219	-	39,219	-	-
Public safety	35,440	-	35,440	-	-
Health and welfare	-	-	-	66,246	-
Culture and recreation	-	-	-	-	102,158
Transportation	125,527	-	125,527	-	-
Capital projects	700,832	-	700,832	-	-
Unrestricted	(176,299)	(291,513)	(467,812)	187,119	-
Total net position	$ 4,734,651	$ 3,699,398	$ 8,434,049	$ 272,682	$ 156,827

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

SCHLEY COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position — Primary Government				
Functions/Programs	**Expenses**	**Fines, Fees and Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-type Activities**	**Total**	**Schley County Department of Public Health**	**Ellaville-Schley County Recreation Authority**
Primary government:									
Governmental activities									
General government	$ 1,068,181	$ 156,811	$ 24,391	$ -	$ (886,979)	$ -	$ (886,979)	$ -	$ -
Judicial	376,295	95,334	-	-	(280,961)	-	(280,961)	-	-
Public safety	2,249,273	661,085	15,780	64,762	(1,507,646)	-	(1,507,646)	-	-
Public works	994,999	163,614	-	1,473,178	641,793	-	641,793	-	-
Health and welfare	74,390	-	-	-	(74,390)	-	(74,390)	-	-
Culture and recreation	129,671	-	-	-	(129,671)	-	(129,671)	-	-
Housing and development	32,426	-	-	-	(32,426)	-	(32,426)	-	-
Interest on long-term debt	12,704	-	-	-	(12,704)	-	(12,704)	-	-
Total governmental activities	4,937,939	1,076,844	40,171	1,537,940	(2,282,984)	-	(2,282,984)	-	-
Business-type activities									
Utilities Authority Water Fund	779,483	465,534	-	764,874	-	450,925	450,925	-	-
Sanitation Fund	248,515	252,055	-	-	-	3,540	3,540	-	-
Total business-type activities	1,027,998	717,589	-	764,874	-	454,465	454,465	-	-
Total primary government	5,965,937	1,794,433	40,171	2,302,814	(2,282,984)	454,465	(1,828,519)	-	-
Component units:									
Schley County Department of Public Health	301,469	175,541	159,229	-	-	-	-	33,301	-
Ellaville-Schley County Recreation Authority	118,257	130,017	-	-	-	-	-	-	11,760
Total component units	$ 419,726	$ 305,558	$ 159,229	$ -	-	-	-	33,301	11,760
General revenues:									
Property taxes					1,932,590	-	1,932,590	-	-
Sales and other taxes					405,657	-	405,657	-	-
Insurance premium taxes					258,163	-	258,163	-	-
Franchise taxes					702	-	702	-	-
Financial institution taxes					16,768	-	16,768	-	-
Unrestricted investment earnings (loss)					120	-	120	-	-
Miscellaneous Revenues					33,398	-	33,398	-	-
Transfers					(164,481)	164,481	-	-	-
Total general revenues and transfers					2,482,917	164,481	2,647,398	-	-
Change in net position					199,933	618,946	818,879	33,301	11,760
Net position, beginning of year					4,534,718	3,080,452	7,615,169	239,381	145,067
Net position, end of year					$ 4,734,651	$ 3,699,398	$ 8,434,049	$ 272,682	$ 156,827

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

SCHLEY COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	SPLOST Fund	TSPLOST Fund	Capital Projects Fund	ARPA Grant Fund	Nonmajor Governmental Funds	Total
ASSETS							
Cash and cash equivalents	$ 484,707	$ 227,446	$ 62,921	$ 446,155	$ -	$ 75,169	$ 1,296,398
Restricted cash	15,308	-	-	-	-	-	15,308
Receivables (net of allowance for uncollectibles)	77,235	-	-	-	-	-	77,235
Taxes receivable	47,547	-	-	-	-	-	47,547
Due from other funds	59,907	-	28,765	75,000	-	5,718	169,390
Due from other governments	58,666	49,891	33,841	-	-	-	142,398
Inventories	8,220	-	6,540	-	-	-	14,760
Prepaid items	6,216	-	-	-	-	-	6,216
Total assets	757,806	277,337	132,067	521,155	-	80,887	1,769,252
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
LIABILITIES							
Accounts payable	49,489	-	-	-	-	-	49,489
Accrued expenses	35,258	-	-	-	-	-	35,258
Accrued interest payable	3,901	-	-	-	-	-	3,901
Due to other funds	177,861	70,619	-	-	-	-	248,480
Due to other governments	-	27,041	-	-	-	-	27,041
Short-term loan	350,000	-	-	-	-	-	350,000
Total liabilities	616,509	97,660	-	-	-	-	714,169
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - taxes	25,730	-	-	-	-	-	25,730
Total deferred inflows of resources	25,730	-	-	-	-	-	25,730
FUND BALANCES							
Nonspendable:							
Prepaid items	6,216	-	-	-	-	-	6,216
Inventories	8,220	-	6,540	-	-	-	14,760
Restricted:							
Judicial	-	-	-	-	-	39,219	39,219
Public safety	-	-	-	-	-	35,440	35,440
Transportation	-	-	125,527	-	-	-	125,527
Capital projects	-	179,677	-	521,155	-	-	700,832
Unassigned	101,131	-	-	-	-	6,228	107,359
Total fund balances	115,567	179,677	132,067	521,155	-	80,887	1,029,353
Total liabilities, deferred inflows of resources, and fund balances	$ 757,806	$ 277,337	$ 132,067	$ 521,155	$ -	$ 80,887	$ 1,769,252

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

SCHLEY COUNTY, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

Total fund balances - Governmental funds	$	1,029,353
Capital assets, including leased assets, used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
- Capital assets, not being depreciated		282,123
- Capital assets, being depreciated, net of accumulated depreciation		3,808,476
Deferred inflows for property taxes and unavailable revenues are not recognized as current year revenues and, therefore, are classified as deferred inflows in the governmental funds		25,730
Long-term liabilities, including financed purchases and leases, are not due and payable in the current period and therefore are not reported in governmental funds.		
- Compensated absences		(95,052)
- Financed purchases		(128,972)
The deferred outflows of resources, deferred inflows of resources, and net pension liability related to the ount s pension plan are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the funds.		
- Pension related		(187,007)
Net position of governmental activities	$	4,734,651

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

SCHLEY COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	General Fund	SPLOST Fund	TSPLOST Fund	Capital Projects Fund	ARPA Grant Fund	Nonmajor Governmental Funds	Total
REVENUES:							
Property taxes	$ 1,980,105	$ -	$ -	$ -	$ -	$ -	$ 1,980,105
Sales and other taxes	405,657	-	-	-	-	-	405,657
Insurance premium taxes	258,163	-	-	-	-	-	258,163
Franchise taxes	702	-	-	-	-	-	702
Financial institution taxes	16,768	-	-	-	-	-	16,768
Licenses and permits	32,523	-	-	-	-	-	32,523
Intergovernmental revenues	80,542	547,460	396,582	529,136	24,391	-	1,578,111
Fines and forfeitures	10,360	-	-	-	-	9,666	20,026
Charges for services	972,653	-	-	-	-	-	972,653
Investment earnings (loss)	99	-	-	-	-	21	120
Building rentals	37,925	-	-	-	-	-	37,925
Miscellaneous	33,398	-	-	-	-	13,717	47,115
Total revenues	3,828,895	547,460	396,582	529,136	24,391	23,404	5,349,868
EXPENDITURES:							
Current:							
General government	1,224,211	39,385	-	-	-	-	1,263,596
Judicial	368,883	-	-	-	-	3,878	372,761
Public safety	1,734,571	88,431	-	-	-	17,315	1,840,317
Public works	259,610	-	357,436	-	-	-	617,046
Culture and recreation	106,056	-	-	-	-	16,234	122,290
Health and welfare	67,752	-	-	-	-	-	67,752
Housing and development	32,426	-	-	-	-	-	32,426
Intergovernmental (City of Ellaville)	-	172,434	-	-	-	-	172,434
Capital outlay - Public safety	-	315,601	-	-	-	-	315,601
Capital outlay - Public works	-	-	75,750	237,840	-	-	313,590
Capital outlay - Culture and recreation	-	103,109	-	-	-	-	103,109
Debt service:							
Principal repayments	106,947	140,187	49,405	-	-	-	296,539
Interest and fiscal charges	11,083	7,236	1,621	-	-	-	19,940
Total expenditures	3,911,539	866,383	484,212	237,840	-	37,427	5,537,401
Excess (deficiency) of revenues over expenditures	(82,644)	(318,923)	(87,630)	291,296	24,391	(14,023)	(187,533)
OTHER FINANCING SOURCES (USES):							
Transfers out	(140,090)	-	-	-	(24,391)	-	(164,481)
Total other financing sources (uses)	(140,090)	-	-	-	(24,391)	-	(164,481)
Net change in fund balances	(222,734)	(318,923)	(87,630)	291,296	-	(14,023)	(352,014)
FUND BALANCES, BEGINNING OF YEAR	338,301	498,600	219,697	229,859	-	94,910	1,381,367
FUND BALANCES, END OF YEAR	$ 115,567	$ 179,677	$ 132,067	$ 521,155	$ -	$ 80,887	$ 1,029,353

The accompanying notes are an integral part of these 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 FISCAL YEAR ENDED JUNE 30, 2025

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	(352,014)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
- Capital outlays		732,300
- Depreciation expense		(300,402)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the		(47,515)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
- Principal payments		296,539
- Compensated absences		(33,365)
- Change in postclose landfill liability		(63,575)
The deferred outflows of resources, deferred inflows of resources, and net pension liability related to the ount s pension plan are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the funds.		(32,035)
Change in net position - governmental activities	$	199,933

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

SCHLEY COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

ASSETS	**Utilities Authority Water Fund**	**Sanitation Fund**	**Total**
Current assets:			
Cash and cash equivalents	$ 79,751	$ 43,749	$ 123,500
Restricted cash	116,127	-	116,127
Receivables (net of allowance for uncollectibles)	42,962	17,715	60,677
Due from other funds	88,298	1,333	89,631
Inventories	17,936	-	17,936
Total current assets	345,074	62,797	407,871
Noncurrent assets			
Capital assets, not being depreciated	10,000	-	10,000
Capital assets, being depreciated	9,794,226	-	9,794,226
Total noncurrent assets	9,804,226	-	9,804,226
Total assets	10,149,300	62,797	10,212,097
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	1,782	-	1,782
Total deferred outflows of resources	1,782	-	1,782
LIABILITIES			
Current liabilities:			
Accounts payable	86,498	21,013	107,511
Accrued expenses	1,620	369	1,989
Accrued interest payable	13,957	-	13,957
Due to other funds	-	10,541	10,541
Customer deposits payable	92,772	-	92,772
Unearned revenue	23,355	-	23,355
Note payable	16,322	-	16,322
Bond payable	142,801	-	142,801
Compensated absences	1,986	-	1,986
Total current liabilities	379,311	31,923	411,234
Long-term liabilities:			
Short-term loan	434,888	-	434,888
Note payable	236,708	-	236,708
Bond payable	5,417,484	-	5,417,484
Compensated absences	5,957	-	5,957
Net pension liability	7,220	-	7,220
Total long-term liabilities	6,102,257	-	6,102,257
Total liabilities	6,481,568	31,923	6,513,491
DEFERRED INFLOWS OF RESOURCES			
Pension related items	990	-	990
Total deferred inflows of resources	990	-	990
NET POSITION			
Net investment in capital assets	3,990,911	-	3,990,911
Unrestricted	(322,387)	30,874	(291,513)
Total net position	$ 3,668,524	$ 30,874	$ 3,699,398

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

SCHLEY COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Utilities Authority Water Fund	Sanitation Fund	Total
OPERATING REVENUES			
Charges for services	$ 421,109	$ 251,731	$ 672,840
Other fees	44,425	324	44,749
Total operating revenues	465,534	252,055	717,589
OPERATING EXPENSES			
Personnel services and benefits	72,746	-	72,746
Purchased contract services	176,233	248,515	424,748
Supplies and maintenance	25,483	-	25,483
Depreciation	331,131	-	331,131
Total operating expenses	605,593	248,515	854,108
Operating income (loss)	(140,059)	3,540	(136,519)
NONOPERATING REVENUES (EXPENSES)			
Interest and fiscal charges	(173,890)	-	(173,890)
Total nonoperating revenues (expenses)	(173,890)	-	(173,890)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(313,949)	3,540	(310,409)
Capital contributions (ARPA Grant Funding)	764,874	-	764,874
Transfers in	139,481	25,000	164,481
Total transfers	904,355	25,000	929,355
Change in net position	590,406	28,540	618,946
NET POSITION, BEGINNING OF YEAR	3,078,118	2,334	3,080,452
NET POSITION, END OF YEAR	$ 3,668,524	$ 30,874	$ 3,699,398

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

SCHLEY COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Utilities Authority Water Fund	Sanitation Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	$ 457,798	$ 253,105	$ 710,903
Payments to suppliers and service providers	(113,489)	(250,503)	(363,992)
Payments to employees	(67,365)	(6,198)	(73,563)
Net cash provided by operating activities	276,944	(3,596)	273,348
CASH FLOWS FROM / (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	(764,874)	-	(764,874)
Principal payments on long-term debt	(182,933)	-	(182,933)
Capital contributions	764,874	-	764,874
Interest and fiscal charges paid	(173,890)	-	(173,890)
Net cash used in capital and related financing activities	(356,823)	-	(356,823)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	139,481	25,000	164,481
Net cash provided by (used in) noncapital financing activities	139,481	25,000	164,481
Increase (decrease) in cash	59,602	21,404	81,006
Cash:			
Beginning of year	136,276	22,345	158,621
End of year	$ 195,878	$ 43,749	$ 239,627
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	$ (140,059)	$ 3,540	$ (136,519)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	331,131	-	331,131
(Increase) decrease in pension related deferred outflows of resources	7,508	2,690	10,198
(Increase) decrease in accounts receivable	(9,886)	1,050	(8,836)
Increase (decrease) in unearned revenue	2,150	-	2,150
Increase (decrease) in accounts payable	69,678	405	70,083
Increase (decrease) in accrued expenses	13,140	(240)	12,900
Increase (decrease) in interfund balances	11,433	(2,393)	9,040
Increase (decrease) in customer deposits payable	5,813	-	5,813
(Increase) decrease in inventories	1,303	-	1,303
Increase (decrease) in pension related deferred inflows of resources	(2,203)	(924)	(3,127)
Increase (decrease) in compensated absences	4,631	(510)	4,121
Increase (decrease) in net pension liability	(17,695)	(7,214)	(24,909)
Net cash provided by operating activities	$ 276,944	$ (3,596)	$ 273,348

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

SCHLEY COUNTY, GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2025

	Custodial Funds	Total
ASSETS		
Cash and cash equivalents	$ 58,663	$ 58,663
Taxes receivable	115,051	115,051
Total assets	173,714	173,714
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable	40,866	40,866
Due to other funds	115,051	115,051
Total liabilities	155,917	155,917
NET POSITION		
Restricted:		
Public safety	17,797	17,797
Unrestricted	-	-
Total net position	17,797	17,797
Total liabilities and net position	$ 173,714	$ 173,714

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 FISCAL YEAR ENDED JUNE 30, 2025

	Custodial Funds	Total
Additions:		
Taxes collected for other agencies	$ 3,960,184	$ 3,960,184
Court fines and fees collected for other agencies	103,169	103,169
Other custodial collections	30,350	30,350
Total additions	4,093,703	4,093,703
Deductions:		
Taxes paid to other governments	3,960,184	3,960,184
Court fines and fees disbursed to other agencies	103,169	103,169
Other custodial disbursements	22,221	22,221
Total deductions	4,085,574	4,085,574
Net change in net position	8,129	8,129
Net position, beginning of year	9,668	9,668
Net position, end of year	$ 17,797	$ 17,797

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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 its component units. The primary government of the County consists of all funds, departments, boards and agencies of the County.

In evaluating the County as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the County may be financially accountable and, as such, should be included within the County's financial statements. The County (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial burden on the County. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The component units are discretely presented and are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the County.

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 Water Fund: 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 a political subdivision of the State of Georgia and a public corporation. The effective date of the Authority was July 1, 2016. The Authority consists of five members, appointed by the Board of Commissioners of Schley County, all of whom are 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 comprised 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, 2025. 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

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 comprised 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, 2025, 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 14 & 15 for descriptions of relationships with organizations other than component units.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, any interfund services provided and used are not eliminated as this process would distort the direct costs and program revenues reported in the various functions. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The statement of net position will include non-current assets and non-current liabilities. Neither fiduciary funds nor fiduciary component units are included. In addition, the government-wide statement of activities reflects depreciation expense on the County's capital assets.

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

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers property taxes to be available if they are collected within 60 days of the end of the current fiscal period for which they are levied. Other revenues susceptible to accrual are considered 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, including lease liabilities, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions, including entering into contracts giving the County the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

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

The corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Government-wide and Fund Financial Statements

In accordance with GASB Statement No. 34, major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

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

The ***SPLOST Fund*** 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 the 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.

The ***Transportation SPLOST (TSPLOST) Fund*** is used to collect allocations of a special 1% sales tax by the County for transportation projects as defined in paragraphs (10) of Code Section 48-8-242 or as the local match as required for state transportation projects and grants.

The ***ARPA Grant Fund*** 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.

Capital Project Funds accounts for financial resources to be used for the acquisition and construction of major capital projects.

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 15.

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 restricted or committed to expenditure for specific purposes. They include the ARPA Fund and the funds as disclosed in the Non-major governmental fund statements.

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.

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Restricted Cash

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.

F. 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.

G. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. The purpose of the interfund balances is to account for those transactions that have not been settled as of the financial statement date. These receivables and payables are classified as "due from other funds" or "due to other funds" on the respective fund’s balance sheet and as internal balances on the statement of net position. All interfund balances shown are expected to be settled within one year.

H. Prepaid Items and Inventories

Payments made to vendors for services that will benefit periods beyond June 30, 2025, are recorded as prepaid items.

Inventories of road construction materials (pipes, rock, stone, gravel, fuel, etc.) are recorded at cost using the first-in, first-out method of accounting. The cost of road construction is recognized as expenditures when the materials are consumed (consumption method). The cost of other materials and supplies, including gasoline and fuel, are charged to operations using the purchase method of accounting.

I. 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	Useful Life
Buildings and improvements	45 - 50 years
Machinery and equipment	4 - 12 years
Furniture and fixtures	5 - 12 years
Infrastructure	50 years
Vehicles	4 - 8 years
Water plant and wells	35 - 50 years
Leased assets	Based on contract
Subscription software	Based on contract

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Leases

Lessee

A lease is recognized for noncancelable leases that are in place for longer than 12 months. The County recognizes a lease liability and a right-to-use lease asset in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of $5,000 or more.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be paid during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the useful life of the asset or the lease term.

Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

· The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.

· The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of the lease liabilities.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor

The County is a lessor for cancellable property leases. The County recognizes rental income at both the fund level and government-wide level of reporting.

K. Subscription-based Information Technology Arrangements

The County is a lessee for IT software subscriptions for the County's accounting software license. The County recognizes a subscription liability and a subscription asset in the government-wide financial statements. The County recognizes subscription liabilities with an initial, individual value of $5,000 or more.

At the commencement of a subscription agreement, the County initially measures the subscription liability at the present value of payments expected to be paid during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of the subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the useful life of the asset or the subscription term.

Key estimates and judgments related to subscriptions include how the County determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments:

· The County uses the interest rate charged by the IT provider as the discount rate. When the interest rate charged by the IT provider is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for subscription agreements.

· The subscription term includes the noncancellable period of the subscription term. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option prices that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its subscription liability and will remeasure the subscription liabilities if certain changes occur that are expected to significantly affect the amount of the subscription liabilities.

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. Under the full accrual method of accounting, the County has reported certain actuarial changes and the contributions to the defined benefit pension plan subsequent to the measurement date and prior to the fiscal year end as deferred outflows of resources.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has reported various actuarial changes in its defined benefit pension plan. Additionally, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

M. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements as these amounts will be paid to employees upon termination or retirement subject to the stipulations and limits outlined in the personnel policies. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

Employees accrue sick leave at the rate of one day for each month worked, and may accumulate up to 20 days.

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".

N. 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.

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

Fund balances are classified as follows:

Nonspendable – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

Restricted – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Committed – Fund balances are reported as committed when they include amounts that can be used only for the specific purposes determined by a formal action (i.e., ordinance) of the Board of Commissioners. The same formal action is required to modify or rescind a fund balance commitment.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Fund Equity (Continued)

Assigned – Fund balances are reported as assigned when they include amounts intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. The Board of Commissioners, through resolution, has delegated to the County Manager the authority to assign funds for a particular purpose.

Unassigned – Fund balances are reported as unassigned as 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. Negative unassigned fund balances may be reported in all funds.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County's policy to use fund balance in the following order: (1) Committed, (2) Assigned, (3) Unassigned.

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

P. 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.

Q. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Schley County Retirement Plan (the "Plan") and additions to/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 reported at fair value.

R. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from these estimates.

S. New GASB pronouncements

1. GASB Statement No. 103 – Financial Reporting Model Improvements

Issued: April 2024
Summary: GASB Statement No. 103 introduces significant updates to the financial reporting model for state and local governments. Its primary goal is to enhance the usefulness of financial reports by addressing identified application issues and refining the structure and content of key components such as Management's Discussion and Analysis (MD&A) and certain financial statement presentations.
Effective Date: Periods beginning after June 15, 2025 (earlier application encouraged).

2. GASB Statement No. 104 – Disclosure of Certain Capital Assets

Issued: September 2024
Summary: GASB Statement No. 104 introduces new disclosure requirements for specific categories of capital assets in governmental financial statements, aiming to enhance transparency and facilitate better decision-making.
Effective Date: Periods beginning after June 15, 2025 (earlier application encouraged).

NOTE 2. LEGAL COMPLIANCE – BUDGETS

Budgets and Budgetary Accounting

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 fund as 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 Utilities Authority Water Fund, and the Sanitation Fund for planning, control and evaluation purposes. Budgets for the Capital Projects Funds (including the Capital Project, TSPLOST and 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:
1. The County Commissioners may transfer funds from one object or purpose to another within the same department.
2. The Commissioners may amend the budget by motion up until the date that the financial statements are submitted.

For the year ended June 30, 2025. actual amounts exceeded expenditures as follows:

	Budgeted Amounts		Actual on a	Variance with
	Original	Final	Budgetary	Final Budget
General Fund:				
Current:				
Public safety	1,725,588	1,725,588	1,734,571	(8,983)
Public works	23,000	23,000	259,610	(236,610)
Culture and recreation	98,975	98,975	106,056	(7,081)
Debt service:				
nterest and is a arges	-	-	11,083	(11,083)

e arian e et een t e udgeted and a tua e penditures in t e Pu i or s epart ent is pri ari attri uta e to ertain osts t at ere intended to e unded P re enues ut ere instead paid ro t e Genera Fund e re aining arian es are not onsidered signi i ant and t ere ore no a end ent to t e udget as ne essar

NOTE 3. DEPOSITS AND INVESTMENTS

Primary Government

Credit risk:

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

Custodial credit risk:
Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments and the Georgia Fund 1) to be collateralized by depository insurance or pledged securities. Amounts that exceed standard depository insurance limits are required to be collateralized either (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. As of June 30, 2025, the financial institutions holding all of the County's deposits are participants of the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer, requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on tier assigned by the State. As of June 30, 2025, all of the County's bank balances were insured and/or collateralized as defined by GASB and required by State Statutes.

Interest rate risk:
Interest rate risk is the risk that a government may face if changes in interest rates affect the fair value of its investments. To reduce interest rate risk, the County limits the maturity of any investment to five years. An investment held to maturity will be paid at par value. The County intends to hold all investments to maturity.

NOTE 4. RECEIVABLES

Primary Government

Receivables at June 30, 2025, for the County's individual major funds and nonmajor funds in the aggregate are as follows:

	General Fund	SPLOST Fund	TSPLOST Fund	Total
Receivables:				
Taxes	$ 52,777	$ -	$ -	$ 52,777
Accounts	77,235	-	-	77,235
Intergovernmental	58,666	49,891	33,841	142,398
Gross receivables	188,678	49,891	33,841	272,410
Less allowance for uncollectibles	(5,230)	-	-	(5,230)
Net receivables	$ 183,448	$ 49,891	$ 33,841	$ 267,180

	Utilities Authority Water Fund	Sanitation Fund	Total
Receivables:			
Accounts	$ 50,040	$ 21,490	$ 71,530
Gross receivables	50,040	21,490	71,530
Less allowance for uncollectibles	(7,078)	(3,775)	(10,853)
Net receivables	$ 42,962	$ 17,715	$ 60,677

Property taxes for the 2024 fiscal year were levied in September 2024, with property values assessed as of January 1, 2024. Bills are payable on or before December 1, 2024 after which the applicable property is subject to lien and penalties and interest as assessed. Property taxes attached as an enforceable lien on property as of January 1, 2025.

NOTE 5. CAPITAL ASSETS

Primary Government

Capital asset activity of governmental activities for the year ended June 30, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	$ 282,123	$ -	$ -	$ 282,123
Construction in progress	474,547	103,109	(577,656)	-
Total capital assets, not being depreciated	756,670	103,109	(577,656)	282,123
Capital assets, being depreciated:				
Buildings and improvements	2,404,784	577,656	-	2,982,440
Machinery and equipment	2,437,765	391,351	-	2,829,116
Furniture and fixtures	192,831	-	-	192,831
Infrastructure	1,090,736	237,840	-	1,328,576
Leased assets	477,946	-	-	477,946
Subscription software	37,258	-	-	37,258
Total capital assets, being depreciated	6,641,320	1,206,847	-	7,848,167
Less accumulated depreciation for:				
Buildings and improvements	1,301,367	90,729	-	1,392,096
Machinery and equipment	1,961,077	119,246	-	2,080,323
Furniture and fixtures	188,143	3,157	-	191,300
Infrastructure	195,648	23,003	-	218,651
Leased assets	84,360	56,815	-	141,175
Subscription software	8,694	7,452	-	16,146
Total accumulated depreciation	3,739,289	300,402	-	4,039,691
Total capital assets, being depreciated, net	2,902,031	906,445	-	3,808,476
Governmental activities capital assets, net	$ 3,658,701	$ 1,009,554	$ (577,656)	$ 4,090,599

NOTE 5. CAPITAL ASSETS (CONTINUED)

Primary Government (Continued)

Capital asset activity of business-type activities for the year ended June 30, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital assets, not being depreciated				
Land	$ 10,000	$ -	$ -	$ 10,000
Construction in progress	244,041	764,874	(1,008,915)	-
Total capital assets, not being depreciated	254,041	764,874	(1,008,915)	10,000
Capital assets, being depreciated:				
Buildings and improvements	20,796	-	-	20,796
Machinery and equipment	168,250	-	-	168,250
Vehicles	10,206	-	-	10,206
Infrastructure	14,241,310	1,008,915	-	15,250,225
Total capital assets, being depreciated	14,440,562	1,008,915	-	15,449,477
Less accumulated depreciation for:				
Buildings and improvements	8,492	416	-	8,908
Machinery and equipment	163,157	955	-	164,112
Vehicles	10,206	-	-	10,206
Infrastructure	5,142,265	329,760	-	5,472,025
Total accumulated depreciation	5,324,120	331,131	-	5,655,251
Total capital assets, being depreciated, net	9,116,442	677,784	-	9,794,226
Business-type activities capital assets, net	$ 9,370,483	$ 1,442,658	$ (1,008,915)	$ 9,804,226

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

Governmental activities:	
General government	$ 53,683
Public safety	99,875
Public works	135,325
Health and welfare	6,638
Culture and recreation	4,881
Total depreciation expense - governmental activities	$ 300,402
Business-type activities:	
Utilities Authority Water Fund	$ 331,131
Total depreciation expense - business-type activities	$ 331,131

NOTE 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2025, is as follows:

Due to/from other funds:

Receivable fund	Payable fund	Amount
Sanitation Fund	General Fund	$ 1,333
Utilities Authority Water Fund	General Fund	72,875
General Fund	SPLOST Fund	70,619
TSPLOST Fund	General Fund	33,647
Utilities Authority Water Fund	TSPLOST Fund	4,882
Utilities Authority Water Fund	Sanitation Fund	10,541
Capital Projects Fund	General Fund	75,000
Nonmajor Governmental Funds	General Fund	5,718
		$ 274,615

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

NOTE 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

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.

Interfund transfers for the year ended June 30, 2025 were as follows:

Transfers In	Transfers Out	Amount
General Fund	ARPA Grant Fund	$ 24,391
Sanitation Fund	General Fund	25,000
Utilities Authority Water Fund	General Fund	139,481
		$ 188,872

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 and to supplement operating expenses.

NOTE 7. LONG-TERM DEBT

Primary Government

The following is a summary of long-term debt activity for the year ended June 30, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Lease liabilities	$ 189,592	$ -	$ (189,592)	$ -	$ -
Subscriptions payable	6,947	-	(6,947)	-	-
Short-term loan (Tax anticipation note)	100,000	350,000	(100,000)	350,000	350,000
Compensated absences*	61,687	33,365	-	95,052	23,763
Net pension liability	205,166	4,879	-	210,045	-
Landfill postclosure costs	65,397	63,575	-	128,972	95,975
Governmental activities long-term liabilities	$ 628,789	$ 451,819	$ (296,539)	$ 784,069	$ 469,738
Business-type Activities:					
Note payable	$ 269,207	$ -	$ (16,177)	$ 253,030	$ 16,322
Water revenue bonds	5,706,682		(146 397)	5 560 285	142,801
Short-term loan	455,247		(20,359)	434,888	434,888
Compensated absences*	3,822	4,121	-	7,943	1,986
Net pension liability	32,129	-	(24,909)	7,220	-
Business-type activities long-term liabilities	$ 6,467,087	$ 4,121	$ (207 842)	$ 6 263 366	$ 595,997

*For governmental and business activities, compensated absences are liquidated in the funds from which the employees' salaries are paid, which include the General Fund and Water Utilities Authority Fund, as applicable. The change in compensated absences for governmental activities and business-type activities is the net change in these liabilities. The net pension liability is liquidated by the General Fund and for business-type activities, the net pension liability will be liquidated by the Water Utilities Authority Fund.

Governmental Activities

Subscription payable: On January 26, 2021, the County signed a Georgia Municipal 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, 2024 was $7,452. The subscription payable was settled on 5 January 2025.

Lease liability: On December 9, 2021, the County signed a Caterpillar Financial Services Equipment Lease-Purchase Agreement for the purpose of financing a 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 cost was $210,470. As of June 30, 2025, the County fully settled the outstanding lease liability.

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

Primary Government (Continued)

Governmental Activities (Continued)

Lease liability: On April 9, 2024, the County signed an Atmax-Purchase Agreement for the purpose of financing a 2024 Mower Max Machine. The lease calls for 5 annual payments of $30,791.27, each which includes interest at 5.25% per annum. The Mower Max's total cost was $267,476.25. As at June 30, 2025, the County fully settled the outstanding lease liability.

Tax anticipation note: Used to provide operating cash and funds for installation of additional water lines. Revenues from the General Fund will be used to repay these loans. The Board of Commissioners authorized a Tax Anticipation Note (TAN), in the amount of $1,500,000 from local bank. Interest at 7.50% is due on maturity. An amount of $350,000 was withdrawn on the note for the year ended June 30, 2025. The maturity date is December 31, 2025. The short-term loan is not collateralized.

Landfill post-closure costs: In 1996 the Schley County Municipal Solid Waste Landfill (MSWLF) was closed following the 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, 2025, the County has 2 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 post-closure care costs for the remaining two years, management has estimated the liability to be $128,972. Actual costs may be higher due to changes in inflation, technology or applicable laws and regulations. Post-closure monitoring and assessment costs will be paid from the General and / or Sanitation Fund based on budget.

Business-type Activities

Short-term loan (previously presented as tax anticipation note): Used to provide operating cash and funds for installation of additional water lines. Revenues from the Water Fund will be used to repay these loans. Interest at 7.00% is due on maturity. An amount of $500,000 was withdrawn on the loan. The note was renewed during the 2025 fiscal year with a maturity date of December 31, 2025. The short-term loan is not collateralized.

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 required to make monthly payments of $7,240 which includes interest at 4.50% for a maximum of 468 payments.

The County’s debt service requirements to maturity on the general obligation bonds are as follows:

Year ending June 30,	Principal	Interest	Total
2026	$ 39,771	$ 46,960	$ 86,731
2027	41,754	45,126	86,880
2028	43,672	43,208	86,880
2029	45,678	41,202	86,880
2030	47,777	39,103	86,880
2031 - 2035	273,893	160,507	434,400
2036 - 2040	342,858	91,542	434,400
2041 - 2043	226,308	14,827	241,135
Total	$ 1,061,710	$ 482,475	$ 1,544,186

Water revenue bonds - 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 County is required to make monthly payments of $16,005 which includes interest at 2.00% for a maximum of 468 payments. Maturity is scheduled for March 21, 2057.

NOTE 7. LONG-TERM DEBT (CONTINUED)

Primary Government (Continued)

Business-type Activities (Continued)

The debt service requirements to maturity are as follows:

Year ending June 30,	Principal	Interest	Total
2026	$ 103,030	$ 89,030	$ 192,060
2027	105,109	86,951	192,060
2028	107,231	84,829	192,060
2029	109,395	82,665	192,060
2030	111,603	80,457	192,060
2031 - 2035	592,729	367,571	960,300
2036 - 2040	655,012	305,288	960,300
2041 - 2045	723,840	236,460	960,300
2046 - 2050	799,901	160,399	960,300
2051 - 2055	883,954	76,346	960,300
2055 - 2057	306 771	5,257	365,757
Total	$ 4,498 575	$ 1,575,252	$ 6,127,557

Note payable: On March 20, 2018, Schley County 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. 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 instalments of $1,542.28 which includes interest at 0.89% per annum. The maturity date is January 1, 2040.

As of June 30, 2025 the future payments for the notes payable from direct borrowings are as follows:

Year ending June 30,	Principal	Interest	Total
2026	$ 16,322	$ 2,185	$ 18,507
2027	16,468	2,039	18,507
2028	16,615	1,892	18,507
2029	16,763	1,744	18,507
2030	16,913	1,594	18,507
2031 - 2035	86,860	5,677	92,537
2036 - 2040	83,089	1,737	84,826
Total	$ 253,030	$ 16,868	$ 269,898

NOTE 8. PENSION PLAN

Plan Description

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 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.

As provided by state law, benefit provisions for participants in GMEBS are established and amended by the respective employers. As authorized by County Council, the plan provides pension benefits and death and disability benefits for plan members and beneficiaries. All employees, excluding elected officials who are immediately eligible, who work forty hours per week are eligible to participate after one year. Benefits vest after five years of service. A County employee who retires at age 65 with five years of service is entitled to benefits of 2% of final average earnings in excess of covered compensation. An employee may elect early retirement at age 55 provided he has a minimum of 25 years total credited service to receive full benefits, otherwise early retirement may be elected after only 10 years of service for reduced benefits. Elected officials are entitled to $30 for each year of service after reaching normal retirement age.

NOTE 8. PENSION PLAN (CONTINUED)

Plan Description (Continued)

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. At December 31, 2024, the date of the most recent actuarial valuation, there were 29 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	9
Terminated vested participants not yet receiving benefits	7
Active employees - vested	13
Total	29

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 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, 2025, the County's contribution rate was 10.08% of annual covered payroll. The County's contribution to the Plan was $59,897 for the year ended June 30, 2025.

Net Pension Liability of the County:

The County’s net pension liability was measured as of December 31, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2025.

Actuarial assumptions. The total pension liability in the January 1, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	N/A
Salary increases	4% per year and age based scale
Investment rate of return	7%

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, 2024 valuation were based on the results of an actuarial experience study for February, 2019.

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:

Asset class	Target allocation	Long-term expected real rate of return*
US fixed income	30%	3.60%
Us equity large core	30%	8.20%
International core	15%	8.90%
SMid cap core	10%	9.10%
Private real estate	5%	8.50%
Global core	5%	8.50%
US equity core	5%	8.30%
Total	100%	

Discount rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. 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 pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

NOTE 8. PENSION PLAN (CONTINUED)

Changes in the Net Pension Liability of the County. The changes in the components of the net pension liability of the County for the fiscal year ended June 30, 2025 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2024	$ 625,026	$ 387,731	$ 237,295
Changes for the year:			
Service cost	10,999	-	10,999
Interest	42,314	-	42,314
Differences between expected and actual experience	852	-	852
Assumption change	1,014	-	1,014
Contributions—employer	-	59,897	(59,897)
Net investment income (loss)	-	40,098	(40,098)
Benefit payments, including refunds of employee contributions	(41,088)	(41,088)	-
Administrative expense	-	(23,262)	23,262
Other changes	-	(1,524)	1,524
Net changes	14,091	34,121	(20,030)
Balances at June 30, 2025	$ 639,117	$ 421,852	$ 217,265

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 7.00 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's net pension liability	$ 280,639	$ 217,265	$ 163,176

Changes in the Net Pension Liability of the County. 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 of Resources and Deferred Inflows of Resources Related to Pensions

For the fiscal year ended June 30, 2025, the County recognized pension expense of $74,093. At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 52,297	$ 29,040
Net difference between projected and actual earnings on pension plan investments	-	-
Assumption changes	1,317	744
Total	$ 53,614	$ 29,784

There were no County contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	
2026	$ 20,584
2027	13,257
2028	(7,273)
2029	(2,738)
Total	$ 23,830

NOTE 9. DEFERRED COMPENSATION PLAN

Primary Government

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, 2025, there were 31 employees enrolled in the plan and employees contributed $76,683. Schley County is not required to contribute to the plan, however, the County contributed $35,141 for 2025.

NOTE 10. 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, 2025, was $263,567.

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, Sheriffs Retirement Fund of Georgia, and Superior Court Clerks' Retirement Fund of Georgia. Further information regarding these plans can be obtained from the plans' annual reports.

NOTE 11. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. 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 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.

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

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 12. COMMITMENTS AND CONTINGENCIES

Litigation

The County's attorney has advised that there are no pending litigation cases against the County as of June 30, 2025, that will materially affect the financial statements.

Grant Contingencies

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

NOTE 13. JOINT VENTURES

Under Georgia law, the County, together with cities and counties in southwest central Georgia, is a member of the River Valley Regional Commission (RVRC). Dues are assessed at the county level and paid by counties. Membership is mandated by GA 50 8 34. The RVRC council includes chief elected officials of member jurisdictions. Under GA 50 8 39.1, members are liable for obligations of the commission. Financial statements may be obtained from RVRC — Columbus office: 1428 Second Avenue, Columbus, GA 31902 phone (706) 256 2910.

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 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 $60,662 to the Authority during the twelve months ended June 30, 2025.

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 14. RELATED ORGANIZATIONS

An organization for which a primary government is not financially accountable (because it does not 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 four 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 15. 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 $11,172. The Board of Commissioners was aware of these transactions, and the costs are reasonable, furthermore they maintain the position that the services provided by this commissioner is necessary and no other companies within a reasonable proximity to Schley County are qualified.

REQUIRED SUPPLEMENTARY INFORMATION

SCHLEY COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN
SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY AND RELATED RATIOS

	2025	2024	2023	2022	2021
Total pension liability					
Service cost	$ 10,999	$ 13,942	$ 30,608	$ 25,263	$ 25,361
Interest on total pension liability	42,314	40,832	46,668	42,636	39,167
Changes of benefit terms	852	-	(185,892)	-	-
Differences between expected and actual experience	-	3,279	52,039	24,616	15,696
Changes of assumptions	1,014	(1,527)	1,322	1,140	1,153
Benefit payments, including refunds of member contributions	(41,088)	(29,625)	(26,621)	(22,739)	(31,820)
Other changes	-	-	-	-	-
Net change in total pension liability	14,091	26,901	(81,876)	70,916	49,557
Total pension liability - beginning	625,026	598,125	680,001	609,085	559,528
Total pension liability - ending (a)	$ 639,117	$ 625,026	$ 598,125	$ 680,001	$ 609,085
Plan fiduciary net position					
Contributions - employer	$ 59,897	$ 61,220	$ 81,266	$ 72,830	$ 60,778
Net investment income (loss)	40,098	46,172	(49,346)	40,640	28,021
Benefit payments, including refunds of member contributions	(41,088)	(29,625)	(26,621)	(21,970)	(30,744)
Asset transfer	-	791	-	-	-
Administrative expenses	(23,262)	(23,267)	(22,535)	(19,533)	(19,356)
Other	(1,524)	(1,434)	(1,209)	(1,212)	(961)
Net change in plan fiduciary net position	34,121	53,857	(18,445)	70,755	37,738
Plan fiduciary net position - beginning	387,730	333,873	352,318	281,563	243,825
Plan fiduciary net position - ending (b)	$ 421,851	$ 387,730	$ 333,873	$ 352,318	$ 281,563
County's net pension liability - ending (a) - (b)	$ 217,265	$ 237,295	$ 264,252	$ 327,683	$ 327,522
Plan fiduciary net position as a percentage of the total pension liability	194.16%	163.40%	126.35%	107.52%	85.97%
Covered payroll	$ 594,021	$ 631,053	$ 747,746	$ 651,154	$ 692,111
County's net pension liability as a percentage of covered payroll	36.58%	37.60%	35.34%	50.32%	47.32%

	2020	2019	2018	2017	2016
Total pension liability					
Service cost	$ 17,728	$ 15,459	$ 11,693	$ 10,473	$ 8,893
Interest on total pension liability	33,006	29,572	30,330	28,952	24,988
Differences between expected and actual experience	20,426	22,578	(6,998)	(10,618)	21,141
Changes of assumptions	26,063	13,596	(8,784)	12,262	15,327
Benefit payments, including refunds of member contributions	(18,411)	(16,749)	(28,321)	(17,500)	(17,500)
Other changes	-	-	-	-	-
Net change in total pension liability	78,812	64,456	(2,080)	23,569	52,849
Total pension liability - beginning	480,716	416,260	418,340	394,771	341,922
Total pension liability - ending (a)	$ 559,528	$ 480,716	$ 416,260	$ 418,340	$ 394,771
Plan fiduciary net position					
Contributions - employer	$ 47,181	$ 39,818	$ 31,730	$ -	$ -
Net investment income	38,154	(7,636)	29,179	10,268	953
Benefit payments, including refunds of member contributions	(18,411)	(16,749)	(27,330)	(17,500)	(17,500)
Administrative expenses	(17,768)	(6,700)	(3,660)	(7,457)	(3,873)
Other	(1,003)	(15,788)	(1,494)	(1,534)	(1,645)
Net change in plan fiduciary net position	48,153	(7,055)	28,425	(16,223)	(22,065)
Plan fiduciary net position - beginning	195,672	202,727	174,302	190,525	212,590
Plan fiduciary net position - ending (b)	$ 243,825	$ 195,672	$ 202,727	$ 174,302	$ 190,525
ount s net pension liability - ending (a) - (b)	$ 315,703	$ 285,044	$ 213,533	$ 244,038	$ 204,246
Plan fiduciary net position as a percentage of the total pension liability	77.23%	68.65%	94.94%	71.42%	93.28%
Covered payroll	$ 572,578	$ 529,984	$ 370,669	$ 405,184	$ 393,452
County's net pension liability as a percentage of covered payroll	55.14%	53.78%	57.61%	60.23%	51.91%

SCHLEY COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
RETIREMENT PLAN
SCHEDULE OF COUNTY CONTRIBUTIONS

	2025	2024	2023	2022	2021
Actuarially determined contribution	$ -	$ 61,220	$ 81,266	$ 72,830	$ 60,778
Contributions in relation to the actuarially determined contribution	-	61,220	81,266	72,830	60,778
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 594,021	$ 631,053	$ 747,746	$ 651,154	$ 692,111
Contributions as a percentage of covered payroll	0.00%	9.70%	10.87%	11.18%	8.78%

	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 47,181	$ 39,818	$ 31,730	$ 32,598	$ 26,604
Contributions in relation to the actuarially determined contribution	47,181	39,818	31,730	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ (32,598)	$ (26,604)
Covered payroll	$ 572,578	$ 529,984	$ 370,669	$ 405,184	$ 393,452
Contributions as a percentage of covered payroll	8.24%	7.51%	8.56%	0.00%	0.00%

Note

Valuation date	January 1, 2024
Funding method	Entry age normal
Actuarial asset valuation method	Smoothed market with a 5-year smoothing period
Assumed rate of return on investments	7.00%
Projected salary increases	4% per year and based on age scale
Cost of living adjustment	N/A
Amortization method	Closed level dollar for unfunded liability
Remaining amortization period	16.4

SCHLEY COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual on a	Variance with
	Original	Final	Budgetary Basis	Final Budget
Revenues:				
Property taxes	$ 2,064,413	$ 2,064,413	$ 1,980,105	$ (84,308)
Sales taxes	388,000	388,000	405,657	17,657
Insurance premium taxes	220,000	220,000	258,163	38,163
Financial institution taxes	20,000	20,000	16,768	(3,232)
Franchise taxes	1,200	1,200	702	(498)
Licenses and permits	35,000	35,000	32,523	(2,477)
Intergovernmental revenues	72,750	72,750	80,542	7,792
Fines and forfeitures	15,000	15,000	10,360	(4,640)
Charges for services	911,371	911,371	972,653	61,282
Investment earnings (loss)	132	132	99	(33)
Building rentals	47,675	47,675	37,925	(9,750)
Miscellaneous	25,275	25,275	33,398	8,123
Total revenues	3,800,816	3,800,816	3,828,895	28,079
Expenditures:				
Current:				
General government	1,339,793	1,339,793	1,224,211	115,582
Judicial	393,887	393,887	368,883	25,004
Public safety	1,725,588	1,725,588	1,734,571	(8,983)
Public works	23,000	23,000	259,610	(236,610)
Health and welfare	68,610	68,610	67,752	858
Culture and recreation	98,975	98,975	106,056	(7,081)
Housing and development	33,194	33,194	32,426	768
Debt service:				
Principal repayments	-	-	106,947	(106,947)
Interest and fiscal charges	-	-	11,083	(11,083)
Total expenditures	3,683,048	3,683,048	3,911,539	(228,491)
Excess (deficiency) of revenues over expenditures	117,768	117,768	(82,644)	256,571
OTHER FINANCING SOURCES (USES):				
Transfers out	(140,090)	(140,090)	(140,090)	-
Total other financing sources (uses)	(140,090)	(140,090)	(140,090)	-
Net change in fund balances	$ (22,322)	$ (22,322)	(222,734)	$ 256,571
FUND BALANCES, BEGINNING OF YEAR			338,301	
FUND BALANCES, END OF YEAR			$ 115,567	

Note

(i) Actual expenditures exceed appropriations in the Public safety, Public works, Culture and recreation departments, Principal repayments and Interest and fiscal charges with $8,983, $236,610, $7,081, $106,947 and $11,083 respectively.
(ii) The County elects its legal level of control to be at the department level. There were no budget amendments during the 2025 fiscal year.

SCHLEY COUNTY, GEORGIA
ARPA GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual on a	Variance with
	Original	**Final**	**Budgetary Basis**	**Final Budget**
Revenues:				
Intergovernmental revenues	$ -	$ -	$ 24,391	$ 24,391
Total revenues	-	-	24,391	24,391
OTHER FINANCING SOURCES (USES):				
Transfers out	(24,391)	(24,391)	(24,391)	-
Total other financing sources (uses)	(24,391)	(24,391)	(24,391)	-
Net change in fund balances	$ (24,391)	$ (24,391)	-	$ 24,391
FUND BALANCES, BEGINNING OF YEAR			-	
FUND BALANCES, END OF YEAR			$ -	

Note
(i) The County elects its legal level of control to be at the department level. There were no budget amendments during the 2025 fiscal year.

SUPPLEMENTARY INFORMATION

Special Revenue Funds

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

Law Library – accounts for fines and fees restricted for maintaining the county's law library and providing legal research resources for the courts.

Drug Forfeiture Fund – reports proceeds from drug-related seizures and forfeitures that are restricted for law enforcement purposes, such as equipment, training, and investigations.

Jail Construction Fund – accounts for resources restricted or committed for the construction, expansion, or major renovation of county jail facilities.

Clerk's Account – accounts for fees, charges, and other court-related revenues collected and retained by the Clerk of Court that are restricted by statute for specific operational uses of the Clerk's Office, such as technology, records management, and administrative support.

Sheriff's Drug Fund – tracks revenues from drug enforcement activities (often state asset forfeitures) restricted for the Sheriff's drug enforcement operations and related expenditures.

Sheriff's Miscellaneous Account – accounts for various small fees, collections, or other amounts handled by the Sheriff's Office that are held for specific purposes or for remittance to authorized recipients.

Jail Inmate Service Fund – reports revenues from inmate commissary or inmate telephone systems that are restricted for providing goods, services, or welfare items to inmates.

Capital Projects Funds

Capital projects funds are used to account for financial resources for the acquisition, construction, and improvements of the County's capital assets other than those financed by enterprise funds.

SPLOST 2013 - accounts for the Special Purpose Local Option Sales Tax approved in 2013, restricted for voter-approved capital projects such as infrastructure, buildings, or equipment.

SCHLEY COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	Special Revenue Funds							Capital Projects Fund	Total
	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	Nonmajor Governmental Funds
ASSETS									
Cash and cash equivalents	$ 33,841	$ 17,566	$ 8,247	$ 5,378	$ 3,909	$ 1,609	$ 4,619	$ -	$ 75,169
Due from other funds	-	1,223	4,495	-	-	-	-	-	5,718
Total assets	33,841	18,789	12,742	5,378	3,909	1,609	4,619	-	80,887
FUND BALANCES									
Restricted:									
Judicial	33,841	-	-	5,378	-	-	-	-	39,219
Public safety	-	18,789	12,742	-	3,909	-	-	-	35,440
Committed:	-	-	-	-	-	-	4,619	-	4,619
Restricted:	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	1,609	-	-	1,609
Unassigned	-	-	-	-	-	-	-	-	-
Total fund balances	33,841	18,789	12,742	5,378	3,909	1,609	4,619	-	80,887
Total liabilities and fund balances	$ 33,841	$ 18,789	$ 12,742	$ 5,378	$ 3,909	$ 1,609	$ 4,619	$ -	$ 80,887

SCHLEY COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Special Revenue Funds							Capital Projects Fund	Total
	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	Nonmajor Governmental Funds
Revenues:									
Fines and forfeitures	$ 3,005	$ 1,507	$ 5,154	$ -	$ -	$ -	$ -	$ -	$ 9,666
Interest income	-	17	4	-	-	-	-	-	21
Miscellaneous	-	-	-	3,700	581	5,882	3,554	-	13,717
Total revenues	3,005	1,524	5,158	3,700	581	5,882	3,554	-	23,404
Expenditures:									
Current:									
Judicial	739	-	-	3,139	-	-	-	-	3,878
Public safety	-	-	-	-	2,013	11,455	3,846	-	17,314
Culture and recreation	-	-	-	-	-	-	-	16,235	16,235
Total expenditures	739	-	-	3,139	2,013	11,455	3,846	16,235	37,427
Net change in fund balances	2,266	1,524	5,158	561	(1,432)	(5,573)	(292)	(16,235)	(14,023)
Fund balances, beginning of year	31,575	17,265	7,584	4,817	5,341	7,182	4,911	16,235	94,910
Fund balances, end of year	$ 33,841	$ 18,789	$ 12,742	$ 5,378	$ 3,909	$ 1,609	$ 4,619	$ -	$ 80,887

CUSTODIAL FUNDS

Custodial funds are used to report amounts collected by the County on behalf of other governments, agencies, or individuals and held temporarily until distributed to the appropriate parties.

Tax Commissioner – holds property taxes, motor vehicle taxes, and other fees collected on behalf of the County, City of Ellaville, school district, and the State, to be distributed to those taxing authorities.

Clerk of Superior Court – accounts for court fines, fees, bonds, and other amounts collected by the Clerk of Superior Court that must be remitted to the State, litigants, or other authorized parties.

Sheriff – reports collections such as inmate trust funds, civil service fees, and other monies held temporarily by the Sheriff's Office for individuals or entities until proper distribution.

Probate Court – accounts for fines, fees, surcharges, and assessments collected by the Probate Court that are required to be distributed to the State, County, or other designated recipients.

Magistrate Court – holds fines, forfeitures, fees, and other amounts collected by the Magistrate Court for distribution to the appropriate State or local entities, litigants, or other parties.

SCHLEY COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	Special Revenue Funds							Capital Projects Fund	Total
	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	Nonmajor Governmental Funds
ASSETS									
Cash and cash equivalents	$ 33,841	$ 17,566	$ 8,247	$ 5,378	$ 3,909	$ 1,609	$ 4,619	$ -	$ 75,169
Due from other funds	-	1,223	4,495	-	-	-	-	-	5,718
Total assets	33,841	18,789	12,742	5,378	3,909	1,609	4,619	-	80,887
FUND BALANCES									
Restricted:									
Judicial	33,841	-	-	5,378	-	-	-	-	39,219
Public safety	-	18,789	12,742	-	3,909	-	-	-	35,440
Committed:	-	-	-	-	-	-	4,619	-	4,619
Restricted:	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	1,609	-	-	1,609
Unassigned	-	-	-	-	-	-	-	-	-
Total fund balances	33,841	18,789	12,742	5,378	3,909	1,609	4,619	-	80,887
Total liabilities and fund balances	$ 33,841	$ 18,789	$ 12,742	$ 5,378	$ 3,909	$ 1,609	$ 4,619	$ -	$ 80,887

SCHLEY COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Special Revenue Funds							Capital Projects Fund	Total
	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**	**Nonmajor Governmental Funds**
Revenues:									
Fines and forfeitures	$ 3,005	$ 1,507	$ 5,154	$ -	$ -	$ -	$ -	$ -	$ 9,666
Interest income	-	17	4	-	-	-	-	-	21
Miscellaneous	-	-	-	3,700	581	5,882	3,554	-	13,717
Total revenues	3,005	1,524	5,158	3,700	581	5,882	3,554	-	23,404
Expenditures:									
Current:									
Judicial	739	-	-	3,139	-	-	-	-	3,878
Public safety	-	-	-	-	2,013	11,455	3,846	-	17,314
Culture and recreation	-	-	-	-	-	-	-	16,235	16,235
Total expenditures	739	-	-	3,139	2,013	11,455	3,846	16,235	37,427
Net change in fund balances	2,266	1,524	5,158	561	(1,432)	(5,573)	(292)	(16,235)	(14,023)
Fund balances, beginning of year	31,575	17,265	7,584	4,817	5,341	7,182	4,911	16,235	94,910
Fund balances, end of year	$ 33,841	$ 18,789	$ 12,742	$ 5,378	$ 3,909	$ 1,609	$ 4,619	$ -	$ 80,887

SCHLEY COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH PROCEEDS FROM SPECIAL PURPOSE LOCAL OPTION SALES TAX (SPLOST)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

PROJECT	ESTIMATED COST ORIGINAL	ESTIMATED COST CURRENT	EXPENDITURES PRIOR	EXPENDITURES CURRENT	EXPENDITURES TOTAL	PROJECT COMPLETION
Courthouse Renovation / Expansion	$ 400,000	$ 400,000	$ 581,553	$ -	$ 581,553	145%
Renovations and Improvements to the existing recreation facilities	250,000	250,000	321,697	119,344	441,041	176%
Fire Truck (Class A Pumper)	110,000	110,000	-	-	-	0%
Ambulance	90,000	90,000	252,896	257,211	510,107	567%
Building Repairs / Renovations to County Buildings	140,000	140,000	141,569	40,802	182,371	130%
3 Sheriff Vehicles	100,000	100,000	181,013	143,420	324,433	324%
Road Department Equipment						
Pick-up Truck	25,000	25,000	70,622	147,423	218,045	872%
Front-end Loader	80,000	80,000	-	-	-	0%
Dump Truck	50,000	50,000	-	-	-	0%
Road Equipment	85,000	85,000	-	-	-	0%
Fire Station	100,000	100,000	-	1,984	1,984	2%
Additional Covered Storage	30,000	30,000	12,287	-	12,287	41%
Rescue Truck	40,000	40,000	50,470	-	50,470	126%
Extraction Tools & Equipment	75,000	75,000	5 720	-	5,720	8%
TOTAL COUNTY PROJECTS	$ 1,575,000	$ 1,575,000	$ 1,617,827	$ 710,184	$ 2,328,011	
Tax Allocation Paid to City of Ellaville	725,000	725,000	738,016	172,434	910,450	
SPLOST FUNDS USED	$ 2,300,000	$ 2,300,000	$ 2,355,843	$ 882,618	$ 3,238,461	

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

	PRIOR	CURRENT	TOTAL
Contribution from City of Ellaville for Courthouse Christmas Lights	7,000	-	7,000
Transfer in from the General Fund for Courthouse Renovation	1,500	-	1,500
Transfer in from 2003-07 SPLOST for Courthouse Renovation	75,706	-	75,706
Transfer in from 2003-07 SPLOST for Sheriff's Vehicle	29,031	-	29,031
	$ 2,469,080	$ 882,618	$ 3,351,698

SPLOST funds used

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 and the expenditures reported on the Statement of Revenues, Expenditures and Changes in Fund Balances on Page 8.

(2) On November 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 received 100% of the distributions from the State of Georgia and in turn distributes funds to the City as required.

SCHLEY COUNTY, GEORGIA
GENERAL FUND
BALANCE SHEET - COMPARATIVE FIGURES
JUNE 30, 2025

	AS AT JUNE 30, 2025	AS AT JUNE 30, 2024
ASSETS		
Cash and cash equivalents	$ 484,707	$ 345,953
Restricted cash	15,308	15,308
Receivables (net of allowance for uncollectibles)	77,235	81,794
Taxes receivable	47,547	85,438
Due from other funds	59,907	5,857
Due from other governments	58,666	63,598
Inventories	8,220	8,220
Prepaid items	6,216	-
Total assets	757,806	606,168
LIABILITIES		
Accounts payable	49,489	28,080
Accrued expenses	35,258	35,699
Accrued interest payable	3,901	3,901
Due to other funds	177,861	114,900
Short-term loan	350,000	100,000
Total liabilities	616,509	282,580
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - taxes	25,730	73,245
Total deferred inflows of resources	25,730	73,245
FUND BALANCES		
Nonspendable:		
Prepaid items	6,216	-
Inventories	8,220	8,220
Restricted:	15,308	15,308
Unassigned	101,131	242,123
Total fund balances	130,875	265,651
Total liabilities, deferred inflows of resources, and fund balances	$ 747,384	$ 548,231

SCHLEY COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - COMPARATIVE FIGURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	FOR THE YEAR ENDED JUNE 30, 2025	FOR THE YEAR ENDED JUNE 30, 2024
Revenues:		
Property taxes	$ 1,980,105	$ 1,791,046
Sales taxes	405,657	390,866
Franchise taxes	702	1,087
Insurance premium taxes	258,163	242,628
Financial institution taxes	16,768	19,545
Licenses and permits	32,523	26,173
Intergovernmental revenues	80,542	19,170
Fines and forfeitures	10,360	19,268
Charges for services	972,653	879,458
Investment earnings (loss)	99	155
Building rentals	37,925	35,918
Miscellaneous	33,398	80,982
Total revenues	3,828,895	3,506,296
Expenditures:		
Current:		
General government	1,224,216	1,215,740
Judicial	368,883	386,451
Public safety	1,734,571	1,661,390
Public works	259,610	346,909
Culture and recreation	106,056	85,967
Health and welfare	67,752	45,860
Housing and development	32,426	25,471
Capital outlay - Public works	-	132,476
Debt service:		
Principal repayments	106,947	10,100
Interest and fiscal charges	11,083	4,481
Total expenditures	3,911,544	3,914,896
Excess (deficiency) of revenues over expenditures	(82,649)	(408,600)
OTHER FINANCING SOURCES (USES):		
Issuance of long-term debt	-	232,476
Transfers out	(140,090)	48,297
Total other financing sources (uses)	(140,090)	280,773
Net change in fund balances	(222,739)	(127,827)
FUND BALANCES, BEGINNING OF YEAR	338,301	466,128
FUND BALANCES, END OF YEAR	$ 115,562	$ 338,301

SCHLEY COUNTY, GEORGIA
ARPA GRANT FUND
BALANCE SHEET - COMPARATIVE FIGURES
JUNE 30, 2025

	AS AT JUNE 30, 2025	AS AT JUNE 30, 2024
ASSETS		
Cash and cash equivalents	$ -	$ 24,391
Total assets	-	24,391
LIABILITIES		
Unearned revenue	-	24,391
Total liabilities	-	24,391
FUND BALANCES		
Nonspendable:	-	-
Restricted:	-	-
Unassigned	-	-
Total fund balances	-	-
Total liabilities, and fund balances	$ -	$ 24,391

SCHLEY COUNTY, GEORGIA
ARPA GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - COMPARATIVE FIGURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	FOR THE YEAR ENDED JUNE 30, 2025	FOR THE YEAR ENDED JUNE 30, 2024
Revenues:		
Intergovernmental revenues	$ 24,391	$ 150,000
Total revenues	24,391	150,000
OTHER FINANCING SOURCES (USES):		
Transfers out	(24,391)	(150,000)
Total other financing sources (uses)	(24,391)	(150,000)
Net change in fund balances	-	-
FUND BALANCES, BEGINNING OF YEAR	-	-
FUND BALANCES, END OF YEAR	$ -	$ -

SCHLEY COUNTY, GEORGIA
SPLOST FUND
BALANCE SHEET - COMPARATIVE FIGURES
JUNE 30, 2025

	AS AT JUNE 30, 2025	AS AT JUNE 30, 2024
ASSETS		
Cash and cash equivalents	$ 227,446	$ 463,070
Due from other governments	49,891	49,891
Total assets	277,337	512,961
LIABILITIES		
Due to other funds	70,619	949
Due to other governments	27,041	13,412
Total liabilities	97,660	14,361
FUND BALANCES		
Nonspendable:	-	-
Restricted:	179,677	498,600
Unassigned	-	-
Total fund balances	179,677	498,600
Total liabilities, and fund balances	$ 277,337	$ 512,961

SCHLEY COUNTY, GEORGIA
SPLOST FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - COMPARATIVE FIGURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	FOR THE YEAR ENDED JUNE 30, 2025	FOR THE YEAR ENDED JUNE 30, 2024
Revenues:		
Intergovernmental revenues	$ 547,460	$ 528,889
Investment earnings (loss)	-	92
Total revenues	547,460	528,981
Expenditures:		
Current:		
General government	39,385	3,423
Public safety	88,431	654
Public works	-	164,836
Capital outlay - General government	-	10,240
Capital outlay - Public safety	315,601	2,231
Capital outlay - Culture and recreation	103,109	316,650
Debt service:		
Principal repayments	140,187	-
Interest and fiscal charges	7,236	-
Total expenditures	693,949	498,034
Net change in fund balances	(146,489)	30,947
FUND BALANCES, BEGINNING OF YEAR	498,600	483,645
FUND BALANCES, END OF YEAR	$ 352,111	$ 514,592

SCHLEY COUNTY, GEORGIA
TSPLOST FUND
BALANCE SHEET - COMPARATIVE FIGURES
JUNE 30, 2025

	AS AT JUNE 30, 2025	AS AT JUNE 30, 2024
ASSETS		
Cash and cash equivalents	$ 62,921	$ 158,209
Due from other funds	28,765	22,507
Due from other governments	33,841	32,441
Inventories	6,540	6,540
Total assets	132,067	219,697
FUND BALANCES		
Nonspendable:	-	-
Restricted:	132,067	219,697
Unassigned	-	-
Total fund balances	132,067	219,697
Total liabilities, and fund balances	$ 132,067	$ 219,697

SCHLEY COUNTY, GEORGIA
TSPLOST FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - COMPARATIVE FIGURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	FOR THE YEAR ENDED JUNE 30, 2025	FOR THE YEAR ENDED JUNE 30, 2024
Revenues:		
Intergovernmental revenues	$ 396,582	$ 398,099
Miscellaneous	-	-
Total revenues	396,582	398,099
Expenditures:		
Current:		
Public works	357,436	277,994
Capital outlay - Public works	75,750	144,165
Debt service:		
Principal repayments	49,405	19,008
Interest and fiscal charges	1,621	1,975
Total expenditures	484,212	443,142
Net change in fund balances	(87,630)	(45,043)
FUND BALANCES, BEGINNING OF YEAR	219,697	264,740
FUND BALANCES, END OF YEAR	$ 132,067	$ 219,697

SCHLEY COUNTY, GEORGIA
UTILITIES AUTHORITY WATER FUND
BALANCE SHEET - COMPARATIVE FIGURES
JUNE 30, 2025

	AS AT JUNE 30, 2025	AS AT JUNE 30, 2024
ASSETS		
Cash and cash equivalents	$ 79,751	$ 47,158
Restricted cash	116,127	89,118
Receivables (net of allowance for uncollectibles)	42,962	33,076
Due from other funds	88,298	99,731
Inventories	17,936	19,239
Noncurrent assets		
Capital assets, not being depreciated	10,000	254,041
Capital assets, being depreciated	9,794,226	9,116,442
Total assets	10,149,300	9,658,805
DEFERRED OUTFLOWS OF RESOURCES		
Pension related items	1,782	9,290
Total deferred outflows of resources	1,782	9,290
LIABILITIES		
Accounts payable	86,498	-
Accrued expenses	1,620	2,437
Accrued interest payable	13,957	16,820
Unearned revenue	23,355	21,205
Short-term loan	434,888	455,247
Customer deposits	92,772	86,959
Noncurrent liabilities due within one year:		
Compensated absences	1,986	828
Note payable	16,322	16,177
Bonds payable	142,801	139,157
Noncurrent liabilities due within more than one year:		
Compensated absences	5,957	2,484
Note payable	236,708	253,030
Bonds payable	5,417,484	5,567,525
Net pension liability	7,220	24,915
Total liabilities	6,481,568	6,586,784
DEFERRED INFLOWS OF RESOURCES		
Pension related items	990	3,193
Total deferred inflows of resources	990	3,193
NET POSITION		
Net investment in capital assets	3,990,911	3,394,594
Restricted	116,127	89,118
Unrestricted	(438,514)	(405,594)
Total net position	3,668,524	3,078,118
Total liabilities, deferred inflows of resources, and net position	$ 10,150,092	$ 9,664,902

SCHLEY COUNTY, GEORGIA
UTILITIES AUTHORITY WATER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - COMPARATIVE FIGURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	FOR THE YEAR ENDED JUNE 30, 2025	FOR THE YEAR ENDED JUNE 30, 2024
Revenues:		
Charges for services	$ 421,109	$ 417,269
Miscellaneous	44,425	84,296
Total revenues	465,534	501,565
Expenditures:		
Personnel services and benefits	72,745	67,087
Purchased contract services	176,233	162,778
Supplies and maintenance	25,483	21,244
Depreciation	331,131	327,545
Total expenditures	605,592	578,654
Excess (deficiency) of revenues over expenditures	(140,058)	(77,089)
OTHER FINANCING SOURCES (USES):		
Interest and fiscal charges	(173,890)	(187,909)
Contributions (APRA Grant Funding)	764,874	319,298
Transfers in	139,481	134,380
Total other financing sources (uses)	730,465	265,769
Net change in net position	590,407	188,680
NET POSITION, BEGINNING OF YEAR	3,078,118	2,889,438
NET POSITION, END OF YEAR	$ 3,668,525	$ 3,078,118

SCHLEY COUNTY, GEORGIA
SANITATION FUND
BALANCE SHEET - COMPARATIVE FIGURES
JUNE 30, 2025

	AS AT JUNE 30, 2025	AS AT JUNE 30, 2024
ASSETS		
Cash and cash equivalents	$ 43,749	$ 22,345
Receivables (net of allowance for uncollectibles)	17,715	18,765
Due from other funds	1,333	-
Total assets	62,797	41,110
LIABILITIES		
Accounts payable	21,013	20,608
Accrued expenses	369	609
Due to other funds	10,541	11,601
Total liabilities	31,923	32,818
NET POSITION		
Net investment in capital assets	-	-
Restricted	-	-
Unrestricted	30,874	8,292
Total net position	30,874	8,292
Total liabilities, and net position	$ 62,797	$ 41,110

SCHLEY COUNTY, GEORGIA
SANITATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - COMPARATIVE FIGURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	FOR THE YEAR ENDED JUNE 30, 2025	FOR THE YEAR ENDED JUNE 30, 2024
Revenues:		
Charges for services	$ 251,731	$ 202,506
Miscellaneous	324	6,050
Total revenues	252,055	208,556
Expenditures:		
Personnel services and benefits	-	11,401
Purchased contract services	248,515	280,772
Total expenditures	248,515	292,173
Excess (deficiency) of revenues over expenditures	3,540	(83,617)
OTHER FINANCING SOURCES (USES):		
Transfers in	25,000	-
Transfers out	-	14,089
Total other financing sources (uses)	25,000	14,089
Net change in net position	28,540	(69,528)
NET POSITION, BEGINNING OF YEAR	2,334	71,862
NET POSITION, END OF YEAR	$ 30,874	$ 2,334

COMPLIANCE SECTION

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

To the Board of Commissioners of Schley County
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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Schley County, Georgia's (the "County"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise County's basic financial statements, and have issued our report thereon dated December 19, 2025.

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 unit. 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.

Report on Internal Control over Financial Reporting

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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in 2025-1 to be a material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in 2025-2 to be a significant deficiency.

2025-1 **Segregation of duties:** During the audit it was noted that there are limited segregation of duties over cash and payroll. There should be at least two people involved in the collection, reconciliation and depositing of cash received, as well as a review function over payroll runs. We recommend the County clerk or assistant clerk becomes involved in the cash collection process, as well as encouraging the County Manager to review and approve payroll reports before payment.

2025-2 **Reconciliation of account balances:** The County does not keep record or prepare year end accruals to account for the correct balance sheet closing balances. This may result in inaccurate data used to make significant budgetary and operational decisions, and various audit adjustments were required to correct account balances at year end. The County's controls should include periodic reconciliations of significant account balances, including full accrual-based reconciliations at fiscal year-end to ensure all amounts have been appropriately recorded and budgeted for.

Report on Compliance and Other Matters

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

2025-3 **Budget amendments and monitoring:** It was identified that no budget amendments were made or approved by the Board for expenditures exceeding the amounts previously approved.

Schley County, Georgia's Response to Findings

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

Purpose of This Report

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

CKH CPAs and Advisors, LLC

CKH CPA's and Advisors, LLC
Atlanta, Georgia
December 19, 2024

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

To the Board of Commissioners
of Schley County
Ellaville, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Schley County's (the "County") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2025. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We have not identified any deficiencies in internal control that we consider to be material weaknesses or significant deficiencies.

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

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

CKH CPAs and Advisors, LLC

CKH CPA's and Advisors, LLC
Atlanta, Georgia
December 19, 2025

SCHLEY COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Contract or Project Number	Total Expenditures
U.S. DEPARTMENT OF TREASURY			
Passed through State of Georgia:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	GA-0007114	$ 764,874
Total U.S. Department of Treasury			764,874
U.S. DEPARTMENT OF HOMELAND SECURITY			
Direct Awards:			
Emergency Management Performance Grants	97.042	OEM24	7,000
Assistance to Firefighters Grant	97.044	EMW-2022-FG-04220	64,762
Total U.S. Department of Homeland Security			71,762
Total Expenditures of Federal Awards			$ 836,636

See accompanying notes to schedule of expenditures of federal awards.

SCHLEY COUNTY, GEORGIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

A General

The accompanying Schedule of Expenditures of Federal Awards (the 'Schedule') presents the activity of all federal award programs of the SCHLEY COUNTY, GEORGIA (the County) for the year ended June 30, 2025. All federal awards received directly from the federal agencies, as well as those passed through other government agencies, are included on the Schedule.

B Basis of Accounting

The accompanying Schedule includes federal grant activity of the County under programs of the federal government for the year ended JUNE 30, 2025. The information in this schedule is presented in conformity with the requirements of Title 2 U.S. Code of Federal Requirements (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present financial position or changes in net position.

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

C Relationship to Basic Financial Statements

Federal award expenditures are reported in the County's basic financial statements as expenditures in the General Fund and special revenue funds.

D Relationship to Federal Financial Statements

Amounts reported in the accompanying Schedule agree with the amounts reported in the related federal financial reports except for timing differences relating to expenditures made subsequent to the filing of the federal financial reports.

E Indirect cost

The City uses an appropriate actual indirect cost allocation methodology for its federal programs and did not use the 15% de Minimis indirect cost rate as allowed under the Uniform Guidance and covered in 2 CFR Part 200.414.

F Subrecipients

No amounts were paid to subrecipients for the year ended June 30, 2025.

SCHLEY COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

I. Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP	Unmodified			
Internal control over financial reporting:				
Material weaknesses identified?	___	Yes	X	No
Significant deficiency(ies) identified?	X	Yes	___	None reported
Noncompliance material to financial statements noted?	X	Yes	___	No

Federal Awards

Internal control over major federal programs:				
Material weaknesses identified?	___	Yes	X	No
Significant deficiency(ies) identified?	___	Yes	X	None reported
Type of report the auditor issued on compliance for major federal programs:	Unmodified			
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	___	Yes	X	No

Identification of major federal programs:

Assistance Listing Number	Name of Federal Program or Cluster
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold to distinguish between Type A and Type B programs	$750,000			
Schley County, Georgia qualifies as a low-risk auditee?	___	Yes	X	No

II. Findings June 30, 2024 Financial Statement Audit

N/A - no single audit report issued

III. Findings and Questioned Costs for Federal Awards

None reported

2025-01 Segregation of duties

Criteria: A sound system of internal control requires that duties be adequately segregated so that no one individual has control over all aspects of a financial transaction. This includes initiation, authorization, processing, recording, and reviewing financial transactions, which reduces the risk of errors or fraudulent activity going undetected.

Condition: We noted that many of the finance functions are carried out by the County Clerk, resulting in inadequate segregation of duties. This allows the County Clerk to control financial records and reports without independent oversight.

Cause: The County appears to have limited personnel available to handle financial operations, resulting in multiple key functions being centralized in a single individual without sufficient oversight or cross-checks.

Effect: Concentration of duties increases the risk of errors, misstatements, or fraudulent transactions occurring and going undetected. It also compromises the integrity and reliability of financial reporting.

Recommendation: The County should assess its staffing and internal control structure and segregate duties where possible, even if through periodic oversight, secondary review, or rotation of responsibilities. If staffing constraints persist, management should implement compensating controls, such as increased supervisory reviews, independent reconciliations, or periodic external

County's Response: We acknowledge this finding and understand the importance of proper segregation of duties. Due to limited staffing, multiple financial functions have been assigned to the County Clerk. We are reviewing internal processes to reassign responsibilities where possible and will implement compensating controls, such as increased oversight. We will also explore longer-term solutions, including additional staffing or external support, to strengthen internal controls.

2025-02 Reconciliation of account balances

Criteria: Financial statements should be prepared in accordance with generally accepted accounting principles (GAAP). Adjusting entries must be supported, reviewed, and approved to ensure accuracy and integrity of financial reporting.

Condition: Numerous material audit adjustments were required to correct errors in year-end balances, including adjustments to receivables, liabilities, and fund balances. Additionally, several journal entries were posted without supporting documentation or evidence of review.

Cause: The County does not utilize a comprehensive year-end closing checklist, and journal entries are not consistently documented or reviewed by supervisory personnel.

Effect: The need for multiple audit adjustments suggests internal accounting controls are not functioning effectively. Inadequate documentation reduces the audit trail and accountability over financial reporting.

Recommendation: We recommend that the County implement a formal year-end closing process with a checklist of required adjustments and reconciliations. All journal entries should be prepared with supporting documentation, and reviewed and approved by someone independent of the preparer before posting.

County's Response: A year-end close checklist and journal entry review process will be implemented. Staff will be trained to ensure all entries are supported and approved.

2025-03 Budget Amendments and monitoring

Criteria: In accordance with O.C.G.A. § 36-81-3 and § 36-81-6, Georgia local governments must adopt a balanced annual budget for each fund, and actual expenditures may not exceed the legally adopted budget at the department level within each fund. Compliance with these requirements promotes fiscal responsibility and transparency.

Condition: During our review, we noted that in one of the County’s funds, actual expenditures exceeded the legally adopted budget in two departments, in violation of state budgetary control requirements.

Cause: The County did not adequately monitor departmental expenditures throughout the year and failed to amend the budget to reflect changes in spending needs. Additionally, there may have been a lack of communication between departments and finance staff regarding budget limitations and available appropriations.

Effect: Exceeding the legally adopted budget increases the risk of fiscal mismanagement and noncompliance with state laws. It may also impact the County's ability to plan and allocate resources effectively and could result in findings from oversight bodies or grantors.

Recommendation: Management should implement regular budget-to-actual reviews throughout the fiscal year and ensure that any expected overages are addressed through timely budget amendments approved by the governing body. Department heads should be trained on budget compliance responsibilities, and stronger coordination between departments and finance personnel should be enforced.

County's Response: We agree with this finding. We will enhance our budget monitoring procedures by performing more frequent reviews and improving communication between departments and finance staff. Where necessary, we will initiate timely budget amendments to ensure compliance with state requirements and prevent future overages.

The following audit finding was disclosed for the year ended June 30, 2024:

2024-01 Approved timesheets

Criteria: All timesheets should be approved by the respective department heads to ensure that overtime are authorized.

Condition: During the audit, it was noted that not all timesheets were approved by the department heads.

Cause: Insufficient oversight over timecards submitted by staff.

Status: Resolved

2024-02 Reconciliation of account balances

Criteria: All accounts should be reviewed and reconciled to supporting documents or schedules at year end.

Condition: No schedules or reconciliations were prepared during the year to support the closing balances presented in the financial statements.

Cause: Lack of resources to prepare and review the schedules required.

Status: Unresolved - refer to 2025-02

2024-03 Segregation of duties

Criteria: The County should ensure proper segregation of duties over each accounting function.

Condition: During the audit it was noted that there are limited segregation of duties over cash and payroll. There should be at least two people involved in the collection, reconciliation and depositing of cash received, as well as a review function over payroll runs.

Cause: Lack of resources or insufficient oversight over cash and payroll functions.

Status: Unresolved - refer to 2025-01

2024-04 Account posting errors

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

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

Cause: Ineffective oversight and review.

Status: Unresolved - refer to 2025-02

2024-05 Missing budget for Special Revenue Fund

Criteria: The County is required to present a balanced budget, and the budgeted expenditures should equal or exceed the actual expenses incurred during the financial year for all special revenue funds.

Condition: The County did not adopt annual budgets for the ARPA fund.

Cause: Insufficient oversight over budgets.

Status: Resolved.