

EMANUEL COUNTY, GEORGIA

FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2023**

EMANUEL COUNTY, GEORGIA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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INDEPENDENT AUDITOR'S REPORT

**Board of Commissioners
of Emanuel County, Georgia
Swainsboro, 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of **Emanuel County, Georgia** (the "County"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund 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 Emanuel County Board of Health which represents 100% of the assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Emanuel County Board of Health, is based solely on the report of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis ("MD&A") that GAAP requires 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 ("GASB") 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 nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements of the County. The accompanying Schedules of Expenditures of Special Purpose Local Option Sales Tax proceeds are presented for the purpose of additional analysis as required by the Official Code of Georgia Annotated ("O.C.G.A.") §48-8-121, and are not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, and the Schedules of Expenditures of Special Purpose Local Option Sales Tax proceeds are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2024, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Emanuel County, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
April 29, 2024

BASIC FINANCIAL STATEMENTS

EMANUEL COUNTY, GEORGIA

STATEMENT OF NET POSITION SEPTEMBER 30, 2023

	Primary Government			Component Unit
	Governmental	Business-type		Board of
	Activities	Activities	Total	Health
ASSETS				
Cash and cash equivalents	\$ 13,685,785	\$ 881,106	\$ 14,566,891	\$ 1,218,198
Investments	7,940,992	-	7,940,992	-
Taxes receivable	748,195	-	748,195	-
Sales tax receivable	553,546	-	553,546	-
Accounts receivable, net of allowances	167,135	-	167,135	39,476
Due from other governments	986,440	-	986,440	-
Inventories	36,604	-	36,604	-
Notes receivable	-	425,949	425,949	-
Land and building held for resale	-	1,562,932	1,562,932	-
Right-to-use leased equipment, net of accumulated amortization	9,180,288	-	9,180,288	-
Capital assets, non-depreciable	3,335,502	2,768,643	6,104,145	-
Capital assets, depreciable, net of accumulated depreciation	17,518,102	5,702,800	23,220,902	47,818
Net OPEB asset	-	-	-	54,300
Total assets	54,152,589	11,341,430	65,494,019	1,359,792
DEFERRED OUTFLOWS OF RESOURCES				
Pension and OPEB	-	-	-	615,836
LIABILITIES				
Accounts payable	495,581	803	496,384	6,713
Accrued liabilities	175,998	-	175,998	-
Unearned revenues	21,597	-	21,597	-
Financed purchases due within one year	342,077	-	342,077	-
Financed purchases due in more than one year	1,417,279	-	1,417,279	-
Lease liabilities due within one year	815,455	-	815,455	-
Lease liabilities due in more than one year	9,039,794	-	9,039,794	-
Compensated absences due within one year	214,902	-	214,902	-
Compensated absences due in more than one year	53,723	-	53,723	55,772
Notes payable due within one year	-	37,869	37,869	-
Notes payable due in more than one year	-	3,203,667	3,203,667	-
Landfill closure and post-closure care costs due in more than one year	1,222,831	-	1,222,831	-
Net pension liability	-	-	-	1,163,656
Net OPEB liability	-	-	-	73,198
Total liabilities	13,799,237	3,242,339	17,041,576	1,299,339
DEFERRED INFLOWS OF RESOURCES				
Pension and OPEB	-	-	-	137,826
NET POSITION				
Net investment in capital assets	19,094,248	6,032,529	25,126,777	47,818
Restricted for:				
Public safety	729,252	-	729,252	-
Economic development	468,085	-	468,085	-
Capital projects	9,125,585	2,066,562	11,192,147	-
Health and welfare programs - PYPI	-	-	-	977,210
HBI Road Map Strategist Initiative - PYPI	-	-	-	3,872
Unrestricted	10,936,182	-	10,936,182	(490,437)
Total net position	\$ 40,353,352	\$ 8,099,091	\$ 48,452,443	\$ 538,463

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

EMANUEL COUNTY, GEORGIA

STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 3,441,741	\$ 2,178,651	\$ 346,051	\$ -
Judicial	1,306,841	760,841	-	-
Public safety	8,191,289	1,212,200	-	-
Public works	5,409,689	-	-	3,358,856
Health and welfare	3,472,520	-	-	-
Culture and recreation	583,698	-	-	-
Housing and development	1,122,085	-	-	-
Interest on long-term debt	26,392	-	-	-
Total governmental activities	<u>23,554,255</u>	<u>4,151,692</u>	<u>346,051</u>	<u>3,358,856</u>
Business-type activities:				
Development Authority of Emanuel				
County and the City of Swainsboro	729,715	31,541	1,841,652	-
Emanuel County Revolving Loan	-	2,578	-	-
Total business-type activities	<u>729,715</u>	<u>34,119</u>	<u>1,841,652</u>	<u>-</u>
Total primary government	<u>\$ 24,283,970</u>	<u>\$ 4,185,811</u>	<u>\$ 2,187,703</u>	<u>\$ 3,358,856</u>
Component units:				
Board of Health	\$ 1,193,609	\$ 570,504	\$ 641,809	\$ -
Total component units	<u>\$ 1,193,609</u>	<u>\$ 570,504</u>	<u>\$ 641,809</u>	<u>\$ -</u>
General revenues:				
Property taxes				
Sales taxes				
Insurance premium tax				
Alcoholic beverages taxes				
Other taxes				
Unrestricted investment earnings				
Miscellaneous				
Total general revenues				
Change in net position				
Net position, beginning of year				
Net position, end of year				

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

Net (Expenses) Revenues and Changes in Net Position			
Governmental Activities	Business-type Activities	Total	Component Units Board of Health
\$ (917,039)	\$ -	\$ (917,039)	\$ -
(546,000)	-	(546,000)	-
(6,979,089)	-	(6,979,089)	-
(2,050,833)	-	(2,050,833)	-
(3,472,520)	-	(3,472,520)	-
(583,698)	-	(583,698)	-
(1,122,085)	-	(1,122,085)	-
(26,392)	-	(26,392)	-
(15,697,656)	-	(15,697,656)	-
-	1,143,478	1,143,478	-
-	2,578	2,578	-
-	1,146,056	1,146,056	-
(15,697,656)	1,146,056	(14,551,600)	-
-	-	-	18,704
-	-	-	18,704
7,379,628	-	7,379,628	-
7,347,458	-	7,347,458	-
986,440	-	986,440	-
51,993	-	51,993	-
550,209	-	550,209	-
444,509	1,319	445,828	-
-	-	-	295
16,760,237	1,319	16,761,556	295
1,062,581	1,147,375	2,209,956	18,999
39,290,771	6,951,716	46,242,487	519,464
\$ 40,353,352	\$ 8,099,091	\$ 48,452,443	\$ 538,463

EMANUEL COUNTY, GEORGIA

BALANCE SHEET GOVERNMENTAL FUNDS SEPTEMBER 30, 2023

	General	Local Resources Fund	LMIG Fund	TSPLOST Fund
ASSETS				
Cash and cash equivalents	\$ 3,435,503	\$ 2,606,621	\$ 1,127,707	\$ 2,014,274
Investments	7,940,992	-	-	-
Property taxes receivable	674,072	-	-	-
Sales taxes receivable	163,831	-	-	70,890
Accounts receivable	166,538	-	-	-
Due from other governments	986,440	-	-	-
Inventories	36,604	-	-	-
Total assets	<u>\$ 13,403,980</u>	<u>\$ 2,606,621</u>	<u>\$ 1,127,707</u>	<u>\$ 2,085,164</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 365,184	\$ 10,124	\$ -	\$ 7,940
Accrued liabilities	158,216	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>523,400</u>	<u>10,124</u>	<u>-</u>	<u>7,940</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues:				
Property taxes	584,385	-	-	-
Total deferred inflows of resources	<u>584,385</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Fund balances:				
Nonspendable:				
Inventories	36,604	-	-	-
Restricted for:				
Public safety	-	-	-	-
Economic development	-	-	-	-
Capital projects	-	2,596,497	1,127,707	2,077,224
Assigned for:				
Jail commissary activities	-	-	-	-
Unassigned	12,259,591	-	-	-
Total fund balances	<u>12,296,195</u>	<u>2,596,497</u>	<u>1,127,707</u>	<u>2,077,224</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 13,403,980</u>	<u>\$ 2,606,621</u>	<u>\$ 1,127,707</u>	<u>\$ 2,085,164</u>

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

Capital assets used in governmental activities are not financial resources and, therefore,
are not reported in the funds. These assets consist of:

- Land
- Construction in progress
- Buildings and improvements
- Land Improvements
- Right-to-use leased equipment
- Machinery and equipment
- Infrastructure

Other long-term assets are not available to pay for current period expenditures and, therefore,
are deferred in the funds.

Accrued Interest on long-term liabilities are not due and payable in the current period and, therefore,
are not reported in the funds.

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

These liabilities consist of:

- Financed purchases
- Lease liabilities
- Compensated absences
- Landfill closure and Post-closure care

Net position of governmental activities

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

SPLOST 6	Nonmajor Governmental Funds	Total Governmental Funds
\$ 3,077,379	\$ 1,424,301	\$ 13,685,785
-	-	7,940,992
-	74,123	748,195
318,825	-	553,546
-	597	167,135
-	-	986,440
-	-	36,604
<u>\$ 3,396,204</u>	<u>\$ 1,499,021</u>	<u>\$ 24,118,697</u>

\$ 91,228	\$ 21,105	\$ 495,581
-	15,595	173,811
-	21,597	21,597
<u>91,228</u>	<u>58,297</u>	<u>690,989</u>

-	41,709	626,094
-	41,709	626,094

-	-	36,604
-	729,252	729,252
-	468,085	468,085
3,304,976	19,181	9,125,585
-	213,383	213,383
-	(30,886)	12,228,705
<u>3,304,976</u>	<u>1,399,015</u>	<u>22,801,614</u>
<u>\$ 3,396,204</u>	<u>\$ 1,499,021</u>	

\$ 1,359,517		
1,975,985		
8,152,229		
1,661,454		
9,180,288		
3,097,221		
<u>4,607,198</u>		30,033,892
		626,094
		(2,187)

\$ 1,759,356		
9,855,249		
268,625		
<u>1,222,831</u>		<u>(13,106,061)</u>
		<u>\$ 40,353,352</u>

EMANUEL COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	General Fund	Local Resources Fund	LMIG Fund	TSPLOST Fund
Revenues				
Property taxes	\$ 6,834,967	\$ -	\$ -	\$ -
Sales taxes	1,966,139	-	-	-
Timber taxes	192,703	-	-	-
Motor vehicle taxes	1,220,011	-	-	-
Mobile home taxes	60,550	-	-	-
Franchise taxes	72,701	-	-	-
Insurance premium taxes	986,440	-	-	-
Other taxes	602,202	-	-	-
Licenses and permits	35,971	-	-	-
Intergovernmental	346,051	-	1,079,501	2,208,376
Charges for services	1,918,060	-	-	-
Fines and forfeitures	742,247	-	-	-
Interest income	405,654	-	-	-
Miscellaneous	441,429	-	-	138,260
Total revenues	<u>15,825,125</u>	<u>-</u>	<u>1,079,501</u>	<u>2,346,636</u>
Expenditures				
Current:				
General government	3,201,634	-	-	-
Judicial	1,306,841	-	-	-
Public safety	5,127,867	-	-	-
Public works	3,405,163	-	36,903	311,726
Health and welfare	352,398	-	-	-
Culture and recreation	548,542	-	-	-
Housing and development	547,085	-	-	-
Intergovernmental	-	-	-	-
Capital outlay	-	11,297,988	1,090,522	712,076
Debt service:				
Principal	-	-	-	340,014
Interest and fiscal charges	-	-	-	26,392
Total expenditures	<u>14,489,530</u>	<u>11,297,988</u>	<u>1,127,425</u>	<u>1,390,208</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,335,595</u>	<u>(11,297,988)</u>	<u>(47,924)</u>	<u>956,428</u>
Other financing sources (uses)				
Sale of assets	-	140,347	-	-
Leases issued	-	9,974,899	-	-
Transfers in	-	2,844,720	120,000	-
Transfers out	(3,219,720)	-	-	(120,000)
Total other financing sources (uses)	<u>(3,219,720)</u>	<u>12,959,966</u>	<u>120,000</u>	<u>(120,000)</u>
Net change in fund balances	(1,884,125)	1,661,978	72,076	836,428
Fund balances, beginning of year	<u>14,180,320</u>	<u>934,519</u>	<u>1,055,631</u>	<u>1,240,796</u>
Fund balances, end of year	<u>\$ 12,296,195</u>	<u>\$ 2,596,497</u>	<u>\$ 1,127,707</u>	<u>\$ 2,077,224</u>

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

SPLOST 6 Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 575,881	\$ 7,410,848
3,835,354	-	5,801,493
-	-	192,703
-	-	1,220,011
-	-	60,550
-	-	72,701
-	-	986,440
-	-	602,202
-	-	35,971
-	7,311	3,641,239
-	720,086	2,638,146
-	89,921	832,168
63,668	38,855	508,177
-	65,718	645,407
3,899,022	1,497,772	24,648,056
-	-	3,201,634
-	-	1,306,841
-	934,653	6,062,520
256,583	13,003	4,023,378
-	-	352,398
-	-	548,542
-	575,000	1,122,085
3,120,122	-	3,120,122
1,299,435	223,894	14,623,915
-	-	340,014
-	-	26,392
4,676,140	1,746,550	34,727,841
(777,118)	(248,778)	(10,079,785)
-	-	140,347
-	-	9,974,899
-	375,000	3,339,720
-	-	(3,339,720)
-	375,000	10,115,246
(777,118)	126,222	35,461
4,082,094	1,272,793	22,766,153
\$ 3,304,976	\$ 1,399,015	\$ 22,801,614

EMANUEL COUNTY, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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

Net change in fund balances - total governmental funds	\$ 35,461
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	10,689,622
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to change net position.	(11,619)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(31,220)
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. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(9,515,235)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(104,428)</u>
Change in net position of governmental activities	<u>\$ 1,062,581</u>

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

EMANUEL COUNTY, GEORGIA

GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 6,635,000	\$ 6,935,000	\$ 6,834,967	\$ (100,033)
Sales taxes	1,550,000	1,700,000	1,966,139	266,139
Timber taxes	225,000	225,000	192,703	(32,297)
Motor vehicle taxes	1,260,000	1,260,000	1,220,011	(39,989)
Mobile home taxes	60,000	60,000	60,550	550
Franchise taxes	70,000	70,000	72,701	2,701
Insurance premium taxes	865,000	865,000	986,440	121,440
Other taxes	477,500	507,500	602,202	94,702
Licenses and permits	32,500	32,500	35,971	3,471
Intergovernmental	192,875	192,875	346,051	153,176
Charges for services	1,781,250	1,731,250	1,918,060	186,810
Fines and forfeitures	962,000	699,000	742,247	43,247
Investment income	85,000	235,000	405,654	170,654
Miscellaneous	275,000	425,000	441,429	16,429
Total revenues	14,471,125	14,938,125	15,825,125	887,000
Expenditures				
Current:				
General government:				
Elections	123,272	130,272	127,871	2,401
General administration	491,000	591,000	588,093	2,907
Computer equipment	148,000	151,500	143,533	7,967
Financial administration	693,700	709,700	696,150	13,550
Tax commissioner	359,400	359,400	323,625	35,775
Tax assessor	421,100	436,600	413,016	23,584
Board of equalization	3,500	3,500	1,125	2,375
Public buildings	804,500	958,500	908,221	50,279
Total general government	3,044,472	3,340,472	3,201,634	138,838
Judicial:				
Superior court	443,250	452,250	493,179	(40,929)
Clerk of superior court	101,150	116,150	112,611	3,539
District attorney	206,000	206,000	205,619	381
Magistrate court	132,334	138,334	145,326	(6,992)
Probate court	183,540	183,540	181,669	1,871
Public defender	122,000	132,000	128,468	3,532
Juvenile court	40,750	40,750	39,969	781
Total judicial	1,229,024	1,269,024	1,306,841	(37,817)
Public safety:				
Sheriff	2,100,000	2,260,000	2,610,616	(350,616)
Jail	1,688,000	1,878,000	1,849,018	28,982
Special details	55,850	55,850	52,658	3,192
Inmates	50,000	50,000	39,063	10,937
Fire	215,565	244,565	260,501	(15,936)
Coroner	44,450	44,450	45,620	(1,170)
Animal control	85,000	85,000	86,297	(1,297)
Emergency management	20,965	20,965	21,398	(433)
Emergency medical services	415,410	415,410	162,696	252,714
Total public safety	4,675,240	5,054,240	5,127,867	(73,627)
Public works:				
Highways and streets	1,768,143	1,813,143	1,799,638	13,505
Solid waste collection	1,285,500	1,285,500	1,347,300	(61,800)
Maintenance and shop	322,200	322,200	258,225	63,975
Total public works	3,375,843	3,420,843	3,405,163	15,680

(Continued)

EMANUEL COUNTY, GEORGIA

GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budget			Variance With
	Original	Final	Actual	Final Budget
Expenditures (Continued)				
Current (Continued):				
Health and welfare:				
Health department buildings	\$ 357,836	\$ 357,836	\$ 352,398	\$ 5,438
Total health and welfare	357,836	357,836	352,398	5,438
Culture and recreation:				
Recreation	575,000	575,000	548,542	26,458
Total culture and recreation	575,000	575,000	548,542	26,458
Housing and development:				
Agricultural resources	114,700	114,700	103,507	11,193
Georgia Forestry Commission	30,450	30,450	30,269	181
Code enforcement	105,460	117,460	118,127	(667)
Economic development	54,000	74,000	78,070	(4,070)
Airport	200,000	200,000	217,112	(17,112)
Total housing and development	504,610	536,610	547,085	(10,475)
Total expenditures	13,762,025	14,554,025	14,489,530	64,495
Excess of revenues over expenditures	709,100	384,100	1,335,595	951,495
Other financing uses				
Transfers out	(375,000)	(375,000)	(3,219,720)	(2,844,720)
Total other financing uses	(375,000)	(375,000)	(3,219,720)	(2,844,720)
Net change in fund balance	334,100	9,100	(1,884,125)	(1,893,225)
Fund balance, beginning of year	14,180,320	14,180,320	14,180,320	-
Fund balance, end of year	\$ 14,514,420	\$ 14,189,420	\$ 12,296,195	\$ (1,893,225)

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

EMANUEL COUNTY, GEORGIA

STATEMENT OF NET POSITION PROPRIETARY FUNDS SEPTEMBER 30, 2023

ASSETS	Development Authority of Emanuel County and the City of Swainsboro	Emanuel County Development Authority	Emanuel County Revolving Loan	Totals
CURRENT ASSETS				
Cash	\$ 756,469	\$ -	\$ 124,637	\$ 881,106
Total current assets	<u>756,469</u>	<u>-</u>	<u>124,637</u>	<u>881,106</u>
NON-CURRENT ASSETS				
Notes receivable	370,588	-	55,361	425,949
Land and building held for resale	802,622	760,310	-	1,562,932
Capital assets:				
Non-depreciable	2,768,643	-	-	2,768,643
Depreciable, net of accumulated depreciation	<u>5,702,800</u>	<u>-</u>	<u>-</u>	<u>5,702,800</u>
Total non-current assets	<u>9,644,653</u>	<u>760,310</u>	<u>55,361</u>	<u>10,460,324</u>
Total assets	<u>10,401,122</u>	<u>760,310</u>	<u>179,998</u>	<u>11,341,430</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	803	-	-	803
Revenue bonds payable, current portion	<u>37,869</u>	<u>-</u>	<u>-</u>	<u>37,869</u>
Total current liabilities	<u>38,672</u>	<u>-</u>	<u>-</u>	<u>38,672</u>
LONG-TERM LIABILITIES				
Revenue bonds payable, net of current portion	<u>3,203,667</u>	<u>-</u>	<u>-</u>	<u>3,203,667</u>
Total long-term liabilities	<u>3,203,667</u>	<u>-</u>	<u>-</u>	<u>3,203,667</u>
Total liabilities	<u>3,242,339</u>	<u>-</u>	<u>-</u>	<u>3,242,339</u>
NET POSITION				
Net investment in capital assets	6,032,529	-	-	6,032,529
Unrestricted	<u>1,126,254</u>	<u>760,310</u>	<u>179,998</u>	<u>2,066,562</u>
Total net position	<u>\$ 7,158,783</u>	<u>\$ 760,310</u>	<u>\$ 179,998</u>	<u>\$ 8,099,091</u>

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

EMANUEL COUNTY, GEORGIA

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	Development Authority of Emanuel County and the City of Swainsboro	Emanuel County Development Authority	Emanuel County Revolving Loan	Totals
Operating revenues				
Operating grants	\$ 1,841,652	\$ -	\$ -	\$ 1,841,652
Miscellaneous	31,541	-	2,578	34,119
Total operating revenues	<u>1,873,193</u>	<u>-</u>	<u>2,578</u>	<u>1,875,771</u>
Operating expenses				
Personnel services	159,272	-	-	159,272
Purchased/contracted services	348,778	-	-	348,778
Depreciation	137,696	-	-	137,696
Total operating expenses	<u>645,746</u>	<u>-</u>	<u>-</u>	<u>645,746</u>
Operating income	<u>1,227,447</u>	<u>-</u>	<u>2,578</u>	<u>1,230,025</u>
Non-operating revenues (expenses)				
Interest income	1,319	-	-	1,319
Interest expense	(83,969)	-	-	(83,969)
Total non-operating expenses, net	<u>(82,650)</u>	<u>-</u>	<u>-</u>	<u>(82,650)</u>
Change in net position	<u>1,144,797</u>	<u>-</u>	<u>2,578</u>	<u>1,147,375</u>
Net position, beginning of year	<u>6,013,986</u>	<u>\$ 760,310</u>	<u>\$ 177,420</u>	<u>6,951,716</u>
Net position, end of year	<u>\$ 7,158,783</u>	<u>\$ 760,310</u>	<u>\$ 179,998</u>	<u>\$ 8,099,091</u>

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

EMANUEL COUNTY, GEORGIA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Development Authority of Emanuel County and the City of Swainsboro	Emanuel County Development Authority	Emanuel County Revolving Loan	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 2,271,393	\$ -	\$ 45,247	\$ 2,316,640
Payments to suppliers and service providers	(1,344,446)	-	-	(1,344,446)
Payments to employees	(159,272)	-	-	(159,272)
Net cash provided by operating activities	767,675	-	45,247	812,922
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of property and equipment	(772,342)	-	-	(772,342)
Proceeds from the issuance of notes payable	532,630	-	-	532,630
Principal paid on notes payable	(37,869)	-	-	(37,869)
Interest paid on notes payable	(83,969)	-	-	(83,969)
Proceeds from the issuance of notes receivable	(150,000)	-	-	(150,000)
Payments received notes receivable	72,259	-	-	72,259
Net cash used in capital and related financing activities	(439,291)	-	-	(439,291)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	1,319	-	-	1,319
Net cash provided by investing activities	1,319	-	-	1,319
Net increase in cash and cash equivalents	329,703	-	45,247	374,950
Cash and cash equivalents				
Beginning of year	426,766	-	79,390	506,156
End of year	\$ 756,469	\$ -	\$ 124,637	\$ 881,106
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 1,227,447	\$ -	\$ 2,578	\$ 1,230,025
Adjustments to reconcile operating Income to net provided by cash operating activities:				
Depreciation	137,696	-	-	137,696
Decrease in accounts receivable	398,200	-	42,669	440,869
Decrease in accounts payable	(597,468)	-	-	(597,468)
Decrease in unearned revenues	(398,200)	-	-	(398,200)
Net cash provided by operating activities	\$ 767,675	\$ -	\$ 45,247	\$ 812,922

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

EMANUEL COUNTY, GEORGIA

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2023**

ASSETS	Custodial Funds
Cash	\$ 1,186,253
Taxes receivable	751,620
Total assets	<u>\$ 1,937,873</u>
LIABILITIES	
Due to others	\$ 311,368
Uncollected taxes	751,620
Total liabilities	<u>\$ 1,062,988</u>
NET POSITION	
Restricted for individuals, organizations, and other governments	<u>\$ 874,885</u>

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

EMANUEL COUNTY, GEORGIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

ADDITIONS	Custodial Funds
Taxes collected	\$ 21,164,733
Fines and fees collected	2,642,038
Total additions	<u>23,806,771</u>
DEDUCTIONS	
Taxes disbursed	21,070,494
Fines and fees disbursed	2,540,760
Total deductions	<u>23,611,254</u>
Change in fiduciary net position	195,517
Net position, beginning of year	<u>679,368</u>
Net position, end of year	<u>\$ 874,885</u>

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

NOTES TO FINANCIAL STATEMENTS

EMANUEL COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. The Reporting Entity

The County is a political subdivision of the State of Georgia and is governed by a five-member Board of County Commissioners. All five members represent a geographical district within the County. There are additional officers elected County-wide. State law pertaining to County government provides for the independent election of these County officials. The officials are all part of the County's legal entity. These elected officials are the Sheriff, Tax Commissioner, Magistrate Court Judge, Probate Court Judge, and Superior Court Clerk. The offices of the independently elected officials are not separate from the County and, therefore, are reported as part of the primary government.

The state constitution and state law pertaining to County government provide for the independent election of the Superior Court Judges and the District Attorney. The cost of operations of the Superior Court Judges and the District Attorney Offices is shared with the State of Georgia and the counties of Candler, Emanuel, Jefferson, and Washington. Only that portion of the cost for which the County is responsible is reported in this financial report.

As required by GAAP, the financial statements of the reporting entity include those of Emanuel County, Georgia (the "primary government") and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationship with the County. In conformity with accounting principles generally accepted in the United States of America, as set forth in GASB Statement No. 14, as amended, by Statements No 39 and 61, the financial statements of the component unit are discretely presented in the government-wide financial statements.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. The Reporting Entity (Continued)

Blended Component Units

Development Authority of Emanuel County and the City of Swainsboro

The Development Authority of Emanuel County and the City of Swainsboro (the "Development Authority") promotes business and industry in Emanuel County by providing financing and incentive packages for Emanuel County. A majority of the Board of Directors is appointed by the Emanuel County Commissioners.

Emanuel County Development Authority

The Emanuel County Development Authority promotes business and industry in Emanuel County by providing financing and incentive packages for Emanuel County. The Board of Directors is appointed by the Emanuel County Commissioners.

Emanuel County Revolving Loan Fund

The Emanuel County Revolving Loan Fund promotes business and industry by providing direct loans to businesses in Emanuel County.

Discretely Presented Component Unit

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. The Reporting Entity (Continued)

A brief description of the discretely presented component unit is as follows:

Emanuel County Board of Health (the “Board of Health”)

The Emanuel County Board of Health (the “Board of Health”) works to promote and preserve the health of the citizens of the County. The Board of Health consists of seven members, four of these members are appointed by the County Commission and three members represent the County Chairman of the Commission, the Mayor of the City of Swainsboro and the Emanuel County School Superintendent. Although the County does not have the authority to approve or modify the Board of Health's budgets, it does have the ability to control the amount of funding it provides to the Board of Health and such funding is significant to the overall operations of the Board of Health. The Board of Health is reported on a June 30 fiscal year.

Separately issued financial statements may be obtained from:

Emanuel County Health Department
P.O Box 436
Swainsboro, Georgia 30401

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (Continued)

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

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

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

Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

The County reports the following major governmental funds:

The **General Fund** accounts for all financial resources except those required to be accounted for in another fund. The General Fund's fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of the State of Georgia.

The **Local Resource Fund** is a Capital Projects Fund that accounts for money that the County receives from the sale of assets.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The ***Local Maintenance Improvement Grant ("LMIG") Fund*** is a Capital Projects Fund that accounts for the allocation of monies based on the total centerline road miles for each local road system and the total population of each county or city as compared with the total statewide centerline road miles and total statewide population.

The ***Transportation Special Purpose Local Option Sales Tax ("TSPLOST") Fund*** is a Capital Projects Fund that accounts for the proceeds of a 1% Special Purpose Local Option Sales Tax. Funds are used for various capital outlay projects included but not limited to water system improvements, public safety and fire department facilities and equipment improvements, recreational facilities improvements, and road improvements.

The ***Special Purpose Local Option Sales Tax ("SPLOST") 6 Capital Projects Fund*** is utilized to account for the proceeds of a 1% Special Purpose Local Option Sales Tax for funding various capital outlay projects including but not limited to water system improvements, public safety and fire department facilities and equipment improvements, recreational facilities improvements, and road improvements.

The ***Proprietary Fund*** reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The three proprietary funds are all blended component units and classified as enterprise funds. All enterprise funds are reported as major.

The ***Fiduciary Funds*** reporting focuses on assets and liabilities. The County's fiduciary funds are all custodial funds. The County has five custodial funds which account for the receipts and disbursements of funds by the Tax Commissioner, Sheriff, Magistrate Court Judge, Probate Court Judge, and Clerk of Superior Court.

Revenues - Exchange Transactions

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Revenues - Non-Exchange Transactions (Continued)

Non-exchange transactions in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (Note 5). Revenue from grants and donations is recognized in the year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized.

Under the modified accrual basis, the following revenue sources are susceptible to accrual: property taxes, sales taxes, charges for services and federal and state grants.

Expenses/Expenditures

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

D. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposit as well as short-term investments with a maturity date within three months of the date acquired by the County. Time deposits are classified as cash and cash equivalent without regard to maturity date.

Investments are stated at fair value based on quoted market prices.

Georgia law authorizes the County to invest in the following type of obligations:

- Obligations of the State of Georgia or of any other states;
- Obligations of the United States Government;
- Obligations fully insured or guaranteed by the United States Government or Government agency;

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash and Cash Equivalents (Continued)

- Obligations of any corporation of the United States Government;
- Prime bankers' acceptances;
- The State of Georgia local government investment pool (i.e., Georgia Fund 1);
- Repurchase agreements; and
- Obligations of the other political subdivisions of the State of Georgia.

E. Receivables

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

F. Interfund Receivables and Payables

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

G. Inventory

On the government-wide financial statements, inventories are presented at the lower of cost or market on a first-in/first-out ("FIFO") basis and are expensed when used (i.e., the consumption method).

On the fund financial statements, inventories of governmental funds are stated at cost. Cost is determined on a first-in/first-out ("FIFO") basis. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased (i.e., the purchases method). At year-end, fund balance is set-aside as nonexpendable in a like amount of inventory on hand.

H. 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 government fund financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets (Continued)

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 acquisition value as of the date received. The County maintains a capitalization threshold of \$5,000. The County's infrastructure consists of roads and bridges. The County's infrastructure was reported retroactively in 2003. Improvements to capital assets are capitalized. 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.

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. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacement.

Depreciation for both governmental and business-type assets are computed using the straight-line method over the following useful lives:

<u>Asset Category</u>	<u>Years</u>
Buildings	25 – 50
Vehicles and equipment	5 – 20
Furniture and fixtures	5 – 10
Right-to-use lease equipment	5 – 15
Infrastructure	20 – 40

I. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the termination payment method. As accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the County's experience of making termination payments.

All compensated absences liability includes salary-related payments, where applicable. The total compensated absence liability is reported on the government-wide financial statements. Governmental funds report the compensated absence liability at the fund reporting level only "when due."

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, 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. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are "due for payment" during the current year. Notes are recognized as a liability in the governmental fund financial statements when due.

K. 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 Balances – Generally, fund balances represent the difference between the assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- **Non-spendable** – Fund balances are reported as non-spendable when amounts cannot be spent because they are either: a) not in spendable form (i.e., items that are not expected to be converted to cash), or b) legally or contractually required to be maintained intact.
- **Restricted** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- **Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners (the "Board") through the adoption of a resolution. Only the Board may modify or rescind the commitment.
- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Through policy, authorization to assign fund balance remains with the Board.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Fund Equity (Continued)

Fund Balances (Continued) –

- **Unassigned** – Fund balances are reported as unassigned when the balances do not meet any of the above criterion. 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, and 3) unassigned.

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."

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

The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

L. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from these estimates.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the funds. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of each fund. Non-operating revenues are investment earnings and operating grants. Non-operating expenses include the loss on the disposition of capital assets.

N. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and the after non-operating revenues/expenses section in the proprietary fund. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted).

O. Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position reports 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. One item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

P. Leases

The County is a lessee for noncancellable leases of equipment and vehicles. The County recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of \$10,000 or more.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of 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 its useful life.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Leases (Continued)

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 lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the Statement of Net Position.

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances includes reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide Statement of Activities. One element of that reconciliation explains that “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.” The details of this difference are as follows:

Capital outlay	\$ 13,602,265
Depreciation expense	(2,912,643)
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at change in net position - <i>governmental activities</i>	<u>\$ 10,689,622</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)

Another element of the reconciliation states that “the issuance of long-term debt (e.g., bonds, financed purchases) 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. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the “Statement of Activities”. The details of this difference are as follows:

Financed purchase repayments	\$ 340,014
Proceeds from right-to-use lease equipment	(9,974,899)
Right-to-use lease equipment repayments	<u>119,650</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i>	<u>\$ (9,515,235)</u>

Another element of that reconciliation states that “Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this difference are as follows:

Change in:	
Compensated absences	\$ (24,430)
Landfill closure and Post-closure care	<u>(79,998)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i>	<u>\$ (104,428)</u>

NOTE 3. LEGAL COMPLIANCE – BUDGETS

A. Budgets and Budgetary Accounting

Budgetary Data

The County adopts an annual operating budget for all governmental funds except the Capital Projects Funds, which have an adopted project budget. The budget resolution reflects the total of each department's appropriation in each fund. Budgets are adopted on a basis consistent with GAAP with the exception of the Capital Projects Funds, which have project length budgets, rather than annual budgets.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINTUED)

A. Budgets and Budgetary Accounting (Continued)

Budgetary Data (Continued)

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the department level within each individual fund. Department heads have the authority to transfer appropriations within a department (within the same fund) from one line item to another subject to the approval of the County Administrator.

Any change in total to a fund or departmental appropriation within a fund requires approval of the Board. The Board also must approve budget transfers within departments.

B. Excess Expenditures over Appropriations

For the year ended September 30, 2023, expenditures exceeded budget in the applicable governmental funds, as follows:

Department	Excess
General Fund	
Superior court	\$ (40,929)
Magistrate court	(6,992)
Sheriff	(350,616)
Fire	(15,936)
Coroner	(1,170)
Animal control	(1,297)
Emergency management	(433)
Solid waste collection	(61,800)
Code enforcement	(667)
Economic development	(4,070)
Airport	(17,112)

These over expenditures were funded by additional unanticipated revenues.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS

Deposits. The County's cash and investment policy limits deposits to demand and money market accounts, and time deposits at local banks. The County's deposits shall be secured by Federal Depositary Insurance Corporation ("FDIC") coverage and/or bank pledges. State statutes require banks holding public funds to secure these funds by FDIC insurance, securities pledged at par value, and surety bonds at face value in combined aggregate totaling not less than 110% of the public funds held.

Custodial credit risk – deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of September 30, 2023, the deposits of the County and its component units were properly insured and collateralized as defined by GASB pronouncements and the Official Code of the State of Georgia.

Primary government cash and cash equivalents reconciliation:

Balances per Statement of Net Position:

Cash and Cash Equivalents- Primary government	\$	14,566,891
Investments - Primary government		7,940,992

Balances per Statement of Fiduciary Net Position:

Cash - Custodial funds		1,186,253
	\$	<u>23,694,136</u>
Cash deposited with financial institutions	\$	15,753,144
MBS Securities		7,940,992
	\$	<u>23,694,136</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Measurements. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The County has the following recurring fair value measurements as of September 30, 2023:

Investment	Level 1	Level 2	Level 3	Fair Value
U.S. Treasury Securities	\$ 991,875	\$ -	\$ -	\$ 991,875
 Total investments measured at fair value	 \$ 991,875	 \$ -	 \$ -	 991,875
 Investments not subject to level disclosure:				
Certificates of deposit				6,949,117
Total investments				\$ 7,940,992

Investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those investments. Investments classified as Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Custodial Credit Risk – Investments. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require all investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities.

NOTE 5. RECEIVABLES

The Board levy property taxes in September of each year. Property taxes were levied on September 5, 2023. Bills are payable on or before December 20, 2023, after which the applicable property is subject to lien, penalties and interest are assessed. Property taxes are attached as an enforceable lien on property as of December 20, 2023. The County bills and collects its own property taxes and also collects for the County Board of Education and the State of Georgia. The County also collects vehicle and mobile home taxes for the cities located in the County and the State of Georgia. Collection of the County's taxes and for the other governmental agencies is the responsibility of the Tax Commissioner's Office, which is accounted for in a custodial fund.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2023 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated:					
Land	\$ 1,338,965	\$ 20,552	\$ -	\$ -	\$ 1,359,517
Construction in progress	567,758	1,408,227	-	-	1,975,985
Total	<u>1,906,723</u>	<u>1,428,779</u>	<u>-</u>	<u>-</u>	<u>3,335,502</u>
Capital assets, being depreciated:					
Buildings and improvements	13,011,405	199,358	-	-	13,210,763
Land Improvements	1,112,222	549,232	-	-	1,661,454
Right-to-use leased equipment	-	9,974,840	-	-	9,974,840
Machinery and equipment	10,070,106	1,422,983	(166,740)	-	11,326,349
Infrastructure	6,215,450	27,073	-	-	6,242,523
Total	<u>30,409,183</u>	<u>12,173,486</u>	<u>(166,740)</u>	<u>-</u>	<u>42,415,929</u>
Less accumulated depreciation for:					
Buildings and improvements	(4,748,509)	(310,025)	-	-	(5,058,534)
Right-to-use leased equipment	-	(794,552)	-	-	(794,552)
Machinery and equipment	(6,744,843)	(1,639,406)	155,121	-	(8,229,128)
Infrastructure	(1,466,665)	(168,660)	-	-	(1,635,325)
Total	<u>(12,960,017)</u>	<u>(2,912,643)</u>	<u>155,121</u>	<u>-</u>	<u>(15,717,539)</u>
Total capital assets, being depreciated, net	<u>17,449,166</u>	<u>9,260,843</u>	<u>(11,619)</u>	<u>-</u>	<u>26,698,390</u>
Governmental activities capital assets, net	<u>\$ 19,355,889</u>	<u>\$ 10,689,622</u>	<u>\$ (11,619)</u>	<u>\$ -</u>	<u>\$ 30,033,892</u>

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

Governmental activities:	
General government	\$ 300,037
Public safety	453,718
Public works	1,329,180
Culture and recreation	35,156
Total depreciation expense - governmental activities	<u>\$ 2,118,091</u>

Governmental activities:	
General government	\$ 19,594
Public safety	733,105
Public works	41,853
Total amortization expense - governmental activities	<u>\$ 794,552</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities					
Capital assets, not being depreciated:					
Construction in process	\$ 1,996,301	\$ 772,342	\$ -	\$ -	\$ 2,768,643
Total	<u>1,996,301</u>	<u>772,342</u>	<u>-</u>	<u>-</u>	<u>2,768,643</u>
Capital assets, being depreciated:					
Building and Improvements	6,884,777	-	-	-	6,884,777
Furniture	1,785	-	-	-	1,785
Machinery and equipment	10,997	-	-	-	10,997
Total	<u>6,897,559</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,897,559</u>
Less accumulated depreciation for:					
Buildings	(1,044,281)	(137,696)	-	-	(1,181,977)
Furniture	(1,785)	-	-	-	(1,785)
Machinery and equipment	(10,997)	-	-	-	(10,997)
Total	<u>(1,057,063)</u>	<u>(137,696)</u>	<u>-</u>	<u>-</u>	<u>(1,194,759)</u>
Total capital assets, being depreciated, net	<u>5,840,496</u>	<u>(137,696)</u>	<u>-</u>	<u>-</u>	<u>5,702,800</u>
Business-type activities capital assets, net	<u>\$ 7,836,797</u>	<u>\$ 634,646</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,471,443</u>

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

Business-type activities:	
Development Authority of Emanuel County and the City of Swainsboro	\$ 137,696
Total depreciation expense - business-type activities	<u>\$ 137,696</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT

Primary Government

The following is a summary of long-term debt activity for the primary government for the year ended September 30, 2023:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Financed purchases	\$ 2,099,370	\$ -	\$ 340,014	\$ 1,759,356	\$ 342,077
Lease liabilities	-	9,974,899	119,650	9,855,249	815,455
Compensated absences	244,195	143,470	119,040	268,625	214,902
Landfill closure and Post-closure care	1,142,833	79,998	-	1,222,831	-
Governmental activities Long-term liabilities	<u>\$ 3,486,398</u>	<u>\$ 10,198,367</u>	<u>\$ 578,704</u>	<u>\$ 13,106,061</u>	<u>\$ 1,372,434</u>
Business-type activities:					
Notes payable	\$ 2,746,775	\$ 532,630	\$ 37,869	\$ 3,241,536	\$ 37,869
Business-type activities Long-term liabilities	<u>\$ 2,746,775</u>	<u>\$ 532,630</u>	<u>\$ 37,869</u>	<u>\$ 3,241,536</u>	<u>\$ 37,869</u>

For governmental activities, compensated absences are generally liquidated by the General Fund.

Governmental Activities:

Financed Purchases

2021 John Deere Financed Purchase - On September 21, 2021, the County entered into a financed purchase of ten Motorgraders for \$2,801,571 at an interest rate of 1.25%. The financed purchase matures September 21, 2026. The current outstanding balance as of September 30, 2023 was \$1,759,356.

The annual requirements for debt service on the financed purchases at September 30, 2023 are as follows:

<u>Fiscal Year Payable</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 342,077	\$ 22,118	\$ 364,195
2025	348,617	17,790	366,407
2026	1,068,662	13,407	1,082,069
	<u>\$ 1,759,356</u>	<u>\$ 53,315</u>	<u>\$ 1,812,671</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

Primary Government (Continued)

Governmental Activities (Continued):

Lease liabilities

Enterprise liabilities - On September 23, 2022, the County entered into a Right-to-use leases with Enterprise Fleet Management for 32 vehicles for \$1,073,033 at an interest rate of 3.67% to 4.08%. The right-to-use lease matures July 1, 2028. The current outstanding balance as of September 30, 2023 was \$953,383.

Motorola liabilities - On January 1, 2023, the County entered into a Right-to-use lease with Motorola for 32 vehicles for \$8,901,966 at an interest rate of 4.19%. The right-to-use lease matures January 1, 2023. The current outstanding balance as of September 30, 2023 was \$8,901,966.

The annual requirements for debt service on the financed purchases at September 30, 2023 are as follows:

<u>Fiscal Year Payable</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 815,455	\$ 273,888	\$ 1,089,343
2025	781,116	249,477	1,030,593
2026	753,756	227,018	980,774
2027	770,977	204,643	975,620
2028	731,706	182,000	913,706
2029 – 2033	6,002,239	534,392	6,536,631
	<u>\$ 9,855,249</u>	<u>\$ 1,671,418</u>	<u>\$ 11,526,667</u>

Business-type Activities:

GEFA loan GF2017004 - On November 14, 2017, the County issued a note for \$920,000 at an interest rate of 2.39%. The note will be used to finance the costs of acquiring, constructing, and installing a water tank, treatment building, and water lines for the I-16 Park. The note matures December 11, 2040. The current outstanding balance as of September 30, 2023 was \$817,997.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

Primary Government (Continued)

Business-type Activities (Continued):

GEFA loan GF2017004 - On October 16, 2018, the County issued a note for \$3,000,000 at an interest rate of 2.75%. The note will be used to finance the costs of acquiring, constructing, and installing pump stations and sewer lines for the I-16 Park. Currently the note is still in the draw down phase. The current outstanding balance as of September 30, 2023 was \$2,423,539, and is excluded from the maturity schedule below.

The annual requirements for debt service on the Development Authority of Emanuel County and City of Swainsboro GEFA Loans at September 30, 2023 are as follows:

<u>Fiscal Year Payable</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 37,869	\$ 19,127	\$ 56,996
2025	39,721	18,189	57,910
2026	40,681	17,230	57,911
2027	41,664	16,247	57,911
2028	42,671	15,240	57,911
2029 – 2033	229,329	60,228	289,557
2034 – 2038	258,408	31,149	289,557
2039 – 2041	127,654	3,564	131,218
	<u>\$ 817,997</u>	<u>\$ 180,974</u>	<u>\$ 998,971</u>

NOTE 8. LANDFILL CLOSURE AND POST-CLOSURE COSTS

State and federal laws and regulations required the County to place a final cover on the Emanuel County Landfill site when it stopped accepting waste in 1998 and to perform certain maintenance and monitoring functions at the site for 30 years after closure. The landfill's final cover was completed in 2000 and the final closure certificate was issued January 12, 2001. The estimated post-closure cost of \$46,000 per year plus inflation for the 30 years is based on engineers' estimates at November 1, 1995. This represents all the post-closure cost liability (none remaining to be recognized) but it must be updated annually to adjust for inflation or deflation, and changes in technology, or applicable laws or regulations. The County has estimated a \$1,222,831 liability for closure and post-closure.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivable and payable balances as of September 30, 2023 represent charges for services or reimbursable expenses. These remaining balances resulted from the time lag between the dates that: 1) interfund goods or services are provided or reimbursable expenditures occur, or 2) transactions are recorded in the accounting period, and 3) no payments between funds are made in the current year.

Interfund transfers as of September 30, 2023 are as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Nonmajor Governmental Funds	General Fund	\$ 375,000
LMIG Fund	TSPLOST Fund	120,000
Local Resource Fund	General Fund	2,844,720
		<u>\$ 3,339,720</u>

Transfers are used to: 1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them, 2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and 3) transfer funds for debt service.

NOTE 10. RETIREMENT PLANS

Primary Government

Plan Description

The County adopted a non-contributory defined contribution plan on August 31, 1998, and it went into effect on February 3, 1999. All full-time employees with two years of service are eligible for coverage. Coverage begins on the next entry date immediately following the anniversary hire date.

Emanuel County Board of Commissioners Retirement Saving Plan (the "Plan"), is administered by GEBCorp. The County has the authority to establish or amend plan provisions. The investment objective of the Plan is to protect against loss of principal while providing returns more than money market funds and one-year treasury bills.

The County is responsible for establishing or amending the defined contribution plan contribution requirements. The County's defined contribution plan contribution for the fiscal year ended September 30, 2023 was \$358,772 on covered payroll of \$5,800,818.

Employees, at their option, may contribute as much as 25% of their salary to a 457 deferred compensation plan. Employees do not contribute to the 401(a) plan.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. RETIREMENT PLANS (CONTINUED)

Primary Government (Continued)

Plan Description (Continued)

The County makes contributions to a 401(a) plan based on the employee's contributions to the 457 plan as follows:

<u>Employee Contribution</u>	<u>County Contribution</u>
4.00%	4.00%
5.00%	5.00%
6.00%	6.00%
7.00%	7.00%

NOTE 11. RISK MANAGEMENT

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

As part of these risks pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pools' agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly 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 pools' agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

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

Settled claims in the past three years have not exceeded the coverage.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. CONTINGENCIES AND COMMITMENTS

Grant Contingencies: The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their representatives. 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.

Litigation: The County was a defendant in several lawsuits at September 30, 2023. In the opinion of County management, the outcome of these contingencies will not have a material effect on the financial position of the County.

Commitments: The County has entered into a contract with Emanuel County Hospital ("Hospital Authority") wherein the County is obligated to make payments to the Hospital Authority sufficient to pay the principal of and interest on \$4,715,000 Emanuel County Hospital Authority (Georgia), Refunding and Improvement Revenue Anticipation Certificates, Series 1997 and \$10,000,000 Emanuel County Hospital Authority (Georgia) Revenue Anticipation Certificates, Series 2002 as the same become due and payable, to the extent funds of the Hospital Authority pledged to such payment are insufficient for such purposes. The County is obligated under the contract to levy an annual ad valorem tax on all taxable property located within the territorial limits of the County, at such rate within the seven-mil limit or such greater millage limit hereafter authorized to produce in each year revenues which are sufficient to fulfill the County's obligations under the contract. The certificates do not constitute a debt of the County.

NOTE 13. JOINT VENTURE

Under Georgia law, the County, in conjunction with other cities or counties in the middle Georgia area, is a member of Heart of Georgia Altamaha Regional Commission ("RC") and is required to pay annual dues thereto. Membership in an RC is required by the O.C.G.A. §50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. O.C.G.A. §50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC.

Separate financial statements may be obtained from:

Heart of Georgia Altamaha Regional Development Center
5405 Oak Street
Eastman, Georgia 31023

SUPPLEMENTARY INFORMATION

EMANUEL COUNTY, GEORGIA

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS SEPTEMBER 30, 2023

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
ASSETS			
Cash	\$ 1,405,120	\$ 19,181	\$ 1,424,301
Receivables:			
Property taxes	74,123	-	74,123
Accounts	597	-	597
Total assets	<u>\$ 1,479,840</u>	<u>\$ 19,181</u>	<u>\$ 1,499,021</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 21,105	\$ -	\$ 21,105
Accrued liabilities	15,595	-	15,595
Unavailable revenue	21,597	-	21,597
Total liabilities	<u>58,297</u>	<u>-</u>	<u>58,297</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues:			
Property taxes	41,709	-	41,709
Total deferred inflows of resources	<u>41,709</u>	<u>-</u>	<u>41,709</u>
FUND BALANCES			
Restricted for:			
Public safety	729,252	-	729,252
Economic development	468,085	-	468,085
Capital projects	-	19,181	19,181
Assigned for:			
Jail commissary activities	213,383	-	213,383
Unassigned	(30,886)	-	(30,886)
Total fund balances	<u>1,379,834</u>	<u>19,181</u>	<u>1,399,015</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 1,479,840</u>	 <u>\$ 19,181</u>	 <u>\$ 1,499,021</u>

EMANUEL COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Special Revenue	Capital Projects	Total Nonmajor Governmental Funds
Revenues			
Property taxes	\$ 575,881	\$ -	\$ 575,881
Intergovernmental	-	7,311	7,311
Fines and forfeitures	89,921	-	89,921
Charges for services	720,086	-	720,086
Interest income	38,855	-	38,855
Miscellaneous	65,718	-	65,718
Total revenues	<u>1,490,461</u>	<u>7,311</u>	<u>1,497,772</u>
Expenditures			
Current:			
Public safety	934,653	-	934,653
Housing and economic development	575,000	-	575,000
Public works	-	13,003	13,003
Capital outlay	199,391	24,503	223,894
Total expenditures	<u>1,709,044</u>	<u>37,506</u>	<u>1,746,550</u>
Deficiency of revenues under expenditures	<u>(218,583)</u>	<u>(30,195)</u>	<u>(248,778)</u>
Other financing sources			
Transfers in	375,000	-	375,000
Total other financing sources	<u>375,000</u>	<u>-</u>	<u>375,000</u>
Net change in fund balances	156,417	(30,195)	126,222
Fund balances, beginning of year	<u>1,223,417</u>	<u>49,376</u>	<u>1,272,793</u>
Fund balances, end of year	<u>\$ 1,379,834</u>	<u>\$ 19,181</u>	<u>\$ 1,399,015</u>

EMANUEL COUNTY, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Development Authority Fund is used to account for monies that serve to improve the quality of life for all who live and work in the County by creating jobs and developing affordable housing.

Emergency Telephone System Fund is used to account for the cost of operating and maintaining the County E-911 System. Financing is provided by a charge to each telephone subscriber whose exchange access lines are in the areas served by the County's E-911 system and by a transfer from the General Fund.

Juvenile Services Fund is used to account for monies collected under Georgia law for probation services to juvenile offenders. Such monies are restricted to providing treatment to juvenile offenders.

Jail Fund is used to account for the expenditures made towards maintenance and operations of the County jail.

County Drug Abuse and Treatment Education ("DATE") Fund is used to account for collection of additional penalties for certain drug related crimes and for expenditure of those funds solely and exclusively for drug abuse treatment and education programs.

Fire Protection and Control Fund is used to support projects that enhance the safety of the public and firefighters from fire and related hazards.

Opioid Settlement Fund accounts for the monies received from the national settlements from companies that made, distributed, or sold opioid pain killers and disbursed for approved expenditures stated in the settlements.

CAPITAL PROJECTS FUNDS

Major Grants Fund is used to account for the Community Development Block Grant ("CDBG") funds.

Special Purpose Local Option Sales Tax ("SPLOST") 5 Fund is utilized to account for the proceeds of a 1% Special Purpose Local Option Sales Tax for funding various capital outlay projects including but not limited to water system improvements, public safety and fire department facilities and equipment improvements, recreational facilities improvements, and road improvements.

EMANUEL COUNTY, GEORGIA

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS SEPTEMBER 30, 2023

	Special Revenue Funds				
	Development Authority Fund	Emergency Telephone System Fund	Juvenile Services Fund	Jail Fund	DATE Fund
ASSETS					
Cash	\$ 460,941	\$ -	\$ 19,562	\$ 213,383	\$ 190,512
Receivables:					
Property taxes	48,853	-	-	-	-
Accounts	-	597	-	-	-
Total assets	<u>\$ 509,794</u>	<u>\$ 597</u>	<u>\$ 19,562</u>	<u>\$ 213,383</u>	<u>\$ 190,512</u>
LIABILITIES					
Accounts payable	\$ -	\$ 15,888	\$ -	\$ -	\$ -
Accrued liabilities	-	15,595	-	-	-
Unavailable revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>31,483</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues:					
Property taxes	41,709	-	-	-	-
Total deferred inflows of resources	<u>41,709</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted for:					
Public safety	-	-	19,562	-	190,512
Economic development	468,085	-	-	-	-
Assigned for:					
Jail commissary activities	-	-	-	213,383	-
Unassigned	-	(30,886)	-	-	-
Total fund balances (deficit)	<u>468,085</u>	<u>(30,886)</u>	<u>19,562</u>	<u>213,383</u>	<u>190,512</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 509,794</u>	<u>\$ 597</u>	<u>\$ 19,562</u>	<u>\$ 213,383</u>	<u>\$ 190,512</u>

Special Revenue Funds		Total Nonmajor Special Revenue Funds
Opioid Settlement Fund	Fire Protection and Control Fund	
\$ 65,718	\$ 455,004	\$ 1,405,120
-	25,270	74,123
-	-	597
<u>\$ 65,718</u>	<u>\$ 480,274</u>	<u>\$ 1,479,840</u>
\$ -	\$ 5,217	\$ 21,105
-	-	15,595
-	21,597	21,597
<u>-</u>	<u>26,814</u>	<u>58,297</u>
-	-	41,709
-	-	41,709
65,718	453,460	729,252
-	-	468,085
-	-	213,383
-	-	(30,886)
<u>65,718</u>	<u>453,460</u>	<u>1,379,834</u>
<u>\$ 65,718</u>	<u>\$ 480,274</u>	<u>\$ 1,479,840</u>

EMANUEL COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Special Revenue Funds				
	Development Authority Fund	Emergency Telephone System Fund	Juvenile Services Fund	Jail Fund	DATE Fund
Revenues					
Property taxes	\$ 575,881	\$ -	\$ -	\$ -	\$ -
Charges for services	-	404,584	825	-	-
Fines and forfeitures	-	-	-	71,327	18,594
Interest income	23,833	-	759	7,082	7,181
Miscellaneous	-	-	-	-	-
Total revenues	<u>599,714</u>	<u>404,584</u>	<u>1,584</u>	<u>78,409</u>	<u>25,775</u>
Expenditures					
Current:					
Public safety	-	849,524	564	-	-
Housing and economic development	575,000	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>575,000</u>	<u>849,524</u>	<u>564</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>24,714</u>	<u>(444,940)</u>	<u>1,020</u>	<u>78,409</u>	<u>25,775</u>
Other financing sources					
Transfers in	-	375,000	-	-	-
Total other financing sources	<u>-</u>	<u>375,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	24,714	(69,940)	1,020	78,409	25,775
Fund balances, beginning of year	<u>443,371</u>	<u>39,054</u>	<u>18,542</u>	<u>134,974</u>	<u>164,737</u>
Fund balances (deficit), end of year	<u>\$ 468,085</u>	<u>\$ (30,886)</u>	<u>\$ 19,562</u>	<u>\$ 213,383</u>	<u>\$ 190,512</u>

Special Revenue Funds		Total Nonmajor Special Revenue Funds
Opioid Settlement Fund	Fire Protection and Control Fund	
\$ -	\$ -	\$ 575,881
-	314,677	720,086
-	-	89,921
-	-	38,855
65,718	-	65,718
65,718	314,677	1,490,461
-	84,565	934,653
-	-	575,000
-	199,391	199,391
-	283,956	1,709,044
65,718	30,721	(218,583)
-	-	375,000
-	-	375,000
65,718	30,721	156,417
-	422,739	1,223,417
\$ 65,718	\$ 453,460	\$ 1,379,834

EMANUEL COUNTY, GEORGIA

COMBINING BALANCE SHEET

NONMAJOR CAPITAL PROJECT FUNDS

SEPTEMBER 30, 2023

		Capital Projects Funds		Total Nonmajor Capital Project Funds
		Major Grant Fund	SPLOST 5 Fund	
	ASSETS			
Cash		\$ 19,181	\$ -	\$ 19,181
Total assets		<u>\$ 19,181</u>	<u>\$ -</u>	<u>\$ 19,181</u>
FUND BALANCES				
Restricted for:				
Capital projects		19,181	-	19,181
Total fund balances		<u>\$ 19,181</u>	<u>\$ -</u>	<u>\$ 19,181</u>

EMANUEL COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR CAPITAL PROJECT FUNDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Capital Projects Funds		Total Nonmajor Capital Project Funds
	Major Grant Fund	SPLOST 5 Fund	
Revenues			
Intergovernmental	\$ 7,311	\$ -	\$ 7,311
Total revenues	<u>7,311</u>	<u>-</u>	<u>7,311</u>
Expenditures			
Current:			
Public works	13,000	3	13,003
Capital outlay	24,503	-	24,503
Total expenditures	<u>37,503</u>	<u>3</u>	<u>37,506</u>
Deficiency of revenues under expenditures	<u>(30,192)</u>	<u>(3)</u>	<u>(30,195)</u>
Net change in fund balances	(30,192)	(3)	(30,195)
Fund balances, beginning of year	<u>\$ 49,373</u>	<u>\$ 3</u>	<u>\$ 49,376</u>
Fund balances, end of year	<u><u>\$ 19,181</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 19,181</u></u>

**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES**

EMANUEL COUNTY, GEORGIA

CUSTODIAL FUNDS

Tax Commissioner – To account for the collection and payment to the County and other taxing units of the property taxes levied, billed, and collected by the Tax Commissioner on behalf of the County and other taxing units.

Clerk of Superior Court – To account for all monies received by the Clerk of Superior Court on behalf of individuals, private organizations, other governmental units, and other funds.

Probate Court – To account for all monies received by the Probate Court on behalf of individuals, private organizations, other governmental units, and other funds.

Magistrate Court – To account for all monies received by the Magistrate Court on behalf of individuals, private organizations, other governmental units, and other funds.

Sheriff – To account for all monies received by the Sheriff's Department on behalf of individuals, private organizations, other governmental units, and other funds.

EMANUEL COUNTY, GEORGIA

COMBINING STATEMENT OF FIDUCIARY NET POSITION CUSTODIAL FUNDS SEPTEMBER 30, 2023

ASSETS	Tax Commissioner	Clerk of Superior Court	Probate Court	Magistrate Court	Sheriff	Total
Cash	\$ 380,839	\$ 601,442	\$ 107	\$ 7,206	\$ 196,659	\$ 1,186,253
Taxes receivable	751,620	-	-	-	-	751,620
Total assets	<u>\$ 1,132,459</u>	<u>\$ 601,442</u>	<u>\$ 107</u>	<u>\$ 7,206</u>	<u>\$ 196,659</u>	<u>\$ 1,937,873</u>
LIABILITIES						
Due to others	\$ 224,360	\$ 58,796	\$ -	\$ 6,205	\$ 22,007	\$ 311,368
Uncollected taxes	751,620	-	-	-	-	751,620
Total liabilities	<u>\$ 975,980</u>	<u>\$ 58,796</u>	<u>\$ -</u>	<u>\$ 6,205</u>	<u>\$ 22,007</u>	<u>\$ 1,062,988</u>
NET POSITION						
Restricted for individuals, organizations and other governments	<u>\$ 156,479</u>	<u>\$ 542,646</u>	<u>\$ 107</u>	<u>\$ 1,001</u>	<u>\$ 174,652</u>	<u>\$ 874,885</u>

EMANUEL COUNTY, GEORGIA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION CUSTODIAL FUNDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

ADDITIONS	Tax Commissioner	Clerk of Superior Court	Probate Court	Magistrate Court	Sheriff	Total
Taxes collected	\$ 21,164,733	\$ -	\$ -	\$ -	\$ -	\$ 21,164,733
Fines and fees collected	-	1,640,955	72,910	356,790	571,383	2,642,038
Total additions	21,164,733	1,640,955	72,910	356,790	571,383	23,806,771
DEDUCTIONS						
Taxes disbursed	21,070,494	-	-	-	-	21,070,494
Fines and fees disbursed	-	1,584,709	72,900	356,566	526,585	2,540,760
Total deductions	21,070,494	1,584,709	72,900	356,566	526,585	23,611,254
Change in net position	94,239	56,246	10	224	44,798	195,517
Net position, beginning of year	\$ 62,240	\$ 486,400	\$ 97	\$ 777	\$ 129,854	\$ 679,368
Net position, end of year	\$ 156,479	\$ 542,646	\$ 107	\$ 1,001	\$ 174,652	\$ 874,885

EMANUEL COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2010 ISSUE FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Project Description	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
General Obligation Bonds	\$ 828,379	\$ 828,379	\$ 1,793,753	\$ -	\$ 1,793,753
Hospital Authority Bonds	4,775,062	4,775,062	4,855,709	-	4,855,709
SPLOST Bond Principal	1,560,000	1,560,000	2,494,326	-	2,494,326
Interest	1,000,000	1,000,000	625,954	3	625,957
City of Adrian	232,996	232,996	241,213	-	241,213
City of Garfield	66,000	66,000	78,515	-	78,515
City of Nunez	63,008	63,008	79,634	-	79,634
City of Oak Park	151,402	151,402	183,486	-	183,486
City of Stillmore	292,832	292,832	270,104	-	270,104
City of Summertown	61,378	61,378	71,034	-	71,034
City of Swainsboro	2,728,866	2,728,866	2,967,983	-	2,967,983
City of Twin City	694,456	694,456	716,167	-	716,167
County Buildings	2,565,621	2,565,621	2,306,878	-	2,306,878
Solid Waste	100,000	100,000	869,426	-	869,426
Airport Hanger and Infrastructure	1,000,000	1,000,000	1,851,366	-	1,851,366
Capital Outlay	-	-	708,539	-	708,539
Total	<u>\$ 16,120,000</u>	<u>\$ 16,120,000</u>	<u>\$ 20,114,088</u>	<u>\$ 3</u>	<u>\$ 20,114,091</u>

EMANUEL COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2018 ISSUE FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Project Description	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
Hospital Debt	\$ 5,600,000	\$ 5,600,000	\$ 4,592,383	\$ 1,839,114	\$ 6,431,497
Courthouse	825,000	825,000	123,236	97,200	220,436
Tier 1 Facility Improvements	900,000	900,000	241,255	105,816	347,071
Animal Shelter Improvements	150,000	150,000	84,002	31,028	115,030
Theatre Improvements	225,000	225,000	-	-	-
Economic Development	225,000	225,000	-	225,000	225,000
Recreation Improvements	200,000	200,000	101,876	70,086	171,962
Road Department V&E	1,390,194	1,390,194	1,005,038	530,879	1,535,917
Road Improvements	250,000	250,000	-	-	-
Solid Waste V&E	325,000	325,000	353,484	241,745	595,229
Rural Fire Facilities V&E	330,000	330,000	38,208	319,546	357,754
EMS V&E	525,000	525,000	379,885	-	379,885
Gun Range	150,000	150,000	-	-	-
Building Improvements	200,000	200,000	14,960	-	14,960
E-911 Facility and Equipment	350,000	350,000	333,728	81,681	415,409
Public Safety V&E	335,000	335,000	115,706	49,406	165,112
TC Recreation Improvements	60,000	60,000	-	-	-
Technology Equipment	125,000	125,000	78,790	28,631	107,421
Municipal Payments	3,859,806	3,859,806	3,265,811	1,056,008	4,321,819
Total	<u>\$ 16,025,000</u>	<u>\$ 16,025,000</u>	<u>\$ 10,728,361</u>	<u>\$ 4,676,140</u>	<u>\$ 15,404,501</u>

COMPLIANCE SECTION



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

**Board of Commissioners
of Emanuel County, Georgia
Swainsboro, Georgia**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Emanuel County, Georgia (the "County") as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated April 29, 2024. Our report includes a reference to other auditors who audited the financial statements of the Emanuel County Board of Health (the "Board of Health"), as described in our report on the County's financial statements. This report does not include the results of other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as items 2023-001 and 2023-002 that we consider to be material weaknesses.

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 statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Emanuel County, Georgia's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Emanuel County, Georgia's response to the findings identified in our audit and described in the accompanying Schedule of Findings and Responses. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

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

Mauldin & Jenkins, LLC

Macon, Georgia
April 29, 2024

EMANUEL COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued on whether
the financial statements were prepared in
accordance with GAAP.

Unmodified

Internal control over financial reporting:
Material weaknesses identified?

☒ Yes ☐ None Reported

Significant deficiencies identified not considered
to be material weaknesses?

☐ Yes ☒ None Reported

Noncompliance material to financial statements noted?

☐ Yes ☒ No

Federal Awards

There was not an audit of major federal award programs for the year ended September 30, 2023 due to the total amount of expended being less than \$750,000.

EMANUEL COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES

2023-001 – Segregation of Duties – Cash Accounts and Other Operational Functions

Criteria: Internal controls should be in place which provide reasonable assurance that an individual cannot misappropriate funds without such actions being detected during the normal course of business.

Condition: There is not appropriate segregation of duties among recording, distribution, and reconciliation of cash accounts and other operational functions in various funds administered by the County. Further, we noted a general lack of segregation of duties. We noted bank statements were being reconciled by employees of these elected officials with no consistent review of the reconciled statements being performed. Specifically, we noted the following:

- Tax Commissioner's Office – one individual with the authority to prepare and sign checks also reconciles the bank statements.
- Magistrate Court – one individual has the authority to open mail, receipt monies and prepare the deposits.
- Superior Court – one individual with the authority to prepare and sign checks also reconciles the bank statements.
- Sheriff – one individual with the authority to prepare and sign checks also reconciles the bank statements. In addition, we noted all bank reconciliations are not properly reviewed.

Context: Several instances of overlapping duties were noted during interviews regarding internal control procedures.

Effect: Failure to properly segregate duties can lead to misappropriation of funds that is not detected during the normal course of business.

Cause: The lack of segregation of duties is primarily due to the limited number of individuals in each office available to perform all of the duties.

Recommendation: We recommend the duties of recording, distributing, and reconciling of accounts be segregated among employees. Also, we recommend greater separation of duties relative to: making deposits, opening the mail, posting receipts, and signing of checks.

Views of Responsible Officials and Planned Corrective Action: We agree there is a lack of segregation of duties in the offices of the above mentioned areas due to minimum staffing in those departments. Procedures are continuing to be reviewed and implemented. Currently bank statements are being reconciled in these areas and then sent up to finance for review and approval.

EMANUEL COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2023-002 – Clerk of Court Duties

Criteria: Internal controls should be in place to ensure money received by the Superior Court is deposited and paid out in a timely manner.

Condition: During our audit of the Superior Court, we noted several instances where deposits were held for several weeks, before being deposited in the bank. We noted deposit slips were prepared daily, but due to time constraints, were placed in a locked safe for weeks until being deposited. This shows a lack of good cash controls and timely deposits of funds. We also noted several instances where monthly payouts were not made for several months at a time. Per review of activity after year-end, Mauldin & Jenkins noted several payments posted for months prior. These payments were delayed due to time constraints and deposits not being made in a timely manner. This shows a lack of good cash controls and timely payout of funds.

Context: We addressed the matter with the County to determine the appropriate actions are taken so as to properly complete the Superior Court Duties at September 30, 2023.

Effects: The lack of internal controls over the timely recording of cash can lead to misappropriation of funds that is not detected during the normal course of business.

Cause: There was a lack of appropriate controls implemented at the Superior Court during the fiscal year to ensure cash balances were properly recorded.

Recommendation: We recommend the Superior Court implement procedures to deposit and pay out funds received in a timely manner.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will continue to review and improve policies and procedures in an effort to eliminate error and identify deficiencies from both operational and financial perspectives.

EMANUEL COUNTY, GEORGIA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

STATUS OF PRIOR YEAR FINDINGS

2022-001 – General Accounting Matters/Close-Out Procedures

Criteria: Internal control is a process designed to provide reasonable assurance about the achievement of an entity's objectives with regard to the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: During our audit, we noted accounting, reporting and reconciling not being properly performed and reviewed consistently during the fiscal year which required a significant effort to close the Development Authority's fiscal year.

Status: Resolved.

2022-002 – Restatement – Proper Recognition of Capital Leases

Criteria: Internal controls should be in place to ensure amounts reported for capital leases and related items are appropriate and properly valued and recorded in accordance with GAAP.

Condition: During the prior year, the Development Authority did not properly record capital assets at the government-wide level and at the fund level

Status: Resolved.

2022-003 – Segregation of Duties – Cash Accounts and Other Operational Functions

Criteria: Internal controls should be in place which provide reasonable assurance that an individual cannot misappropriate funds without such actions being detected during the normal course of business.

Condition: There is not appropriate segregation of duties among recording, distribution, and reconciliation of cash accounts and other operational functions in various funds administered by the County. Further, we noted a general lack of segregation of duties. We noted bank statements were being reconciled by employees of these elected officials with no consistent review of the reconciled statements being performed.

Status: Unresolved. See finding 2023-001.

EMANUEL COUNTY, GEORGIA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

STATUS OF PRIOR YEAR FINDINGS (CONTINUED)

2022-004 – Budgetary Requirements

Criteria: Georgia statutes (O.C.G.A. §36-81) establish budgetary requirements for governmental entities that there be a legal level of control at a minimum to be at the department level.

Condition: For the year ended September 30, 2023, the County was in violation of State budget statutes: An annual budget was not adopted for the following fund:

- ARPA Fund

Status: Resolved.

2022-005 – Schedule of Expenditures of Federal Awards

Criteria: 2 CFR 200.302(b)(1) states that all non-federal entities must identify in its accounts all federal awards received and expended. The Schedule of Expenditures of Federal Awards (“SEFA”), as required by 2 CFR 200.510(b), should be derived from, and relate directly to, the underlying accounting and other records used to prepare the financial statements of the County.

Condition: During our audit, we noted that internal controls were not in place to accurately prepare the SEFA.

Status: Resolved.

2022-006 – Clerk of Court Duties

Criteria: Internal controls should be in place to ensure money received by the Superior Court is deposited and paid out in a timely manner.

Condition: During our audit of the Superior Court, we noted several instances where deposits were held for several weeks, before being deposited in the bank. We noted deposit slips were prepared daily, but due to time constraints, were placed in a locked safe for weeks until being deposited. This shows a lack of good cash controls and timely deposits of funds. We also noted several instances where monthly payouts were not made for several months at a time. Per review of activity after year-end, Mauldin & Jenkins noted several payments posted for months prior. These payments were delayed due to time constraints and deposits not being made in a timely manner. This shows a lack of good cash controls and timely payout of funds.

Status: Unresolved. See finding 2023-002.