

BUTTS COUNTY, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2022**

**Prepared by:
Butts County Finance Department**

BUTTS COUNTY, GEORGIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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I. INTRODUCTORY SECTION



BOARD OF COMMISSIONERS

625 West Third Street

Suite 4

Jackson, GA 30233

Office 770-775-8200

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www.buttscountyga.com

January 25, 2023

To the Honorable Members of the Butts County Board of Commissioners, and the Citizens of Butts County, Georgia:

State law requires that all general-purpose local governments publish a complete set of financial statements presented in conformity with general accepted accounting principles ("GAAP") and audited in accordance with generally accepted government auditing standards by a firm of licensed certified public accountants within six months of the close of each fiscal year. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report of Butts County, Georgia (the "County") for the fiscal year ended June 30, 2022.

This report consists of management's representations concerning the finances of Butts County, Georgia. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of Butts County has established a comprehensive internal control framework that is designed to protect the government's assets from loss, theft, or misuse and to compile sufficiently reliable information for the preparation of Butts County's financial statement in accordance with GAAP. Because the cost of internal controls should not exceed the anticipated benefits, Butts County's comprehensive framework of internal controls has been designed to provide reasonable assurance that the financial statements will be free of any material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

Butts County's financial statements have been audited by Mauldin & Jenkins, LLC, a firm of certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County are free of material misstatement. Our auditors have issued an unmodified opinion on Butts County's financial statements for the year ended June 30, 2022. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis ("MD&A") immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements.

Profile of the Government

Butts County was created in 1825 from portions of Henry and Monroe Counties. Georgia's sixty-fourth county was named by the Georgia General Assembly in honor of Samuel Butts, an officer who was killed in the Creek War in 1814. There are three cities located within the 188-square-mile County: Jackson, Flovilla and Jenkinsburg with Jackson holding the County Seat. Butts County, Georgia is located approximately 40 miles south of Atlanta with a base population of 25,781, which grew by 1.4% over the past year.

The governing authority of Butts County is a Board of Commissioners consisting of five members with one member serving as the Chairman of the Board. The Chairman is appointed each year by the Board itself. The commissioners serve on a part-time basis and are elected to staggered terms of four years. The Commissioners are responsible for passing ordinances, adopting the budget, establishing tax rates, appointing committees, and appointing the County attorney. The County Manager, appointed by the Board, oversees the day-to-day operations of the County, including offering positions of classified employment, as well as appointing heads of various departments.

Butts County provides a full range of services, including law enforcement and a detention facility, fire protection, ambulance services and emergency management; maintenance of buildings, parks, streets, highways, bridges and other associated infrastructure; voter registration and elections; court system; tax assessment and tax collection; planning, zoning and development; building inspections; senior services; recreation; solid waste management and recycling; animal control; E911 emergency communications; and general administrative and support services.

This report includes all funds of the County, as well as those component units that have been determined to meet the criteria for inclusion in the County's reporting entity. Butts County Department of Public Health, Butts County Industrial Development Authority and the Development Authority of Butts County are all included as an integral part of Butts County's financial statements. Additional information on all the legally separate entities can be found in the Notes to the Financial Statements.

The annual budget serves as the foundation for Butts County's financial planning and control. All departments and agencies of Butts County are required to submit requests for appropriation to the Chief Financial Officer and County Manager during the budget process each year. These requests are then used as the starting point for developing a proposed budget. The County Manager and Chief Financial Officer then present the proposed budget to the Board of Commissioners for review before June. The Board of Commissioners are required to hold public hearings on the proposed budget and to adopt a final budget no later than June 30th, the close of Butts County's fiscal year. The appropriated budget is prepared by fund and department. The County Manager may make transfers of appropriations within a department; however, transfers of appropriations between departments and the appropriation of additional funds require the special approval of the Board of Commissioners. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented as part of the basic financial statements for the governmental funds. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report.

Local Economy

Butts County is included in the Atlanta-Sandy Springs-Roswell GA Metropolitan Statistical Area ("MSA"). In 2007, Butts County, along with the City of Flowilla were both designated as Georgia Signature Communities by the Georgia Department of Community Affairs. This prestigious designation was given to a total of 12 communities that year. Per the 2020 Census results, Butts County ranked 22nd in growth out of 29 counties in the MSA.

Over the past ten years, the unemployment rate has dropped consistently with the exception of the temporary spike in 2020 due to COVID-19 with the unemployment rate ranging from 10.5% in June 2012 to 2.9% in June 2022. The State of Georgia's unemployment rate is currently 2.8%.

The MasterBrand Cabinets, Inc., a premier kitchen and bath cabinet producer and distribution hub started production on March 30, 2021, in the Liberty Commerce Center 1 Development, a \$21 million dollar project. Currently, MasterBrand Cabinets employs 540 associates at the Jackson plant, which grew from 500 associates in 2021. Also, the Georgia Department of Community Affairs ("DCA") awarded the company with a \$1 million-dollar Regional Economic Business Assistance ("REBA") Grant.

Further progress has been made on the River Park E-Commerce Center, a 1,226-acre industrial and commercial development located at the northeast quadrant of Interstate 75 and GA State Route 16 (Exit 205). The development is designed to house 12 industrial buildings with square footage ranging from 950 thousand to two million as well as retail/commercial space. Four buildings are currently under construction, and three buildings are under the development phase. Phase 1 of the project has been sold out in approximately two years. Several major real estate developers have made substantial investments in River Park E-Commerce, and nearly three million square feet of speculative industrial buildings are scheduled to come online in the park by late 2023.

In May 2022, Governor Brian Kemp announced that Proctor & Gamble Distributing, LLC would locate a major one million plus square foot distribution center at the River Park E-Commerce Center, representing a \$205 million-dollar investment and employing approximately 350 employees.

Other areas of the County are developing as well. Between the Wallace Road and Bucksnot Road developments, seven proposed industrial buildings are in process. These industrial buildings range from 780 thousand square feet to 1.5 million square feet.

Also, Butts County is becoming known for the tourism, film and television industry as well. Camera ready filming locations, including downtown Jackson, which is now the TV hometown in "Stranger Things", a hit series by Netflix. Other venues which have been featured in film and television include the Carmichael House (featured in "The Originals") and Jackson Lake (featured in the movie "Endless Love.")

Long-Term Planning and Major Initiatives

In addition to maintaining existing infrastructure, providing public safety, retaining, and attracting new business, Butts County completed our major capital project being the Judicial Wing Addition during the last fiscal year. Butts County will also realize many other accomplishments with the Special Purpose Local Option Sales Tax ("SPLOST") revenue for various departments with the monthly collections received from the Georgia Department of Revenue over the next 2.5 years. Collections from the first 42 months of the 72 months SPLOST revenue are trending above anticipated revenue.

With the economic growth and compliance with best practices, Butts County is in the process of revamping the Impact Fee Study. The current plan was implemented in 2007 and is now 15 years old. The study will incorporate the needs of the County with an updated allocation base. As Butts County continues to grow, public safety needs to continue to grow, which the current plan is not fully covering those needs. The revamped Impact Fee Study will validate the service delivery cost, and possibly channel fees in new directions.

Another project underway for Butts County is the creation of the I-75 Southwest Transportation Zone Plan. The goal of this project is to create a range of strategies that will enhance the County's transportation needs in the defined service area. It is critical to improve and increase the capacity of the area's road network to best serve the current and projected industrial, commercial and residential growth that will be using the roads. It is important for this project to address issues such as road capacity, interstate ingress and egress traffic, peak traffic surge from shut-downs, school traffic and truck traffic. A clear and achievable strategy will be developed to expand and improve the surface transportation network within the zone over the next 10 years (short-term) and 25 years (long-term).

Recently, Butts County finalized the Local Option Sales Tax, ("LOST") renegotiations with the cities of Jackson, Jenkinsburg and Flovilla effective for the next ten-year period of January 1, 2023 to December 31, 2032. By Georgia Law, a new LOST Certificate of Distribution must be filed with the Department of Revenue by December 30, 2022. The renegotiation process started in early May 2022 and ended with the Certificate of Distribution being filed in October 2022.

The Board continues to support the previously adopted financial policy requiring a fund reserve of at least 4 months of the total budgeted appropriation to prevent the use of a tax anticipation loan in the future.

Relevant Financial Policies

Sound financial management and legal compliance require good budgetary controls. State statutes require the County to operate under an annual balanced budget adopted by local resolution. Within each fund, expenditures may not legally exceed appropriations at the department level. Department officials have limited access to the accounting software which provides operational control of departmental budgets.

Awards & Acknowledgements

Butts County was awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA) for its annual comprehensive financial report for the year ended June 30, 2021. This was the second year the County has received this prestigious award.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report will meet the Certificate of Achievement for Excellence Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the various departments throughout the County and the expertise of the staff of Mauldin & Jenkins, LLC. We would like to express our sincere appreciation to all members of the various departments that assisted and contributed to the preparation of this report. Finally, we would like to thank the Board of Commissioners for their leadership and support in conducting the financial affairs of Butts County in a responsible manner.

Respectfully submitted,



Brad Johnson
County Manager



Rhonda Blissit
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Butts County
Georgia**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

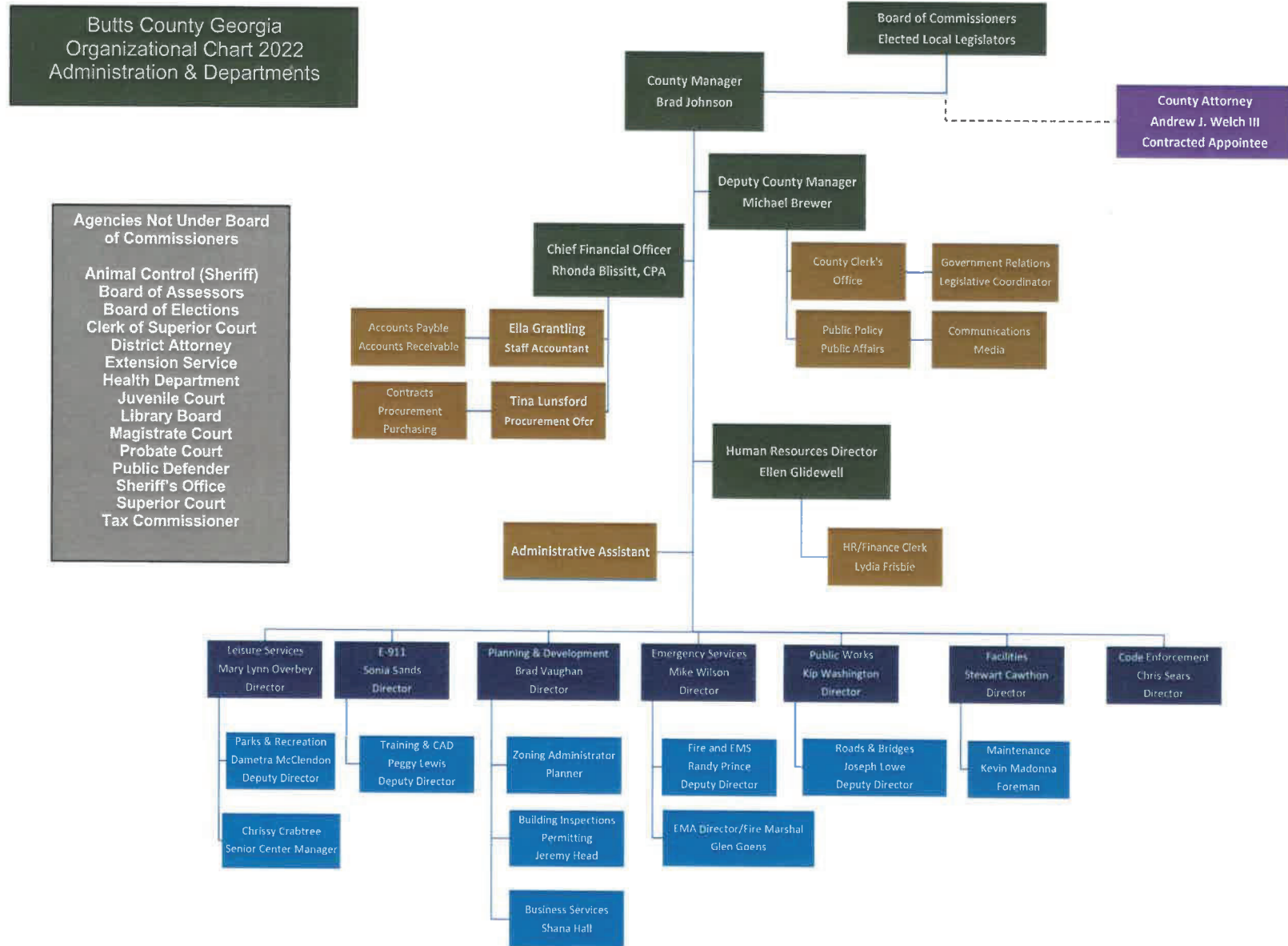
June 30, 2021

Christopher P. Morrill

Executive Director/CEO

BUTTS COUNTY, GEORGIA

ORGANIZATIONAL CHART JUNE 30, 2022



BUTTS COUNTY, GEORGIA

LIST OF PRINCIPAL OFFICIALS AS OF JUNE 30, 2022

BOARD OF COMMISSIONERS

Joe Brown, Jr., Chairman/Commissioner, District 3
J. Keith Douglas, Vice-Chairman/Commissioner, District 4
Ken Rivers, Commissioner District 1
Robert L. Henderson, Sr., Commissioner, District 2
Russ Crumbley, Commissioner, District 5

COUNTY MANAGER

Brad Johnson

CHIEF FINANCIAL OFFICER

Rhonda Blissit

COUNTY ATTORNEY

Andrew J. Welch III (Andy)

SHERIFF

Gary Long

TAX COMMISSIONER

Nancy Washington

CLERK OF SUPERIOR COURT

Morgan Ward

PROBATE COURT JUDGE

Elizabeth Biles

II. FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

**Board of Commissioners
of Butts County, Georgia
Jackson, Georgia**

Report on Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Butts County, Georgia (the "County") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of June 30, 2022, and the respective changes in financial position and the respective budgetary comparison for the General Fund and the American Rescue Plan Act Fund ("ARPA") 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 Butts County Board of Health, Development Authority of Butts County, or the Butts County Industrial Development Authority, which represent 100% percent of the assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2022, and the respective changes in financial position thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Butts County Board of Health, Development Authority of Butts County, and the Butts County Industrial Development Authority, are based solely on the report of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *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 generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis ("MD&A") (on pages 5 through 12), the Schedule of Changes in the County's Net Pension Liability and Related Ratios (page 59), and the Schedule of County Contributions (page 60) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 accompanying 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. The accompanying schedules of expenditures of Special Purpose Local Option Sales Tax proceeds are presented for purposes of additional analysis as required by the Official Code of Georgia Annotated ("O.C.G.A.") §48-8-121, and are also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit and the report of the other auditors, 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 Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2023, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
January 25, 2023

BUTTS COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2022

Within this section of Butts County, Georgia's (the "County") annual comprehensive financial report, the County's management is pleased to provide this narrative discussion and analysis of the financial activities of the County for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$81,991.427 (net position) for the fiscal year ended June 30, 2022. The County's unrestricted net position had a positive balance of \$590,972 for the 2022 fiscal year-end. The unrestricted balance increased by \$1,890,348 during the current fiscal year.
- At June 30, 2022, the County's governmental funds reported combined ending fund balances of \$23,259,616, an increase of \$8,378,821, or 56.31%, in comparison with the prior year. Of the total fund balance of \$23,259,616, \$9,473,401 remains in the General Fund as unassigned. This is an increase of \$1,335,520 from the last fiscal year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$9,473,401, or 39.71%, of total General Fund expenditures. Overall, the County's financial position improved during the current fiscal year.
- The 2018 Special Purpose Local Option Sales Tax ("SPLOST") Debt Service Fund and 2018 SPLOST Capital Projects Fund closed fiscal year 2021 with fund balances of \$1,586,783 and \$2,048,433, respectively. The County's 2018 SPLOST generated a total of \$6,505,691 in sales tax revenues during fiscal year 2022. The 2018 SPLOST is being used for various County projects.
- On March 11, 2021, the American Rescue Plan Act ("ARPA") was signed into law by President Joe Biden creating the Coronavirus State and Local Fiscal Recovery Funds ("SLFRF") program. The County was allotted a total of \$4,843,526 of which 50% was funded in fiscal year 2021. These funds have been placed in a special revenue fund pending future appropriation.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the County's basic financial statements. The basic financial statements include: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. The County also includes in this report additional information to supplement the basic financial statements. Comparative data is presented to facilitate analysis.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Financial Statements

The County's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the County's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position*. This is the government-wide statement of position presenting information that includes all of the County's assets and liabilities, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County as a whole is improving or deteriorating. Evaluation of the overall health of the County would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of County infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the County's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the County's distinct activities or functions on revenues provided by the County's taxpayers.

Both government-wide financial statements distinguish governmental activities of the County that are principally supported by property and sales taxes and from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, and streets. The County does not have any business-type activities.

The government-wide financial statements are presented on pages 13 – 15 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The County uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the County's most significant funds rather than the County as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report.

The County currently only utilizes governmental fund types.

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the County's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 16 – 19 of this report.

Individual fund information for nonmajor governmental funds is found in combining statements in a later section of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs.

Notes to the Basic Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 27 of this report.

Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning the County's budget presentations. These statements and schedules demonstrate compliance with the County's adopted and final revised budget. As discussed, the County reports major funds in the basic financial statements. Combining and individual statements and schedules for nonmajor funds are presented in a subsequent section of this report beginning on page 62.

Government-wide Overall Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. Butts County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$81,980,132 at the close of the most recent fiscal year. The largest portion of the County's net position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The County uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following table provides a comparative summary of the County's net position:

Comparative Summary of Net Position						
	Year Ended June 30, 2022		Year Ended June 30, 2021		Year Ended June 30, 2020	
	Governmental	% of	Governmental	% of	Governmental	% of
	Activities	Total	Activities	Total	Activities	Total
Assets:						
Current assets	\$ 29,507,102	19%	\$ 18,776,077	19%	\$ 14,345,383	16%
Capital assets	74,675,880	81%	78,110,255	81%	76,378,378	84%
Total assets	104,182,982	100%	96,886,332	100%	90,723,761	100%
Deferred outflow of resources	496,114	100%	1,922,555	100%	3,250,651	100%
Liabilities:						
Current liabilities	5,367,193	26%	5,534,762	26%	4,355,428	19%
Long-term liabilities	15,408,114	74%	15,782,983	74%	18,409,582	81%
Total liabilities	20,775,307	100%	21,317,745	100%	22,765,010	100%
Deferred inflow of resources	1,912,362	100%	1,734,556	100%	1,361,282	100%
Net position:						
Net investment in capital assets	68,888,130	84%	71,929,956	95%	68,843,355	98%
Restricted for capital projects	8,360,423	10%	1,347,278	2%	3,315,685	5%
Restricted for debt service	1,586,783	2%	954,666	1%	839,062	1%
Restricted for program purposes	2,565,119	3%	2,824,062	4%	1,992,960	3%
Unrestricted	590,972	1%	(1,299,376)	-2%	(5,142,942)	-7%
Total net position	\$ 81,991,427	100%	\$ 75,756,586	100%	\$ 69,848,120	100%

Net position increased \$8,423,997 for governmental activities for the current fiscal year. The County's overall financial position improved during the current fiscal year 2022.

The following table provides a summary of the County's changes in net position:

Comparative Summary of Changes in Net Position						
	Year Ended June 30, 2022		Year Ended June 30, 2021		Year Ended June 30, 2020	
	Governmental	% of	Governmental	% of	Governmental	% of
	Activities	Total	Activities	Total	Activities	Total
Revenues:						
Program:						
Charges for services	\$ 12,822,974	31%	\$ 9,429,082	27%	\$ 8,392,655	28%
Operating grants and contributions	539,767	1%	918,925	3%	391,167	1%
Capital grants and contributions	1,311,156	3%	764,353	2%	1,149,964	4%
General:						
Taxes	26,129,258	65%	22,478,992	66%	19,524,734	65%
Investment earnings	6,930	0%	69,474	0%	30,185	0%
Other	-	0%	831,902	2%	592,320	2%
Total revenues	40,810,085	100%	34,492,728	100%	30,081,025	100%
Program Expenses:						
General government	8,381,134	26%	7,464,792	26%	7,805,569	27%
Judicial	1,822,723	6%	1,619,245	6%	1,702,429	6%
Public safety	13,329,307	41%	13,429,161	47%	12,600,416	43%
Public works	6,152,944	19%	3,650,099	13%	4,819,827	17%
Health and welfare	147,283	0%	139,882	0%	130,489	0%
Culture and recreation	1,215,595	4%	1,240,570	4%	1,266,022	4%
Economic opportunity	133,715	0%	36,977	0%	12,896	0%
Housing and development	935,273	3%	748,256	3%	573,058	2%
Interest on long-term debt	268,114	1%	255,280	1%	230,195	1%
Total expenses	32,386,088	100%	28,584,262	100%	29,140,901	100%
Changes in net position	8,423,997		5,908,466		940,124	
Beginning net position, as restated	73,567,430		69,848,120		68,907,996	
Ending net position	\$ 81,991,427		\$ 75,756,586		\$ 69,848,120	

MANAGEMENT'S DISCUSSION AND ANALYSIS

GOVERNMENTAL REVENUES

The County is heavily reliant on property taxes to support governmental operations and capital. Property taxes provided 51% of the County's total general revenues. Sales taxes are the second largest revenue source with \$10.7 million of revenues, or 41% of the total. Because of the County's cash in reserves, we have been able to earn \$6,930 in interest earnings to support governmental activities. Also, note that program revenues cover only 45% of governmental operating expenses. This means that the government's taxpayers and the County's other general governmental revenues fund 55% of the governmental activities. As a result, the general economy and the County businesses have a major impact on the County's revenue streams.

GOVERNMENTAL FUNCTIONAL EXPENSES

The public safety, public works and general government functions make up 86% of total governmental activities expenses. Public safety costs total over \$13.3 million, public works totals over \$6.2 million and general government totals over \$8.4 million. Expenditures for general government and public works increased when compared to last year while public safety expenditures decreased.

This table presents the cost of each of the County's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the County's taxpayers by each of these functions.

	Governmental Activities For the Year Ended June 30, 2022				Governmental Activities For the Year Ended June 30, 2021			
	Total Cost of		Net Cost of Services		Total Cost of		Net Cost of Services	
	Amount	%	Amount	%	Amount	%	Amount	%
General government	\$ 8,381,134	26%	\$ 5,577,563	30%	\$ 7,464,792	26%	\$ 6,943,389	40%
Judicial	1,822,723	6%	1,108,185	6%	1,619,245	6%	1,245,503	7%
Public safety	13,329,307	41%	8,439,699	46%	13,429,161	47%	6,959,240	41%
Public works	6,152,944	19%	741,419	8%	3,650,099	13%	215,208	1%
Health and welfare	147,283	0%	(350,849)	-2%	139,882	0%	139,882	1%
Culture and recreation	1,215,595	4%	859,072	5%	1,240,570	4%	931,802	5%
Economic opportunity	133,715	0%	133,715	1%	36,977	0%	36,977	0%
Housing and development	935,273	3%	935,273	5%	748,256	3%	746,085	4%
Interest on long-term debt	268,114	1%	268,114	1%	255,280	1%	253,816	1%
Total	<u>\$ 32,386,088</u>	<u>100%</u>	<u>\$ 17,712,191</u>	<u>100%</u>	<u>\$ 28,584,262</u>	<u>100%</u>	<u>\$ 17,471,902</u>	<u>100%</u>

After reducing gross expenses by program revenues, public safety totals 41%.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Major Governmental Funds

The General Fund is the County's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance increased by \$1,297,049. In fiscal year 2021, the fund balance increased by \$4,223,440. This increase resulted from an increase in taxes over the prior year of \$3,393,892 and an increase in charges for services over the prior year of \$3,650,266. General Fund expenditures also increased by \$4,663,127. The 2018 SPLOST Capital Projects Fund revenues and transfers in from the Debt Service Fund exceeded expenditures by \$800,166. Major projects underway and funded by 2018 SPLOST monies included the judicial wing addition to the existing Administrative building and the Courthouse rehabilitation project. The 2018 Debt Service Fund collected \$6,505,691 in SPLOST revenues during the current fiscal year. Of this total, \$2.4 million was transferred to the County SPLOST Capital Projects fund and \$2.5 million was transferred to municipalities and the Butts County, et al. Water and Sewer Authority in accordance with a previously signed agreement. The Capital Improvement Fund collected \$5.2 million from the General Fund for capital projects and has cash of approximately \$200,000 as of year-end.

The General Fund's ending fund balance represents the equivalent of 44.4% of annual expenditures, which is slightly over five month's operations.

Budgetary Highlights

The General Fund

The County operated within its budget. Overall expenditures were \$1,013,489 under budget. Revenues were over budget by \$285,469.

Original budget compared to final budget. During the year, there was a need for significant amendments to increase either the original estimated revenues and original budgeted appropriations. The need was to make an amendment to reallocate appropriations among departments when it became clearer which departments would actually be charged for certain employee benefits such as pensions and other post-employment benefits. Generally, the movement of the appropriations between departments was not significant. The exception was the appropriation for the departments in the public safety function, which was increased to \$1,054,293 and in the departments in the public works function, which was increased to \$934,776.

Final budget compared to actual results. The most significant difference between estimated revenues and actual revenues were in the fines and forfeitures. The shortfall in this revenue source was caused by less speeding fines during the current year.

A review of actual expenditures compared to the appropriations in the final budget yields no significant variances with one exception. No actual expenditures exceeded the related appropriation in the current year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Assets and Debt Administration

Capital Assets

The County's net investment in capital assets for governmental activities as of June 30, 2022, was \$74,675,880 as compared to \$76,378,378 at June 30, 2021. See Note 6 for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

	Capital Assets		
	2022	2021	% Change
Non-depreciable assets:			
Land	\$ 4,170,805	\$ 4,170,805	0.00%
Depreciable Assets:			
Buildings	45,991,550	42,023,914	9.44%
Intangible assets	18,529	18,529	0.00%
Machinery and equipment	7,516,383	6,545,174	14.84%
Leased machinery and equipment	1,201,836	-	100.00%
Vehicles and road equipment	9,439,973	8,368,505	12.80%
Infrastructure	119,420,617	121,351,791	-1.59%
Total depreciable assets	183,588,888	178,307,913	2.96%
Less accumulated depreciation	112,842,230	106,100,340	6.35%
Less accumulated amortization	241,583	-	100.00%
Book value-depreciable assets	70,505,075	72,207,573	-2.36%
Percentage depreciated	38%	40%	
Book value - all assets	\$ 74,675,880	\$ 76,378,378	2.27%

At June 30, 2022, the depreciable capital assets for governmental activities were 38% depreciated.

Long-term Debt

At the end of the fiscal year, the County had general obligation bonds outstanding which will be retired with sales taxes of \$7,217,880 for the 2018 SPLOST issue. Overall, outstanding debt decreased by \$588,067 during the year.

	Outstanding Borrowings		
	2022	2021	% Change
General obligation bonds	\$ 3,702,420	\$ 4,998,234	-26%
Capital lease payable	-	1,182,065	-100%
Financed purchase	1,009,597	-	100%
Lease liability	1,075,733	-	100%
Landfill post-closure care	580,124	775,642	-25%
Total	\$ 6,367,874	\$ 6,955,941	

See Note 7 for additional information about the County's long-term debt and landfill closure and post-closure care liability.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Economic Conditions Affecting the County

The United States Census Bureau has estimated current population in 2022 for Butts County at 25,781 with a growth rate of 1.4% in the past year.

According to the United States Bureau of Labor Statistics, the current economic recession has resulted in a 3.6% unemployment rate for Butts County for June 2022.

Contacting the County's Financial Management

This financial report is designed to provide a general overview of the County's finances, comply with finance-related laws and regulations, and demonstrate the County's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the County's Administrator at the County Administration Building, 25 West Third Street, Suite 04, Jackson, Georgia 30233.

BASIC FINANCIAL STATEMENTS

BUTTS COUNTY, GEORGIA

STATEMENT OF NET POSITION JUNE 30, 2022

	Primary Government Governmental Activities	Board of Health	Component Units Development Authority of Butts County	Industrial Development Authority
ASSETS				
Cash and cash equivalents	\$ 25,813,323	\$ 1,339,451	\$ 186,894	\$ 101,774
Property taxes receivable	1,060,798	-	-	-
Accounts receivable, net	1,560,100	424	-	-
Due from other governments	1,015,001	-	-	-
Prepays	12,963	-	-	-
Inventories	44,917	-	-	-
Right to use leased assets (net of amortization)	960,253	-	-	-
Capital assets, non-depreciable	4,170,805	-	4,224,717	2,320
Capital assets, depreciable (net of accumulated depreciation)	69,544,822	7,083	577,398	9,241
Net OPEB asset	-	30,256	-	-
Total assets	104,182,982	1,377,214	4,989,009	113,335
DEFERRED OUTFLOWS OF RESOURCES				
Pension	496,114	135,203	-	-
Other post-employment benefit	-	35,977	-	-
Total deferred outflows of resources	496,114	171,180	-	-
LIABILITIES				
Accounts payable	798,626	-	-	-
Accrued payroll and deductions	599,619	-	-	-
Accrued interest payable	59,510	-	-	-
Unearned revenue	3,664,312	-	-	-
Due to other governments	245,126	-	-	-
Lease liability due within one year	200,099	-	-	-
Lease liability due in more than one year	875,634	-	-	-
Financed purchase due within one year	177,299	-	-	-
Financed purchase due in more than one year	832,298	-	-	-
Bonds payable due within one year	1,175,000	-	-	-
Bonds payable due in more than one year	2,527,420	-	-	-
Compensated absences due within one year	509,159	18,900	-	-
Compensated absences due in more than one year	-	12,599	-	-
Notes payable due in more than one year	-	-	1,062,500	-
Landfill due within one year	37,152	-	-	-
Landfill due in more than one year	542,972	-	-	-
Net other post-employment benefit liability due in more than one year	-	22,621	-	-
Net pension liability due in more than one year	8,531,081	200,818	-	-
Total liabilities	20,775,307	254,938	1,062,500	-
DEFERRED INFLOWS OF RESOURCES				
Pension	1,912,362	185,604	-	-
Other post-employment benefit	-	100,632	-	-
Total deferred inflows of resources	1,912,362	286,236	-	-
NET POSITION				
Net investment in capital assets	68,888,130	7,083	3,739,615	11,561
Restricted for:				
General government	741,249	-	-	-
Judicial	702,805	-	-	-
Public safety	935,130	-	-	-
Culture and recreation	170,701	-	-	-
Health and welfare	15,234	-	-	-
Capital projects	8,360,423	-	-	-
Debt service	1,586,783	-	-	-
Program purposes	-	-	-	-
Other purposes	-	314,732	-	-
Unrestricted	590,972	685,405	186,894	101,774
Total net position	\$ 81,991,427	\$ 1,007,220	\$ 3,926,509	\$ 113,335

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

BUTTS COUNTY, GEORGIA

STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
General government	\$ 8,381,134	\$ 2,803,571	\$ -	\$ -
Judicial	1,822,723	714,538	-	-
Public safety	13,329,307	4,889,608	-	-
Public works	6,152,944	4,100,369	-	1,311,156
Health and welfare	147,283	-	498,132	-
Culture and recreation	1,215,595	314,888	41,635	-
Economic opportunity	133,715	-	-	-
Housing and development	935,273	-	-	-
Interest on long-term debt	268,114	-	-	-
Total primary government	<u>\$ 32,386,088</u>	<u>\$ 12,822,974</u>	<u>\$ 539,767</u>	<u>\$ 1,311,156</u>
Component units:				
Board of Health	\$ 466,313	\$ 189,823	\$ 516,334	\$ -
Development Authority of Butts County	189,693	48,750	115,000	-
Industrial Development Authority	4,920	-	-	-
Total component units	<u>\$ 660,926</u>	<u>\$ 238,573</u>	<u>\$ 631,334</u>	<u>\$ -</u>

General revenues:

- Property taxes
- Sales taxes
- Insurance premium taxes
- Other taxes
- Unrestricted investment earnings
- Miscellaneous

Total general revenues

Change in net position

Net position, beginning of year, as restated

Net position, end of year

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

Net (Expenses) Revenues and Changes in Net Position				
Primary Government Governmental Activities	Component Units			
	Board of Health	Development Authority of Butts County	Industrial Development Authority	
\$ (5,577,563)	\$ -	\$ -	\$ -	
(1,108,185)	-	-	-	
(8,439,699)	-	-	-	
(741,419)	-	-	-	
350,849	-	-	-	
(859,072)	-	-	-	
(133,715)	-	-	-	
(935,273)	-	-	-	
(268,114)	-	-	-	
(17,712,191)	-	-	-	
-	239,844	-	-	
-	-	(25,943)	-	
-	-	-	(4,920)	
-	239,844	(25,943)	(4,920)	
13,439,168	-	-	-	
10,675,834	-	-	-	
1,344,698	-	-	-	
669,558	-	-	-	
6,930	122	109	151	
-	-	11,329	-	
26,136,188	122	11,438	151	
8,423,997	239,966	(14,505)	(4,769)	
73,567,430	767,254	3,941,014	118,104	
\$ 81,991,427	\$ 1,007,220	\$ 3,926,509	\$ 113,335	

BUTTS COUNTY, GEORGIA

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2022

	General	American Rescue Plan Act ("ARPA")	2018 SPLOST Capital Projects
ASSETS			
Cash and cash equivalents	\$ 14,629,016	\$ 3,664,367	\$ 2,190,909
Investments	-	-	-
Taxes receivable, net	1,060,798	-	-
Accounts receivable, net	1,434,883	-	-
Intergovernmental receivable, net	396,475	-	-
Prepays	12,213	-	750
Inventories	44,917	-	-
Due from other funds	42,632	-	-
Total assets	<u>\$ 17,620,934</u>	<u>\$ 3,664,367</u>	<u>\$ 2,191,659</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 480,746	\$ -	\$ 143,226
Salaries and wages payable	599,619	-	-
Due to other funds	5,007,735	-	-
Due to other governments	-	-	-
Unearned revenue	-	3,664,312	-
Total liabilities	<u>6,088,100</u>	<u>3,664,312</u>	<u>143,226</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - taxes	<u>939,803</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>939,803</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Fund balances:			
Nonspendable for:			
Prepays	12,213	-	750
Inventories	44,917	-	-
Long term receivable	1,062,500	-	-
Restricted for:			
General government programs	-	55	-
Judicial programs	-	-	-
Public safety programs	-	-	-
Culture and recreation programs	-	-	-
Promotion and tourism	-	-	-
Capital projects	-	-	2,047,683
Debt service	-	-	-
Committed for:			
Culture and recreation programs	-	-	-
Unassigned	<u>9,473,401</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>10,593,031</u>	<u>55</u>	<u>2,048,433</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 17,620,934</u>	<u>\$ 3,664,367</u>	<u>\$ 2,191,659</u>

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

Capital assets, including right to use leased assets, used in governmental activities are not financial resources and, therefore, are not reported in the funds.

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

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

Deferred outflows of resources related to pensions are not due and payable in the current period and, therefore, are not reported in the funds.

Deferred inflows of resources related to pensions are not available in the current period and, therefore, are not reported in the funds.

Net position of governmental activities

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

2018 SPLOST Debt Service	Capital Improvement	Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,213,383	\$ 200,013	\$ 3,915,635	\$ 25,813,323
-	-	-	-
-	-	-	1,060,798
-	-	125,217	1,560,100
618,526	-	-	1,015,001
-	-	-	12,963
-	-	-	44,917
-	5,000,000	89,161	5,131,793
<u>\$ 1,831,909</u>	<u>\$ 5,200,013</u>	<u>\$ 4,130,013</u>	<u>\$ 34,638,895</u>

\$ -	\$ -	\$ 174,654	\$ 798,626
-	-	-	599,619
-	-	124,058	5,131,793
245,126	-	-	245,126
-	-	-	3,664,312
<u>245,126</u>	<u>-</u>	<u>298,712</u>	<u>10,439,476</u>
-	-	-	939,803
-	-	-	939,803

-	-	-	12,963
-	-	-	44,917
-	-	-	1,062,500
-	-	741,194	741,249
-	-	702,805	702,805
-	-	935,130	935,130
-	-	170,701	170,701
-	-	15,234	15,234
-	5,200,013	1,112,727	8,360,423
1,586,783	-	-	1,586,783
-	-	153,510	153,510
-	-	-	9,473,401
<u>1,586,783</u>	<u>5,200,013</u>	<u>3,831,301</u>	<u>23,259,616</u>
<u>\$ 1,831,909</u>	<u>\$ 5,200,013</u>	<u>\$ 4,130,013</u>	

74,675,880

939,803
(15,467,624)

496,114
(1,912,362)

\$ 81,991,427

BUTTS COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	General	American Rescue Plan Act ("ARPA")	2018 SPLOST Capital Projects
REVENUES			
Property taxes	\$ 13,293,695	\$ -	\$ -
Insurance premium tax	1,344,698	-	-
Sales taxes	4,170,143	-	-
Other taxes	452,422	-	-
Licenses and permits	514,256	-	-
Intergovernmental	131,333	1,179,214	-
Charges for services	8,294,530	-	-
Fines and forfeitures	563,619	-	-
Investment earnings	6,621	55	211
Contributions and donations	-	-	-
Miscellaneous	711,784	-	-
Total revenues	<u>29,483,101</u>	<u>1,179,269</u>	<u>211</u>
EXPENDITURES			
Current:			
General government	5,124,876	1,179,214	-
Judicial	1,719,033	-	-
Public safety	11,711,716	-	-
Public works	2,950,981	-	-
Health and welfare	139,882	-	-
Culture and recreation	1,253,784	-	-
Economic opportunity	7,500	-	-
Housing and development	676,058	-	-
Intergovernmental	-	-	-
Capital outlay	-		1,556,454
Debt service:			
Principal	215,164	-	83,407
Interest and fiscal charges	58,911	-	5,243
Issuance costs	-	-	-
Total expenditures	<u>23,857,905</u>	<u>1,179,214</u>	<u>1,645,104</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,625,196</u>	<u>55</u>	<u>(1,644,893)</u>
OTHER FINANCING SOURCES (USES)			
Leases issued	1,092,851	-	-
Transfers in	6,091	-	2,445,059
Transfers out	(5,427,089)	-	-
Total other financing sources (uses)	<u>(4,328,147)</u>	<u>-</u>	<u>2,445,059</u>
Net change in fund balances	1,297,049	55	800,166
FUND BALANCES, beginning of year, as restated	<u>9,295,982</u>	<u>-</u>	<u>1,248,267</u>
FUND BALANCES, end of year	<u><u>\$ 10,593,031</u></u>	<u><u>\$ 55</u></u>	<u><u>\$ 2,048,433</u></u>

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

2018 SPLOST Debt Service	Capital Improvement	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 13,293,695
-	-	-	1,344,698
6,505,691	-	-	10,675,834
-	-	217,136	669,558
-	-	-	514,256
-	-	498,132	1,808,679
-	-	1,829,085	10,123,615
-	-	909,700	1,473,319
385	13	254	7,539
-	-	41,635	41,635
-	-	-	711,784
<u>6,506,076</u>	<u>13</u>	<u>3,495,942</u>	<u>40,664,612</u>
-	-	64,361	6,368,451
-	-	61,319	1,780,352
-	-	1,800,578	13,512,294
-	-	-	2,950,981
-	-	7,401	147,283
-	-	25,012	1,278,796
-	-	-	7,500
-	-	161,098	837,156
2,540,707	-	618,479	3,159,186
-	-	70,464	1,626,918
1,155,000	-	-	1,453,571
190,200	-	-	254,354
1,800	-	-	1,800
<u>3,887,707</u>	<u>-</u>	<u>2,808,712</u>	<u>33,378,642</u>
<u>2,618,369</u>	<u>13</u>	<u>687,230</u>	<u>7,285,970</u>
-	-	-	1,092,851
-	5,200,000	508,515	8,159,665
<u>(2,445,059)</u>	<u>-</u>	<u>(287,517)</u>	<u>(8,159,665)</u>
<u>(2,445,059)</u>	<u>5,200,000</u>	<u>220,998</u>	<u>1,092,851</u>
173,310	5,200,013	908,228	8,378,821
<u>1,413,473</u>	<u>-</u>	<u>2,923,073</u>	<u>14,880,795</u>
<u>\$ 1,586,783</u>	<u>\$ 5,200,013</u>	<u>\$ 3,831,301</u>	<u>\$ 23,259,616</u>

BUTTS COUNTY, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

Net change in fund balances - total governmental funds	\$	8,378,821
--	----	-----------

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 depreciation and amortization expense exceeded capital outlay in the current period.

Capital outlay	\$	3,158,616	
Depreciation expense		(3,772,145)	
Amortization expense		<u>(241,583)</u>	(855,112)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.		108,985
--	--	---------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		145,473
--	--	---------

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.		588,067
---	--	---------

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

Compensated absences	\$	(10,267)	
Accrued interest		(11,960)	
Net pension liability and related accounts		<u>79,990</u>	<u>57,763</u>

Change in net position - governmental activities	\$	<u>8,423,997</u>
--	----	------------------

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

BUTTS COUNTY, GEORGIA

GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 11,319,404	\$ 13,232,314	\$ 13,293,695	\$ 61,381
Insurance premium tax	1,250,000	1,344,698	1,344,698	-
Sales taxes	2,800,000	4,170,143	4,170,143	-
Other taxes	325,618	412,971	452,422	39,451
Licenses and permits	305,800	471,179	514,256	43,077
Intergovernmental	-	131,233	131,333	100
Charges for services	6,061,300	8,197,577	8,294,530	96,953
Fines and forfeitures	566,650	615,003	563,619	(51,384)
Investment earnings	10,000	10,000	6,621	(3,379)
Miscellaneous	470,569	612,514	711,784	99,270
Total revenues	23,109,341	29,197,632	29,483,101	285,469
EXPENDITURES				
Current				
General government:				
Board of commissioners	123,060	123,060	121,933	1,127
Board of equalization	17,993	17,993	5,702	12,291
Board of elections	191,175	213,734	213,734	-
General administration	1,689,513	1,689,513	1,349,952	339,561
Human resources	2,192,087	2,192,087	2,084,268	107,819
Tax commissioner	390,032	390,032	338,347	51,685
Tax assessor	478,249	478,249	469,129	9,120
Building maintenance	667,388	667,388	541,811	125,577
Total general government	5,749,497	5,772,056	5,124,876	647,180
Judicial:				
Towaliga judicial circuit	711,784	716,020	716,020	-
Clerk of court	393,181	393,181	338,865	54,316
Magistrate court	279,349	279,349	268,296	11,053
Probate court	306,386	306,386	294,786	11,600
Juvenile court	101,829	101,829	101,066	763
Total judicial	1,792,529	1,796,765	1,719,033	77,732

(Continued)

BUTTS COUNTY, GEORGIA

GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budget		Actual	Variance With Final Budget
	Original	Final		
EXPENDITURES (CONTINUED)				
Current (Continued)				
Public safety:				
Sheriff	\$ 6,325,927	\$ 6,959,583	\$ 6,959,583	\$ -
Jail	910,500	1,164,457	1,164,457	-
Emergency services	3,284,709	3,438,162	3,438,162	-
Coroner	73,573	78,879	78,879	-
Animal control	56,580	56,580	54,144	2,436
Homeland security	8,570	16,491	16,491	-
Total public safety	10,659,859	11,714,152	11,711,716	2,436
Public works:				
Public works	2,122,896	3,057,672	2,950,981	106,691
Total public works	2,122,896	3,057,672	2,950,981	106,691
Health and welfare:				
Health department	105,775	105,775	105,775	-
Department of family and children services	20,332	20,332	20,332	-
McIntosh trail	4,250	4,250	4,250	-
M.R. service center	5,525	5,525	5,525	-
Council on aging	4,000	4,000	4,000	-
Total health and welfare	139,882	139,882	139,882	-
Culture and recreation:				
Leisure services	866,212	866,212	822,376	43,836
Historical society	10,200	10,200	10,200	-
Senior citizens' center	262,532	268,476	268,476	-
Library	194,433	194,433	152,732	41,701
Total culture and recreation	1,333,377	1,339,321	1,253,784	85,537
Economic opportunity:				
McIntosh Trail ECDC	7,500	7,500	7,500	-
Total economic opportunity	7,500	7,500	7,500	-
Housing and development:				
USDA	13,500	14,759	14,759	-
Forest resources	6,270	6,270	6,270	-
Community development	551,371	551,371	461,928	89,443
Development authority	115,000	115,000	115,000	-
Cooperative extension service	82,571	82,571	78,101	4,470
Total housing and development	768,712	769,971	676,058	93,913

(Continued)

BUTTS COUNTY, GEORGIA

GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budget		Actual	Variance With Final Budget
	Original	Final		
EXPENDITURES (CONTINUED)				
Debt service:				
Principal	\$ 89,061	\$ 215,164	\$ 215,164	\$ -
Interest and fiscal charges	26,939	58,911	58,911	-
Total debt service	<u>116,000</u>	<u>274,075</u>	<u>274,075</u>	<u>-</u>
Total expenditures	<u>22,690,252</u>	<u>24,871,394</u>	<u>23,857,905</u>	<u>1,013,489</u>
Excess of revenues over expenditures	<u>419,089</u>	<u>4,326,238</u>	<u>5,625,196</u>	<u>1,298,958</u>
OTHER FINANCING SOURCES (USES)				
Leases issued	-	1,092,851	1,092,851	-
Transfers in	8,000	8,000	6,091	(1,909)
Transfers out	(427,089)	(5,427,089)	(5,427,089)	-
Total other financing sources (uses)	<u>(419,089)</u>	<u>(4,326,238)</u>	<u>(4,328,147)</u>	<u>(1,909)</u>
Net change in fund balances	-	-	1,297,049	1,297,049
FUND BALANCES, beginning of year, as restated	<u>9,295,982</u>	<u>9,295,982</u>	<u>9,295,982</u>	<u>-</u>
FUND BALANCES, end of year	<u><u>\$ 9,295,982</u></u>	<u><u>\$ 9,295,982</u></u>	<u><u>\$ 10,593,031</u></u>	<u><u>\$ 1,297,049</u></u>

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

BUTTS COUNTY, GEORGIA

AMERICAN RESCUE PLAN ACT FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Budget		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 1,179,215	\$ 1,179,214	\$ (1)
Investment earnings	-	-	55	55
Total revenues	-	1,179,215	1,179,269	54
EXPENDITURES				
Current:				
General government	-	1,179,214	1,179,214	-
Total expenditures	-	1,179,214	1,179,214	-
Net change in fund balances	-	1	55	54
FUND BALANCES, beginning of year	-	-	-	-
FUND BALANCES, end of year	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 55</u>	<u>\$ 54</u>

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

BUTTS COUNTY, GEORGIA

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS JUNE 30, 2022

		Custodial Funds
	ASSETS	
Cash and equivalents		\$ 1,801,869
Taxes receivable		1,361,948
Total assets		<u>\$ 3,163,817</u>
	LIABILITIES	
Due to others		\$ 703,161
Uncollected taxes		1,361,948
Total liabilities		<u>\$ 2,065,109</u>
	NET POSITION	
Restricted for individuals, organizations and other governments		<u>\$ 1,098,708</u>

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

BUTTS COUNTY, GEORGIA

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

	ADDITIONS	Custodial Funds
		<hr/>
Taxes collected		\$ 17,529,044
Fines and fees collected		<hr/> 6,629,926
Total additions		<hr/> 24,158,970
	DEDUCTIONS	
Taxes disbursed		17,552,707
Fines and fees disbursed		<hr/> 7,603,123
Total deductions		<hr/> 25,155,830
Change in net position		(996,860)
Net position, beginning of year		<hr/> 2,095,568
Net position, end of year		<hr/> \$ 1,098,708

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

NOTES TO FINANCIAL STATEMENTS

BASIC FINANCIAL STATEMENTS

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BUTTS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Butts County, Georgia (the “County”) was chartered by an act of the General Assembly of the State of Georgia. The County operates under a Commission/Manager form of government and provides the following services: Public safety, roads, courts, health and sanitation, recreation, fire protection and general and administrative services.

The financial statements of the County and its discretely presented component units, the Butts County Department of Health (the “Health Department”), the Butts County Industrial Development Authority (the “Authority”) and the Development Authority of Butts County (the “Development Authority”), have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the County are described below.

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the County consists of all funds, departments, boards and agencies that are not legally separate from the County. For the County, this entity includes the elected constitutional officers.

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

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Brief descriptions of the discretely presented component units follow:

The Butts County Board of Health (the “Board of Health”) was created by a legislative act. The Board was established to provide various health related programs such as immunization, family planning, dental treatment, and nutrition services. During the fiscal year ended June 30, 2022, the Health Department operated under a seven-member board comprised of a Butts County Commission representative, the Butts County School Superintendent, a licensed physician practicing in Butts County, a City of Jackson council representative, two members appointed by the Butts County Board of Commissioners and one member appointed by the City of Jackson Council. The Board is a component unit of Butts County, Georgia because it is fiscally dependent on the County. The Health Department is presented as a governmental fund type component unit. The Health Department financial statements have been presented separately and can be obtained by writing to the Butts County Department of Public Health, 463 Kennedy Drive, Jackson, Georgia 30233.

The Butts County Industrial Development Authority (the “Authority”) was created by referendum in 1968. The entity is governed by five board members appointed by the Butts County Board of Commissioners. The Authority can participate in land acquisition, lease agreements on land owned by the Authority, and tax abatements on land owned by the Authority. The Authority is responsible for making its own operating decisions. The Authority cannot issue tax abatements without the consent by the Butts County Board of Commissioners. The Authority is fiscally dependent on the County. The Authority is presented as a governmental fund type component unit. The Authority’s financial statements have been presented separately and can be obtained by writing to the Butts County Industrial Development Authority, 625 West Third Street, Jackson, Georgia 30233.

The Development Authority of Butts County (the “Development Authority”) was created in 1977 by local ordinance in accordance with the Development Authorities Act. It is governed by a seven-member board appointed by the Butts County Board of Commissioners. The Development Authority is responsible for making its own operating decisions. The County provides substantially all funding for the Development Authority’s annual budget. The Development Authority cannot issue bonded debt without approval by the County; therefore, the Development Authority is fiscally dependent on the County. The Development Authority is presented as a governmental fund type component unit. The Development Authority’s financial statements have been presented separately and can be obtained by writing to the Development Authority of Butts County, 625 West Third Street, Jackson, Georgia 30233.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. However, interfund services provided and used are not eliminated in the process of consolidation. *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*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental 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 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on long term debt, include lease liabilities, as well as expenditures related to compensated absences and claims and judgments and environmental obligations, are recorded only when payment is due.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

General capital asset acquisitions, including entering into contracts giving the County the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

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

The County reports the following major governmental funds:

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

The **American Rescue Plan Act ("ARPA") Fund** is a special revenue fund that accounts for the financial resources provided and subsequently expended from the ARPA grant received from the federal government.

The **2018 Special Purpose Local Option Sales Tax ("SPLOST") Capital Projects Fund** accounts for all transactions relating to 2018 SPLOST capital projects.

The **2018 Special Purpose Local Option Sales Tax ("SPLOST") Debt Service Fund** accounts for the accumulation of enough proceeds from the collection of SPLOST to make the semi-annual bond payment. The additional monies collected beyond the bond payment are then remitted to the County Capital Projects Fund and to municipalities in the County in accordance with the 2017 SPLOST referendum.

The **Capital Improvement Fund** is a capital projects fund that accounts for all transactions relating to several specific capital projects at the County.

Additionally, the County reports the following fund types:

The **special revenue funds** account for revenue sources that are legally restricted to expenditure for specific purposes.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The **capital project funds** are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The **custodial funds** are used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals. Custodial Funds account for Tax Commissioner, Magistrate Court, Probate Court, Clerk of Superior Court, and Sheriff.

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

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Cash, Cash Equivalents and Investments

The County and discretely presented component units' cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are recorded at fair value based on quoted market prices as of the balance sheet date. Increases or decreases in the fair value during the year are recognized as a component of interest income.

E. Interfund Receivables, Payables and Transfers

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as "due to/from other funds". These amounts are eliminated in the governmental activities column of the statement of net position.

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. 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). Transfers between funds reported in the governmental activities column of the statement of activities are eliminated.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are accounted for using the consumption method.

G. Inventories

Inventories are valued at cost using the first-in/first-out ("FIFO") method and consist of fuel which is recorded as an asset at the time of purchase. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased. Inventories of other expendable supplies are not considered material and the cost of such items is recorded as expenditures/expenses when purchased.

H. Capital Assets

General capital assets and right to use lease 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. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets or donated works of art and similar items are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Capital assets received in a service concession arrangement are also reported at acquisition value. The County maintains a capitalization threshold of \$5,000. 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. Infrastructure was added to capital assets to comply with requirements of GASB 34 in the fiscal year ended June 30, 2007. The County estimated the value of all paved County roads based on indexes provided by the Georgia Department of Transportation. Since that time, all major construction projects related to roads have been capitalized.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets (Continued)

All reported capital assets and right to use leased assets are depreciated except for land and construction in progress. It is the County's policy not to charge infrastructure depreciation in the year of construction. 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. Capital assets and right to use leased assets of the County are depreciated/amortized using the straight-line method over the following useful lives:

<u>Asset Category</u>	<u>Years</u>
Land improvements	39
Buildings	39
Machinery and equipment	5 – 10
Right to use leased equipment	5 – 10
Vehicles and road equipment	5
Infrastructure	39
Intangibles	39

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has two items that qualify for reporting in this category. These items relate to the County's Retirement Plan and are reported in the government-wide statement of net position. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Changes in actuarial assumptions, which adjust the net pension liability, are also recorded as deferred outflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. Experience losses result from periodic studies by the County's actuary, which adjust the net pension liability for actual experience for certain trend information that was previously assumed. These experience losses are recorded as deferred outflows of resources and are amortized into pension expense over the expected remaining service lives of the plan members.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of net position and the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has three items that qualify for reporting in this category. Two of these items relate to the County's Retirement Plan and the recording of changes in its net pension liability. Experience gains result from periodic studies by the County's actuary, which adjust the net pension liability for actual experience for certain trend information that was previously assumed. These experience gains are recorded as deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of the plan members. The difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five-year period. Additionally, the County has unavailable revenues that arise only under a modified accrual basis of accounting. Accordingly, they are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and grants due to the period of availability and will be recognized as an inflow of resources in the period in which the amounts become available.

J. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized during the current period.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. 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.

All compensated absence liabilities include salary-related payments, where applicable. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Under the current policy, employees receive personal leave that includes annual leave. Employees accumulate personal leave in the following amounts:

- Completed 0-1 Years of Service: 4 hours per pay period
- Completed 1-5 Years of Service: 5 hours per pay period
- Completed 6-10 Years of Service: 6 hours per pay period
- Completed 11+ Years of Service: 7 hours per pay period

Up to 160 hours of personal leave can be carried over at the end of the calendar year.

L. Fund Balance

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".

Generally, fund balance represents 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Fund Balance (Continued)

- **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 County Commission through the adoption of a resolution. Only the Board of Commissioners 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 resolution, the County Commission has authorized the County's management to assign fund balances.
- **Unassigned** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above 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.

M. Net Position

For government-wide reporting as well as in proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation, outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Net Position (Continued)

Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above.

Unrestricted net position is reported as the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

N. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 expenses during the reporting period. Actual results could differ from those estimates.

O. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Association County Commissioners of Georgia Butts County Defined Benefit Plan (the "Plan"), and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Leases

Lessee

The County is a lessee for noncancellable leases of equipment. 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 \$5,000 or more.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be 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.

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 debt on the statement of net position.

NOTES TO FINANCIAL STATEMENTS

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

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this difference are as follows:

General obligation bonds payable	\$ (3,600,000)
Plus: Issuance premium (to be amortized against interest expense)	(102,420)
Lease liability	(1,075,733)
Financed purchase	(1,009,597)
Landfill post-closure costs	(580,124)
Net pension liability	(8,531,081)
Compensated absences	(509,159)
Accrued interest	(59,510)
Net adjustment to reduce <i>fund balance – total governmental funds</i>	
to arrive at <i>net position – governmental activities</i>	<u>\$ (15,467,624)</u>

B. 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 a reconciliation between the net change 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 the reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) 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.” The details of this difference are as follows:

Leases issued	\$ (1,201,836)
Premium on bond issuance	140,814
Principal repayments:	
Lease liability	126,103
General bonds payable	1,155,000
Financed purchase	172,468
Landfill post-closure costs	195,518
Net adjustment to reduce <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 588,067</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 3. BUDGETS AND BUDGETARY ACCOUNTING

The County adopts an annual balanced budget for the General Fund and all special revenue funds. The budget resolution reflects the total of each department's appropriation in each fund.

The General Fund budget is adopted on a basis consistent with GAAP.

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. Any change in total to a fund or departmental appropriation within a fund requires approval of the County Commissioners.

The County Manager and Chief Financial Officer may approve budget transfers within departments.

All unexpended annual appropriations lapse at year-end.

NOTE 4. DEPOSITS AND INVESTMENTS

Total deposits as of June 30, 2022 are summarized as follows:

Balances per statement of net position:

Cash and cash equivalents - Primary Government	\$ 25,813,323
Cash - Agency funds	1,801,869
	<u>\$ 27,615,192</u>

Balances by type:

Cash deposited with financial institutions	\$ 27,615,192
	<u>\$ 27,615,192</u>

Credit Risk. State statutes authorize the County to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. The County has no investment policy that would further limit its investment choices.

Interest rate risk. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

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 June 30, 2022, all of the deposits of the County and the component units were properly insured and collateralized as required by the Official Code of Georgia Annotated (“O.C.G.A.”) §45-8-12(c) and as defined by GASB pronouncements.

The County did not have any investments as of June 30, 2022. All funds were held in cash and cash equivalent accounts as June 30, 2022.

NOTE 5. RECEIVABLES

Receivables at June 30, 2022 for the County’s individual major funds and nonmajor funds in the aggregate are as follows:

	General	2018 SPLOST Debt Service	Nonmajor Governmental
Receivables:			
Taxes	\$ 1,060,798	\$ -	\$ -
Accounts	1,434,883	-	125,217
Intergovernmental	396,475	618,526	-
Gross receivables	<u>2,892,156</u>	<u>618,526</u>	<u>125,217</u>
Less: allowance for uncollectibles	-	-	-
Net total receivables	<u>\$ 2,892,156</u>	<u>\$ 618,526</u>	<u>\$ 125,217</u>

Property taxes are levied on a calendar year basis. Payments are due in two equal installments, the last being in December.

The tax billing cycle for fiscal year 2022 is as follows:

Lewy date	July 1, 2021
1st Payment due date	October 14, 2021
2nd Payment due date	December 7, 2021
Lien date	90 days after second half due date

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS AND LEASED ASSETS

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

	(As restated) Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 4,170,805	\$ -	\$ -	\$ -	\$ 4,170,805
Total	4,170,805	-	-	-	4,170,805
Capital assets, being depreciated:					
Buildings	45,673,551	317,999	-	-	45,991,550
Intangible assets	18,529	-	-	-	18,529
Machinery and equipment	6,747,035	769,348	-	-	7,516,383
Vehicles and road equipment	8,636,855	978,418	(175,300)	-	9,439,973
Infrastructure	119,420,617	-	-	-	119,420,617
Total	180,496,587	2,065,765	(175,300)	-	182,387,052
Less accumulated depreciation for:					
Buildings	(15,777,630)	(1,220,176)	-	-	(16,997,806)
Intangible assets	(12,864)	(3,706)	-	-	(16,570)
Machinery and equipment	(5,341,476)	(295,120)	-	-	(5,636,596)
Vehicles and road equipment	(6,587,203)	(790,593)	175,300	-	(7,202,496)
Infrastructure	(81,526,212)	(1,462,550)	-	-	(82,988,762)
Total	(109,245,385)	(3,772,145)	175,300	-	(112,842,230)
Total capital assets, being depreciated, net	71,251,202	(1,706,380)	-	-	69,544,822
Governmental activities capital assets, net	\$ 75,422,007	\$ (1,706,380)	\$ -	\$ -	\$ 73,715,627
Leased assets, net					960,253
Total capital assets, net as reported in the statement of net position					\$ 74,675,880

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS AND LEASED ASSETS (CONTINUED)

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

Governmental activities:	
General government	\$ 505,808
Judicial	41,870
Public safety	1,003,767
Public works	1,996,335
Culture and recreation	126,215
Housing and development	98,150
Total depreciation expense - governmental activities	<u>\$ 3,772,145</u>

Leased asset activity for the County for the year ended June 30, 2022 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Right-to-use leased assets, being amortized:					
Machinery and equipment	\$ 108,985	\$ 1,092,851	\$ -	\$ -	\$ 1,201,836
Total	<u>108,985</u>	<u>1,092,851</u>	<u>-</u>	<u>-</u>	<u>1,201,836</u>
Less accumulated amortization for:					
Machinery and equipment	-	(241,583)	-	-	(241,583)
Total	<u>-</u>	<u>(241,583)</u>	<u>-</u>	<u>-</u>	<u>(241,583)</u>
Total right-to-use leased assets, being amortized, net	<u>\$ 108,985</u>	<u>\$ 851,268</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 960,253</u>

Amortization expense was charged to the function/program of the County as follows:

Governmental activities:	
Public works - leased asset	\$ 241,583
Total amortization expense - governmental activities	<u>\$ 241,583</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT

The following is a summary of long-term debt activity for fiscal year ended June 30, 2022:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 4,755,000	\$ -	\$ (1,155,000)	\$ 3,600,000	\$ 1,175,000
Bond premium	243,234	-	(140,814)	102,420	-
Net bonds payable	4,998,234	-	(1,295,814)	3,702,420	1,175,000
Financed purchase	1,182,065	-	(172,468)	1,009,597	177,299
Lease liability	108,985	1,092,851	(126,103)	1,075,733	200,099
Landfill post-closure costs	775,642	-	(195,518)	580,124	37,152
Compensated absences	498,892	529,087	(518,820)	509,159	509,159
Net pension liability	10,215,318	2,689,531	(4,373,768)	8,531,081	-
Governmental activities long-term liabilities	<u>\$ 17,779,136</u>	<u>\$ 4,311,469</u>	<u>\$ (6,682,491)</u>	<u>\$ 15,408,114</u>	<u>\$ 2,098,709</u>

For governmental activities, compensated absences, landfill post-closure costs and the net pension liability are generally liquidated by the General Fund.

Leases. In May 2020, the County entered into a three-year lease agreement as lessee for the acquisition and use of equipment. An initial lease liability was recorded in the amount of \$108,985. As of June 30, 2022, the value of the lease liability was \$85,218. The County is required to make monthly principal and interest payments in the amount of \$2,255. The lease has an interest rate of 3.35%. The equipment has a twenty-two month estimated useful life and the value of the right-to-use asset as of the end of the current fiscal year was \$108,985 and had accumulated amortization of \$59,447.

In August 2021, the County entered into a five-year lease agreement as lessee for the acquisition and use of equipment. An initial lease liability was recorded in the amount of \$1,092,851. As of June 30, 2022, the value of the lease liability was \$990,515. The County is required to make monthly principal and interest payments in the amount of \$11,911. The lease has an interest rate of 2.90%. The equipment has a five-year estimated useful life and the value of the right-to-use asset as of the end of the current fiscal year was \$1,092,851 and had accumulated amortization of \$182,137.

The County's total lease debt service requirements to maturity are as follows:

<u>Fiscal year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 200,099	\$ 30,173
2024	118,363	24,567
2025	121,951	20,979
2026	125,648	17,283
2027	509,672	1,270
Total	<u>\$ 1,075,733</u>	<u>\$ 94,272</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

General Obligation Sales Tax Bonds. In 2018, the County issued \$7,000,000 Series 2018 general obligation sales tax bonds with \$2,245,000 of the total bonds carrying an interest rate of 3.00% and \$4,755,000 carrying an interest rate of 4% payable over seven years. The bonds will be retired from SPLOST. Bond proceeds were used to fund various capital outlay projects, including courthouse and judicial office improvements, acquiring public safety equipment and public safety vehicles, road, sidewalk and bridge improvements, acquiring and upgrading equipment and acquiring, repairing and improving facilities and paying any debt previously incurred for these projects and to fund various construction projects in the municipalities within the County.

The bonds payable debt service requirements to maturity, including interest, are as follows:

Fiscal year ending June 30,	Principal	Interest
2023	\$ 1,175,000	\$ 144,000
2024	1,200,000	97,000
2025	1,225,000	49,000
Total	<u>\$ 3,600,000</u>	<u>\$ 290,000</u>

Financed purchase. In May 2019, the County entered into a lease agreement with the Association of County Commissioners of Georgia as lessor to finance the purchase of equipment and vehicles for a total cost of \$182,090. Amortization expense for these assets is included with depreciation expense. The total principal of \$182,090 is due and payable in 48 monthly payments with interest of 3.62%. The first installment was due June 28, 2019 with the final payment due by May 28, 2023. The balance due at June 30, 2022 was \$44,084.

In January 2020, the County entered into a lease agreement with the Association of County Commissioners of Georgia as lessor to finance the purchase of one new ambulance at a total cost of \$147,922. Amortization expense for these assets is included with depreciation expense. The total principal of \$147,922 is due and payable in 48 monthly payments with interest of 3.50 %. The first installment was due January 30, 2020 with the final payment due by December 30, 2023. The balance due at June 30, 2022 was \$57,907.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

Financed purchase (Continued). In October 2014, the County entered into an agreement with U.S. Bancorp Government Leasing and Finance, Inc. to finance the purchase of a Building Management System/Energy Retrofit Project from Honeywell International, Inc. for a total cost of \$1,403,710. Amortization expense for this asset is included with depreciation expense. Work was delayed on installation of the system and the work was not completed until fiscal year 2016. The total principal of \$1,403,710 is due and payable in 15 annual payments with interest of 2.67%. The first installment was due July 15, 2015 with the final payment due July 15, 2029. The balance due at June 30, 2022 was \$907,606.

The County's total financed purchase debt service requirements to maturity are as follows:

Fiscal year ending June 30,	Principal	Interest
2023	\$ 177,299	\$ 26,751
2024	120,739	22,166
2025	107,523	19,233
2026	114,232	16,327
2027	121,237	13,239
2028 – 2030	368,567	19,256
Total	<u>\$ 1,009,597</u>	<u>\$ 116,972</u>

Landfill Post-closure Costs. During the year ended June 30, 1997, the County closed its landfill and no additional waste has been accepted. According to state and federal laws and regulations, the County must perform certain maintenance and monitoring functions at the site for a minimum of 30 years. As of June 30, 2022, the County has a remaining 15 years of monitoring. Engineering studies estimate post-closure costs of approximately \$580,124 over the 15-year period. These costs are based on the amount that would be paid if all equipment, facilities, and services required to monitor and maintain the landfill were acquired as of June 30, 2022. Actual costs may be higher due to changes in inflation, changes in technology, or changes in regulations. Should any problems occur during this post-closure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2022, is as follows:

Receivable Fund	Payable Fund	Amount
General fund	Nonmajor governmental funds	\$ 42,632
Capital improvement fund	General fund	5,000,000
Nonmajor governmental funds	Nonmajor governmental funds	81,426
Nonmajor governmental funds	General fund	7,735
		<u>\$ 5,131,793</u>

These remaining balances resulted from the time lag between the date that: 1) interfund goods or services are provided or reimbursable expenses occur, 2) transactions are recorded in the accounting period, and 3) payments between funds are made. The County expects to repay all interfund balances within one year.

Interfund transfers for the year ended June 30, 2022 consisted of the following:

Transfers In	Transfers Out	Amount
Capital improvement fund	General fund	\$ 5,000,000
Capital improvement fund	Nonmajor governmental funds	200,000
Nonmajor governmental funds	Nonmajor governmental funds	81,426
Nonmajor governmental funds	General fund	427,089
2018 SPLOST capital projects fund	2018 SPLOST debt service fund	2,445,059
General fund	Nonmajor governmental funds	6,091
		<u>\$ 8,159,665</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, 3) segregate money for anticipated capital projects, 4) provide additional resources for current operations or debt service, and 5) return money to the fund from which it was originally provided once a project is completed.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLAN

Plan Description

The County, as authorized by the County Commission, has established a non-contributory defined benefit pension plan, the Association County Commissioners of Georgia Butts County Defined Benefit Plan (the "Plan"), covering the majority of all of the County's employees. The County's pension plan is administered through the Association County Commissioners of Georgia Third Restated Defined Benefit Plan (the "ACCG Plan"), an agent multiple-employer pension plan administered by GEBCorp and affiliated with the Association of County Commissioners of Georgia ("ACCG"). The Plan provides retirement, disability, and death benefits to plan members and beneficiaries. The ACCG, in its role as the Plan sponsor, has the sole authority to establish and amend the benefit provisions and the contribution rates of the County related to the Plan, as provided in §19.03 of the ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of the Plan, as provided in §19.02 of the ACCG Plan document. The County Commission retains this authority. The ACCG Plan issues a publicly available financial report that includes financial statements and required supplementary information for the pension trust. That report may be obtained at www.gebcorp.com or by writing to Association County Commissioners of Georgia, Retirement Services, 191 Peachtree Street, NE, Atlanta, Georgia 30303 or by calling (800) 736-7166.

Plan Membership

As of January 1, 2021, pension plan membership consisted of the following:

Retirees, Beneficiaries, and Disables receiving benefits	105
Terminated Plan participants entitled to but not receiving benefits	90
Active employees participating in the Plan	<u>154</u>
Total number of Plan participants	<u><u>349</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contributions

The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of ACCG has adopted a recommended actuarial funding policy for the Plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the Plan. The funding policy for the Plan, as adopted by the County Board of Commissioners, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The County is required to contribute to the actuarially determined rate. For the year ended June 30, 2022, the County's contribution rate was 27.41% of annual payroll. County contributions to the Plan were \$1,932,741 for the year ended June 30, 2022.

Net Pension Liability of the County

The County's net pension liability was measured as of December 31, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as January 1, 2021, with update procedures performed by the actuary to roll forward to the total pension liability measured as of December 31, 2021.

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

Inflation	3.00%
Salary increases	4.00% – 6.00%, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the Pub – 2010 Amount Weighted Mortality Table with a blend of 50% of the General Employees Table and 50% of the Public Safety Employees with Scale AA to 2021.

The actuarial assumptions used in the January 1, 2021 valuation were based on the results of an actuarial experience study through February 2019.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the County (Continued)

Actuarial Assumptions (Continued). The long-term expected rate of return on pension plan investments was determined through a blend of using a building-block method based on 20-year benchmarks (33.33%) and 30-year benchmarks (33.33%), as well as forward-looking capital market assumptions for a moderate asset allocation (33.34%), as determined by UBS. Expected future rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2021, are summarized in the following table:

Asset Class	Target Allocation	Range
Fixed Income	30.00 %	25% - 35%
Equities:		
Large Cap	30.00	25% - 35%
Mid Cap	5.00	2.5% - 10%
Small Cap	5.00	2.5% - 10%
REIT	5.00	2.5% - 10%
International	15.00	10% - 20%
Multi Cap	5.00	2.5% - 10%
Global Allocation	5.00	2.5% - 10%
Total	100.00 %	

Discount rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that County contributions will be made at rates equal to the actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the County (Continued)

Changes in the Net Pension Liability of the County. The changes in the components of the net pension liability of the County for the fiscal year ended June 30, 2022 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Beginning balance	\$ 25,817,008	\$ 15,601,690	\$ 10,215,318
<i>Changes for the year:</i>			
Service cost	706,762	-	706,762
Interest	1,771,047	-	1,771,047
Differences between expected and actual experience	(86,421)	-	(86,421)
Contributions - employer	-	1,932,741	(1,932,741)
Contributions - employee	-	-	-
Net investment income	-	2,354,606	(2,354,606)
Assumption change	39,311	-	39,311
Benefit payments, including refunds of employee contributions	(1,032,679)	(1,032,679)	-
Administrative expense	-	(50,472)	50,472
Other changes	-	(121,939)	121,939
<i>Net changes</i>	1,398,020	3,082,257	(1,684,237)
Ending balance	\$ 27,215,028	\$ 18,683,947	\$ 8,531,081

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the County, calculated using the discount rate of 7.00%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
County's net pension liability	\$ 12,217,164	\$ 8,531,081	\$ 5,480,692

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability of the County (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate (Continued). Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective.

Calculations are based on the substantive plan in effect as of December 31, 2021, and the current sharing pattern of costs between employer and employee. As of June 30, 2022, the County had no contributions subsequent to measurement date due to all employer contributions being made prior to the measurement date.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the fiscal year ended June 30, 2022, the County recognized pension expense of \$1,852,751. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on plan investments	\$ -	\$ 1,826,464
Differences between expected and actual experience	180,345	85,898
Other changes in assumptions	315,769	-
Total	<u>\$ 496,114</u>	<u>\$ 1,912,362</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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

<u>Year ending June 30,</u>	
2023	\$ (161,323)
2024	(712,680)
2025	(458,118)
2026	(84,127)
	<hr/>
Total	<u>\$ (1,416,248)</u>

NOTE 10. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; natural disasters; injuries to employees; and losses resulting from providing accident and health benefits to employees, retirees, and their dependents.

The County is a member of the Association of County Commissioners of Georgia ("ACCG") Interlocal Risk Management Agency. This membership allows the County to share liability, crime, motor vehicle and property damage risks.

Chapter 85 of Title 36 of the O.C.G.A. authorizes Georgia counties to form interlocal risk management agencies. The ACCG Interlocal Risk Management Agency ("IRMA") is a county interlocal risk management agency to function as an unincorporated nonprofit instrumentality of its member municipalities - ACCG IRMA establishes and administers one or more group self insurance funds and a risk management service to prevent or lessen the incidence and severity of casualty and property losses occurring in the operation of municipal government. ACCG IRMA is to defend and protect in accordance with the member government contract and related coverage descriptions of the County are as follows:

- amounts as shall be established by ACCG IRMA.
- To select a person to serve as a Member representative.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. RISK MANAGEMENT (CONTINUED)

The County must participate at all times in at least one fund which is established by ACCG IRMA. Other responsibilities of the County are as follows:

To pay all contributions, assessments or other sums due to ACCG IRMA at such times and in such.

- To allow ACCG IRMA and its agents reasonable access to all facilities of the County and all records, including but not limited to financial records, which relate to the purposes of ACCG IRMA.
- To allow attorneys appointed by ACCG IRMA to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the fund or funds established by ACCG IRMA.
- To assist and cooperate in the defense and settlement of claims against the County.
- To furnish full cooperation to ACCG IRMA's attorneys, claims adjusters, Service Company, and any agent, employee, officer or independent contractor of ACCG IRMA relating to the purposes of ACCG IRMA.
- To follow all loss reduction and prevention procedures established by ACCG IRMA.
- To furnish to ACCG IRMA such budget, operating and underwriting information as may be requested.
- To report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in ACCG IRMA or any fund established by ACCG IRMA being required to pay claim for loss or injuries to municipal property or injuries to persons or property when such loss or injury is within the scope of the protection of a fund or funds in which the County participates.

The County retains the first \$5,000 of each risk of loss in the form of a deductible. The County files all claims with ACCG IRMA. ACCG IRMA bills the County for any risk of loss up to the \$5,000 deductible.

The County has contracted with Key Risk to fully insure on workers compensation. This plan has various deductibles the County is responsible for meeting.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 11. COMMITMENTS AND CONTINGENT LIABILITIES

Litigation

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

Grant Contingencies

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

NOTE 12. JOINT VENTURE

Under Georgia law, the County, in conjunction with other cities and counties in a ten-county central Georgia area, is a member of the Three Rivers Regional Commission ("RC") and is required to pay annual dues thereto. During its year ended June 30, 2022, the County paid \$18,875 in such dues. Membership in an RC is required by the O.C.G.A. §50-8-34 which provides for the organizational structure of the RC. The RC Board membership is made up of representatives appointed by each County seat and respective County government member and also includes private citizen and minority representatives. O.C.G.A. §50-8-39.1 provides that the member governments are liable for any debts or obligations of a Regional Commission. Information concerning the financial statements may be obtained from the Three Rivers Regional Commission, P.O. Box 818, Griffin, Georgia 30224.

NOTE 13. HOTEL/MOTEL LODGING TAX

During the fiscal year ended June 30, 2022, the County levied an 8.00% hotel/motel tax on lodging facilities within the County. The County allocates 3.50% of this tax for the promotion of tourism, conventions, or trade shows as required by O.C.G.A. §48-13-51. Additionally, 1.50% of this tax is allocated towards tourism product development purposes including the designation of a Destination Marketing Organization, the provision and support of a County/City Visitor and Tourism Center, development of signage to promote tourism efforts, promotion of arts, and branding and promotion of museums. The remaining 3.00% of this tax is allocated to the General Fund of Butts County and specifically dedicated to the maintenance and operation of the Historic Butts County Courthouse facility as a Visitor and Tourism Center, Exhibit Hall and Meeting Space. For the fiscal year ended June 30, 2022, the County collected \$217,136 in hotel/motel taxes.

NOTES TO FINANCIAL STATEMENTS

NOTE 14. TAX ABATEMENT PROGRAMS

The County enters into property tax abatement programs with local businesses for the purpose of attracting and retaining business within their jurisdictions. The tax abatements can be granted to any business located within the County. These tax abatement programs are issued on a case-by-case basis for individual businesses for both real and personal property from the Development Authority of Butts County and the Joint Development Authority of Butts County and Spalding County.

During the fiscal year ended June 30, 2022, the County abated property taxes totaling \$220,766 and \$454,296 for real property tax abatements and personal property tax abatements, respectively. Tax abatements during the current year range from 0% to 100% of assessed property values over a time period up to twenty years.

NOTE 15. NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets of the government-wide statement of net position as of June 30, 2022 is as follows:

	Governmental Activities
Capital assets, net of accumulated depreciation	\$ 74,675,880
Lease liabilities	(1,075,733)
Bonds payable	(3,702,420)
Financed purchase	(1,009,597)
Total net investment in capital assets	<u>\$ 68,888,130</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 16. RESTATEMENT OF ERRORS IN PRIOR YEAR REPORTING

Government-wide Level Restatements

The County has determined that a restatement to beginning net position of governmental activities was required as of July 1, 2021.

	Governmental Activities
Net Position, as previously reported	\$ 75,756,586
Adjustments to beginning net position to reflect corrections of error, net	
Adjustment to compensated absences	(498,892)
Adjustment to capital assets	(2,688,248)
Adjustment to LOST receivable	(327,312)
Adjustment to property tax receivable	866,489
Adjustment to SPLOST receivable and due to other governments	458,807
Net Position, as restated	<u><u>\$ 73,567,430</u></u>

Fund Level Restatements

The County has determined a restatement was required to the beginning fund for the following funds as of July 1, 2021.

	Major Funds	
	General Fund	2018 SPLOST Debt Service
Fund Balance, as previously reported	\$ 9,223,823	\$ 954,666
Adjustments to beginning fund balance to reflect corrections of error, net		
Adjustment to property tax receivable and deferred inflow of resources	72,159	-
Adjustment to sales tax receivable and due to other governments	-	458,807
Fund Balance, as restated	<u><u>\$ 9,295,982</u></u>	<u><u>\$ 1,413,473</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 16. RESTATEMENT OF ERRORS IN PRIOR YEAR REPORTING (CONTINUED)

Restatement No. 1 – Proper Recognition of Receivables and Deferred Inflows of Resources.

The County has determined that a restatement to the beginning fund balance (General Fund) and beginning net position at the government-wide level (governmental activities) was required to properly recognize taxes receivable and deferred inflows of resources. The adjustments were as follows:

- Fund Level (General Fund) – prior period restatement to increase taxes receivable by \$866,489; increase deferred inflows of resources by \$794,330; and increase fund balance by \$72,159 as of July 1, 2021.
- Government-wide Level (Governmental Activities) – prior period restatement to increase taxes receivable by \$866,489 and increase net position by \$866,489 as of July 1, 2021.

Restatement No. 2 - Proper Recognition of Receivables and Payables – SPLOST. The County has determined that a restatement to the beginning fund balance (SPLOST Fund) and beginning net position at the government-wide level (governmental activities) was required to properly recognize the intergovernmental receivable and due to other governments payable. The adjustments were as follows:

- Fund Level (2018 SPLOST Debt Service Fund) – prior period restatement to increase intergovernmental receivable \$512,400, due to other governments payable \$53,592 and fund balance by \$458,807 as of July 1, 2021.
- Government-wide Level (Governmental activities) – prior period restatement to increase intergovernmental receivable \$512,400, due to other governments payable \$53,592 and net position by \$458,807 as of July 1, 2021.

Restatement No. 3 - Proper Recognition of Receivables – LOST. The County has determined that a restatement to the beginning net position at the government-wide level (governmental activities) was required to properly recognize the LOST receivable. Adjustments were necessary to reduce the LOST receivable and net position by \$327,312 as of July 1, 2021.

Restatement No. 4 - Proper Recognition of Capital Assets. The County has determined that a restatement to the beginning net position at the government-wide level (governmental activities) and capital assets was required due to improperly capitalizing costs for resurfacing in the prior year that should have been expensed. Adjustments were necessary to reduce capital assets and net position by \$2,688,248 as of July 1, 2021.

Restatement No. 5 - Proper Recognition of Compensated Absences. The County has determined that a restatement to the beginning net position at the government-wide level (governmental activities) was required to properly recognize compensated absences payable. An adjustment was made to increase compensated absences and decrease net position by \$498,892 at July 1, 2021.

REQUIRED SUPPLEMENTARY INFORMATION

BUTTS COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY AND RELATED RATIOS FOR THE FISCAL YEAR ENDED JUNE 30,

	2022	2021	2020	2019	2018
Total pension liability					
Service cost	\$ 706,762	\$ 684,520	\$ 466,173	\$ 407,763	\$ 377,847
Interest on total pension liability	1,771,047	1,710,787	1,323,907	1,125,569	1,041,922
Changes of benefit terms			3,466,685		
Differences between expected and actual experience	(86,421)	(42,166)	507,376	928,619	264,980
Changes of assumptions	39,311	36,954	708,882	1,630,062	17,678
Benefit payments, including refunds of employee contributions	(1,032,679)	(1,012,900)	(946,172)	(704,143)	(548,672)
Other	-	-	-	-	-
Net change in total pension liability	1,398,020	1,377,195	5,526,851	3,387,870	1,153,755
Total pension liability - beginning	25,817,008	24,439,813	18,912,962	15,525,092	14,371,337
Total pension liability - ending (a)	27,215,028	25,817,008	24,439,813	18,912,962	15,525,092
Plan fiduciary net position					
Contributions - employer	1,932,741	1,865,907	1,361,167	1,018,320	595,490
Contributions - employee	-	-	-	-	-
Net investment income	2,354,606	1,875,404	2,079,384	(466,828)	1,474,558
Benefit payments, including refunds of employee contributions	(1,032,679)	(978,647)	(914,176)	(679,511)	(529,478)
Administrative expenses	(50,472)	(48,607)	(49,100)	(37,335)	(33,691)
Other	(121,939)	(115,149)	(85,460)	(74,790)	(99,508)
Net change in fiduciary net position	3,082,257	2,598,908	2,391,815	(240,144)	1,407,371
Plan fiduciary net position - beginning	15,601,690	13,002,782	10,610,967	10,851,111	9,443,740
Plan fiduciary net position - ending (b)	18,683,947	15,601,690	13,002,782	10,610,967	10,851,111
County's net pension liability - ending (a) - (b)	\$ 8,531,081	\$ 10,215,318	\$ 11,437,031	\$ 8,301,995	\$ 4,673,981
Plan fiduciary net position as a percentage of total pension liability	68.65%	60.43%	53.20%	56.10%	69.89%
Covered payroll	\$ 7,050,984	\$ 6,728,644	\$ 6,534,675	\$ 6,826,757	\$ 6,484,065
County's net pension liability as a percentage of covered payroll	120.99%	151.82%	175.02%	121.61%	72.08%

Notes to the Schedule:

The schedule will present 10 years of information once it is accumulated.

BUTTS COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF COUNTY CONTRIBUTIONS FOR THE FISCAL YEAR ENDED JUNE 30,

	2022	2021	2020	2019
Actuarially determined contribution	\$ 1,779,088	\$ 1,732,374	\$ 1,248,694	\$ 1,115,035
Contributions in relation to the actuarially determined contribution	1,932,741	1,865,907	1,361,167	1,018,320
Contribution deficiency/(excess)	\$ (153,653)	\$ (133,533)	\$ (112,473)	\$ 96,715
Covered payroll	\$ 7,917,883	\$ 6,898,814	\$ 6,631,660	\$ 6,680,716
Contributions as a percentage of covered payroll	24.41%	27.05%	20.53%	15.24%

Notes to the Schedule:

Valuation Date	January 1, 2021
Cost Method	Entry Age Normal
Actuarial Asset	
Valuation Method	Smoothed market value with a five-year smoothing period
Assumed Rate of Return on Investments	7.00%
Projected Salary Increases	5.00% Per year with an age based scale
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	None remaining

The schedule will present 10 years of information once it is accumulated.

2018	2017	2016	2015	2014
\$ 974,741	\$ 870,793	\$ 833,403	\$ 754,785	\$ 766,159
595,490	908,115	868,297	799,561	809,174
<u>\$ 379,251</u>	<u>\$ (37,322)</u>	<u>\$ (34,894)</u>	<u>\$ (44,776)</u>	<u>\$ (43,015)</u>
\$ 6,484,065	\$ 6,330,510	\$ 6,066,322	\$ 5,721,346	\$ 5,640,339
9.18%	14.35%	14.31%	13.98%	14.35%

NONMAJOR GOVERNMENTAL FUNDS

BUTTS COUNTY, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Law Library Fund – To account for revenues generated through special filing charges in the County court system which are used to acquire and maintain library materials.

Courthouse Maintenance Fund – To account for the revenues and expenditures restricted for the maintenance and operation of the Historic Butts County Courthouse facility as a Visitors and Tourism Center.

Jail Fund – To account for revenues collected by the imposition of a 10% add-on fine as provided for by the Georgia Jail Construction and Staffing Act.

Drug Abuse Treatment and Education Fund – To account for collection of additional penalties for certain drug related crimes and for expenditures of those funds solely and exclusively for drug abuse treatment and education programs.

E-911 Fund – To account for emergency services which are provided to all County taxpayers. Financing is provided through user fees and charges and contributions from the General Fund.

Clerk of Superior Court Fund – This fund is used to account for intergovernmental funds collected by the Superior Court Clerk's office which are restricted for handling habeas corpus cases in the Superior Court of Butts County and for storing and retaining court records related to specific inmates at the County.

Sheriff Fund – To account for monies related to the inmate commissary at the County and to account for monies collected from seizures and forfeitures.

Library Fund – To account for the revenues and expenditures from the operation of the Library.

Recreation Department Improvement Fund – To account for the revenues and expenditures applicable to the recreation department that have been committed.

Grant Fund – To account for grant revenues and expenditures related to various short-term projects.

Hotel/Motel Tax Fund – To account for the collection of hotel/motel tax collected by the County.

BUTTS COUNTY, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

CAPITAL PROJECTS FUNDS

Impact Fees Fund – To account for the capital projects activity funded by developmental impact fees.

2012 SPLOST Fund – To account for the financial resources provided and subsequently expended from the 2012 1% Special Purpose Local Option Sales Tax.

BUTTS COUNTY, GEORGIA

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2022

	Special Revenue					Clerk of Superior Court
	Law Library	Courthouse Maintenance	Jail	Drug Abuse Treatment & Education	E-911	
ASSETS						
Cash and cash equivalents	\$ 19,347	\$ 46,486	\$ 244,029	\$ 140,181	\$ 394,897	\$ 683,658
Accounts receivable	-	-	80	-	80,912	-
Due from other funds	-	81,426	-	-	-	-
Total assets	<u>\$ 19,347</u>	<u>\$ 127,912</u>	<u>\$ 244,109</u>	<u>\$ 140,181</u>	<u>\$ 475,809</u>	<u>\$ 683,658</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 200	\$ 677	\$ 8,248	\$ 1,103	\$ 925	\$ -
Due to other funds	-	-	4,750	-	31,791	-
Total liabilities	<u>200</u>	<u>677</u>	<u>12,998</u>	<u>1,103</u>	<u>32,716</u>	<u>-</u>
FUND BALANCES						
Restricted for:						
Program purposes						
General government	-	127,235	-	-	-	-
Judicial	19,147	-	-	-	-	683,658
Public safety	-	-	231,111	139,078	443,093	-
Culture and recreation	-	-	-	-	-	-
Promotion and tourism	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Committed:						
Culture and recreation	-	-	-	-	-	-
Total fund balances	<u>19,147</u>	<u>127,235</u>	<u>231,111</u>	<u>139,078</u>	<u>443,093</u>	<u>683,658</u>
Total liabilities and fund balances	<u>\$ 19,347</u>	<u>\$ 127,912</u>	<u>\$ 244,109</u>	<u>\$ 140,181</u>	<u>\$ 475,809</u>	<u>\$ 683,658</u>

Special Revenue					Capital Projects		Nonmajor Governmental Funds Total
Sheriff	Library	Recreation Department Improvement	Grants	Hotel/Motel	Impact Fees	2012 SPLOST	
\$ 122,023	\$ 176,792	\$ 154,018	\$ 599,126	\$ 236,916	\$ 1,098,162	\$ -	\$ 3,915,635
-	-	-	8,083	20,842	15,300	-	125,217
-	-	-	7,735	-	-	-	89,161
<u>\$ 122,023</u>	<u>\$ 176,792</u>	<u>\$ 154,018</u>	<u>\$ 614,944</u>	<u>\$ 257,758</u>	<u>\$ 1,113,462</u>	<u>\$ -</u>	<u>\$ 4,130,013</u>
\$ 175	\$ -	\$ 508	\$ 985	\$ 161,098	\$ 735	\$ -	\$ 174,654
-	6,091	-	-	81,426	-	-	124,058
175	6,091	508	985	242,524	735	-	298,712
-	-	-	613,959	-	-	-	741,194
-	-	-	-	-	-	-	702,805
121,848	-	-	-	-	-	-	935,130
-	170,701	-	-	-	-	-	170,701
-	-	-	-	15,234	-	-	15,234
-	-	-	-	-	1,112,727	-	1,112,727
-	-	153,510	-	-	-	-	153,510
121,848	170,701	153,510	613,959	15,234	1,112,727	-	3,831,301
<u>\$ 122,023</u>	<u>\$ 176,792</u>	<u>\$ 154,018</u>	<u>\$ 614,944</u>	<u>\$ 257,758</u>	<u>\$ 1,113,462</u>	<u>\$ -</u>	<u>\$ 4,130,013</u>

BUTTS COUNTY, GEORGIA

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

	Special Revenue					
	Law Library	Courthouse Maintenance	Jail	Drug Abuse Treatment & Education	E-911	Clerk of Superior Court
REVENUES						
Other taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	474,411	33,112
Fines and forfeitures	16,473	45,464	57,821	61,683	-	-
Investment earnings	-	6	25	66	28	-
Contributions	-	-	-	-	-	-
Total revenues	16,473	45,470	57,846	61,749	474,439	33,112
EXPENDITURES						
Current:						
General government	-	64,361	-	-	-	-
Judicial	16,044	-	-	-	-	45,275
Public safety	-	-	65,247	40,277	754,981	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Housing and development	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	16,044	64,361	65,247	40,277	754,981	45,275
Excess (deficiency) of revenues over (under) expenditures	429	(18,891)	(7,401)	21,472	(280,542)	(12,163)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	81,426	-	-	427,089	-
Transfers out	-	-	(200,000)	-	-	-
Total other financing sources (uses)	-	81,426	(200,000)	-	427,089	-
Net change in fund balances	429	62,535	(207,401)	21,472	146,547	(12,163)
FUND BALANCES, beginning of year	18,718	64,700	438,512	117,606	296,546	695,821
FUND BALANCES, end of year	\$ 19,147	\$ 127,235	\$ 231,111	\$ 139,078	\$ 443,093	\$ 683,658

Special Revenue					Capital Projects		
Sheriff	Library	Recreation Department Improvement	Grants	Hotel/Motel	Impact Fees	2012 SPLOST	Total
\$ -	\$ -	\$ -	\$ -	\$ 217,136	\$ -	\$ -	\$ 217,136
-	-	-	498,132	-	-	-	498,132
231,342	6,091	-	-	-	1,084,129	-	1,829,085
728,259	-	-	-	-	-	-	909,700
-	50	16	-	12	48	3	254
38,435	3,200	-	-	-	-	-	41,635
998,036	9,341	16	498,132	217,148	1,084,177	3	3,495,942
-	-	-	-	-	-	-	64,361
-	-	-	-	-	-	-	61,319
940,073	-	-	-	-	-	-	1,800,578
-	-	-	7,401	-	-	-	7,401
-	8,319	16,693	-	-	-	-	25,012
-	-	-	-	161,098	-	-	161,098
-	-	-	618,479	-	-	-	618,479
-	-	-	-	-	27,818	42,646	70,464
940,073	8,319	16,693	625,880	161,098	27,818	42,646	2,808,712
57,963	1,022	(16,677)	(127,748)	56,050	1,056,359	(42,643)	687,230
-	-	-	-	-	-	-	508,515
-	(6,091)	-	-	(81,426)	-	-	(287,517)
-	(6,091)	-	-	(81,426)	-	-	220,998
57,963	(5,069)	(16,677)	(127,748)	(25,376)	1,056,359	(42,643)	908,228
63,885	175,770	170,187	741,707	40,610	56,368	42,643	2,923,073
\$ 121,848	\$ 170,701	\$ 153,510	\$ 613,959	\$ 15,234	\$ 1,112,727	\$ -	\$ 3,831,301

BUTTS COUNTY, GEORGIA

SPECIAL REVENUE FUNDS SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Law Library		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Fines and forfeitures	\$ 16,473	\$ 16,473	\$ -
Investment earnings	-	-	-
Total revenues	16,473	16,473	-
EXPENDITURES			
Current:			
General government	-	-	-
Judicial	16,473	16,044	429
Public safety	-	-	-
Total expenditures	16,473	16,044	429
Excess (deficiency) of revenues over (under) expenditures	-	429	429
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	-	429	429
FUND BALANCES, beginning of year	18,718	18,718	-
FUND BALANCES, end of year	\$ 18,718	\$ 19,147	\$ 429

Courthouse Maintenance			Jail		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
\$ 64,361	\$ 45,464	\$ (18,897)	\$ 57,000	\$ 57,821	\$ 821
-	6	6	-	25	25
64,361	45,470	(18,891)	57,000	57,846	846
64,361	64,361	-	-	-	-
-	-	-	-	-	-
-	-	-	65,247	65,247	-
64,361	64,361	-	65,247	65,247	-
-	(18,891)	(18,891)	(8,247)	(7,401)	846
-	81,426	81,426	-	-	-
-	-	-	(257,000)	(200,000)	57,000
-	81,426	81,426	(257,000)	(200,000)	57,000
-	62,535	62,535	(265,247)	(207,401)	57,846
64,700	64,700	-	438,512	438,512	-
\$ 64,700	\$ 127,235	\$ 62,535	\$ 173,265	\$ 231,111	\$ 57,846

(Continued)

BUTTS COUNTY, GEORGIA

SPECIAL REVENUE FUNDS SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Drug Abuse Treatment and Education		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Charges for services	\$ -	\$ -	\$ -
Fines and forfeitures	40,277	61,683	21,406
Investment earnings	-	66	66
Total revenues	40,277	61,749	21,472
EXPENDITURES			
Current:			
Judicial	-	-	-
Public safety	40,277	40,277	-
Total expenditures	40,277	40,277	-
Excess (deficiency) of revenues over (under) expenditures	-	21,472	21,472
OTHER FINANCING SOURCES			
Transfers in	-	-	-
Total other financing sources	-	-	-
Net change in fund balances	-	21,472	21,472
FUND BALANCES, beginning of year	117,606	117,606	-
FUND BALANCES, end of year	\$ 117,606	\$ 139,078	\$ 21,472

E-911			Clerk of Superior Court		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
\$ 455,214	\$ 474,411	\$ 19,197	\$ 45,275	\$ 33,112	\$ (12,163)
-	-	-	-	-	-
20	28	8	-	-	-
455,234	474,439	19,205	45,275	33,112	(12,163)
-	-	-	45,275	45,275	-
832,323	754,981	77,342	-	-	-
832,323	754,981	77,342	45,275	45,275	-
(377,089)	(280,542)	96,547	-	(12,163)	(12,163)
427,089	427,089	-	-	-	-
427,089	427,089	-	-	-	-
50,000	146,547	96,547	-	(12,163)	(12,163)
296,546	296,546	-	695,821	695,821	-
\$ 346,546	\$ 443,093	\$ 96,547	\$ 695,821	\$ 683,658	\$ (12,163)

(Continued)

BUTTS COUNTY, GEORGIA

SPECIAL REVENUE FUNDS SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Sheriff		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Charges for services	\$ 231,342	\$ 231,342	\$ -
Fines and forfeitures	728,259	728,259	-
Investment earnings	-	-	-
Contributions	38,435	38,435	-
Total revenues	998,036	998,036	-
EXPENDITURES			
Current:			
Public safety	998,036	940,073	57,963
Culture and recreation	-	-	-
Total expenditures	998,036	940,073	57,963
Excess (deficiency) of revenues over (under) expenditures	-	57,963	57,963
OTHER FINANCING USES			
Transfers out	-	-	-
Total other financing uses	-	-	-
Net change in fund balances	-	57,963	57,963
FUND BALANCES, beginning of year	63,885	63,885	-
FUND BALANCES, end of year	\$ 63,885	\$ 121,848	\$ 57,963

Library			Recreation Department Improvement		
Final Budget	Actual	Variance With Final Budget	Final Budget	Actual	Variance With Final Budget
\$ 11,160	\$ 6,091	\$ (5,069)	\$ -	\$ -	\$ -
-	-	-	-	-	-
50	50	-	30,000	16	(29,984)
3,200	3,200	-	-	-	-
14,410	9,341	(5,069)	30,000	16	(29,984)
-	-	-	-	-	-
8,319	8,319	-	30,000	16,693	13,307
8,319	8,319	-	30,000	16,693	13,307
6,091	1,022	(5,069)	-	(16,677)	(16,677)
(6,091)	(6,091)	-	-	-	-
(6,091)	(6,091)	-	-	-	-
-	(5,069)	(5,069)	-	(16,677)	(16,677)
175,770	175,770	-	170,187	170,187	-
\$ 175,770	\$ 170,701	\$ (5,069)	\$ 170,187	\$ 153,510	\$ (16,677)

(Continued)

BUTTS COUNTY, GEORGIA

SPECIAL REVENUE FUNDS SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Grants		
	Final Budget	Actual	Variance With Final Budget
REVENUES			
Other taxes	\$ -	\$ -	\$ -
Intergovernmental	498,132	498,132	-
Investment earnings	-	-	-
Total revenues	498,132	498,132	-
EXPENDITURES			
Current:			
Health and welfare	7,401	7,401	-
Housing and development	-	-	-
Intergovernmental	618,479	618,479	-
Total expenditures	625,880	625,880	-
Excess (deficiency) of revenues over (under) expenditures	(127,748)	(127,748)	-
OTHER FINANCING USES			
Transfers out	-	-	-
Total other financing uses	-	-	-
Net change in fund balances	(127,748)	(127,748)	-
FUND BALANCES, beginning of year	741,707	741,707	-
FUND BALANCES, end of year	\$ 613,959	\$ 613,959	\$ -

Hotel/Motel		
Final Budget	Actual	Variance With Final Budget
\$ 217,148	\$ 217,136	\$ (12)
-	-	-
-	12	12
217,148	217,148	-
-	-	-
161,098	161,098	-
-	-	-
161,098	161,098	-
56,050	56,050	-
(81,426)	(81,426)	-
(81,426)	(81,426)	-
(25,376)	(25,376)	-
40,610	40,610	-
\$ 15,234	\$ 15,234	\$ -

BUTTS COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2012 ISSUE FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Estimated Cost	Current Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
Capital Outlay Projects:					
A. City of Jackson	\$ 3,361,843	\$ 3,361,843	\$ 3,682,901	\$ -	\$ 3,682,901
B. City of Flovilla	537,895	537,895	589,265	-	589,265
C. City of Jenkinsburg	660,000	660,000	441,951	-	441,951
D. Butts County et al. Water and Sewer Authority	2,286,053	2,286,053	2,504,373	-	2,504,373
E. Development Authority of Butts County	5,042,776	5,042,776	4,405,606	-	4,405,606
F. Roads and bridges	3,777,840	3,777,840	5,132,207	-	5,132,207
G. Capital equipment	3,080,320	3,080,320	3,098,005	42,646	3,140,651
Refinance of Existing Projects:					
A. Principal payments	723,707	723,707	723,707	-	723,707
B. Interest payments	6,315	6,315	6,315	-	6,315
Total	\$ 19,476,749	\$ 19,476,749	\$ 20,584,330	\$ 42,646	\$ 20,626,976

BUTTS COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2018 ISSUE FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Estimated Cost	Current Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
Capital Outlay Projects					
A. City of Jackson	\$ 5,500,000	\$ 5,500,000	\$ 1,915,248	\$ 1,296,279	\$ 3,211,527
B. City of Flovilla	1,650,000	1,650,000	306,440	207,404	513,844
C. City of Jenkinsburg	825,000	825,000	306,440	207,405	513,845
D. Butts County et al. Water Sewer Authority	9,098,885	9,098,885	1,225,759	829,619	2,055,378
E. Judicial wing addition	4,000,000	4,000,000	5,930,786	-	5,930,786
F. Courthouse rehabilitation	2,000,000	2,000,000	2,725,051	-	2,725,051
G. Fire services ladder truck	1,000,000	1,000,000	834,750	-	834,750
H. Roads, streets and bridges	4,000,000	4,000,000	387,072	1,090,228	1,477,300
I. Public safety and equipment	1,250,000	1,250,000	82,765	450,849	533,614
J. Tourism and historic sites	100,000	100,000	-	-	-
K. Library	38,500	38,500	-	-	-
L. Animal control rehabilitation	150,000	150,000	-	-	-
M. Leisure services	350,000	350,000	-	6,331	6,331
N. E-911 repeaters	100,000	100,000	-	-	-
O. Administration technology upgrades	250,000	250,000	63,015	1,100	64,115
P. Facilities (HVAC, Infrastructure)	3,000,000	3,000,000	-	96,596	96,596
Debt service - interest/issuance costs on SPLOST bonds	-	-	-	192,000	192,000
	<u>\$ 33,312,385</u>	<u>\$ 33,312,385</u>	<u>\$ 13,777,326</u>	<u>\$ 4,377,811</u>	<u>\$ 18,155,137</u>

Expenditures per Statement of Revenues,
Expenditures and Changes in Fund Balance:

SPLOST Debt Service Fund	\$ 3,887,707
SPLOST Capital Projects Fund	1,645,104
Principal payments	(1,155,000)
	<u>\$ 4,377,811</u>

CUSTODIAL FUNDS

BUTTS COUNTY, GEORGIA

CUSTODIAL FUNDS

Tax Commissioner	To account for tax billings, collections and remittances made by property owners of record on behalf of other governmental agencies.
Magistrate Court	To account for the receipt and disbursement of court-ordered fines and fees made on behalf of third parties.
Probate Court	To account for the collection of fees for firearms licenses, certificates, marriage licenses, passports, etc., which are disbursed to other parties.
Clerk of Superior Court	To account for the receipt and disbursement of court-ordered fines and fees made on behalf of third parties.
Sheriff	To account for the collection and remittance of fines, bond forfeitures, and various fees, and to account for the receipt and disbursement of funds held on behalf of County inmates housed in the County detention facility.

BUTTS COUNTY, GEORGIA

COMBINING STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS - CUSTODIAL FUNDS JUNE 30, 2022

	<u>Tax Commissioner</u>	<u>Magistrate Court</u>	<u>Probate Court</u>	<u>Clerk of Superior Court</u>	<u>Sheriff</u>	<u>Total</u>
ASSETS						
Cash	\$ 629,176	\$ 20,241	\$ 74,242	\$ 192,451	\$ 885,759	\$ 1,801,869
Taxes receivable	<u>1,361,948</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,361,948</u>
Total assets	<u>\$ 1,991,124</u>	<u>\$ 20,241</u>	<u>\$ 74,242</u>	<u>\$ 192,451</u>	<u>\$ 885,759</u>	<u>\$ 3,163,817</u>
LIABILITIES						
Due to others	\$ 526,798	\$ 4,484	\$ 72,683	\$ 89,240	\$ 9,956	\$ 703,161
Uncollected taxes	<u>1,361,948</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,361,948</u>
Total liabilities	<u>\$ 1,888,746</u>	<u>\$ 4,484</u>	<u>\$ 72,683</u>	<u>\$ 89,240</u>	<u>\$ 9,956</u>	<u>\$ 2,065,109</u>
NET POSITION						
Restricted for individuals, organizations and other governments	<u>\$ 102,378</u>	<u>\$ 15,757</u>	<u>\$ 1,559</u>	<u>\$ 103,211</u>	<u>\$ 875,803</u>	<u>\$ 1,098,708</u>

BUTTS COUNTY, GEORGIA

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

	<u>Tax Commissioner</u>	<u>Magistrate Court</u>	<u>Probate Court</u>	<u>Clerk of Superior Court</u>	<u>Sheriff</u>	<u>Total</u>
ADDITIONS						
Taxes collected	\$ 17,529,044	\$ -	\$ -	\$ -	\$ -	\$ 17,529,044
Fines and fees collected	-	145,185	873,633	1,515,656	4,095,452	6,629,926
Total additions	<u>17,529,044</u>	<u>145,185</u>	<u>873,633</u>	<u>1,515,656</u>	<u>4,095,452</u>	<u>24,158,970</u>
DEDUCTIONS						
Taxes disbursed	17,552,707	-	-	-	-	17,552,707
Fines and fees disbursed	-	148,650	1,001,424	1,607,990	4,845,059	7,603,123
Total deductions	<u>17,552,707</u>	<u>148,650</u>	<u>1,001,424</u>	<u>1,607,990</u>	<u>4,845,059</u>	<u>25,155,830</u>
Change in net position	(23,663)	(3,465)	(127,791)	(92,334)	(749,607)	(996,860)
Net position, beginning of year	<u>126,041</u>	<u>19,222</u>	<u>129,350</u>	<u>195,545</u>	<u>1,625,410</u>	<u>2,095,568</u>
Net position, end of year	<u>\$ 102,378</u>	<u>\$ 15,757</u>	<u>\$ 1,559</u>	<u>\$ 103,211</u>	<u>\$ 875,803</u>	<u>\$ 1,098,708</u>

III. STATISTICAL SECTION

STATISTICAL SECTION

This part of Butts County, Georgia's Annual Comprehensive Financial Report ("ACFR") presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	78 – 87
<i>These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.</i>	
Revenue Capacity	88 – 93
<i>These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.</i>	
Debt Capacity	94 – 97
<i>These schedules contain information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	98
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.</i>	
Operating Information	99 – 101
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the government provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive financial reports for the relevant year. The County implemented GASB Statement 34 for the year ended June 30, 2003; schedules presenting financial information include information beginning in that year.

BUTTS COUNTY, GEORGIA

NET POSITION BY COMPONENT LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30, 2022				
	2013	2014	2015	2016	2017
Primary government:					
Governmental activities:					
Investment in capital assets	\$ 78,883,055	\$ 76,819,883	\$ 75,653,320	\$ 74,262,966	\$ 72,994,651
Restricted	3,348,185	3,468,839	3,356,858	2,712,526	3,342,906
Unrestricted	7,317,173	6,734,075	2,726,860	253,070	(2,582,677)
Total primary government net position	<u>\$ 89,548,413</u>	<u>\$ 87,022,797</u>	<u>\$ 81,737,038</u>	<u>\$ 77,228,562</u>	<u>\$ 73,754,880</u>

Fiscal Year Ended June 30, 2022				
2018	2019	2020	2021	2022
\$ 72,349,883	\$ 69,920,221	\$ 68,787,330	\$ 71,929,956	\$ 68,888,130
2,828,711	3,708,772	6,148,457	5,126,006	12,512,325
(2,124,998)	(4,720,997)	(5,087,667)	(1,299,376)	590,972
<u>\$ 73,053,596</u>	<u>\$ 68,907,996</u>	<u>\$ 69,848,120</u>	<u>\$ 75,756,586</u>	<u>\$ 81,991,427</u>

BUTTS COUNTY, GEORGIA

CHANGES IN NET POSITION LAST TEN FISCAL YEARS (ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ended June 30, 2022				
	2013	2014	2015	2016	2017
Expenses					
Governmental activities:					
General government	\$ 5,090,536	\$ 6,143,350	\$ 6,310,560	\$ 7,799,041	\$ 7,098,733
Public safety	8,985,730	8,566,830	8,514,357	9,115,213	9,465,230
Public works	4,465,682	4,791,653	4,660,531	5,025,145	4,612,015
Judicial	1,385,597	1,452,571	1,592,810	1,536,548	1,648,072
Health and welfare	773,170	782,690	794,838	242,690	240,572
Culture and recreation	1,178,878	1,286,772	1,155,162	1,208,280	1,214,819
Economic opportunity	9,775	10,793	11,775	11,775	9,813
Housing and development	1,516,257	1,595,220	1,527,823	1,701,874	2,020,054
Interest on long-term debt	321,800	175,589	154,800	123,994	45,940
Total primary government expenses	<u>\$ 23,727,425</u>	<u>\$ 24,805,468</u>	<u>\$ 24,722,656</u>	<u>\$ 26,764,560</u>	<u>\$ 26,355,248</u>
Program revenues					
Governmental activities:					
Charges for services	\$ 4,728,973	\$ 4,553,412	\$ 4,374,107	\$ 5,366,815	\$ 5,544,793
Operating grants and contributions	421,340	133,496	127,220	134,666	136,466
Capital grants and contributions	236,919	326,571	322,230	320,490	685,289
Total primary government program revenues	<u>\$ 5,387,232</u>	<u>\$ 5,013,479</u>	<u>\$ 4,823,557</u>	<u>\$ 5,821,971</u>	<u>\$ 6,366,548</u>
Net (expense)/revenue					
Total primary government net expense	<u>\$ (18,340,193)</u>	<u>\$ (19,791,989)</u>	<u>\$ (19,899,099)</u>	<u>\$ (20,942,589)</u>	<u>\$ (19,988,700)</u>
General Revenues and Other					
Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 9,808,689	\$ 9,552,992	\$ 9,472,853	\$ 8,984,945	\$ 8,413,521
Sales taxes	6,350,561	6,194,278	6,541,956	5,933,741	6,491,306
Insurance premium taxes	785,859	816,774	861,867	922,925	982,140
Other taxes	182,768	191,202	179,146	171,478	173,836
Investment revenue	13,066	39,599	49,580	22,446	24,799
Miscellaneous	402,337	520,577	882,985	390,237	404,135
Gain on sale of capital assets	-	-	-	8,341	25,281
Total primary government	<u>\$ \$17,543,280</u>	<u>\$ \$17,315,422</u>	<u>\$ \$17,988,387</u>	<u>\$ \$16,434,113</u>	<u>\$ \$16,515,018</u>
Change in Net Position					
Total primary government	<u>\$ (796,913)</u>	<u>\$ (2,476,567)</u>	<u>\$ (1,910,712)</u>	<u>\$ (4,508,476)</u>	<u>\$ (3,473,682)</u>

Fiscal Year Ended June 30, 2022

2018	2019	2020	2021	2022
\$ 6,106,208	\$ 9,954,910	\$ 7,805,569	\$ 7,464,792	\$ 8,381,134
10,300,932	10,448,663	12,600,416	13,429,161	1,822,723
4,184,571	4,405,744	4,819,827	3,650,099	13,329,307
1,711,397	1,969,000	1,702,429	1,619,245	6,152,944
230,542	139,882	130,489	139,882	147,283
1,183,908	1,105,158	1,266,022	1,240,570	1,215,595
11,775	7,500	12,896	36,977	133,715
1,798,044	1,052,266	573,058	748,256	935,273
141,706	266,583	230,195	255,280	268,114
<u>\$ 25,669,083</u>	<u>\$ 29,349,706</u>	<u>\$ 29,140,901</u>	<u>\$ 28,584,262</u>	<u>\$ 32,386,088</u>
\$ 6,153,239	\$ 6,115,083	\$ 8,392,655	\$ 9,429,082	12,822,974
146,792	266,853	391,167	918,925	539,767
1,106,566	607,435	1,149,964	764,353	1,311,156
<u>\$ 7,406,597</u>	<u>\$ 6,989,371</u>	<u>\$ 9,933,786</u>	<u>\$ 11,112,360</u>	<u>\$ 14,673,897</u>
<u>\$ (18,262,486)</u>	<u>\$ (22,360,335)</u>	<u>\$ (19,207,115)</u>	<u>\$ (17,471,902)</u>	<u>\$ (17,712,191)</u>
\$ 9,378,048	\$ 9,151,492	\$ 10,320,741	\$ 12,332,204	\$ 13,439,168
6,450,837	7,021,544	7,665,054	8,484,594	10,675,834
1,051,838	1,134,164	1,217,235	1,294,927	1,344,698
174,787	289,393	321,704	367,267	669,558
25,895	36,501	30,185	69,474	6,930
413,101	581,641	592,320	831,902	-
66,696	-	-	-	-
<u>\$ \$17,561,202</u>	<u>\$ \$18,214,735</u>	<u>\$ \$20,147,239</u>	<u>\$ \$23,380,368</u>	<u>\$ 26,136,188</u>
<u>\$ (701,284)</u>	<u>\$ (4,145,600)</u>	<u>\$ 940,124</u>	<u>\$ 5,908,466</u>	<u>\$ 8,423,997</u>

BUTTS COUNTY, GEORGIA

PROGRAM REVENUES BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS (ACCRUAL BASIS OF ACCOUNTING)

Function/Program	Fiscal Year Ended June 30, 2022				
	2013	2014	2015	2016	2017
Governmental activities:					
General government	\$ 153,502	\$ 201,405	\$ 192,303	\$ 276,825	\$ 278,028
Public safety	2,440,515	2,210,726	2,068,758	2,932,988	3,269,427
Public works	1,522,035	1,573,798	1,908,078	1,990,786	1,905,050
Judicial	244,981	217,708	273,290	244,968	250,904
Health and welfare	-	-	-	-	-
Culture and recreation	357,811	341,494	360,466	340,034	355,050
Housing and development	10,129	8,281	20,752	36,370	308,089
Total primary government	<u>\$ 4,728,973</u>	<u>\$ 4,553,412</u>	<u>\$ 4,823,647</u>	<u>\$ 5,821,971</u>	<u>\$ 6,366,548</u>

Fiscal Year Ended June 30, 2022				
2018	2019	2020	2021	2022
\$ 496,369	\$ 275,226	\$ 376,399	\$ 521,403	\$ 2,803,571
3,457,045	3,694,568	4,913,549	5,427,752	714,538
2,658,426	1,605,711	2,625,770	2,894,646	4,889,608
266,932	196,037	224,940	298,742	5,411,525
-	-	-	-	498,132
335,101	323,668	245,031	284,368	356,523
192,654	19,873	6,966	2,171	-
<u>\$ 7,406,527</u>	<u>\$ 6,115,083</u>	<u>\$ 8,392,655</u>	<u>\$ 9,429,082</u>	<u>\$ 14,673,897</u>

BUTTS COUNTY, GEORGIA

FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ended June 30, 2022				
	2013	2014	2015	2016	2017
General Fund					
Nonspendable	\$ 1,062,500	\$ 1,062,500	\$ 1,062,500	\$ 1,062,500	\$ 1,062,500
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	7,030,237	6,303,335	5,560,850	4,349,835	2,178,419
Total General Fund	8,092,737	7,365,835	6,623,350	5,412,335	3,240,919
All Other Governmental Funds					
Nonspendable	-	-	-	-	-
Committed	-	-	-	-	-
Restricted	3,348,185	3,468,839	3,356,858	2,712,526	3,072,622
Total All Other Governmental Funds	\$ 11,440,922	\$ 10,834,674	\$ 3,356,858	\$ 2,712,526	\$ 3,072,622

Fiscal Year Ended June 30, 2022				
2018	2019	2020	2021	2022
\$ 1,062,500	\$ 1,062,500	\$ 1,062,500	\$ 1,085,942	\$ 1,119,630
-	-	-	-	-
-	-	-	-	-
7,944	33,636	18,038	-	-
2,064,979	1,887,066	3,919,845	8,137,881	9,473,401
3,135,423	2,983,202	5,000,383	9,223,823	10,593,031
-	-	-	-	750
-	-	-	-	153,510
9,951,338	10,287,611	6,148,457	5,126,006	12,512,325
\$ 9,951,338	\$ 10,287,611	\$ 6,148,457	\$ 5,126,006	\$ 12,666,585

BUTTS COUNTY, GEORGIA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ended June 30, 2022				
	2013	2014	2015	2016	2017
REVENUES					
Taxes	\$ 17,145,740	\$ 16,739,351	\$ 17,069,362	\$ 16,023,684	\$ 16,046,932
Licenses and permits	76,938	112,305	106,994	159,310	144,411
Intergovernmental	622,882	410,285	404,850	403,087	767,432
Fines and forfeitures	1,137,344	1,078,091	811,335	982,862	1,030,233
Charges for services	3,356,691	3,329,966	3,416,867	4,178,837	4,326,032
Contributions and donations	35,377	80,950	84,211	97,875	97,876
Investment earnings	13,066	12,962	17,918	22,446	25,365
Miscellaneous	402,337	477,844	785,634	383,475	405,728
Total Revenues	<u>22,790,375</u>	<u>22,241,754</u>	<u>22,697,171</u>	<u>22,251,576</u>	<u>22,844,009</u>
EXPENDITURES					
General government	4,334,463	4,653,072	4,742,394	5,030,339	5,122,856
Public safety	8,284,082	8,158,510	7,874,515	8,174,715	8,638,127
Public works	1,766,452	1,785,991	1,884,262	1,972,746	1,787,425
Judicial	1,338,887	1,401,670	1,545,122	1,464,593	1,590,924
Health and welfare	773,170	782,690	794,838	242,690	240,572
Culture and recreation	1,060,641	1,170,540	1,036,962	1,068,586	1,107,295
Economic opportunity	9,775	10,793	11,775	11,775	9,813
Housing and development	1,503,854	1,582,287	1,526,648	2,992,235	1,907,393
Intergovernmental	424,378	1,157,905	1,265,794	1,145,983	1,231,292
Debt service:					
Principal	3,950,000	1,272,799	1,289,390	1,439,163	1,398,090
Interest	356,739	181,616	160,925	99,695	143,409
Capital outlay	491,778	1,028,584	1,420,147	1,943,273	1,503,414
Total Expenditures	<u>24,294,219</u>	<u>23,186,457</u>	<u>23,552,772</u>	<u>25,585,793</u>	<u>24,680,610</u>
Excess of Revenues					
Over (Under) Expenditures	<u>(1,503,844)</u>	<u>(944,703)</u>	<u>(855,601)</u>	<u>(3,334,217)</u>	<u>(1,836,601)</u>
OTHER FINANCING SOURCES					
(USES)					
Transfers in	1,131,028	1,308,465	2,181,675	1,573,860	1,642,548
Transfers out	(1,131,028)	(1,308,465)	(2,181,675)	(1,573,860)	(1,642,548)
Bond proceeds	-	-	-	-	-
Bond premium	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
Proceeds from sale of property	-	-	-	68,398	25,281
Insurance proceeds	-	-	1,135	6,762	-
Capital leases issued	-	338,455	-	1,403,710	-
Lease issued	-	-	-	-	-
Issuance of debt	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>338,455</u>	<u>1,135</u>	<u>1,478,870</u>	<u>25,281</u>
Net Change in Fund Balances	<u>\$ (1,503,844)</u>	<u>\$ (606,248)</u>	<u>\$ (854,466)</u>	<u>\$ (1,855,347)</u>	<u>\$ (1,811,320)</u>
Debt Service as a Percentage					
of Non-capital Expenditures	18.40%	6.80%	6.70%	7.00%	6.70%

Fiscal Year Ended June 30, 2022				
2018	2019	2020	2021	2022
\$ 17,030,765	\$ 17,555,620	\$ 19,545,942	\$ 22,403,544	\$ 25,983,785
444,301	234,841	278,703	368,624	514,256
1,180,292	531,232	1,394,406	1,324,380	1,808,679
1,077,542	1,061,199	1,867,207	1,838,156	10,123,615
4,596,808	4,782,095	6,200,352	7,222,302	1,473,319
98,436	228,801	69,502	357,434	41,635
35,113	187,704	153,801	10,129	7,539
413,101	613,019	687,336	831,902	711,784
24,876,358	25,194,511	30,197,249	34,356,471	40,664,612
4,805,515	5,237,925	4,560,699	5,002,433	6,368,451
9,205,238	9,512,901	12,068,679	12,774,500	13,512,294
1,983,345	1,529,875	2,442,279	2,422,518	2,950,981
1,653,060	1,673,545	1,653,809	1,678,837	1,780,352
230,542	139,882	139,882	139,882	147,283
1,077,467	1,015,217	1,153,068	1,134,353	1,278,796
11,775	7,500	12,896	36,977	7,500
1,684,001	944,759	474,428	648,615	837,156
1,221,904	1,582,776	1,588,886	1,777,837	3,159,186
1,439,559	836,414	1,314,441	1,293,915	1,453,571
110,318	306,038	238,558	263,755	256,154
2,030,638	2,405,717	6,819,519	3,981,860	1,626,918
25,453,362	25,192,549	32,467,144	31,155,482	33,378,642
(577,004)	1,962	(2,269,895)	3,200,989	7,285,970
1,416,296	1,664,580	1,665,745	2,695,435	8,159,665
(1,416,296)	(1,664,580)	(1,665,745)	(2,695,435)	(8,159,665)
7,000,000	-	-	-	-
364,852	-	-	-	-
(134,425)	-	-	-	-
119,797	-	-	-	-
-	-	-	-	-
-	182,090	-	-	-
-	-	-	-	1,092,851
-	-	147,922	-	-
7,350,224	182,090	147,922	-	1,092,851
\$ 6,773,220	\$ 184,052	\$ (2,121,973)	\$ 3,200,989	\$ 8,378,821
6.80%	5.10%	6.50%	6.10%	5.69%

BUTTS COUNTY, GEORGIA

TAX REVENUES BY SOURCE OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

Fiscal Year	General Property	Local Option (LOST) Sales	Intangible	Cable Franchise	Business Franchise
2013	\$ 8,996,325	\$ 2,471,825	\$ 99,583	\$ 17,756	\$ 15,937
2014	8,861,012	2,432,847	72,512	18,418	23,604
2015	8,840,292	2,568,298	78,494	27,060	23,604
2016	8,266,874	2,314,658	112,023	17,805	12,710
2017	7,759,699	2,522,032	107,806	18,676	26,794
2018	8,662,443	2,527,401	103,787	38,108	26,431
2019	8,602,136	2,736,573	105,577	37,390	26,600
2020	9,726,369	3,030,817	174,377	39,782	36,721
2021	11,601,233	3,309,096	212,270	46,303	33,606
2022	13,293,695	4,170,143	246,446	49,582	66,193

Insurance Premium	Real Estate Transfer	Alcoholic Beverage	Penalties and Interest	Debt Service	Total
\$ 785,859	\$ 16,651	\$ 112,840	\$ 732,365	\$ 3,896,599	\$ 17,145,740
816,774	20,835	114,898	632,915	3,761,431	16,755,246
861,867	25,574	109,858	560,657	3,973,658	17,069,362
922,925	39,681	109,270	598,059	3,629,678	16,023,683
982,140	41,461	118,132	514,788	3,955,404	16,046,932
1,051,838	44,333	116,936	560,797	3,898,691	17,030,765
1,134,164	49,926	107,051	512,204	4,243,998	17,555,619
1,217,235	57,857	122,739	484,600	4,655,445	19,545,942
1,294,927	74,757	132,828	598,474	5,100,050	22,403,544
1,344,698	140,353	120,672	620,825	6,505,691	26,558,298

BUTTS COUNTY, GEORGIA

DIRECT AND OVERLAPPING PROPERTY TAX RATES LAST TEN FISCAL YEARS (RATE PER \$1,000 OF ASSESSED VALUE)

	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
County direct rates:										
Basic rate	14.16	14.28	13.28	12.71	12.21	12.21	12.21	13.21	12.96	11.96
Hospital	-	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Total direct rate	14.16	14.28	14.28	13.71	13.21	13.21	13.21	14.21	13.96	12.96
Overlapping rates:										
School system	19.00	19.00	18.90	18.06	17.76	17.22	15.96	15.96	15.09	14.18
State of Georgia	0.15	0.10	0.05	-	-	-	-	-	-	-
Total overlapping rate	19.15	19.10	18.95	18.06	17.76	17.22	15.96	15.96	15.09	14.18
Total	33.31	33.38	33.23	31.77	30.97	30.43	29.17	30.17	29.05	27.13

BUTTS COUNTY, GEORGIA

DIRECT AND OVERLAPPING SALES TAX RATES LAST TEN FISCAL YEARS (RATE PER \$1,000 OF ASSESSED VALUE)

	Fiscal Year Ended June 30, 2022									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
County direct rates:										
LOST	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
SPLOST	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Overlapping rates:										
School system	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
State of Georgia	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00

BUTTS COUNTY, GEORGIA

PRINCIPAL PROPERTY TAXPAYERS CURRENT YEAR AND NINE YEARS AGO

Taxpayer	Fiscal Year 2022			Percentage of Total Taxable Assessed Value
	Taxable Assessed Value	Rank	County Tax Levy	
Georgia Power Company	\$ 31,229,165	1	\$ 907,114	3.82%
Central Georgia EMC	14,575,271	2	423,368	1.79%
Liberty Property Limited Partnership	12,298,209	3	357,226	1.51%
Norfolk Southern Corporation	12,082,236	4	350,953	1.48%
William B. Jones	8,681,394	5	186,226	1.06%
Salad Time, LLC	8,127,176	6	227,932	1.00%
Hyponex	7,414,742	7	91,653	0.91%
MAS Georgia LFG, LLC	5,277,430	8	153,294	0.65%
American Woodmark Corporation	4,504,399	9	104,752	0.55%
PFJ Southeast, LLC	3,354,321	10	97,433	0.41%
Herberton Rose Hill Development, LLLP	-	-	-	-
Simpson Charitable Remainder Unitrust	-	-	-	-
LKQ of Atlanta	-	-	-	-
Magnobutt Holdings, LLC	-	-	-	-
Total	<u>\$ 107,544,343</u>		<u>\$ 2,899,950</u>	<u>13.17%</u>

SOURCE:

Spalding County Tax Commissioner's Office

Fiscal Year 2013				
Taxable Assessed Value		Rank	County Tax Levy	Percentage of Total Taxable Assessed Value
\$	24,200,689	1	\$ 813,981	3.29%
	9,898,300	2	332,712	1.34%
	-		-	
	9,440,569	3	317,326	1.28%
	-		-	
	5,814,341	4	183,153	0.79%
	5,051,154	5	86,688	
	-		-	
	3,030,537	10	86,959	0.41%
	-		-	
	3,697,046	6	124,269	0.50%
	3,116,557	9	99,103	0.42%
	3,229,979	8	108,089	0.44%
	3,323,148	7	111,793	
\$	70,802,320		\$ 2,264,073	8.48%

BUTTS COUNTY, GEORGIA

OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Capital Lease Obligations</u>	<u>Financed Purchase Liability</u>	<u>Leases</u>	<u>Total Debt</u>
2013	\$ 7,396,657	\$ -	\$ -	\$ -	\$ 7,396,657
2014	6,163,137	270,656	-	-	6,433,793
2015	4,906,475	206,266	-	-	5,112,741
2016	3,624,174	1,483,663	-	-	5,107,837
2017	2,259,455	1,360,573	-	-	3,620,028
2018	8,221,093	1,231,014	-	-	9,452,107
2019	7,364,852	1,336,690	-	-	8,701,542
2020	6,189,043	1,345,980	-	-	7,535,023
2021	4,998,234	1,182,065	-	-	6,180,299
2022	3,702,420	-	1,009,597	1,075,733	5,787,750

BUTTS COUNTY, GEORGIA

GENERAL BONDED DEBT OUTSTANDING LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds		Less: Amounts Available in Debt Service Fund		Total
2013	\$	7,396,657	\$	1,190,278	\$ 6,206,379
2014		6,163,137		1,208,404	4,954,733
2015		4,906,475		667,129	4,239,346
2016		3,624,174		581,247	3,042,927
2017		2,259,455		649,497	1,609,958
2018		8,221,093		792,482	7,428,611
2019		7,364,852		786,235	6,578,617
2020		6,189,043		839,062	5,349,981
2021		4,998,234		954,666	4,043,568
2022		3,702,420		1,213,383	2,489,037

BUTTS COUNTY, GEORGIA

LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30,				
	2013	2014	2015	2016	2017
Net Assessed Value	\$ 612,732,801	\$ 593,786,232	\$ 569,601,381	\$ 554,376,241	\$ 586,987,064
Debt limit - 10% of Assessed Value	61,273,280	59,378,623	56,960,138	55,437,624	58,698,706
Net debt applicable to limit	7,396,657	6,163,137	4,906,475	3,624,174	2,259,455
Legal debt margin	<u>\$ 53,876,623</u>	<u>\$ 53,215,486</u>	<u>\$ 52,053,663</u>	<u>\$ 51,813,450</u>	<u>\$ 56,439,251</u>
Total net debt applicable to the limit as a percentage of debt limit	12.07%	10.38%	8.61%	6.54%	3.85%

Fiscal Year Ended June 30,				
2018	2019	2020	2021	2022
\$ 591,994,360	\$ 567,528,135	\$ 702,536,039	\$ 736,558,123	\$ 816,503,450
59,199,436	56,752,814	70,253,604	73,655,812	81,650,345
8,221,093	7,364,852	6,189,043	4,998,234	3,702,420
\$ 50,978,343	\$ 49,387,962	\$ 64,064,561	\$ 68,657,578	\$ 77,947,925
13.89%	12.98%	8.81%	6.79%	4.53%

BUTTS COUNTY, GEORGIA

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

Employer	Fiscal Year 2022		Fiscal Year 2013	
	Employees	Rank	Employees	Rank
Dollar General Distribution Center	650	1	565	2
Ready PAC Foods	600	2	N/A	N/A
American Woodmark	580	3	487	3
MasterBrand Cabinets	540	4	N/A	N/A
Butts County Board of Education	466	5	344	4
Georgia Diagnostic and Classification Prison	396	6	707	1
Butts County Government	255	7	210	5
LKQ Corporation	150	8	110	6
Advance Tabco	120	9	45	9
WellStar Sylvan Grove Hospital	106	10	92	7
Scotts Miracle Grow	95	11	60	8
R&B Metal Structures	81	12	N/A	9
	4,039		2,620	

BUTTS COUNTY, GEORGIA

FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

Function	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Board of Commissioners	5	5	5	5	5	5	5	5	5	5
Elections	2	2	2	1	1	1	1	2	2	2
Administration	5	4	5	6	5	6	6	6	7	8
Tax Commissioners	3	3	4	4	5	6	5	5	5	6
Tax Assessor	7	7	8	7	7	7	7	6	6	6
Building Maintenance	2	2	4	4	4	3	4	4	4	5
Judicial										
Superior Court	4	4	4	5	5	6	5	5	5	5
Magistrate Court	4	5	5	4	3	3	3	3	3	4
Probate Court	3	2	4	3	3	3	3	4	4	5
Juvenile Court	1	2	2	2	2	2	2	2	2	2
Sheriff										
Law Enforcement	43	47	49	54	60	63	61	60	60	60
Jail	30	30	29	33	30	39	39	44	43	43
Animal Control	2	2	2	4	4	5	5	4	4	4
Other Public Safety										
Fire Department/EMS	35	35	36	36	32	31	33	37	41	47
Coroner	1	1	1	1	1	1	1	1	1	1
E-911	12	13	13	13	11	14	14	14	14	14
Public works	23	25	24	24	23	21	20	20	20	20
Code enforcement	-	-	-	-	-	-	-	-	-	1
Other Departments										
Recreation	8	7	7	7	7	7	7	7	7	7
Senior Center	1	1	2	2	2	2	2	2	2	2
Library	3	3	3	3	2	2	2	2	2	2
County Extension	3	3	3	3	3	3	3	3	3	3
Planning & Development	12	13	10	8	9	4	4	3	3	3
IDA	1	1	1	1	1	1	-	-	-	-
Total Governmental Funds	210	217	223	230	225	235	231	239	243	255

SOURCE:

Human Resources Department

BUTTS COUNTY, GEORGIA

OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

Function	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Building Permits - Commercial	N/A	N/A	N/A	N/A	N/A	N/A	6	10	7	123
Building Permits - Residential	N/A	N/A	N/A	N/A	N/A	N/A	105	173	101	306
Public Safety										
Sheriff:										
Physical arrests	1,303	857	621	733	1,045	999	1,097	650	973	1,715
Traffic violations	N/A	3,544	4,933	4,656	6,060	3,216	4,599	4,939	3,865	4,098
Fire District:										
Fires Extinguished										
Structures	26	22	24	25	22	27	24	20	18	30
Vehicles	28	29	31	28	39	25	21	12	16	31
Brush	88	80	76	81	71	74	54	35	14	133
Calls for Service	79	82	79	85	74	88	64	40	383	345
EMS:										
Medical Responses	2,808	2,840	2,951	2,832	3,331	2,950	3,045	3,710	3,511	4,645
E-911:										
Calls for Service	18,214	25,592	24,489	29,889	37,625	39,624	36,678	34,252	34,981	32,396
Public Works										
County Roads (miles)	319.10	319.10	319.10	319.10	320.70	320.70	320.70	320.70	323.06	323.06

SOURCE:

Various County departments

BUTTS COUNTY, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

Function	Fiscal Year Ended June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety										
Sheriff:										
Patrol units	39	43	45	45	49	46	45	47	47	37
Fire District:										
Fire stations	3	3	4	4	4	4	4	4	4	4
Fire trucks	6	6	6	6	6	6	6	6	6	6
Fire aerial trucks	-	-	-	-	-	-	-	-	-	1
EMS:										
Ambulances	6	6	6	6	5	5	5	5	5	5
Public Works										
County roads (paved miles)	226	226	226	228	229	229	229	232	229	229
County roads (gravel miles)	93	93	93	91	91	91	91	89	94	94

SOURCE:

Various County departments.

IV. COMPLIANCE SECTION



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

**To the Board of Commissioners
of Butts County, Georgia
Jackson, Georgia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Butts County, Georgia (the "County") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated January 25, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 2022-002 through 2022-007 that we consider to be material weaknesses.

Report on Compliance and Other Matters

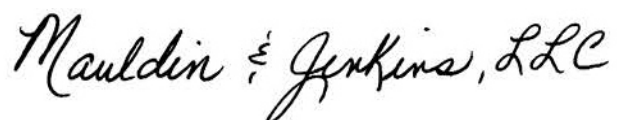
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompany schedule of findings and responses as 2022-001.

Butts County, Georgia's Response to Findings

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

Purpose of This Report

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

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The script is cursive and fluid, with the letters "M", "J", and "L" being particularly large and stylized.

Macon, Georgia
January 25, 2023

BUTTS COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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?

 X Yes No

Significant deficiencies identified?

 Yes X None Reported

Noncompliance material to financial statements noted?

 X Yes No

Federal Awards

The Uniform Guidance allows for an alternative to the Single Audit (in the form of a compliance attestation engagement) for those governments who meet two criteria: 1) a total Coronavirus State and Local Fiscal Recovery Funds award of \$10 million or less, and 2) other expenditures from other programs of less than \$750,000 in total. Butts County, Georgia meets both criteria and has elected to do a compliance attestation engagement for the year ended June 30, 2022.

BUTTS COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE FISCAL YEAR ENDED JUNE 30, 2022

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES

2022-001 – Tax Commissioner (Repeat Finding)

Criteria: Tax Commissioners are required by the Official Code of Georgia Annotated (“O.C.G.A.”) §48-5-141 to remit all taxes collected by them every two weeks in counties with a population under 30,000.

Condition: During the current year, the Tax Commissioner did not properly distribute tax collections to the County as required by state law.

Context: We addressed the matter with the County to determine the appropriate amounts to record as of and for the fiscal year ended June 30, 2021.

Effects: Tax collections were not remitted to the County in a timely manner.

Cause: There was a lack of appropriate controls at the Tax Commissioner’s office during the fiscal year to ensure proper distributions as required by state law.

Recommendation: We recommend the Tax Commissioner implement controls to ensure tax collections are distributed as required by state law.

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 errors and identify deficiencies from both operational and financial perspectives.

BUTTS COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2022-002 – Proper Recognition of Receivables and Deferred Inflows of Resources (Restatement)

Criteria: Generally accepted accounting principles and governmental accounting standards require revenues to be recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Condition: During the prior year and under the guidance provided by other third-party professionals, the County did not properly record receivables and deferred inflows of resources – unavailable revenues balances for the General Fund at June 30, 2021.

Context: We addressed the matter with the County to determine the appropriate amounts to record as a prior period restatement at July 1, 2021.

Effects: Prior period restatements were required of the County to properly record receivables, deferred inflows of resources – unavailable revenues, and fund balance at the fund level for the correction of an error. In addition, prior period restatements were required to increase receivables and net position at the government-wide level as July 1, 2021 for the correction of an error. These adjustments were as follows:

- Fund Level (General Fund) – prior period restatement to increase taxes receivable by \$866,489; increase deferred inflow of resources by \$794,330; and increase fund balance by \$72,159 as of July 1, 2021.
- Government-wide Level (Governmental Activities) – prior period restatement to increase taxes receivable by \$866,489 and increase net position by \$866,489 as of July 1, 2021.

Cause: There was a lack of appropriate controls implemented at the County during the prior fiscal year to ensure receivables and deferred inflows of resources – unavailable revenues accounts were properly reconciled and recorded.

Recommendation: We recommend the County carefully review all receivables and deferred inflows of resources – unavailable revenues accounts to ensure transactions are reported in accordance with GAAP.

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.

BUTTS COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE FISCAL YEAR ENDED JUNE 30, 2022

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2022-003– Proper Recognition of Receivables and Payables – SPLOST (Restatement)

Criteria: Generally accepted accounting principles and governmental accounting standards require revenues to be recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. In addition, generally accepted accounting principles require timely reporting of all current liabilities when goods have been received or services have been performed, regardless of the timing of the related cash flows.

Condition: During the prior year and under the guidance provided by other third-party professionals, the County did not properly record receivables and amounts due to other governments from SPLOST revenues.

Context: We addressed the matter with the County to determine the appropriate amounts to record as a prior period restatement at July 1, 2021.

Effects: Prior period restatements were required of the County to properly record intergovernmental receivables, intergovernmental payables and fund balance at the fund level and net position at the government-wide level for the correction of an error.

- Fund Level (2018 SPLOST Debt Service Fund) – prior period restatement to increase intergovernmental receivable 512,400, due to other governments payable \$53,592 and fund balance by \$458,807 as of July 1, 2021.
- Government-wide Level (Governmental activities) – prior period restatement to increase intergovernmental receivable \$512,400, due to other governments payable \$53,592 and net position by \$458,807 as of July 1, 2021.

Cause: There was a lack of appropriate controls implemented at the County during the prior fiscal year to ensure receivables and amounts due to other governments were properly reconciled and recorded.

Recommendation: We recommend the County carefully review all receivables and amounts due to other governments to ensure transactions are reported in accordance with GAAP.

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 errors and identify deficiencies from both operational and financial perspectives.

BUTTS COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE FISCAL YEAR ENDED JUNE 30, 2022

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2022-004 – Proper Recognition of Receivables – LOST (Restatement)

Criteria: Generally accepted accounting principles and governmental accounting standards require revenues to be recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Condition: During the prior year and under the guidance provided by other third-party professionals, the County did not properly record receivables from LOST at the government-wide level (governmental activities).

Context: We addressed the matter with the County to determine the appropriate amounts to record as a prior period restatement at July 1, 2021.

Effects: A prior period restatement to reduce the LOST receivable and net position by \$327,312 was required to be recorded at the government-wide level (governmental activities) as of July 1, 2021 for the correction of an error.

Cause: There was a lack of appropriate controls implemented at the County during the prior fiscal year to ensure receivables were properly reconciled and recorded.

Recommendation: We recommend the County carefully review all receivables to ensure transactions are reported in accordance with GAAP.

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 errors and identify deficiencies from both operational and financial perspectives.

BUTTS COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2022-005 – Proper Recognition of Capital Assets (Restatement)

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

Condition: During the prior year and under the guidance provided by other third-party professionals, we noted the costs associated with resurfacing were capitalized in the prior year, but should have been expensed.

Context: We addressed the matter with the County to determine the appropriate amounts to record as a prior period restatement at July 1, 2021.

Effects: A prior period restatement to reduce capital assets and net position in the amount of \$2,688,248 was required to be recorded at the government-wide level (governmental activities) as of July 1, 2021.

Cause: There was a lack of appropriate controls implemented at the County during the prior fiscal year to ensure only expenditures meeting the definition of capital assets were recorded as such.

Recommendation: We recommend the County carefully review all capital assets to ensure transactions are reported in accordance with GAAP.

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 errors and identify deficiencies from both operational and financial perspectives.

BUTTS COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2022-006 – Proper Recognition of Compensated Absences (Restatement)

Criteria: Generally accepted accounting principles require that liabilities for vacation leave and other compensated absences, excluding sick leave, be accrued when the benefits are earned by the employee if the leave is attributable to past service and it is probable that the employer will compensate the employee through paid time off or some other means, such as cash payments at termination or retirement.

Condition: During the prior year and under the guidance provided by other third-party professionals, the County did not properly record accrued compensated absences at the government-wide level for governmental activities as of June 30, 2021.

Context: We addressed the matter with the County to determine the appropriate amounts to record as a prior period restatement at July 1, 2021.

Effects: A prior period restatement was required to properly record compensated absences and net position at the government-wide level as of June 30, 2021. This adjustment was as follows:

- Government-wide Level (Governmental Activities) – prior period restatement to increase compensated absences and decrease net position by \$498,892 at July 1, 2021.

Cause: There was a lack of appropriate controls implemented at the County during the prior fiscal year to ensure compensated absences were properly reconciled and recorded.

Recommendation: We recommend the County carefully review compensated absences to ensure transactions are reported in accordance with GAAP.

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 errors and identify deficiencies from both operational and financial perspectives.

BUTTS COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE FISCAL YEAR ENDED JUNE 30, 2022

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2022-007 – Segregation of Duties – Elected Officials

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 at several constitutional offices.

- Sheriff's Office – one individual with the authority to prepare deposits also collects money received, deposits cash at the bank and prepares checks for signature. This is due to staff limitations.
- Tax Commissioner Office – one individual with the authority to prepare checks also signs checks. In addition, we noted no independent review of the reconciled bank statements. This is due to staff limitations. We also noted the Tax Commissioner was not making timely disbursements to respective payees during the fiscal year.
- Magistrate Court – no independent review of the reconciled bank statements. This is due to staff limitations.
- Probate Court – one individual with the authority to deposit cash receipts at the bank also opens the mail. This is due to staff limitations.
- Clerk of Court – no independent review of the reconciled bank statements. This is due to staff limitations.

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

Effects: 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 elected officials review the duties and access to financial data for all employees and implement procedures to ensure adequate segregation of duties.

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 errors and identify deficiencies from both operational and financial perspectives.

BUTTS COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES FOR THE FISCAL YEAR ENDED JUNE 30, 2022

SECTION III FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Not applicable.

BUTTS COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

2021-001 – Tax Commissioner

Criteria: Georgia law requires tax commissioners in counties with populations of less than 30,000 to pay over to the proper county officials the county taxes including, but limited to, any interest, penalties, or other amounts due to the County that have been collected during the two weeks.

Condition: During our audit, we noted that on several occasions throughout the year, the payments to the County were not made timely.

Status: Unresolved – See Finding 2022-001.