

JEFF DAVIS COUNTY, GEORGIA

FINANCIAL REPORT

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

INTRODUCTORY SECTION

JEFF DAVIS COUNTY, GEORGIA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
of Jeff Davis County, Georgia
Hazlehurst, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of **Jeff Davis County, Georgia** (the "County"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of June 30, 2023, and the respective changes in financial position, and the respective budgetary comparisons for the General Fund and the American Rescue Plan Act ("ARPA") Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Jeff Davis County Board of Health, which represents 100% of the assets, net position, and revenues of the discretely presented component unit as of June 30, 2023, and the respective changes in financial position 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 the Jeff Davis County Board of Health, is based solely on the report of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America (“GAAP”), 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Changes in the County's Total OPEB Liability and Related Ratios (page 51), the Schedule of Changes in the County's Net Pension Liability and Related Ratios, and the Schedule of County Contributions (pages 52 – 55), be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Special Purpose Local Option Sales Tax ("SPLOST") proceeds is presented for purposes of additional analysis as required by the Official Code of Georgia Annotated §48-8-121, and is 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.

Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules and the Schedule of Expenditures of Special Purpose Local Option Sales Tax proceeds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 4, 2024 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Jeff Davis County, Georgia'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 Jeff Davis County, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
June 4, 2024

BASIC FINANCIAL STATEMENTS

JEFF DAVIS COUNTY, GEORGIA

STATEMENT OF NET POSITION JUNE 30, 2023

	Primary Government Governmental Activities	Component Unit Board of Health
ASSETS		
Cash and cash equivalents	\$ 19,877,481	\$ 575,030
Taxes receivable	351,179	-
Accounts receivable, net	404,908	-
Lease receivable	623,426	-
Due from other governments	387,879	165,579
Prepaid items	82,341	-
Net other post-employment benefit asset	-	15,328
Capital assets, non-depreciable	5,999,742	-
Capital assets, depreciable (net of accumulated depreciation)	12,376,658	17,819
Total assets	40,103,614	773,756
DEFERRED OUTFLOWS OF RESOURCES		
Other post-employment benefits	600,993	95,297
Pension	665,553	455,816
Total deferred outflows of resources	1,266,546	551,113
LIABILITIES		
Accounts payable	921,332	501
Accrued liabilities	206,063	-
Unearned revenue	2,440,834	-
Due to other governments	138,011	83
Short-term notes payable	149,758	-
Financed purchases due within one year	32,132	-
Financed purchases due in more than one year	68,867	-
Bonds payable due within one year	247,477	-
Bonds payable due in more than one year	1,252,271	-
Compensated absences due within one year	109,639	8,089
Compensated absences due in more than one year	109,642	32,356
Notes payable due within one year	199,029	-
Notes payable due in more than one year	5,668,108	-
Landfill due within one year	16,073	-
Landfill due in more than one year	2,484,137	-
Total other post-employment benefit liability	761,838	-
Net pension liability	2,292,402	1,043,377
Total liabilities	\$ 17,097,613	\$ 1,084,406

(Continued)

JEFF DAVIS COUNTY, GEORGIA

STATEMENT OF NET POSITION JUNE 30, 2023

	Primary Government Governmental Activities	Component Unit Board of Health
DEFERRED INFLOWS OF RESOURCES		
Other post-employment benefits	701,156	72,901
Deferred lease receipts	607,048	-
Pension	45,679	9,463
Total deferred inflows of resources	1,353,883	82,364
NET POSITION		
Net investment in capital assets	10,908,516	17,819
Restricted for:		
Judicial	2,681	-
Public safety	95,938	-
Housing and development	1,552,602	-
Capital projects	6,992,080	-
Other purposes	-	189,284
Unrestricted	3,366,847	(49,004)
Total net position	<u>\$ 22,918,664</u>	<u>\$ 158,099</u>

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

JEFF DAVIS COUNTY, GEORGIA

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

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
General government	\$ 4,181,098	\$ 253,974	\$ 524,066	\$ 158,752
Judicial	1,282,513	643,304	-	-
Public safety	11,713,816	843,758	-	-
Public works	3,303,784	-	-	936,329
Health and welfare	107,085	-	-	-
Culture and recreation	694,719	240,880	-	-
Housing and development	622,498	185,229	-	-
Interest on long-term debt	281,882	-	-	-
Total primary government	<u>\$ 22,187,395</u>	<u>\$ 2,167,145</u>	<u>\$ 524,066</u>	<u>\$ 1,095,081</u>
Component unit:				
Board of Health	\$ 1,085,730	\$ 189,444	\$ 672,078	\$ -
Total component unit	<u>\$ 1,085,730</u>	<u>\$ 189,444</u>	<u>\$ 672,078</u>	<u>\$ -</u>

General revenues:
 Property taxes
 Sales taxes
 Other taxes
 Unrestricted investment earnings
 Gain on sale of assets
 Other
 Total general revenues
 Change in net position
 Net position, beginning of year
 Net position, end of year

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

Net (Expenses) Revenues and Changes in Net Position	
Primary Government Governmental Activities	Component Unit Board of Health
\$ (3,244,306)	\$ -
(639,209)	-
(10,870,058)	-
(2,367,455)	-
(107,085)	-
(453,839)	-
(437,269)	-
(281,882)	-
(18,401,103)	-
-	(224,208)
-	(224,208)
7,269,969	-
5,501,866	-
851,965	-
25,102	-
25,065	-
-	88,116
13,673,967	88,116
(4,727,136)	(136,092)
27,645,800	294,191
\$ 22,918,664	\$ 158,099

JEFF DAVIS COUNTY, GEORGIA

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2023

ASSETS	General Fund	SPLOST Fund	TIA SPLOST Fund	ARPA Fund
Cash and cash equivalents	\$ 8,958,121	\$ 3,302,144	\$ 2,939,449	\$ 2,440,834
Taxes receivable	351,179	-	-	-
Accounts receivable, net	200,618	-	-	-
Leases receivable	-	-	-	-
Due from other governments	128,150	214,589	45,140	-
Due from other funds	30,410	-	-	-
Prepaid items	82,341	-	-	-
Total assets	<u>\$ 9,750,819</u>	<u>\$ 3,516,733</u>	<u>\$ 2,984,589</u>	<u>\$ 2,440,834</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 913,065	\$ 1,921	\$ -	\$ -
Accrued liabilities	155,575	-	-	-
Due to other funds	34,066	34,382	-	-
Due to other governments	10,798	127,213	-	-
Unearned revenue	-	-	-	2,440,834
Short-term note payable	-	-	-	-
Total liabilities	<u>1,113,504</u>	<u>163,516</u>	<u>-</u>	<u>2,440,834</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	287,759	-	-	-
Unavailable revenue deferred - lease receipts	-	-	-	-
Total deferred inflows of resources	<u>287,759</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Fund balances:				
Nonspendable for prepaids	82,341	-	-	-
Restricted for:				
Judicial	-	-	-	-
Public safety	-	-	-	-
Housing and development	-	-	-	-
Capital projects	-	3,353,217	2,984,589	-
Unassigned	8,267,215	-	-	-
Total fund balances	<u>8,349,556</u>	<u>3,353,217</u>	<u>2,984,589</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,750,819</u>	<u>\$ 3,516,733</u>	<u>\$ 2,984,589</u>	<u>\$ 2,440,834</u>

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds
Other long-term 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 are not due and payable in the current period and, therefore, are not reported in the funds
Deferred inflows of resources are not available to pay for current expenditures and, therefore, are not reported in the funds.
Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due

Net position of governmental activities

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

Joint Development Authority	Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,082,213	\$ 1,154,720	\$ 19,877,481
-	-	351,179
167,915	36,375	404,908
623,426	-	623,426
-	-	387,879
38,448	190,565	259,423
-	-	82,341
<u>\$ 1,912,002</u>	<u>\$ 1,381,660</u>	<u>\$ 21,986,637</u>

\$ 2,621	\$ 3,725	\$ 921,332
-	17,662	173,237
160,565	30,410	259,423
-	-	138,011
-	-	2,440,834
149,758	-	149,758
<u>312,944</u>	<u>51,797</u>	<u>4,082,595</u>

-	-	287,759
607,048	-	607,048
<u>607,048</u>	<u>-</u>	<u>894,807</u>

16,378	-	98,719
-	2,681	2,681
-	95,938	95,938
975,632	576,970	1,552,602
-	654,274	6,992,080
-	-	8,267,215
<u>992,010</u>	<u>1,329,863</u>	<u>17,009,235</u>

<u>\$ 1,912,002</u>	<u>\$ 1,381,660</u>
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18,376,400
 287,759
 (13,241,615)
 1,266,546
 (746,835)
 (32,826)
\$ 22,918,664

JEFF DAVIS COUNTY, GEORGIA

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

	General Fund	SPLOST Fund	TIA SPLOST Fund	ARPA Fund
REVENUES				
Property taxes	\$ 7,289,114	\$ -	\$ -	\$ -
Sales taxes	1,560,777	2,583,085	1,358,004	-
Other taxes	851,965	-	-	-
Licenses and permits	66,213	-	-	-
Intergovernmental	158,752	-	-	282,128
Charges for services	1,280,022	-	-	-
Court fees, fines and forfeitures	418,663	-	-	-
Interest	172	-	-	-
Contributions and donations	8,549	-	-	-
Leases	-	-	-	-
Other	456,501	-	-	-
Total revenues	<u>12,090,728</u>	<u>2,583,085</u>	<u>1,358,004</u>	<u>282,128</u>
EXPENDITURES				
Current:				
General government	2,668,959	-	-	-
Judicial	1,278,774	-	-	-
Public safety	10,701,453	-	-	-
Public works	1,903,208	-	-	-
Health and welfare	107,085	-	-	-
Culture and recreation	575,740	-	-	-
Housing and development	129,749	-	-	-
Intergovernmental	-	764,529	-	-
Capital outlay	-	494,299	-	17,023
Debt service:				
Principal	-	137,343	-	-
Interest	-	158,470	-	-
Issuance costs	-	-	-	-
Total expenditures	<u>17,364,968</u>	<u>1,554,641</u>	<u>-</u>	<u>17,023</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,274,240)</u>	<u>1,028,444</u>	<u>1,358,004</u>	<u>265,105</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	282,128	-	-	-
Transfers out	(953,871)	(206,780)	(129,022)	(282,128)
Sale of capital assets	25,065	-	-	-
Issuance of notes	5,605,000	-	-	-
Total other financing sources (uses), net	<u>4,958,322</u>	<u>(206,780)</u>	<u>(129,022)</u>	<u>(282,128)</u>
Net change in fund balances	(315,918)	821,664	1,228,982	(17,023)
FUND BALANCES, beginning of year	<u>8,665,474</u>	<u>2,531,553</u>	<u>1,755,607</u>	<u>17,023</u>
FUND BALANCES, end of year	<u>\$ 8,349,556</u>	<u>\$ 3,353,217</u>	<u>\$ 2,984,589</u>	<u>\$ -</u>

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

Joint Development Authority	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 7,289,114
-	-	5,501,866
-	-	851,965
-	-	66,213
-	654,201	1,095,081
-	217,018	1,497,040
-	-	418,663
20,553	4,377	25,102
-	-	8,549
185,229	-	185,229
52,351	6,665	515,517
<u>258,133</u>	<u>882,261</u>	<u>17,454,339</u>
-	-	2,668,959
-	3,739	1,282,513
-	530,849	11,232,302
-	-	1,903,208
-	-	107,085
-	-	575,740
204,764	-	334,513
-	118	764,647
14,617	845,218	1,371,157
298,235	-	435,578
94,070	-	252,540
2,000	-	2,000
<u>613,686</u>	<u>1,379,924</u>	<u>20,930,242</u>
<u>(355,553)</u>	<u>(497,663)</u>	<u>(3,475,903)</u>
566,178	723,495	1,571,801
-	-	(1,571,801)
-	-	25,065
-	-	5,605,000
<u>566,178</u>	<u>723,495</u>	<u>5,630,065</u>
210,625	225,832	2,154,162
<u>781,385</u>	<u>1,104,031</u>	<u>14,855,073</u>
<u>\$ 992,010</u>	<u>\$ 1,329,863</u>	<u>\$ 17,009,235</u>

JEFF DAVIS 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, 2023

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

Net change in fund balances - total governmental funds	\$ 2,154,162
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 exceeded capital outlay in the current period.	(1,284,819)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(19,145)
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.	(5,169,422)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(407,912)</u>
Change in net position - governmental activities	<u>\$ (4,727,136)</u>

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

JEFF DAVIS COUNTY, GEORGIA

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

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 6,885,443	\$ 6,885,443	\$ 7,289,114	\$ 403,671
Sales taxes	1,058,857	1,058,857	1,560,777	501,920
Other taxes	759,315	759,315	851,965	92,650
Licenses and permits	58,845	58,845	66,213	7,368
Intergovernmental	41,229	41,229	158,752	117,523
Charges for services	1,005,484	1,005,484	1,280,022	274,538
Fines and forfeitures	344,877	344,877	418,663	73,786
Interest	-	-	172	172
Contributions	3,500	3,500	8,549	5,049
Other	305,410	305,410	456,501	151,091
Total revenues	10,462,960	10,462,960	12,090,728	1,627,768
EXPENDITURES				
Current:				
General government:				
Board of elections	157,349	157,349	120,059	37,290
Administration	1,260,550	1,260,550	1,996,334	(735,784)
Tax commissioner	337,299	337,299	301,690	35,609
Tax assessors	294,060	294,060	250,876	43,184
Total general government	2,049,258	2,049,258	2,668,959	(619,701)
Judicial:				
Superior court	231,570	231,570	237,282	(5,712)
Clerk of court	356,839	356,839	289,534	67,305
State court	156,379	156,379	129,976	26,403
Magistrate court	332,961	332,961	281,959	51,002
Probate court	206,868	206,868	179,249	27,619
Juvenile court	149,989	149,989	160,774	(10,785)
Total judicial	1,434,606	1,434,606	1,278,774	155,832
Public safety:				
Sheriff	1,796,871	1,796,871	1,743,951	52,920
Jail	790,035	790,035	7,825,331	(7,035,296)
Fire	223,907	223,907	304,861	(80,954)
Emergency medical services	963,961	963,961	709,849	254,112
Coroner	23,765	23,765	21,558	2,207
Emergency management	53,185	53,185	95,903	(42,718)
Total public safety	3,851,724	3,851,724	10,701,453	(6,849,729)
Public works:				
Highways and streets	1,205,977	1,205,977	1,563,151	(357,174)
Solid waste collection	301,920	301,920	340,057	(38,137)
Total public works	\$ 1,507,897	\$ 1,507,897	\$ 1,903,208	\$ (395,311)

(Continued)

JEFF DAVIS COUNTY, GEORGIA

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

	Budget			Variance with
	Original	Final	Actual	Final Budget
EXPENDITURES (CONTINUED)				
Current (Continued):				
Health and welfare:				
Health	\$ 114,738	\$ 114,738	\$ 104,792	\$ 9,946
Welfare	3,547	3,547	2,293	1,254
Total health and welfare	<u>118,285</u>	<u>118,285</u>	<u>107,085</u>	<u>11,200</u>
Culture and recreation:				
Recreation	449,630	449,630	449,306	324
Towns Bluff	63,006	63,006	80,434	(17,428)
Libraries	46,000	46,000	46,000	-
Total culture and recreation	<u>558,636</u>	<u>558,636</u>	<u>575,740</u>	<u>(17,104)</u>
Housing and development:				
Conservation	28,630	28,630	28,026	604
County Agent	110,480	110,480	101,723	8,757
Total housing and development	<u>139,110</u>	<u>139,110</u>	<u>129,749</u>	<u>9,361</u>
Total expenditures	<u>9,659,516</u>	<u>9,659,516</u>	<u>17,364,968</u>	<u>(7,705,452)</u>
Excess (deficiency) of revenues over expenditures	<u>803,444</u>	<u>803,444</u>	<u>(5,274,240)</u>	<u>(6,077,684)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	282,128	282,128
Transfers out	(813,135)	(813,135)	(953,871)	(140,736)
Proceeds from issuance of notes	-	-	5,605,000	5,605,000
Sale of capital assets	45,979	45,979	25,065	(20,914)
Total other financing sources (uses)	<u>(767,156)</u>	<u>(767,156)</u>	<u>4,958,322</u>	<u>5,725,478</u>
Net change in fund balances	36,288	36,288	(315,918)	(352,206)
FUND BALANCES, beginning of year	<u>8,665,474</u>	<u>8,665,474</u>	<u>8,665,474</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 8,701,762</u>	<u>\$ 8,701,762</u>	<u>\$ 8,349,556</u>	<u>\$ (352,206)</u>

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

JEFF DAVIS COUNTY, GEORGIA

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

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 282,128	\$ 282,128
Total revenues	-	-	282,128	282,128
EXPENDITURES				
Capital outlay	-	-	17,023	(17,023)
Total expenditures	-	-	17,023	(17,023)
Excess of revenues over expenditures	-	-	265,105	265,105
OTHER FINANCING USES				
Transfers out	-	-	(282,128)	(282,128)
Total other financing uses	-	-	(282,128)	(282,128)
Net change in fund balances	-	-	(17,023)	(17,023)
FUND BALANCES, beginning of year	17,023	17,023	17,023	-
FUND BALANCES, end of year	\$ 17,023	\$ 17,023	\$ -	\$ (17,023)

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

JEFF DAVIS COUNTY, GEORGIA

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

		Custodial Funds
ASSETS		
Cash		\$ 1,000,800
Taxes receivable		<u>373,872</u>
Total assets		<u>1,374,672</u>
LIABILITIES		
Due to others		198,999
Uncollected taxes		<u>373,871</u>
Total liabilities		<u>572,870</u>
NET POSITION		
Restricted for individuals, organizations, and other governments		<u><u>\$ 801,802</u></u>

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

JEFF DAVIS COUNTY, GEORGIA

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

		Custodial Funds
	ADDITIONS	
Taxes collected		\$ 9,362,096
Fines and fees collected		1,579,092
Total additions		<u>10,941,188</u>
	DEDUCTIONS	
Taxes disbursed		9,307,465
Fines and fees disbursed		1,575,249
Total deductions		<u>10,882,714</u>
Change in net position		58,474
	NET POSITION	
Net position, beginning of year		<u>743,328</u>
Net position, end of year		<u>\$ 801,802</u>

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

NOTES TO FINANCIAL STATEMENTS

JEFF DAVIS COUNTY, GEORGIA

NOTES TO FINANCIAL STATEMENTS June 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The County was created by a legislative act in the State of Georgia in 1905. The County operates under the county commission form of government and provides the following government services: general government services, judiciary, public safety, public works, culture and recreation, community development, and health and welfare.

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

Blended Component Unit

Joint Development Authority of Jeff Davis County, Hazlehurst, and Denton (the "Development Authority") is responsible for encouraging economic development within the County. The Development Authority's budget is approved by the County. The Development Authority is fiscally dependent upon the County due to the fact that the Development Authority has received operating subsidies from the County for several years, and thus a pattern of financial burden upon the County has been established. The County has contractually obligated itself to use its taxing powers to guarantee repayment of principal and interest on certain revenue bonds issued by the Development Authority. Special Purpose Local Option Sales Tax ("SPLOST") receipts are used for industry assistance in order to create jobs. There are no separately issued financial statements available for the Development Authority.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Discretely Presented Component Unit

Jeff Davis County Board of Health (the “Board of Health”) provides public health services to the residents of the County under a contract with the Georgia Department of Human Resources. Although the County does not have the authority to approve or modify the budget of the Board of Health, the County is obligated to provide financial support to them. The Board of Health has a June 30th year-end. The Board of Health’s financial statements have been prepared separately and can be obtained by writing to:

Jeff Davis County Board of Health
30 E. Sycamore Street
Hazlehurst, Georgia 31539

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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 (agency funds do not have a measurement focus, but use the accrual basis of accounting). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

The 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The ***Special Purpose Local Option Sales Tax ("SPLOST") Fund*** is a capital projects fund that accounts for the special purpose local option sales tax. The County is using the taxes for the following approved projects:

- Roads, streets, and bridges
- Hospital improvements
- Recreation facilities and equipment
- Public safety equipment
- Joint Development Authority
- New jail and jail improvements
- Airport improvements
- Public building renovations

The ***TIA SPLOST Fund*** is a capital projects fund that accounts for the funds received from the Transportation Special Purpose Local Option Sales Tax receipts. The County is using the taxes for approved projects for roads, streets and bridges.

The ***American Rescue Plan Act ("ARPA") Fund*** is a Special Revenue Fund used to account for the American Rescue Plan Act's grant revenues and expenditures.

The ***Joint Development Authority Fund*** accounts for the financial resources provided and subsequently expended from the operations of the Development Authority.

Additionally, the County reports the following fund types:

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

The ***Capital Project Funds*** are used for the acquisition or construction of capital facilities.

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 the Tax Commissioner, Magistrate Court, Probate Court, Clerk of Court, and Sheriff.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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's 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.

State statutes authorize the County to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and the Georgia Fund 1. Investments, if any, are stated at fair value.

E. Interfund Receivables and Payables

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."

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation plus any ancillary charges incurred to put the asset into service. The County has retroactively reported major general infrastructure assets. In this case, the County chose to include all items regardless of their acquisition date. The County was able to estimate the historical cost for the initial reporting of these assets through back trending.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the primary government are depreciated using the straight-line method over the following useful lives:

<u>Asset Category</u>	<u>Years</u>
Land improvements	3 – 10
Buildings and improvements	30
Machinery and equipment	3 – 10
Furniture and fixtures	3 – 10
Infrastructure	30

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and, therefore, will not be recognized as an outflow of resources (expense/expenditure) until then. The County has four items that qualify for reporting in this category. The County has deferred outflows of resources related to the recording of changes in its net pension liability and total OPEB liability. Certain changes in the net pension liability and total OPEB liability are recognized as pension and OPEB expense over time instead of all being recognized in the year of occurrence. Experience differences result from periodic studies by the County's actuary, which adjust the net pension liability and total OPEB liability for actual experience for certain trend information that was previously assumed, for example, the assumed dates of retirement of plan members. These experience differences are recorded as deferred outflows of resources and are amortized into pension and OPEB expense over the expected remaining service lives of plan members. Also, the difference between projected investment return on investments and actual return on investments is also deferred and amortized against expense over the expected remaining service lives of plan members. Changes in actuarial assumptions, which adjust the net pension liability and total OPEB liability, are also recorded as deferred outflows of resources and are amortized into pension and OPEB expense over the expected remaining service lives of plan members.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the Statement of Net Position and the governmental funds balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and, therefore, will not be recognized as an inflow of resources (revenue) until that time. The County reports three items in this category. The first arises only under the modified accrual basis of accounting. Accordingly, these unavailable revenues are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes which will be recognized as a deferred inflow of resources in the period in which the amounts become available. Additionally, the difference between expected and actual experience is recorded as a deferred inflow of resources and amortized against pension and OPEB expense over the remaining service lives of plan members. Lastly, the initial amount of lease receivable adjusted for lease payments received at or before the lease commencement date is deferred and recognized as revenue over the life of the lease term.

I. Leases

Lessor: The Development Authority is a lessor for five noncancellable leases of buildings. The Authority recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the Development Authority initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Development Authority determines: 1) the discount rate it uses to discount the expected lease receipts to present value, 2) lease term, and 3) lease receipts.

- The Development Authority uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The Development Authority monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Pension

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 Jeff Davis 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.

K. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the 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 expensed as incurred.

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.

L. Compensated Absences

Unused vacation leave, not to exceed 360 hours, is paid when employees separate from service with the County. 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. There is no liability for unpaid accumulated sick leave since the payment of benefits is contingent upon the future illness of an employee.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity

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

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities under the current financial resources measurement focus 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:

- **Nonspendable** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either: a) not in spendable form (i.e., items that are not expected to be converted to cash), or b) legally or contractually required to be maintained intact.
- **Restricted** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- **Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners 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. The Board of Commissioners assigns amounts to be used for specific purposes. The policy for reporting fund balances as assigned is strictly determined by the Board of Commissioners upon determination of specific use.
- **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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity (Continued)

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

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

N. Use of Estimates

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

O. Tax Abatement Agreements

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.

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:

Financed purchases payable	\$ (100,999)
Revenue bonds payable	(1,499,748)
Notes payable	(5,867,137)
Landfill post-closure costs	(2,500,210)
Net pension liability	(2,292,402)
Total OPEB liability	(761,838)
Compensated absences	(219,281)
	<hr/>
Net adjustment to reduce <i>fund balance – total governmental funds</i> to arrive at <i>net position – governmental activities</i>	<hr/> <hr/> \$ (13,241,615)

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 reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide Statement of Activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this difference are as follows:

Capital outlay	\$ 404,617
Depreciation expense	(1,689,436)
	<hr/>
Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position – governmental activities</i>	<hr/> <hr/> \$ (1,284,819)

NOTES TO FINANCIAL STATEMENTS

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

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 (Continued)

Another 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:

Debt issuance:	
Notes proceeds	\$ (5,605,000)
Principal repayments:	
Financed purchases	30,736
Revenue bonds payable	250,279
Notes payable	<u>154,563</u>
Net adjustment to reduce <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i>	<u><u>\$ (5,169,422)</u></u>

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

Compensated absences	\$ 12,049
Accrued interest	(27,342)
Landfill post-closure costs	(163,565)
Total OPEB liability and related deferred outflows/inflows of resources	(18,429)
Net pension liability and related deferred outflows/inflows of resources	<u>(210,625)</u>
Net adjustment to reduce <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position - governmental activities</i>	<u><u>\$ (407,912)</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 3. LEGAL COMPLIANCE – BUDGETS

A. Budgets and Budgetary Accounting

The County adopts an annual operating budget for the General Fund. A project budget is adopted for each Capital Projects Fund. The budget resolution reflects the total of each department's appropriation in each fund. The governmental funds budgets are adopted on a basis consistent with GAAP, except that outstanding encumbrances at year-end are reported as budgetary expenditures. There were no outstanding encumbrances as of June 30, 2023.

All unexpended, unencumbered annual appropriations lapse at year-end. Encumbered appropriations are carried forward to the subsequent year automatically (i.e., no action is required by the Board of Commissioners).

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

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

Formal budgetary integration is employed as a management control device during the year for all budgeted funds.

B. Excess of Expenditures Over Appropriations

For the year ended June 30, 2023, expenditures exceeded budget as follows:

Fund or Department	Excess
General Fund:	
Administration	\$ 735,784
Superior court	5,712
Juvenile court	10,785
Jail	7,035,296
Fire	80,954
Emergency management	42,718
Highways and streets	357,174
Solid waste collection	38,137
Towns Bluff	17,428
ARPA Fund:	
Capital outlay	17,023

NOTES TO FINANCIAL STATEMENTS

NOTE 4. DEPOSITS AND INVESTMENTS

Total deposits and investments as of June 30, 2023 are summarized as follows:

Balances per Statement of Net Position:

Cash and cash equivalents - primary government	\$ 19,877,481
Cash - custodial funds	1,000,800
	<u>\$ 20,878,281</u>

Balances by type:

Cash deposited with financial institutions	\$ 20,878,281
	<u>\$ 20,878,281</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 formal credit risk policy other than to only invest in obligations authorized by the State of Georgia. As of June 30, 2023, the County held no investments.

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.

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, 2023, all of the deposits of the County were properly insured and collateralized as required by the Official Code of Georgia Annotated ("O.C.G.A").

NOTES TO FINANCIAL STATEMENTS

NOTE 5. RECEIVABLES

Receivables at June 30, 2023 for the County's individual major funds and nonmajor funds in the aggregate are as follows:

	<u>General</u>	<u>SPLOST</u>	<u>Joint Development Authority</u>
Receivables:			
Taxes	\$ 351,179	\$ -	\$ -
Accounts	247,303	-	167,915
Leases	-	-	623,426
Due from other governments	128,150	214,589	-
Gross receivables	<u>726,632</u>	<u>214,589</u>	<u>1,414,767</u>
Less allowance for uncollectibles	(46,685)	-	-
Net total receivables	<u>\$ 679,947</u>	<u>\$ 214,589</u>	<u>\$ 1,414,767</u>

	<u>TIA SPLOST</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Receivables:			
Taxes	\$ -	\$ -	\$ 351,179
Accounts	-	36,375	451,593
Due from other governments	45,140	-	387,879
Leases receivable	-	-	623,426
Gross receivables	<u>45,140</u>	<u>36,375</u>	<u>1,814,077</u>
Less allowance for uncollectibles	-	-	(46,685)
Net total receivables	<u>\$ 45,140</u>	<u>\$ 36,375</u>	<u>\$ 1,767,392</u>

Property taxes were levied on October 1, 2022. Bills were payable on or before December 20, 2022, after which the applicable property is subject to lien and penalties and interest are assessed. Property taxes are attached as an enforceable lien on property as of December 20, 2022. The County bills and collects its own property taxes. Property taxes levied for 2022 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during the year ended June 30, 2023, and collected by August 31, 2023, are recognized as revenues in the year ended June 30, 2023. Net receivables estimated to be collected subsequent to August 31, 2023, are deferred as of June 30, 2023, and recorded as revenue when received. Prior year levies were recorded using substantially the same principles, and remaining receivables are reevaluated annually.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 2,508,590	\$ -	\$ -	\$ -	\$ 2,508,590
Constuction in progress	3,379,935	111,217	-	-	3,491,152
Total	5,888,525	111,217	-	-	5,999,742
Capital assets, being depreciated:					
Land improvements	1,097,423	-	-	-	1,097,423
Buildings and improvements	14,299,536	27,152	-	-	14,326,688
Machinery and equipment	10,451,259	266,248	(112,016)	-	10,605,491
Infrastrcture	6,707,802	-	-	-	6,707,802
Total	32,556,020	293,400	(112,016)	-	32,737,404
Less accumulated depreciation for:					
Land improvements	(555,957)	(57,936)	-	-	(613,893)
Buildings and improvements	(7,502,905)	(402,158)	-	-	(7,905,063)
Machinery and equipment	(8,604,130)	(900,725)	112,016	-	(9,392,839)
Infrastructure	(2,120,334)	(328,617)	-	-	(2,448,951)
Total	(18,783,326)	(1,689,436)	112,016	-	(20,360,746)
Total capital assets, being depreciated, net	13,772,694	(1,396,036)	-	-	12,376,658
Total capital assets, net	\$ 19,661,219	\$ (1,284,819)	\$ -	\$ -	\$ 18,376,400

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

Governmental activities:	
General government	\$ 449,880
Public safety	310,713
Public works	482,940
Culture and recreation	157,918
Housing and development	287,985
Total depreciation expense - governmental activities	<u>\$ 1,689,436</u>

NOTE 7. SHORT-TERM DEBT

Line of Credit. On March 28, 2008, the Development Authority obtained a line of credit from a financial institution to assist a local business for expansion with an approved limit of \$160,195. The line of credit was renewed December 31, 2022 with a variable interest rate, which is the prime rate with interest due monthly and principal due on December 31, 2023. The principal balance was \$149,758 as of June 30, 2023.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. SHORT-TERM DEBT (CONTINUED)

Line of Credit (Continued). The following is a summary of short-term debt transactions for the County for the year ended June 30, 2023:

	Beginning Balance	Additions	Reductions	Ending Balance
Line of credit	\$ 149,758	\$ -	\$ -	\$ 149,758
Total	<u>\$ 149,758</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 149,758</u>

NOTE 8. LONG-TERM DEBT

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue bonds	\$ 1,750,027	\$ -	\$ (250,279)	\$ 1,499,748	\$ 247,477
Notes payable	416,700	5,605,000	(154,563)	5,867,137	199,029
Financed purchases	131,735	-	(30,736)	100,999	32,132
Compensated absences	231,330	219,279	(231,328)	219,281	109,639
Total OPEB liability	1,278,881	75,519	(592,562)	761,838	-
Net pension liability	814,764	1,725,713	(248,075)	2,292,402	-
Landfill post-closure costs	2,336,645	163,565	-	2,500,210	16,073
Governmental activities long-term liabilities	<u>\$ 6,960,082</u>	<u>\$ 7,789,076</u>	<u>\$ (1,507,543)</u>	<u>\$13,241,615</u>	<u>\$ 604,350</u>

Compensated absences, the total OPEB liability, the net pension liability, and landfill post-closure costs are generally liquidated by the General Fund.

Revenue Bonds. The County issues bonds where the County pledges revenues derived from the acquired or constructed assets to pay debt service. Revenue bonds outstanding at June 30, 2023 are as follows:

Purpose	Interest Rate	Term	Due Date	Original Amount	Outstanding Amount
Series 2014A	4.40%	15 years	2029	\$ 1,666,326	\$ 999,783
Series 2014B	4.40%	15 years	2029	833,275	499,965
					<u>\$ 1,499,748</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

Revenue Bonds (Continued). The Series 2014A and 2014B bonds have debt service requirements as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2024	\$ 247,477	\$ 63,013	\$ 310,490
2025	258,485	59,344	317,829
2026	269,984	47,845	317,829
2027	723,802	93,870	817,672
Total	<u>\$ 1,499,748</u>	<u>\$ 264,072</u>	<u>\$ 1,763,820</u>

The Series 2014A and 2014B bonds are subject to scheduled principal payments commencing on February 1, 2020, and on each February 1 thereafter through and including the final maturing date of February 1, 2029, in an amount equal to one-tenth of the outstanding principal balance of the bonds as of February 1, 2020.

Notes Payable. During 2008, the County entered into a direct borrowing from One Georgia Authority, which was secured with several pieces of property. During 2016, the Jeff Davis Development Authority entered into a direct borrowing from a financial institution, which was secured by the full faith, credit, and tax power of the County. During 2019, the County entered into a direct borrowing from a financial institution, which was secured with equipment and vehicles. In the event of default, the County agrees to pay the financial institution the entire indebtedness, including the prepayment penalty, immediately on any amounts due and payable by the County under this agreement. During 2023, the County entered into a direct borrowing from a financial institution for the acquisition, construction, and equipping of a new county jail.

Notes payable outstanding at June 30, 2023 are as follows:

Purpose	Interest Rate	Term	Due Date	Original Amount	Outstanding Amount
#1 Renewal and amortization of line of credit	Variable	10 years	2027	\$ 315,195	\$ 129,775
#2 Agriculture processing facility expansion	3.00%	20 years	2028	440,948	132,362
#3 Fire trucks acquisition	3.80%	5 years	2024	234,782	-
#4 New Jail	4.20%	20 years	2042	5,605,000	5,605,000
					<u>\$ 5,867,137</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. LONG-TERM DEBT (CONTINUED)

Notes Payable (Continued). The County's notes payable debt service requirements to maturity are as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2024	\$ 199,029	\$ 241,985	\$ 441,014
2025	207,084	234,250	441,334
2026	214,995	226,214	441,209
2027	221,264	219,229	440,493
2028	180,765	210,291	391,056
2029 - 2033	933,000	940,897	1,873,897
2034 - 2038	1,148,000	728,000	1,876,000
2039 - 2042	2,763,000	396,595	3,159,595
Total	<u>\$ 5,867,137</u>	<u>\$ 3,197,461</u>	<u>\$ 9,064,598</u>

Financed Purchases. The County has entered into a financed purchase agreement to finance the purchase of certain equipment. Title transfers at the end of the term which extends through 2026 and carries an annual interest rate of 4.45%. Yearly payment on this agreement is \$36,712. The City's total financed purchase debt service requirements to maturity are as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2024	\$ 32,132	\$ 4,580	\$ 36,712
2025	33,591	3,121	36,712
2026	35,276	1,595	36,871
Total	<u>\$ 100,999</u>	<u>\$ 9,296</u>	<u>\$ 110,295</u>

Landfill Post-closure Costs. Effective October 27, 1999, 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, 2023, the County has a remaining 14 years of monitoring. Engineering studies estimate post-closure costs of approximately \$2,500,210 over the 14-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, 2023. 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 9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

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

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Joint Development Authority Fund	SPLOST Fund	\$ 34,382
Joint Development Authority Fund	General Fund	4,066
General Fund	Nonmajor Governmental Funds	30,410
Nonmajor Governmental Funds	General Fund	30,000
Nonmajor Governmental Funds	Joint Development Authority Fund	160,565
		<u>\$ 259,423</u>

These balances resulted from the time lag between the dates that: 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made. Primarily, balances are attributed to expenditures paid by the General Fund to be reimbursed by the funds for which the expenditures benefit.

Interfund transfers:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	ARPA Fund	\$ 282,128
Nonmajor Governmental Funds	TIA SPLOST Fund	129,022
Joint Development Authority Fund	General Fund	359,398
Joint Development Authority Fund	SPLOST Fund	206,780
Nonmajor Governmental Funds	General Fund	594,473
		<u>\$ 1,571,801</u>

Transfers are used to: 1) move revenues from the fund that the statute or budget requires to collect them to the fund that the statute or budget requires to expend them, 2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, 3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and 4) move SPLOST funds to the Development Authority to SPLOST approved projects.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED BENEFIT PENSION PLAN

A. Primary Government

Plan Description

The County, as authorized by the County Commission, has established a non-contributory defined benefit pension plan, The Jeff Davis County Defined Benefit Plan (the "Plan"), covering substantially 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. Plan benefits are provided for Plan participants who were participants in the Plan before January 1, 2004, whereby retirees receive between 1.00% and 1.75% multiplied by the average of the highest five consecutive years of earnings multiplied by the total credited years of service. Plan benefits are provided for Plan participants who were participants in the Plan on or after January 1, 2004, whereby retirees receive 1.00% multiplied by the average of the highest five consecutive years of earnings multiplied by the total credited years of service. 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 Section 19.03 of the ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of the Plan, as provided in Section 19.02 of the ACCG Plan document. 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, 2022, the date of the most recent actuarial valuation date, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	43
Inactive plan members entitled to but not receiving benefits	55
Active plan members	69
Total	<u>167</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

A. Primary Government (Continued)

Plan Description (Continued)

Contributions. The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of the ACCG Plan has adopted a recommended actuarial funding policy for the Plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the Plan. The funding policy for the Plan, as adopted by the County Commission, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. No contributions are made by Plan participants. For the year ended June 30, 2023, the County's contribution rate was 11.6% of annual payroll. County contributions to the Plan were \$298,942 for the year ended June 30, 2023.

Net Pension Liability of the County

The County's net pension liability was measured as of December 31, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022, with updated procedures performed by the actuary to roll forward to the total pension liability measured as of December 31, 2022.

Actuarial Assumptions. The total pension liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	2.00% – 4.00%
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 blended 50% for General Employees and 50% for Public Safety Employees with Scale AA to 2023.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

A. Primary Government (Continued)

Net Pension Liability of the County (Continued)

Actuarial Assumptions (Continued). The actuarial assumptions used in the January 1, 2022 valuation were based on the results of an actuarial experience study for December 31, 2021.

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, 2022 are summarized in the following table:

Asset Class	Target Allocation	Range
Equities	30%	65% - 75%
Large Cap	30%	25% - 35%
Mid Cap	5%	2.5% - 10%
Small Cap	5%	2.5% - 10%
REIT	5%	2.5% - 10%
International	15%	10% - 20%
Multi Cap	5%	2.5% - 10%
Global Allocation	5%	2.5% - 10%
Total	100%	

Discount Rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that County contributions will be made based on the average County contribution made to the Plan over the prior five years. Based on this assumption, 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 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

A. Primary Government (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 year ended June 30, 2023 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Beginning balance	\$ 6,785,413	\$ 5,970,649	\$ 814,764
<i>Changes for the year:</i>			
Service cost	99,898	-	99,898
Interest	463,600	-	463,600
Liability experience (gain)/loss	187,128	-	187,128
Assumption change	9,744	-	9,744
Contributions – employer	-	248,075	(248,075)
Net investment income	-	(851,673)	851,673
Benefit payments, including refunds of employee contributions	(325,126)	(325,126)	-
Administrative expense	-	(30,916)	30,916
Other changes	-	(82,754)	82,754
<i>Net changes</i>	435,244	(1,042,394)	1,477,638
Ending balance	\$ 7,220,657	\$ 4,928,255	\$ 2,292,402

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	\$ 3,168,699	\$ 2,292,402	\$ 1,561,710

NOTES TO FINANCIAL STATEMENTS

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

A. Primary Government (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. 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, 2022, and the current sharing pattern of costs between employer and employee.

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

For the year ended June 30, 2023, the County recognized pension expense of \$458,700. At June 30, 2023, 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
Investment earnings difference	\$ 526,736	\$ -
Differences between expected and actual experience	126,764	45,679
Changes in assumptions	12,053	-
Total	<u>\$ 665,553</u>	<u>\$ 45,679</u>

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

Year ending June 30:	
2024	\$ 31,985
2025	159,242
2026	161,350
2027	267,297
Total	<u>\$ 619,874</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS

Plan Administration and Benefits

The County, as authorized by the County Commission, administers a single-employer defined benefit Post-Retirement Benefit Plan (the “OPEB Plan”). The OPEB Plan is under the direction of the County’s Board of Commissioners. The County provides post-retirement healthcare benefits, as per the requirements of a resolution, for certain retirees. The provisions and obligations to contribute are established and may be amended by the Jeff Davis County Board of Commissioners. The requirements are that the employee must retire from the County after ten years of continuous service and must have attained the age of 55. The benefits are offered until the employee stops paying their portion of the premium. The County pays 25 – 50% of the individual health insurance premium, depending on age and years of employment, and the employee must pay the remainder. The County will pay 100% of individual premium costs for life insurance benefits. Currently, 13 employees and their dependents are enrolled in post-retirement healthcare benefits. The County’s Board of Commissioners established and may amend the benefit provisions. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 and a separate report was not issued for the OPEB Plan.

Membership. The following schedule (derived from the most recent actuarial valuation report) reflects membership for the post-retirement benefit plan as of latest actuarial valuation at July 1, 2022:

Active members	63
Retired members	5
	<u>68</u>

Contributions. The Board of Commissioners has elected to fund the OPEB Plan on a “pay as you go” basis. Per a County resolution, the County is required to contribute the current year benefit costs of the Plan which are not paid by the retiree. For the year ended June 30, 2023, the County contributed \$15,444 for the pay as you go benefits for the OPEB Plan.

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Total OPEB Liability of the County

The County’s total OPEB liability was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2022, with the actuary using standard techniques to roll forward the liability to the measurement date.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Total OPEB Liability of the County (Continued)

Actuarial Assumptions. The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount Rate:	4.13%
Healthcare Cost Trend Rate:	7.50% graded by 0.25% per year to an ultimate rate of 4.50%
Inflation Rate:	3.00%
Participation Rate:	100%

Mortality rates were based on the PubGH-2010 Mortality Table, projected by the MP-2021 Mortality Improvement Scale.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period 2010 – 2014.

Discount Rate. The discount rate used to measure the total OPEB liability was 4.13%. This rate was determined using an index rate of 20-year, tax-exempt General Obligation (“GO”) municipal bonds with an average rating of AA or higher – which was 4.13% as determined by the Bond Buyer 20-Bond GO Index Rate as of June 30, 2023.

Changes in the Total OPEB Liability of the County. The changes in the total OPEB liability of the County for the year ended June 30, 2023 were as follows:

	Total OPEB Liability
Beginning balance	<u>\$ 1,278,881</u>
<i>Changes for the year:</i>	
Service cost	30,518
Interest	45,001
Experience differences	(509,390)
Assumption changes	(67,728)
Benefit payments	<u>(15,444)</u>
<i>Net change</i>	<u>(517,043)</u>
Ending balance	<u>\$ 761,838</u>

The required Schedule of Changes in the County’s Total OPEB Liability and Related Ratios immediately following the notes to the financial statements presents multi-year trend information about the total OPEB liability.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Total OPEB Liability of the County (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.13%) or 1-percentage-point higher (5.13%) than the current discount rate:

	1% Decrease 3.13%	Discount Rate 4.13%	1% Increase 5.13%
Total OPEB liability	\$ 850,561	\$ 761,838	\$ 686,602

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease 3.50%	Discount Rate 4.50%	1% Increase 5.50%
Total OPEB liability	\$ 747,150	\$ 761,838	\$ 778,591

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 revisions 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 June 30, 2023, and the current sharing pattern of costs between employer and inactive employees.

OPEB Revenue and Deferred Outflows and Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the County recognized OPEB expense of \$33,873. At June 30, 2023, the County reported deferred outflows and inflows of resources related to the OPEB Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 212,263	\$ 446,028
Other changes in assumptions	388,730	255,128
Total	<u>\$ 600,993</u>	<u>\$ 701,156</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 11. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

OPEB Revenue and Deferred Outflows and Inflows of Resources Related to OPEB (Continued)

Amounts reported as deferred outflows and inflows of resources related to the OPEB Plan will be recognized in OPEB revenue as follows:

<u>Year ending June 30,</u>	
2024	\$ (41,646)
2025	(41,646)
2026	(41,646)
2027	(41,646)
2028	(41,646)
2029 and after	108,067
Total	<u>\$ (100,163)</u>

NOTE 12. 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.

Through the Georgia Municipal Association ("GMA"), the County holds membership in Georgia Interlocal Risk Management Agency ("GIRMA"). GIRMA exists by authority of the O.C.G.A., and participates in risk sharing arrangements among Georgia county governments. Members jointly self-insure the risks of general liability, motor vehicle liability, property damage or any combination of such risks. Coverages are subject to a \$1,000 deductible per occurrence.

Pursuant to Title 34, Chapter 9, Article 5 of the O.C.G.A., the County became a member of the Association County Commissioners of Georgia – Self-Insurance Workers' Compensation Fund. The liability of the fund to the employees of any employer is specifically limited to such obligations as are imposed by applicable state laws against the employer for workers' compensation and/or employer's liability.

The Fund is to defend, in the name of and on behalf of the members, any suits or other proceedings which may at any time be instituted against them on account of injuries or death within the preview of the Workers' Compensation Law of Georgia, or on the basis of employer's liability, including suits or other proceedings alleging such injuries and demanding compensation, therefore, although such suits, other proceedings, allegations, or demands be wholly groundless, false or fraudulent. The Fund is to pay all costs taxed against members in any legal proceedings defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. RISK MANAGEMENT (CONTINUED)

There have been no significant reductions of insurance coverage from coverage in the prior year, and settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 13. COMMITMENTS AND CONTINGENT LIABILITIES

Litigation

The County is involved in several pending lawsuits. Also, the Joint Development Authority has filed suit against certain entities and individuals to recover funds received from the Joint Development Authority through fraudulent means. 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 14. JOINT VENTURES

Under Georgia law, the County, in conjunction with other cities and counties in the 17-county area district, is a member of the Heart of Georgia/Altamaha Regional Commission and is required to pay annual dues thereto. Membership in a Regional Commission is required by O.C.G.A. §50-8-34, which provides for the organizational structure of the Regional Commission in Georgia. The Regional Commission Board membership includes the chief elected official of each county and municipality of the area. O.C.G.A. §50-8-391 provides that the member governments are liable for any debts or obligations of the Regional Commission. The total paid to the Regional Commission for fiscal year 2023 was \$10,691.

Information concerning the financial statements may be obtained from:

Heart of Georgia/Altamaha Regional Commission
501 Oak Street
Eastman, Georgia 31023

NOTES TO FINANCIAL STATEMENTS

NOTE 15. 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 Jeff Davis County Development Authority.

During the fiscal year ended June 30, 2023, the County abated property taxes totaling \$4,112,116. Tax abatements during the current year range from 0% to 100% of assessed property values over a time period up to 25 years.

REQUIRED SUPPLEMENTARY INFORMATION

JEFF DAVIS COUNTY, GEORGIA

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

	2023	2022	2021	2020	2019	2018
Total OPEB liability						
Service cost	\$ 30,518	\$ 40,225	\$ 46,539	\$ 26,206	\$ 24,545	\$ 20,658
Interest on total OPEB liability	45,001	32,026	38,579	44,764	44,163	34,049
Differences between expected and actual experience	(509,390)	147,904	120,409	7,765	(21,558)	-
Changes of assumptions	(67,728)	(226,272)	(17,626)	299,965	50,360	252,628
Changes of benefit terms	-	(442,458)	-	-	-	-
Benefit payments	(15,444)	(19,154)	(40,007)	(50,002)	(46,216)	(38,061)
Net change in total OPEB liability	(517,043)	(467,729)	147,894	328,698	51,294	269,274
Total OPEB liability - beginning	1,278,881	1,746,610	1,598,716	1,270,018	1,218,724	949,450
Total OPEB liability - ending	\$ 761,838	\$ 1,278,881	\$ 1,746,610	\$ 1,598,716	\$ 1,270,018	\$ 1,218,724
Covered payroll	\$ 2,338,594	\$ 2,673,969	\$ 3,667,156	\$ 2,888,633	\$ 3,336,091	\$ 2,984,154
County's total OPEB liability as a percentage of covered payroll	32.6%	47.8%	47.6%	55.3%	38.1%	40.8%

Notes to the Schedule:

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

The assumptions used in the preparation of the above schedule are disclosed in Note 11 in the Notes to the Financial Statements.

JEFF DAVIS COUNTY, GEORGIA

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

	2023	2022	2021	2020	2019
Total pension liability					
Service cost	\$ 99,898	\$ 108,472	\$ 114,564	\$ 109,635	\$ 86,250
Interest on total pension liability	463,600	461,779	432,736	387,275	352,705
Differences between expected and actual experience	187,128	(97,598)	(32,950)	216,196	150,117
Changes of assumptions	9,744	9,521	9,184	213,034	351,374
Plan change	-	-	29,138	-	-
Benefit payments, including refunds of employee contributions	(325,126)	(293,607)	(275,539)	(277,837)	(267,865)
Net change in total pension liability	435,244	188,567	277,133	648,303	672,581
Total pension liability - beginning	6,785,413	6,596,846	6,319,713	5,671,410	4,998,829
Total pension liability - ending (a)	7,220,657	6,785,413	6,596,846	6,319,713	5,671,410
Plan fiduciary net position					
Contributions - employer	248,075	-	291,827	288,409	205,795
Net investment income	(851,673)	840,806	661,022	839,854	(193,077)
Benefit payments, including refunds of employee contributions	(325,126)	(283,678)	(275,539)	(277,837)	(267,865)
Administrative expenses	(30,916)	(30,000)	(29,955)	(29,223)	(16,811)
Other	(82,754)	(121,468)	(21,125)	(51,082)	(19,419)
Net change in fiduciary net position	(1,042,394)	405,660	626,230	770,121	(291,377)
Plan fiduciary net position - beginning	5,970,649	5,564,989	4,938,759	4,168,638	4,460,015
Plan fiduciary net position - ending (b)	4,928,255	5,970,649	5,564,989	4,938,759	4,168,638
County's net pension liability - ending (a) - (b)	\$ 2,292,402	\$ 814,764	\$ 1,031,857	\$ 1,380,954	\$ 1,502,772
Plan fiduciary net position as a percentage of total pension liability	68.3%	88.0%	84.4%	78.1%	73.5%
Covered payroll	\$ 2,579,789	\$ 2,616,910	\$ 2,692,978	\$ 2,705,607	\$ 2,376,006
County's net pension liability as a percentage of covered payroll	88.9%	31.1%	38.3%	51.0%	63.2%

Notes to the Schedule:

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

2018	2017	2016	2015
\$ 73,148	\$ 73,151	\$ 60,338	\$ 56,716
346,452	326,410	296,404	286,283
(83,675)	131,356	142,996	-
12,141	141,756	126,236	-
-	-	-	-
(255,794)	(236,490)	(215,290)	(200,839)
92,272	436,183	410,684	142,160
4,906,557	4,470,374	4,059,689	3,917,529
4,998,829	4,906,557	4,470,373	4,059,689
222,547	245,510	211,955	194,351
596,874	265,986	31,916	256,611
(255,794)	(236,490)	(215,290)	(200,839)
(13,851)	(17,407)	(13,906)	(12,661)
(23,234)	(22,924)	(46,692)	(21,872)
526,542	234,675	(32,017)	215,590
3,933,473	3,698,798	3,730,815	3,515,225
4,460,015	3,933,473	3,698,798	3,730,815
\$ 538,814	\$ 973,084	\$ 771,575	\$ 328,874
89.2%	80.2%	82.7%	91.9%
\$ 2,145,001	\$ 2,144,605	\$ 2,085,053	\$ 1,938,321
25.1%	45.4%	37.0%	17.0%

JEFF DAVIS COUNTY, GEORGIA

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

	2023	2022	2021	2020	2019
Actuarially determined contribution	\$ 298,942	\$ 265,565	\$ 277,317	\$ 288,409	\$ 205,795
Contributions in relation to the actuarially determined contribution	298,942	265,565	277,317	288,409	205,795
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 2,579,789	\$ 2,616,910	\$ 2,692,978	\$ 2,705,607	\$ 2,376,006
Contributions as a percentage of covered payroll	11.6%	10.1%	10.3%	10.7%	8.7%

Notes to the Schedule

Valuation Date	January 1, 2022
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	3.0% (including 3.0% inflation)
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
\$ 222,547	\$ 245,510	\$ 211,955	\$ 194,351
222,547	245,510	211,955	194,351
\$ -	\$ -	\$ -	\$ -
\$ 2,145,001	\$ 2,144,605	\$ 2,085,053	\$ 1,938,321
10.4%	11.4%	10.2%	10.0%

NONMAJOR GOVERNMENTAL FUNDS

JEFF DAVIS COUNTY, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Revolving Loan	To account for the activity of the County's revolving loan fund.
Emergency 911	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.
Law Library	To account for revenues generated through special filing charges in the County court system which are used to acquire and maintain library materials.
EIP Grant	To account for the activity of the County's Employment Incentive Program ("EIP") grant.

CAPITAL PROJECT FUNDS

LMIG Fund	To account for the funds received from the State of Georgia through the Local Maintenance and Improvement Grant program and the corresponding capital project expenditures thereof.
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JEFF DAVIS COUNTY, GEORGIA

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2023

ASSETS	Special Revenue Funds				Capital Project Funds	Nonmajor Governmental Funds
	Revolving Loan	Emergency 911	Law Library	EIP Grant	LMIG Fund	
Cash and cash equivalents	\$ 416,405	\$ 78,679	\$ 5,362	\$ -	\$ 654,274	\$ 1,154,720
Accounts receivable	-	36,375	-	-	-	36,375
Due from other governments	-	-	-	-	-	-
Due from other funds	160,565	30,000	-	-	-	190,565
Total assets	<u>\$ 576,970</u>	<u>\$ 145,054</u>	<u>\$ 5,362</u>	<u>\$ -</u>	<u>\$ 654,274</u>	<u>\$ 1,381,660</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ -	\$ 1,044	\$ 2,681	\$ -	\$ -	\$ 3,725
Accrued liabilities	-	17,662	-	-	-	17,662
Due to other funds	-	30,410	-	-	-	30,410
Total liabilities	<u>-</u>	<u>49,116</u>	<u>2,681</u>	<u>-</u>	<u>-</u>	<u>51,797</u>
FUND BALANCES						
Restricted for:						
Judicial	-	-	2,681	-	-	2,681
Public safety	-	95,938	-	-	-	95,938
Housing and development	576,970	-	-	-	-	576,970
Capital projects	-	-	-	-	654,274	654,274
Total fund balance	<u>576,970</u>	<u>95,938</u>	<u>2,681</u>	<u>-</u>	<u>654,274</u>	<u>1,329,863</u>
Total liabilities and fund balances	<u>\$ 576,970</u>	<u>\$ 145,054</u>	<u>\$ 5,362</u>	<u>\$ -</u>	<u>\$ 654,274</u>	<u>\$ 1,381,660</u>

JEFF DAVIS COUNTY, GEORGIA

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

	Special Revenue Funds				Capital Project Funds	Nonmajor Governmental Funds
	Revolving Loan	Emergency 911	Law Library	EIP Grant	LMIG Fund	
REVENUES						
Sales taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	654,201	654,201
Charges for services	-	217,018	-	-	-	217,018
Interest	4,230	-	-	-	147	4,377
Other	-	245	6,420	-	-	6,665
Total revenues	<u>4,230</u>	<u>217,263</u>	<u>6,420</u>	<u>-</u>	<u>654,348</u>	<u>882,261</u>
EXPENDITURES						
Current:						
Judicial	-	-	3,739	-	-	3,739
Public safety	-	530,849	-	-	-	530,849
Intergovernmental	-	-	-	118	-	118
Capital outlay	-	-	-	-	845,218	845,218
Total expenditures	<u>-</u>	<u>530,849</u>	<u>3,739</u>	<u>118</u>	<u>845,218</u>	<u>1,379,924</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,230</u>	<u>(313,586)</u>	<u>2,681</u>	<u>(118)</u>	<u>(190,870)</u>	<u>(497,663)</u>
OTHER FINANCING SOURCES						
Transfers in	-	594,473	-	-	129,022	723,495
Total other financing sources	<u>-</u>	<u>594,473</u>	<u>-</u>	<u>-</u>	<u>129,022</u>	<u>723,495</u>
Net change in fund balances	4,230	280,887	2,681	(118)	(61,848)	225,832
FUND BALANCES (DEFICIT), beginning of year	<u>572,740</u>	<u>(184,949)</u>	<u>-</u>	<u>118</u>	<u>716,122</u>	<u>1,104,031</u>
FUND BALANCES, end of year	<u>\$ 576,970</u>	<u>\$ 95,938</u>	<u>\$ 2,681</u>	<u>\$ -</u>	<u>\$ 654,274</u>	<u>\$ 1,329,863</u>

JEFF DAVIS COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Estimated Cost	Current Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
Roads, bridges, equipment	\$ 3,809,359	\$ 3,809,359	\$ 3,900,418	\$ 54,805	\$ 3,955,223
City of Hazlehurst	2,500,000	2,500,000	3,294,609	516,393	3,811,002
Hospital	1,200,000	1,200,000	678,624	248,136	926,760
Public safety	1,790,641	1,790,641	1,071,043	206,275	1,277,318
Development Authority	1,000,000	1,000,000	615,648	206,780	822,428
Jail	1,125,000	1,125,000	1,782,558	105,773	1,888,331
Recreation	500,000	500,000	699,953	73,726	773,679
Elections	75,000	75,000	-	-	-
Renovation of public buildings	500,000	500,000	189,738	53,720	243,458
	<u>\$ 12,500,000</u>	<u>\$ 12,500,000</u>	<u>\$ 12,232,591</u>	<u>1,465,608</u>	<u>\$ 13,698,199</u>
Reconciling items:					
Debt service payments on equipment already included as an expenditure above			1,962,499	295,813	2,258,312
Transfers out to the Development Authority and General Fund already included as an expenditure above			(464,819)	(206,780)	(671,599)
			<u>\$ 13,730,271</u>	<u>\$ 1,554,641</u>	<u>\$ 15,284,912</u>

CUSTODIAL FUNDS

JEFF DAVIS 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 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.

JEFF DAVIS COUNTY, GEORGIA

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

	<u>Tax Commissioner</u>	<u>Magistrate Court</u>	<u>Probate Court</u>	<u>Clerk of Court</u>	<u>Sheriff</u>	<u>Total</u>
ASSETS						
Cash	\$ 651,141	\$ 35,930	\$ 1,859	\$ 156,545	\$ 155,325	\$ 1,000,800
Taxes receivable	<u>373,872</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>373,872</u>
Total assets	<u>\$ 1,025,013</u>	<u>\$ 35,930</u>	<u>\$ 1,859</u>	<u>\$ 156,545</u>	<u>\$ 155,325</u>	<u>\$ 1,374,672</u>
LIABILITIES						
Due to others	\$ 118,200	\$ 25,960	\$ 6,231	\$ 36,377	\$ 12,231	\$ 198,999
Uncollected taxes	<u>373,871</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>373,871</u>
Total liabilities	<u>\$ 492,071</u>	<u>\$ 25,960</u>	<u>\$ 6,231</u>	<u>\$ 36,377</u>	<u>\$ 12,231</u>	<u>\$ 572,870</u>
NET POSITION						
Restricted for individuals, organizations and other governments	<u>\$ 532,942</u>	<u>\$ 9,970</u>	<u>\$ (4,372)</u>	<u>\$ 120,168</u>	<u>\$ 143,094</u>	<u>\$ 801,802</u>

JEFF DAVIS COUNTY, GEORGIA

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

	Tax Commissioner	Magistrate Court	Probate Court	Clerk of Court	Sheriff	Total
ADDITIONS						
Taxes collected	\$ 9,362,096	\$ -	\$ -	\$ -	\$ -	\$ 9,362,096
Fines and fees collected	-	331,723	79,939	909,663	257,767	1,579,092
Total additions	<u>9,362,096</u>	<u>331,723</u>	<u>79,939</u>	<u>909,663</u>	<u>257,767</u>	<u>10,941,188</u>
DEDUCTIONS						
Taxes disbursed	9,307,465	-	-	-	-	9,307,465
Fines and fees disbursed	-	329,929	81,132	897,351	266,837	1,575,249
Total deductions	<u>9,307,465</u>	<u>329,929</u>	<u>81,132</u>	<u>897,351</u>	<u>266,837</u>	<u>10,882,714</u>
Change in net position	54,631	1,794	(1,193)	12,312	(9,070)	58,474
NET POSITION						
Net position, beginning of year	<u>478,311</u>	<u>8,176</u>	<u>(3,179)</u>	<u>107,856</u>	<u>152,164</u>	<u>743,328</u>
Net position, end of year	<u>\$ 532,942</u>	<u>\$ 9,970</u>	<u>\$ (4,372)</u>	<u>\$ 120,168</u>	<u>\$ 143,094</u>	<u>\$ 801,802</u>

COMPLIANCE SECTION



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

**Board of Commissioners
of Jeff Davis County, Georgia
Hazlehurst, Georgia**

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Jeff Davis County, Georgia (the "County") as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 4, 2024. Our report includes references to other auditors who audited the financial statements of the Jeff Davis County Board of Health, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

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 item 2023-001 that we consider to be a material weakness.

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 accompanying schedule of findings and responses as item 2023-002.

Jeff Davis County's Responses to Finding

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 auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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

Mauldin & Jenkins, LLC

Macon, Georgia
June 4, 2024

JEFF DAVIS COUNTY, GEORGIA

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

SECTION I SUMMARY OF AUDIT RESULTS

Financial Statements

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

Unmodified

Internal control over financial reporting:

Material weaknesses identified?

☒ Yes ☐ No

Significant deficiencies identified not considered to be material weaknesses?

☐ Yes ☒ None Reported

Noncompliance material to financial statements noted?

☒ Yes ☐ No

Federal Awards

A single audit was not performed for the fiscal year ended June 30, 2023, due to the County not expending \$750,000 or more of federal funds.

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES

2023-001. Segregation of Duties (Repeat Finding)

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

Condition: There is not appropriate segregation of duties among recording, distribution, and reconciliation of cash accounts and other operational functions in the various areas of the County, including the offices of elected officials. In addition, we noted bank statements were being reconciled by employees of these elected officials with no consistent review of the reconciled statements being performed. Specifically, we noted the following items:

- Sheriff's Office – One individual has the authority to open mail and also has the authority to prepare deposits, deposit cash receipts, prepare checks, sign checks, mail checks, and reconcile bank statements. Another individual has the authority to open mail and also has the authority to prepare deposits, deposit cash receipts, prepare checks, sign checks, mail checks, and reconcile bank statements. In addition, we noted the bank reconciliations are not being properly reviewed until the end of the year prior to the audit.
- Probate Court – One individual has the authority to open mail and also has the authority to prepare deposits, prepare checks, mail checks, sign checks, post transactions to the general ledger, and reconcile bank statements. In addition, we noted the bank reconciliations are not being properly reviewed on a consistent basis.

JEFF DAVIS COUNTY, GEORGIA

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

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2023-001. Segregation of Duties (Repeat Finding) (Continued)

- Magistrate Court – One individual has the authority to prepare deposits and deposit cash receipts and also has the authority to reconcile bank statements. In addition, we noted bank reconciliations are being performed and reviewed; however, no documentation of the review is being performed.
- Clerk of Court – One individual has the authority to open mail and also has the authority to prepare deposits, deposit cash receipts, prepare checks, and reconcile bank statements. Another individual has the authority to open mail and also has the authority to prepare deposits, deposit cash receipts, mail checks, and sign checks.
- County Office – One individual has the authority to open mail and also has the authority to prepare deposits, deposit cash receipts, prepare checks, mail checks, sign checks, post transactions to the general ledger, and reconcile bank statements.

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

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

Cause: The failure to properly segregate duties is due to the limited number of individuals available in each office to perform each of the duties.

Recommendation: We recommend the duties of recording, distributing, and reconciling of accounts be segregated among employees. Also, we recommend greater separation of duties relative to: preparing deposits, making deposits, opening the mail, posting transactions to the general ledger, signing of checks, and reconciling bank statements. We recommend bank reconciliations are properly reviewed on a monthly basis with documentation of review.

Views of Responsible Officials: We concur. The offices listed above are in the process of reviewing their respective systems to evaluate and determine the most efficient and effective solution to properly segregate duties among recording, distribution, and reconciliation of accounts to provide reasonable assurance that an individual cannot misappropriate funds without being detected during the normal course of business.

JEFF DAVIS COUNTY, GEORGIA

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

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2023-002. Budgetary Requirements

Criteria: Georgia Statutes (O.C.G.A. §36-81) establish budgetary requirements for governmental entities that there be a legal level of control at a minimum to be at the department level. In addition, each unit of local government shall adopt and operate under an annually balanced budget for the General Fund and each major Special Revenue Fund in use by the local government. The annually balanced budget shall be adopted by ordinance or resolution and administered in accordance with this article.

Condition:. For the year ended June 30, 2023, the County was in violation of State budget statutes:

- Departmental expenditures exceeded budgeted amounts at the legal level of control for the following funds:
 - General Fund
 - ARPA Fund
- The County did not adopt an annual balanced budget for the ARPA Fund.

Context: We addressed the matter with the County to determine the appropriate actions needed as to be in compliance with state budget requirements at June 30, 2023.

Effect: County expenditures exceeded budgeted amounts at the department level in the funds noted above as of June 30, 2023. The effect of not having an annual balanced budget for the ARPA Fund was a violation of state requirements.

Cause: The above conditions were caused by the County expending more than the budgeted amounts at certain departmental levels and not adopting a balanced budget for all necessary funds.

Recommendation: We recommend County management closely monitor expenditures, periodically compare the adopted budget to actual expenditures, and amend the budget if deemed necessary. We also recommend the County adopt balanced budgets for all reported funds.

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. We will also review budgets to assure balanced budgets are adopted.

JEFF DAVIS COUNTY, GEORGIA

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

2022-001. Segregation of Duties (Repeat Finding)

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: Appropriate segregation of duties does not exist among cash management, including the recording, distribution, reconciliation of cash accounts and other operational functions in various areas of County operations, including the offices of elected officials (Sheriff, Probate Court, Magistrate Court, Clerk of Court, and the Tax Commissioner), various departments of the General Fund and the County's Finance Department.

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