

**UNIFIED GOVERNMENT
OF
GEORGETOWN-QUITMAN COUNTY, GEORGIA**

**BASIC FINANCIAL STATEMENTS
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT**

FOR THE YEAR ENDED DECEMBER 31, 2022

UNIFIED GOVERNMENT OF GEORGETOWN-QUITMAN COUNTY
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R.W. Wingate & Company, LLC

Certified Public Accountant | Full Service Tax and Accounting

Richard W. Wingate, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Unified Government of Georgetown-Quitman County, Georgia
Georgetown, Georgia

Opinions

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Unified Government of Georgetown-Quitman County, Georgia (the "County") as of and for the year ending December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In my opinion, based on my audit and report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Unified Government of Georgetown-Quitman County as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year ended December 31, 2022, in accordance with accounting principles generally accepted in the United States of America.

I did not audit the financial statements of the Quitman County Health Department, which represent 100 percent of the assets and revenues of the discretely presented component unit as of June 30, 2021, and the respective changes in financial position for the year then ended. Those financial statements were audited by other auditors whose report has been furnished to me, and in my opinion, insofar as it relates to the amounts included for the Quitman County Health Department in the discretely presented component unit column, is based solely on the report of the other auditors.

Basis for Opinions

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

Responsibilities of management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Unified Government of Georgetown-Quitman 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

My 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 my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, I:

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

I am 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 I identified during the audit.

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of 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 the missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and pension schedules 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. I and other auditors 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the

limited procedures did not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Unified Government of Georgetown- Quitman County's basic financial statements. The combining nonmajor fund financial statements, combining nonmajor business-type financial statements, and combining fiduciary financial statements, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor fund financial statements, combining nonmajor business-type financial statements, and combining fiduciary financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of basic financial statements and certain additional procedures, included 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 my opinion, the combining nonmajor fund financial statements are fairly stated, in all material respects, 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*, I have also issued my report dated August 18, 2023, on my consideration of the County's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

R.W. Wingate & Company, LLC

Eufaula, Alabama

August 18, 2023

BASIC FINANCIAL STATEMENTS

UNIFIED GOVERNMENT OF GEORGETOWN-QUITMAN COUNTY
STATEMENT OF NET POSITION
DECEMBER 31, 2022

| | Primary Government | | | Component Unit |
|--|-------------------------|--------------------------|-------------------------|----------------------|
| | Governmental Activities | Business-Type Activities | Total | |
| ASSETS | | | | |
| Cash and Equivalents | \$ 4,069,754.77 | \$ 874,054.63 | \$ 4,943,809.40 | \$ 127,153.00 |
| Investments | 99,587.41 | 0.00 | 99,587.41 | 0.00 |
| Restricted Cash and Equivalents | 0.00 | 102,349.98 | 102,349.98 | 0.00 |
| Receivables | 266,471.08 | 63,015.67 | 329,486.75 | 51.00 |
| Intergovernmental Receivables | 529,065.99 | 0.00 | 529,065.99 | 17,148.00 |
| Notes Receivable- Current | 12,000.00 | 0.00 | 12,000.00 | 0.00 |
| Internal Balances | 24,428.32 | (24,428.32) | 0.00 | 0.00 |
| Notes Receivable- Noncurrent | 128,958.25 | 0.00 | 128,958.25 | 0.00 |
| Capital Assets (Note 1): | | | | |
| Non Depreciable | 38,792.00 | 328,657.61 | 367,449.61 | 0.00 |
| Depreciable, net of accumulated depreciation | 3,571,920.23 | 8,493,850.73 | 12,065,770.96 | 0.00 |
| Right to use leased asset, net of amortization | 43,993.21 | 0.00 | 43,993.21 | 0.00 |
| Total Capital Assets | <u>3,654,705.44</u> | <u>8,822,508.34</u> | <u>12,477,213.78</u> | <u>0.00</u> |
| Total Assets | <u>8,784,971.26</u> | <u>9,837,500.30</u> | <u>18,622,471.56</u> | <u>144,352.00</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Employer Pension Contributions Subsequent to Measurement Date | 0.00 | 9,498.64 | 9,498.64 | 8,851.00 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> |
| Total Deferred Outflow of Resources | <u>0.00</u> | <u>9,498.64</u> | <u>9,498.64</u> | <u>8,851.00</u> |
| LIABILITIES | | | | |
| Accounts Payable and Accrued Expenses | 42,330.33 | 36,869.20 | 79,199.53 | 1,646.00 |
| Unearned Revenue | 18,750.00 | 0.00 | 18,750.00 | 0.00 |
| Customer Deposits | 0.00 | 79,739.47 | 79,739.47 | 0.00 |
| Bonds and Notes Payable- Current | 101,737.21 | 134,399.25 | 236,136.46 | 0.00 |
| Capital Leases Payable- Current | 158,952.67 | 0.00 | 158,952.67 | 0.00 |
| Compensated Absences | 20,168.79 | 7,606.41 | 27,775.20 | 0.00 |
| Bonds and Notes Payable- Long Term | 601,467.94 | 1,693,649.70 | 2,295,117.64 | 0.00 |
| Net Pension Obligation | <u>0.00</u> | <u>39,472.00</u> | <u>39,472.00</u> | <u>0.00</u> |
| Total Liabilities | <u>943,406.94</u> | <u>1,991,736.03</u> | <u>2,935,142.97</u> | <u>1,646.00</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | <u>0.00</u> | <u>15,289.00</u> | <u>15,289.00</u> | <u>44,194.00</u> |
| NET POSITION | | | | |
| Net Investment in Capital Assets | 2,792,547.62 | 6,994,459.39 | 9,787,007.01 | 0.00 |
| Restricted for: | | | | |
| Law Library Expenditures | 52,812.40 | 0.00 | 52,812.40 | 0.00 |
| DATE | 46,971.07 | 0.00 | 46,971.07 | 0.00 |
| Judicial | 3,554.85 | 0.00 | 3,554.85 | 0.00 |
| Public Safety- E-911 | 16,457.01 | 0.00 | 16,457.01 | 0.00 |
| Health Department Special Use | 0.00 | 0.00 | 0.00 | 28,366.00 |
| Grant Funds | 1,340,026.56 | 0.00 | 1,340,026.56 | 0.00 |
| SPLOST- Special Purpose | 129,696.98 | 0.00 | 129,696.98 | 0.00 |
| Debt Service | 0.00 | 102,349.98 | 102,349.98 | 0.00 |
| TSPLOST | 785,854.09 | 0.00 | 785,854.09 | 0.00 |
| Forfeiture Funds | 2,007.32 | 0.00 | 2,007.32 | 0.00 |
| Development Authority | 65,330.32 | 0.00 | 65,330.32 | 0.00 |
| Emergency Service Fees | 504,895.27 | 0.00 | 504,895.27 | 0.00 |
| LMIG | 190,644.11 | 0.00 | 190,644.11 | 0.00 |
| Unrestricted (Deficit) | <u>1,910,766.72</u> | <u>743,164.54</u> | <u>2,653,931.26</u> | <u>78,997.00</u> |
| Total Net Position | <u>\$ 7,841,564.32</u> | <u>\$ 7,839,973.91</u> | <u>\$ 15,681,538.23</u> | <u>\$ 107,363.00</u> |

See accompanying notes to the basic financial statements.

UNIFIED GOVERNMENT OF GEORGETOWN-QUITMAN COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

| Functions/Programs | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Position | | |
|-------------------------------------|------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | Component Unit |
| | | | | | Governmental Activities | Business-Type Activities | |
| Primary Government | | | | | | | |
| Governmental Activities: | | | | | | | |
| General Government | \$ 1,186,468.31 | \$ 122,807.32 | \$ 847,847.39 | \$ 0.00 | \$ (215,813.60) | \$ (215,813.60) | |
| Court Administration | 335,313.87 | 163,152.24 | 0.00 | 0.00 | (172,161.63) | (172,161.63) | |
| Public Safety | 1,381,795.25 | 619,515.04 | 0.00 | 91,184.20 | (671,096.01) | (671,096.01) | |
| Public Works | 680,325.72 | 22,145.59 | 0.00 | 226,463.87 | (431,716.26) | (431,716.26) | |
| Housing and Development | 41,455.10 | 16,551.00 | 0.00 | 0.00 | (24,904.10) | (24,904.10) | |
| Health and Welfare | 139,340.37 | 0.00 | 67,212.07 | 0.00 | (72,128.30) | (72,128.30) | |
| Culture and Recreation | 42,437.52 | 4,566.23 | 0.00 | 1,039,500.00 | 1,001,628.71 | 1,001,628.71 | |
| Interest on Debt | 24,013.62 | 0.00 | 0.00 | 0.00 | (24,013.62) | (24,013.62) | |
| Total Governmental Activities | 3,831,149.76 | 948,737.42 | 915,059.46 | 1,357,148.07 | (610,204.81) | (610,204.81) | |
| Business-Type Activities | | | | | | | |
| Water Authority | 740,637.85 | 607,469.32 | 0.00 | 0.00 | (133,168.53) | (133,168.53) | |
| Solid Waste | 290,591.36 | 278,523.39 | 0.00 | 0.00 | (12,067.97) | (12,067.97) | |
| Building Rental | 36,224.07 | 20,452.86 | 0.00 | 0.00 | (15,771.21) | (15,771.21) | |
| Revolving Loan | 6.00 | 0.00 | 0.00 | 0.00 | (6.00) | (6.00) | |
| Total Business-Type Activities | 1,067,459.28 | 906,445.57 | 0.00 | 0.00 | (161,013.71) | (161,013.71) | |
| Total- Primary Government | \$ 4,898,609.04 | \$ 1,855,182.99 | \$ 915,059.46 | \$ 1,357,148.07 | \$ (610,204.81) | \$ (771,218.52) | |
| Component Unit: | | | | | | | |
| Quitman County Board of Health | \$ 159,093.00 | \$ 56,398.00 | \$ 159,889.00 | \$ 0.00 | | | \$ 57,194.00 |
| General Revenues: | | | | | | | |
| Taxes: Local Sales Tax | | | | | \$ 261,754.41 | \$ 0.00 | \$ 261,754.41 |
| Property Taxes for General Purposes | | | | | 1,421,330.77 | 0.00 | 1,421,330.77 |
| SPLOST- Roads and Bridges | | | | | 261,746.18 | 0.00 | 261,746.18 |
| TSPLOST | | | | | 329,052.62 | 0.00 | 329,052.62 |
| Other Taxes | | | | | 436,716.73 | 0.00 | 436,716.73 |
| Reimbursement for Damaged Property | | | | | 13,044.00 | 0.00 | 13,044.00 |
| Miscellaneous | | | | | 24,516.08 | 0.00 | 24,516.08 |
| Gain on Sale of Property | | | | | 0.00 | 0.00 | 0.00 |
| Interest Earnings | | | | | 16,379.85 | 3,196.51 | 19,576.36 |
| TRANSFERS | | | | | (330,316.21) | 330,316.21 | 0.00 |
| Total General Revenues | | | | | 2,434,224.43 | 333,512.72 | 2,767,737.15 |
| Change in Net Position | | | | | 1,824,019.62 | 172,499.01 | 1,996,518.63 |
| Net Position- Beginning of Year | | | | | 6,017,544.70 | 7,667,474.90 | 13,685,019.60 |
| Net Position- End of Year | | | | | \$ 7,841,564.32 | \$ 7,839,973.91 | \$ 15,681,538.23 |

See accompanying notes to the basic financial statements.

UNIFIED GOVERNMENT OF GEORGETOWN-QUITMAN COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022

| | General Fund | T-SPLOST Fund | LMIG Fund | Development Authority | Other Governmental Funds | Total Governmental Funds |
|--|------------------------|----------------------|----------------------|-----------------------|--------------------------|--------------------------|
| ASSETS | | | | | | |
| Cash and Cash Equivalents | \$ 2,934,188.17 | \$ 754,531.82 | \$ 190,644.11 | \$ 14,335.96 | \$ 176,054.71 | \$ 4,069,754.77 |
| Investments | 99,587.41 | 0.00 | 0.00 | 0.00 | 0.00 | 99,587.41 |
| Receivables | 461,867.63 | 0.00 | 0.00 | 51,094.36 | 16,104.00 | 529,065.99 |
| Intergovernment Receivable | 215,231.88 | 31,322.27 | 0.00 | 0.00 | 19,916.93 | 266,471.08 |
| Notes Receivable | 0.00 | 0.00 | 0.00 | 140,958.25 | 0.00 | 140,958.25 |
| Interfund Receivable | 183,764.93 | 0.00 | 0.00 | 0.00 | 18,750.00 | 202,514.93 |
| TOTAL ASSETS | \$ 3,894,640.02 | \$ 785,854.09 | \$ 190,644.11 | \$ 206,388.57 | \$ 230,825.64 | \$ 5,308,352.43 |
| LIABILITIES AND FUND BALANCES | | | | | | |
| Liabilities: | | | | | | |
| Accounts Payable | \$ 42,330.33 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 42,330.33 |
| Interfund Payable | 18,750.00 | 0.00 | 0.00 | 141,058.25 | 18,278.36 | 178,086.61 |
| Unearned Revenue | 0.00 | 0.00 | 0.00 | 0.00 | 18,750.00 | 18,750.00 |
| Total Liabilities | 61,080.33 | 0.00 | 0.00 | 141,058.25 | 37,028.36 | 239,166.94 |
| Deferred Inflows of Resources: | | | | | | |
| Unavailable Revenue- Property Tax | 144,589.50 | 0.00 | 0.00 | 0.00 | 0.00 | 144,589.50 |
| Unavailable Revenue- FLPG | 195,305.39 | 0.00 | 0.00 | 0.00 | 0.00 | 195,305.39 |
| Total Deferred Inflows of Resources | 339,894.89 | 0.00 | 0.00 | 0.00 | 0.00 | 339,894.89 |
| Fund Balances: | | | | | | |
| Restricted: | | | | | | |
| DATE Funds | 46,971.07 | 0.00 | 0.00 | 0.00 | 0.00 | 46,971.07 |
| Family Connections | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Probation Funds | 3,554.85 | 0.00 | 0.00 | 0.00 | 0.00 | 3,554.85 |
| Grant Funds | 1,340,026.56 | 0.00 | 0.00 | 0.00 | 0.00 | 1,340,026.56 |
| Forfeiture Funds | 2,007.32 | 0.00 | 0.00 | 0.00 | 0.00 | 2,007.32 |
| Emergency Service Fees | 504,895.27 | 0.00 | 0.00 | 0.00 | 0.00 | 504,895.27 |
| Law Library | 0.00 | 0.00 | 0.00 | 0.00 | 52,812.40 | 52,812.40 |
| E-911 | 0.00 | 0.00 | 0.00 | 0.00 | 16,457.01 | 16,457.01 |
| SPLOST Projects | 0.00 | 0.00 | 0.00 | 0.00 | 129,696.98 | 129,696.98 |
| TSPLOST Projects | 0.00 | 785,854.09 | 0.00 | 0.00 | 0.00 | 785,854.09 |
| Development Authority | 0.00 | 0.00 | 0.00 | 65,330.32 | 0.00 | 65,330.32 |
| LMIG Projects | 0.00 | 0.00 | 190,644.11 | 0.00 | 0.00 | 190,644.11 |
| Committed | 55,155.04 | 0.00 | 0.00 | 0.00 | 0.00 | 55,155.04 |
| Assigned | 39,042.61 | 0.00 | 0.00 | 0.00 | 0.00 | 39,042.61 |
| Unassigned | 1,502,012.08 | 0.00 | 0.00 | 0.00 | (5,168.71) | 1,496,843.37 |
| Total Fund Balances | 3,493,664.80 | 785,854.09 | 190,644.11 | 65,330.32 | 193,797.68 | 4,729,291.00 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 3,894,640.02 | \$ 785,854.09 | \$ 190,644.11 | \$ 206,388.57 | \$ 230,826.04 | \$ 5,308,352.83 |

See accompanying notes to the basic financial statements.

**UNIFIED GOVERNMENT OF GEORGETOWN-QUITMAN COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2022**

| | | |
|----------------------------------|--|-----------------|
| Total Governmental Fund Balances | | \$ 4,729,291.00 |
|----------------------------------|--|-----------------|

Amounts Reported for Governmental Activities in the Statement
of Net Position Are Different Because:

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

| | | |
|-----------------------------------|---------------------|--------------|
| Governmental capital assets | \$ 6,386,957.50 | |
| Less depreciation expense to date | (2,776,245.27) | |
| Right to use leased assets | 219,965.97 | |
| Less amortization expense to date | <u>(175,972.76)</u> | |
| | | 3,654,705.44 |

| | |
|--|------------|
| Property taxes and railroad taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds. | 144,589.50 |
|--|------------|

| | |
|--|------------|
| The Forest Land Protection Grants will be collected this year, but were not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds. | 195,305.39 |
|--|------------|

Long-term liabilities are not due and payable in the current period
and therefore are not reported as liabilities in the funds. Long-term
liabilities at the end of the year consisted of:

| | | |
|------------------------|--------------------|---------------------|
| Notes Payable | \$ (703,205.55) | |
| Capital Leases Payable | (158,952.67) | |
| Compensated Absences | <u>(20,168.79)</u> | |
| | | <u>(882,327.01)</u> |

| | |
|---|------------------------|
| Net Position of Governmental Activities | \$ <u>7,841,564.32</u> |
|---|------------------------|

UNIFIED GOVERNMENT OF GEORGETOWN-QUITMAN COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

| | General Fund | T-SPLOST Fund | LMIG Fund | Development Authority | Other Governmental Funds | Total Governmental Funds |
|---|------------------------|----------------------|----------------------|--------------------------|--------------------------------|--------------------------------|
| REVENUES | | | | | | |
| Property Taxes | \$ 1,417,670.46 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 1,417,670.46 |
| Sales Taxes | 261,754.41 | 329,052.62 | 0.00 | 0.00 | 261,746.18 | 852,553.21 |
| Other Taxes | 436,716.73 | 0.00 | 0.00 | 0.00 | 0.00 | 436,716.73 |
| Licenses and Permits | 52,300.10 | 0.00 | 0.00 | 0.00 | 0.00 | 52,300.10 |
| Intergovernmental | 1,017,725.40 | 0.00 | 190,206.00 | 0.00 | 67,212.07 | 1,275,143.47 |
| Charges for Services | 711,564.79 | 0.00 | 0.00 | 0.00 | 42,205.13 | 753,769.92 |
| Fees and Fines | 119,310.90 | 0.00 | 0.00 | 0.00 | 4,257.50 | 123,568.40 |
| Rents and Royalties | 15,325.00 | 0.00 | 0.00 | 0.00 | 0.00 | 15,325.00 |
| Reimbursement for Damages Property | 13,044.40 | 0.00 | 0.00 | 0.00 | 0.00 | 13,044.40 |
| Miscellaneous | 8,615.00 | 0.00 | 0.00 | 576.08 | 0.00 | 9,191.08 |
| Interest Earnings | 11,114.62 | 2,445.41 | 410.41 | 1,659.64 | 749.77 | 16,379.85 |
| Total Revenues | 4,065,141.81 | 331,498.03 | 190,616.41 | 2,235.72 | 376,170.65 | 4,965,662.62 |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General Government | 1,152,465.11 | 0.00 | 0.00 | 0.00 | 0.00 | 1,152,465.11 |
| Court Administration | 333,850.83 | 0.00 | 0.00 | 0.00 | 1,808.00 | 335,658.83 |
| Public Safety | 1,156,035.64 | 0.00 | 0.00 | 0.00 | 116,035.64 | 1,272,071.28 |
| Public Works | 248,844.37 | 21,600.00 | 0.00 | 0.00 | 311,464.11 | 581,908.48 |
| Health and Welfare | 29,264.82 | 0.00 | 0.00 | 0.00 | 83,722.36 | 112,987.18 |
| Housing and Development | 37,401.30 | 0.00 | 0.00 | 4,053.80 | 0.00 | 41,455.10 |
| Culture and Recreation | 26,613.66 | 0.00 | 0.00 | 0.00 | 0.00 | 26,613.66 |
| Capital Outlay: | | | | | | |
| General Government | 23,238.75 | 0.00 | 0.00 | 0.00 | 0.00 | 23,238.75 |
| Public Safety | 385,093.84 | 0.00 | 0.00 | 0.00 | 0.00 | 385,093.84 |
| Culture and Recreation | 66,987.73 | 0.00 | 0.00 | 0.00 | 0.00 | 66,987.73 |
| Debt Service: | | | | | | |
| Principal | 204,722.59 | 15,945.56 | 0.00 | 14,718.11 | 0.00 | 235,386.26 |
| Interest | 15,818.33 | 6,568.59 | 0.00 | 1,626.70 | 0.00 | 24,013.62 |
| Total Expenditures | 3,680,336.97 | 44,114.15 | 0.00 | 20,398.61 | 513,030.11 | 4,257,879.84 |
| EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES | 384,804.84 | 287,383.88 | 190,616.41 | (18,162.89) | (136,859.46) | 707,782.78 |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers In (Out) | (263,374.97) | 0.00 | 0.00 | 5,695.00 | (72,636.24) | (330,316.21) |
| Proceeds from Property Sales | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Debt Proceeds | 298,144.66 | 0.00 | 0.00 | 0.00 | 0.00 | 298,144.66 |
| Capital Lease Inception | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Other Financing Sources (Uses) | 34,769.69 | 0.00 | 0.00 | 5,695.00 | (72,636.24) | (32,171.55) |
| NET CHANGE IN FUND BALANCES | 419,574.53 | 287,383.88 | 190,616.41 | (12,467.89) | (209,495.70) | 675,611.23 |
| FUND BALANCE (DEFICIT)- BEGINNING OF THE YEAR | 3,074,090.27 | 498,470.21 | 27.70 | 77,798.21 | 403,293.38 | 4,053,679.77 |
| FUND BALANCE (DEFICIT)- ENDING | \$ 3,493,664.80 | \$ 785,854.09 | \$ 190,644.11 | \$ 65,330.32 | \$ 193,797.68 | \$ 4,729,291.00 |

See accompanying notes to the basic financial statements.

**UNIFIED GOVERNMENT OF GEORGETOWN-QUITMAN COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022**

| | | |
|---|-------------------|------------------------|
| Net Changes in Fund Balances- Total Governmental Funds | | \$ 675,611.23 |
| Amounts Reported for Governmental Activities in the Statement of Activities are Different Because: | | |
| Governmental funds report capital expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period. | | |
| Depreciation Expense | \$ (286,169.22) | |
| Capital Outlay | <u>475,320.32</u> | 189,151.10 |
| The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade ins, and donations) is to increase net position | | 1,039,500.00 |
| Because some property taxes will not be collected for several months after the County's year ends, they are not considered "available" revenues and are deferred in the governmental funds. Deferred tax revenues decreased by this amount this period. | | 3,660.31 |
| Because the Forest Land Protection Grant & FEMA Grant will not be collected for several months after the County's year ends, they are not considered "available" revenue and are deferred in the governmental funds. This is the amount that the grants increased this period. | | (59,594.81) |
| Debt forgiven by as part of Federal Domestic Assistance Capitalization Grants for Clean Water State Revolving Funds. | | 36,257.47 |
| Some capital additions were financed through loans. In governmental funds, loan proceeds are considered a source of financing, but in the statement of net position, the debt obligation is considered a liability. | | (298,144.66) |
| Repayment of notes payable is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of repayments for the period. | | 235,386.26 |
| In the statement of activities, compensated absences (vacation pay) does not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This is the amount that compensated absences increased this period. | | <u>2,192.72</u> |
| Change in Net Position of Governmental Activities | | <u>\$ 1,824,019.62</u> |

UNIFIED GOVERNMENT OF GEORGETOWN-QUITMAN COUNTY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2022

| | Enterprise Funds | | | Total |
|--|------------------------|-----------------------------|------------------------------|-------------------------|
| | Water Authority | Solid Waste Authority | Other Enterprise Funds | Enterprise Funds |
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | \$ 328,675.03 | \$ 267,838.51 | \$ 277,541.09 | \$ 874,054.63 |
| Restricted Cash and Cash Equivalents | 102,349.98 | 0.00 | 0.00 | 102,349.98 |
| Investments | 0.00 | 0.00 | 0.00 | 0.00 |
| Accounts Receivable- Net | 36,777.52 | 26,238.15 | 0.00 | 63,015.67 |
| Interfund Balances | 0.00 | 192,153.78 | 0.00 | 192,153.78 |
| Total Current Assets | <u>467,802.53</u> | <u>486,230.44</u> | <u>277,541.09</u> | <u>1,231,574.06</u> |
| Noncurrent Assets: | | | | |
| Capital Assets: | | | | |
| Land and Improvements | 328,657.61 | 0.00 | 0.00 | 328,657.61 |
| Distribution Systems | 12,622,441.52 | 0.00 | 0.00 | 12,622,441.52 |
| Buildings and Equipment | 260,144.45 | 512,487.74 | 816,642.00 | 1,589,274.19 |
| Less Accumulated Depreciation | <u>(4,981,617.63)</u> | <u>(341,437.13)</u> | <u>(394,810.22)</u> | <u>(5,717,864.98)</u> |
| Total Noncurrent Assets | <u>8,229,625.95</u> | <u>171,050.61</u> | <u>421,831.78</u> | <u>8,822,508.34</u> |
| TOTAL ASSETS | <u>\$ 8,697,428.48</u> | <u>\$ 657,281.05</u> | <u>\$ 699,372.87</u> | <u>\$ 10,054,082.40</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred Outflow of Resources | | | | |
| Related to Pensions | <u>9,498.64</u> | <u>0.00</u> | <u>0.00</u> | <u>9,498.64</u> |
| TOTAL DEFERRED OUTFLOW OF RESOURCES | <u>9,498.64</u> | <u>0.00</u> | <u>0.00</u> | <u>9,498.64</u> |
| LIABILITIES | | | | |
| Current Liabilities: | | | | |
| Accounts Payable | \$ 23,522.72 | \$ 7,499.83 | \$ 0.00 | \$ 31,022.55 |
| Accrued Expenses | 5,846.65 | 0.00 | 0.00 | 5,846.65 |
| Interfund Balances | 202,797.67 | 12,858.63 | 925.80 | 216,582.10 |
| Deposits Payable | 58,887.47 | 20,852.00 | 0.00 | 79,739.47 |
| Capital Lease Payable | 0.00 | 0.00 | 0.00 | 0.00 |
| Bonds and Notes Payable | 134,399.25 | 0.00 | 0.00 | 134,399.25 |
| Compensated Absences | 3,815.64 | 3,790.77 | 0.00 | 7,606.41 |
| Total Current Liabilities | <u>429,269.40</u> | <u>45,001.23</u> | <u>925.80</u> | <u>475,196.43</u> |
| Noncurrent Liabilities: | | | | |
| Capital Lease Payable | 0.00 | 0.00 | 0.00 | 0.00 |
| Net Pension Liability | 39,472.00 | 0.00 | 0.00 | 39,472.00 |
| Bonds and Notes Payable | 1,693,649.70 | 0.00 | 0.00 | 1,693,649.70 |
| Total Noncurrent Liabilities | <u>1,733,121.70</u> | <u>0.00</u> | <u>0.00</u> | <u>1,733,121.70</u> |
| TOTAL LIABILITIES | <u>\$ 2,162,391.10</u> | <u>\$ 45,001.23</u> | <u>\$ 925.80</u> | <u>\$ 2,208,318.13</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Net Difference Between Projected and Actual | | | | |
| Earnings on Pension Plan Investments | <u>15,289.00</u> | <u>0.00</u> | <u>0.00</u> | <u>15,289.00</u> |
| NET POSITION | | | | |
| Net Investment in Capital Assets | \$ 6,401,577.00 | \$ 171,050.61 | \$ 421,831.78 | \$ 6,994,459.39 |
| Restricted for Debt Service | 102,349.98 | 0.00 | 0.00 | 102,349.98 |
| Unrestricted (Deficit) | 25,320.04 | 441,229.21 | 276,615.29 | 743,164.54 |
| TOTAL NET POSITION | <u>\$ 6,529,247.02</u> | <u>\$ 612,279.82</u> | <u>\$ 698,447.07</u> | <u>\$ 7,839,973.91</u> |

See accompanying notes to the basic financial statements.

UNIFIED GOVERNMENT OF GEORGETOWN-QUITMAN COUNTY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

| | Enterprise Funds | | | Total Enterprise Funds |
|--|------------------------|-----------------------|------------------------|------------------------|
| | Water Authority | Solid Waste Authority | Other Enterprise Funds | |
| OPERATING REVENUES | | | | |
| Charges for Services | \$ 572,023.23 | \$ 278,523.39 | \$ 0.00 | \$ 850,546.62 |
| Rentals | 0.00 | 0.00 | 20,452.86 | 20,452.86 |
| Interest on Revolving Loans | 0.00 | 0.00 | 0.00 | 0.00 |
| Penalties & Other Operating Revenues | 35,446.09 | 0.00 | 0.00 | 35,446.09 |
| Total Operating Revenues | <u>607,469.32</u> | <u>278,523.39</u> | <u>20,452.86</u> | <u>906,445.57</u> |
| OPERATING EXPENSES | | | | |
| Personnel Services | 138,031.02 | 154,644.21 | 9,746.08 | 302,421.31 |
| Contractual Services | 47,348.90 | 63,292.82 | 0.00 | 110,641.72 |
| Utilities | 92,832.30 | 0.00 | 8,027.34 | 100,859.64 |
| Repairs and Maintenance | 69,890.44 | 11,936.51 | 0.00 | 81,826.95 |
| Supplies and Other Expenses | 106,902.25 | 31,717.37 | 324.45 | 138,944.07 |
| Depreciation | 214,437.52 | 29,000.45 | 18,132.20 | 261,570.17 |
| Total Operating Expenses | <u>669,442.43</u> | <u>290,591.36</u> | <u>36,230.07</u> | <u>996,263.86</u> |
| INCOME (LOSS) FROM OPERATIONS | <u>(61,973.11)</u> | <u>(12,067.97)</u> | <u>(15,777.21)</u> | <u>(89,818.29)</u> |
| NON OPERATING REVENUES (EXPENSES) | | | | |
| Interest Income | 1,471.54 | 568.31 | 1,156.66 | 3,196.51 |
| Interest Expense | (71,195.42) | 0.00 | 0.00 | (71,195.42) |
| Gain (Loss) Sale of Capital Assets | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Non Operating Income (Expense) | <u>(69,723.88)</u> | <u>568.31</u> | <u>1,156.66</u> | <u>(67,998.91)</u> |
| Income (loss) before contributions and transfers | (131,696.99) | (11,499.66) | (14,620.55) | (157,817.20) |
| Transfers in | 330,316.21 | 0.00 | 0.00 | 330,316.21 |
| CHANGE IN NET POSITION | <u>198,619.22</u> | <u>(11,499.66)</u> | <u>(14,620.55)</u> | <u>172,499.01</u> |
| NET POSITION (DEFICIT)- BEGINNING | <u>6,330,627.80</u> | <u>623,779.48</u> | <u>713,067.62</u> | <u>7,667,474.90</u> |
| NET POSITION (DEFICIT)- ENDING | \$ <u>6,529,247.02</u> | \$ <u>612,279.82</u> | \$ <u>698,447.07</u> | \$ <u>7,839,973.91</u> |

See accompanying notes to the basic financial statements.

UNIFIED GOVERNMENT OF GEORGETOWN-QUITMAN COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

| | Enterprise Funds | | | Total |
|--|----------------------|-----------------------------|------------------------------|----------------------|
| | Water Authority | Solid Waste Authority | Other Enterprise Funds | Enterprise Funds |
| Increase (Decrease) in Cash and Cash Equivalents | | | | |
| Cash Flows from Operating Activities | | | | |
| Cash Received from Customers | \$ 598,874.18 | \$ 275,466.50 | \$ 20,452.86 | \$ 894,793.54 |
| Cash Payments for Personnel Expenses | (143,038.48) | (153,630.96) | (9,746.08) | (306,415.52) |
| Cash Payments for Goods and Services | (341,807.07) | (111,531.07) | (10,464.42) | (463,802.56) |
| Internal Activity- Payments (to) from Other Funds | | 65,371.99 | 0.00 | 65,371.99 |
| Note Receivable- Principal Payments Received | 0.00 | 0.00 | 0.00 | 0.00 |
| Interest Received- Revolving Loan Program | 0.00 | 0.00 | 0.00 | 0.00 |
| Net Cash Provided by Operating Activities | <u>114,028.63</u> | <u>75,676.46</u> | <u>242.36</u> | <u>189,947.45</u> |
| Cash Flows from Noncapital Financing Activities | | | | |
| Transfers In | <u>330,316.21</u> | <u>0.00</u> | <u>0.00</u> | <u>330,316.21</u> |
| Net Cash Provided by Noncapital Financing Activities | <u>330,316.21</u> | <u>0.00</u> | <u>0.00</u> | <u>330,316.21</u> |
| Cash Flows from Capital and Related Financing Activities | | | | |
| Acquisition of Capital Assets | (322,412.65) | (179,445.41) | 0.00 | (501,858.06) |
| Proceeds from Sale of Capital Assts | 0.00 | 0.00 | 0.00 | 0.00 |
| Payment of Long Term Debt Principle | (129,679.77) | 0.00 | 0.00 | (129,679.77) |
| Interest Paid | <u>(71,195.42)</u> | <u>0.00</u> | <u>0.00</u> | <u>(71,195.42)</u> |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>(523,287.84)</u> | <u>(179,445.41)</u> | <u>0.00</u> | <u>(702,733.25)</u> |
| Cash Flows from Investing Activities | | | | |
| Maturity of Certificate of Deposit | 0.00 | 0.00 | 202,485.47 | 202,485.47 |
| Interest Received | <u>1,471.54</u> | <u>568.31</u> | <u>1,156.66</u> | <u>3,196.51</u> |
| Net Cash Provided by Investing Activities | <u>1,471.54</u> | <u>568.31</u> | <u>203,642.13</u> | <u>205,681.98</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | <u>(77,471.46)</u> | <u>(103,200.64)</u> | <u>203,884.49</u> | <u>23,212.39</u> |
| Cash and Cash Equivalents- Beginning of Year | 508,496.47 | 371,039.15 | 73,656.60 | 953,192.22 |
| Cash and Cash Equivalents- End of Year | <u>\$ 431,025.01</u> | <u>\$ 267,838.51</u> | <u>\$ 277,541.09</u> | <u>\$ 976,404.61</u> |
| Cash and Cash Equivalents | \$ 328,675.03 | \$ 267,838.51 | \$ 277,541.09 | \$ 874,054.63 |
| Restricted Cash and Cash Equivalents | 102,349.98 | 0.00 | 0.00 | 102,349.98 |
| Cash and Cash Equivalents- End of Year | <u>\$ 431,025.01</u> | <u>\$ 267,838.51</u> | <u>\$ 277,541.09</u> | <u>\$ 976,404.61</u> |

See accompanying notes to the basic financial statements.

UNIFIED GOVERNMENT OF GEORGETOWN-QUITMAN COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

| Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities | Enterprise Funds | | | Total Enterprise Funds |
|---|----------------------|-----------------------------|------------------------------|------------------------------|
| | Water Authority | Solid Waste Authority | Other Enterprise Funds | |
| Operating Income (Loss) | \$ (61,973.11) | \$ (12,067.97) | \$ (15,777.21) | \$ (89,818.29) |
| Adjustments: | | | | |
| Depreciation and Amortization | 214,437.52 | 29,000.45 | 18,132.20 | 261,570.17 |
| (Increase) Decrease in Assets: | | | | |
| Accounts Receivable | (5,529.72) | (3,056.89) | 0.00 | (8,586.61) |
| Notes Receivable- Revolving Loan Program | 0.00 | 0.00 | 0.00 | 0.00 |
| Interfund Receivables | 0.00 | 52,513.36 | 0.00 | 52,513.36 |
| Deferred Outflows of Resources- Pension | 1,348.32 | 0.00 | 0.00 | 1,348.32 |
| Increase (Decrease) in Liabilities | | | | |
| Accounts Payable | 21,495.07 | (4,584.37) | 0.00 | 16,910.70 |
| Accrued Expenses | 322.31 | 1,013.25 | 0.00 | 1,335.56 |
| Customer Deposits | (3,065.42) | 0.00 | 0.00 | (3,065.42) |
| Pension Liability | (664.00) | 0.00 | 0.00 | (664.00) |
| Interfund Payables | (46,334.34) | 12,858.63 | (2,112.63) | (35,588.34) |
| Deferred Inflow of Resources | (6,008.00) | 0.00 | 0.00 | (6,008.00) |
| Net Cash Provided by (Used In) Operating Activities | \$ <u>114,028.63</u> | \$ <u>75,676.46</u> | \$ <u>242.36</u> | \$ <u>189,947.45</u> |

See accompanying notes to the basic financial statements.

UNIFIED GOVERNMENT OF GEORGETOWN-QUITMAN COUNTY
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
DECEMBER 31, 2022

| | CUSTODIAL FUNDS |
|---------------------------|--------------------|
| ASSETS | |
| Cash and Cash Equivalents | \$ 319,056.03 |
| Receivables | 510,090.52 |
| TOTAL ASSETS | <u>829,146.55</u> |
| LIABILITIES | |
| Liabilities: | |
| Funds Pending Settlement | \$ 829,146.55 |
| Total Liabilities | <u>829,146.55</u> |
| NET POSITION | <u>\$ 0.00</u> |

See accompanying notes to the basic financial statements.

UNIFIED GOVERNMENT OF GEORGETOWN-QUITMAN COUNTY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2022

| | CUSTODIAL FUNDS |
|--------------------------------------|-----------------------|
| ADDITIONS: | |
| Bonds and Fines Collected | \$ 317,530.32 |
| Taxes Collected | <u>4,042,914.50</u> |
| Total Additions | <u>4,360,444.82</u> |
| DEDUCTIONS: | |
| Remittance to County | 1,638,867.63 |
| Payments to other Governments | <u>2,721,577.19</u> |
| Total Deductions | <u>4,360,444.82</u> |
| Changes in Net Position | <u>0.00</u> |
| Net Position - Beginning of the year | <u>0.00</u> |
| Net Position - End of the year | <u><u>\$ 0.00</u></u> |

See accompanying notes to the basic financial statements.

Unified Government of Georgetown-Quitman County, Georgia
Notes to the Basic Financial Statements
For the Year Ended December 31, 2022

On April 3, 2007, the government and the City of Georgetown, Georgia and the government of Quitman County, Georgia were unified pursuant to the provisions of Article IX, Section III, Paragraph II (a) of the Constitution of Georgia of 1983, as amended, and an act establishing the Georgetown-Quitman County Charter and Unification Committee, approved April 7, 2005 (Ga. L. H.B. No. 757, Act 216). The unification resulted in the creation and establishment of a single county-wide government with powers and jurisdiction throughout the territorial limits of Quitman County. The name of the new government is the "Unified Government of Georgetown-Quitman County, Georgia."

Note 1 - Summary of Significant Accounting Policies

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

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

1.A. Reporting Entity

The Governmental Accounting Standards Board (the "GASB") defines the reporting entity as (a) the primary government, (b) organizations for which the primary government is financially accountable and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationship with the County.

The Quitman County Water and Sewer Authority provides water services to the citizens of Quitman County. The Authority is so intertwined with the County that it is, in substance, the same as the County and, therefore, is blended and reported as if were part of the County. The County appoints a majority of the governing board and the County has guaranteed the Authority's debt. No separate financial statements are issued for the Authority.

The Quitman County Board of Health operates a general health clinic for the benefit of the residents of Quitman County. In addition to the County's financial support, the County appoints a majority of the Board of Health's Board of Directors. The Board's fiscal year ended June 30, 2022. The accompanying financial statements include the financial information for the Board as of and for the year ended June 30, 2022. The Board issues separately audited Component Unit Financial Statements and copies of these statements may be obtained from the Quitman County Board of Health, Main Street, Georgetown, Georgia. The Board of Health is included as a discretely presented component unit.

1.B. Basis of Presentation

The County's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements - The government-wide financial statements include a statement of net position and a statement of activities. These statements report financial information for the County as a whole. All funds other than fiduciary activities are included at the government-wide reporting level. Individual funds are not displayed at this reporting level, but the statements distinguish governmental activities, generally supported by taxes and County general revenues, from business-type activities, generally financed in whole or in part with fees charges to external customers.

Unified Government of Georgetown-Quitman County, Georgia
Notes to the Basic Financial Statements -Continued
For the Year Ended December 31, 2022

The statement of net position presents the financial position of the governmental and business-type activities of the County.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities and for each identifiable activity of the business-type activities for the County. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The County does not allocate indirect expenses to functions in the statement of activities.

The statement of activities reports the expenses of a given function offset by program revenues directly related to the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the County's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses.

For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function generates the revenue. For *grants and contributions*, the determining factor is to which function the revenues are restricted.

The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the County.

Fund Financial Statements - During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. Fund financial statements are provided for governmental, proprietary, and fiduciary funds.

Major individual governmental and enterprise funds are reported in separate columns with composite columns for non-major funds. The fiduciary funds are reported by type.

Fund Accounting - The County uses funds to maintain the financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The County uses three categories of funds: governmental, proprietary, and fiduciary funds.

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

General Fund - The General Fund accounts for all financial resources except those required to be accounted for in other funds. 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.

T-SPLOST Fund - The T-SPLOST Fund accounts for T-SPLOST tax revenues which are restricted for road and bridge maintenance and repairs.

LMIG Fund - The LMIG Fund accounts for resources from the LMIG program which are restricted for road and bridge maintenance and improvements.

Unified Government of Georgetown-Quitman County, Georgia
Notes to the Basic Financial Statements -Continued
For the Year Ended December 31, 2022

Development Authority – The Development Authority accounts for the resources used to encourage business development in the County .

Proprietary Funds - Proprietary fund reporting focuses on the determination of operating income, changes in net assets financial positions and cash flows. The County has the following major enterprise funds:

Water and Sewer Authority - This fund is used for the operation of the County's water system which renders that service to the residents and businesses located within the County and sewer system which renders that service to the residents and businesses located within the City of Georgetown.

Solid Waste Fund - This fund is used for the operation of the County's solid waste collection and disposal activities which provides service to the residents and businesses located within the County.

Fiduciary Funds - Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. When these assets are held under the terms of a formal trust agreement, either a pension trust fund or a nonexpendable trust fund is used. Custodial funds generally are used to account for assets that the government holds on behalf of others as their custodian. The County uses the following fiduciary funds:

Custodial Funds - The County uses custodial funds to account for the activities of the Tax Commissioner, Tax Assessor, Sheriff, Clerk of Superior Court, Probate Office, and Magistrate Court.

1.C. Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the County are included on the statement of net position. The statement of activities reports all revenues and expenses, including depreciation, regardless of the related cash flows.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus in these financial statements. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide financial statements and the governmental fund statements.

Like the government-wide financial statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and all liabilities associated with the operation of these funds are included on the statements of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

1.D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, governmental funds use the modified accrual basis of accounting. Proprietary funds and fiduciary funds use the accrual basis of accounting at both reporting levels. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Unified Government of Georgetown-Quitman County, Georgia
Notes to the Basic Financial Statements -Continued
For the Year Ended December 31, 2022

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

Revenues - Non-exchange Transactions - Non-exchange transactions, in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants, and donations. On an accrual basis, revenue from sales tax is recognized in the period in which the taxable sale takes place and on the modified accrual basis which the taxable sale takes places and revenue is considered available (i.e., collected within 60 days after year end).

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

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes, other taxes, interest and federal and state grants.

Deferred Revenue - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

On governmental fund financial statements (i.e., on the modified accrual basis), receivables that will not be collected within the available period are reported as unavailable revenue (i.e., they are measurable but not available) rather than as revenue. Grants and entitlements received before eligibility requirements are met (e.g., cash advances) are recorded as unearned revenue.

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

1.E. Assets, Liabilities and Fund Equity
Cash, Cash Equivalents, and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the County.

Investments are stated at fair value.

Georgia law authorizes the County to invest in the following types of obligation:

- Obligations of the State of Georgia or of any other states
- Obligations of the United States Government
- Obligations fully insured or guaranteed by the U.S. Government of governmental agency
- Obligations of any corporation of the government
- Prime bankers' acceptances
- The State of Georgia local government investment pool (i.e., Georgia Fund I)
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

Unified Government of Georgetown-Quitman County, Georgia
Notes to the Basic Financial Statements -Continued
For the Year Ended December 31, 2022

Any investment or deposit in excess of the Federal Deposit Insurance Corporation (FDIC) or National Credit Union Association (NCUA) insured amounts must be secured by 110% of an equivalent amount of the State or U.S. obligations.

Cash deposits are reported at carrying amount, which reasonably estimates fair value.

Receivables

Intergovernmental receivables represent funds to be received from other local governments, state grant-in-aid, state contracts, or federal funds. No allowance for uncollectibles is deemed necessary for these receivables.

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

Property Tax Calendar

The County is responsible for the assessment, collection, and apportionment of property taxes for all jurisdictions including the County schools and the State of Georgia. The County levied property taxes on September 15, 2022, on property values assessed on January 1, 2022. Tax payments were due November 15, 2022. Property taxes become a lien on the property on September 15 of the year following the levy.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Interfund Balances

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

Restricted Assets

Certain resources set aside for the repayment of notes and revenue bonds are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable note agreements and bond covenants.

Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The County maintains a capitalization threshold of two thousand five hundred dollars for vehicles and equipment. Improvements (i.e., betterments) to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value

Unified Government of Georgetown-Quitman County, Georgia
Notes to the Basic Financial Statements -Continued
For the Year Ended December 31, 2022

of the asset or materially extend an asset's life are expenses. Interest incurred during the construction of capital assets utilized by the enterprise fund is capitalized.

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

| <u>Description</u> | <u>Governmental Activities Estimated Lives</u> | <u>Buisness-Type Activities Estimated Lives</u> |
|------------------------|--|---|
| Land Improvements | 15 to 50 years | 15 to 50 years |
| Buildings and Plant | 40 to 80 years | 40 to 80 years |
| Vehicles and Equipment | 7 to 25 years | 5 to 10 years |

Deferred Outflows/ Inflows of Resources

Deferred outflows of resources are reported in the statement of net position. Deferred outflows of resources are defined as a consumption of net position by the government that is applicable to a future reporting period. Deferred outflows of resources increase net position, similar to assets. Deferred inflows of resources are reported in the statement of net position. Deferred inflows of resources represents an acquisition of fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Compensated Absences

Vacations benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

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

Accrued Liabilities and Long-Term Obligation

All payables, accrued liabilities and long-term obligations are reported in the government-wide and fund financial statements. Deferred inflows of resources are defined as an acquisition of net position/fund balance by the government that is applicable to a future reporting period. Deferred inflows of resources decrease net position/fund balance, similar to liabilities.

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 current assets and current liabilities. Fund balance is reported in governmental funds in the fund financial statements under the following five categories:

- 1) **Nonspendable Fund Balance** - Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Examples include inventories and prepaid items.

Unified Government of Georgetown-Quitman County, Georgia
Notes to the Basic Financial Statements -Continued
For the Year Ended December 31, 2022

- 2) Restricted Fund Balance - Consists of amounts that are subject to externally enforceable legal restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation.
- 3) Committed Fund Balance - Consists of amounts that are subject to a purpose constraint imposed by formal action or resolution of the Board, which is the highest level of decision-making authority, before the end of the fiscal year and that require the same level of formal action to remove or modify the constraint.
- 4) Assigned Fund Balance - Consists of amounts that are intended to be used by the Board for specific purposes. The Board authorizes the County Manager to make a determination of the assigned amounts of fund balance. Such assignments may not exceed the available fund balance in any particular fund. Assigned fund balance requires the same level of authority to remove a restraint.
- 5) Unassigned Fund Balance - Includes all spendable amounts not contained in other classifications. This portion of the total fund balance in the General Fund is available to finance operating expenditures.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it is the policy of the Board to consider restricted amounts to have been reduced first. When an expenditure is incurred for the purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the policy of the Board that committed amounts would be reduced first, following by assigned amounts and then unassigned amounts.

Net Position - Net position represents the difference between assets and liabilities. Net Investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing or limitation imposed on their use either through enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws and regulations of other governments. All other net position is reported as unrestricted.

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

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activities of the proprietary funds. For the County, these revenues are charges for service for water and solid water, interest received on the notes issued under the revolving loan program, and rental payments received under the building rental fund. Operating expenses are necessary costs incurred to provide the good or service that is primary activity. All other activity is considered non-operating.

Contributions of Capital

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

Interfund Activity

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

Unified Government of Georgetown-Quitman County, Georgia
Notes to the Basic Financial Statements -Continued
For the Year Ended December 31, 2022

operating revenues/expenses section in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted).

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

Estimates

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

Pensions

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

Note 2 - Stewardship, Compliance and Accountability

2.A. Budgetary Information - The County adopts an annual operating budget for the General Fund and all special revenue funds. A project length budget is adopted for the SPLOST Fund, the LMIG Grant Funds, and other capital grants. The budget resolution of the General Fund reflects the total of each function's appropriation.

The general fund budget was adopted on a basis consistent with generally accepted accounting principles. All unexpended annual appropriations lapse at year-end.

The level of legal budgetary control (the level at which expenditures may not exceed appropriations) is the function level. The County Commission may amend the budget by motion during the fiscal year. The amounts reported as the final budgeted amounts represent the budget which was approved by the Commission on February 14, 2023.

2.B. Excess of Expenses over Revenues- Enterprise Funds

The expenses of the Water Authority exceeded its revenue by \$61,973.11. The shortage was covered by funds on hand at December 31, 2022. The most significant reason expenses exceeded revenue was due to a significant increase in repairs. Repairs increased by \$43,471.61 over 2021. The Solid Waste Authority exceeded its revenue by \$12,067.91. The shortage was covered by funds on hand on December 31, 2022. The most significant reason expenses exceeded revenue was due to an increase in personnel services. In 2022, personnel service expenses were \$34,975.68 higher than 2021. DFACS Building Rental Fund exceeded its revenues by \$15,777.21. The shortage was covered by funds on hand at December 31, 2022. The most significant reason expenses exceeded revenue was due to depreciation expense of \$18,132.20.

2.C. Revenue Bond and Debt Covenants

The Quitman County Water and Sewer Authority Series 2014 Refunding Revenue Bond (Series 2014 Bond) through Ameris Bank contains a maintenance of rates covenant which requires net revenues to be 1.1 times the annual amounts to be paid on the bond in the then current year. Net revenue for 2022 was \$122,694.75 and 1.1 times the annual amount to be paid on the bond

Unified Government of Georgetown-Quitman County, Georgia
Notes to the Basic Financial Statements -Continued
For the Year Ended December 31, 2022

was \$217,420.63. The requirement has not been met, the Authority has done a revenue sufficiency analysis and adjusted the rates of the system for 2023 to provide for the shortfall.

3. Detailed Notes on All Funds

3.A. Deposits and Investments

Deposits -

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the County's deposits may not be returned or the County will not be able to recover collateral securities in the possession of an outside party. The County does not have a deposit policy for custodial credit risk. 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 equal to 110% of the deposited funds. As of December 31, 2022, the County's bank balance of \$5,162,056.52 was 110 % collateralized by appropriate financial instruments, and since Georgia law requires 110% coverage the County was in compliance with state statutes.

Investments -

The County's investments at December 31, 2022 consisted of certificates of deposits with maturity dates greater than three months past year end.

3.B. Receivables

Receivables, net of allowance for doubtful accounts on December 31, 2022, consisted of taxes, interest, grants, accounts (billings for user charges), and expense reimbursements. Receivables and payables are recorded on the County's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuations, and in the case of receivables, collectability. The receivables between the various funds are for the most part expenses paid by one fund for the other fund.

3.C. Property Taxes

The County assessed a 30.385 mill property tax for the 2022 year. The General Fund millage rate was 14.412. These taxes are billed and collected by the County. Taxes for the 2022 year were levied on September 15, 2022, and were due by November 15, 2022. The receivable on the financial statements represents year 2021 and earlier tax payments due as of December 31, 2022, and recognized as revenue on the government-wide financial statements. Receivables in the amount of \$144,589.50 which had not been collected within 60 days after December 31, 2022 are reflected as deferred revenue on the fund financial statements. The lien date for unpaid taxes is September 1 of the year following the levy.

3.D. Notes Receivable

The Developmental Authority sold real property located at 845 U.S. Highway 82, Georgetown, Quitman County, Georgia for \$190,958.25. The purchaser paid a \$25,000.00 down payment and agreed to pay \$1,000.00 a month for 48 months with balloon payment of \$117,958.25 to be paid not later than February 15, 2025. The balance of the note receivable at December 31, 2022 is \$140,958.25. The current portion of the note receivable is \$12,000.00.

Unified Government of Georgetown-Quitman County, Georgia
Notes to the Basic Financial Statements -Continued
For the Year Ended December 31, 2022

3.E. Capital Assets

Capital asset activity for the year December 31, 2022 is as follows:

| | <u>12/31/2021</u> | <u>Increases</u> | <u>Decreases</u> | <u>12/31/2022</u> |
|--|------------------------|------------------------|---------------------|------------------------|
| Governmental Activities: | | | | |
| Capital Assets not Being Depreciated: | | | | |
| Land | \$ 38,792.00 | \$ 0.00 | \$ 0.00 | \$ 38,792.00 |
| Construction in progress | 51,945.98 | 0.00 | 51,945.98 | 0.00 |
| Total Capital Assets not Being Depreciated | <u>90,737.98</u> | <u>0.00</u> | <u>51,945.98</u> | <u>38,792.00</u> |
| Other Capital Assets: | | | | |
| Buildings | 2,472,505.45 | 1,158,933.71 | 0.00 | 3,631,439.16 |
| Vehicles, Equipment & Land Improvements | 2,533,554.13 | 407,831.99 | 224,659.78 | 2,716,726.34 |
| Total Other Capital Assets | <u>5,006,059.58</u> | <u>1,566,765.70</u> | <u>224,659.78</u> | <u>6,348,165.50</u> |
| Accumulated Depreciation: | | | | |
| Buildings | 1,138,843.74 | 56,564.15 | 0.00 | 1,195,407.89 |
| Vehicles, Equipment & Land Improvements | 1,619,885.29 | 185,611.88 | 224,659.78 | 1,580,837.39 |
| Total Accumulated Depreciation | <u>2,758,729.03</u> | <u>242,176.03</u> | <u>224,659.78</u> | <u>2,776,245.28</u> |
| Total Other Capital Assets- Net | 2,247,330.55 | 1,324,589.67 | 0.00 | 3,571,920.22 |
| Governmental Activities Capital Assets- Net | \$ <u>2,338,068.53</u> | \$ <u>1,324,589.67</u> | \$ <u>51,945.98</u> | \$ <u>3,610,712.22</u> |
| Governmental Activities Depreciation Expense: | | | | |
| General Government | \$ 35,990.24 | | | |
| Public Safety | 110,019.02 | | | |
| Public Works | 97,982.91 | | | |
| Health and Welfare | 26,353.19 | | | |
| Culture and Recreation | <u>15,823.86</u> | | | |
| Total Governmental Activities Depreciation Expense | \$ <u>286,169.22</u> | | | |

Unified Government of Georgetown-Quitman County, Georgia
Notes to the Basic Financial Statements -Continued
For the Year Ended December 31, 2022

| Business-Type Activities: | 12/31/2021 | Increases | Decreases | 12/31/2022 |
|--|-------------------|-------------------|------------------|-------------------|
| Water Authority | | | | |
| Capital Assets not Being Depreciated: | | | | |
| Land | 328,657.61 | 0.00 | 0.00 | 328,657.61 |
| Construction in Progress | 679,209.28 | 263,967.65 | 943,176.93 | 0.00 |
| Total Capital Assets not Being Depreciated | 1,007,866.89 | 263,967.65 | 943,176.93 | 328,657.61 |
| Other Capital Assets: | | | | |
| Distribution Center | 11,620,819.59 | 1,001,621.93 | 0.00 | 12,622,441.52 |
| Buildings and Equipment | 319,293.45 | 0.00 | 59,149.00 | 260,144.45 |
| Total Other Capital Assets | 11,940,113.04 | 1,001,621.93 | 59,149.00 | 12,882,585.97 |
| Accumulated Depreciation: | | | | |
| Buildings and Plant | 4,531,868.67 | 214,437.57 | 0.00 | 4,746,306.24 |
| Vehicles and Equipment | 294,460.44 | 0.00 | 59,149.00 | 235,311.44 |
| Total Accumulated Depreciation | 4,826,329.11 | 214,437.57 | 59,149.00 | 4,981,617.68 |
| Total Other Capital Assets- Net | 7,113,783.93 | 787,184.36 | 0.00 | 7,900,968.29 |
| Water Authority Capital Assets- Net | 8,121,650.82 | 1,051,152.01 | 943,176.93 | 8,229,625.90 |
| Solid Waste | | | | |
| Other Capital Assets: | | | | |
| Buildings | 25,248.73 | 0.00 | 0.00 | 25,248.73 |
| Vehicles and Equipment | 315,126.47 | 179,445.41 | 7,332.87 | 487,239.01 |
| Total Other Capital Assets | 340,375.20 | 179,445.41 | 7,332.87 | 512,487.74 |
| Accumulated Depreciation: | | | | |
| Buildings | 13,419.02 | 1,443.69 | 0.00 | 14,862.71 |
| Vehicles and Equipment | 306,350.53 | 27,556.76 | 7,332.87 | 326,574.42 |
| Total Accumulated Depreciation | 319,769.55 | 29,000.45 | 7,332.87 | 341,437.13 |
| Total Other Capital Assets- Net | 20,605.65 | 150,444.96 | 0.00 | 171,050.61 |
| Solid Waste Capital Assets- Net | 20,605.65 | 150,444.96 | 0.00 | 171,050.61 |
| Building Rental | | | | |
| Other Capital Assets: | | | | |
| Buildings | 816,642.00 | 0.00 | 0.00 | 816,642.00 |
| Total Other Capital Assets | 816,642.00 | 0.00 | 0.00 | 816,642.00 |
| Accumulated Depreciation: | | | | |
| Buildings | 376,678.02 | 18,132.20 | 0.00 | 394,810.22 |
| Total Accumulated Depreciation | 376,678.02 | 18,132.20 | 0.00 | 394,810.22 |
| Total Other Capital Assets- Net | 439,963.98 | (18,132.20) | 0.00 | 421,831.78 |
| Building Rental Capital Assets- Net | 439,963.98 | (18,132.20) | 0.00 | 421,831.78 |
| Business-Type Activities Depreciation Expense: | | | | |
| Water Authority | \$ | 214,437.52 | | |
| Solid Waste | | 29,000.45 | | |
| Building Rental | | 18,132.20 | | |
| Total Business-Type Activities Depreciation Expense | \$ | 261,570.17 | | |

Unified Government of Georgetown-Quitman County, Georgia
Notes to the Basic Financial Statements -Continued
For the Year Ended December 31, 2022

3.F. Interfund Balances and Transfers

Interfund balances at December 31, 2022, consisted of the following amounts and represent reimbursable expenses or cash advances. These remaining balances resulted from the time lag between the dates that (1) reimbursable expenses occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made. The County expects to repay all interfund balances within one year.

| | |
|--|---------------------------------|
| Due to General Fund From: | |
| DFAC Building Rental | \$ 925.80 |
| Family Connections | 18,278.36 |
| Developmental Authority | 141,058.25 |
| Solid Waste Authority | 12,858.63 |
| Water Authority | <u>10,643.89</u> |
| Total Due to General Fund From Other Funds | <u><u>\$ 183,764.93</u></u> |
| Due to DCA Welcome Center From: | |
| General Fund | <u><u>\$ 18,750.00</u></u> |
| Due to Solid Waste From: | |
| Water Authority | <u><u>\$ 192,153.78</u></u> |

Interfund transfers are utilized to (1) report revenues in the fund required by statute or budget to collect such revenue, or to expend such revenue and (2) account for revenues collected in the general fund which are to be used by other funds in accordance with budgetary authorizations or anticipated capital projects.

The composition of interfund transfers or the year ended December 31, 2022, are as follows:

| | <u>Transfer Out</u> | <u>Transfer In</u> |
|-----------------------|-----------------------------|-----------------------------|
| General Fund | \$ 413,374.97 | \$ 150,000.00 |
| SPLOST | \$ 150,000.00 | |
| E-911 | - | 77,363.76 |
| Development Authority | | 5,695.00 |
| Water Authority | - | 330,316.21 |
| Total | <u><u>\$ 563,374.97</u></u> | <u><u>\$ 563,374.97</u></u> |

3.G. Compensated Absences

Permanent career employees working full-time or part-time earn annual leave at the rate from 5 to 15 days per year. Any unused days may be carried over with a maximum accumulation of 120 hours. Upon termination, employees are paid for any accrued annual personal leave. The amount of accrued leave carried forward is recorded as a liability in the government-wide statements.

Unified Government of Georgetown-Quitman County, Georgia
Notes to the Basic Financial Statements -Continued
For the Year Ended December 31, 2022

3.H. Leases

The County is a lessee of a noncancelable lease of equipment. The County recognizes lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of \$2,500 or more.

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

Key estimates and judgements related to leases included how the County determines; (1) the discount rate it uses to discount rate it uses to discount the expected lease payments to present value; (2) lease term; (3) lease payments.

- The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the non-cancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchases option price that the County is reasonably certain to exercise.

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

Lease assets are reported with capital assets and lease liabilities are reported with current liabilities on the statement of net position.

The T-SPLOST Fund entered a lease in December 2018 for a motor grader at a cost of \$219,965.97.

The expense resulting from the amortization of assets recorded under capital leases is included with depreciation expense. As of December 31, 2022, the accumulated amortization related to the capital lease is \$175,972.76.

Future debt service payments to maturity for capital leases are as follows:

| Year(s) | GOVERNMENTAL ACTIVITIES | | | BUSINESS-TYPE ACTIVITIES | | |
|------------|-------------------------|-------------|---------------|--------------------------|----------|-------|
| | Principal | Interest | Total | Principal | Interest | Total |
| 12/31/2023 | \$ 158,952.67 | \$ 4,543.90 | \$ 163,496.57 | - | - | - |
| | \$ 158,952.67 | \$ 4,543.90 | \$ 163,496.57 | \$ - | \$ - | \$ - |

3.I. Debt

Notes Payable

The County was selected as a recipient of a OneGeorgia equity loan award in the amount of \$153,882.00. These funds were loaned to the County who then loaned the funds to D & J Plastics to assist with its business expansion. The funds were loaned to D & J Plastics under the same terms as the County's loan with OneGeorgia Authority. The loan carries an interest rate of 3% and \$1,485.90 is payable monthly for 120 months beginning January 1, 2016. Interest in the amount of \$1,626.70 was paid on this loan in 2022 and recorded as an expense. The outstanding balance at December 31, 2022 was \$51,094.36.

Unified Government of Georgetown-Quitman County, Georgia
Notes to the Basic Financial Statements -Continued
For the Year Ended December 31, 2022

During 2020 and 2021 the County borrowed funds from Georgia Environmental Finance Authority (GEFA) for water improvements and wastewater facilitation and sewer improvements through the Federal Domestic Assistance **Capitalization Grants for Drinking Water State Revolving Funds**. The borrowed proceeds were divided into three distinctive loans. The first loan was for \$323,000.00 at 1.84% for 20 years. The County met specific criteria during the loan period and GEFA forgave \$90,440.00 of the loan. As of December 31, 2021 the County has drawn \$323,000. To date \$90,440.00 has been forgiven. During the year the County made \$8,893.92 in principal payments. As of December 31, 2022, the principal balance is \$223,666.08. The second GEFA loan is for \$319,000.00 with an interest rate of 2.25% for 20 years. Like the other GEFA loan a portion of the loan was forgiven because the County met specific criteria. The eligible amount of loan that can be forgiven is \$127,600.00. As of December 31, 2022 the County has drawn \$319,000.00 on the loan. As of December 31, 2022, \$127,600.00 of the loan has been forgiven. During the year the County made principal payments of \$6,375.79. The principal balance as of December 31, 2022 is \$185,024.21. The final GEFA loan is for \$225,000 with an interest rate of 0.0% for 20 years. Like the other two GEFA loans a portion of the loan can be forgiven if specific criteria are met. The eligible amount of the loan that can be forgiven is \$56,250. As of December 31, 2022 the County has drawn \$2,280 on the loan. As of December 31, 2022, \$342 of the loan has been forgiven. The County expects to pay the debt for these three loan from the Enterprise Funds of the County.

In April of 2021 the County borrowed \$92,995.26 from Ameris Bank to acquisition of two vehicles for the sheriff department. The collateral for the loan is the two vehicles. The County refinanced the loan in March of 2022 after making a principal payment of \$46,497.63. The interest rate is 2.75%. The principal and interest is due in one payment on March 31, 2023. The principle balance as of December 31, 2022 is \$46,497.63.

In April of 2022 the County borrowed \$207,500 from the United States Department of Agriculture (USDA) to use with a \$50,000 grant to buy a Firetruck. Principal and interest payments are due monthly at \$1,922.00 for 120 periods. The interest rate is 2.125% and the principal balance at December 31, 2022 is 194,994.13. The firetruck is the collateral for the loan.

Revenue Bonds Payable -

On April 30, 2014, the Quitman Water and Sewerage Authority (the "Authority") issued Series 2014 Refunding Revenue Bond through Ameris Bank in the amount of \$2,820,000.00. After issuance expense, the net proceeds of \$2,758,104.85 were used to pay in full the Georgia Environmental Facilities loan, the Series 2000 Revenue Bonds, the Series 2005A Revenue Bonds, and the 2005B Revenue Bonds as noted above. The bond has an interest rate of 3.58% through April 1, 2029, at which time it will increase to 4.25%. Monthly payments of \$16,471.03 began May 1, 2015 and will continue until April 1, 2029. The monthly payment will increase to \$16,743.89 beginning May 1, 2029 and will continue until paid in full. Payment of this bond is secured by a lien on the Net Revenues of the Water Authority and the water and sewerage system of the Water Authority. Should the Net Revenues of the system be insufficient to pay the amounts required, the Authority has entered into an intergovernmental contract with the Unified Government of Georgetown-Quitman County whereby the Unified Government will pay such amounts as may be required to provide Gross Revenues to the Authority sufficient to pay any unpaid Operating Expenses of the system together with payments of the principal and interest on the Series 2014 bond. This obligation by the Unified Government constitutes a general obligation for which the full faith, credit, and taxing power of the Unified Government is pledged. Interest in the amount of \$71,195.42 was paid on the bond in 2022 and recorded as an expense. The remaining principal balance as of December 31, 2022 was \$1,828,048.95.

Unified Government of Georgetown-Quitman County, Georgia
Notes to the Basic Financial Statements -Continued
For the Year Ended December 31, 2022

Future debt service payments to maturity for notes payable are as follows:

| Years | GOVERNMENTAL ACTIVITIES | | |
|-----------|-------------------------|----------------------|----------------------|
| | Principal | Interest | Total |
| 2023 | \$ 101,737.21 | \$ 14,356.92 | \$ 116,094.13 |
| 2024 | 54,574.66 | 12,107.47 | 66,682.13 |
| 2025 | 55,878.71 | 10,803.42 | 66,682.13 |
| 2026 | 39,138.11 | 9,713.21 | 48,851.32 |
| 2027 | 39,958.32 | 8,893.00 | 48,851.32 |
| 2028-2032 | 197,248.68 | 31,639.78 | 228,888.46 |
| 2033-2037 | 112,751.93 | 16,249.64 | 129,001.57 |
| 2038-2042 | 101,926.97 | 4,411.75 | 106,338.72 |
| | <u>\$ 703,214.59</u> | <u>\$ 108,175.19</u> | <u>\$ 811,389.78</u> |

Future debt service payments to maturity for bonds payable are as follows:

| Years | BUSINESS-TYPE ACTIVITIES | | |
|-----------|--------------------------|----------------------|------------------------|
| | Principal | Interest | Total |
| 2023 | \$ 134,399.25 | \$ 63,253.11 | \$ 197,652.36 |
| 2024 | 139,290.48 | 58,361.88 | 197,652.36 |
| 2025 | 144,359.72 | 53,292.64 | 197,652.36 |
| 2026 | 149,613.43 | 48,038.93 | 197,652.36 |
| 2027 | 154,594.24 | 39,643.09 | 194,237.33 |
| 2028-2032 | 675,331.51 | 127,024.48 | 802,355.99 |
| 2033-2034 | 430,460.32 | 89,954.93 | 520,415.25 |
| | <u>\$ 1,828,048.95</u> | <u>\$ 479,569.06</u> | <u>\$ 2,307,618.01</u> |

Unified Government of Georgetown-Quitman County, Georgia
Notes to the Basic Financial Statements -Continued
For the Year Ended December 31, 2022

Changes in Long-Term Debt - Changes in the County's long-term obligations consisted of the following for the year ended December 31, 2022:

| DESCRIPTION | BALANCE 12/31/21 | ADDITIONS | RETIREMENT | BALANCE 12/31/22 | DUE WITHIN ONE YEAR |
|----------------------------|------------------------|----------------------|----------------------|------------------------|------------------------|
| Governmental Funds: | | | | | |
| GEFA Loans | \$ 371,501.81 | \$ 90,644.66 | \$ 51,527.44 | 410,619.03 | \$ 19,623.03 |
| Ameris Bank | 130,449.53 | | 130,449.53 | - | |
| Ameris Bank | 92,995.26 | | 46,497.63 | 46,497.63 | 46,497.63 |
| OneGeorgia Authority | 65,812.46 | | 14,718.10 | 51,094.36 | 16,523.94 |
| USDA | - | 207,500.00 | 12,505.87 | 194,994.13 | 19,092.61 |
| Compensated Absences | 22,361.51 | 27,292.71 | 29,485.43 | 20,168.79 | |
| Lease Liability | 174,898.23 | | 15,945.56 | 158,952.67 | 158,952.67 |
| TOTALS | \$ 858,018.80 | \$ 325,437.37 | \$ 301,129.56 | \$ 882,326.61 | \$ 260,689.88 |
| Enterprise Funds: | | | | | |
| Ameris Bank Revenue Bond | \$ 1,957,728.72 | | \$ 129,679.77 | \$ 1,828,048.95 | \$ 134,399.25 |
| Net Pension Obligation | 40,136.00 | - | 664.00 | 39,472.00 | |
| Compensated Absences | 6,276.94 | 8,489.51 | 7,160.04 | 7,606.41 | |
| TOTALS | \$ 2,004,141.66 | \$ 8,489.51 | \$ 137,503.81 | \$ 1,875,127.36 | \$ 134,399.25 |

Compensated absences have primarily been liquidated by the General Fund in the past.

Local Debt Margin

Under State of Georgia Constitution law indebtedness is limited to 10% of the assessed value of all taxable property located within the municipality.

Acceleration Clause

The County's debt has no subjective acceleration clauses, special terminations or events of default that allows the lender to accelerate payment of the entire principal to become immediately due if the lender determines that a material adverse change occurs.

Unused line of credit

The County has no unused line of credit as of December 31, 2022

3.J. Retirement Plans

The County has no retirement plan for its employees but the following pensions are in effect which are not under the control of the County:

1. Probate Judge Retirement Fund- The Probate Judge is covered under a pension plan which requires that set amounts from marriage licenses and fines and forfeitures be remitted to the plan prior to the payment of any costs or other claims.

Unified Government of Georgetown-Quitman County, Georgia
Notes to the Basic Financial Statements -Continued
For the Year Ended December 31, 2022

2. Clerk of Superior Court Retirement Fund- the clerk of Superior Court is covered under a pension plan which requires that set amounts from fees and fines and forfeitures be remitted to the plan prior to the payment of any costs or other claims.
3. Sheriff's Retirement Fund- the sheriff and sheriff's deputies are covered under separate pension plans which require that set sums from fines and forfeitures be remitted by the Probate Judge or Clerk of Superior Court to the pension plans prior to payment of any costs or other claims.
4. Tax Commissioner- The Tax Commissioner participates in a state sponsored plan. All contributions are made voluntarily by the Tax Commissioner.

3.K. Pensions - Quitman County Water and Sewer Authority

Plan Description - The Quitman County Water and Sewer Authority, for the benefit of the former City of Georgetown employees, has a defined benefit pension plan (The Unified Government of Georgetown-Quitman County Retirement Plan) covering all former City of Georgetown full-time employees. This plan is affiliated with the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. Contributions made by the Authority are commingled with contributions made by other members of GMEBS for investment purposes. The Authority does not own any of the securities on its own. Investment income from the securities is allocated on a pro rata basis. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained by writing to the Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street SW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

Benefits Provided - As provided by State law, benefit provisions for participants in GMEBS are established and amended by the respective employers. As authorized by the Authority, the Plan provides pension benefits and death and disability benefits for Plan members and beneficiaries. All former employees of the City of Georgetown, excluding elected officials, who work thirty hours or more per week, are eligible to participate. Benefits vest after five years of service. A participant who retires at age 65 with five years of service is entitled to benefits of 1.5% of final average earnings in excess of covered compensation. A participant may elect early retirement at age 55 provided he or she has a minimum of 25 years total credited service to receive full benefits, otherwise early retirements may be elected after only 10 years of service for reduced benefits. Ten years of service is required for nonservice related disability benefits. Disability benefits are paid out at 20% of an employee's current salary. Death benefits are calculated using an actuarial reserve.

At July 1, 2022, the date of the most recent actuarial valuation, there were 4 participants consisting of the following:

| | |
|---|----------|
| Retirees and Beneficiaries Currently Receiving Benefits | 4 |
| Active Employees - Vested | <u>0</u> |
| Total | <u>4</u> |

Contributions - The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standard law. The Board of Trustees of GMEBS 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 is to contribute an amount equal to or greater than the recommended contribution described below.

For the year ended December 31, 2022, the Authority's recommended and actual contribution was \$9,498.64 which was actuarially determined and is expected to finance the unfunded accrued liability. The amount of employer contributions recognized in the actuarial report dated July 1, 2022 and recognized as an expense in the government-wide statement of activity was \$4,174.96

Unified Government of Georgetown-Quitman County, Georgia
Notes to the Basic Financial Statements -Continued
For the Year Ended December 31, 2022

Net Pension Liability - The Authority's net pension liability was measured as of March 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022.

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

| | |
|-------------------------------|-------------|
| Inflation | 2.25% |
| Salary Increases | 2.25%-8.50% |
| Investment of Rate of Return* | 7.375% |

*Net of pension plan investment expense

Mortality rates were based on the RP-2000 Combined Health Mortality Table with sex-distinct rates, set forward two years for males and one year for females. The rates of mortality for the period after disability retirement are according to sex-distinct RP-2000 Disabled Retiree Mortality Table.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rates of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The difference between the resulting rate and the rate in the ongoing basis is a margin for adverse deviation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2020 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-----------------------|--------------------------|---|
| Domestic Equity | 45.00% | 6.55% |
| International Equity | 20.00% | 7.30% |
| Real Estate | 10.00% | 3.65% |
| Global Fixed Income | 5.00% | 0.50% |
| Domestic Fixed Income | 20.00% | 0.40% |
| Cash | 0.00% | 0.00% |
| Total | <u>100.00%</u> | |

*Includes assumed rate of inflation of 3.25%

Discount Rate - The discount rate used to measure the total pension liability was 7.375%. The projection of cash flows used to determine the discount rate assumed that contributions from the Authority will be made at the actuarially determined contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Unified Government of Georgetown-Quitman County, Georgia
Notes to the Basic Financial Statements -Continued
For the Year Ended December 31, 2022

Changes in Net Pension Liability –

| | Total Pension Liability | Increase (Decrease) Plan Fiduciary Net Position | Net Pension Liability (Asset) |
|---|----------------------------|---|----------------------------------|
| Balance at March 31, 2021 | \$ 186,162 | \$ 146,026 | \$ 40,136 |
| Changes for the Year: | | | |
| Service Cost | - | - | - |
| Interest | 12,977 | - | 12,977 |
| Changes of Assumptions | - | - | - |
| Difference Between Expected and Actual Experience | 2,829 | - | 2,829 |
| Contributions-Employer | - | 10,460 | (10,460) |
| Contributions-Employees | - | - | - |
| Net Investment Income | - | 8,914 | (8,914) |
| Benefit Payments, Including Refunds of | | | |
| Employee | (20,413) | (20,413) | - |
| Administrative Expense | - | (2,904) | 2,904 |
| Other | - | - | - |
| Net Changes | (4,607) | (3,943) | (664) |
| Balances at March 31, 2022 | \$ 181,555 | \$ 142,083 | \$ 39,472 |

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following table presents the Authority's net pension liability calculated using the discount rate of 7.375%, as well as what the Authority's net pension liability would be if calculated using a discount rate that is 1 percentage point lower of 1 percentage point higher than the current rate:

| | 1 % Decrease (6.375%) | Current Discount Rate (7.375%) | 1% Increase (8.375%) |
|------------------------------|--------------------------|--------------------------------------|-------------------------|
| Plan's Net Pension Liability | \$ 52,022 | \$ 39,472 | \$ 28,323 |

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued Unified Government of Georgetown-Quitman County Retirement Plan financial report.

Unified Government of Georgetown-Quitman County, Georgia
Notes to the Basic Financial Statements -Continued
For the Year Ended December 31, 2022

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - For the year ended December 31, 2022, the Authority recognized pension expense of \$4,174.96. At December 31, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions of the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Net Difference between Projected and Actual Earnings on Pension Plan Investments | \$ 0 | \$ 15,289 |
| Employer Contributions Subsequent to the Measurement Date | 9,499 | 0 |
| Total | \$ 9,499 | \$ 15,289 |

Note 3 - Detailed notes on All Funds

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

| Year Ended December 31: | Deferred Outflow of Resources | Deferred Inflow of Resources |
|-------------------------|----------------------------------|---------------------------------|
| 2023 | \$ 4,828 | \$ (8,142) |
| 2024 | 3,757 | (8,142) |
| 2025 | 276 | (8,142) |
| 2026 | 276 | - |
| 2027 | - | - |
| Thereafter | - | - |

Other Defined Benefit Plans

Certain employees, elected officials, and appointed officials are eligible for participation in various multi-employer cost-sharing defined benefit plans. The County does not make contributions to the plans as special funding situations under the requirements of GASB guidance. Management has determined the related impact on the financial statements to be immaterial. Further information can be obtained from the individual plans, as listed below:

Sheriff's Retirement System of Georgia
Magistrates' Retirement Fund of Georgia
Georgia Firefighters' Pension Fund

Peace Officers' Annuity and Benefit Fund of Georgia
Judges of the Probate Courts Retirement Fund of Georgia
Georgia Judicial Retirement System
Employees' Retirement System of Georgia

Unified Government of Georgetown-Quitman County, Georgia
Notes to the Basic Financial Statements -Continued
For the Year Ended December 31, 2022

Note 4 - Other Notes

4.A. Risk Management

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

As part of these risk pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pools' agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the pools' agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

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

There has been no reduction in insurance coverage in the prior year and settled claims have not exceeded commercial coverage in any of the past three years.

PROPERTY COVERAGE

Real and Personal Property

Earthquake
Flood
Except as respects location stipulated
Wholly or partially within Special Hazard
Zones for Flood.

LIMITS OF LIABILITY

Replacement Cost, subject to separate Per Occurrence and Aggregate limits below:

\$5,000,000
\$5,000,000
\$1,000,000

Automobile Physical Damage and
Mobile Equipment

Per Schedule on file with IRMA

COMPREHENSIVE GENERAL LIABILITY \$1,000,000

LAW ENFORCEMENT LIABILITY \$1,000,000

AUTOMOBILE LIABILITY \$1,000,000

Combined Single Limit (or Split Limits as follows: Bodily Injury Per Person/Bodily Injury Aggregate/Property Damage)

ERRORS AND OMISSIONS LIABILITY

Part A - Public Officials

Part B - Employee Benefits Liability

\$1,000,000 per wrongful act and \$3,000,000 annual aggregate
These limits apply in total over Part A and Part B and not separately to each part.

Unified Government of Georgetown-Quitman County, Georgia
Notes to the Basic Financial Statements -Continued
For the Year Ended December 31, 2022

| CRIME COVERAGE | PER OCCURRENCE LIMIT |
|---|--|
| A. Money and Securities (Loss Inside Premises) | \$150,000 |
| B. Money and Securities (Loss Outside the Premises) | \$150,000 |
| C. Blanket Employee Dishonesty | \$50,000 Per Employee |
| D. Statutory Bonds | Various Limits |
| E. Forgery and Alteration | \$150,000 |
| F. Computer and Theft and Funds Transfer | \$150,000 |
| G. Money Orders and Counterfeit Currency | \$150,000 |
| PRIVACY AND SECURITY LIABILITY AND EXPENSE | PER OCCURRENCE & AGGREGATE LIMITS |
| | \$1,000,000 including \$500,000 Privacy Response Expense |

4.B. Tax Abatements

The County in an effort to encourage upscale residential development offered a tax abatement of property taxes to the developer who built residential homes at The Point at the Lake in Georgetown, Georgia. The total valuation of the properties owned by M&W Finance, Inc. and located at The Point at the Lake in Georgetown, Georgia shall be \$1,383,148.00 for the year 2015. For purposes of calculating tax, these values are discounted by 50% for 2015, 2016, 2017, 2018 and 2019 to reflect Department of Revenue Regulation 560-11-10-.09{3} {c} 3.{ii} (Page 12) which is designated Absorption Rate and sometimes known as “development discount”. During 2020 the tax abatement was extended for 5 years through 2024. The property tax abatements are approximately \$2,588 per year.

The **Association County Commissioners of Georgia – Interlocal Risk Management Agency (IRMA)** is a risk sharing arrangement among Georgia County Governments. IRMA exists by authority of the Official Code of Georgia Annotated 36-85-1 *et seq.*

4.C. Commitments

In June of 2023 the Commissioners voted to provide the employees of the County with the option to participate in a 401 (a) Defined Contribution Plan and a 457(b) Defined Compensation Plan. The County would contribute 2% of the employees’ wages towards their individual retirement plans. Employees are vested after 5 years. The County also agreed to make a total contribution of \$219,000 for current employees’ backpay with over 5 years of service. The payment of \$219,000 is expected to be made before September 1, 2023.

In November of 2022, The County entered a five-year contract with Ameripro EMS to provide ambulance service for the County. The contract is for 5 years and at an annual cost of \$540,000.

4.D. Contingent Liabilities

Litigation: As of December 31, 2022, the County was party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material adverse impact on the County.

Grant Funds: The County has received grants from various agencies. These funds are subject to audit by agents of the awarding authority, the purpose of which is to ensure compliance with conditions precedent to the granting of the funds. Any liability for reimbursement which may arise as a result of these audits is not believed to be material.

Unified Government of Georgetown-Quitman County, Georgia
Notes to the Basic Financial Statements -Continued
For the Year Ended December 31, 2022

4.E. Joint Ventures

Under Georgia law, the County, in conjunction with other cities and counties in the eight county south west Georgia area, is a member of the River Valley Regional Commission and is required to pay annual dues thereto. During the year ended December 31, 2022, the county paid \$2,267 in such dues.

Membership in a RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

River Valley Regional Commission
P.O. Box 1908
Columbus, Georgia 31902-1908

Under OCGA 46-5-138 of Georgia law, the counties of Clay, Quitman, Randolph, and Stewart created the Lower Chattahoochee Regional E-911 Authority in 2006. As of December 31, 2021 there are only two counties participating Clay and Quitman County. Each county is required to contribute a prorated share of the total operating expenses (over and above E-911 revenues) for the

E-911 call center based on the most recent census data for each county. The authority membership includes three appointed members from each county. These six members along with the E911 Director make up the seven- member Board.

The authority began operation on October 1, 2006. Separate financial statements can be obtained from:

Lower Chattahoochee Regional E-911 Authority
P.O. Box 81
Georgetown, GA 39854

On April 11, 2012 the Governor signed in law House Bill 604 which created the Lower Chattahoochee Regional Transportation Authority consisting of Stewart, Randolph, and Quitman counties. The Authority is authorized to acquire, construct, equip, maintain and operate transportation facilities; provide transportation services; and acquire, equip and maintain equipment and material necessary to maintain all modes of transportation. Each county is required to contribute a prorated share of total operating expenses (over and above Transit revenues) based on the most recent census data for each county. The authority membership includes two appointed members from each county and these six members appoint a seventh member who is a resident of any of the three counties. Separate financial statements may be obtained from:

Lower Chattahoochee Regional Transit Authority
P.O. Box 1908
Columbus, Georgia 31902

4.F. Significant Grants

During the years of 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, and 2022 the County received \$1,425,707.61 in Local Maintenance and Improvement Grant (LMIG) funds from the Georgia DOT. During 2022 \$190,206.00 of these funds have been spent to a specific project.

4.G. Landfill Closure and Postclosure Care Costs

The County stopped accepting solid waste at its landfill. State and federal laws and regulations require the County to perform certain maintenance and monitoring operations annually. Because of future changes in technology, laws, and/or regulations, additional costs may be incurred. Any additional expenditures will be reflected in the General Fund.

Unified Government of Georgetown-Quitman County, Georgia
Notes to the Basic Financial Statements -Continued
For the Year Ended December 31, 2022

4.H. Special Purpose Local Option Tax

The County has a Special Purpose Local Option Tax issue outstanding as of December 31, 2022. A summary of the receipts and expenditures for the year ended December 31, 2022, of this issue follows:

| | <u>Original Estimate</u> | <u>Current Estimate</u> | <u>Prior Periods</u> | <u>Current Period</u> | <u>Total</u> |
|--------------------|--------------------------|-------------------------|------------------------|-----------------------|------------------------|
| SPLOST Tax Revenue | \$ 1,800,000.00 | \$ 1,800,000.00 | \$ 1,504,597.66 | \$ 261,746.18 | \$ 1,766,343.84 |
| Interest Earned | - | - | 6,443.35 | 475.77 | 6,919.12 |
| Total Revenue | <u>\$ 1,800,000.00</u> | <u>\$ 1,800,000.00</u> | <u>\$ 1,511,041.01</u> | <u>\$ 262,221.95</u> | <u>\$ 1,773,262.96</u> |
| Expenditures - | | | | | |
| Roads and Bridges | <u>\$ 1,800,000.00</u> | <u>\$ 1,800,000.00</u> | <u>\$ 1,199,393.38</u> | <u>\$ 311,464.11</u> | <u>\$ 1,510,857.49</u> |

4.I. Subsequent Events

The County Commissioners elected to change the year end of the County to June 30.

In March the County paid the remaining principal balance of \$46,497.63 to Ameris Bank.

In July 2023 D & J Plastics repaid in its entirety the loan with the County. The County then paid the remaining principal balance of \$134,958.25 to the OneGeorgia Authority.

The County applied and received approval to borrow funds from Georgia Environmental Finance Authority (GEFA) for water improvements and wastewater facilitation and sewer improvements through the Federal Domestic Assistance **Capitalization Grants for Drinking Water State Revolving Funds**. The GEFA loan is for Project DW2022017 for \$767,000.00. If the County meets specific criteria during the loan period and GEFA will forgive \$383,500.00. The loan is for 20 years and at an interest rate of 1.21%. The DW2022017 project is to replace manual read meters with automatic meter reading (AMR) system and related appurtenances. To date, no drawdowns have been made but bid packages are expected to be requested within the next two months.

The Water and Sewer Authority raised the rates for water, sewer, and solid waste effective August 2023 to increase revenue to a level that management believes will exceed expenditures and satisfy the debt covenants of the 2014 Refunding Revenue Bond agreement.

REQUIRED SUPPLEMENTARY INFORMATION

UNIFIED GOVERNMENT OF GEORGETOWN-QUITMAN COUNTY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

| | BUDGETED AMOUNTS | | (BUDGETARY BASIS) | VARIANCE- FINAL BUDGET POSITIVE (NEGATIVE) |
|--|------------------------|------------------------|------------------------|--|
| | ORIGINAL | FINAL | ACTUAL | |
| REVENUES | | | | |
| Taxes | \$ 1,982,346.00 | \$ 1,982,346.00 | \$ 2,116,141.60 | \$ 133,795.60 |
| Licenses and Permits | 47,240.00 | 47,240.00 | 52,300.10 | 5,060.10 |
| Fines and Forfeitures | 101,000.00 | 101,000.00 | 119,310.90 | 18,310.90 |
| Intergovernmental | 273,600.20 | 1,017,326.40 | 1,017,725.40 | 399.00 |
| Charges for Services | 344,100.00 | 344,100.00 | 711,564.79 | 367,464.79 |
| Interest Earnings | 3,000.00 | 3,000.00 | 11,114.62 | 8,114.62 |
| Rents and Royalties | 11,000.00 | 11,000.00 | 15,325.00 | 4,325.00 |
| Miscellaneous | 0.00 | 8,515.00 | 8,615.00 | 100.00 |
| Reimbursement for Damaged Property | 0.00 | 13,044.00 | 13,044.40 | 0.40 |
| TOTAL REVENUES | <u>2,762,286.20</u> | <u>3,527,571.40</u> | <u>4,065,141.81</u> | <u>537,570.41</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | 1,260,699.53 | 1,183,992.58 | 1,152,465.11 | 31,527.47 |
| Court Administration | 307,802.84 | 335,802.84 | 333,850.83 | 1,952.01 |
| Public Safety | 970,438.56 | 1,156,048.54 | 1,156,035.64 | 12.90 |
| Public Works | 487,266.95 | 261,180.10 | 248,844.37 | 12,335.73 |
| Health and Welfare | 34,099.29 | 34,099.29 | 29,264.82 | 4,834.47 |
| Housing and Development | 63,977.68 | 67,801.68 | 37,401.30 | 30,400.38 |
| Culture and Recreation | 42,287.00 | 26,653.29 | 26,613.66 | 39.63 |
| Capital Outlay: | | | | |
| General Government | 0.00 | 23,238.75 | 23,238.75 | 0.00 |
| Public Safety | 0.00 | 385,093.84 | 385,093.84 | 0.00 |
| Culture and Recreation | 0.00 | 66,987.73 | 66,987.73 | 0.00 |
| Debt Service: | | | | |
| Principal | 87,000.00 | 204,722.59 | 204,722.59 | 0.00 |
| Interest | 0.00 | 15,818.33 | 15,818.33 | 0.00 |
| TOTAL EXPENDITURES | <u>3,253,571.85</u> | <u>3,761,439.56</u> | <u>3,680,336.97</u> | <u>81,102.59</u> |
| EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES | <u>(491,285.65)</u> | <u>(233,868.16)</u> | <u>384,804.84</u> | <u>618,673.00</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In (Out) | 491,285.65 | (64,276.50) | (263,374.97) | (199,098.47) |
| Proceeds from Property Sales | 0.00 | 0.00 | 0.00 | 0.00 |
| Miscellaneous | 0.00 | 0.00 | 0.00 | 0.00 |
| Debt Proceeds | 0.00 | 298,144.66 | 298,144.66 | 0.00 |
| Total Other Financing Sources (Uses) | <u>491,285.65</u> | <u>233,868.16</u> | <u>34,769.69</u> | <u>(199,098.47)</u> |
| NET CHANGE IN FUND BALANCE | 0.00 | 0.00 | 419,574.53 | 419,574.53 |
| FUND BALANCE- BEGINNING | 3,074,090.27 | 3,074,090.27 | 3,074,090.27 | 0.00 |
| FUND BALANCE- ENDING | <u>\$ 3,074,090.27</u> | <u>\$ 3,074,090.27</u> | <u>\$ 3,493,664.80</u> | <u>\$ 419,574.53</u> |

The amount budget for the general fund is adopted on a basis consistent with generally accepted accounting principles; therefore there is no difference between budgetary revenues and expenditures and GAAP revenues and expenditures.

UNIFIED GOVERNMENT OF GEORGETOWN-QUITMAN COUNTY
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2022

| | FY22 | FY21 |
|---|-------------|-------------|
| Total Pension Liability | | |
| Service Cost | \$ 0 | \$ 0 |
| Interest | 12,977 | 13,305 |
| Difference Between Expected and Actual Experience | 2,829 | 2,660 |
| Changes of Assumptions | 0 | 0 |
| Benefit Payments, Including Refunds of Employee Contributions | (20,413) | (20,413) |
| Net Change in Total Pension Liability | \$ (4,607) | \$ (4,448) |
| Total Pension Liability- Beginning | 186,162 | 190,610 |
| Total Pension Liability- Ending | \$ 181,555 | \$ 186,162 |
| Plan Fiduciary Net Position | | |
| Contributions-Employer | \$ 10,460 | \$ 9,612 |
| Net Investment Income | 8,914 | 48,412 |
| Benefit of Payments, including Refunds of Employee Contributions | (20,413) | (20,413) |
| Administrative Expense | (2,904) | (2,852) |
| Net Change in Plan Fiduciary Net Position | \$ (3,943) | \$ 34,759 |
| Plan Net Position- Beginning | 146,026 | 111,267 |
| Plan Net Position- Ending | \$ 142,083 | \$ 146,026 |
| Net Pension Liability (Asset)- Ending | \$ 39,472 | \$ 40,136 |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 78.26% | 70.66% |
| Covered Employee Payroll | N/A | N/A |
| Net Pension Liability (Asset) as a Percentage of Covered Payroll | | |

UNIFIED GOVERNMENT OF GEORGETOWN-QUITMAN COUNTY
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2022

| | <u>FY22</u> | <u>FY21</u> |
|---|--------------|------------------|
| Actuarially Determined Contribution | \$ 9,499 * | \$ 10,777 |
| Contributions in Relation to Actuarially Determined Contribution | <u>9,499</u> | <u>10,777</u> ** |
| Contribution Deficiency (Excess) | \$ <u>0</u> | \$ <u>0</u> |
| Covered Employee Payroll | \$ | \$ |
| Contribution as a Percentage of Covered Employee Payroll | | N/A |

* 2021 information will be determined after fiscal year end and will be included in the 2023 valuation report.

** Contributions are recorded based on date of receipt into GMEBS trust. Minor timing issues in receipt of monthly payments are not indicative of non-compliance with GMBES funding policy. A plan is in compliance with GMEBS funding policy if it pays either the dollar amount or the percentage of employee-covered payroll of the actuarially determined contributions.

Notes to Schedule

Actuarially determined contribution rates are calculated as of July 1, 2022, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ended December 31, 2023.

Methods and assumptions used to determine contribution rates:

| | |
|-------------------------------|--|
| Actuarial Cost Method | Projected Unit Credit |
| Amortization Period | Closed level dollar for remaining unfunded liability |
| Remaining Amortization Period | Remaining amortization period varies for the bases, with a net effective amortization period of 13 years. |
| Asset Valuation Method | Sum of the actuarial value at the beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value. |
| Actuarial Assumptions: | |
| Net Investment Rate of Return | 7.375% |
| Projected Salary Increases | 2.25% plus service based merit increases |
| Cost of Living Adjustments | N/A |
| Changes in assumptions | There are no changes in assumptions in the last two fiscal years. |
| Benefit Changes | There were no changes in benefit provisions in the last two fiscal years. |

SUPPLEMENTARY INFORMATION

UNIFIED GOVERNMENT OF GEORGETOWN-QUITMAN COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022

| | Special Revenue Funds | | | | Capital Projects Fund | Total Nonmajor Governmental Funds |
|--|-----------------------|------------------|---------------------|--------------------------|-----------------------------|--|
| | Family Connect. | Law Library | E-911 | DCA Welcome Center | SPLOST | |
| ASSETS | | | | | | |
| Cash and Cash Equivalents | \$ 331.29 | 52,812.40 | \$ 13,130.97 | \$ 0.00 | \$ 109,780.05 | \$ 176,054.71 |
| Intergovernmental Receivable | 0.00 | 0.00 | 0.00 | 0.00 | 19,916.93 | 19,916.93 |
| Other Receivables | 12,778.36 | 0.00 | 3,326.04 | 0.00 | 0.00 | 16,104.40 |
| Interfund Receivable | 0.00 | 0.00 | 0.00 | 18,750.00 | 0.00 | 18,750.00 |
| Notes Receivable | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL ASSETS | \$ 13,109.65 | 52,812.40 | \$ 16,457.01 | \$ 18,750.00 | \$ 129,696.98 | \$ 230,826.04 |
| LIABILITIES AND FUND BALANCES | | | | | | |
| Liabilities: | | | | | | |
| Accounts Payable | \$ 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Intergovernmental Payable | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Interfund Payable | 18,278.36 | 0.00 | 0.00 | 0.00 | 0.00 | 18,278.36 |
| Unearned Revenue | 0.00 | 0.00 | 0.00 | 18,750.00 | 0.00 | 18,750.00 |
| Total Liabilities | 18,278.36 | 0.00 | 0.00 | 18,750.00 | 0.00 | 37,028.36 |
| Fund Balances: | | | | | | |
| Restricted: | | | | | | |
| Family Connections | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Law Library | 0.00 | 52,812.40 | 0.00 | 0.00 | 0.00 | 52,812.40 |
| E-911 | 0.00 | 0.00 | 16,457.01 | 0.00 | 0.00 | 16,457.01 |
| TSPLOST | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Developmental Authority | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| SPLOST Projects | 0.00 | 0.00 | 0.00 | 0.00 | 129,696.98 | 129,696.98 |
| Assigned | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Unassigned | (5168.71) | 0.00 | 0.00 | 0.00 | 0.00 | (5,168.71) |
| Total Fund Balances | (5,168.71) | 52,812.40 | 16,457.01 | 0.00 | 129,696.98 | 193,797.68 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 13,109.65 | 52,812.40 | \$ 16,457.01 | \$ 18,750.00 | \$ 129,696.98 | \$ 230,826.04 |

UNIFIED GOVERNMENT OF GEORGETOWN-QUITMAN COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

| | Special Revenue Funds | | | | Capital Projects Fund | Total Nonmajor Governmental Funds |
|--|-----------------------|----------------|--------------|--------------------------|-----------------------------|--|
| | Family Connect. | Law Library | E-911 | DCA Welcome Center | SPLOST | |
| REVENUES | | | | | | |
| Intergovernmental | \$ 67,212.07 | 0.00 | 0.00 | 0.00 | 0.00 | \$ 67,212.07 |
| Taxes | 0.00 | 0.00 | 0.00 | 0.00 | 261,746.18 | 261,746.18 |
| Charges for Services | 0.00 | 0.00 | 42,205.13 | 0.00 | 0.00 | 42,205.13 |
| Fees and Fines | 0.00 | 4,257.50 | 0.00 | 0.00 | 0.00 | 4,257.50 |
| Interest Earnings | 10.27 | 230.61 | 33.12 | 0.00 | 475.77 | 749.77 |
| Miscellaneous | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Revenues | 67,222.34 | 4,488.11 | 42,238.25 | 0.00 | 262,221.95 | 376,170.65 |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| Court Administration | 0.00 | 1,808.00 | 0.00 | 0.00 | 0.00 | 1,808.00 |
| Health and Welfare | 83,722.36 | 0.00 | 0.00 | 0.00 | 0.00 | 83,722.36 |
| Public Works | 0.00 | 0.00 | 0.00 | 0.00 | 311,464.11 | 311,464.11 |
| Public Safety | 0.00 | 0.00 | 116,035.64 | 0.00 | 0.00 | 116,035.64 |
| Housing and Development | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Debt Service: | | | | | | |
| Principal | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Interest | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total Expenditures | 83,722.36 | 1,808.00 | 116,035.64 | 0.00 | 311,464.11 | 513,030.11 |
| EXCESS REVENUES OVER EXPENDITURES | (16,500.02) | 2,680.11 | (73,797.39) | 0.00 | (49,242.16) | (136,859.46) |
| OTHER FINANCING SOURCES | | | | | | |
| Debt Proceeds | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Transfers In (Out) | 0.00 | 0.00 | 77,363.76 | 0.00 | (150,000.00) | (72,636.24) |
| Total Other Financing Sources | 0.00 | 0.00 | 77,363.76 | 0.00 | (150,000.00) | (72,636.24) |
| NET CHANGE IN FUND BALANCE | (16,500.02) | 2,680.11 | 3,566.37 | 0.00 | (199,242.16) | (209,495.70) |
| FUND BALANCES- BEGINNING | 11,331.31 | 50,132.29 | 12,890.64 | 0.00 | 328,939.14 | 403,293.38 |
| FUND BALANCES- ENDING | \$ -5,168.71 | \$ 52,812.40 | \$ 16,457.01 | \$ 0.00 | \$ 129,696.98 | \$ 193,797.68 |

UNIFIED GOVERNMENT OF GEORGETOWN-QUITMAN COUNTY
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS
DECEMBER 31, 2022

| | Enterprise Funds | | |
|---------------------------------------|--------------------------------------|-----------------------------|---------------------------------------|
| | Revolving Loan Fund Activities | DFACS Building Rental | Total Nonmajor Enterprise Funds |
| ASSETS | | | |
| Cash and Equivalents | \$ 203,703.00 | \$ 73,838.09 | \$ 277,541.09 |
| Investments | 0.00 | 0.00 | 0.00 |
| Interfund Receivable | 0.00 | 0.00 | 0.00 |
| Capital Assets: | | | |
| Buildings and Equipment | 0.00 | 816,642.00 | 816,642.00 |
| Accumulated Depreciation | 0.00 | (394,810.22) | (394,810.22) |
| Total Capital Assets | <u>0.00</u> | <u>421,831.78</u> | <u>421,831.78</u> |
| Total Assets | \$ <u>203,703.00</u> | \$ <u>495,669.87</u> | \$ <u>699,372.87</u> |
| LIABILITIES | | | |
| Accounts Payable and Accrued Expenses | \$ 0.00 | \$ 0.00 | \$ 0.00 |
| Interfund Payable | 0.00 | 925.80 | 925.80 |
| Total Liabilities | \$ <u>0.00</u> | \$ <u>925.80</u> | \$ <u>925.80</u> |
| NET POSITION | | | |
| Net Investment in Capital Assets | \$ 0.00 | \$ 421,831.78 | \$ 421,831.78 |
| Unrestricted (Deficit) | <u>203,703.00</u> | <u>72,912.29</u> | <u>276,615.29</u> |
| Total Net Position | \$ <u><u>203,703.00</u></u> | \$ <u><u>494,744.07</u></u> | \$ <u><u>698,447.07</u></u> |

UNIFIED GOVERNMENT OF GEORGETOWN-QUITMAN COUNTY
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

| | Enterprise Funds | | Total |
|---|--------------------------------------|-----------------------------|------------------------------|
| | Revolving Loan Fund Activities | DFACS Building Rental | Nonmajor Enterprise Funds |
| OPERATING REVENUES | | | |
| Interest on Revolving Loans | \$ 0.00 | \$ 0.00 | \$ 0.00 |
| Rentals | 0.00 | 20,452.86 | 20,452.86 |
| Other | 0.00 | 0.00 | 0.00 |
| Total Operating Revenues | <u>0.00</u> | <u>20,452.86</u> | <u>20,452.86</u> |
| OPERATING EXPENSES | | | |
| Personnel Services | 0.00 | 9,746.08 | 9,746.08 |
| Utilities | 0.00 | 8,027.34 | 8,027.34 |
| Supplies and Other Expenses | 6.00 | 318.45 | 324.45 |
| Depreciation | 0.00 | 18,132.20 | 18,132.20 |
| Total Operating Expenses | <u>6.00</u> | <u>36,224.07</u> | <u>36,230.07</u> |
| INCOME FROM OPERATIONS | <u>(6.00)</u> | <u>(15,771.21)</u> | <u>(15,777.21)</u> |
| NON OPERATING REVENUES (EXPENSES) | | | |
| Interest Income | 997.56 | 159.10 | 1,156.66 |
| Total Non Operating Revenues (Expenses) | <u>997.56</u> | <u>159.10</u> | <u>1,156.66</u> |
| CHANGE IN NET POSITION | 991.56 | (15,612.11) | (14,620.55) |
| NET POSITION- BEGINNING | <u>202,711.44</u> | <u>510,356.18</u> | <u>713,067.62</u> |
| NET POSITION- ENDING | \$ <u>203,703.00</u> | \$ <u>494,744.07</u> | \$ <u>698,447.07</u> |

UNIFIED GOVERNMENT OF GEORGETOWN-QUITMAN COUNTY
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

| | Enterprise Funds | | Total |
|--|--------------------------------------|-----------------------------|------------------------------|
| | Revolving Loan Fund Activities | DFACS Building Rental | Nonmajor Enterprise Funds |
| Increase (Decrease) in Cash and Cash Equivalents | | | |
| Cash Flows from Operating Expenses | | | |
| Cash Received from Customers | \$ 0.00 | \$ 20,452.86 | \$ 20,452.86 |
| Cash Payments for Personnel Expenses | 0.00 | (9,746.08) | (9,746.08) |
| Cash Payments for Goods and Services | (6.00) | (10,458.42) | (10,464.42) |
| Internal Activity- Payments (to) from Other Funds | 0.00 | 0.00 | 0.00 |
| Revolving Loan Principal Payments Received | 0.00 | 0.00 | 0.00 |
| Revolving Loan- Principal Amount of New Loans | 0.00 | 0.00 | 0.00 |
| Revolving Loan Interest Payments Received | 0.00 | 0.00 | 0.00 |
| Net Cash Provided by Operating Activities | (6.00) | 248.36 | 242.36 |
| Cash Flows from Noncapital Financing Activities | | | |
| None | 0.00 | 0.00 | 0.00 |
| Net Cash Provided by Noncapital Financing Activities | 0.00 | 0.00 | 0.00 |
| Cash Flows from Capital & Related Financing Activities | | | |
| Purchase of Equipment | 0.00 | 0.00 | 0.00 |
| Net Cash Provided (Used) by Capital and Related Financing Activities | 0.00 | 0.00 | 0.00 |
| Cash Flows from Investing Activities | | | |
| Maturity of Certificate of Deposit | 202,485.47 | 0.00 | 202,485.47 |
| Interest Received | 997.56 | 159.10 | 1,156.66 |
| Net Cash Provided by Investing Activities | 203,483.03 | 159.10 | 203,642.13 |
| Net Increase in Cash and Cash Equivalents | 203,477.03 | 407.46 | 203,884.49 |
| Cash and Cash Equivalents- Beginning of Year | 225.97 | 73,430.63 | 73,656.60 |
| Cash and Cash Equivalents- End of Year | \$ 203,703.00 | \$ 73,838.09 | \$ 277,541.09 |

UNIFIED GOVERNMENT OF GEORGETOWN-QUITMAN COUNTY
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

| | Enterprise Funds | | |
|--|--------------------------------------|-----------------------------|---------------------------------------|
| | Revolving Loan Fund Activities | DFACS Building Rental | Total Nonmajor Enterprise Funds |
| Reconciliation of Operating Income to Net Cash Provided by Operating Activities | | | |
| Operating Income | \$ (6.00) | \$ (15,771.21) | \$ (15,777.21) |
| Adjustments: | | | |
| Depreciation | 0.00 | 18,132.20 | 18,132.20 |
| (Increase) Decrease in Assets: | | | |
| Accrued Interest on Revolving Loan | 0.00 | 0.00 | 0.00 |
| Notes Receivable-Revolving Loan Program | 0.00 | 0.00 | 0.00 |
| Increase (Decrease) in Liabilities: | | | |
| Accounts Payable | 0.00 | 0.00 | |
| Interfund Payables | 0.00 | (2,112.63) | (2,112.63) |
| Net Cash Provided by Operating Activities | \$ <u>(6.00)</u> | \$ <u>248.36</u> | \$ <u>242.36</u> |

**UNIFIED GOVERNMENT OF GEORGETOWN-QUITMAN COUNTY
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**

FIDUCIARY FUNDS

DECEMBER 31, 2022

| Custodial Funds | | | | | | |
|---------------------------|-------------------|-----------------|-------------------------------|-------------------|----------------------|-------------------|
| | Tax Commission | Tax Assessor | Clerk of Superior Court | Probate Office | Magistrate Office | Sheriff Office |
| | | | | | | Total |
| ASSETS | | | | | | |
| Cash and Cash Equivalents | \$ 252,205.66 | 0.00 | 56,357.72 | 6,124.21 | 0.00 | \$ 319,056.03 |
| Receivables | 510,090.52 | 0.00 | 0.00 | 0.00 | 0.00 | 510,090.52 |
| TOTAL ASSETS | 762,296.18 | 0.00 | 56,357.72 | 6,124.21 | 0.00 | 829,146.55 |
| LIABILITIES | | | | | | |
| Liabilities: | | | | | | |
| Funds Pending Settlement | 762,296.18 | 0.00 | 56,357.72 | 6,124.21 | 0.00 | 829,146.55 |
| Total Liabilities | 762,296.18 | 0.00 | 56,357.72 | 6,124.21 | 0.00 | 829,146.55 |
| NET POSITION | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 |

UNIFIED GOVERNMENT OF GEORGETOWN-QUITMAN COUNTY
COMBINING STATEMENT OF CHANGES IN FIDUCIARY FUNDS NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2022

| Custodial Funds | | | | | | | |
|--------------------------------|---------------------|-----------------|-------------------------------|-------------------|----------------------|-------------------|---------------------|
| | Tax Commission | Tax Assessor | Clerk of Superior Court | Probate Office | Magistrate Office | Sheriff Office | Total |
| ADDITIONS: | | | | | | | |
| Bonds and Fines Collected | \$ 0.00 | 0.00 | 87,320.92 | 203,200.80 | 7,085.00 | 19,923.60 | \$ 317,530.32 |
| Taxes Collected | 4,042,914.50 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 4,042,914.50 |
| TOTAL ADDITIONS | 4,042,914.50 | 0.00 | 87,320.92 | 203,200.80 | 7,085.00 | 19,923.60 | 4,360,444.82 |
| DEDUCTIONS: | | | | | | | |
| Remittance to County | 1,417,670.46 | | 45,659.58 | 148,528.99 | 4,386.00 | 19,923.60 | 1,636,168.63 |
| Funds Pending Settlement | 2,625,244.04 | 0.00 | 41,661.34 | 54,671.81 | 2,699.00 | 0.00 | 2,724,276.19 |
| TOTAL DEDUCTIONS | 4,042,914.50 | 0.00 | 87,320.92 | 203,200.80 | 7,085.00 | 19,923.60 | 4,360,444.82 |
| Net Position Beginning of year | 0.00 | \$ 0.00 | 0.00 | 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 |
| Net Position Beginning of year | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

R.W. Wingate & Company, LLC

Certified Public Accountant | Full Service Tax and Accounting

Richard W. Wingate, CPA

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

To the Board of Commissioners

Unified Government of Georgetown-Quitman County, Georgia

Georgetown, Georgia

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Unified Government of Georgetown-Quitman County, Georgia, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Unified Government of Georgetown-Quitman County, Georgia's basic financial statements and have issued my report thereon dated August 18, 2023.

Report on Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Unified Government of Georgetown-Quitman County, Georgia'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 my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Unified Government of Georgetown-Quitman County, Georgia's internal control. Accordingly, I do not express an opinion on the effectiveness of the Unified Government of Georgetown-Quitman County, Georgia's internal control.

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

My 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. Given these limitations, during our audit I did not identify any

deficiencies in internal control that I consider to be material weaknesses. I identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2022-1 and 2022-2 that I consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Unified Government of Georgetown-Quitman County, Georgia's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Unified Government of Georgetown-Quitman County, Georgia's Response to Findings

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

Purpose of This Report

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

R.W. Wingate & Company, LLC

Eufaula, Alabama
August 18, 2023

UNIFIED GOVERNMENT OF GEORGETOWN-QUITMAN COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2022

FINDING 2022-1

We noted the following deficiencies in internal control design which could adversely affect the County's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

1. Absence of appropriate segregation of duties consistent with appropriate control objectives.

Recommendations:

1. The cost of providing for adequate segregation of duties would probably exceed the expected benefit to the County. However, we feel it is necessary to report this deficiency to management.

Management agrees with the above finding and has addressed the finding in the corrective action plan on page 54.

FINDING 2022-2

We noted the following deficiencies in the operation of internal control which could adversely affect the County's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

1. Evidence of failure to sufficiently document monitoring procedures in relation to grant requirements with Family Connections.

Recommendations:

1. The County should require a responsible individual to review and document individual grant requirements ensuring compliance.

Management agrees with the above finding and has addressed the finding in the corrective action plan on page 54.

Unified Government of Georgetown-Quitman County
Corrective Action Plan
Audit Period: Year Ended December 31, 2022

The Findings from the December 31, 2022, Schedule of Findings and Responses are discussed below. The findings are numbered consistently with the numbers assigned in the schedule. Also addressed are the compliance issues discussed in Notes 2 of the notes to the Financial Statements included in the December 31, 2022, audit.

Finding 2022-01

We concur with this finding. Mitigating controls have been implemented to the extent possible to segregate duties. We do not have the financial resources to hire enough personnel to segregate duties to eliminate this finding.

Finding 2022-02

We concur with this finding. The Unified Government has taken steps to correct this issue by adding procedures to document monitoring procedures with grants associated with Family Connections.

Note 2B to Financial Statements

Water and Sewer Authority

The loss is attributable to a significant increase in repairs. The Authority believes that the capital improvements that have been done in 2022 and are expected to be done in 2023 will significantly decrease the repair expense. Additionally the Authority has increased the rates effective August 2023.

Solid Waste Fund

The loss is attributable to personnel expenses. The Authority will more closely monitor this expense in the upcoming year. Additionally the Authority has increased the rates effective August 2023.

DFACS Building Rental

The loss is attributable to depreciation and the loss is acceptable to provide a service to the citizens in the community.

Note 2C to Financial Statements

The Water and Sewer Authority were not in compliance with the debt covenants of 2014 Refunding Revenue Bond Agreement. The County performed a revenue sufficiency analysis and an increase in rates is effective August 2023.

Contact Person:

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Financial officer

Unified Government of Georgetown-Quitman County

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