

**TALBOT COUNTY, GEORGIA**  
**FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2022**

## **INTRODUCTORY SECTION**

# TALBOT COUNTY, GEORGIA

## FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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# TALBOT COUNTY, GEORGIA

## FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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## **FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

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**Board of Commissioners  
of Talbot County, Georgia  
Talbotton, Georgia**

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

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

In our opinion, based on our audit and the report of 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison information for the General Fund; the Transportation Investment Act ("TIA") Fund; and the American Rescue Plan Act ("ARPA") Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Talbot County Department of Public Health, which represents 44.25% of the assets, 43.55% of the net position, and 92.78% of the revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Talbot County Department of Public Health, is based solely on the report of the other auditors.

#### ***Basis for Opinions***

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

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### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

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***Required Supplementary Information***

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

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the schedules of expenditures of special purpose local option sales proceeds, as required by the Official Code of Georgia Annotated ("O.C.G.A.") §48-8-121, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules and the schedules of expenditures of special purpose local option sales tax proceeds 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 the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion the combining and individual nonmajor fund financial statements and schedules and the schedules of expenditures of special purpose local option sales tax proceeds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



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**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2023, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Talbot County, Georgia's internal control over financial reporting and compliance.

*Mauldin & Jenkins, LLC*

Macon, Georgia  
March 31, 2023

## **BASIC FINANCIAL STATEMENTS**

# TALBOT COUNTY, GEORGIA

## STATEMENT OF NET POSITION JUNE 30, 2022

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Department of Public Health	Development Authority
<b>ASSETS</b>					
Cash and cash equivalents	\$ 11,593,236	\$ 189,986	\$ 11,783,222	\$ 349,345	\$ 300,747
Receivables, net of allowances:					
Taxes receivable	881,166	-	881,166	-	-
Accounts receivable	137,980	121,081	259,061	437	-
Due from other governments	150,252	110,266	260,518	-	-
Internal balances	16,073	(16,073)	-	-	-
Inventories	-	10,954	10,954	-	-
Restricted cash	-	63,631	63,631	-	-
Prepaid items	111,505	-	111,505	-	-
Right to use asset					
net of accumulated amortization	-	-	-	5,805	-
Capital assets, non-depreciable	1,077,376	19,600	1,096,976	-	123,336
Capital assets, depreciable,					
net of accumulated depreciation	5,350,694	1,828,759	7,179,453	3,705	28,625
Total assets	19,318,282	2,328,204	21,646,486	359,292	452,708
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred charges on refunding	-	24,097	24,097	-	-
Total deferred outflows of resources	-	24,097	24,097	-	-
<b>LIABILITIES</b>					
Accounts payable	267,569	80,362	347,931	3,312	-
Accrued liabilities	-	3,399	3,399	-	-
Customer deposits	-	186,765	186,765	-	-
Unearned revenue	527,228	-	527,228	-	-
Due to other governments	-	-	-	852	-
Due within one year:					
Financed purchases	175,878	-	175,878	-	-
Compensated absences	5,846	1,742	7,588	-	-
Leases	-	-	-	1,620	-
Revenue bonds payable	-	20,943	20,943	-	-
Due in more than one year:					
Financed purchases	512,358	22,763	535,121	-	-
Compensated absences	13,640	4,066	17,706	-	-
Leases	-	-	-	4,185	-
Revenue bonds payable	-	2,168,258	2,168,258	-	-
Landfill post-closure costs	455,802	-	455,802	-	-
Total liabilities	1,958,321	2,488,298	4,446,619	9,969	-

(Continued)

# TALBOT COUNTY, GEORGIA

## STATEMENT OF NET POSITION JUNE 30, 2022

NET POSITION	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Department of Public Health	Development Authority
Net investment in capital assets	\$ 5,739,834	\$ 636,395	\$ 6,376,229	\$ 3,705	\$ 151,961
Restricted for:					
Judicial	34,510	-	34,510	-	-
Public safety	92,549	-	92,549	-	-
Capital projects	4,234,126	-	4,234,126	-	-
Other purposes	-	-	-	40,329	-
Unrestricted	7,258,942	(772,392)	6,486,550	305,289	300,747
Total net position	<u>\$ 17,359,961</u>	<u>\$ (135,997)</u>	<u>\$ 17,223,964</u>	<u>\$ 349,323</u>	<u>\$ 452,708</u>

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

**TALBOT COUNTY, GEORGIA**

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

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government</b>				
Governmental activities:				
General government	\$ 2,096,664	\$ 46,333	\$ 270,173	\$ -
Judicial	446,824	297,020	-	-
Public safety	2,590,808	437,346	40,092	-
Public works	2,021,839	667,029	-	591,738
Health and welfare	595,210	7,841	93,687	-
Culture and recreation	103,371	-	-	-
Planning and community development	109,408	-	-	-
Interest on long-term debt	16,337	-	-	-
Total governmental activities	<u>7,980,461</u>	<u>1,455,569</u>	<u>403,952</u>	<u>591,738</u>
Business-type activities:				
Water system	1,050,894	1,083,946	-	-
Total business-type activities	<u>1,050,894</u>	<u>1,083,946</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 9,031,355</u>	<u>\$ 2,539,515</u>	<u>\$ 403,952</u>	<u>\$ 591,738</u>
<b>Component units</b>				
Department of Public Health	\$ 208,419	\$ 53,557	\$ 211,620	\$ -
Development Authority	27,700	-	20,390	-
Total component units	<u>\$ 236,119</u>	<u>\$ 53,557</u>	<u>\$ 232,010</u>	<u>\$ -</u>

General revenues:

- Property taxes
- Sales taxes
- Insurance premiums
- Motor vehicle and mobile home
- Gain on sale of capital assets
- Other taxes
- Interest revenue
- Total general revenues
- Change in net position
- Net position (deficit), beginning of year
- Net position (deficit), end of year

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

Net (Expenses) Revenues and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Department of Public Health	Development Authority
\$ (1,780,158)	\$ -	\$ (1,780,158)	\$ -	\$ -
(149,804)	-	(149,804)	-	-
(2,113,370)	-	(2,113,370)	-	-
(763,072)	-	(763,072)	-	-
(493,682)	-	(493,682)	-	-
(103,371)	-	(103,371)	-	-
(109,408)	-	(109,408)	-	-
(16,337)	-	(16,337)	-	-
(5,529,202)	-	(5,529,202)	-	-
-	33,052	33,052	-	-
-	33,052	33,052	-	-
(5,529,202)	33,052	(5,496,150)	-	-
-	-	-	56,758	-
-	-	-	-	(7,310)
-	-	-	56,758	(7,310)
3,532,110	-	3,532,110	-	-
2,085,773	-	2,085,773	-	-
391,486	-	391,486	-	-
399,366	-	399,366	-	-
3,246	-	3,246	-	-
205,927	-	205,927	-	-
15,025	59	15,084	-	261
6,632,933	59	6,632,992	-	261
1,103,731	33,111	1,136,842	56,758	(7,049)
16,256,230	(169,108)	16,087,122	292,565	459,757
\$ 17,359,961	\$ (135,997)	\$ 17,223,964	\$ 349,323	\$ 452,708

# TALBOT COUNTY, GEORGIA

## BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2022

	General Fund	TIA Fund	SPLOST Fund	Capital Improvements Fund	ARPA Fund
<b>ASSETS</b>					
Cash and cash equivalents	\$ 6,801,277	\$ 1,680,332	\$ 2,250,055	\$ 207,010	\$ 527,228
Receivables, net:					
Taxes receivable	440,179	58,204	382,783	-	-
Accounts receivable	137,980	-	-	-	-
Due from other governments	150,252	-	-	-	-
Due from other funds	216,348	-	-	-	-
Prepaid items	111,505	-	-	-	-
Total assets	<u>\$ 7,857,541</u>	<u>\$ 1,738,536</u>	<u>\$ 2,632,838</u>	<u>\$ 207,010</u>	<u>\$ 527,228</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 117,779	\$ -	\$ 137,248	12,542	\$ -
Unearned revenues	-	-	-	-	527,228
Due to other funds	-	-	-	200,000	-
Total liabilities	<u>117,779</u>	<u>-</u>	<u>137,248</u>	<u>212,542</u>	<u>527,228</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	295,933	-	-	-	-
Unavailable revenue - EMS	63,794	-	-	-	-
Total deferred inflows of resources	<u>359,727</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Fund balances					
Non-spendable for:					
Prepaid items	111,505	-	-	-	-
Restricted for:					
Judicial	-	-	-	-	-
Public safety	-	-	-	-	-
Capital projects	-	1,738,536	2,495,590	-	-
Unassigned	7,268,530	-	-	(5,532)	-
Total fund balances	<u>7,380,035</u>	<u>1,738,536</u>	<u>2,495,590</u>	<u>(5,532)</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,857,541</u>	<u>\$ 1,738,536</u>	<u>\$ 2,632,838</u>	<u>\$ 207,010</u>	<u>\$ 527,228</u>

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

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

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

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

Financed purchases payable

Compensated absences payable

Landfill post-closure costs

Net position of governmental activities

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

<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 127,334	\$ 11,593,236
-	881,166
-	137,980
-	150,252
-	216,348
-	111,505
<u>\$ 127,334</u>	<u>\$ 13,090,487</u>
\$ -	\$ 267,569
-	527,228
275	200,275
<u>275</u>	<u>995,072</u>
-	295,933
-	63,794
<u>-</u>	<u>359,727</u>
-	111,505
34,510	34,510
92,549	92,549
-	4,234,126
-	7,262,998
<u>127,059</u>	<u>11,735,688</u>
<u>\$ 127,334</u>	
	6,428,070
	359,727
\$ (688,236)	
(19,486)	
<u>(455,802)</u>	<u>(1,163,524)</u>
	<u>\$ 17,359,961</u>



# TALBOT COUNTY, GEORGIA

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

	General Fund	TIA Fund	SPLOST Fund	Capital Improvements Fund	ARPA Fund
<b>Revenues</b>					
Property taxes	\$ 3,579,266	\$ -	\$ -	\$ -	\$ -
Sales tax	480,849	653,162	951,762	-	-
Insurance premium tax	391,486	-	-	-	-
Motor vehicle and mobile home tax	399,366	-	-	-	-
Other taxes	205,927	-	-	-	-
Licenses and permits	46,333	-	-	-	-
Charges for services	1,000,116	-	-	-	-
Fines and forfeitures	297,020	-	-	-	-
Intergovernmental	790,291	-	5,575	-	74,324
Interest revenue	14,868	-	348	56	101
Miscellaneous	125,136	-	-	-	-
Total revenues	<u>7,330,658</u>	<u>653,162</u>	<u>957,685</u>	<u>56</u>	<u>74,425</u>
<b>Expenditures</b>					
Current:					
General government	1,984,097	-	-	-	74,425
Judicial	445,629	-	-	-	-
Public safety	2,625,271	-	-	-	-
Public works	1,105,758	237,485	-	-	-
Health and welfare	595,210	-	-	-	-
Culture and recreation	70,173	-	-	-	-
Planning and community development	109,408	-	-	-	-
Intergovernmental	-	-	142,764	-	-
Capital outlay	-	-	254,428	755,588	-
Debt service:					
Principal	79,997	69,461	-	-	-
Interest	3,115	13,222	-	-	-
Total expenditures	<u>7,018,658</u>	<u>320,168</u>	<u>397,192</u>	<u>755,588</u>	<u>74,425</u>
Excess (deficiency) of revenues over (under) expenditures	<u>312,000</u>	<u>332,994</u>	<u>560,493</u>	<u>(755,532)</u>	<u>-</u>
<b>Other financing sources (uses)</b>					
Transfers in	-	-	-	750,000	-
Transfers out	(750,000)	-	-	-	-
Sale of capital assets	3,246	-	-	-	-
Total other financing sources (uses)	<u>(746,754)</u>	<u>-</u>	<u>-</u>	<u>750,000</u>	<u>-</u>
Net change in fund balances	<u>(434,754)</u>	<u>332,994</u>	<u>560,493</u>	<u>(5,532)</u>	<u>-</u>
<b>Fund balance, beginning of year</b>	<u>7,814,789</u>	<u>1,405,542</u>	<u>1,935,097</u>	<u>-</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 7,380,035</u>	<u>\$ 1,738,536</u>	<u>\$ 2,495,590</u>	<u>\$ (5,532)</u>	<u>\$ -</u>

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

<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ 3,579,266
-	2,085,773
-	391,486
-	399,366
-	205,927
-	46,333
-	1,000,116
48,306	345,326
-	870,190
16	15,389
-	125,136
<u>48,322</u>	<u>9,064,308</u>
-	2,058,522
3,709	449,338
33,515	2,658,786
-	1,343,243
-	595,210
-	70,173
-	109,408
-	142,764
-	1,010,016
-	149,458
-	16,337
<u>37,224</u>	<u>8,603,255</u>
<u>11,098</u>	<u>461,053</u>
-	750,000
-	(750,000)
-	3,246
-	3,246
11,098	464,299
<u>115,961</u>	<u>11,271,389</u>
<u>\$ 127,059</u>	<u>\$ 11,735,688</u>

# TALBOT COUNTY, GEORGIA

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

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

Net change in fund balances - total governmental funds	\$	464,299
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

Capital outlay	\$	1,067,866	
Depreciation		(642,647)	425,219

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		16,638
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal repayment - notes payable	\$	12,272	
Principal repayment - financed purchases payable		137,186	149,458

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

Compensated absences	\$	8,614	
Change in landfill post-closure costs		39,503	48,117

Changes in net position - governmental activities	\$	<u>1,103,731</u>
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**The accompanying notes are an integral part of these financial statements.**

# TALBOT COUNTY, GEORGIA

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

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
<b>Revenues</b>				
Property taxes	\$ 3,652,708	\$ 4,565,885	\$ 3,579,266	\$ (986,619)
Sales tax	300,000	375,000	480,849	105,849
Insurance premium	376,797	470,996	391,486	(79,510)
Motor vehicle and mobile home tax	398,380	497,975	399,366	(98,609)
Other taxes	195,143	243,929	205,927	(38,002)
Licenses and permits	36,400	45,500	46,333	833
Charges for services	1,051,316	1,314,145	1,000,116	(314,029)
Fines and forfeitures	196,700	245,875	297,020	51,145
Intergovernmental	1,088,827	1,368,513	790,291	(578,222)
Interest revenue	25,000	31,250	14,868	(16,382)
Miscellaneous	411,881	600,913	125,136	(475,777)
Total revenues	7,733,152	9,759,981	7,330,658	(2,429,323)
<b>Expenditures</b>				
<b>Current:</b>				
<b>General government:</b>				
General administration	538,790	748,800	583,416	165,384
County commissioners	346,988	434,641	312,398	122,243
Tax commissioner	299,216	374,770	269,493	105,277
Tax assessor	280,646	350,058	235,216	114,842
Elections	290,660	363,325	213,224	150,101
Public buildings	425,952	504,190	370,350	133,840
Total general government	2,182,252	2,775,784	1,984,097	791,687
<b>Judicial:</b>				
Probate court	183,490	229,363	150,707	78,656
Clerk of superior court	288,264	256,593	204,901	51,692
Magistrate	23,241	27,801	20,691	7,110
Appeal administration	13,484	16,855	9,083	7,772
Other court services	160,670	104,988	60,247	44,741
Total judicial	669,149	635,600	445,629	189,971
<b>Public safety:</b>				
Ambulance service	788,217	919,993	888,151	31,842
Coroner	61,985	77,481	59,795	17,686
Fire	94,350	119,313	71,982	47,331
Animal control	-	-	344	(344)
Sheriff and jail	1,537,687	1,914,234	1,527,604	386,630
Emergency management	117,788	102,931	39,036	63,895
Regional E-911	-	44,304	38,359	5,945
Total public safety	2,600,027	3,178,256	2,625,271	552,985
<b>Public works:</b>				
Landfill	423,000	527,875	491,115	36,760
Public works	1,176,394	1,467,252	614,643	852,609
Total public works	1,599,394	1,995,127	1,105,758	889,369

(Continued)

# TALBOT COUNTY, GEORGIA

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

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Expenditures (Continued)</b>				
<b>Current (Continued)</b>				
<b>Health and welfare:</b>				
Transit	\$ 384,552	\$ 479,940	\$ 370,583	\$ 109,357
Nutrition	-	179,928	114,525	65,403
Health appropriations	143,942	133,011	110,102	22,909
Total health and welfare	528,494	792,879	595,210	197,669
<b>Culture and recreation:</b>				
Parks	41,521	51,901	36,449	15,452
Libraries	-	42,151	33,724	8,427
Total culture and recreation	41,521	94,052	70,173	23,879
<b>Planning and community development:</b>				
County agent	48,892	60,959	37,584	23,375
Building and zoning	66,423	83,029	51,287	31,742
Planning and community development appropriations	-	25,671	20,537	5,134
Total planning and community development	115,315	169,659	109,408	60,251
<b>Debt service:</b>				
Principal	-	122,374	79,997	42,377
Interest	-	-	3,115	(3,115)
Total debt service	-	122,374	83,112	39,262
Total expenditures	7,736,152	9,763,731	7,018,658	2,745,073
Excess (deficiency) of revenues over (under) expenditures	(3,000)	(3,750)	312,000	315,750
<b>Other financing sources (uses):</b>				
Transfers out	-	-	(750,000)	(750,000)
Sale of capital assets	3,000	3,750	3,246	(504)
Total other financing sources (uses)	3,000	3,750	(746,754)	(750,504)
Net change in fund balance	-	-	(434,754)	(434,754)
<b>Fund balance, beginning of year</b>	7,814,789	7,814,789	7,814,789	-
<b>Fund balance, end of year</b>	\$ 7,814,789	\$ 7,814,789	\$ 7,380,035	\$ (434,754)

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

# TALBOT COUNTY, GEORGIA

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

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
<b>Revenues</b>				
Sales tax	\$ -	\$ -	\$ 653,162	\$ 653,162
Total revenues	<u>-</u>	<u>-</u>	<u>653,162</u>	<u>653,162</u>
<b>Expenditures</b>				
<b>Current:</b>				
Public works	-	-	237,485	(237,485)
Debt service:				
Principal	-	-	69,461	(69,461)
Interest	<u>-</u>	<u>-</u>	<u>13,222</u>	<u>(13,222)</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>320,168</u>	<u>(320,168)</u>
				-
Net change in fund balance	<u>-</u>	<u>-</u>	<u>332,994</u>	<u>332,994</u>
<b>Fund balance, beginning of year</b>	<u>1,405,542</u>	<u>1,405,542</u>	<u>1,405,542</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u><u>\$ 1,405,542</u></u>	<u><u>\$ 1,405,542</u></u>	<u><u>\$ 1,738,536</u></u>	<u><u>\$ (332,994)</u></u>

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

# TALBOT COUNTY, GEORGIA

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

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget
<b>Revenues</b>				
Intergovernmental	\$ -	\$ -	\$ 74,324	\$ 74,324
Interest	-	-	101	101
Total revenues	-	-	74,425	74,425
<b>Expenditures</b>				
<b>Current:</b>				
General government	-	-	74,425	(74,425)
Total expenditures	-	-	74,425	(74,425)
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -

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

# TALBOT COUNTY, GEORGIA

## STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2022

<b>ASSETS</b>	<b>Major Enterprise Fund Water System</b>
Current assets:	
Cash	\$ 189,986
Accounts receivable, net of allowance	121,081
Due from other governments	110,266
Inventory	10,954
Restricted cash	63,631
Total current assets	495,918
Capital assets:	
Capital assets, non-depreciable	19,600
Capital assets, depreciable, net of accumulated depreciation	1,828,759
Total non-current assets	1,848,359
Total assets	2,344,277
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred charges on refunding	\$ 24,097
Total deferred outflows of resources	24,097
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	80,362
Customer deposits	186,765
Due to other funds	16,073
Accrued interest	3,399
Compensated absences, current portion	1,742
Financed purchases, current portion	-
Revenue bonds payable, current portion	20,943
Total current liabilities	309,284
Non-current liabilities:	
Compensated absences payable	4,066
Financed purchases payable	22,763
Revenue bonds payable	2,168,258
Total non-current liabilities	2,195,087
Total liabilities	2,504,371
<b>NET POSITION (DEFICIT)</b>	
Investment in capital assets	636,395
Unrestricted	(772,392)
Total net position (deficit)	\$ (135,997)

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



**TALBOT COUNTY, GEORGIA**

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Major Enterprise Fund Water System</b>
<b>Operating revenues</b>	
Charges for services	\$ 959,891
Miscellaneous	124,055
Total operating revenues	<u>1,083,946</u>
<b>Operating expenses</b>	
Salaries and benefits	172,350
Water purchases	437,819
Services and supplies	132,107
Depreciation	138,254
Other	104,775
Total operating expenses	<u>985,305</u>
Operating income	<u>98,641</u>
<b>Non-operating revenues (expenses)</b>	
Interest expense	(65,589)
Interest revenue	59
Total non-operating expenses, net	<u>(65,530)</u>
Change in net position	33,111
<b>Net position (deficit), beginning of year</b>	<u>(169,108)</u>
<b>Net position (deficit), end of year</b>	<u><u>\$ (135,997)</u></u>

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

**TALBOT COUNTY, GEORGIA**

**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Major Enterprise Fund Water System</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 986,739
Payments to employees	(173,144)
Payments to suppliers and service providers	(1,540,675)
Net cash used in operating activities	(727,080)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Principal paid on financed purchases	(16,531)
Proceeds from financed purchases	25,163
Principal paid on revenue bonds	(1,380,111)
Proceeds from revenue bonds	2,210,000
Interest paid on capital debt	(67,361)
Purchase of capital assets	(26,254)
Net cash provided by capital and related financing activities	744,906
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest earned	59
Net cash provided by investing activities	59
Net increase in cash and cash equivalents	17,885
<b>Cash and cash equivalents:</b>	
Beginning of year	235,732
End of year	\$ 253,617
<b>Classified as:</b>	
Cash	\$ 189,986
Restricted cash	63,631
	\$ 253,617
<b>Reconciliation of operating income to net cash used in operating activities:</b>	
Operating income	\$ 98,641
Adjustments to reconcile operating income to net cash used in operating activities:	
Depreciation	138,254
Increase in accounts receivable	(97,207)
Increase in due to other funds	(42,875)
Increase in customer deposits	9,119
Increase in accounts payable	55,756
Decrease in due to other governments	(887,974)
Decrease in compensated absences	(794)
Net cash used in operating activities	\$ (727,080)

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

**TALBOT COUNTY, GEORGIA**

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2022**

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	<b>Custodial Funds</b>
	<hr/>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 472,160
Taxes receivable	<hr/> 393,190
Total assets	<hr/> <b>\$ 865,350</b> <hr/>
<b>LIABILITIES</b>	
Due to others	\$ 86,312
Uncollected taxes	<hr/> 393,190
Total liabilities	<hr/> <b>\$ 479,502</b> <hr/>
<b>NET POSITION</b>	
Restricted for individuals, organizations, and other governments	<hr/> <b>\$ 385,848</b> <hr/>

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

**TALBOT COUNTY, GEORGIA**

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

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	<b>Custodial Funds</b>
	<hr/>
<b>ADDITIONS</b>	
Taxes collected	\$ 4,775,982
Fines and fees collected	473,169
Total additions	<hr/> 5,249,151 <hr/>
<b>DEDUCTIONS</b>	
Taxes disbursed	4,744,231
Fines and fees disbursed	419,924
Total deductions	<hr/> 5,164,155 <hr/>
Change in net position	84,996
Net position, beginning of year	<hr/> 300,852 <hr/>
Net position, end of year	<hr/> \$ 385,848 <hr/>

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

**TALBOT COUNTY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

The County was incorporated December 14, 1827. The County operates under a board of five commissioners and provides the following services in addition to general government responsibilities: judicial, public safety, public works, health and welfare, culture and recreation, planning and community development, and water services. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the County (the "Primary Government") and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County. In conformity with GAAP, as set forth in GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statements No. 39 and 61, the financial statements of the component units are discretely presented in the financial statements.

**Discretely Presented Component Units**

**Talbot County Department of Public Health ("Department of Public Health")**

Provides medical services and health education to the citizens of the County. The County Board of Commissioners has the authority to modify and approve the Department of Public Health's budget and have committed to provide significant financial support to the Department of Public Health. The Department of Public Health's financial statements have been presented separately and can be obtained by writing to the Talbot County Department of Public Health, 1073 Woodland Hwy, Talbotton, Georgia 31827.

**Development Authority of Talbot County ("Development Authority")**

Identifies, attracts and locates new business, industry and tourism in the County for the purposes of increasing trade, commerce, industry, tourism and employment opportunities. The County Board of Commissioners appoints a majority of the Board of Directors. The Development Authority of the County's financial statements have been presented separately and can be obtained by writing to the Talbot County Industrial Development Authority, P.O. Box 98, 12 East Madison Street, Talbotton, Georgia 31827.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

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

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

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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

The format of the fund financial statements has been modified by GASB Statement No. 34. Major individual governmental funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

The **General Fund** is established to account for resources devoted to financing the general services that the County performs for its citizens. General tax revenues and other sources of revenue used to finance the fundamental operations of the County are included in this fund. The fund is charged with all costs of operating the government for which a separate fund has not been established.

The **Transportation Investment Act ("TIA") Fund** is a special revenue fund established to account for the County's share of the TIA sales tax receipts.

The **Special Purpose Local Option Sales Tax ("SPLOST") Fund** is a capital projects fund established to account for major capital expenditures financed by SPLOST receipts.

The **Capital Improvements Fund** is a capital projects fund established to account for the major capital expenditures for several capital projects across the County.

The **American Rescue Plan Act ("ARPA") Fund** is a special revenue fund used to account for grant funds awarded to the County as part of the State and Local Fiscal Recovery Fund under the ARPA.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The County reports the following major proprietary fund:

The **Water System Fund** accounts for the water activities of the government.

Additionally, the County reports the following fund types:

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

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule can be payments in lieu of taxes and other charges between the government's water system and other functions of the County.

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

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

The County's net position is reported in three parts - 1) net invested in capital assets, 2) restricted, and 3) unrestricted. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.



## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### D. Deposits and Investments

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the County, and non-negotiable certificates of deposits regardless of original maturity.

For purposes of the statement of cash flows, the Water System Fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

State statutes authorize the County to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements.

Investments are reported at fair value. At June 30, 2022, the County has no investments.

#### E. Receivables/Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivable/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances between governmental activities and the business-type activities are reported on the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown net of an allowance for uncollectibles. The allowances for uncollectibles on receivable balances represent estimates based on historical collection rates and account balance aging reports.

All property taxes levied for the current and any previous years, but not received as of June 30, 2022, are shown as property taxes receivable at that date. Any of the taxes, which are determined to be unavailable to pay liabilities of the current period, have been deferred. The Tax Commissioner bills and collects those property taxes levied by the County, the Talbot County Board of Education, the municipalities located within the County and the State of Georgia. Collections and remittances to the County and other governmental agencies are accounted for in a Custodial Fund.

#### F. Inventories

Inventories are valued at cost, which approximates market, using the first-in/first-out ("FIFO") method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### G. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

#### H. Restricted Cash

Water System Fund restricted cash is restricted for the Water Fund debt service.

#### I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the time of acquisition plus any ancillary charges incurred to put the asset into service.

The County is classified as a phase 3 government due to its revenue and classification by GASB 34. The County has opted not to retroactively report infrastructure, but reports all infrastructure additions and related improvements after July 1, 2003.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	20 – 40
Improvements	10 – 30
Public domain infrastructure	40
System infrastructure	40
Vehicles	5
Equipment	5 – 15

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **J. Compensated Absences**

The County changed its policy in fiscal year June 30, 2019 to disallow employees to accumulate earned but unused vacation and sick benefits beyond a one-year period. Benefits belonging to employees who had accumulated the benefits prior to this change are reflected in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

#### **K. Long-Term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

#### **L. Deferred Inflows of Resources**

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has one item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and EMS services not received within 60 days after year-end. These amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### M. Deferred Outflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditure until then. The County has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. The deferred charge on refunding resulted from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

#### N. Fund Equity

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

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

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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### N. Fund Equity (Continued)

##### Fund Balances (Continued)

- **Unassigned** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

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

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

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

#### O. Use of Estimates

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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2. LEGAL COMPLIANCE – BUDGETS

#### A. Budgets and Budgetary Accounting

The County prepares and adopts its budget and complies with the auditing requirements for local governments so as to provide local taxpayers with an opportunity to gain information concerning the purpose for which local revenues are proposed to be spent and are actually spent and to assist local governments in generally improving local financial management practices while maintaining, preserving, and encouraging the principle of home rule over local matters. The procedures are as follows:

1. The County manager submits to the Board of Commissioners a proposed operating budget for the following fiscal year. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of an ordinance.
4. The budgets for the General Fund and Special Revenue Funds are adopted on a basis consistent with GAAP.
5. The Capital Projects Fund is budgeted on a project basis, which may be one or more years in length.
6. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

Each fund's appropriated budget is prepared on a department level. Revenues are budgeted by source. Expenditures are budgeted by departments, which constitutes the legal level of control. Expenditures may not exceed appropriations at this level. All budget revisions at this level are subject to final review by the County Commission. Within these control levels, management may transfer appropriations without Commission approval. Budget appropriations lapse at year-end.

The budget amounts shown in these financial statements include any amendments approved by the County. There were no significant amendments during the fiscal year.

The County did not adopt budgets for the ARPA Fund and the TIA Fund.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

#### B. Deficit Net Position

For the year ended June 30, 2022, the County reported deficit net position in the Water System Fund of \$135,997. The deficit is intended to be eliminated through future revenues and/or transfers.

#### C. Excess Expenditures Over Appropriations

For the year ended June 30, 2022, the following fund had expenditures which exceeded the appropriations, which were funded by fund balance and transfers from other funds:

##### General Fund:

Animal control	\$	344
Debt service-interest		3,115

### NOTE 3. DEPOSITS AND INVESTMENTS

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

##### Balances per Statement of Net Position:

Cash and cash equivalents - primary government	\$	11,783,222
Restricted cash - primary government		63,631
Cash - custodial funds		472,160
	\$	<u>12,319,013</u>

##### Balances by type:

Cash deposited with financial institutions	\$	12,319,013
	\$	<u>12,319,013</u>

**Credit Risk.** State statutes authorize the County to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. The County had no investments as of June 30, 2022.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

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

**Custodial Credit Risk – Deposits.** Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2022, all of the deposits maintained by the County were properly insured and collateralized as required by the Official Code of Georgia Annotated (“O.C.G.A.”) §45-8-12(c) and as defined by GASB pronouncements.

### NOTE 4. RECEIVABLES

Taxes were levied on October 15, 2021 and payable on or before December 20, 2021. The County bills and collects its own property taxes. Property taxes levied for 2021 are recorded as receivables, net of estimated uncollectibles. At December 21, the bill becomes delinquent, the applicable property is subject to lien, and penalties and interest may be assessed by the County.

The net receivables collected during the year ended June 30, 2022, and expected to be collected by August 31, 2022, are recognized as revenues in the year ended June 30, 2022. Net receivables estimated to be collectible subsequent to August 31, 2022, are recorded as revenue when received. Prior year levies were recorded using substantially the same principles, and remaining receivables are re-evaluated annually.

Receivables consisted of the following at June 30, 2022:

	General	TIA	SPLOST	Water System	Total
Receivables:					
Taxes	\$ 440,179	\$ 58,204	\$ 382,783	\$ -	\$ 881,166
Accounts	226,496	-	-	168,683	395,179
Due from other governments	150,252	-	-	110,266	260,518
Gross receivables	816,927	58,204	382,783	278,949	1,536,863
Less allowance	88,516	-	-	47,602	136,118
Net total receivables	<u>\$ 728,411</u>	<u>\$ 58,204</u>	<u>\$ 382,783</u>	<u>\$ 231,347</u>	<u>\$ 1,400,745</u>



## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Governmental activities</b>					
Capital assets, not being depreciated:					
Land	\$ 295,534	\$ -	\$ -	\$ -	\$ 295,534
Construction in progress	1,020,440	781,842	-	(1,020,440)	781,842
Total	1,315,974	781,842	-	(1,020,440)	1,077,376
Capital assets, being depreciated:					
Building and structures	4,473,121	-	-	1,020,440	5,493,561
Improvements	599,269	-	-	-	599,269
Machinery and equipment	4,731,694	286,024	(57,284)	-	4,960,434
Infrastructure	572,841	-	-	-	572,841
Total	10,376,925	286,024	(57,284)	1,020,440	11,626,105
Less accumulated depreciation for:					
Building and structures	1,927,803	115,405	-	-	2,043,208
Improvements	334,150	30,443	-	-	364,593
Machinery and equipment	3,304,983	482,478	(57,284)	-	3,730,177
Infrastructure	123,112	14,321	-	-	137,433
Total	5,690,048	642,647	(57,284)	-	6,275,411
Total capital assets, being depreciated, net	4,686,877	(356,623)	-	1,020,440	5,350,694
Governmental activities capital assets, net	\$ 6,002,851	\$ 425,219	\$ -	\$ -	\$ 6,428,070

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Business-type activities</b>					
Capital assets, not being depreciated:					
Land	\$ 19,600	\$ -	\$ -	\$ -	\$ 19,600
Total	<u>19,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,600</u>
Capital assets, being depreciated:					
Machinery and equipment	193,746	26,254	(20,030)	-	199,970
Transportation equipment	118,216	-	-	-	118,216
Water system	5,949,344	-	-	-	5,949,344
Total	<u>6,261,306</u>	<u>26,254</u>	<u>(20,030)</u>	<u>-</u>	<u>6,267,530</u>
Less accumulated depreciation for:					
Machinery and equipment	170,890	118	(20,030)	-	150,978
Transportation equipment	109,930	13,411	-	-	123,341
Water system	4,039,727	124,725	-	-	4,164,452
Total	<u>4,320,547</u>	<u>138,254</u>	<u>(20,030)</u>	<u>-</u>	<u>4,438,771</u>
Total capital assets, being depreciated, net	<u>1,940,759</u>	<u>(112,000)</u>	<u>-</u>	<u>-</u>	<u>1,828,759</u>
Business-type activities capital assets, net	<u>\$ 1,960,359</u>	<u>\$ (112,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,848,359</u>

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

Governmental activities	
General government	\$ 142,278
Judicial	1,423
Public safety	160,059
Public works	305,689
Culture and recreation	<u>33,198</u>
Total depreciation expense - governmental activities	<u>\$ 642,647</u>
Business-type activities:	
Water system	<u>\$ 138,254</u>
Total depreciation expense - business-type activities	<u>\$ 138,254</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. LONG-TERM DEBT

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities</b>					
Financed purchases	\$ 825,422	\$ -	\$ 137,186	\$ 688,236	\$ 175,878
Direct borrowing - notes payable	12,272	-	12,272	-	-
Landfill post-closure	495,305	-	39,503	455,802	-
Compensated absences	28,100	-	8,614	19,486	5,846
Totals	<u>\$ 1,361,099</u>	<u>\$ -</u>	<u>\$ 197,575</u>	<u>\$ 1,163,524</u>	<u>\$ 181,724</u>
<b>Business-type activities</b>					
Direct placement - revenue bonds	\$ 1,359,312	\$ 2,210,000	\$ 1,380,111	\$ 2,189,201	\$ 20,943
Financed purchases	14,131	25,163	16,531	22,763	-
Compensated absences	6,602	-	794	5,808	1,742
Totals	<u>\$ 1,380,045</u>	<u>\$ 2,235,163</u>	<u>\$ 1,397,436</u>	<u>\$ 2,217,772</u>	<u>\$ 22,685</u>

For governmental activities, compensated absences and landfill post-closure costs are ordinarily liquidated by the General Fund. For business-type activities, compensated absences are ordinarily liquidated by the Water System Fund.

**Financed purchases.** The County has entered into financed purchase agreements for the acquisition of various equipment and vehicles for the governmental activities and for the business-type activities. Financed purchases for the governmental activities are being repaid by the General Fund and TIA Fund. Financed purchases for the business-type activities are being repaid through the Water System Fund. These agreements qualify as financed purchases for accounting purposes and, therefore, have been recorded at the present value as of the inception date.

For governmental activities, the six financed purchases were executed during the periods of February 2015 through April 2019. Title passes to the County at the end of the financed term.

For business-type activities, the financed purchases were executed during March 2021 and 2022. Title passes to the County at the end of the financed term.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. LONG-TERM DEBT (CONTINUED)

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

Fiscal Year Ending June 30,	Principal	Interest
2023	\$ 175,878	\$ 13,693
2024	304,420	12,443
2025	43,569	2,696
2026	164,369	-
<b>Total</b>	<b>\$ 688,236</b>	<b>\$ 28,832</b>

The County's total financed purchase debt service requirements for business-type activities to maturity are as follows:

Fiscal Year Ending June 30,	Principal	Interest
2023	\$ -	\$ -
2024	14,862	1,552
2025	7,901	561
	<b>\$ 22,763</b>	<b>\$ 2,113</b>

**Revenue bonds.** In March 2022, the County issued \$2,210,000 in Water Revenue Bond, Series 2022 with an interest rate of 2.75%. The proceeds were used for: (a) refunding the County's Water Revenue Fund, Series 1994A, Series 1994B, and Series 2001, (b) funding capital costs associated with the maintenance of a reservoir, and (c) paying issuance costs. The refunding reduced debt service payments over the next 19 years by \$157,123. This results in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$570,579.

The County issues bonds where the County pledges revenues derived from the acquired or constructed assets to pay debt service. Business-type revenue bonds outstanding at June 30, 2022 are as follows:

Purpose	Interest Rate	Due Date	Original Amount	Outstanding Amount
Water revenue refunding and improvements	2.750%	2042	\$ 2,210,001	\$ 2,189,201
				<u>\$ 2,189,201</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. LONG-TERM DEBT (CONTINUED)

The revenue bonds have debt service requirements as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2023	\$ 20,943	\$ 15,003	\$ 35,946
2024	85,224	58,558	143,782
2025	87,598	56,185	143,783
2026	90,037	53,745	143,782
2027	92,545	51,238	143,783
2028 – 2032	502,849	216,064	718,913
2033 – 2037	576,879	142,034	718,913
2038 – 2041	733,126	56,480	789,606
Total	<u>\$ 2,189,201</u>	<u>\$649,307</u>	<u>\$ 2,838,508</u>

### NOTE 7. INTERFUND BALANCES

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

Due To	Due From	Amount
General Fund	Water Fund	\$ 16,073
General Fund	Nonmajor Governmental	200,000
General Fund	Capital Improvements	275
Total		<u>\$ 216,348</u>

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

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. INTERFUND BALANCES (CONTINUED)

#### Interfund transfers:

Transfer In	Transfer Out	Amount
Capital Improvements Fund	General Fund	\$ 750,000
Total		<u>\$ 750,000</u>

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

### NOTE 8. JOINT USE AGREEMENT

On August 4, 1992, the County entered into a joint services contract with the City of Manchester, Georgia regarding the City's water treatment facility. The contract entitles the County to 29% of the City's total water treatment plant capacity, 29% of the reservoir capacity and 29% of total water line capacity. The County, in turn, shares in the cost of operating and maintaining the water treatment facility based upon actual consumption by the County in relation to the total production of the water treatment plant. Payments to the City are reported as water purchases in the statement of revenues, expenses and changes in fund net position for proprietary funds.

### NOTE 9. DEFINED CONTRIBUTION PENSION PLAN

#### Plan Description

Effective July 1, 2016, County employees are covered by the Association County Commissioners of Georgia Defined Contribution Plan Program, ACCG 401(a) Defined Contribution Plan for Talbot County Employees. This plan covers full-time employees whom work at least thirty hours of service per week for compensation. Under the plan, the County contributes 6% of participating employee's compensation.

Plan provisions and contribution requirements are established and may be amended by a resolution of the Talbot County Commission. Employees will also have the option to participate in a 457(b) Eligible Deferred Compensation Plan with no matching contributions from the County. The County's contribution for the year ended June 30, 2022 was \$192,417. Total payroll for the year ended June 30, 2022 was \$3,034,436.

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 10. LANDFILL POST-CLOSURE COSTS**

Effective April 1994, the County closed its landfill and no additional waste has been accepted. According to state and federal laws and regulations, the County must perform certain maintenance and monitoring functions at the site for a minimum of 30 years. As of June 30, 2022, the County has a remaining 30 years of monitoring. Engineering studies estimate post-closure costs of approximately \$455,802 over that period. These costs are based on the amount that would be paid if all equipment, facilities, and services required to monitor and maintain the landfill were acquired as of June 30, 2022. Actual costs may be higher due to changes in inflation, changes in technology, or changes in regulations. Should any problems occur during this post-closure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

### **NOTE 11. RISK MANAGEMENT**

The County is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County purchases commercial insurance to cover property and liability and professional liability claims.

The County participates in the Association of County Commissioners of Georgia Group Self-Insurance Workers' Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments. As part of this risk pool, the County is obligated to pay all contributions and assessments as prescribed by the pool; to cooperate with the pool's agents and attorneys; to follow loss reduction procedures established by the fund; and to report as promptly as possible, in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the pool's agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

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

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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 12. JOINT VENTURE

#### **River Valley Regional Commission**

Under Georgia law, the County, in conjunction with other cities and counties in the 16-county west central Georgia area, is a member of the River Valley Regional Commission ("RC") and is required to pay annual dues thereto. During its year ended June 30, 2022, the County paid \$4,737 in such dues. Membership in an RC is required by O.C.G.A. §50-8-34 which provides for the organizational structure of the RC in Georgia.

The RC Board membership includes the chief elected official of each county and municipality of the area. O.C.G.A. §50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from: River Valley Regional Commission, 228 West Lamar Street, Americus, Georgia 31709.

#### **Middle Flint Regional E-911 Authority**

The Middle Flint Regional E-911 Authority (the "E-911 Authority") is comprised of eight board members: two appointed by the County and the remaining six appointed by the other representative counties. The County allocated to the E-911 Authority \$35,444 during the year to assist with general operating expenses. The County's governing body does not approve the budget nor does it have any oversight of the day-to-day operations of the E-911 Authority. The E-911 Authority was established to provide emergency communications services to Dooly, Macon, Marion, Schley, Sumter, Talbot, Taylor, and Webster counties. Separate financial statements may be obtained from: Middle Flint Regional E-911 Authority, 222 Hayes Avenue, Ellaville, Georgia 31806.

### NOTE 13. COMMITMENTS AND CONTINGENCIES

#### **Litigation**

The County was not involved in any lawsuits at year-end.

#### **Grant Contingencies**

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



## NOTES TO FINANCIAL STATEMENTS

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### NOTE 14. TAX ABATEMENT AGREEMENTS

During the year ended June 30, 2017, the County implemented GASB Statement No. 77, *Tax Abatement Disclosures*. This statement requires the County to disclose information for any tax abatement agreements either entered into by the County, or agreements entered into by other governments that reduce the County's tax revenues. As of June 30, 2022, the County did not have any such agreements, either entered into by the County or by other governments that exceeded the quantitative threshold for disclosure.

**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

## NONMAJOR GOVERNMENTAL FUNDS

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### SPECIAL REVENUE FUNDS

**Law Library Fund** – To account for costs of operating and maintaining the County Law Library. Financing is provided from a charge added to and collected on all costs in civil and criminal cases.

**Jail Fund** – To account for the expenditures made towards maintenance and operations of the County jail.

**Drug Abuse Treatment and Education (“DATE”) Fund** – To account for collection of additional penalties for certain drug related crimes and for expenditure of those funds solely and exclusively for drug abuse treatment and education programs.

**Sheriff Drug Fund** – To account for monies deemed as forfeited property by courts to the County from cases related to illegal drug activity.

# TALBOT COUNTY, GEORGIA

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2022

	Special Revenue Funds				Totals
	Law Library Fund	Jail Fund	DATE Fund	Sheriff Drug Fund	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 34,510	\$ 24,712	\$ 56,870	\$ 11,242	\$ 127,334
Total assets	<u>\$ 34,510</u>	<u>\$ 24,712</u>	<u>\$ 56,870</u>	<u>\$ 11,242</u>	<u>\$ 127,334</u>
<b>LIABILITIES</b>					
Due to other funds	\$ -	\$ -	\$ 275	\$ -	\$ 275
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 275</u>	<u>\$ -</u>	<u>\$ 275</u>
<b>FUND BALANCES</b>					
Restricted for:					
Judicial	\$ 34,510	\$ -	\$ -	\$ -	\$ 34,510
Public safety	<u>-</u>	<u>24,712</u>	<u>56,595</u>	<u>11,242</u>	<u>92,549</u>
Total fund balances	<u>\$ 34,510</u>	<u>\$ 24,712</u>	<u>\$ 56,595</u>	<u>\$ 11,242</u>	<u>\$ 127,059</u>

# TALBOT COUNTY, GEORGIA

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

	Special Revenue Funds				Totals
	Law Library Fund	Jail Fund	DATE Fund	Sheriff Drug Fund	
<b>Revenues</b>					
Fines and forfeitures	\$ 11,058	\$ 23,548	\$ 2,991	\$ 10,709	\$ 48,306
Interest revenue	-	3	12	1	16
Total revenues	<u>11,058</u>	<u>23,551</u>	<u>3,003</u>	<u>10,710</u>	<u>48,322</u>
<b>Expenditures</b>					
Current:					
Judicial	3,709	-	-	-	3,709
Public safety	-	27,168	3,843	2,504	33,515
Total expenditures	<u>3,709</u>	<u>27,168</u>	<u>3,843</u>	<u>2,504</u>	<u>37,224</u>
Net change in fund balances	7,349	(3,617)	(840)	8,206	11,098
<b>Fund balances, beginning of year</b>	<u>27,161</u>	<u>28,329</u>	<u>57,435</u>	<u>3,036</u>	<u>115,961</u>
<b>Fund balances, end of year</b>	<u>\$ 34,510</u>	<u>\$ 24,712</u>	<u>\$ 56,595</u>	<u>\$ 11,242</u>	<u>\$ 127,059</u>

# TALBOT COUNTY, GEORGIA

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

Project Description Per SPLOST Referendum	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
Resolution #070102:					
Recreational facilities and equipment	\$ 2,000,000	\$ 2,000,000	\$ 502,156	\$ -	\$ 502,156
Public safety facilities	2,000,000	2,000,000	604,880	-	604,880
Roads, streets and bridge purposes	3,500,000	3,500,000	1,117,661	-	1,117,661
Courthouse	1,500,000	1,500,000	404,784	-	404,784
County Commissioners annex	1,000,000	1,000,000	219,650	-	219,650
Resolution #070107:					
Roads, streets and bridge purposes	1,200,000	1,200,000	916,193	-	916,193
Public safety facilities	400,000	400,000	251,317	-	251,317
Recreational facilities and equipment	400,000	400,000	125,548	-	125,548
Courthouse	1,600,000	1,600,000	1,109,737	-	1,109,737
Town of Geneva	100,000	100,000	77,866	-	77,866
Town of Junction City	100,000	100,000	77,866	-	77,866
City of Talbotton	100,000	100,000	77,866	-	77,866
City of Woodland	100,000	100,000	77,866	-	77,866
Debt service	Debt service	Debt service	1,046,054	-	1,046,054
Resolution #070114:					
Jail construction	1,200,000	1,200,000	809,611	-	809,611
Roads, streets and bridge purposes	800,000	800,000	254,668	-	254,668
Recreational facilities and equipment	1,200,000	1,200,000	250	-	250
Public safety facilities and equipment	400,000	400,000	79,883	-	79,883
Town of Geneva	100,000	100,000	67,702	-	67,702
Town of Junction City	100,000	100,000	67,701	-	67,701
City of Talbotton	100,000	100,000	67,702	-	67,702
City of Woodland	100,000	100,000	67,701	-	67,701
Resolution #070120:					
Community building	1,020,000	1,020,000	-	138,844	138,844
Roads, streets and bridge purposes	1,360,000	1,360,000	-	9,716	9,716
Public safety facilities and equipment	680,000	680,000	-	105,869	105,869
Town of Geneva	34,157	34,157	-	9,060	9,060
Town of Junction City	57,576	57,576	-	14,926	14,926
City of Talbotton	315,544	315,544	-	83,189	83,189
City of Woodland	132,723	132,723	-	35,588	35,588
	<u>\$ 21,600,000</u>	<u>\$ 21,600,000</u>	<u>\$ 8,024,662</u>	<u>\$ 397,192</u>	<u>\$ 8,421,854</u>

## CUSTODIAL FUNDS

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

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

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

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

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

# TALBOT COUNTY, GEORGIA

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

	Clerk of Superior Court	Probate Court	Sheriff
<b>ASSETS</b>			
Cash and cash equivalents	\$ 259,748	\$ 21,562	\$ 20,996
Taxes receivable	-	-	-
Total assets	<u>\$ 259,748</u>	<u>\$ 21,562</u>	<u>\$ 20,996</u>
<b>LIABILITIES</b>			
Due to others	\$ 5,328	\$ 10,137	\$ 3,245
Uncollected taxes	-	-	-
Total liabilities	<u>\$ 5,328</u>	<u>\$ 10,137</u>	<u>\$ 3,245</u>
<b>NET POSITION</b>			
Restricted for individuals, organizations, and other governments	<u>\$ 254,420</u>	<u>\$ 11,425</u>	<u>\$ 17,751</u>



<b>Tax Commissioner</b>	<b>Magistrate Court</b>	<b>Total</b>
\$ 168,472	\$ 1,382	\$ 472,160
393,190	-	393,190
<u>\$ 561,662</u>	<u>\$ 1,382</u>	<u>\$ 865,350</u>
\$ 67,602	\$ -	\$ 86,312
393,190	-	393,190
<u>\$ 460,792</u>	<u>\$ -</u>	<u>\$ 479,502</u>
<u>\$ 100,870</u>	<u>\$ 1,382</u>	<u>\$ 385,848</u>

# TALBOT COUNTY, GEORGIA

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

	Clerk of Superior Court	Probate Court	Sheriff
<b>ADDITIONS</b>			
Taxes collected	\$ -	\$ -	\$ -
Fines and fees collected	209,763	169,266	70,191
Total additions	<u>209,763</u>	<u>169,266</u>	<u>70,191</u>
<b>DEDUCTIONS</b>			
Taxes disbursed	-	-	-
Fines and fees disbursed	171,413	167,928	58,794
Total deductions	<u>171,413</u>	<u>167,928</u>	<u>58,794</u>
Change in net position	38,350	1,338	11,397
Net position, beginning of year	<u>216,070</u>	<u>10,087</u>	<u>6,354</u>
Net position, end of year	<u>\$ 254,420</u>	<u>\$ 11,425</u>	<u>\$ 17,751</u>

<b>Tax Commissioner</b>	<b>Magistrate Court</b>	<b>Total</b>
\$ 4,775,982	\$ -	\$ 4,775,982
-	23,949	473,169
<u>4,775,982</u>	<u>23,949</u>	<u>5,249,151</u>
4,744,231	-	4,744,231
-	21,789	419,924
<u>4,744,231</u>	<u>21,789</u>	<u>5,164,155</u>
31,751	2,160	84,996
<u>69,119</u>	<u>(778)</u>	<u>300,852</u>
<u>\$ 100,870</u>	<u>\$ 1,382</u>	<u>\$ 385,848</u>

## **COMPLIANCE SECTION**



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

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**Board of Commissioners  
of Talbot County, Georgia  
Talbotton, Georgia**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Talbot County, Georgia (the "County"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated March 31, 2023. Our report includes a reference to other auditors who audited the financial statements of the Talbot County Department of Public Health, as described in our report on the County's financial statements. This report does not include the results of other auditors' testing of internal control over financial reporting on compliance and other matters that are reported on separately by those auditors.

### **Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2022-001 and 2022-002 that we consider to be material weaknesses.

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**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, which are described in the accompanying schedule of findings and responses as item 2022-003.

**Talbot County, Georgia's Responses to Findings**

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

**Purpose of this Report**

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

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The signature is written in a cursive, flowing style.

Macon, Georgia  
March 31, 2023

# TALBOT COUNTY, GEORGIA

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

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### SECTION I SUMMARY OF AUDIT RESULTS

#### **Financial Statements**

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

Unmodified

Internal control over financial reporting:  
Material weaknesses identified?

☒ Yes ☐ No

Significant deficiencies identified not considered  
to be material weaknesses?

☐ Yes ☒ No

Noncompliance material to financial statements noted?

☒ Yes ☐ No

#### **Federal Awards**

There was not an audit of major federal programs as of June 30, 2022 due to the total amount expended being less than \$750,000.

# TALBOT COUNTY, GEORGIA

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

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### SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES

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

**Criteria:** Internal control is a process designed to provide reasonable assurance about the achievement of an entity's objectives with regard to the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. Internal control is also a process of safeguarding assets against unauthorized acquisition, use, or disposition, and includes controls related to financial reporting and operations objectives. Generally accepted accounting principles require assets, liabilities, revenues and expenditures to be recognized in the accounting period in which they become both measurable and available. Further, a fundamental principle in accounting and financial reporting is the notion of timely recognition and recording of financial and non-financial transactions and activities.

**Condition:** During our audit, we noted several occasions of accounting, reporting and reconciling not being properly performed and/or reviewed during the fiscal year which required a significant effort to close the County's 2022 fiscal year. Significant adjustments were determined and required to be recorded in the months that followed June 30, 2022. Specifically, we noted the following issues related to financial and non-financial information:

- to document the review of bank reconciliations;
- to properly maintain the accounts payable on a periodic basis throughout the year;
- to accurately maintain and record the County's capital assets; and
- to close-out and report activities, events and transactions on a periodic basis.

**Context:** We addressed the matter with the County officials who were able to provide all respective details and reconciliations as of and for the year ended June 30, 2022.

**Effects:** The ultimate effect of the above condition is the potential for errors and irregularities to occur and not be detected and corrected in a timely manner.

**Cause:** There was a lack of appropriate controls implemented at the County during the fiscal year to properly maintain financial and non-financial information and to properly close out the year-end.

**Recommendation:** We recommend the County consider a variety of options in addressing the above condition. The County should consider evaluating its strengths and weaknesses relative to the accounting function, and take measures to address the concerns noted above with a goal of providing adequate reporting of County operations and financial and non-financial activities.

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



# TALBOT COUNTY, GEORGIA

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

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### SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

#### 2022-002 – Segregation of Duties

**Condition:** Appropriate segregation of duties does not exist among recording, distribution, and reconciliation of cash accounts and other operational functions in the various funds possessed by the County.

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

**Context:** Several instances of overlapping duties were noted during interviews regarding internal control procedures. This was noted in the following offices/departments:

- Finance – We noted one individual opens the mail also has the authority to prepare deposits and deposit cash receipts at the bank. In addition, we noted another individual who reconciles bank statements also has the authority to post transactions to the general ledger.
- Clerk of Court – We noted one employee who prepares and signs checks also has the authority to reconcile bank statements. We also noted another employee who opens the mail also has the authority to perform posting transactions to the system, deposit cash receipts and review bank reconciliations.
- Probate/Magistrate Court – We noted one employee who opens the mail also has the authority to sign checks. We also noted another employee opens the mail also has the authority to sign checks, reconcile the bank statements, prepare the checks, prepare the deposits and deposit cash receipts at the bank.
- Sheriff's Office – We noted one employee who reconciles the bank statements also has the authority to post transactions to the general ledger, prepare checks, prepare deposits and has access to cash. We noted the Sheriff's Office was not reconciling bank statements for all bank accounts throughout the year. In addition, we also noted the Sheriff's Office was not depositing cash receipts in a timely manner.
- Tax Commissioner – We noted one employee who reconciles bank statements also has the authority to prepare checks, deposit cash receipts at the bank and has access to cash. We also noted another employee who opens the mail also has the authority to sign checks.

**Effect:** Failure to properly segregate duties among recording, distribution and reconciliation of accounts can lead to misappropriation of funds that is not detected during the normal course of business.

**Recommendation:** The duties of recording, distribution, and reconciliation of accounts should be segregated among employees. There should be a process in which an individual reviews the bank reconciliations and documents their approval of them. In addition, we recommend all cash receipts are deposited in a timely manner.

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

# **TALBOT COUNTY, GEORGIA**

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

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### **SECTION III FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

Not applicable.

# TALBOT COUNTY, GEORGIA

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

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### 2021-001 – General Accounting Matters/Close-Out Procedures

**Condition/criteria:** During our audit, we noted several occasions of accounting, reporting and reconciling not being properly performed and/or reviewed during the fiscal year which required a significant effort to close the County's 2021 fiscal year. Significant adjustments were determined and required to be recorded in the months that followed June 30, 2021. Specifically, we noted the following issues related to financial and non-financial information:

- to document the review of bank reconciliations;
- to properly maintain the accounts payable on a periodic basis throughout the year;
- to accurately maintain and record the County's capital assets; and
- to close-out and report activities, events and transactions on a periodic basis.

Internal control is a process designed to provide reasonable assurance about the achievement of an entity's objectives with regard to the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. Internal control is also a process of safeguarding assets against unauthorized acquisition, use, or disposition, and includes controls related to financial reporting and operations objectives. Generally accepted accounting principles require assets, liabilities, revenues and expenditures to be recognized in the accounting period in which they become both measurable and available. Further, a fundamental principle in accounting and financial reporting is the notion of timely recognition and recording of financial and non-financial transactions and activities.

**Auditee Response/Status:** Unresolved. See finding 2022-001.

### 2021-002 – Segregation of Duties

**Condition/criteria:** Appropriate segregation of duties does not exist among recording, distribution, and reconciliation of cash accounts and other operational functions in the various funds possessed by the County. Internal controls should be in place which provide reasonable assurance that an individual cannot misappropriate funds without such actions being detected during the normal course of business.

**Auditee Response/Status:** Unresolved. See finding 2022-002.