CHARLTON COUNTY, GEORGIA

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2022

CHARLTON COUNTY, GEORGIA

FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

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INTRODUCTORY SECTION

CHARLTON COUNTY, GEORGIA

PRINCIPAL COUNTY OFFICIALS
DECEMBER 31, 2022

COUNTY COMMISSIONERS

James E. Everett, Commission Chairman
Alphya Benefield, Commission Vice-Chair
Jesse Crews, Commissioner
Luke Gowen, Commissioner
Drew Jones, Commissioner

CONSTITUTIONAL OFFICERS

Robert Phillips – Sheriff
Wendy Whitaker-Lee – Clerk of Courts
Cheryl McMillan – Probate/Magistrate Judge
Debra Mizell – Tax Commissioner

ELECTED OFFICIALS

Patrick Brooks – Solicitor General
Blaine Murray – Coroner
John Adams – State Court Judge, Juvenile Court Judge

COUNTY ADMINISTRATION

Hampton Raulerson, County Administrator
Jenifer Nobles, County Clerk
Rebecca Harden – Finance/HR Coordinator

COUNTY ATTORNEY

John Adams

DEPARTMENT DIRECTORS

Ronnie Pollock – Road/Public Works Superintendent
Charles Smith – Facilities Maintenance
Brenda Hodges – Supervisor of Elections
Laurie Thomas – Chief Appraiser
C. L. Lewis – Fire Chief
Bruce Young – EMA/EMS Director
Joel Shivar – Recreation
John Floyd – Vehicle/Equipment Shop Maintenance
Connie Bass – Senior Center

FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
of Charlton County, Georgia
Folkston, Georgia

Report on the Audit of the Financial Statements

Opinions
We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of **Charlton County, Georgia** (the "County"), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2022, and the respective changes in financial position and the budgetary comparisons for the General Fund and the American Rescue Plan Act ("ARPA") Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Charlton County Health Department (the "Health Department"), a discretely presented component unit of the County, which represents 100% of the assets, deferred outflows of resources, net position, and revenues of the discretely presented component unit as of December 31, 2022, and the respective changes in financial position for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the Health Department are based solely on the report of the other auditors.

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis ("MD&A") (on pages 5 through 11), the Schedule of Changes in the County's Net Pension Liability and Related Ratios, (on pages 43 and 44) and the Schedule of County Contributions (on pages 45 and 46) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 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 Charlton County, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Savannah, Georgia
September 19, 2023

CHARLTON COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022

Within this section of Charlton County, Georgia's (the "County") annual financial report, the County's management provides a narrative discussion and analysis of the financial activities of the County for the year ended December 31, 2022. The County's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the County's primary government and, unless otherwise noted, component units reported separately from the primary government are not included.

FINANCIAL HIGHLIGHTS

The County's total assets and deferred outflows of resources exceeded its total liabilities and deferred inflows of resources by $34,247,820 (net position) for the year reported. This compares to the previous year when the total assets and deferred outflows exceeded the total liabilities and deferred inflows by $33,461,779.

Total net position is comprised of the following:

1. Net Investment in Capital Assets of $18,791,298 includes property and equipment, net of accumulated depreciation, and reduced by outstanding debt related to the purchase and construction of capital assets.
2. Net position of $5,191,282 is restricted by constraints imposed by laws and regulations.
3. Unrestricted net position of $10,265,240 represents the portion available to maintain the County's continuing obligations to citizens and creditors.

The County's governmental funds reported a total ending fund balance of $15,591,690 this year. This compares to the prior year ending fund balance of $14,428,142, showing an increase of $1,163,548 during the current year.

At the end of the current year, unassigned fund balance for the General Fund was $9,970,721, or 86.8% of total General Fund expenditures.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities on pages 12 and 13 provide information about the activities of the County as a whole and present a longer-term view of the County's finances. Fund financial statements start on page 14. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. The remaining statements provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside of the government.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview to the Financial Statements

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

Government-wide Financial Statements

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

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

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

Governmental activities include general government, judicial, public safety, public works, health and welfare, culture and recreation and community development. The County's fiduciary activities simply holds resources temporarily for others and are not included in the government-wide statements since these assets are not available to fund County programs.

The County's financial reporting includes the funds of the County (primary government) and, additionally, organizations for which the County is accountable (component units). These component units operate independently and provide services directly to the citizens, though the County remains accountable for their activities. These component units are governed by a board of directors that the County Commission has appointed. The County Health Department is reported separately from the primary government though included in the County's overall reporting entity.

The government-wide financial statements are presented on pages 12 and 13 of this report.

Fund Financial Statements

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

The County reports two types of funds:

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

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

Budgetary comparison statements are included in the Required Supplementary Information for the General Fund. Budgetary comparison schedules for Special Revenue Funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the County's adopted and final revised budget.

Pension Plan information is included as Required Supplementary Information.

Fiduciary funds (i.e., the agency funds) are reported in the fiduciary fund financial statements, but are excluded from the government-wide reporting. Fiduciary fund financial statements report resources that are not available to fund County programs. Fiduciary fund financial statements report similarly to proprietary funds.

The basic fiduciary fund financial statement is presented on page 20 of this report.

Notes to the basic financial statements
The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements are on pages 22 – 42 of this report.

Other information

Major funds and component units are reported in the basic financial statements as discussed. Combining and individual statements and schedules for nonmajor funds are presented in a subsequent section of this report on pages 47 – 55.

Financial Analysis of the County as a Whole

The County's combined net position was $33,358,373 as of December 31, 2021. This is a $2,184,961 increase from last year's net position of $31,173,412. The following table provides a summary of the County's net position:

	Governmental Activities		Total	
	2022	2021	**2022**	2021
Current and other assets	**$ 19,140,977**	$ 16,820,777	**$ 19,140,977**	$ 16,820,777
Capital assets	**19,791,000**	20,306,641	**19,791,000**	20,306,641
Total assets	**38,931,977**	37,127,418	**38,931,977**	37,127,418
Deferred outflows of resources	**683,082**	695,846	**683,082**	695,846
Current liabilities	**2,619,876**	1,489,008	**2,619,876**	1,489,008
Long-term liabilities outstanding	**1,838,468**	2,084,413	**1,838,468**	2,084,413
Total liabilities	**4,458,344**	3,573,421	**4,458,344**	3,573,421
Deferred inflows of resources	**908,895**	788,064	**908,895**	788,064
Net position:				
Net investment in capital assets	**18,791,298**	19,142,879	**18,791,298**	19,142,879
Restricted	**5,191,282**	3,999,505	**5,191,282**	3,999,505
Unrestricted	**10,265,240**	10,319,395	**10,265,240**	10,319,395
Total net position, as restated	**$ 34,247,820**	$ 33,461,779	**$ 34,247,820**	$ 33,461,779

The County continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 7.3 to 1.

Note that approximately 54.9% of the governmental activities' net position is in capital (with 51.1% of the capital assets being infrastructure). The County uses these capital assets to provide services to its citizens.

The County reported a positive balance in net position for governmental activities. Net position increased $786,041 for governmental activities.

	Governmental Activities		Total	
	2022	2021	**2022**	2021
Revenues				
Program revenues:				
Charges for services	**$ 4,891,457**	$ 4,849,591	**$ 4,891,457**	$ 4,849,591
Operating grants and contributions	**780,957**	412,858	**780,957**	412,858
Capital grants and contributions	**1,266,887**	1,305,087	**1,266,887**	1,305,087
General revenues:				
Property taxes	**5,737,820**	7,838,143	**5,737,820**	7,838,143
Other taxes	**2,008,611**	2,064,524	**2,008,611**	2,064,524
Unrestricted investment earnings	**25,863**	-	**25,863**	-
Other revenues	**-**	-	**-**	-
Total revenues	**14,711,595**	16,470,203	**14,711,595**	16,470,203
Expenses				
General government	**4,116,911**	4,108,228	**4,116,911**	4,108,228
Judicial	**989,986**	973,992	**989,986**	973,992
Public safety	**4,609,519**	4,732,905	**4,609,519**	4,732,905
Public works	**3,162,615**	3,432,533	**3,162,615**	3,432,533
Health and welfare	**246,762**	232,746	**246,762**	232,746
Culture and recreation	**550,472**	475,485	**550,472**	475,485
Other government services	**209,135**	194,544	**209,135**	194,544
Interest on long-term debt	**40,154**	31,403	**40,154**	31,403
Total expenses	**13,925,554**	14,181,836	**13,925,554**	14,181,836
Change in net position	**786,041**	2,288,367	**786,041**	2,288,367
Net position, beginning of year	**33,461,779**	31,173,412	**33,461,779**	31,173,412
Net position, end of year	**$ 34,247,820**	$ 33,461,779	**$ 34,247,820**	$ 33,461,779

Financial Analysis of the County's Funds

Governmental funds

As discussed, governmental funds are reported in the fund statements with a short-term inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements.

The General Fund is the County's primary operating fund and the largest source of day-to-day service delivery. The General Fund reported ending fund balances of $10,673,233 for 2022 and $10,714,603 for 2021. In 2022, $315,078 was restricted, assigned fund balance was $387,434, and $9,970,721 was unassigned and available to pay current obligations.

General Fund Budgetary Highlights

The original and final budgets adopted did not anticipate a decrease in fund balance. The actual fund balance decreased by $41,370.

Capital Asset and Debt Administration

Capital assets

The County's investment in capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2022, was $19,791,000.

	Governmental Activities		Total	
	2022	2021	**2022**	2021
Land	**$ 707,650**	$ 707,650	**$ 707,650**	$ 707,650
Buildings	**6,090,634**	6,369,841	**6,090,634**	6,369,841
Infrastructure	**10,105,887**	1,633,858	**10,105,887**	1,633,858
Machinery and equipment	**2,886,829**	11,595,292	**2,886,829**	11,595,292
Total	**$ 19,791,000**	$ 20,306,641	**$ 19,791,000**	$ 20,306,641

See Note 5 for additional information about the County's capital assets on page 34.

Long-term debt

At the end of the year, the County had total debt outstanding of $1,838,468. This total amount is supported by pledged revenues generated primarily by the County's Governmental Activities, and real and personal property.

The County's long-term debt relates to Notes, Leases and Compensated Absences.

	Governmental Activities		Total	
	2022	2021	**2022**	2021
Financed purchases	$ **999,702**	$ 1,163,762	$ **999,702**	$ 1,163,762
Compensated absences	**115,798**	-	**115,798**	-
Net pension liability	**722,968**	1,084,711	**722,968**	1,084,711
Total	**$ 1,838,468**	$ 2,248,473	**$ 1,838,468**	$ 2,248,473

See Note 6 for additional information about the County's long-term debt on page 35.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The revenues of the County are projected to remain stable in 2023. The economy of the County as a whole is stable.

Charlton County will continue to update its capital assets during the year ended December 31, 2023.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the County's finances, comply with finance-related laws and regulation, and demonstrate the County's commitment of public accountability. If you have questions about this report or would like to request additional information, contact:

Charlton County Board of Commissioners
68 Kingsland Drive, Suite B
Folkston, Georgia 31537
Telephone: (912) 496-2549

BASIC FINANCIAL STATEMENTS

CHARLTON COUNTY, GEORGIA

STATEMENT OF NET POSITION
DECEMBER 31, 2022

	Primary Government	Component Unit
	Governmental Activities	Health Department
ASSETS		
Cash and cash equivalents	$ 12,592,059	$ 600,957
Investments	4,760,994	-
Taxes receivable, net	1,661,754	-
Accounts receivable, net	4,552	-
Due from other governments	121,618	125,105
Net OPEB asset	-	61,760
Capital assets, non-depreciable	707,650	-
Capital assets, depreciable, net of accumulated depreciation	19,083,350	9,635
Total assets	38,931,977	797,457
DEFERRED OUTFLOWS OF RESOURCES		
Pension	683,082	192,316
OPEB	-	55,269
Total deferred outflows of resources	683,082	247,585
LIABILITIES		
Accounts payable	9,023	-
Accrued liabilities	343,428	-
Unearned revenues	2,267,425	36,000
Financed purchases due within one year	434,932	-
Financed purchases due in more than one year	564,770	-
Compensated absences due within one year	115,798	4,733
Compensated absences due in more than one year	-	18,932
Net pension liability, due in more than one year	722,968	271,594
Total liabilities	4,458,344	331,259
DEFERRED INFLOWS OF RESOURCES		
Pension	908,895	251,017
OPEB	-	161,365
Total deferred inflows of resources	908,895	412,382
NET POSITION		
Net investment in capital assets	18,791,298	9,635
Restricted for:		
Capital projects	4,876,204	-
Excess funds - tax sales	78,290	-
Public safety	73,842	-
Solid waste	162,946	-
Culture and recreation	-	215,329
Unrestricted	10,265,240	76,437
Total net position	$ 34,247,820	$ 301,401

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

CHARLTON COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities	Net (Expenses) Revenues and Changes in Net Position: Component Unit Health Department
Primary government:						
Governmental activities:						
General government	$ 4,116,911	$ 653,619	$ 780,957	$ -	$ (2,682,335)	$ -
Judicial	989,986	146,462	-	-	(843,524)	-
Public safety	4,609,519	822,697	-	-	(3,786,822)	-
Public works	3,162,615	3,268,679	-	1,266,887	1,372,951	-
Health and welfare	246,762	-	-	-	(246,762)	-
Culture and recreation	550,472	-	-	-	(550,472)	-
Other services	209,135	-	-	-	(209,135)	-
Interest on long-term debt	40,154	-	-	-	(40,154)	-
Total governmental activities	$ 13,925,554	$ 4,891,457	$ 780,957	$ 1,266,887	(6,986,253)	-
Component unit:						
Health Department	$ 503,703	$ 217,095	$ 381,773	$ -	-	95,165
Total component unit	$ 503,703	$ 217,095	$ 381,773	$ -	-	95,165
General revenues:						
Property taxes					5,737,820	-
Sales taxes					2,008,611	-
Unrestricted investment earnings					25,863	-
Other					-	91,087
Total general revenues					7,772,294	91,087
Change in net position					786,041	186,252
Net position, beginning of year					33,461,779	115,149
Net position, end of year					$ 34,247,820	$ 301,401

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

CHARLTON COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	General Fund	SPLOST Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 5,572,529	$ 2,132,402	$ 2,267,425	$ 2,619,703	$ 12,592,059
Investments	4,760,994	-	-	-	4,760,994
Taxes receivable, net	1,416,179	245,575	-	-	1,661,754
Accounts receivable, net	4,552	-	-	-	4,552
Due from other governments	77,237	-	-	44,381	121,618
Total assets	$ 11,831,491	$ 2,377,977	$ 2,267,425	$ 2,664,084	$ 19,140,977
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 9,023	$ -	$ -	$ -	$ 9,023
Accrued liabilities	192,126	-	-	-	192,126
Due to other governments	-	123,604	-	-	123,604
Unearned revenue	-	-	2,267,425	-	2,267,425
Total liabilities	201,149	123,604	2,267,425	-	2,592,178
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues:					
Taxes	957,109	-	-	-	957,109
Total deferred inflows of resources	957,109	-	-	-	957,109
FUND BALANCES					
Restricted for:					
Capital projects	-	2,254,373	-	2,621,831	4,876,204
Excess funds - tax sales	78,290	-	-	-	78,290
Public safety	73,842	-	-	-	73,842
Solid waste	162,946	-	-	-	162,946
Assigned for:					
Culture and recreation	1,312	-	-	42,253	43,565
EMS expenditures	386,122	-	-	-	386,122
Unassigned	9,970,721	-	-	-	9,970,721
Total fund balances	10,673,233	2,254,373	-	2,664,084	15,591,690
Total liabilities, deferred inflows of resources and fund balances	$ 11,831,491	$ 2,377,977	$ 2,267,425	$ 2,664,084	$ 19,140,977

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.		19,791,000
Other long-term assets are not available to pay for current period expenditures and, are unavailable in the funds.		957,109
Deferred outflows and inflows of resources related to the recording of the net pension liability are recognized as expense over time and, therefore, are not reported in the funds.		(225,813)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Financed purchases	$ (999,702)	
Compensated absences	(115,798)	
Net pension liability	(722,968)	
Accrued interest	(27,698)	(1,866,166)
Net position of governmental activities		$ 34,247,820

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

CHARLTON COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

	General Fund	SPLOST Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes	$ 5,859,118	$ 1,493,802	$ -	$ 514,809	$ 7,867,729
Fines and forfeitures	146,462	-	-	-	146,462
Licenses, fees and permits	156,301	-	-	-	156,301
Intergovernmental	717,698	-	63,259	1,266,887	2,047,844
Charges for services	4,298,601	-	-	82,139	4,380,740
Interest income	25,863	-		-	25,863
Other revenue	168,589	39,365	-	-	207,954
Total revenues	11,372,632	1,533,167	63,259	1,863,835	14,832,893
Expenditures					
Current:					
General government	3,617,375	-	63,259	-	3,680,634
Judicial	824,247	-	-	-	824,247
Public safety	4,489,087	-	-	-	4,489,087
Public works	1,736,598	-	-	-	1,736,598
Health and welfare	213,250	-	-	-	213,250
Culture and recreation	392,624	-	-	71,665	464,289
Economic development	215,222	-	-	-	215,222
Intergovernmental	-	290,923	-	-	290,923
Capital outlay	-	1,048,348	-	519,511	1,567,859
Debt service:					
Principal	-	164,060	-	-	164,060
Interest and other charges	-	23,176	-	-	23,176
Total expenditures	11,488,403	1,526,507	63,259	591,176	13,669,345
Excess (deficiency) of revenues over (under) expenditures	(115,771)	6,660	-	1,272,659	1,163,548
Other financing sources (uses)					
Transfers in	74,401	-	-	-	74,401
Transfers out	-	-	-	(74,401)	(74,401)
Total other financing sources (uses)	74,401	-	-	(74,401)	-
Net change in fund balances	(41,370)	6,660	-	1,198,258	1,163,548
Fund balances, beginning of year	10,714,603	2,247,713	-	1,465,826	14,428,142
Fund balances, end of year	$ 10,673,233	$ 2,254,373	$ -	$ 2,664,084	$ 15,591,690

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

CHARLTON 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 DECEMBER 31, 2022

Amounts reported for governmental activities in the Statement of Activities are different because:		
Net change in fund balances - total governmental funds		$ 1,163,548
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period.		
Capital outlay	$ 1,213,783	
Depreciation expense	(1,729,424)	(515,641)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This is the change in unavailable revenue.		(121,298)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Principal payments on financed purchases		164,060
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.		
Net pension liability	$ 228,148	
Accrued interest	(115,798)	
Compensated absences	(16,978)	95,372
Change in net position of governmental activities		$ 786,041

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

CHARLTON COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Property taxes	$ 6,192,483	$ 6,463,519	$ 4,335,744	$ (2,127,775)
Other taxes	1,336,341	1,397,331	1,523,374	126,043
Licenses, fees and permits	138,300	144,751	156,301	11,550
Charges for services	3,838,343	4,311,394	4,298,601	(12,793)
Fines and forfeitures	186,500	195,023	146,462	(48,561)
Intergovernmental	527,179	683,296	717,698	34,402
Interest income	6,000	17,800	25,863	8,063
Other revenue	89,177	161,610	168,589	6,979
Total revenues	12,314,323	13,374,724	11,372,632	(2,002,092)
Expenditures				
General Government:				
Governing Body	81,189	81,189	83,710	(2,521)
Boards and Commissions	2,600	2,600	2,521	79
Clerk of Council/Commission	139,213	139,213	146,663	(7,450)
Chief Executive (Administrator)	74,840	98,002	88,998	9,004
Elections	100,073	100,073	92,812	7,261
General Administration	75,000	-	-	-
Financial Administration	278,500	329,327	331,414	(2,087)
Human Resources	2,160,623	2,169,841	2,021,319	148,522
Tax Commissioners	261,540	261,540	245,038	16,502
Tax Assessors	414,478	440,632	369,883	70,749
Contingencies	292,000	807,572	-	807,572
General Government Buildings	208,352	257,352	235,017	22,335
Total General Government	4,088,408	4,687,341	3,617,375	1,069,966
Judiciary:				
Superior Court	467,768	467,768	433,066	34,702
State Court	141,878	141,878	129,836	12,042
Solicitor	73,286	73,286	72,374	912
Probate/Magistrate Court	197,264	198,249	188,971	9,278
Total Judiciary	880,196	881,181	824,247	56,934
Public Safety:				
Sheriff	1,635,723	1,623,131	1,615,555	7,576
Jail	1,381,180	1,426,902	1,158,525	268,377
Fire	253,803	254,384	235,599	18,785
EMS	1,433,666	1,575,113	1,403,411	171,702
Coroner/Medical Examiner	22,165	22,165	18,498	3,667
Other Protection	29,265	29,265	29,265	-
Emergency Management	29,915	29,915	28,234	1,681
Total Public Safety	4,785,717	4,960,875	4,489,087	471,788
Public Works:				
Public Works Administration	215,270	215,270	179,377	35,893
Roads and Bridges	1,033,243	1,098,243	994,257	103,986
Shop - Vehicle and Equipment Maintenance	200,187	200,187	148,438	51,749
Solid Waste and Recycling	405,000	415,000	414,526	474
Total Public Works	1,853,700	1,928,700	1,736,598	192,102

(Continued)

CHARLTON COUNTY. GEORGIA

GENERAL FUND
STATEMENT OF REVENUES. EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

	Budget			Variance With
	Original	Final	Actual	Final Budget
Expenditures (Continued)				
Health and Welfare:				
Public Health	$ 77,700	$ 77,700	$ 89,936	$ (12,236)
Welfare	13,816	13,816	13,816	-
Community Services - Action Pact	14,000	14,000	14,000	-
Senior Citizens Center	89,661	106,625	95,498	11,127
Total Health and Welfare	195,177	212,141	213,250	(1,109)
Culture and Recreation:				
Recreation Administration	378,554	378,631	321,624	57,007
Library	71,000	71,000	71,000	-
Total Culture and Recreation	449,554	449,631	392,624	57,007
Economic Development:				
County Extension/4H Services	73,180	73,180	66,192	6,988
Protective Inspection Administration	123,268	132,353	99,030	33,323
Economic Development and Resources	50,000	50,000	50,000	-
Total Economic Development	246,448	255,533	215,222	40,311
Total expenditures	12,499,200	13,375,402	11,488,403	1,886,999
Deficiency of revenues under expenditures	(184,877)	(678)	(115,771)	(115,093)
Other financing sources (uses)				
Transfers in	554,877	371,263	74,401	(296,862)
Transfers out	(370,000)	(366,275)	-	366,275
Total other financing sources, net	184,877	4,988	74,401	69,413
Net change in fund balance	-	4,310	(41,370)	(45,680)
Fund balance, beginning of year	10,714,603	10,714,603	10,714,603	-
Fund balance, end of year	$ 10,714,603	$ 10,718,913	$ 10,673,233	$ (45,680)

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

CHARLTON COUNTY, GEORGIA

ARPA FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Intergovernmental	$ -	$ 63,259	$ 63,259	$ -
Total revenues	-	63,259	63,259	-
Expenditures				
General government	-	63,259	63,259	-
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.

CHARLTON COUNTY, GEORGIA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2022

	Custodial Funds
ASSETS	
Cash and cash equivalents	$ 3,530,625
Total assets	$ 3,530,625
NET POSITION	
Restricted:	
Individuals, organizations and other governments	$ 3,530,625
Total net position	$ 3,530,625

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

CHARLTON COUNTY, GEORGIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Custodial Funds
ADDITIONS	
Taxes	$ 17,370,399
Fines and fees	38,200,409
Criminal and civil bonds	28,632
Total additions	55,599,440
DEDUCTIONS	
Taxes and fees paid to other governments	17,353,443
Other custodial disbursements	35,208,882
Total deductions	52,562,325
Change in fiduciary net position	3,037,115
NET POSITION, beginning of year	493,510
NET POSITION, end of year	$ 3,530,625

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. The Reporting Entity

Charlton County was established under the provisions of an act of the General Assembly of Georgia on February 18, 1854. The County operates under a County Commissioner form of government and provides the following services as authorized by state law: public safety (police and fire), highways and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

As required by GAAP, the financial statements of the reporting entity include those of Charlton County, Georgia (the primary government) and its component unit. The component unit discussed below is included in the County's reporting entity because of the significance of its operational or financial relationship with the County. In conformity with GAAP, as set forth in GASB Statement No. 14, as amended, the financial statements of the component unit is discretely presented in the government-wide financial statements.

Charlton County Health Department

The Charlton County Health Department (the "Health Department") provides public health care services and health education to the residents of the County. The Health Department receives financial support from Charlton County, Georgia, the State of Georgia and the Federal Government. The County Commission appoints a majority of the Board of Directors, and the Health Department issues separately audited financial statements. Although the County does not have the authority to approve or modify the budget of the Health Department, the County is obligated to provide financial support to the Health Department. The Health Department has a June 30th year-end. The Health Department's statements have been prepared separately and can be obtained by writing to:

Charlton County Health Department
Folkston, Georgia 31533

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.

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds 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* and the fiduciary fund financial statements, which have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The County reports the following major governmental funds:

The ***General Fund*** is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The ***Special Purpose Local Option Sales Tax ("SPLOST") Fund*** accounts for the proceeds of a 1% SPLOST. Funds are used for road and bridges improvements, public safety projects, recreation projects, public building projects, County administration projects, and other projects within the County.

The ***American Rescue Plan Act ("ARPA") Fund*** is a special revenue fund that accounts for the revenues and expenditures associated with the U.S. Department of Treasury's Coronavirus State and Local Recovery Funds established by the American Rescue Plan Act of 2021.

Additionally, the County reports the following fund types:

The ***special revenue funds*** account for specific revenues that are legally restricted to expenditures for particular purposes.

The ***capital project funds*** account for financial resources that are legally restricted to acquisition or construction of major capital facilities.

The ***custodial funds*** are used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals, such as cash bonds, traffic fines, support payments and ad valorem and property taxes.

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash and Cash Equivalents

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

E. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2022, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reserved as this amount is not available for general appropriation.

F. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. For the most part, the effect of interfund activity has been removed from the government-wide Statement of Net Position. In the fund financial statements, these receivables and payables are classified as "due from other funds" or "due to other funds."

In the government-wide financial statements, any residual balances outstanding between the governmental activities and business-type activities are reported as "internal balances".

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. The County has retroactively reported major general infrastructure assets. In this case, the County chose to include all items regardless of their acquisition date. The County was able to estimate the historical cost for the initial reporting of these assets through back trending.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets (Continued)

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

Asset Category	Years
Buildings	40 – 60
Improvements	10 – 60
Infrastructure	40
Machinery and Equipment	3 – 10

H. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits.

Vacation/Personal Leave. All covered employees, both regular and working test, shall accrue annual leave from the date of employment in a covered position. Employees earn annual (Vacation/Personal) leave as follows:

Years of Service	Hours/Year
1 to 3 years	72 Hours
4 to 10 years	112 Hours
11 to 15 years	152 Hours
16 years and over	192 Hours

There is no liability for unpaid vacation time as vacation leave must be taken by December 31 of each year. Leave not taken will be forfeited. No vacation leave will be carried forward into the next calendar year.

Sick Leave. Sick leave is earned to be taken for bona fide illness and injury, and other medically related necessities. All covered employees, both regular and working test, shall accrue sick leave from the date of employment in a covered position. Eligible employees shall accrue sick leave at a rate of 5.53 hours per month. Sick leave may not be accrued in excess of 240 hours.

I. Long-Term Obligations

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Long-Term Obligations (Continued)

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of these funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only of the extent that they are "due for payments" during the current year. Bonds and financed purchases are recognized as a liability in the governmental fund financial statements when due.

J. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

The County has three items that qualify for reporting in this category. These items, relating to the County's retirement plan, qualify for reporting in this category and are combined in the Statement of Net Position under the heading "Pension". The County reports deferred outflow of resources for assumption changes which are amortized against pension expense over time. Additionally, any contribution made by the County to the pension plan before year-end but subsequent to the measurement date of the County's net pension liability are reported as deferred outflows of resources. Also, experience differences result from periodic studies by the County's actuary, which adjust the net pension liability for actual experience for certain trend information that was previously assumed, resulting as a deferred outflow of resources and amortized over time.

In addition to liabilities, the Statement of Net Position and the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has three items that qualify for reporting in this category, one of which arises only under the modified accrual basis of accounting. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The other two items relate to the County's pension plan. Experience differences result from periodic studies by the County's actuary, which adjust the net pension liability for actual experience for certain trend information that was previously assumed, resulting as a deferred outflow of resources and amortized over time. Also, differences between projected investment return on pension investments and actual return on those investments is deferred and amortized over time, resulting in recognition as a deferred inflow of resources.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balances." 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:

- ***Nonspendable*** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either: (a) not in spendable form (i.e., items that are not expected to be converted to cash), or (b) legally or contractually required to be maintained intact.

- ***Restricted*** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

- ***Committed*** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of County Commissioners through the adoption of a resolution. The Board of Commissioners also may modify or rescind the commitment.

- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the Board of County Commissioners has authorized the County Manager to assign fund balances.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Fund Equity (Continued)

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 position are available.

L. Use of Estimates

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

NOTE 2. LEGAL COMPLIANCE – BUDGETS

A. Budgets and Budgetary Accounting

Budgetary Data. The County adopts an annual operating budget for the General Fund and each Special Revenue Fund. A project budget is adopted for each Capital Projects Fund. The budget resolution reflects the total of each department's appropriation in each fund.

The General Fund budget is adopted on a basis consistent with GAAP except that the occurrence of capital lease obligations and the related capital lease expenditures are not budgeted. Budgets for the Special Revenue Funds are adopted on a basis consistent with GAAP. Budgets for Capital Projects funds are adopted on a basis consistent with GAAP except the budget period is a project period rather than an annual period. At year-end, no capital project period exceeded the annual.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the department level within each individual fund. Any change in total to a fund or departmental appropriation within a fund requires approval of the Board of Commissioners.

Either the County Chairman or County Administrator may approve budget transfers within departments, except those related to personnel or capital expenditures. The Board of Commissioners must approve transfers of personnel or capital appropriations. During the year, the Board of Commissioners approved budget revisions.

All unexpended annual appropriations lapse at year-end.

B. Excess of Expenditures over Appropriations

For the year ended December 31, 2022, expenditures exceeded appropriations at the legal level of budgetary control as follows:

Department	Excess
General Fund:	
Governing body	$ 2,521
Clerk of council/commission	7,450
Financial administration	2,087
Public health	12,236
Recreation Department Fund:	
Culture and recreation	44,665

These over expenditures were funded primarily by underspending in other departments.

NOTE 3. DEPOSITS AND INVESTMENTS

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. It is the County's policy to limit its investments to those allowed and authorized by state law. As of December 31, 2022, the County had the following investments:

Investment	Maturities	Cost
Certificates of deposit	Less than 1 year	$ 3,260,994
Treasury securities	N/A	1,500,000
Total		$ 4,760,994

The Official Code of Georgia Annotated ("O.C.G.A.") §45-8-12 provides that there shall not be on deposit at any time in any depository for a time longer than ten days a sum of money which has not been secured by surety bond, by guarantee of insurance or by collateral. The aggregate of the face value of such surety bond and the market value of securities pledged shall be equal to or not less than 110% of the public funds being secured after the deduction of the amount of deposit insurance. If a depository elects the pooled method (O.C.G.A. §45-8-13.1), the aggregate of the market value of the securities pledged to secure a pool of public funds shall be not less than 110% of the daily pool balance.

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 December 31, 2022, the deposits of the County and its component units were properly insured and collateralized as defined by GASB pronouncements and the O.C.G.A.

Interest rate risk. The County's investment policy is a means of managing its exposure to fair value losses arising from increasing interest rates. As such, they adhere to the following criteria regarding investments as outlined in the County's policies and procedures manual: the investment must always be concerned with the preservation of principal; all investments must be relatively liquid; and there must be a realization of competitive interest rates relative to the risk assumed. The County Manager is authorized to make all investment decisions on behalf of the County.

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Measurements. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. As of December 31, 2022, all of the County's investments are considered Level 1 investments.

NOTE 4. RECEIVABLES

Receivables at December 31, 2022 consist of the following:

	General Fund	SPLOST Fund	Nonmajor Governmental Funds	Total
Receivables:				
Taxes	$ 1,416,179	$ 245,575	$ -	$ 1,661,754
Accounts	4,552	-	-	4,552
Due from other governments	77,237	-	44,381	121,618
Total receivables	$ 1,497,968	$ 245,575	$ 44,381	$ 1,787,924

The Board of Commissioners levies property taxes by or about August 25th of each year. Property taxes attach as an enforceable lien on property as of January 1. Property taxes are billed on or about September 15th of each year and are payable within 60 days. The County bills and collects its own property taxes and also collects property taxes for the Charlton County Board of Education, and the State of Georgia. Collection of the County's taxes, and for the other government agencies, is the responsibility of the Tax Commissioner's Office, which is accounted for as a Custodial Fund. County property tax revenue at the fund reporting level are recognized when levied to the extent that they result in current receivables (i.e., collectible in 60 days). For 2022, property tax bills were mailed on October 18, 2022, and were due on December 18, 2022.

NOTE 5. CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated:					
Land	$ 707,650	$ -	$ -	$ -	$ 707,650
Total	707,650	-	-	-	707,650
Capital assets, being depreciated:					
Buildings	10,934,134	129,016	-	-	11,063,150
Infrastructure	12,126,205	641,758	-	-	12,767,963
Machinery and equipment	14,877,930	443,009	-	-	15,320,939
Total	37,938,269	1,213,783	-	-	39,152,052
Less accumulated depreciation for:					
Buildings	(4,564,293)	(408,223)	-	-	(4,972,516)
Infrastructure	(2,254,074)	(408,002)	-	-	(2,662,076)
Machinery and equipment	(11,520,911)	(913,199)	-	-	(12,434,110)
Total	(18,339,278)	(1,729,424)	-	-	(20,068,702)
Total capital assets, being depreciated, net	19,598,991	(515,641)	-	-	19,083,350
Governmental activities capital assets, net	$ 20,306,641	$ (515,641)	$ -	$ -	$ 19,791,000

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

Governmental activities:	
General government	$ 89,247
Judicial	191,582
Public safety	669,592
Public works	650,048
Health and welfare	37,110
Culture and recreation	91,845
Total depreciation expense - governmental activities	$ 1,729,424

NOTE 6. LONG-TERM DEBT

The following is a summary of long-term debt activity for the primary government for the year ended December 31, 2022:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Financed purchases	$ 1,163,762	$ -	$ (164,060)	$ 999,702	$ 434,932
Compensated absences	-	189,152	(73,354)	115,798	115,798
Net pension liability	1,084,711	889,320	(1,251,063)	722,968	-
Governmental activities Long-term liabilities	$ 2,248,473	$ 1,078,472	$ (1,488,477)	$ 1,838,468	$ 550,730

For governmental activities, compensated absences and the net pension liability are generally liquidated by the General Fund.

Financed Purchases

The County has entered into financed purchase agreements as lessee for financing the acquisition of various pieces of equipment. Interest rates range from 2.30% to 3.79%. The duration of the agreements is for two to five years.

The debt service requirements for the County's financed purchase agreements are as follows:

Year Ending December 31,	Financed Purchases		
	Principal	Interest	Total
2023	$ 434,932	$ 56,070	$ 491,002
2024	142,892	49,840	192,732
2025	107,348	43,423	150,771
2026	314,530	36,757	351,287
	$ 999,702	$ 186,090	$ 1,185,792

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund transfers as of December 31, 2022 are as follows:

Transfers In	Transfer Out	Amount
General Fund	Grants Fund	$ 74,401

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

NOTE 8. JOINT VENTURE

Under Georgia law, the County is a participating member of the Southern Georgia Commission and is required to pay annual dues thereto. During its year ended December 31, 2022, the County paid $9,284 in such dues. Membership in Southern GC is required by the O.C.G.A. §50-8-34 which provides for the organizational structure of the Southern GC in Georgia. The Southern GC 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 and obligations of a Regional Commission ("RC"). Separate financial statements may be obtained from:

Southern Georgia Commission
3395 Harris Road
Waycross, Georgia 31503

NOTE 9. RETIREMENT PLANS

A. Plan Description

The County sponsors the Association County Commissioners of Georgia Restated Pension Plan for Charlton County Employees (the "Plan"), which is a defined benefit pension plan.

The Plan provides retirement, disability and death benefits to plan participants and beneficiaries. The Plan, through execution of the adoption agreement, is affiliated with the Association County Commissioners of Georgia Third Restated Defined Benefit Plan (the "ACCG Plan"), an agent multiple-employer pension plan, administered by the Government Employee Benefits Corporation of Georgia, ("GenCorp"). The ACCG, in its role as the Plan sponsor, has the sole authority to amend the provisions of the ACCG Plan, as provided in Section 19.03 of the ACCG Plan document. The County, through its Board of Commissioners, has the authority to amend the adoption agreement, which defines the specific benefit provisions of the Plan, as provided in Section 19.02 of the ACCG Plan document. A separately issued financial report for the ACCG Plan may be obtained by writing to:

GenCorp
400 Galleria Parkway, Suite 1250
Atlanta, Georgia 30339

Plan membership as of January 1, 2021, (the most recent actuarial valuation date) is as follows:

Inactive plan members or beneficiaries currently receiving benefits	28
Inactive plan members entitled to but not receiving benefits	44
Active plan members	71
Total	143

NOTE 9. RETIREMENT PLANS (CONTINUED)

A. Plan Description (Continued)

The County is required to contribute an actuarially determined amount annually to the Plan's trust. The contribution amount is determined using actuarial methods and assumptions approved by the ACCG Plan trustees and must satisfy the minimum contribution requirement contained in the State of Georgia statutes. The County's required contribution for the 2022 Plan year is $329,058, or 12.3% of covered payroll. No contributions are required of or permitted by plan members. The County meets all costs of the Plan.

B. Net Pension Liability of the County

The County is required to contribute an actuarially determined amount annually to the Plan's trust. A contribution amount is determined using actuarial methods and assumptions approved by the ACCG Plan trustees and intended to satisfy the minimum contribution requirements as set forth in controlling State of Georgia statutes. Plan participants are not required to contribute to the Plan.

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

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

Cost of living adjustment	N/A
Salary increases	4.50% per year with an age based scale
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the PUB-2010 GE (50%) & PS (50%) AMT-Weighted with Scale AA to 2021.

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

NOTE 9. RETIREMENT PLANS (CONTINUED)

B. Net Pension Liability of the County (Continued)

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

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2021 are summarized in the following table:

Asset Class	Target Allocation	Range
Fixed income	30%	25% - 35%
Large cap equities	30%	25% - 35%
Mid cap equities	5%	2.5% - 10%
Small cap equities	5%	2.5% - 10%
REIT equities	5%	2.5% - 10%
International equities	15%	10% - 20%
Multi cap equities	5%	2.5% - 10%
Global allocation	5%	2.5% - 10%
Total	100%	

Discount Rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that County contributions will be made based on the average County contribution made to the Plan over the prior five years. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

NOTE 9. RETIREMENT PLANS (CONTINUED)

B. Net Pension Liability of the County (Continued)

Changes in the Net Pension Liability of the County. The changes in the components of the net pension liability of the County for the year ended December 31, 2022 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2020	$ 7,088,340	$ 6,003,629	$ 1,084,711
Changes for the year:			
Service cost	171,349	-	171,349
Interest	489,058	-	489,058
Liability experience (gain)/loss	147,479	-	147,479
Assumption change	10,864	-	10,864
Contributions - employer	-	329,058	(329,058)
Net investment income	-	922,005	(922,005)
Benefit payments, including refunds of employee contributions	(203,588)	(203,588)	-
Administrative expense	-	(31,348)	31,348
Other changes	-	(39,222)	39,222
Net changes	615,162	976,905	(361,743)
Balances at December 31, 2021	$ 7,703,502	$ 6,980,534	$ 722,968

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's net pension liability (asset)	$ 1,819,362	$ 722,968	$ (184,113)

NOTE 9. RETIREMENT PLANS (CONTINUED)

B. Net Pension Liability of the County (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate (Continued). Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of December 31, 2021, and the current sharing pattern of costs between employer and employee.

C. Pension Expense and Deferred Outflows of Resources Related to Pensions

For the year ended December 31, 2022, the County recognized pension expense of $124,002. At December 31, 2022, the County reported deferred outflows and inflows of resources related to pensions from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Investment earnings difference	$ -	$ 696,815
Contributions subsequent to the measurement date	329,058	-
Assumption changes	236,401	-
Experience differences	117,623	212,080
Total	$ 683,082	$ 908,895

County contributions subsequent to the measurement date of $329,058 are reported as a deferred outflow of resources and will be recognized as a reduction of the net pension liability in the year ending December 31, 2023. The remaining deferred outflows and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ending December 31,	
2023	$ (106,686)
2024	(230,550)
2025	(141,701)
2026	(75,934)
Total	$ (554,871)

NOTE 10. DEFINED CONTRIBUTION PENSION PLAN

The ACCG 401(a) Defined Contribution Plan for Senior Management (the "Plan") is a single employer contribution plan established and administered by the Charlton County Board of Commissioners for the senior management of the County. The Plan provides retirement and death benefits to Plan participants and beneficiaries. Plan provisions and contribution requirements are established and may be amended by the Board of Commissioners.

Employees are not required to contribution to the Plan. The County contributes an amount equal to 10% of each participant's compensation. For the year ended December 31, 2022, the County's contribution to the Plan was $7,400.

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 disaster. The County has joined the ACCG Interlocal Risk Management Agency ("IRMA"). The membership allows the County to share liability, crime, motor vehicle and property damage risks. The County is also a part of the ACCG Workers' Compensation Self Insurance Fund.

As part of these risk pools, 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 funds; To report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the pool's agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim against the County within the scope of loss protection furnished by the funds.

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

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

NOTE 12. CONTINGENCIES AND COMMITMENTS

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

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

REQUIRED SUPPLEMENTARY INFORMATION

CHARLTON COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY
AND RELATED RATIOS
FOR THE YEARS ENDED DECEMBER 31,

	2022	2021	2020
Total pension liability			
Service cost	**$ 171,349**	$ 154,858	$ 135,880
Interest on total pension liability	**489,058**	468,289	416,831
Liability experience (gain)/loss	**147,479**	(135,277)	(306,464)
Assumption change	**10,864**	12,933	359,398
Plan change	**-**	-	323,504
Benefit payments, including refunds of employee contributions	**(203,588)**	(204,627)	(183,449)
Net change in total pension liability	**615,162**	296,176	745,700
Total pension liability - beginning	**7,088,340**	6,792,164	6,046,464
Total pension liability - ending (a)	**$ 7,703,502**	$ 7,088,340	$ 6,792,164
Plan fiduciary net position			
Contributions - employer	**$ 329,058**	$ 305,966	$ 277,850
Net investment income	**922,005**	700,703	890,868
Benefit payments, including refunds of employee contributions	**(203,588)**	(204,627)	(183,449)
Administrative expenses	**(31,348)**	(29,497)	(28,711)
Other	**(39,222)**	(37,721)	(32,422)
Net change in fiduciary net position	**976,905**	734,824	924,136
Plan fiduciary net position - beginning	**6,003,629**	5,268,805	4,344,669
Plan fiduciary net position - ending (b)	**$ 6,980,534**	$ 6,003,629	$ 5,268,805
County's net pension liability - ending (a) - (b)	**$ 722,968**	$ 1,084,711	$ 1,523,359
Plan fiduciary net position as a percentage of total pension liability	90.6%	84.7%	77.6%
Covered payroll	**$ 2,909,685**	$ 2,586,396	$ 2,585,923
County's net pension liability as a percentage of covered payroll	24.8%	41.9%	58.9%

Notes to the Schedule:
The schedule will present 10 years of information once it is accumulated.

The assumptions used in the preparation of the above schedule are disclosed in Note 9 in the Notes to the Financial Statements.

2019	2018	2017	2016	2015
$ 136,329	$ 121,999	$ 116,119	$ 97,088	$ 77,914
392,319	380,359	356,779	329,392	314,530
8,081	(172,539)	(67,343)	24,657	-
283,267	12,530	173,040	197,126	-
-	-	-	-	-
(184,830)	(177,380)	(178,641)	(193,778)	(194,282)
635,166	164,969	399,954	454,485	198,162
5,411,298	5,246,329	4,846,375	4,391,890	4,193,728
$ 6,046,464	$ 5,411,298	$ 5,246,329	$ 4,846,375	$ 4,391,890
$ 283,315	$ 299,026	$ 302,648	$ 268,400	$ 243,193
(207,501)	599,417	241,913	22,242	232,793
(178,364)	(171,175)	(178,641)	(186,774)	(187,260)
(18,690)	(15,139)	(18,017)	(13,927)	(12,787)
(20,393)	(37,866)	(89,730)	(61,694)	(80,126)
(141,633)	674,263	258,173	28,247	195,813
4,486,302	3,812,039	3,553,866	3,525,619	3,329,806
$ 4,344,669	$ 4,486,302	$ 3,812,039	$ 3,553,866	$ 3,525,619
$ 1,701,795	$ 924,996	$ 1,434,290	$ 1,292,509	$ 866,271
71.9%	82.9%	72.7%	73.3%	80.3%
$ 2,792,086	$ 2,429,495	$ 2,282,840	$ 2,097,626	$ 1,961,312
61.0%	38.1%	62.8%	61.6%	44.2%

CHARLTON COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY CONTRIBUTIONS
FOR THE YEARS ENDED DECEMBER 31,

	2022	2021	2020
Actuarially determined contribution	**$ 329,058**	$ 305,966	$ 293,100
Contributions in relation to the actuarially determined contribution	**329,058**	305,966	277,850
Contribution deficiency (excess)	**$ -**	$ -	$ 15,250
Covered payroll	**$ 2,665,096**	$ 2,909,685	$ 2,586,396
Contributions as a percentage of covered payroll	**12.3%**	10.5%	10.7%

Notes to the Schedule:

Valuation Date	January 1, 2021
Cost Method	Entry age normal
Actuarial Asset Valuation Method	Smoothed market value with a five-year smoothing period
Assumed Rate of Return On Investments	7.00%
Projected Salary Increases	4.50% per year with an age based scale
Cost of Living Adjustment	N/A
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	None remaining

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

2019	2018	2017	2016	2015	2014
$ 260,257	$ 262,395	$ 299,026	$ 302,648	$ 268,400	$ 241,649
282,822	262,395	299,026	302,648	268,400	241,649
$ (22,565)	$ -	$ -	$ -	$ -	$ -
$ 2,585,923	$ 2,792,086	$ 2,429,495	$ 2,282,840	$ 2,097,626	$ 1,961,312
10.9%	9.4%	12.3%	13.3%	12.8%	12.3%

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CHARLTON COUNTY, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Recreation Department Fund is used to account for revenue and expenditures of organized sporting events conducted by the recreation department.

Grants Fund is used to account for the majority of the federal and local grant revenues and expenditures the County receives for various purposes.

CAPITAL PROJECT FUNDS

The **Transportation Special Purpose Local Option Sales Tax ("TSPLOST") Fund** accounts for the revenues and expenditures of the Transportation Special Purpose Local Option Sales Tax.

CHARLTON COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	Special Revenue		Capital Projects	
	Recreation Department Fund	Grants Fund	Transportation SPLOST Fund	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	$ 42,253	$ 1,201,804	$ 1,375,646	$ 2,619,703
Due from other governments	-	-	44,381	44,381
Total assets	$ 42,253	$ 1,201,804	$ 1,420,027	$ 2,664,084
FUND BALANCES				
Restricted for:				
Capital projects	$ -	$ 1,201,804	$ 1,420,027	$ 2,621,831
Assigned for:				
Culture and recreation	42,253	-	-	42,253
Total fund balances	$ 42,253	$ 1,201,804	$ 1,420,027	$ 2,664,084

CHARLTON COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

	Special Revenue		Capital Projects	
	Recreation Department Fund	Grants Fund	Transportation SPLOST Fund	Total Nonmajor Governmental Funds
Revenues				
Taxes	$ -	$ -	$ 514,809	$ 514,809
Intergovernmental	-	1,266,887	-	1,266,887
Charges for services	82,139	-	-	82,139
Total revenues	82,139	1,266,887	514,809	1,863,835
Expenditures				
Current:				
Culture and recreation	71,665	-	-	71,665
Capital outlay	-	451,259	68,252	519,511
Total expenditures	71,665	451,259	68,252	591,176
Excess of revenues over expenditures	10,474	815,628	446,557	1,272,659
Other financing uses				
Transfers out	-	(74,401)	-	(74,401)
Total other financing uses	-	(74,401)	-	(74,401)
Net change in fund balances	10,474	741,227	446,557	1,198,258
Fund balances, beginning of year	31,779	460,577	973,470	1,465,826
Fund balances, end of year	$ 42,253	$ 1,201,804	$ 1,420,027	$ 2,664,084

CHARLTON COUNTY, GEORGIA

RECREATION DEPARTMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Charges for services	$ 27,000	$ 27,000	$ 82,139	$ 55,139
Total revenues	27,000	27,000	82,139	55,139
Expenditures				
Culture and recreation	27,000	27,000	71,665	(44,665)
Net change in fund balance	-	-	10,474	(10,474)
Fund balance, beginning of year	31,779	31,779	31,779	-
Fund balance, end of year	$ 31,779	$ 31,779	$ 42,253	$ (10,474)

CHARLTON COUNTY, GEORGIA

GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Intergovernmental	$ 458,761	$ 458,761	$ 1,266,887	$ 808,126
Total revenues	458,761	458,761	1,266,887	808,126
Expenditures				
Capital outlay	458,761	458,761	451,259	7,502
Total expenditures	458,761	458,761	451,259	7,502
Excess of revenues over expenditures	-	-	815,628	815,628
Other financing uses				
Transfers out	-	-	(74,401)	(74,401)
Total other financing uses	-	-	(74,401)	(74,401)
Net change in fund balance	-	-	741,227	741,227
Fund balance, beginning of year	460,577	460,577	460,577	-
Fund balance, end of year	$ 460,577	$ 460,577	$ 1,201,804	$ 741,227

CHARLTON COUNTY, GEORGIA

CUSTODIAL FUNDS

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

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

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

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

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

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

CHARLTON COUNTY, GEORGIA

COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2022

ASSETS	Tax Commissioner	Sheriff	Clerk of Superior Court	Probate Court
Cash and cash equivalents	$ 16,956	$ 65,905	$ 326,310	$ 1,350
Total assets	$ 16,956	$ 65,905	$ 326,310	$ 1,350
NET POSITION				
Restricted:				
Individuals, organizations and other governments	$ 16,956	$ 65,905	$ 326,310	$ 1,350
Total net position	$ 16,956	$ 65,905	$ 326,310	$ 1,350

Magistrate Court	ICE Conduit	Total
$ -	$ 3,120,104	$ 3,530,625
$ -	$ 3,120,104	$ 3,530,625
$ -	$ 3,120,104	$ 3,530,625
$ -	$ 3,120,104	$ 3,530,625

CHARLTON COUNTY, GEORGIA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

	Tax Commissioner	Sheriff	Clerk of Superior Court	Probate Court
ADDITIONS				
Taxes	$ 17,370,399	$ -	$ -	$ -
Fines and fees	-	37,814	640,120	63,319
Criminal and civil bonds	-	-	28,632	-
Total additions	17,370,399	37,814	668,752	63,319
DEDUCTIONS				
Taxes and fees paid to other governments	17,353,443	-	-	-
Other custodial disbursements	-	11,058	788,292	67,261
Total deductions	17,353,443	11,058	788,292	67,261
Change in fiduciary net position	16,956	26,756	(119,540)	(3,942)
Net position, beginning of year	-	39,149	445,850	5,292
Net position, end of year	$ 16,956	$ 65,905	$ 326,310	$ 1,350

Magistrate Court	ICE Conduit	Total
$ -	$ -	$ 17,370,399
53,224	37,405,932	38,200,409
-	-	28,632
53,224	37,405,932	55,599,440
-	-	17,353,443
56,343	34,285,928	35,208,882
56,343	34,285,928	52,562,325
(3,119)	3,120,004	3,037,115
3,119	100	493,510
$ -	$ 3,120,104	$ 3,530,625

CHARLTON COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2020 ISSUE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

Project Description	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
EMS/E-911 Vehicles and Equipment	$ 1,050,000	$ 1,131,172	$ 80,891	$ 400,950	$ 481,841
Sheriff Equipment and Vehicles	600,000	646,384	93,479	15,441	108,920
Administration/ Imrpovement	400,000	430,923	27,704	21,121	48,825
Fire Department Station Rennovation	200,000	215,461	66,615	38,362	104,977
Roads and Equipment	2,350,000	2,531,672	1,468,048	493,934	1,961,982
Fire Department Vehicles and Equipment	400,000	430,923	17,276	15,362	32,638
Parks and Recreation	300,000	323,192	136,918	250,414	387,332
City of Folkston	1,200,000	1,292,769	438,167	232,738	670,905
City of Homeland	300,000	323,192	109,541	58,185	167,726
Total	$ 6,800,000	$ 7,325,688	$ 2,438,639	$ 1,526,507	$ 3,965,146

COMPLIANCE SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

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

Board of Commissioners
of Charlton County, Georgia
Folkston, Georgia

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Charlton County, Georgia (the "County") as of and for the year ended December 31, 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 September 19, 2023. Our report includes a reference to other auditors who audited the financial statements of the Charlton County Health Department (the "Health Department") as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as item 2022-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Charlton County, Georgia's Response to the Finding

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

Purpose of this Report

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

Mauldin & Jenkins, LLC

Savannah, Georgia
September 19, 2023

CHARLTON COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	X Yes ____ No
Significant deficiencies identified not considered to be material weaknesses?	____ Yes X None Reported
Noncompliance material to financial statements noted?	____ Yes X No

Federal Awards

There was not an audit of major federal award programs as of December 31, 2022 due to the total amount of expenditures being less than $750,000.

CHARLTON COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2022-001 Financial Reporting and Year-end Closeout

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

Condition: The County required several significant year-end audit adjustments to properly report accounts receivable, capital assets, accounts payable, accrued liabilities, and expenditures/expenses.

Context: We addressed this matter with County officials, who determined the propriety of all respective details and reconciliations in order to produce trial balances and supporting documentation as of and for the fiscal year ended December 31, 2022.

Effect: For the General Fund, adjustments were necessary to correct beginning fund balance in the amount of $3,508,710, accounts receivable in the amount of $1,497,967, unavailable revenue in the amount of $957,109, and accrued payroll in the amount of $191,324. Adjustments were required in the ARPA Fund to correct unearned revenue in the amount of $2,267,425 and beginning fund balance in the amount of $1,030,064. Adjustments were required in the TSPLOST Fund to correct beginning fund balance in the amount of $52,383 and accounts receivable in the amount of $44,381. Additionally, adjustments were required in the SPLOST Fund to correct beginning fund balance in the amount of $94,702, accounts receivable in the amount of $245,575 and accounts payable in the amount of $123,604.

Capital asset additions were not properly identified by management during the year-end closeout procedures. This resulted in adjustments at the government-wide level of $1,213,783 subsequent to year-end. Adjustments to record current year depreciation expense of $1,729,424 among the various functions was also required.

Additionally, there were trial balances either not included (or not accurate) in the financial reporting system for a number of the funds. A great effort was required to sort through, accumulate and record the effect of the year's transactions to arrive at a balanced trial balance that did not include duplicate information. This was mostly prevalent in the Grants Fund.

The ultimate effect of the above condition includes a delayed conclusion to the 2022 fiscal year financial reporting process as well as 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 ensure that the year-end balances were properly recorded and reconciled.

CHARLTON COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2022-001 Financial Reporting and Year-end Closeout (Continued)

Recommendation: We recommend the County utilize their third-party accounting firm for assistance with adjusting account balances and performing the year-end closeout procedures in order to ensure all account balances are properly recorded at year-end.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will implement the necessary controls and procedures to ensure that balances are properly recorded and year-end closeout procedures are performed prior to the start of the annual audit process.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Not applicable.

CHARLTON COUNTY, GEORGIA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

STATUS OF PRIOR YEAR AUDIT FINDINGS

2021-001 Financial Reporting and Year-end Closeout

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

Condition: The County required several significant year-end audit adjustments to properly report accounts receivable, capital assets, accounts payable, accrued liabilities, and expenditures/expenses.

Status: Unresolved, see finding 2022-001.