HART COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

For the Year Ended September 30, 2023



Part I

Introductory Section

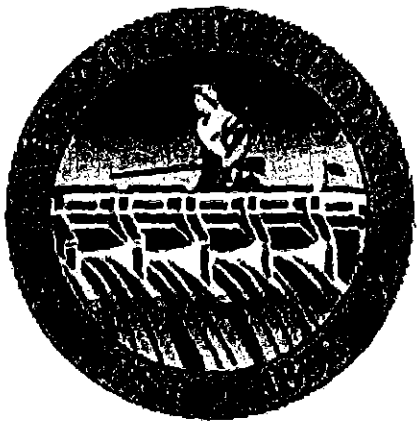


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HART COUNTY, GEORGIA
LIST OF PRINCIPAL OFFICIALS
SEPTEMBER 30, 2023

ELECTED

Marshall Sayer, Chairman, County Commissioner, District Three

Joey Dorsey, Vice-Chairman, County Commissioner, District Five

Michael Bennett, County Commissioner, District One

Frankie Teasley, County Commissioner, District Two

Jeff Brown, County Commissioner, District Four

STAFF

Terrell Partain, County Administrator

Lawana Kahn, County Clerk

Betty Floyd, Associate County Clerk

Part II

Financial Section



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Certified Public Accountants

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Lisa Carmichael, CPA
Kristi J. Robinson
Rylee K. Duncan
Ruth D. Hein

March 20, 2024

Independent Auditor's Report

The Honorable Chairman and
Members of the Board of Commissioners
Hart County
Hartwell, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hart County, Georgia (the "County") as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hart County, Georgia as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof 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 Hart County Health Department, a component unit of Hart County, Georgia, which represents 78.5%, 118.9%, and 73.2%, respectively, of the assets and deferred outflows of resources, net position, and revenues of the aggregate discretely presented component units. 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 Hart County Health Department, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Hart County, Georgia and to meet our 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 or 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 and budgetary comparison information on pages 5 through 18 and 70 through 77 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not 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 Hart County, Georgia's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, nonmajor budgetary schedules, the schedules of projects constructed with special purpose local option sales tax proceeds required by the Official Code of Georgia 48-8-121 and schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, as listed in the table of contents on pages 78 through 91 and pages 97 through 101 are presented for purposes of additional analysis and are 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. In our opinion, the combining and individual nonmajor fund financial statements, the nonmajor budgetary schedules, the schedules of projects constructed with special purpose local option sales tax proceeds required by the Official Code of Georgia 48-8-121 and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information 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 March 20, 2024, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Burch, Crooms & Company, LLP

HART COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended September 30, 2023

This section of Hart County, Georgia's (the "County") annual financial report presents a narrative overview and an analysis of the financial activities of the County for the fiscal year ended September 30, 2023. Management encourages readers to consider the information presented here in conjunction with the basic financial statements to enhance their understanding of the County's financial performance.



FINANCIAL HIGHLIGHTS

The financial position of the County improved during fiscal year 2023, primarily due to increased property and sales tax revenues, interest revenues, and operating grants and contributions. The total net position for governmental activities increased by $8,207,784 from $69,183,014 in fiscal year 2022 to $77,390,798 in fiscal year 2023. Transfers totaling $555,252 were made to the Hart County Industrial Building Authority, the Joint Development Authority of Franklin, Hart & Stephens Counties, and the Hart County Water & Sewer Authority, all component units of Hart County, Georgia for operations and capital improvements.

Unrestricted net position for the governmental activities increased by $3,132,176 from $13,292,263 in fiscal year 2022 to $16,424,439 in fiscal year 2023. Total net position increased for the business-type activities by $420,778 from $33,198,176 in fiscal year 2022 to $33,618,954 in fiscal year 2023. Total net position for the primary government increased by $8,628,562 from fiscal year 2022 to fiscal year 2023.

The assets of Hart County, Georgia's governmental activities exceeded its liabilities at September 30, 2023 by $77,390,798 (net position). Of this amount, $16,424,439 (unrestricted net position) may be used to meet the County's ongoing obligations to citizens and creditors.

As of September 30, 2023, the County's governmental funds reported combined ending fund balances of $44,492,730, which is a decrease of $4,343,837 or 8.9% from the previous fiscal year. This decrease is primarily due to decreases in restricted cash of $16,406,509, which is related to expenditures for the jail construction project and reductions in transfers out, offset by increases in tax and intergovernmental revenues. In addition, for fiscal year 2022 certificates of participation were issued, but none were issued in fiscal year 2023.

As of September 30, 2023, the unassigned fund balance for the General Fund was $15,897,752 or 109.9% of total General Fund expenditures. The County Administrator recommends a target 25-50% of General Fund unassigned fund balance be maintained for cash flow and emergency needs with a minimum threshold of 25% in unrestricted cash. As of September 30, 2023, unrestricted cash of $14,105,417 made up 88.7% of unassigned fund balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. These basic financial statements consist of three sections: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other information supplementary to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements provide both long-term and short-term information about the County's overall financial status. These statements use a format similar to a private-sector business. They include a Statement of Net Position and a Statement of Activities, which appear on pages 19 and 20 of this report.

The Statement of Net Position presents information on the County's assets and liabilities. Net position, the difference between these assets and liabilities, is a useful way to measure the County's financial health or financial position. Over time, increases or decreases in the County's net position are indicators of whether its financial health is improving or deteriorating.

The Statement of Activities presents information showing how the County's net position changed during the current fiscal year. All of the current fiscal year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid. This statement separates program revenue (charges for services, grants, and contributions) and related program expenses from general revenue (including taxes) to show the extent each program must rely on taxes for funding.

Both of the government-wide financial statements identify the various functions of the County that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of Hart County, Georgia include general government, judicial, health and welfare, public safety, highways and streets, economic development, public works, and culture and recreation. The business-type activities of Hart County, Georgia include its solid waste and recycling operations in addition to water and sewer operations and economic development activities reported through blended component units. These financial statements also contain discretely presented component units for which the County is financially accountable.

Governmental Activities: These activities are comprised of functions of the County which are primarily financed by taxes and intergovernmental revenues. Examples include general government, judicial, public safety, public works, health and welfare, recreation and culture, and housing and development.

Business-type Activities: The County charges fees to cover the solid waste services it provides and rental fees for camping sites. The County also reports three blended component units as business-type activities: The Hart County Industrial Building Authority ("IBA") and the Joint Development Authority of Franklin, Hart and Stephens Counties ("JDA") provide services to promote the expansion and development of industrial and commercial facilities in the County. The Hart County Water and Sewer Authority ("HCWSA") charges fees for water and sewer services it provides.

Component Units: In addition to the three blended component units previously mentioned, the County's financial statements also include two legally separate component units for which the County is financially responsible: the Hart County Library and the Hart County Health Department. These component units are separately identified as discretely presented component units within the statements to show they are legally separate from the County.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Fund Financial Statements

Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. A fund is a grouping of related accounts used to maintain control over resources which have been segregated for specific activities or objectives. Hart County, Georgia, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, this set of financial statements focuses on events which produce near term inflows and outflows of spendable resources, as well as on the balances of spendable resources available at the end of the fiscal year. The fund statements also have a narrower focus than the government-wide financial statements.

By comparing functions between the two sets of statements for governmental funds and governmental activities, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison.

Hart County, Georgia maintains seventeen (17) governmental funds. The eight (8) major funds, the General Fund, Jail Construction Project Fund, SPLOST #5, and CDBG Fund (capital projects funds when active); and the Insurance Premium Tax Fund, Multiple Grant Fund, American Rescue Program Act (ARPA) Fund and EIP Fund (special revenue funds) are presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances. Data for the nine (9) nonmajor funds, the Confiscated Assets Fund, DFACS Building Fund, Drug Abuse Treatment and Education Fund, E911 Fund, Jail Fund, Behavioral Health Escrow Fund, Law Library Fund, Hotel-Motel Tax Fund (special revenue fund) and Health Care Services Fund (special revenue funds) are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor special revenue funds for which budgets are legally adopted is provided in the form of combining statements and individual fund statements and schedules located in the supplementary information section following the notes to the financial statements.

Hart County, Georgia adopted annual appropriated budgets for the General Fund and for each special revenue fund. A budgetary comparison statement is provided in order to present budgetary compliance. These comparison statements can be found following the notes to the financial statements.

Proprietary Funds: The financial statements of Hart County, Georgia include the Solid Waste Fund and Corp of Engineers Sites Fund and three blended component units, the Hart County Industrial Building Authority, the Joint Development Authority of Franklin, Hart and Stephens Counties, and the Hart County Water and Sewer Authority as major proprietary funds. Proprietary fund statements follow the governmental fund statements in this report. The County prepares budgetary estimates for the enterprise funds. The budgetary estimates, upon which such budgets are adopted, are retained for budget control purposes and are utilized in the preparation of comparative operating statements. Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail, since both apply the full accrual basis of accounting. The basic proprietary fund financial statements are found on pages 25 through 27 of this report.

Fiduciary Funds – Custodial Funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the County. These custodial funds are not reported in the government-wide statements. The basic fiduciary - custodial fund financial statements are found on pages 28 and 29 of this report.

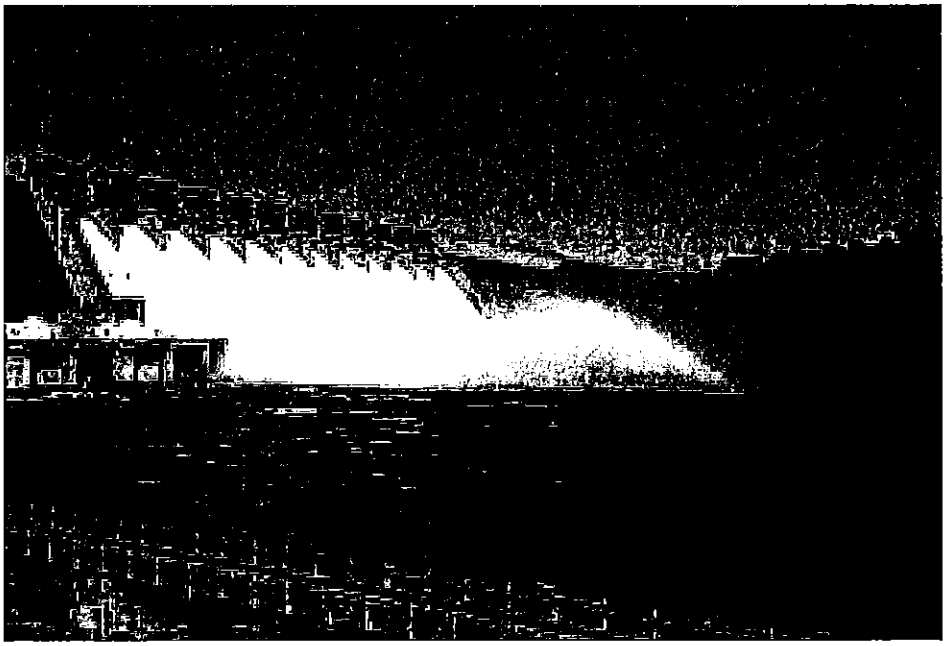
OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Component Units: The County's statements include two discretely presented component units for which the County is financially responsible. These component units are included in the County's reporting entity because of the significance of their operational and financial relationships with the County. The discretely presented component units combining financial statements are found on pages 30 through 31.

Notes to the Financial Statements

The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are found on pages 32 through 69 of this report.

Other information: In addition to the basic financial statements and notes, this report also includes certain required supplementary information including the County's schedules of budgetary comparisons and additional supplementary information including combining and individual fund statements. This information can be found beginning on page 70.



GOVERNMENT-WIDE FINANCIAL ANALYSIS

Hart County, Georgia
Summary Statements of Net Position
September 30, 2023 and 2022
($ in thousands)

	Governmental Activities		Business-type Activities		Total Government	
	2023	2022	2023	2022	2023	2022
Assets:						
Cash and investments	$ 31,735	$ 23,901	$ 4,978	$ 4,690	$ 36,713	$ 28,591
Other assets	18,322	35,176	787	1,133	19,109	36,309
Noncurrent assets	58,588	45,904	32,077	32,166	90,665	78,070
Total assets	108,645	104,981	37,842	37,989	146,487	142,970
Liabilities:						
Current liabilities	5,470	9,692	826	1,138	6,296	10,830
Noncurrent liabilities	25,466	25,749	3,398	3,653	28,864	29,402
Total liabilities	30,936	35,441	4,224	4,791	35,160	40,232
Deferred Inflows:						
Deferred inflows	319	357	-	-	319	357
Total deferred inflows	319	357	-	-	319	357
Net position:						
Net investment in capital assets	32,939	20,185	28,302	28,102	61,241	48,287
Restricted	28,027	35,706	463	481	28,490	36,187
Unrestricted	16,424	13,292	4,853	4,615	21,277	17,907
Total net position	$ 77,390	$ 69,183	$ 33,618	$ 33,198	$ 111,008	$ 102,381

Hart County, Georgia's Net Position

As noted earlier, the net position over time can be a useful indicator of a government's financial position. As illustrated in the above table, at the end of fiscal year ending September 30, 2023, the County's assets for governmental activities exceeded liabilities by $77.4 million and the County's assets for business-type activities exceeded liabilities by $33.6 million bringing the total primary government net position to more than $111 million.

Of the $111 million in net position, the County's net investment in capital assets (e.g. land, buildings, machinery and equipment, less any outstanding related debt used to acquire the assets and accumulated depreciation) composes 55.2% of net position. The County uses these capital assets to provide services to citizens and consequently these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the assets themselves cannot be used to liquidate these liabilities. The County's net position also includes restricted net position in the amount of $28.5 million out of which $23.6 million is restricted for capital projects, $0.6 million is restricted for health and welfare, $0.5 million is restricted for economic development,

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

$3.7 million is restricted for public safety, and $0.1 million is restricted for debt service. Restricted net position accounts for 25.7% of total net position. Finally, unrestricted net position of $21.3 million, or 19.2% of total net position, may be used to meet the County's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the County reported positive balances in all categories of net position, exclusive of discretely presented component units.

Hart County, Georgia
Summary Statements of Activities
For the Years Ended September 30, 2023 and 2022
($ in thousands)

	Governmental Activities		Business-type Activities		Total Government	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	$ 3,429	$ 2,833	$ 4,429	$ 4,357	$ 7,858	$ 7,190
Operating grants/contributions	2,008	1,023	163	411	2,171	1,434
Capital grants/contributions	777	1,556	62	232	839	1,788
General revenues:						
Property taxes	8,349	7,653	-	-	8,349	7,653
Motor vehicle taxes	1,832	1,638	-	-	1,832	1,638
Sales taxes	9,785	9,768	-	-	9,785	9,768
Other taxes	2,016	1,896	-	-	2,016	1,896
Interest	2,049	164	117	16	2,166	180
Miscellaneous	174	237	-	110	174	347
Total revenues	30,419	26,768	4,771	5,126	35,190	31,894
Expenses:						
Governmental activities	21,657	20,410	-	-	21,657	20,410
Business-type activities	-	-	4,962	4,509	4,962	4,509
Total expenses	21,657	20,410	4,962	4,509	26,619	24,919
Excess (deficiency) before transfers	8,762	6,358	(191)	617	8,571	6,975
Transfers	(555)	(2,154)	611	1,692	56	(462)
Change in net position	8,207	4,204	420	2,309	8,627	6,513
Net position, beginning	69,183	64,979	33,198	30,889	102,381	95,868
Net position, ending	$ 77,390	$ 69,183	$ 33,618	$ 33,198	$ 111,008	$ 102,381

The table above is included for the purpose of comparing government-wide financial Statements of Activities for the fiscal year ended September 30, 2023 with fiscal year 2022.

For governmental activities, grants and contributions were $2.8 million in fiscal year 2023, which is $.2 million more than the amount in fiscal year 2022 due to an increase in grants from the American Rescue Plan in 2023. Real, personal property, and motor vehicle taxes were $10.1 million in fiscal year 2023, which is $.8 million more than in fiscal year 2022. Local option sales tax and special option sales tax were approximately the same in fiscal year 2023 as in 2022.

Business-type activities total revenues decreased $.3 million between fiscal year 2023 and 2022 due mainly to a decrease in capital grants and contributions.

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS:

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of the governmental funds is to provide information on near-term inflows and balances of spendable resources. The unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as it represents the portion of fund balance which has not yet been limited to use for a particular purpose.

At September 30, 2023, the County's governmental funds reported a combined fund balance of $44,492,730, a decrease of $4,343,837 compared to fiscal year 2022. Of this amount, $15,897,752 (35.7%) constitutes unassigned fund balance of the General Fund. Out of the remainder of the fund balance, $567,529 (1.3%) is nonspendable and $28,027,449 (63.0%) is restricted.

HART COUNTY, GEORGIA'S GENERAL FUND HIGHLIGHTS

General Fund Components of Fund Balance:

Fund Balance Component	9/30/2023	9/30/2022
Nonspendable	$ 410,733	$ 395,052
Restricted	-	-
Unassigned	15,897,752	12,400,229
Total General Fund fund balance	$ 16,308,485	$ 12,795,281

The General Fund is the chief operating fund for the County. At the end of fiscal year 2023, the General Fund's total fund balance was $16,308,485 of which $15,897,752 is unassigned fund balance. As a measure of liquidity of the General Fund, it is useful to compare unassigned General Fund fund balance to total General Fund expenditures. Unassigned General Fund fund balance represents 109.9% of total General Fund expenditures while total General Fund fund balance represents approximately 112.7% of total General Fund expenditures. The General Fund fund balance is composed of cash and noncash items. Management recognizes that only the cash portion can be relied upon as liquid in the upcoming fiscal year and advises that cash fund balance should remain above a 25% minimum. As of September 30, 2023, the fund balance includes $14,105,417 in cash. The noncash portion of the fund balance includes $200,963 in EMS accounts receivable, net of allowance for bad debts, and $789,835 in uncollected property taxes, local option sales taxes ("LOST"), title ad valorem taxes ("TAVT"), and other taxes/revenue.

General Fund Revenue Highlights:

Hart County, Georgia's General Fund revenues totaled $18,248,978, which represents an increase of $1,973,530 over the previous fiscal year. The major revenue sources are listed in the following chart. Real and personal property tax collections accounted for 45.8% of General Fund revenues. Motor vehicle and title fees accounted for 10.0%, charges for services accounted for 10.6%, and sales and use tax collections accounted for 22.7% of total General Fund revenues. Other revenue sources included other taxes, fines and forfeitures, license and permits, earnings on investments, intergovernmental revenues and miscellaneous income.

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS (CONTINUED):

General Fund Revenues by Source:

	9/30/2023	9/30/2022
Real and personal property taxes	$ 8,351,121	$ 7,641,485
Motor vehicle and title fees	1,832,338	1,637,802
Sales and use tax	4,149,392	4,137,618
Other taxes	147,884	133,357
Licenses and permits	178,446	126,571
Intergovernmental	227,305	198,045
Fines and forfeitures	676,342	672,252
Charges for services	1,936,247	1,371,680
Investment earnings	618,385	82,848
Other revenue	131,518	273,790
Total General Fund revenues	$ 18,248,978	$ 16,275,448

Total General Fund taxes collected by the County were $14,480,735. Real and personal property taxes were $257,633 (3.2%) more than the fiscal year 2023 budgeted amount while motor vehicle and title fees were $210,482 (10.3%) less than the budgeted amount. The County collected $1,649,392 (66.0%) more than anticipated in the fiscal year 2023 budget for Local Option Sales Tax ("LOST") revenues. Sales taxes are a key revenue source utilized by the BOC to keep property taxes low, however, these taxes are susceptible to overall economic conditions. Hart County's unincorporated millage rate is one of the lowest rates in the state of Georgia. The County cautiously monitors sales tax revenues due to their instability in relation to property tax revenues.

Intergovernmental revenues represent local government revenue received from other governments. Intergovernmental revenues for fiscal year 2023 increased $29,260 (14.8%) over the prior year, mainly due to increases in operating grants.

Charges for services increased by $564,567 (41.2%) over fiscal year 2022 due primarily to an increase in ambulance fees and a reclassification of commissions on tax collections from taxes to charges for services.

Fines and forfeitures were more than the anticipated final budgeted amount by $146,342 (27.6%) and reflect an increase of $4,090 (.6%) from the fiscal year 2022 actual amount due to fluctuations in caseloads.

Investment income increased from fiscal year 2022 by $535,537 (646.4%) due to an increase in the interest rate on the State of Georgia Local Government Investment Pool "Georgia Fund 1" investments and additional funds invested.

General Fund Expenditure Highlights:

Hart County, Georgia's General Fund expenditures totaled $14,468,110 compared to $13,997,893 for the prior fiscal year, which represents an increase of $470,217 (3.4%) from the prior fiscal year. The breakdown of expenditures by function is illustrated in the chart below. The majority of the expenditures, $8,142,014 (56.3%) was related to public safety as compared to $7,720,699 (55.2%) in the prior fiscal year.

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS (CONTINUED):

General Fund Expenditure Highlights (Continued):

General Fund Expenditures by Function:

	9/30/2023	9/30/2022
General government	$ 2,746,710	$ 2,540,624
Judicial	1,260,953	1,201,649
Public safety	8,142,014	7,720,699
Public works	1,285,061	1,590,190
Health and welfare	391,722	368,357
Recreation and culture	511,114	446,990
Housing and development	130,536	129,384
Total General Fund expenditures	$ 14,468,110	$ 13,997,893

General government expenditures were $2,746,710. Total general government expenditures were under the final budget by $119,271 and over the original budget by $270,867. The final budget is the true milestone for analysis as conditions change during the fiscal year resulting in the Board of Commissioners adjusting the budget as conditions warrant. The Board of Commissioners recognizes that increases in the original budget will be paid from unrestricted fund balances.

Judicial expenditures were $1,260,953, which was below the final budget by $75,713 and under the original budget by $49,068.

Public safety expenditures totaled $8,142,014 for the current fiscal year. These expenditures were under the final budget by $2,884 and over the original budget by $193,476.

Public works expenditures were $1,285,061, which was below the original and final budget by $490,577.

Health and welfare expenditures were $391,722, which was below the final budget by $10,589 and under the original budget by $10,558.

Recreation and culture expenditures were $511,114, which was equal with the final budget and over the original budget by $57,513.

Housing and development expenditures were $130,536, which was below the final budget by $19,386 and below the original budget by $17,253.

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS (CONTINUED):

The following data includes the breakdown of public safety expenditures which represents approximately 56.3% of the total General Fund expenditures.

Public Safety Expenditures:

	9/30/2023	9/30/2022
Sheriff	$ 2,997,584	$ 2,856,940
Jail operations	2,074,382	1,933,473
Whitworth detention center	-	1,426
E911	-	9,843
Emergency medical services	2,865,907	2,713,435
Animal control	126,526	134,406
Other	77,615	71,176
Total public safety expenditures	$ 8,142,014	$ 7,720,699

General Fund Budgetary Highlights:

There were no net differences impacting fund balance between the General Fund's original expenditure budget (including prior year carryover funds and net budgeted transfers to blended component units and other funds) and the final amended budget. The budget amendments were mainly needed for the following expenditures:

General government department for additional costs related mainly to increased costs for the executive department for salaries and benefits, the Board of Elections, professional and legal costs, insurance costs, as well as higher than expected building maintenance and repair costs.

Judicial department for increased costs for the Superior Court, grand jury, and public defender.

Public safety department for higher than anticipated costs for wages for employees and overtime for sheriff, jail operations, and emergency medical services, as well as higher than expected workers compensation insurance, repairs and maintenance costs and food and inmate care expenditures.

Recreation and Culture for increased operating costs.

The above budget shortfalls were covered by budget overages in revenues in addition to budget overages in various General Fund departments; primarily the public works department due to reduced wages and group insurance, lower than anticipated costs in the public health and welfare department, as well as reduced costs related to agricultural resources.

The original and final budget for General Fund revenues was $14,613,678 and $15,286,498, respectively. Total revenues and transfers in for fiscal year 2023 were $18,252,455, an increase of $2,965,957 from the final budget. This variance is primarily attributed to the following:

Tax revenues were more than the final budget due to increases in current year real property taxes, motor vehicle title fees, as well as higher than budgeted local option sales tax revenue.

Licenses and permits revenue were more than the final budget due to increases in building inspection fees.

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS (CONTINUED):

General Fund Budgetary Highlights: (Continued)

Intergovernmental revenues were more than the final budget due to an increase in operating grants.

Charges for services were more than the final budget due mainly to increases in ambulance fees and commissions on tax collections.

Fines and forfeitures were more than the final budget mainly due to increased caseloads and revenue from the Superior Court and Probate Court.

Investment earnings were more than the final budget due to a significant increase in the interest rate paid on investments in the State of Georgia Local Government Investment Pool "Georgia Fund 1" accounts.

HART COUNTY, GEORGIA'S OTHER GOVERNMENTAL FUNDS HIGHLIGHTS

Other Governmental Funds Components of Fund Balance:

	9/30/2023	9/30/2022
Nonspendable	$ 156,796	$ 335,583
Restricted	28,027,449	35,705,703
Unassigned	-	-
Total other governmental funds fund balance	$ 28,184,245	$ 36,041,286

Multiple Grant Fund: The Multiple Grant Fund is a major special revenue fund consisting of activity related to various grant awards to include local, state and federal sources. Grant awards for fiscal year 2023 consist primarily of $770,646 representing an award passed through the Georgia Department of Transportation under the Local Maintenance and Road Improvement Program. Portions of grants not yet expended have been included in restricted cash. Fund balance at the end of fiscal year 2023 was $2,237,264, which includes the prior year Local Maintenance and Road Improvement Program awards of $1,303,514.

ARPA Fund: The ARPA fund is a major special revenue fund used to account for the revenues and expenditures of the American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Fund. As of September 30, 2023, Hart County had received a total of $5,268,417 in fiscal year 2021 through 2023 Funds are classified as unearned on the governmental funds balance sheet until expended. $2,598,807 of this total grant is classified as unearned revenue as of September 30, 2023. The ARPA fund reported $1,809,654 and $791,919 in revenues and expenditures for fiscal years 2023 and 2022, respectively, with no remaining fund balance.

CDBG Fund: The CDBG Fund, a major capital projects fund, had no activity in fiscal year 2023. In fiscal year 2022, the CDBG Fund received a capital project grant award for $706,205 for water and sewer improvement projects, representing a partial draw of available grant funds. The grant was awarded in fiscal year 2020. Construction began in fiscal year 2021 and was completed during fiscal year 2022.

HART COUNTY, GEORGIA'S OTHER GOVERNMENTAL FUNDS HIGHLIGHTS (CONTINUED):

Jail Construction Project Fund: The Jail Construction Project Fund, a major capital projects fund, was created in fiscal year 2022 to account for the financial resources provided by $25,355,000 Certificates of Participation issued in 2022 to construct a new jail facility, which was classified as an other financing source of revenue. As of the end of fiscal year 2023, the fund had $8,470,102 in cash restricted for the construction. $18,161,835 had been expended on construction by the end of fiscal year 2023 and $691,621 recognized for interest payments on the debt. Fund balance at the end of fiscal year 2023 was $6,407,907.

SPLOST #5 Fund: The SPLOST #5 Fund is a major capital projects fund. In April 2019, the County began collecting revenue for the SPLOST #5 program. Total sales tax revenue collected in fiscal year 2023 was $5,635,682. At the end of fiscal year 2023, this fund had $14,669,444 in fund balance. The primary SPLOST #5 projects in fiscal year 2023 included capital projects for public safety, roads, recreation, and economic development.

Insurance Premium Tax Fund: The Insurance Premium Tax Fund, a major special revenue fund, had a $347,609 fund balance increase in fiscal year 2023 from $3,142,842 to $3,490,451. Revenues in this fund increased by $186,160 from the previous fiscal year. Expenditures increased by $132,885 from the prior fiscal year. Expenditures in this fund are mainly for public safety (fire) and public works (road department).

EIP Fund (Employment Incentive Program): The EIP Fund is a major special revenue fund designed to offer low interest economic development loans to area businesses. The EIP fund had an increase in fund balance of $206,795 in fiscal year 2023 from $162,384 to $369,179. This increase is mainly related to collections of principal and interest on previous loans.

Other Nonmajor Governmental Funds: For fiscal year 2023, the nonmajor governmental funds reported combined ending fund balances of $1,010,000, of which $998,387 is restricted and $11,613 is nonspendable.

PROPRIETARY FUNDS FINANCIAL ANALYSIS:

Hart County, Georgia's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail, and are reported in the Statement of Net Position under business-type activities of the primary government.

Solid Waste Fund: The Solid Waste Fund is a major fund with operating revenues of $2,104,765 in fiscal year 2023, as compared to $2,032,717 in fiscal year 2022. Operating expenses of $2,283,052 were recorded in fiscal year 2023, as compared to $1,971,817 in fiscal year 2022.

Corp of Engineers Sites Fund: The Corp of Engineers Sites Fund is a major fund with operating revenues of $196,459 in fiscal year 2023, as compared to $194,984 in fiscal year 2022. Operating expenses of $107,968 were recorded in fiscal year 2023, as compared to $136,059 in fiscal year 2022.

Hart County Industrial Building Authority ("IBA"): Under Governmental Accounting Standards Board ("GASB") Statement No. 61, the County is required to report IBA as a blended component unit beginning in fiscal year 2013. IBA had operating revenues of $124,249 and operating expenses of $338,795 in fiscal year 2023, as compared to $377,381 and $557,492, respectively, in fiscal year 2022. The decrease in both revenues and expenditures is due mainly to a decrease of $255,102 in pass-through grants received in the prior year.

Joint Development Authority of Franklin, Hart and Stephens ("JDA"): Under GASB Statement No. 61, the County is required to report JDA as a blended component unit beginning in fiscal year 2014. JDA had operating revenues of $26,850 and operating expenses of $108,018 in fiscal year 2023, as compared to $26,850 and $108,027, respectively, in fiscal year 2022.

PROPRIETARY FUNDS FINANCIAL ANALYSIS (CONTINUED):

Hart County Water and Sewer Authority ("HCWSA"): Under GASB Statement No. 61, the County is required to report HCWSA as a blended component unit beginning in fiscal year 2014. HCWSA had operating revenues of $2,139,939 and operating expenses of $2,049,010 in fiscal year 2023, as compared to $2,136,408 and $1,960,048, respectively, in fiscal year 2022.

CAPITAL ASSETS AND NONCURRENT LIABILITIES:

Hart County, Georgia
Summary Schedules of Capital Assets, Net of Depreciation
September 30, 2023 and 2022
($ in thousands)

	Governmental Activities		Business-type Activities		Total Government	
	2023	2022	2023	2022	2023	2022
Land	$ 1,358	$ 1,358	$ 5,348	$ 5,348	$ 6,706	$ 6,706
Construction in progress	18,730	5,170	738	565	19,468	5,735
Buildings	6,860	6,918	185	169	7,045	7,087
Machinery and equipment	2,972	2,556	437	251	3,409	2,807
Vehicles	3,132	2,542	40	32	3,172	2,574
Water and sewer lines	-	-	22,283	22,670	22,283	22,670
Infrastructure	22,731	24,429	2,906	2,991	25,637	27,420
Recreational upgrades	2,511	2,567	-	-	2,511	2,567
Total capital assets, net	$58,294	$45,540	$ 31,937	$ 32,026	$90,231	$77,566

Capital Assets: Hart County, Georgia's investment in capital assets at September 30, 2023 for the primary government amounted to $90,231,536, net of accumulated depreciation, as compared to $77,566,172 in the previous year. The investment in capital assets includes land, buildings, improvements, vehicles, machinery and equipment, park facilities, and infrastructure. The total 16.3% increase in capital assets for the current fiscal year was mainly related to current year additions as described below, offset by current year depreciation.

Major capital asset additions during the current fiscal year included the following:

Vehicles, including police, fire and emergency medical service vehicles
Machinery and equipment
Purchase of new accounting and tax commissioner software
Construction on new fire station building
Construction on new jail facility
Various road and water system infrastructure projects

Noncurrent Liabilities: Noncurrent liabilities of the primary government decreased by $537,721 during fiscal year 2023, mainly due to a reduction in current maturities on notes payable offset by an increase in liabilities for compensated absences.

CAPITAL ASSETS AND NONCURRENT LIABILITIES (CONTINUED):

See the notes to the financial statements for additional details related to capital assets and noncurrent liabilities activity.

ECONOMIC FORECAST:

In the past several years, the County has refocused efforts on workforce development, education, and investment in infrastructure necessary for economic development. The unemployment rate in Hart County peaked at 14.4% in June 2009, but had significantly reduced to 2.8% as of November 2019. In March and April 2020, the unemployment rate rose to a high of 10.0% due to the COVID-19 pandemic amid the shutdowns that occurred nationally. As of November 2023, the unemployment rate was reduced to 2.8%.

Hart County has been a leader on workforce development for promoting a stronger economic future. Hart County was one of the first counties in the State of Georgia to be fully workforce ready certified under the WorkKeys program. The County has focused on education through partnerships with the Board of Education and technical colleges, and is only one of eight counties to have a direct partnership with the University of Georgia through their innovative Archway Partnership. Hart County's high school graduation rate was 95.3% in 2023, which far exceeds the State of Georgia's average graduation rate of 84.4%. Hart County has the highest ranking among eleven schools in the Northeast Georgia region and is one of just forty-three districts to record a rate at or above 95% for the 2022-2023 school year.

Hart County has made significant investments in infrastructure for economic development, including development of a 150-acre industrial park at Interstate 85 that has been so successful that the County has tripled the size to 450 acres with over one mile of Interstate 85 road frontage, as well as focusing on the existing Highway 29 industrial park near Hartwell. The County has focused on recruiting higher skilled jobs with a net result of increasing manufacturing wages by 20% to 25% over the next five-year period. Economic development efforts in both industrial parks as well as assisting already established businesses have secured approximately 3,000 new jobs and more than 600 million dollars in new development within the County.

The following factors are expected to have a significant effect on the County's financial position or results of operations and were taken into account in developing the fiscal year 2024 budget.

(1) The overall tax digest is expected to remain at the same level or show some slight increases in 2024 and the Board of Commissioners desires to keep the millage rates at the same level. The County continues to experience an increase in the net value through new construction from industry and residential expansion occurring in the County. These factors will result in a positive impact on property tax revenues through growth rather than an increased tax burden.

(2) Stable or slightly improving sales tax revenue is expected. As part of the refocused economic development effort, a focus on increasing tourism and commerce in Hart County has been a priority in recent years, which is expected to increase sales tax revenues and should further aid in easing the property tax burden.

(3) Interest rates are expected to remain stable in fiscal year 2024. The County focuses its cash reserves in stable interest-bearing vehicles. This also helps in a small way to lessen the property tax burden.

REQUESTS FOR INFORMATION:

The financial report is designed to provide a general overview of Hart County, Georgia's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Clerk, Hart County Board of Commissioners, 800 Chandler Street, Hartwell, Georgia 30643.

Basic Financial Statements

HART COUNTY, GEORGIA
STATEMENT OF NET POSITION
September 30, 2023

	PRIMARY GOVERNMENT			
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Current assets				
Cash and cash equivalents	$ 31,734,542	$ 4,978,058	$ 36,712,600	$ 689,840
Receivables (net of allowance for uncollectibles)	1,153,531	393,982	1,547,513	13,494
Intergovernmental receivables	2,316,446	-	2,316,446	-
Inventory	163,997	62,036	226,033	-
Internal balances	21,475	(21,475)	-	-
Prepaid items	403,532	30,133	433,665	4,237
Current portion of leases receivable	36,811	-	36,811	-
Current portion of restricted cash	13,430,161	322,675	13,752,836	32,173
Note receivables	797,360	-	797,360	-
Total current assets	50,057,855	5,765,409	55,823,264	739,744
Noncurrent assets				
Leases receivable, less current portion	293,740	-	293,740	-
Capital assets				
Non-depreciable	20,088,192	6,085,542	26,173,734	-
Depreciable, net	38,206,133	25,851,669	64,057,802	67,966
Restricted cash, less current portion	-	140,280	140,280	-
Total noncurrent assets	58,588,065	32,077,491	90,665,556	67,966
Total assets	108,645,920	37,842,900	146,488,820	807,710
DEFERRED OUTFLOWS OF RESOURCES				
Proportionate share of deferred pension outflows	-	-	-	621,641
Total deferred outflows of resources	-	-	-	621,641
Total assets and deferred outflows of resources	108,645,920	37,842,900	146,488,820	1,429,351
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES				
LIABILITIES				
Current liabilities				
Accounts payable	1,631,044	298,183	1,929,227	24,683
Other accrued items	314,793	51,180	365,973	-
Due to other funds	42,120	-	42,120	-
Customer deposits	-	208,354	208,354	-
Unearned Revenue	2,598,807	-	2,598,807	-
Compensated absences	578,533	10,697	589,230	41,550
Current portion of notes payable	305,000	257,976	562,976	-
Total current liabilities	5,470,297	826,390	6,296,687	66,233
Noncurrent liabilities				
Compensated absences, less current portion	415,891	22,774	438,665	2,438
Net pension liability	-	-	-	981,180
Net OPEB liability	-	-	-	35,358
Notes payable, less current portion	25,050,000	3,374,782	28,424,782	-
Unamortized certificates of participation premium	415	-	415	-
Total noncurrent liabilities	25,466,306	3,397,556	28,863,862	1,018,976
Total liabilities	30,936,603	4,223,946	35,160,549	1,085,209
DEFERRED INFLOWS OF RESOURCES				
Deferred leases	318,519	-	318,519	-
Proportionate share of deferred pension inflows	-	-	-	100,265
Total deferred inflows of resources	318,519	-	318,519	100,265
Total liabilities and deferred inflows of resources	31,255,122	4,223,946	35,479,068	1,185,474
NET POSITION				
Net investment in capital assets	32,938,910	28,302,853	61,241,763	67,966
Restricted for				
Public safety	3,668,380	-	3,668,380	-
Economic development	516,331	-	516,331	-
Health and welfare	555,731	-	555,731	-
Judicial	24,315	-	24,315	-
Recreation and culture	-	-	-	32,173
Housing and development	27,539	-	27,539	-
Capital projects	23,235,153	316,993	23,552,146	-
Debt service	-	145,950	145,950	-
Unrestricted	16,424,439	4,853,158	21,277,597	143,738
Total net position	$ 77,390,798	$ 33,618,954	$111,009,752	$ 243,877

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

HART COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: PRIMARY GOVERNMENT: Governmental Activities	PRIMARY GOVERNMENT: Business-type Activities	PRIMARY GOVERNMENT: Total	Component Units
Primary government:								
Governmental activities:								
General government	$ 2,956,328	$ 582,687	$ 63,121	$ -	$ (2,310,520)	$ -	$ (2,310,520)	$ -
Judicial	1,290,766	754,865	90,245	-	(445,656)	-	(445,656)	-
Public health and welfare	414,094	116,987	-	-	(297,107)	-	(297,107)	-
Public safety	10,689,627	1,897,609	1,697,895	6,128	(7,087,995)	-	(7,087,995)	-
Public works	4,441,911	-	156,634	770,646	(3,514,631)	-	(3,514,631)	-
Recreation and culture	631,293	48,287	227	-	(582,779)	-	(582,779)	-
Housing and development	540,888	28,134	-	-	(512,754)	-	(512,754)	-
Interest and paying agent fees	691,621	-	-	-	(691,621)	-	(691,621)	-
Total governmental activities	21,656,528	3,428,569	2,008,122	776,774	(15,443,063)	-	(15,443,063)	-
Business-type activities:								
Solid waste	2,283,052	2,104,765	-	-	-	(178,287)	(178,287)	-
COA	107,968	196,459	-	-	-	88,491	88,491	-
IBA	431,753	-	124,249	62,325	-	(245,179)	(245,179)	-
JDA	116,045	-	26,850	-	-	(89,195)	(89,195)	-
HCWSA	2,022,786	2,128,261	11,678	-	-	117,153	117,153	-
Total business-type activities	4,961,604	4,429,485	162,777	62,325	-	(307,017)	(307,017)	-
Total primary government	$ 26,618,132	$ 7,858,054	$ 2,170,899	$ 839,099	$ (15,443,063)	$ (307,017)	$ (15,750,080)	$ -
Component units	$ 1,288,309	$ 278,304	$ 774,831	$ -	$ -	$ -	$ -	$ (235,174)
General revenues								
Real and personal property taxes					8,349,447	-	8,349,447	-
Motor vehicle taxes and title fees					1,832,338	-	1,832,338	-
Sales taxes					9,785,074	-	9,785,074	-
Other taxes					1,905,698	-	1,905,698	-
Alcoholic beverage taxes					110,385	-	110,385	-
Investment earnings					2,048,914	116,682	2,165,596	1,798
Miscellaneous					246,570	-	246,570	27,026
Gain (loss) on disposition of fixed assets					(72,327)	-	(72,327)	-
Total general revenues					24,206,099	116,682	24,322,781	28,824
Transfers					(555,252)	611,113	55,861	-
Total general revenues and transfers					23,650,847	727,795	24,378,642	28,824
Change in net position					8,207,784	420,778	8,628,562	(206,350)
Net position, beginning of year					69,183,014	33,198,176	102,381,190	450,227
Net position, end of year					$ 77,390,798	$ 33,618,954	$ 111,009,752	$ 243,877

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

HART COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2023

	GENERAL	ARPA	MULTIPLE GRANT	JAIL CONSTRUCTION PROJECT	SPLOST #5	INSURANCE PREMIUM TAX	EIP	NONMAJOR	TOTAL GOVERNMENTAL FUNDS
ASSETS									
Cash and cash equivalents	$ 14,105,417	-	-	$ -	$ 14,269,339	$ 1,839,630	$ 357,315	$1,162,841	$ 31,734,542
Inventory	84,535	-	-	-	79,462	-	-	-	163,997
Receivables (net of allowance for uncollectibles)	990,798	29,710	-	37,159	9,116	-	11,892	74,856	1,153,531
Intergovernmental receivables	167,945	-	-	-	466,048	1,682,453	-	-	2,316,446
Due from other funds	1,361,784	-	-	-	-	-	-	20,248	1,382,032
Prepaid items	326,198	6,075	-	-	-	59,646	-	11,613	403,532
Leases receivable	-	-	-	-	-	-	-	330,551	330,551
Restricted cash	-	2,578,385	2,381,674	8,470,102	-	-	-	-	13,430,161
Total assets	$ 17,036,677	$ 2,614,170	$ 2,381,674	$ 8,507,261	$ 14,823,965	$ 3,581,729	$ 369,207	$1,600,109	$ 50,914,792
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
Liabilities									
Accounts payable	$ 261,361	$ 15,363	$ 136,860	$ 769,042	$ 112,401	$ 71,860	28	$ 264,129	$ 1,631,044
Other accrued liabilities	290,361	-	-	-	-	16,971	-	7,461	314,793
Due to other funds	20,248	-	7,550	1,330,312	42,120	2,447	-	-	1,402,677
Unearned revenue	-	2,598,807	-	-	-	-	-	-	2,598,807
Total liabilities	571,970	2,614,170	144,410	2,099,354	154,521	91,278	28	271,590	5,947,321
Deferred inflows of resources									
Deferred leases	-	-	-	-	-	-	-	318,519	318,519
Unavailable revenue - property taxes	156,222	-	-	-	-	-	-	-	156,222
Total deferred inflows of resources	156,222	-	-	-	-	-	-	318,519	474,741
Fund balances									
Nonspendable inventory and prepaid items	410,733	6,075	-	-	79,462	59,646	-	11,613	567,529
Restricted for:									
Public safety	-	(6,075)	-	-	-	3,430,805	-	243,650	3,668,380
Economic development	-	-	-	-	-	-	369,179	147,152	516,331
Health and welfare	-	-	-	-	-	-	-	555,731	555,731
Judicial	-	-	-	-	-	-	-	24,315	24,315
Housing and development	-	-	-	-	-	-	-	27,539	27,539
Capital projects	-	-	2,237,264	6,407,907	14,589,982	-	-	-	23,235,153
Unassigned	15,897,752	-	-	-	-	-	-	-	15,897,752
Total fund balances	16,308,485	-	2,237,264	6,407,907	14,669,444	3,490,451	369,179	1,010,000	44,492,730
Total liabilities, deferred inflows of resources and fund balances	$ 17,036,677	$ 2,614,170	$ 2,381,674	$ 8,507,261	$ 14,823,965	$ 3,581,729	$ 369,207	$1,600,109	$ 50,914,792

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

HART COUNTY, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
For the Year Ended September 30, 2023

Total fund balance of governmental funds		**$ 44,492,730**
Amounts reported for governmental activities in the Statement of Net Position are different due to the following:		
Certain long-term assets are not reported in the Balance Sheet of governmental funds because they are not available to pay current-period expenditures, but they are reported as assets in the Statement of Net Position.		
Notes receivable	$ 809,080	
Less 60-day collections reported as a receivable at the fund level	(11,720)	
		797,360
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. However, in the Statement of Net Position the cost of these assets are capitalized and expensed over their estimated lives through annual depreciation expense. These assets consist of:		
Land	1,358,459	
Construction in progress	18,729,733	
Buildings	10,752,690	
Machinery, equipment and other	7,256,377	
Vehicles	7,823,778	
Infrastructure	68,112,194	
Recreational upgrades	3,306,739	
Less: accumulated depreciation	(59,045,645)	
Total capital assets		58,294,325
Some of the County's revenues will be collected after year-end, but are not available soon enough to pay for the current period expenditures and therefore are deferred inflows of resources in the governmental funds.		
Unavailable revenue - property taxes		156,222
Long-term liabilities and deferred inflows of resources are not due and payable in the current period and therefore are not reported in the governmental funds.		
Certificates of participation	(25,355,000)	
Unamortized certificates of participation premium	(415)	
Compensated absences	(994,424)	
Total long-term liabilities		(26,349,839)
Net position of governmental activities		**$ 77,390,798**

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

HART COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended September 30, 2023

	GENERAL	ARPA	MULTIPLE GRANT	JAIL CONSTRUCTION PROJECT	SPLOST #5	INSURANCE PREMIUM TAX	EIP	NONMAJOR	TOTAL GOVERNMENTAL FUNDS
REVENUES									
Taxes	$ 14,480,735	$ -	$ -	-	$ 5,635,682	$1,661,527	$ -	$ 197,295	$ 21,975,239
Licenses and permits	178,446	-	-	-	-	-	-	27,884	206,330
Intergovernmental	227,305	1,662,834	801,696	-	-	-	-	-	2,691,835
Fines and forfeitures	676,342	-	-	-	-	-	-	169,018	845,360
Charges for services	1,936,247	-	-	-	-	-	-	545,627	2,481,874
Investment earnings	618,385	146,820	87,857	502,909	530,733	109,550	32,437	20,223	2,048,914
Contributions and donations	2,816	-	-	-	-	-	-	-	2,816
Miscellaneous	128,702	-	-	-	24,791	-	175,351	6,000	334,844
Total revenues	18,248,978	1,809,654	889,553	502,909	6,191,206	1,771,077	207,788	966,047	30,587,212
EXPENDITURES									
Current									
General government	2,746,710	224,028	-	-	-	52,565	993	-	3,024,296
Judicial	1,260,953	20,454	-	-	-	-	-	7,900	1,289,307
Health and welfare	391,722	6,997	-	-	-	-	-	23,889	422,608
Public safety	8,142,014	1,465,419	31,088	-	166,267	770,903	-	647,704	11,223,395
Public works	1,285,061	74,547	-	-	41,586	600,000	-	-	2,001,194
Recreation and culture	511,114	15,248	-	-	2,104	-	-	-	528,466
Housing and development	130,536	2,961	-	-	197,000	-	-	177,251	507,748
Intergovernmental	-	-	-	-	55,763	-	-	-	55,763
Capital outlay	-	-	197,908	13,272,834	1,160,657	-	-	-	14,631,399
Debt service									
Interest and paying agent fees	-	-	-	691,621	-	-	-	-	691,621
Total expenditures	14,468,110	1,809,654	228,996	13,964,455	1,623,377	1,423,468	993	856,744	34,375,797
Excess (deficiency) of revenues over (under) expenditures	3,780,868	-	660,557	(13,461,546)	4,567,829	347,609	206,795	109,303	(3,788,585)
OTHER FINANCING SOURCES									
Transfers out	(271,141)	-	-	-	(387,588)	-	-	-	(658,729)
Transfers in	3,477	-	-	-	-	-	-	100,000	103,477
Total other financing sources (uses)	(267,664)	-	-	-	(387,588)	-	-	100,000	(555,252)
Net change in fund balances	3,513,204	-	660,557	(13,461,546)	4,180,241	347,609	206,795	209,303	(4,343,837)
Fund balances, beginning of year	12,795,281	-	1,576,707	19,869,453	10,489,203	3,142,842	162,384	800,697	48,836,567
Fund balances, end of year	$ 16,308,485	$ -	$2,237,264	$ 6,407,907	$14,669,444	$3,490,451	$ 369,179	$1,010,000	$ 44,492,730

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

HART COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2023

Net changes in fund balances of governmental funds:		**$ (4,343,837)**
Amounts reported for governmental activities in the Statement of Activities are different due to the following:		
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. Following is the amount by which the current year depreciation reported in the Statement of Activities exceeds the net capital outlays reported in the governmental funds for the current fiscal year.		
Expenditures for capital assets	$ 15,958,413	
Depreciation expense	(3,130,321)	
Excess of capital outlay over depreciation expense		12,828,092
Proceeds received from contractual note receivable obligations, offset by new notes receivable issued, are recorded as revenue in the governmental funds but have no effect on net position in the Statement of Activities.		
Note receivable issued	-	
Payments received	(175,351)	
Total note receivable issued, net of repayment proceeds		(175,351)
Compensated absences are reported in the Statement of Activities but do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Liability @ 9/30/23	(994,424)	
Liability @ 9/30/22	959,831	
Total increase in compensated absences		(34,593)
Certain revenues will not be collected for several months after the County's fiscal year end, therefore they are not considered current financial resources and are not reported as revenues in the governmental funds.		
Deferred tax revenue at 9/30/23	156,222	
Deferred tax revenue at 9/30/22	(148,519)	
Total increase in deferred revenue		7,703
In the Statement of Activities, only the gain/loss on the sale of various equipment is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the equipment sold.		-
Proceeds received on sale of assets	(1,903)	
Net loss on sale of assets	(72,327)	
Total decrease in miscellaneous revenue		(74,230)
Change in net position of governmental activities		**$ 8,207,784**

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

HART COUNTY, GEORGIA
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2023

	Solid Waste Fund	Corp of Engineers Sites Fund	Hart County Industrial Building Authority	Joint Development Authority of Franklin, Hart & Stephens Counties	Hart County Water & Sewer Authority	Total
ASSETS						
Current assets						
Cash and cash equivalents	$ 565,175	$ 264,368	$ 1,298,476	$ 36,130	$ 2,813,909	$ 4,978,058
Receivables (net of allowance for uncollectibles)	146,409	-	18,306	2,772	226,495	393,982
Inventory	48,148	-	-	-	13,888	62,036
Prepaid items	-	-	4,213	271	25,649	30,133
Current portion of restricted cash	-	-	-	317,805	4,870	322,675
Total current assets	759,732	264,368	1,320,995	356,978	3,084,811	5,786,884
Noncurrent assets						
Capital assets, non-depreciable						
Land	-	-	4,116,049	1,162,331	69,649	5,348,029
Construction in progress	-	-	581,062	-	156,451	737,513
Total non-depreciable capital assets at cost	-	-	4,697,111	1,162,331	226,100	6,085,542
Capital assets, depreciable						
Buildings	309,890	-	-	-	-	309,890
Machinery, equipment and other	813,626	8,515	29,825	33,613	95,213	980,792
Vehicles	133,030	-	-	-	43,212	176,242
Water and sewer lines	-	-	-	-	29,237,598	29,237,598
Infrastructure	-	-	-	4,230,343	-	4,230,343
Less: accumulated depreciation	(673,092)	(426)	(5,219)	(1,349,300)	(7,055,159)	(9,083,196)
Total depreciable capital assets, net	583,454	8,089	24,606	2,914,656	22,320,864	25,851,669
Restricted cash, less current portion	-	-	140,280	-	-	140,280
Total noncurrent assets	583,454	8,089	4,861,997	4,076,987	22,546,964	32,077,491
Total assets	1,343,186	272,457	6,182,992	4,433,965	25,631,775	37,864,375
LIABILITIES						
Current liabilities						
Accounts payable	169,042	4,993	9,124	1,096	113,928	298,183
Other accrued liabilities	11,344	-	17,751	1,066	21,019	51,180
Due to other funds	21,475	-	-	-	-	21,475
Customer deposits	-	-	-	-	208,354	208,354
Compensated absences	8,112	-	-	-	2,585	10,697
Current portion of notes payable	-	-	48,892	32,611	176,473	257,976
Total current liabilities	209,973	4,993	75,767	34,773	522,359	847,865
Noncurrent liabilities						
Compensated absences, less current portion	11,301	-	-	-	11,473	22,774
Notes payable, less current portion	-	-	2,584,537	179,696	610,549	3,374,782
Total noncurrent liabilities	11,301	-	2,584,537	179,696	622,022	3,397,556
Total liabilities	221,274	4,993	2,660,304	214,469	1,144,381	4,245,421
NET POSITION						
Net investment in capital assets	583,454	8,089	2,088,288	3,864,680	21,758,342	28,302,853
Restricted						
Capital projects	-	-	-	316,993	-	316,993
Debt service	-	-	140,280	800	4,870	145,950
Unrestricted	538,458	259,375	1,294,120	37,023	2,724,182	4,853,158
Total net position	$ 1,121,912	$ 267,464	$ 3,522,688	$ 4,219,496	$ 24,487,394	$ 33,618,954

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

HART COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended September 30, 2023

	Solid Waste Fund	Corp of Engineers Sites Fund	Hart County Industrial Building Authority	Joint Development Authority of Franklin, Hart & Stephens Counties	Hart County Water & Sewer Authority	Total
OPERATING REVENUES						
Intergovernmental	$ -	$ -	$ 122,249	$ 8,000	$ -	$ 130,249
Charges for services	2,104,765	196,459	-	-	2,128,261	4,429,485
Other operating revenues	-	-	2,000	18,850	11,678	32,528
Total operating revenues	2,104,765	196,459	124,249	26,850	2,139,939	4,592,262
OPERATING EXPENSES						
Personnel services	527,291	-	106,984	-	222,060	856,335
Professional services	74,883	-	93,271	12,075	65,444	245,673
Purchased property services	62,754	97,845	2,772	6,014	100,093	269,478
Other purchased services	1,431,979	6,648	132,925	3,601	182,387	1,757,540
Supplies and other	155,284	3,049	1,352	609	840,547	1,000,841
Depreciation	30,861	426	1,491	85,719	638,479	756,976
Total operating expenses	2,283,052	107,968	338,795	108,018	2,049,010	4,886,843
Operating income (loss)	(178,287)	88,491	(214,546)	(81,168)	90,929	(294,581)
NON-OPERATING REVENUES (EXPENSES)						
Capital grants	-	-	62,325	-	-	62,325
Interest expense	-	-	(92,958)	(8,027)	(4,476)	(105,461)
Contributions from developers for water line:	-	-	-	-	30,700	30,700
Investment earnings	25,729	-	555	17	90,381	116,682
Total non-operating revenues (expenses)	25,729	-	(30,078)	(8,010)	116,605	104,246
Change in net position before transfers	(152,558)	88,491	(244,624)	(89,178)	207,534	(190,335)
Transfers in	-	-	428,082	49,221	133,810	611,113
Change in net position	(152,558)	88,491	183,458	(39,957)	341,344	420,778
Net position, beginning of year	1,274,470	178,973	3,339,230	4,259,453	24,146,050	33,198,176
Net position, end of year	$ 1,121,912	$ 267,464	$ 3,522,688	$ 4,219,496	$24,487,394	$33,618,954

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

HART COUNTY, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended September 30, 2023

	Solid Waste Fund	Corp of Engineers Sites Fund	Hart County Industrial Building Authority	Joint Development Authority of Franklin, Hart & Stephens Counties	Hart County Water & Sewer Authority	Total
Cash flows from operating activities:						
Cash received from customers	$2,073,062	$ 196,459	$ -	$ -	$ 2,153,145	$ 4,422,666
Other operating receipts	-	-	124,249	8,000	11,678	143,927
Cash payments to suppliers for goods and services	(1,672,385)	(107,513)	(353,897)	(22,304)	(1,173,277)	(3,329,376)
Cash payments to employees for services	(526,234)	-	-	-	(208,178)	(734,412)
Net cash provided by (used in) operating activities	(125,557)	88,946	(229,648)	(14,304)	783,368	502,805
Cash flows from non-capital financing activities:						
Transfers in for operations	-	-	222,073	12,168	-	234,241
Net cash provided by non-capital financing activities	-	-	222,073	12,168	-	234,241
Cash flows from capital and related financing activities:						
Principal paid on notes payable	-	-	(47,214)	(45,566)	(175,562)	(268,342)
Interest paid on notes payable	-	-	(93,066)	(8,185)	(4,552)	(105,803)
Transfers in for capital assets	-	-	178,286	-	133,810	312,096
Transfers in for capital debt service	-	-	128,590	39,689	-	168,279
Grant receipts for capital assets	-	-	281,231	-	-	281,231
Cash contributions from developers for subdivisions	-	-	-	-	30,700	30,700
Acquisition and construction of capital assets	(247,730)	(8,515)	(456,830)	(2,239)	(286,391)	(1,001,705)
Net cash provided by (used in) capital and related financing activities	(247,730)	(8,515)	(9,003)	(16,301)	(301,995)	(583,544)
Cash flows from investing activities:						
Interest received on investments	25,729	-	555	17	90,381	116,682
Net cash provided by (used in) investing activities	25,729	-	555	17	90,381	116,682
Net increase (decrease) in cash and cash equivalents	(347,558)	80,431	(16,023)	(18,420)	571,754	270,184
Cash and cash equivalents, beginning of year	912,733	183,937	1,454,779	372,355	2,247,025	5,170,829
Cash and cash equivalents, end of year	$ 565,175	$ 264,368	$ 1,438,756	$ 353,935	$ 2,818,779	$ 5,441,013
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	$ (178,287)	$ 88,497	$ (214,546)	$ (81,168)	$ 90,929	$ (294,575)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation expense	30,861	426	1,491	85,719	638,479	756,976
Decrease (increase) in accounts receivable for operations	(31,703)	(6)	-	-	9,802	(21,907)
Decrease (increase) in inventory	(18,958)	-	-	-	12,220	(6,738)
Decrease (increase) in prepaid expenses	4,440	-	22	(5)	(3,187)	1,270
Increase (decrease) in accounts payable for operations	50,932	425	(16,615)	-	1,185	35,927
Increase (decrease) in due to other funds	16,101	(396)	-	-	-	15,705
Increase (decrease) in compensated absences	468	-	-	-	(3,648)	(3,180)
Increase (decrease) in other accrued expenses	589	-	-	(18,850)	16,199	(2,062)
Increase (decrease) in customer water deposits	-	-	-	-	21,389	21,389
Total adjustments	52,730	449	(15,102)	66,864	692,439	797,380
Net cash provided by (used in) operating activities	$ (125,557)	$ 88,946	$ (229,648)	$ (14,304)	$ 783,368	$ 502,805
Reconciliation of cash and cash equivalents to proprietary funds Statement of Net Position:						
Cash and cash equivalents per Statement of Cash Flows	$ 565,175	$ 264,368	$ 1,438,756	$ 353,935	$ 2,818,779	$ 5,441,013
Current portion of restricted cash	-	-	-	(317,805)	(4,870)	(322,675)
Restricted cash, less current portion	-	-	(140,280)	-	-	(140,280)
Cash and cash equivalents per Statement of Net Position	$ 565,175	$ 264,368	$ 1,298,476	$ 36,130	$ 2,813,909	$ 4,978,058

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

HART COUNTY, GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS - CUSTODIAL
September 30, 2023

	Total
ASSETS	
Cash and cash equivalents	$ 1,437,203
Taxes receivable	645,094
Total assets	2,082,297
LIABILITIES	
Due to others	2,082,297
Total liabilities	2,082,297
NET POSITION	
Restricted for individuals, organizations, and other governments	$ -

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

HART COUNTY, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS - CUSTODIAL
For the Year Ended September 30, 2023

	Total
ADDITIONS	
Taxes, fines and forfeitures collected for other governments	$ 32,923,204
DEDUCTIONS	
Distributions of taxes, fines and forfeitures to other governments	32,923,204
Change in net position	-
Net position, beginning of year	-
Net position, end of year	$ -

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

HART COUNTY, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
September 30, 2023

	Hart County Library	Hart County Health Department	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Cash and cash equivalents	$ 36,309	$ 653,531	$ 689,840
Receivables (net of allowance for uncollectibles)	7,640	5,854	13,494
Prepaid items	4,237	-	4,237
Restricted cash and investments	32,173	-	32,173
Capital assets			
Machinery, equipment, and other	172,646	19,676	192,322
Books and collections	419,937	-	419,937
Less: accumulated depreciation	(529,025)	(15,268)	(544,293)
Capital assets, net of depreciation	63,558	4,408	67,966
Deferred outflows of resources			
Proportionate share of deferred pension outflows	163,411	458,230	621,641
Total deferred outflows of resources	163,411	458,230	621,641
Total assets and deferred outflows of resources	307,328	1,122,023	1,429,351
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Current liabilities			
Accounts payable	729	23,954	24,683
Compensated absences due within one year	-	41,550	41,550
Non-current liabilities			
Compensated absences due after one year	-	2,438	2,438
Net pension liability	330,564	650,616	981,180
Net OPEB liability	-	35,358	35,358
Deferred inflows of resources			
Proportionate share of deferred pension inflows	22,206	78,059	100,265
Total deferred outflows of resources	22,206	78,059	100,265
Total liabilities and deferred inflows of resources	353,499	831,975	1,185,474
NET POSITION			
Investment in capital assets	63,558	4,408	67,966
Restricted for			
Children's reading books	32,173	-	32,173
Unrestricted	(141,902)	285,640	143,738
Total net position	$ (46,171)	$ 290,048	$ 243,877

Note: The Library and the Health Department have a June 30 year end.

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

HART COUNTY, GEORGIA
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the Year Ended September 30, 2023

	Hart County Library	Hart County Health Department	Total
Expenses			
Public health and welfare	$ -	$ 965,090	$ 965,090
Recreation and culture	323,219	-	323,219
Total expenses	323,219	965,090	1,288,309
Program revenues			
Charges for services	6,075	272,229	278,304
Operating grants and contributions	281,120	493,711	774,831
Capital grants and contributions	-	-	-
Total program revenues	287,195	765,940	1,053,135
Net (expense) revenue	(36,024)	(199,150)	(235,174)
General revenues			
Investment earnings	1,798	-	1,798
Miscellaneous and other	502	26,524	27,026
Total general revenues	2,300	26,524	28,824
Change in net position	(33,724)	(172,626)	(206,350)
Net position, beginning	(12,447)	462,674	450,227
Net position, ending	$ (46,171)	$ 290,048	$ 243,877

Note: The Library and the Health Department have a June 30 year end.

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

Notes to the Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(A) Reporting Entity

Hart County, Georgia was established in 1853 by the Georgia General Assembly under Georgia state law. The County is governed by a five-member Board of Commissioners ("BOC") who serve on a part-time basis and are elected to staggered four-year terms. The BOC appoints a County Administrator who is responsible for the daily operations of the government. In addition, there are four Constitutional Officers; the Tax Commissioner, Probate Court Judge, Sheriff, and Clerk of Superior Court. The Constitutional Officers are elected by the public in countywide elections. The BOC approves budgets and all funding used by the separate Constitutional Officers. The County provides the following programs and services for the citizens of Hart County: judicial, public safety (police and fire), public works, planning and zoning, health and welfare, recreation and culture, community and economic development, environmental, employment and training, solid waste and recycling, and general administrative services.

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the County (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational and financial relationships with the County. In conformity with GAAP, as set forth by GASB Statement 61, "The Financial Reporting Entity: Omnibus an Amendment of GASB Statements No. 14 and 34," the component units' financial statements have been included as blended or discretely presented component units. Blended component units, although legally separate entities, are in substance part of the County's operations so financial data from these units are combined with the financial data of the primary government. Management of the County has operational responsibility for the blended component units. Discretely presented component units are reported separately in the financial statements to emphasize they are legally separate from the County and are reported in a separate column in the government-wide financial statements.

Blended Component Units:

Hart County Industrial Building Authority

The Hart County Industrial Building Authority (the "IBA") was created in 1963 to encourage and promote the expansion and development of industrial and commercial facilities in Hart County, Georgia, so as to relieve possible unemployment within its boundaries. IBA has five board members: The Chairman of the Hart County Board of Commissioners, the Mayor of the City of Hartwell, the President of the Hart County Chamber of Commerce, and two members appointed for five-year terms by the other three members. IBA is dependent upon the County for funding its long-term obligations. IBA has a December 31 year-end, and the financial statements included herein are as of and for the year ended December 31, 2022. Complete financial statements for the IBA can be obtained from the Hart County Industrial Building Authority, P.O. Box 156, Hartwell, Georgia 30643.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(A) Reporting Entity (Continued)

Blended Component Units (Continued):

Joint Development Authority of Franklin, Hart and Stephens Counties

The Joint Development Authority of Franklin, Hart and Stephens Counties (the "JDA") is a public body, corporate and politic, and an instrumentality of the counties of Franklin, Hart and Stephens. JDA has been authorized by the General Assembly of Georgia and has been created and activated by concurrent resolutions of the Boards of Commissioners of said counties duly filed with the Secretary of State of Georgia as a joint development authority under O.C.G.A. 36-62.5.1. The purpose of JDA is to promote the economic development of the geographical areas of its operation, encourage cooperation among economic development organizations within the area of the participating counties, and to exercise all the powers granted to a development authority pursuant to the provisions of O.C.G.A. 36-62-1 et seq. JDA has received a substantial amount of its funding from Hart County. Under GASB Statement 61, the County is required to report JDA as a blended component unit due to the County's guarantee of debt issued to JDA. JDA has a June 30 year-end, and the financial statements included herein are as of and for the year ended June 30, 2023. Complete financial statements of JDA can be obtained from the Joint Development Authority of Franklin, Hart and Stephens Counties, P.O. Box 793, Hartwell, Georgia 30643.

Hart County Water and Sewer Authority

The Hart County Water and Sewer Authority (the "HCWSA") was created by House Bill No. 2141 of the Georgia Assembly on March 30, 1993 and became active during the fiscal year ended September 30, 2001. HCWSA is governed by a five-member HCWSA Board appointed by the County Board of Commissioners for a term of four years. HCWSA is the basic level of government which has oversight responsibility and control over all activities related to water and sewerage systems in Hart County, Georgia. HCWSA receives most of its operating revenues from sales of water service and connection ("tap") fees. HCWSA pays for capital outlay (water lines) with funds passed through from Hart County's Special Purpose Local Option Sales Tax funds ("SPLOST") and other governmental grants. HCWSA is included as a component unit because the Hart County Board of Commissioners appoints all members of HCWSA's Board and can, therefore, impose its will upon HCWSA. Under GASB Statement 61, the County is required to report HCWSA as a blended component unit due to the County's guarantee of debt issued to HCWSA. Complete financial statements of HCWSA can be obtained from its administrative offices at 200 Arthur Street, Hartwell, Georgia 30643.

Discretely Presented Component Units:

Hart County Health Department

The Hart County Health Department (the "Health Department") serves all citizens of Hart County and operates as one of eighteen county health departments under the Georgia Department of Public Health. The Health Department was established as a legally separate entity and operates pursuant to the Georgia Health Code 88-2, Georgia Laws 1964. The Health Department is responsible for the overall coordination of local health activities in Hart County, Georgia including immunizations, communicable diseases, children and women's health, and environmental health, unless a matter falls under the jurisdiction of other agencies. The Health Department is governed by the County Board of Health, a seven-member board of which a voting majority is appointed by the County and includes at least one member of the Hart County Board of Commissioners. The Health Department is funded by the State of Georgia and the County under the Grant-in-Aid provisions. The Hart County Board of Commissioners approves the Health Department's budget. The Health Department has a June 30 year-end, and the financial statements included herein are as of and for the year ended June 30, 2023. Complete financial statements of the Health Department can be obtained from its administrative offices at 64 Reynolds Street, Hartwell, Georgia 30643.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(A) Reporting Entity (Continued)

Discretely Presented Component Units (Continued):

Hart County Library

The Hart County Library (the "Library") serves all citizens of Hart County and operates pursuant to Official Code of Georgia Annotated Sections 20-5-40 through 20-5-59 to provide public library services with costs shared by participating local governmental agencies and grants from the State of Georgia. The Library Board consists of seven members appointed jointly by the Hart County Board of Commissioners, the Hartwell City Council and the Hart County Board of Education. The Library Board is without authority to determine the amount of its funding, except by submission of budget requests to local governmental units from which the Library receives support and to the State of Georgia for state and federal funding. Membership in the Library and participation in library services is at the discretion of each participating governmental agency. The Library Board has the power to designate management, the power to retain unreserved fund balances of local and other funds for continued operations and is the lowest level of oversight responsibility for the Library's operations. The Hart County Board of Commissioners provides a substantial amount of financial support for the operations of the Library. The Library has a June 30 year-end, and the financial statements included herein are as of and for the year ended June 30, 2023. Complete financial statements of the Library can be obtained from its administrative offices at 150 Benson Street, Hartwell, Georgia 30643.

(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 County and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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 or 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 as general revenues. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide statements.

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

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from the governmental funds, while business-type incorporates data from the County's enterprise funds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all the eligibility requirements imposed by the provider are met. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions.

Under the terms of grant agreements, the County funds certain programs by specific grants, resources and/or general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted components of net position available to finance the program. It is the County's policy to first apply grant resources to such programs and then general revenues.

The fund financial statements provide information about the County's funds, including its blended component units and fiduciary funds. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds in a column in the fund financial statements and detailed in the combining section of this report. GASB Statement 34 sets forth minimum standards for the determination of major funds. The County has used the minimum criteria for major fund determination.

Governmental Fund Financial Statements:

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. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, intergovernmental revenues, licenses, and investment income associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year, if available. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount received during the period or within the availability period for this revenue source. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this source. All other revenue items are considered to be measurable and available only when cash is received by the County.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Governmental Fund Financial Statements (Continued):

Special revenue funds are a type of governmental fund used to account for the proceeds of specific revenue sources that are legally or donor restricted to be expended for specified purposes.

Capital projects funds are a type of governmental fund used to account for financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds).

The County reports the following major governmental funds:

General Fund: The General Fund is the County's primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund. The primary revenue sources are real and personal property taxes and charges for ambulance services. The primary expenditures are for human services, public safety, public works, community and economic development, and general governmental services.

ARPA Fund (special revenue fund): The ARPA Fund accounts for the revenue and expenditures of the American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Fund.

Multiple Grant Fund (special revenue fund): The Multiple Grant Fund consists of activity related to various grant awards to include local, state and federal grants for improvements such as road resurfacing. This fund includes both capital projects and special revenue projects, depending on the requirements of the grant.

Jail Construction Project Fund (capital projects fund): The Jail Construction Project Fund accounts for the financial resources provided from the $25,355,000 Certificates of Participation issued in 2022 to construct a new jail.

SPLOST #5 Fund (capital projects fund): The SPLOST #5 Fund accounts for the financial resources provided from the 1% Special Purpose Local Option Sales Tax approved by voters in 2017. Resources are to be used for infrastructure, industrial development, recreation, fire protection, and other capital outlay projects.

Insurance Premium Tax Fund (special revenue fund): The Insurance Premium Tax Fund accounts for the collection of the premium tax placed on insurance companies. This tax is collected at the state level and then distributed for use to the various counties in the state. The primary expenditures in this fund are for fire protection in the County and personnel expenditures for highways and streets.

EIP Fund (special revenue fund): The EIP Fund accounts for the activities of the revolving loans to assist employers in Hart County in creating and/or retaining permanent jobs.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Proprietary Fund Financial Statements:

Proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. These funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges for goods and services provided and pass-through state grant awards for economic development. Operating expenses of the enterprise funds include the cost of those goods and services, pass-through grant expenditures and reimbursements to industries for job creation activities, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The County reports the following major proprietary funds:

Solid Waste Fund: The Solid Waste Fund is a business-type enterprise fund consisting of the activities of the County's solid waste disposal and recycling programs.

Corp of Engineers Sites Fund: The Corp of Engineers Site Fund is a business-type enterprise fund used to account for the activity of campsite rentals at Payne's Creek and Milltown campgrounds.

Hart County Industrial Building Authority: IBA is a blended component unit treated as an enterprise fund consisting of activities to encourage and promote the expansion and development of industrial and commercial facilities in Hart County, Georgia, so as to relieve possible unemployment within its boundaries.

Joint Development Authority of Franklin, Hart and Stephens Counties: JDA is a blended component unit treated as an enterprise fund consisting of activities to promote the economic development of the geographical areas of its operation and encourage cooperation among economic development organizations within the area of the participating counties.

Hart County Water and Sewer Authority: HCWSA is a blended component unit treated as a business-type enterprise fund consisting of activities related to providing water and sewer service to residents of Hart County, Georgia.

Fiduciary Fund Financial Statements:

Custodial Funds – Custodial funds are custodial in nature and do not present results of operations or have a measurement focus. Custodial funds are accounted for using the accrual basis of accounting. These funds are used to account for assets held by the County as an agent for others and therefore are not available to support County programs. The County maintains five custodial funds and account for the receipts and disbursements of funds by the Tax Commissioner, Clerk of Superior Court, Probate Court, Magistrate Court, and Sheriff.

(D) Restricted Assets

Certain cash and cash equivalents, investments, and other assets are classified as restricted assets on the Balance Sheet and/or the Statement of Net Position because their use is limited by applicable debt covenants, escrow arrangements, or other arrangements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(E) Budgetary Data Control

The BOC adopts an annual budget ordinance using the modified basis of accounting for all governmental and proprietary funds. The budget for the proprietary fund is for management control purposes and is not required to be reported. All capital projects funds are budgeted under project ordinances spanning more than one fiscal year and are controlled by project. Project appropriations continue until the projects are complete.

The County does not use the encumbrance system of accounting.

(F) Deposits and Investments

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

Georgia statutes authorize the County to invest in the following:
1. Obligations of the State of Georgia or any other state
2. Obligations of the United States of America ("U.S.")
3. Obligations fully insured or guaranteed by the U.S. government or one of its agencies
4. Obligations of any corporation of the U.S. government
5. Prime bankers' acceptances
6. The State of Georgia local government investment pool (i.e., Georgia Fund 1)
7. Repurchase agreements
8. Obligations of other political subdivisions of the State of Georgia

Any investment or deposit in excess of the federal depository insured amount must be 100% collateralized by state or U.S. obligations.

All investments are recorded at cost, which approximates market value.

(G) Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year, as well as all other outstanding balances between funds, are reported as "due to/from other funds". Amounts are expected to be repaid within one fiscal year. In the government-wide financial statements, certain eliminations are made. Balances between the funds are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

(H) Receivables

In the fund financial statements, material receivables in governmental funds include revenue accruals such as property taxes, grants and other similar intergovernmental revenues since they are usually measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements in accordance with the modified accrual basis of accounting, but not deferred in the government-wide financial statements in accordance with the accrual basis. Accounts receivable comprise the majority of the proprietary fund receivables. Allowances for uncollectible accounts receivable are based upon historical trends, the periodic aging of accounts receivable and management's evaluation of the current status of existing receivables.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(H) Receivables (Continued)

The major receivables for the County consist of property taxes receivable and receivables for the County's Emergency Medical Services department. Real and personal property taxes are levied after acceptance of the County's tax digest by the Georgia Department of Revenue. Property taxes for 2022, other than vehicles, were levied and mailed on October 20, 2022. The taxes were based on January 1, 2022 assessed values and were due on December 20, 2022, after which date liens can be attached. Motor vehicle taxes are assessed January 1, based on values on January 1; due dates are based on the birth date of the registered owner. Penalties and interest on unpaid tax bills are applied in compliance with Georgia Code 48-2-40 and 48-2-44.

The County bills and collects its own property taxes and also collects various taxes for the Hart 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 an agency fund. County property tax revenues are recognized when levied to the extent they result in current receivables. Only the County's tax levy is recognized as revenue when levied and uncollected taxes are recorded as deferred revenue in the General Fund.

(I) Inventories and Prepaid Expenditures

Inventories are valued at cost, using the weighted average method and consist of expendable supplies which are recorded as expenditures when consumed.

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

Governmental funds inventory and prepaid items are equally offset by a reservation of fund balance which indicates they do not constitute an "available spendable resource" even though they are a component of current assets.

(J) Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

GASB Statement 34 required the County to report and depreciate new infrastructure assets effective with the fiscal year ended September 30, 2003. Infrastructure assets are among the largest asset classes of the County. Prior to that time, neither the historical costs, nor related depreciation, of these assets had been reported in the financial statements. The County implemented the requirements for retroactive reporting of major general infrastructure assets during the fiscal year ended September 30, 2007.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their estimated fair value on the date donated. The County defines capital assets as assets with an individual cost of more than $5,000, and an estimated useful life of more than one year. The County's capitalization threshold for infrastructure assets is $50,000. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(J) Capital Assets (Continued)

All reported capital assets are depreciated except for land and construction in progress. Useful lives are estimated based on the County's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following estimated useful lives:

Buildings and improvements	10 to 80 years
Machinery, equipment, and other	5 to 30 years
Vehicles	5 to 30 years
Books and collections	4 to 17 years
Infrastructure	10 to 80 years
Recreational upgrades	10 to 50 years
Water and sewer lines	15 to 50 years

(K) Unearned Revenue

Unearned revenue arises at the governmental and proprietary fund level and at the government-wide level when resources are received by the County before it has a legal claim to them. In subsequent periods, when the County has a legal claim to the resources, the liability for unearned revenue is removed from the Balance Sheet or Statement of Net Position and revenue is recognized.

(L) Compensated Absences

The vacation policy of the County provides for the accumulation of up to one week of earned but unused vacation leave for employees who earn at least three weeks of vacation per year with such leave being fully vested when earned. The County's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave is fully vested when earned and employees will be compensated at their final rate of pay for the unused sick leave upon leaving the County's employment. The liability for accumulated unpaid benefits has been accrued in the proprietary funds and the government-wide Statement of Net Position as compensated absences. These amounts are not considered a current liability within the governmental fund type Balance Sheet since they will be paid from appropriations of subsequent years.

(M) Noncurrent Liabilities

In the government-wide financial statements and the proprietary fund financial statements, leases payable, long-term debt, and other noncurrent obligations are reported as a liability in the applicable governmental activities or proprietary fund type Statement of Net Position.

(N) Deferred Outflows/Inflows of Resources

In addition to assets, the Balance Sheet and Statement of Net Position will report a separate section for deferred outflows of resources when applicable. This separate section, *deferred outflows of resources,* represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then. For the year ended September 30, 2023, the County did not have any items that qualify for reporting in this category, excluding blended component units.

In addition to liabilities, the Balance Sheet and Statement of Net Position will report a separate section for deferred inflows of resources when applicable. This separate section, *deferred inflows of resources,* represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. Excluding blended component units, the County has two items that qualify for reporting in this category. Deferred inflows relating to leases are reported in both statements, whereas unavailable revenue is reported only in the governmental funds Balance Sheet.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(N) Deferred Outflows/Inflows of Resources (Continued)

The governmental funds report unavailable revenue from property taxes not received within 60 days after year end. These amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

(O) Fund Equity

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

Fund Balance: Generally, fund balance represents the difference between the totals of assets plus deferred outflows of resources and liabilities plus deferred inflows of resources under the current financial resources management 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 purpose for which amounts in those funds can be spent. The County itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). 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 through 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 BOC through the adoption of a resolution. The BOC 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 by formal action of the BOC. The BOC is responsible for assigning fund balance.

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.

Fund Balance Flow Assumptions - When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County's policy to use fund balance in the following order: (1st) committed, (2nd) assigned, (3rd) unassigned.

Net Position: Net position represents the difference between all other elements in a Statement of Net Position and is displayed in three components – (1) net investment in capital assets, (2) restricted, and (3) unrestricted.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(O) Fund Equity (Continued)

1. Net Position - The net investment in capital assets component consists of capital assets, including construction in progress on capital assets, net of accumulated depreciation, reduced by the outstanding balance of bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

2. Net Position - The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted funds reported. Assets are reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

3. Net Position - The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

Net Position Flow Assumption - Sometimes the County will fund outlays for a particular purpose from both restricted (i.e., restricted grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

(P) Leases

The County is a lessor on several noncancellable leases. The County recognizes a lease receivable and a deferred inflow of resources with an initial individual value of $10,000 or more in the government-wide, governmental funds and proprietary funds statements. At the commencement of the lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease receivable, adjusted for lease payments received. The deferred inflows of resources are initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date, plus certain initial direct costs. Subsequently, the deferred inflows of resources are amortized over the life of the lease term.

(Q) Management 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(R) Subsequent Events

Subsequent events have been evaluated by management through March 20, 2024, which is the date the financial statements were available to be issued.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The County utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

In the beginning of the budget process, all departments and applicable component units of the government submit requests for appropriations to the County Administrator so that a budget may be prepared. The budget is prepared by fund, function, activity and line item, and includes information on the prior year, current year estimates and requested appropriations for the upcoming fiscal year.

The proposed budget is then presented to the Hart County Board of Commissioners for review. The BOC holds public hearings and may add to, subtract from, or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the County Administrator or the revenue estimates must be changed by an affirmative vote of a majority of the Commissioners on the BOC.

The appropriated budget is prepared by fund, function, and department and is adopted on a basis consistent with GAAP. Increases in appropriations for a department require the approval of the BOC. The legal level of budgetary control (the level at which expenditures may not legally exceed appropriations) is at the department level within individual funds.

For the year ended September 30, 2023, the BOC authorized amendments to include appropriations for some activities that were not originally budgeted and to reclassify certain functional expenditures.

NOTE 3 - FINANCIAL ASSISTANCE TO DISCRETELY PRESENTED COMPONENT UNITS

The primary government of Hart County, Georgia contributed the following amounts to discretely presented component units for operations:

Discretely Presented Component Unit	Amount of Assistance
Hart County Library	$ 78,600
Hart County Health Department	80,000
Total financial assistance to discretely presented component units	$ 158,600

NOTE 4 - DEPOSITS AND INVESTMENT RISK

Deposits - The amount of the total bank balance is classified into three categories of credit risk: 1) cash that is insured or collateralized with securities held by the County or by its agent in the County's name, 2) cash collateralized with securities held by the pledging financial institution's trust department or agent in the County's name and, 3) uncollateralized bank accounts including any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the County's name.

NOTE 4 - DEPOSITS AND INVESTMENT RISK (CONTINUED)

The County's deposits are classified as follows at September 30, 2023:

	Category			Bank	Carrying
	1	2	3	Balance	Amount
Primary Government	$ 3,408,189	$ 39,420,713	$ 8,467,738	$ 51,296,640	$ 50,605,716
Discretely presented component units:					
Hart County Library	$ 13,710	$ 28,684	$ -	$ 42,394	$ 36,309
Hart County Health Department	250,000	440,590	-	690,590	653,531
Total discretely presented component units	263,710	469,274	-	732,984	689,840
Total deposits	$ 3,671,899	$ 39,889,987	$ 8,467,738	$ 52,029,624	$ 51,295,556

Primary Government Cash and Cash Equivalents Reconciliation:

Primary Government Fund Reporting Level	Cash and Cash Equivalents
Governmental funds – Balance Sheet	$ 31,734,542
Governmental funds – Balance Sheet (restricted)	13,430,161
Proprietary funds – Statement of Net Position	4,978,058
Proprietary funds – Statement of Net Position (restricted)	462,955
Total cash and cash equivalents	$ 50,605,716

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 banker's acceptances; the local investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. The County has no investment policy that would further limit its investment choices.

Of the $50,605,716 carrying amount of cash and cash equivalents for the primary government, $34,824,929 is invested in the Local Government Investment Pool "Georgia Fund 1".

Georgia Fund 1 (the "pool") was created by O.C.G.A. 36-83-8 and operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7-like pool. Georgia Fund 1 is managed by the Office of the State Treasurer. The pool is not registered with the Securities and Exchange Commission as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity, and diversification, while maintaining principal ($1 per share value).

NOTE 4 - DEPOSITS AND INVESTMENT RISK (CONTINUED)

Credit Risk (Continued)

Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on $1 per share. Funds included in this pool are not required to be collateralized. Total investments in Georgia Fund 1 as of September 30, 2023 are:

Georgia Fund I	AAAf rated by Standard & Poor's	$ 34,8245,929	28-day WAM

On May 13, 2013, the Hart County Library, a discretely presented component unit, invested restricted funds of $30,000 in a single premium deferred annuity contract through an insurance company with an A.M. Best rating of "A-" (excellent). As of June 30, 2023, the balance in the annuity was $32,173. The amount invested in the annuity contract approximates fair value. The annuity contract does not comply with Georgia law for investment of funds.

Interest Rate Risk

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

Custodial Credit Risk – Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. The County has no formal policy but follows State of Georgia requirements for all deposits that are required to be federally insured or fully collateralized. At September 30, 2023, $8,002,428 of the County's deposits consisted of bond proceeds held by a trustee, which were not required to be collateralized under State law and as such, were exposed to custodial credit risk as they were uninsured and uncollateralized. All remaining deposits of the County were adequately insured or collateralized.

Concentration of Credit Risk

The County has no formal policy on the amount the County may invest in any one issuer.

Foreign Currency Risk

The County has no investments denominated in a foreign currency.

NOTE 5 – RECEIVABLES

Receivables are recorded in the County's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and collectability.

NOTE 5 – RECEIVABLES (CONTINUED)

Receivables at September 30, 2023 for the County's individual major governmental funds and nonmajor governmental funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	General Fund	ARPA Fund	Jail Construction Project Fund	SPLOST #5 Fund	Insurance Premium Fund	EIP Fund	Other Nonmajor Funds	Total Governmental Funds
Receivables:								
Property taxes	$ 218,089	$ -	$ -	$ -	-	$ -	$ -	$ 218,089
Accounts receivable	854,709	29,710	37,159	9,116	-	11,892	74,856	1,017,442
Intergovernmental	167,945	-	-	466,048	1,682,453	-	-	2,316,446
Total receivables, gross	1,240,743	29,710	37,159	475,164	1,682,453	11,892	74,856	3,551,977
Less: Allowance for uncollectibles	(82,000)	-	-	-	-	-	-	(82,000)
Total receivables, net	$ 1,158,743	$ 29,710	$ 37,159	$ 475,164	$ 1,682,453	$ 11,892	$ 74,856	$ 3,469,977
Leases receivable	$ -	$ -	$ -	$ -	$ -	$ -	$ 330,551	$ 330,551
Notes receivable	$ -	$ -	$ -	$ -	$ -	$ 809,080	$ -	$ 809,080

Notes Receivable: EIP Fund

On September 14, 2004, the County created a revolving loan fund as required by the County's participation in the Employment Incentive Program ("EIP"). The revolving loan fund dictates that proceeds from repayment of the loans described below be used to loan funds to assist employers in Hart County in creating and/or retaining permanent jobs primarily for low and moderate income persons.

During fiscal year 2017, the County entered into an agreement with Ritz Instrument Transformers, Inc. to finance the purchase of equipment. The note receivable had an original principal balance of $450,000 together with interest of 3.0% per annum. The note is being repaid in 84 monthly installments of $5,946. As of September 30, 2023, the remaining balance of the note is $36,813, which is all current.

During fiscal year 2018, the County entered into an agreement with Ritz Instrument Transformers, Inc. to finance the purchase of equipment. The note receivable had an original principal balance of $400,000 together with interest of 3.5% per annum. The note is being repaid in 120 monthly installments of $3,909. As of September 30, 2023, the remaining balance of the note is $206,294 with a current amount of $39,987.

During fiscal year 2020, the County entered into an agreement with Ritz Instrument Transformers, Inc. to finance the purchase of equipment. The note receivable had an original principal balance of $330,000 together with interest of 3.25% per annum. The note is being repaid in 120 monthly installments of $3,225. As of September 30, 2023, the remaining balance of the note is $218,606 with a current amount of $31,422.

During fiscal year 2022, the County entered into an agreement with Ritz Instrument Transformers, Inc. to finance the purchase of equipment. The note receivable had an original principal balance of $400,000 together with interest of 3.00% per annum. The note is being repaid in 120 monthly installments of $3,863. As of September 30, 2023, the remaining balance of the note is $347,367 with a current amount of $35,749.

NOTE 5 – RECEIVABLES (CONTINUED)

Accounts receivable as of year-end for the County's discretely presented component units are as follows:

	Library	Health Department	Total
Accounts receivable	$ 7,640	$ 5,854	$ 13,494

The County also has several leases receivable, as more fully described in Note 8.

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES

A summary of interfund receivables and payables as of September 30, 2023, is as follows:

Payable Fund	Receivable Fund	Amount
Insurance Premium Tax	General	$ 2,447
Jail Construction Fund	General	1,330,312
Multiple Grant	General	7,550
General	E-911	20,248
Solid Waste*	General	21,475

**Business-type activity*

Interfund balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Interfund receivables net to zero. All amounts are expected to be paid within one year.

Residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Transfers are used to (1) report revenues in the fund that is required to collect such revenue by statute or budget and transferred to the fund that is required to expend such revenue by statute or budget and (2) account for revenues collected in the General Fund which are to be used by other funds in accordance with budget authorizations or anticipated capital projects. Note 15 provides additional transfer reconciliations for component units with differing year-ends. During the fiscal year, the County made transfers between funds to include the totals from the following table:

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES (CONTINUED)

Interfund transfers were recorded between the following funds:

Transferred From	Transferred To	Purpose	Amount
*General	IBA	See (A) below	$ (158,973)
*General	JDA	See (B) below	(12,168)
*SPLOST #5	IBA	See (D) below	(214,089)
*SPLOST #5	JDA	See (E) below	(39,689)
*SPLOST #5	HCWSA	See (F) below	(133,810)
General	E-911	Operating shortfall	(100,000)
Transfers out per governmental activities			(658,729)
*General	HCWSA	See (C) below	3,477
General	E-911	Operating shortfall	100,000
Transfers in per governmental activities			103,477
Net interfund transfers per governmental activities			$ (555,252)

**Between governmental and business-type activities*

(A) The General Fund transferred $158,973 to IBA for operations. IBA has a December 31, 2022 year end, so the amount recorded as transferred in by IBA is $205,981, resulting in an outstanding transfer timing difference of ($47,008).

(B) The General Fund transferred $12,168 to JDA for operations. JDA has a June 30, 2023 year end, so the amount recorded as transferred in by JDA is $9,532, resulting in an outstanding transfer timing difference of $2,636.

(C) The General Fund recorded a timing difference transfer adjustment of $(3,477) from HCWSA for operations not billed to HCWSA as of year-end. The amount recorded as transferred out by HCWSA is $0, resulting in an outstanding transfer timing difference of $(3,477).

(D) The SPLOST #5 Fund transferred $214,089 to IBA for improvements and payments on debt to purchase several parcels of land for the Gateway Industrial Park. Due to the December 31, 2022 year end, the amounts recorded as transfers in by IBA are $222,101 resulting in an outstanding transfer timing difference of ($8,012).

(E) The SPLOST #5 Fund transferred $39,689 to JDA for improvements and payments on debt to purchase Gateway Industrial Park. The amount recorded as transferred in by JDA is $39,689, resulting in no timing differences.

(F) The SPLOST #5 Fund transferred $133,810 to HCWSA for capital projects. HCWSA recorded $133,810, resulting in no timing differences.

Summary of transfers with outstanding transfer timing differences with blended component units:

Net transfers out per governmental activities	$ (555,252)
IBA transfer timing differences	(55,020)
JDA transfer timing differences	2,636
HCWSA transfer timing differences	(3,477)
Net transfers out per business-type activities	$ (611,113)

NOTE 7 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2023 was as follows:

	Beginning Balance	Additions	Reclassifications and Retirements	Ending Balance
Primary Government:				
Governmental activities:				
Non-depreciable assets:				
Land and improvements	$ 1,358,459	$ -	$ -	$ 1,358,459
Construction in progress	5,169,856	13,559,877	-	18,729,733
Total non-depreciable capital assets	6,528,315	13,559,877	-	20,088,192
Depreciable assets:				
Buildings	10,639,966	112,724	-	10,752,690
Machinery, equipment and other	6,541,081	752,202	(36,906)	7,256,377
Vehicles	6,895,248	1,028,485	(99,955)	7,823,778
Infrastructure	67,617,059	495,135	-	68,112,194
Recreational upgrades	3,296,749	9,990	-	3,306,739
Total depreciable capital assets	94,990,103	2,398,536	(136,861)	97,251,778
Less accumulated depreciation for:				
Buildings	(3,721,780)	(170,491)	-	(3,892,271)
Machinery, equipment and other	(3,985,309)	(316,084)	17,223	(4,284,170)
Vehicles	(4,353,436)	(384,084)	45,408	(4,692,112)
Infrastructure	(43,187,752)	(2,193,125)	-	(45,380,877)
Recreational upgrades	(729,678)	(66,537)	-	(796,215)
Total accumulated depreciation	(55,977,955)	(3,130,321)	62,631	(59,045,645)
Total depreciable capital assets, net	39,012,148	(731,785)	(74,230)	38,206,133
Governmental activities capital assets, net	$ 45,540,463	$ 12,828,092	$ (74,230)	$ 58,294,325
Business-type activities:				
Non-depreciable assets:				
Land and improvements	$ 5,348,029	$ -	$ -	$ 5,348,029
Construction in progress	565,456	270,977	(98,920)	737,513
Total non-depreciable capital assets	5,913,485	270,977	(98,920)	6,085,542
Depreciable assets:				
Buildings	283,666	26,224	-	309,890
Machinery, equipment and other	767,326	213,466	-	980,792
Vehicles	156,392	19,850	-	176,242
Water and sewer lines	29,000,717	141,894	94,987	29,237,598
Infrastructure	4,230,343	-	-	4,230,343
Total depreciable capital assets	34,438,444	401,434	94,987	34,934,865
Less accumulated depreciation for:				
Buildings	(114,556)	(9,879)	-	(124,435)
Machinery, equipment and other	(516,700)	(27,206)	-	(543,906)
Vehicles	(124,718)	(10,837)	-	(135,555)
Water and sewer lines	(6,330,449)	(624,447)	-	(6,954,896)
Infrastructure	(1,239,797)	(84,607)	-	(1,324,404)
Total accumulated depreciation	(8,326,220)	(756,976)	-	(9,083,196)
Total depreciable capital assets, net	26,112,224	(355,542)	94,987	25,851,669
Business-type activities capital assets, net	$ 32,025,709	$ (84,565)	$ (3,933)	$ 31,937,211

NOTE 7 - CAPITAL ASSETS (CONTINUED)

Discretely Presented Component Units:

Hart County Health Department

Capital asset activity for the Health Department for the year ended June 30, 2023 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Depreciable assets:				
Machinery, equipment and other	$ 19,676	$ -	$ -	$ 19,676
Less accumulated depreciation	(14,289)	(979)	-	(15,268)
Capital assets, net	$ 5,387	$ (979)	$ -	$ 4,408

Hart County Library

Capital asset activity for the Library for the year ended June 30, 2023 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Depreciable assets:				
Machinery, equipment and other	$ 169,591	$ 3,054	$ -	$ 172,645
Books and collections	409,433	14,626	(4,121)	419,938
Less accumulated depreciation for:				
Machinery, equipment and other	(132,131)	(8,313)	-	(140,444)
Books and collections	(380,501)	(12,201)	4,121	(388,581)
Capital assets, net	$ 66,392	$ (2,834)	$ -	$ 63,558

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

Primary Government:	
Governmental activities:	
General government	$ 129,351
Housing and development	33,140
Judicial	5,047
Public health and welfare	21,938
Public safety	535,408
Public works	2,302,270
Recreation and culture	103,167
Total depreciation expense - governmental activities	$ 3,130,321
Business-type activities:	
Solid Waste	$ 30,861
Corp of Engineers Sites	426
Hart County Industrial Building Authority	1,491
Joint Development Authority of Franklin, Hart and Stephens Counties	85,719
Hart County Water and Sewer Authority	638,479
Total depreciation expense - business-type activities	$ 756,976

NOTE 8 – LEASES RECEIVABLE

DFACS Building Fund

The County entered into a 15-year lease agreement effective January 1, 2015 with the Georgia Department of Human Resources ("DHR") whereby DHR rents the County's facility known as the Department of Family and Children's Services ("DFACS") building for office space of the Hart County DFACS. An initial lease receivable was recorded on October 1, 2021 in the amount of $402,400, and as of September 30, 2023, the value of the lease receivable is $330,551. The lease requires the lessee to make fixed monthly payments of $3,495 per month through December 31, 2024, and $4,940 per month through December 31, 2029 and carries an interest rate of 1.635%. The value of the deferred inflow of resources as of September 30, 2023 was $318,519 and the County recognized lease revenue of $41,940 during the fiscal year.

The net value of the property under lease is $1,158,768, which is net of accumulated depreciation of $511,528.

BLENDED COMPONENT UNITS:

Hart County Industrial Building Authority

The Hart County Industrial Building Authority has taken title to certain fixtures, equipment and other personal and real property and leased said property to various companies in order to abate ad valorem property taxes as an incentive for the company to locate or expand their operations in Hart County, Georgia. These tax abatement agreements are entered into under the authority of Georgia constitutional amendment, 1963 Ga. Laws, pp. 697.

The leased property is not recorded in the Statement of Net Position or Balance Sheet because each company has the right to purchase the property for a nominal amount at any time before or at the expiration of the lease. Beginning on the dates specified below, each company will pay to IBA an annual lease payment and will pay to the County a payment in lieu of ad valorem taxes ("PILOT"). For leased property that is subject to a lien at the time the company transfers the property, IBA has guaranteed the debt secured by and limited to the amount of the collateral.

The amount of the PILOT payment to the County is based on the amount of ad valorem tax that would be owed if the property was held in the lessee's names, multiplied by the percentages shown on the following "Amount of PILOT Payment" schedule for each year. No later than ten years from the inception of the lease, all lessees will pay 100% of the value of the ad valorem tax.

County property tax revenues were reduced by approximately $870,881 in foregone revenues under these tax abatement agreements entered into by the Hart County Industrial Building Authority. Of this amount, approximately $570,162 would have been payable to the Hart County Board of Education for the school tax portion.

NOTE 8 – LEASES RECEIVABLE (CONTINUED)

BLENDED COMPONENT UNITS: (CONTINUED)

Hart County Industrial Building Authority (Continued)

Company	Leased Property (Collateral)	Material Covenants by Company	Guarantee	Annual Lease Payment	Annual Lease Payments Begin	Start of Lease Term	End of Lease Term	Renewal Options
Nestlé Purina PetCare Company	5 parcels of land, improvements and equipment	Employ and maintain employment for 370 individuals and invest at least $870,000,000 in physical assets in Hart County, Georgia by 12/31/2023.	$ 870,000,000	Amount of principal and interest payments on bond debt.	01/01/21	12/01/20	12/01/35	None
Linde + Wiemann Sales & Engineering Inc.	28.905 acres land, equipment, and personal property	Employ and maintain employment for at least 201 individuals and invest at least $64,000,000 in physical assets in Hart County, Georgia by 12/31/2022. If goals are not met, "community recovery payments" must be made.	$ 64,000,000	Amount of principal and interest payments on bond debt.	03/01/17	03/01/16	03/01/27	None
Haering Asset LP	36.75 acres land, equipment and personal property	Employ and maintain employment for at least 400 individuals and invest at least and additional $50,000,000 in physical assets in Hart County, Georgia by the end of 2026. If goals are not met, "community recovery payments" must be made.	$ 283,000,000	Amount of principal and interest payments on bond debt.	07/01/22	07/01/22	07/01/32	None

Amount of PILOT Payment

(Based on percentage of amount that would be owed for ad valorem tax if property were held in Lessee's name)

Company	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Nestlé Purina PetCare Company	-	0%	0%	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%♦
Linde + Wiemann Sales & Engineering Inc.	0%	0%	0%	0%	0%	0%	20%	40%	60%	80%	100%	-	-
Haering Asset LP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	20%	40%

♦ *Project will be added to the tax roster in phases through 2035*

NOTE 8 – LEASES RECEIVABLE (CONTINUED)

BLENDED COMPONENT UNITS: (CONTINUED)

Joint Development Authority of Franklin, Hart and Stephens Counties

Under a previous OneGeorgia Authority broadband award, JDA entered into a non-cancelable lease agreement with North Georgia Network Cooperative, Inc. ("NGN") to lease fiber optic cable owned by JDA. The lease agreement calls for payments of $18,850 each year for eight years beginning in fiscal year 2016.

The net value of the property under lease is $833,330, which is net of accumulated depreciation of $164,670.

At the end of the lease period, NGN may purchase the leased fiber for the sum of $1. This lease is not considered an exchange transaction or capital lease because the value of the property to be transferred to NGN has a considerably higher value than the lease payments paid by NGN.

The lease expired on June 30, 2023, but the lease purchase option had not been exercised as of the date JDA's financial statements were issued.

NOTE 9 - NONCURRENT LIABILITIES

Landfill Closure and Post Closure Care Costs

State and federal laws and regulations require the County to close and place a final cover on a landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the landfill site for a period of thirty years after closure. On May 1, 1997, in accordance with the provisions of the Georgia Comprehensive Solid Waste Management Act (OCGA 12-8-20) and the Rules of Solid Waste Management, Chapter 391-3-4, the County was issued a closure certificate for its landfill. Although closure and post closure care costs will generally be paid near or after the date the landfill stops accepting waste, accounting principles generally accepted in the United States of America require a portion of the estimated closure and post closure care costs to be reported as an operating expense in each period for which the landfill accepts waste. The County had completely amortized the landfill closure and post closure care liability as of September 30, 2020 which represented the cumulative estimated total amount necessary to perform all future post closure functions based on the use of 100% of the estimated capacity of the landfill. The County has closed the landfill and no useful life exists. Actual costs may be different due to changes in inflation, technology, or applicable laws or regulations. The County meets the Environmental Protection Agency's financial assurance requirements using the financial test method because it has sufficient assets to cover the post closure care costs. The County continues to perform annual monitoring and testing.

NOTE 9 - NONCURRENT LIABILITIES (CONTINUED)

Noncurrent liability activity for the primary government for the year ended September 30, 2023 was as follows:

	Balance	Additions	Reductions	Balance	One Year
Governmental activities:					
Certificates of participation	$ 25,355,000	$ -	$ -	$ 25,355,000	$ 305,000
Certificates premium	415	-	-	415	-
Total debt	25,355,415	-	-	25,355,415	305,000
Compensated absences	959,831	595,467	(560,874)	994,424	578,533
Governmental activities noncurrent liabilities	$ 26,315,246	$ 595,467	$ (560,874)	$ 26,349,839	$ 883,533
Business-type activities:					
Compensated absences	$ 36,651	$ 28,760	$ (31,940)	$ 33,471	$ 10,697
Business-type activities noncurrent liabilities	$ 36,651	$ 28,760	$ (31,940)	$ 33,471	$ 10,697

Certificates of Participation (Direct Borrowing / Placement)

$25,355,000 Series 2022 Certificates of Participation is due in annual installments of $305,000 to $1,505,000 through November 1, 2052; interest at 4.00% to 5.00%. The contract obligates Hart County to pay the debt service obligations on the Hart County Georgia Public Purpose Project Certificates of Participation until the bonds are repaid in order to fund the construction of a new jail.

	Certificates of Participation		
Fiscal Year	Principal	Interest	Total
2024	$ 305,000	$ 1,157,375	$ 1,462,375
2025	425,000	1,140,650	1,565,650
2026	450,000	1,118,775	1,568,775
2027	470,000	1,095,775	1,565,775
2028	495,000	1,071,650	1,566,650
2029-2033	2,865,000	4,952,000	7,817,000
2034-2038	3,585,000	4,231,143	7,816,143
2039-2043	4,400,000	3,397,457	7,797,457
2044-2048	5,480,000	2,290,287	7,770,287
2049-2053	6,880,000	847,401	7,727,401
Total	$ 25,355,000	$ 21,302,513	$ 46,657,513

NOTE 9 - NONCURRENT LIABILITIES (CONTINUED)

Compensated Absences

The liability for compensated absences will be paid by the fund from which the employees' salaries are paid as follows:

Fund	Compensated Absences Liability
Governmental activities:	
General Fund	$ 956,690
E911 Fund	12,655
Insurance Premium Tax Fund	25,079
Total governmental activities	$ 994,424
Business-type activities:	
Solid Waste Fund	$ 19,413
Hart County Water & Sewer	14,058
	$ 33,471

BLENDED COMPONENT UNITS:

Hart County Industrial Building Authority

Conduit Debt Obligations

In March 2016, IBA issued in its name Series 2016 taxable industrial development revenue bonds in the amount of $64,000,000. Monies obtained from the bond issuance were used to acquire, construct and equip a manufacturing facility for Linde + Wiemann Sales & Engineering Inc. (the "L+W Company") serving Hart County, Georgia. The bonds are limited obligation bonds wherein payments of principal and interest are to be made exclusively from lease payments paid by the L+W Company under a capital lease. IBA has no obligation to pay on the Series 2016 bonds, therefore, neither the bond debt nor the capital lease is included in the financial statements of IBA or the County. The bonds mature on March 1, 2027. The outstanding balance of the Series 2016 bonds payable at December 31, 2022 was $42,618,100.

In October 2016, IBA issued in its name Series 2016 taxable industrial development revenue bonds in the amount of $64,000,000. Monies obtained from the bond issuance were used to acquire, construct and equip a manufacturing facility for Haering Asset LP serving Hart County, Georgia. The bonds are limited obligation bonds wherein payments of principal and interest are to be made exclusively from lease payments paid by Haering Asset LP under a capital lease. IBA has no obligation to pay on the Series 2016 bonds, therefore, neither the bond debt nor the capital lease is included in the financial statements of IBA or the County. The bonds were scheduled to mature on May 1, 2033. This bond was refinanced and refunded with a new Series 2022 bond issuance as described below.

NOTE 9 - NONCURRENT LIABILITIES (CONTINUED)

BLENDED COMPONENT UNITS: (CONTINUED)

Hart County Industrial Building Authority (Continued)

Conduit Debt Obligations (Continued)

In December 2022, IBA issued in its name Series 2022 taxable industrial development revenue bonds in the amount of $283,000,000. Monies obtained from the bond issuance were used to (1) refinance and refund the existing Series 2016 bonds for Haering Asset LP as described above, (2) terminate, satisfy and settle all outstanding issues related to the 2016 Memorandum of Understanding and Economic Development Agreement between IBA and Haering Asset LP, and (3) provide new bonding capacity for use in expanding the existing and current project. The bonds are limited obligation bonds wherein payments of principal and interest are to be made exclusively from lease payments paid by Haering Asset LP under a capital lease. IBA has no obligation on the Series 2022 bonds, therefore, neither the bond debt nor the capital lease is included in the financial statements of IBA or the County. The bonds mature on July 1, 2032. The outstanding balance of the Series 2022 bonds payable at December 31, 2022 was unconfirmed.

In December 2020, IBA issued in its name Series 2020 taxable industrial development revenue bonds in the amount of $870,000,000. Monies obtained from the bond issuance were used to (1) retire, refund, and refinance the existing Series 2017 bonds for Nestlé Purina PetCare Company which were originally used to acquire, construct and equip a manufacturing facility serving Hart County, Georgia, and (2) pay the costs of an expansion to the existing facility including one or more new buildings, structures and related improvements, fixtures and equipment. The bonds are limited obligation bonds wherein payments of principal and interest are to be made exclusively from lease payments paid the Nestlé Company under a capital lease. IBA has no obligation on the Series 2020 bonds, therefore, neither the bond debt nor the capital lease is included in the financial statements of IBA. The bonds mature on December 1, 2035. The outstanding balance of the Series 2020 bonds payable at December 31, 2022 was unconfirmed.

Notes Payable

In September 2013, IBA borrowed $3,012,750 through a federally awarded rural development loan from USDA to complete the purchase of 133.9 acres of land located in Gateway Industrial Park in Hart County, Georgia acquired from Janiece Murray White in October 2011. According to the terms of the note, payments of $11,690 with interest at 3.5% per annum are due beginning October 2013 and every month thereafter for a term of 40 years, maturing in September 2053. The note is secured by an intergovernmental agreement from Hart County, Georgia wherein the County agrees to fund the payments from funds earmarked for economic development. In addition, IBA is required to maintain a debt service reserve fund in the amount of $140,280 (equivalent to twelve monthly payments). As of December 31, 2022, this debt service reserve account was fully funded by the County and is reported as restricted cash on the Statement of Net Position as a noncurrent asset.

NOTE 9 - NONCURRENT LIABILITIES (CONTINUED)

BLENDED COMPONENT UNITS: (CONTINUED)

Hart County Industrial Building Authority (Continued)

Notes Payable (Continued)

Noncurrent liability activity for IBA for the year ended December 31, 2022 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
IBA					
Business-type activities:					
USDA note payable	$ 2,680,643	$ -	$ (47,214)	$ 2,633,429	$ 48,892
Business-type activities noncurrent liabilities	$ 2,680,643	$ -	$ (47,214)	$ 2,633,429	$ 48,892

Below is the schedule of future minimum obligated payments:

Fiscal Year	Interest	Principal	Total
2023	$ 91,388	$ 48,892	$ 140,280
2024	89,902	50,378	140,280
2025	87,857	52,423	140,280
2026	85,993	54,287	140,280
2027	84,062	56,218	140,280
2028 - 2032	389,332	312,068	701,400
2033 - 2037	329,454	371,946	701,400
2038 - 2042	258,406	442,994	701,400
2043 - 2047	173,785	527,615	701,400
2048 - 2052	73,015	628,385	701,400
2053	1,101	88,223	89,324
Total	$ 1,664,295	$ 2,633,429	$ 4,297,724
Less: Interest			(1,664,295)
Present value of minimum payments			$ 2,633,429

NOTE 9 - NONCURRENT LIABILITIES (CONTINUED)

BLENDED COMPONENT UNITS: (CONTINUED)

The Joint Development Authority of Franklin, Hart and Stephens Counties

Notes Payable

In May 2014, JDA borrowed $459,950 from Pinnacle Bank in order to reduce the carrying costs on debt previously borrowed to finance a portion of the cost of 130 acres of land used in the development of Gateway Industrial Park. According to the terms of the note, quarterly payments of $9,922 to include interest at 3.5% per annum are due beginning August 2014 and every quarter thereafter for a term of 15 years, maturing in May 2029. The note is secured by an intergovernmental agreement from Hart County, Georgia wherein the County agrees to fund the payments.

In November 2014, JDA borrowed $150,000 on a promissory note from the OneGeorgia Authority as part of a combined grant/loan award to construct a broadband fiber optic network in northeast Georgia. According to the terms of the note, quarterly payments of $4,688 including interest at 0.0% per annum are due beginning July 1, 2015 and every quarter thereafter for a term of 32 quarters. The loan is secured by the lease agreement described in Note 8 and will be fully funded from these lease revenues. The loan matured and was paid off in April 2023.

Noncurrent liability activity for JDA for the year ended June 30, 2023 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
JDA					
Business-type activities:					
Pinnacle Bank note payable	$ 243,811	$ -	$ (31,504)	$ 212,307	$ 32,611
OneGeorgia note payable	14,062	-	(14,062)	-	-
Business-type activities noncurrent liabilities	$ 257,873	$ -	$ (45,566)	$ 212,307	$ 32,611

Below is the schedule of future minimum obligated payments:

Fiscal Year	Interest	Principal	Total
2024	$ 7,078	$ 32,610	$ 39,688
2025	5,895	33,794	39,689
2026	4,688	35,001	39,689
2027	3,438	36,251	39,689
2028	2,148	37,541	39,689
2029	802	37,110	37,912
Total	$ 24,049	$ 212,307	$ 236,356
Less: Interest			(24,049)
Present value of minimum payments			$ 212,307

NOTE 9 - NONCURRENT LIABILITIES (CONTINUED)

BLENDED COMPONENT UNITS: (CONTINUED)

Hart County Water and Sewer Authority

Notes Payable

DWSRF Loan #13-017: In February 2015, HCWSA executed a loan agreement to borrow a maximum amount of $2,000,000 in pass-through federal and state funding from the DWSRF administered by GEFA for the construction of distribution system extensions into the Bethany Church, Rock Springs, and Mouchet Road areas of Hart County, Georgia. According to the terms of the loan agreement, 120 monthly payments of $12,831 to include interest at 0.52% per annum are due beginning upon completion of the project. The note will be secured by HCWSA's revenue raising powers and repayment of the loan is guaranteed by the County. During the year ended September 30, 2917, the full $2,000,000 had been drawn down, and the lender forgave the full $500,000 (25%) of the principal balance of the loan, leaving a net liability of $1,500,000. The first monthly payment was due on November 1, 2017 and the loan will mature on October 1, 2027.

During the year ended September 30, 2023, interest was recorded on this loan in the amount of $3,593 as a nonoperating expense.

DWSRF Loan #15-032: In January 2018, HCWSA executed an amended loan agreement to borrow a maximum amount of $365,000 in pass-through federal and state funding from DWSRF administered by GEFA for the purpose of financing the conversion, replacement, or installation of existing water meters to radio read meters. The original agreement called for a loan amount of $275,000 with 40% principal forgiveness, resulting in a maximum forgiveness of $110,000. Forgiveness is recognized as funds are drawn on the note. The loan was fully drawn down in January 2020 and debt forgiveness of $27,134 was recognized for the year ended September 30, 2020 resulting in the forgiveness of the full $110,000 (40%), leaving a net liability of $255,000. According to the terms of the loan agreement, 120 monthly payments of $2,179 to include interest at .50% per annum. The first monthly payment was due on March 1, 2020 and the loan will mature on February 1, 2030. The note is secured by HCWSA's revenue raising powers and repayment of the loan is guaranteed by Hart County, Georgia.

During the year ended September 30, 2023, interest in the amount of $883 was recorded on this loan as a nonoperating expense.

Noncurrent liability activity for HCWSA for the year ended September 30, 2023 was as follows:

HCWSA	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
DWSRF #13-017	$ 772,243	$ -	$ (150,308)	$ 621,935	$ 151,092
DWSRF #15-032	190,341	-	(25,254)	165,087	25,381
Business-type activities noncurrent liabilities	$ 962,584	$ -	$ (175,562)	$ 787,022	$ 176,473

NOTE 9 - NONCURRENT LIABILITIES (CONTINUED)

BLENDED COMPONENT UNITS: (CONTINUED)

Hart County Water and Sewer Authority (Continued)

Notes Payable (Continued)

Below is the schedule of future minimum obligated payments related to the DWSRF loans.

Fiscal Year	Interest	Principal	Total
2024	$ 3,641	$ 176,473	$ 180,114
2025	2,726	177,388	180,114
2026	1,808	178,306	180,114
2027	883	179,231	180,114
2028	261	38,718	38,979
Thereafter	138	36,906	37,044
Total	$ 9,457	$ 787,022	$ 796,479
Less: Interest			(9,457)
Present value of minimum payments			$ 787,022

Compensated Absences

Activity related to compensated absences for the year ended September 30, 2023 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Accrued Compensated Absences	$ 17,706	$ 16,882	$ (20,530)	$ 14,058	$ 11,473

DISCRETELY PRESENTED COMPONENT UNITS

Hart County Library

See Note 11 for details related to the Library's pension plan liability.

Hart County Health Department

Noncurrent liability activity for the Health Department for the year ended June 30, 2023 was as follows:

	Balance	Additions	Reductions	Balance	One Year
Health Department Business-type activities:					
Compensated absences	$ 41,742	$ 43,776	$ (41,530)	$ 43,988	$ 41,550

NOTE 9 - NONCURRENT LIABILITIES (CONTINUED)

DISCRETELY PRESENTED COMPONENT UNITS: (CONTINUED)

Hart County Health Department (Continued)

Noncurrent Liabilities (Continued)

The liability for compensated absences will be paid by the Hart County Health Department. See Note 11 for details related to the Health Department's pension plan liability.

NOTE 10 - EMPLOYEE BENEFITS AND RETIREMENT PLAN

The County provides certain group insurance benefits for eligible employees who are employed over 90 days. The County does not provide other postemployment benefits ("OPEB"). The Hart County Health Department does provide OPEB. For complete OPEB disclosures and schedules, please see the Health Department's separately issued standalone audited financial statements.

NOTE 11 – PENSION PLANS

Defined Contribution Plan

The County adopted the Hart County Defined Contribution Money Plan, which operates in conjunction with the Deferred Compensation Plan discussed below. The contributions from both plans are invested with Lincoln National Life and Reliastar Life Insurance Companies and are administered by Mack Poss and Associates, an independent third party. The plans can be amended or removed by a majority vote of the Hart County Board of Commissioners. During the fiscal year ended September 30, 2023, the County contributed $110,234 to the plan, based on covered salaries of $3,674,466. Total payroll was $9,897,749. Plan members made voluntary contributions of $211,103.

Deferred Compensation Plan

In 1994, the County created a deferred compensation plan in accordance with Internal Revenue Code 457 to allow employees to defer a portion of their salary through voluntary contributions to the plan.

The following is a summary of the Hart County employee pension plans:

(1) Only full-time employees are eligible. Full time is defined as working more than thirty hours per week.

(2) Employees must complete one year of service to be eligible for participation in the plan. One year of service is defined as 12 consecutive months of full-time service. Any employee with a break in full time service will be treated as a new employee.

(3) The plan is structured in the following manner:
   A. Upon completion of one to three years of service, the employer will match 50% of the employee's contribution to a maximum of 3% of the employee's annual salary.
   B. Upon completion of three to five years of service, the employer will match 75% of the employee's contribution to a maximum of 3% of the employee's annual salary.
   C. Upon completion of five or more years of service, the employer will match 100% of the employee's contribution to a maximum of 3% of the employee's annual salary.

NOTE 11 – PENSION PLANS (CONTINUED)

Defined Compensation Plan (Continued)

(4) Employees will be 100% vested after completion of five years of service. Employees will be 100% vested in his/her contribution immediately.

(5) Participation in the plan and increases in the County match percentage will begin at the first of the month following the employee's anniversary date.

(6) Employees may contribute up to 25% of their annual salary or the maximum allowed by federal law. There are additional catch-up provisions for employees nearing retirement.

(7) Employees will have a choice regarding how their contributions are invested as detailed below:
   A. A fixed account (i.e. annuity) with Reliastar Life Insurance Company.
   B. Fixed and variable accounts (i.e. mutual funds) with Lincoln National - the variable accounts are managed by Janis and Fidelity.
   C. Employees may participate in any combination of available funds in 10% increments.

(8) Employee and employer contributions are tax deferred. Taxes will be due upon withdrawal.

Defined Benefit Plan

DISCRETELY PRESENTED COMPONENT UNITS:

Hart County Library

The Library reports a liability for its proportionate share of the net pension liability related to its participation in the Teachers Retirement System of Georgia. As of June 30, 2023, net pension liability of $330,564 and related deferred pension outflows and inflows of $163,411 and $22,206, respectively, are included in the Combining Statement of Net Position for discretely presented component units. For complete pension disclosures and schedules, please see the Library's separately issued standalone audited financial statements.

Hart County Health Department

The Health Department reports a liability for its proportionate share of the net pension liability related to its participation in the Georgia State Employees' Retirement System. As of June 30, 2023, net pension liability of $650,616 and related deferred net pension outflows and inflows of $458,230 and $78,059, respectively, are included in the Combining Statement of Net Position for discretely presented component units. For complete pension disclosures and schedules, please see the Health Department's separately issued standalone audited financial statements.

NOTE 11 – PENSION PLANS (CONTINUED)

Other Retirement Benefits

In addition to the above plans, certain employees, elected officials, and appointed officials are eligible for participation in various multi-employer cost-sharing defined benefit plans. The County does not make contributions to the plans and are not under the direct control of the County, qualifying the plans as special funding situations under the requirements of GASB guidance. Management has determined the related impact on the financial statements to be immaterial. The pension plans include: Georgia Firefighters' Pension Fund, Peace Officers' Annuity and Benefit Fund of Georgia, Judges of the Probate Courts Retirement Fund of Georgia, Sheriffs' Retirement Fund of Georgia, and Superior Court Clerks' Retirement Fund of Georgia. Further information regarding these plans can be obtained from the plan administrators or websites and the plans' annual reports.

NOTE 12 – HOTEL-MOTEL TAX COMPLIANCE – PRIMARY GOVERNMENT

Hart County, Georgia collects five percent (5%) hotel-motel tax. State statutes require the County to contract with a not-for-profit organization and fund that organization with a minimum of 40% of collections which must be expended on the promotion of tourism and trade. The County has an agreement with Hart County Chamber of Commerce to fund that organization with a minimum of 60% of hotel-motel tax collections.

For the fiscal year ended September 30, 2023, Hart County collected $225,429 in hotel-motel tax and expended $152,995 to the Chamber of Commerce in support of tourism and trade.

NOTE 13 - RISK MANAGEMENT

Material estimates have been made by management about the historical cost of capital assets and the life of the depreciated capital assets. Management has used a conservative approach on these estimates.

The County is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has joined together with other municipalities in the state as part of the Association of County Commissioners of Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Association of County Commissioners of Georgia Group Self-Insurance Workers Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

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

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the worker's compensation law of Georgia. The funds are to pay all costs taxed against the 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.

NOTE 13 - RISK MANAGEMENT (CONTINUED)

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

NOTE 14 - COMMITMENTS AND CONTINGENCIES

Grant Contingencies: The County and its component units participate in a number of revenue sharing grants. Expenditures financed by revenue sharing grants are subject to a compliance audit by the grantor or its representative. If expenditures are disallowed due to noncompliance with program regulations, the County may be required to reimburse the grantor government. The County and the management of the component units believe that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual funds, the overall financial position of the County or the component units.

Litigation: The County is a defendant in several pending lawsuits. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the County. Management intends to contest these open cases vigorously. The County's legal counsel has stated that the outcome of these lawsuits is not presently determinable.

IBA: In May 2016, IBA executed a right of first refusal and option agreement with Haering Asset LP to purchase an additional 18.8 acres adjoining the Haering Company's leased land located in the Gateway II Industrial Park for $15,000 per acre by October 2026. As part of the refinanced 2016 bond issue, the 2016 option agreement was terminated. A new option agreement dated July 1, 2022 was executed for 36.75 acres of land for the Haering project for $15,000 per acre up to a maximum of $232,500 by July 1, 2036. As of the date of these financial statements, this option has not been exercised.

IBA: In January 2019, IBA was awarded a $456,168 federal grant from the Appalachian Regional Commission ("ARC") passed through the Georgia Environmental Finance Authority ("GEFA") for the Gateway III Sewer Lift Station Project. The constructed sewer system and associated roadways will be transferred to the Hart County Water and Sewer Authority upon completion. This grant requires a $195,500 (30%) local match, which will be paid by Hart County, Georgia. As of December 31, 2022, $581,062 had been expended on this project, with $364,604 (62.75%) charged to this grant. The grant was extended to December 31, 2023.

IBA: The Nestle Purina PetCare Company project (the "Nestle Company") is still under construction as of the date of these financial statements. IBA regularly receives preliminary notices to Contractor and/or Interim Lien Notices from subcontractors, some which involve claims which may be in dispute among and/or between these subcontractors, general contractors and the Nestle Company. Most of such claims are paid or settled prior to liens or lawsuits being filed. IBA is indemnified against these claims by these companies and the value of the land leased by the Nestle Company. No lawsuits are pending on any of these preliminary matters or against IBA.

NOTE 15 - RECONCILIATION OF FUNDS EXPENDED TO COMPONENT UNITS

The amounts expended between Hart County, Georgia and the following component units require reconciliations due to differing fiscal year-ends:

Hart County Industrial Business Authority (fiscal year ended December 31, 2022):

Total amount contributed or expended by Hart County on behalf of IBA during the fiscal year ended September 30, 2023	$	373,062
Plus expenditures to IBA between January 1, 2022 and September 30, 2022		703,728
Plus (less) timing differences for end of year accruals and reversals made by IBA and the County at their respective year ends.		(14,397)
Less timing difference for amount recorded by the County in September but not yet recorded by IBA		(384,580)
Less expenditures to IBA between January 1, 2023 and September 30, 2023		(249,731)
Revenue reported by IBA for the fiscal year ended December 31, 2022	$	428,082

Joint Development Authority of Franklin, Hart & Stephens Counties (fiscal year ended June 30, 2023):

Total amount contributed or expended by Hart County on behalf of JDA during the fiscal year ended September 30, 2023	$	51,857
Plus expenditures to JDA between July 1, 2022 and September 30, 2022		9,922
Plus expenditures accrued by JDA at June 30, 2023 but not submitted to the County for reimbursement by September 30, 2023		2,772
Less expenditures by JDA not submitted for reimbursement to the County		(5,408)
Less expenditures to JDA between July 1, 2023 and September 30, 2023		(9,922)
Revenue reported by JDA for the fiscal year ended June 30, 2023	$	49,221

Hart County Health Department (fiscal year ended June 30, 2023):

Total amount contributed or expended by Hart County on behalf of the Health Department ("HD") during the fiscal year ended September 30, 2023	$	80,000
Plus expenditures to the HD between July 1, 2022 and September 30, 2022		20,000
Less expenditures to the HD between July 1, 2023 and September 30, 2023		(20,000)
Revenue reported by the Health Department for the fiscal year ended June 30, 2023	$	80,000

Hart County Library (fiscal year ended June 30, 2023):

Total amount contributed or expended by Hart County on behalf of the Library during the fiscal year ended September 30, 2023	$	78,600
Plus expenditures to the Library between July 1, 2022 and September 30, 2022		19,250
Less expenditures to the Library between July 1, 2023 and September 30, 2023		(19,650)
Revenue reported by the Library for the fiscal year ended June 30, 2023	$	78,200

NOTE 16 - JOINT VENTURES

Hart County participates jointly with Franklin County, Georgia in the Franklin-Hart Airport. Both counties have agreed to allocate funds as part of their respective budgets toward the venture. The Airport is a separate entity that maintains and accumulates assets of its individual ownership. The Airport entity will apply for grants and seek other outside revenue needed to supplement the entity's budget. Hart County contributed $4,375 to the Airport during the year ended September 30, 2023. A copy of the Airport financial statements can be obtained from Franklin-Hart Airport, 710 Hartwell Street, Royston, Georgia 30662.

Under Georgia Law, the County, in conjunction with other cities and counties in the northeast Georgia area, is a member of the Georgia Mountains Regional Commission ("GMRC") and is required to pay annual dues thereto. During the year ended September 30, 2023, the County paid $27,433 in such dues. Membership in a regional commission ("RC") is required by OCGA 50-8-34, which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official in each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. A copy of the GMRC financial statements can be obtained from GMRC, 1310 West Ridge Road, Gainesville, Georgia 30501.

Hart County and Franklin County have contributed funds to the Joint Development Authority of Franklin, Hart and Stephens Counties for the Gateway Industrial Park project. As of June 30, 2023, contributions for this project since inception, exclusive of any grant revenues, have been provided as follows:

	% of Total	Amount
Hart County	92.2%	$ 2,617,465
Stephens County	0.0%	-
Franklin County	7.8%	220,990
Total	100.0%	$ 2,838,455

NOTE 17 - INTERGOVERNMENTAL AGREEMENTS

The County has an agreement with various municipalities in Hart County relating to their allocation and share of the local option sales tax ("LOST"). For the year ended September 30, 2023, the percentage share of the LOST funds was allocated as follows:

City of Hartwell	21.00%
City of Royston	4.25%
City of Canon	0.25%
Town of Bowersville	1.00%

IBA has a rural economic development loan secured by an intergovernmental agreement from the County through USDA requiring payments of $140,280 per year. The loan funds were used to acquire 133.9 acres of additional property in Gateway III Industrial Park. The County provides the funding for these payments to IBA on a monthly basis for forty years beginning October 2013. The County previously provided IBA with a required one-year reserve in the amount of $140,280 to be held by IBA until the USDA releases this reserve requirement at which time the funds can be utilized for purposes such as loan repayment.

JDA has a loan secured by an intergovernmental agreement from the County through Pinnacle Bank requiring payments of $39,688 per year. The loan funds were used to refinance a previous loan for property in Gateway I Industrial Park in order to reduce carrying costs. The County provides the funding for these payments to JDA on a quarterly basis for fifteen years beginning August 2014.

NOTE 17 - INTERGOVERNMENTAL AGREEMENTS (CONTINUED)

HCWSA also has a Drinking Water State Revolving Fund loan #13-017 secured by an intergovernmental agreement from the County through GEFA that will require payments of $153,972 per year. The loan funds are being used to acquire, construct and install additions, extensions, and improvements to the water system in Hart County, to include the Bethany Church and Rock Springs areas.

HCWSA also has a Drinking Water State Revolving Fund loan #15-032 secured by an intergovernmental agreement from the County through GEFA that will require payments of $26,148 per year. The loan funds are being used to acquire and install radio read meters.

Beginning January 1, 2015, the County entered into an intergovernmental agreement with IBA to reimburse IBA for costs related to a consulting agreement with Aeratus Enterprises, LLC for economic developer services.

NOTE 18 – FEDERAL AWARDS

The Schedule of Expenditures of Federal Awards ("SEFA") is a summary of expenditures relating to federal award programs and is required if federal expenditures during the year exceed $750,000. During the prior year ended September 30, 2022, none of the County's blended component units exceeded this threshold for federal awards, but the County itself exceeded this threshold and the SEFA was presented in the County's financial statements for the year ended September 30, 2022.

NOTE 19 – RELATED PARTY TRANSACTIONS

The County and its component units (blended and discretely presented) may enter into contracts and other agreements or transact business with other municipalities, authorities or companies whose Council or Board members may also sit on the County's Board of Commissioners or the board of a component unit.

NOTE 20 - SUBSEQUENT EVENTS

The following is a summary of significant subsequent events occurring after year-end:

1) On November 7 2023, the voters of Hart County approved the SPLOST VI referendum. Over the next six years, the penny sales tax is expected to generate $36 million dollars for capital improvement projects in the County and municipalities. SPLOST VI will be allocated as follows: $23.6 million for County services which includes $12 million for public safety, $4 million for fire, $4.647 million for drinking water expansion, $2.5 million for economic development, and $500,000 for recreation projects. In addition, municipalities will receive the following amounts: $5.19 million to the City of Hartwell, $371.200 to the City of Bowersville, $716,000 to the City of Royston, and $7,400 to the City of Canon.

2) As of the date of these financial statements, a total of $21,879,680 in reimbursable projects costs have been incurred for the new jail facility, which is expected to be complete in late spring of 2024.

3) Hart County has been constructing a new fire station in the Bowersville area of Hart County, Georgia. A total of $464,660 had been expended on the construction as of September 30, 2023. The construction was completed in December 2023.

NOTE 20 - SUBSEQUENT EVENTS (CONTINUED)

4) During the year ended September 30, 2023, the County had expended $95,379 to Harris Computer System for the conversion to their Smart Fusion software. These costs include implementation, training and conversion from the old software. The new system was placed into service on October 1, 2023.

5) On February 13, 2024, the Board of Commissioners approved a $350,000 revolving ten-year loan from EIP Fund.

6) IBA: As of IBA's year-end of December 31, 2022, IBA was awarded a $500,000 OneGeorgia Edge grant to assist in the purchase of machinery and equipment for Nestle Purina Petcare Company in Hartwell, Georgia as part of their Phase 2 expansion project. A draw request was made and the funds received in March 2023.

7) IBA: As of IBA's year-end of December 31, 2022, IBA approved participation in a proposed construction loan transaction between Linde + Wiemann and SouthState Bank, N.A. for a loan in the amount of $16,000,000 to be used to improve the real property owned by IBA. IBA granted a non-recourse Deed to Secure Debt, an Assignment of Rents, and Security Agrement to SouthState conveying the title to the land as security for the construction.

8) HCWSA: In October 2022, HCWSA applied for a loan from GEFA in the amount of $4,985,000 for extending water lines into the Reed Creek area of Hart County. The loan was approved by GEFA with a principal loan forgiveness portion of 50%. The loan has not been officially accepted by the Board of Directors and the application has not been submitted. Both the approval and application are pending. The project will extend over several years.

9) HCWSA: In May 2023, the Board of Directors appoved to expand water service to Will Bailey Road – Beacon Light Road – Mt. Olivet Road in the Mt. Olivet area of Hart County at an estimated cost of approximately $1,480,000. HCWSA's engineers recommended including some additional areas as part of the project. In December 2023, bids were significantly higher than antcipated, so the Board of Directors moved to re-bid the project with a reduced scope of work to exclude the additional areas. Bids are expected to be received in February 2024 and the project completed in the summer of 2024.

10) HCWSA: In January 2024, the Board of Directors approved expanding water service to two poultry operations on the Bowman Highway in Hart County at an estimated cost of approximately $171,500.

NOTE 21 – NEW ACCOUNTING PRONOUNCEMENTS

The County implemented GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for the year ending September 30, 2023. The requirements of this statement are effective for fiscal years beginning after June 15, 2022. The objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public arrangements (PPPs). A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). An APA is an arrangement in which a government compensates an operator for services that may include designing,

NOTE 21 – NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED):

constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The adoption of this statement did not result in any reclassification or restatement to net position, changes in net position, or cash flows.

The County also implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements,* effective for the year ending September 30, 2023. The requirements of this statement are effective for fiscal years beginning after June 15, 2022. The primary objectives of this statement are to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The statement establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability, provides the capitalization criteria for outlays other than subscription payments, including implementaiton costs of a SBITA, and requires note disclosures regarding a SBITA. A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The adoption of this statement did not result in any reclassification or restatement to net position, changes in net position, or cash flows.

Required Supplementary Information

HART COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended September 30, 2023
(Required Supplementary Information)

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 12,083,488	$ 12,756,308	$ 14,480,735	$ 1,724,427
Licenses and permits	29,500	29,500	178,446	148,946
Intergovernmental	163,300	163,300	227,305	64,005
Charges for services	1,730,390	1,730,390	1,936,247	205,857
Fines and forfeitures	530,000	530,000	676,342	146,342
Investment earnings	10,000	10,000	618,385	608,385
Contributions & donations	-	-	2,816	2,816
Miscellaneous	67,000	67,000	128,702	61,702
Total revenues	14,613,678	15,286,498	18,248,978	2,962,480
EXPENDITURES				
Current expenditures				
General government				
General government	161,994	161,994	97,582	(64,412)
Executive	523,484	546,896	546,896	-
Elections	136,876	172,491	172,491	-
Professional	132,000	187,976	187,976	-
Data processing	226,517	226,517	224,288	(2,229)
Tax commissioner	309,767	309,767	301,390	(8,377)
Tax assessor	560,660	560,660	516,407	(44,253)
Risk management	195,000	235,864	235,864	-
Buildings and properties	224,241	458,261	458,261	-
General administration fees	5,304	5,555	5,555	-
Total general government	2,475,843	2,865,981	2,746,710	(119,271)
Judicial				
Superior court	121,275	122,904	122,904	-
Clerk of superior court	396,916	396,916	389,960	(6,956)
District attorney	66,000	66,000	57,115	(8,885)
Magistrate court	233,525	233,525	232,162	(1,363)
Probate court	284,980	284,980	263,388	(21,592)
Juvenile court	70,400	70,400	33,483	(36,917)
Grand jury	40,000	45,569	45,569	-
Board of equalization	10,025	10,731	10,731	-
Public defender	86,900	105,641	105,641	-
Total judicial	1,310,021	1,336,666	1,260,953	(75,713)
Public Safety				
Sheriff	2,888,561	2,997,584	2,997,584	-
Jail operations	2,010,747	2,071,882	2,074,382	2,500
Corrections	41,650	-	-	-
Emergency medical service	2,813,771	2,865,907	2,865,907	-
Coroner and medical examiner	39,054	49,005	49,005	-
Animal control	120,761	126,526	126,526	-
Emergency management	33,994	33,994	28,610	(5,384)
Total public safety	7,948,538	8,144,898	8,142,014	(2,884)

Continued on next page

HART COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended September 30, 2023
(Required Supplementary Information)

Continued from previous page

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Public Works				
Public works administration	20,000	20,000	550	(19,450)
Highways & streets	1,146,774	1,146,774	728,316	(418,458)
Maintenance shop	608,864	608,864	556,195	(52,669)
Total public works	1,775,638	1,775,638	1,285,061	(490,577)
Public Health and Welfare				
Health	84,000	84,000	82,127	(1,873)
Welfare	30,900	30,900	23,175	(7,725)
Senior citizens center	144,860	144,891	144,891	-
Transportation services	142,520	142,520	141,529	(991)
Total public health and welfare	402,280	402,311	391,722	(10,589)
Recreation and Culture				
Recreation	375,001	432,514	432,514	-
Library administration	78,600	78,600	78,600	-
Total recreation and culture	453,601	511,114	511,114	-
Housing and Development				
Agricultural resources	109,954	109,954	90,705	(19,249)
Economic development & assistance	20,585	20,585	20,448	(137)
Airport authority	3,500	4,375	4,375	-
Community action programs	100	-	-	-
Adult basic education	13,650	15,008	15,008	-
Total housing and development	147,789	149,922	130,536	(19,386)
Total expenditures	14,513,710	15,186,530	14,468,110	(718,420)
Excess (deficiency) of revenues over (under) expenditures	99,968	99,968	3,780,868	3,680,900
Other financing sources (uses)				
Carryover of funds	36,332	36,332	-	(36,332)
Transfers out	(136,300)	(136,300)	(271,141)	(134,841)
Transfers in	-	-	3,477	3,477
Total other financing sources (uses)	(99,968)	(99,968)	(267,664)	(167,696)
Net change in fund balance	-	-	3,513,204	3,513,204
Fund balance, beginning of year	12,795,281	12,795,281	12,795,281	-
Fund balance, end of year	$ 12,795,281	$ 12,795,281	$ 16,308,485	$ 3,513,204

HART COUNTY, GEORGIA
AMERICAN RESCUE PROGRAM ACT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended September 30, 2023
(Required Supplementary Information)

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 4,495,169	$ 1,662,834	$ 1,662,834	$ -
Investment earnings	2,500	146,820	146,820	-
Total revenues	4,497,669	1,809,654	1,809,654	-
EXPENDITURES				
Current expenditures				
General government				
General government	31,290	39,219	39,219	-
Elections	1,938	2,422	2,422	-
Data processing	16,938	3,903	3,903	-
Executive	19,842	10,547	10,547	-
Tax commissioner	62,020	61,752	61,752	-
Tax assessor	11,949	33,831	33,831	-
Buildings and properties	2,261	72,354	72,354	-
Total general government	146,238	224,028	224,028	-
Judicial				
Clerk of superior court	96,269	10,765	10,765	-
Probate court	5,813	6,459	6,459	-
Magistrate court	3,875	3,230	3,230	-
Total judicial	105,957	20,454	20,454	-
Public Safety				
Sheriff	311,877	399,576	399,576	-
Jail operations	39,724	61,191	61,191	-
Fire administration	6,136	123,766	123,766	-
Emergency management	-	36,566	36,566	-
Emergency medical service	481,442	506,664	506,664	-
E-911	335,620	324,466	324,466	-
E-911 addressing and permitting	1,938	11,037	11,037	-
Animal control	1,938	2,153	2,153	-
Total public safety	1,178,675	1,465,419	1,465,419	-

Continued on next page

HART COUNTY, GEORGIA
AMERICAN RESCUE PROGRAM ACT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended September 30, 2023
(Required Supplementary Information)

Continued from previous page

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Public Works				
Highways & streets	488,408	36,870	36,870	-
Maintenance shop	16,747	17,493	17,493	-
Solid waste	16,425	20,184	20,184	-
Total public works	521,580	74,547	74,547	-
Public Health and Welfare				
Senior citizens center	2,907	2,691	2,691	-
Transportation services	3,875	4,306	4,306	-
Total public health and welfare	6,782	6,997	6,997	-
Recreation and Culture				
Recreation	34,459	15,248	15,248	-
Total recreation and culture	34,459	15,248	15,248	-
Housing and Development				
Economic development & assistance	1,938	1,615	1,615	-
Code enforcement	-	1,346	1,346	-
Total housing and development	1,938	2,961	2,961	-
Total expenditures	1,995,629	1,809,654	1,809,654	-
Excess (deficiency) of revenues over (under) expenditures	2,502,040	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ 2,502,040	$ -	$ -	$ -

HART COUNTY, GEORGIA
MULTIPLE GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended September 30, 2023
(Required Supplementary Information)

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 770,646	$ 770,646	$ 801,696	$ 31,050
Investment earnings	-	-	87,857	87,857
Total revenues	770,646	770,646	889,553	118,907
EXPENDITURES				
Current				
Public safety	-	31,088	31,088	-
Capital outlay	-	197,908	197,908	-
Total expenditures	-	228,996	228,996	-
Excess (deficiency) of revenues over (under) expenditures	770,646	541,650	660,557	118,907
Fund balances, beginning of year	1,576,707	1,576,707	1,576,707	-
Fund balances, end of year	$ 2,347,353	$ 2,118,357	$ 2,237,264	$ 118,907

HART COUNTY, GEORGIA
INSURANCE PREMIUM TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended September 30, 2023
(Required Supplementary Information)

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 1,500,606	$ 1,500,606	$ 1,661,527	$ 160,921
Investment earnings	10,000	10,000	109,550	99,550
Total revenues	1,510,606	1,510,606	1,771,077	260,471
EXPENDITURES				
Current				
General government	60,356	60,356	52,565	(7,791)
Public safety	762,168	770,903	770,903	-
Public works	600,000	600,000	600,000	-
Total expenditures	1,422,524	1,431,259	1,423,468	(7,791)
Excess (deficiency) of revenues over (under) expenditures	88,082	79,347	347,609	268,262
Fund balances, beginning of year	3,142,842	3,142,842	3,142,842	-
Fund balances, end of year	$ 3,230,924	$ 3,222,189	$ 3,490,451	$ 268,262

HART COUNTY, GEORGIA
EIP SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended September 30, 2023
(Required Supplementary Information)

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Investment earnings	$ 4,500	$ 4,500	$ 32,437	$ 27,937
Miscellaneous revenues	-	-	175,351	175,351
Total revenues	4,500	4,500	207,788	203,288
EXPENDITURES				
General government	1,200	1,200	993	(207)
Total expenditures	1,200	1,200	993	(207)
Excess (deficiency) of revenues over (under) expenditures	3,300	3,300	206,795	203,495
Fund balances, beginning of year	162,384	162,384	162,384	-
Fund balances, end of year	$ 165,684	$ 165,684	$ 369,179	$ 203,495

HART COUNTY, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2023

NOTE 1 - BUDGETARY INFORMATION

Budgets for the General Fund, the Insurance Premium Tax Fund, the Multiple Grant Fund and the EIP Fund are adopted on a basis that is consistent with accounting principles generally accepted in the United States as applied to governments.

During the fiscal year ended September 30, 2023, no expenditures were materially in excess of the amounts appropriated in any of these funds. Excesses are considered to be material if they are both greater than $10,000 and over 3.0% of the department level budget (the legal level of control).

For the Multiple Grant Fund, the capital outlay portion has no budget requirement since it represents the capital projects portion of this fund.

For the EIP Fund, the miscellaneous revenues portion has no budget requirement since it represents payments received for the repayment of loans.

Supplementary Information

Combining and Individual Nonmajor Fund Financial Statements and Budgetary Schedules

Combining Financial Statements
Nonmajor Governmental Funds

Nonmajor Special Revenue Funds
Budgetary Schedules

HART COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2023

	Special Revenue Funds									
	Confiscated Assets	DFACS Building	Drug Abuse Treatment and Education	E911	Jail	Behavioral Health Escrow	Law Library	Hotel Motel Tax	Health Care Services	TOTAL
ASSETS										
Cash and cash equivalents	$ 44,996	$ 356,782	$ 107,140	$ 98,925	$ 31,404	$ 27,539	$ 24,315	$ 392,271	$ 79,469	$ 1,162,841
Receivables (net of allowance for uncollectibles)	-	-	2,383	53,386	3,492	-	-	15,595	-	74,856
Due from other funds	-	-	-	20,248	-	-	-	-	-	20,248
Prepaid items	-	1,425	-	10,188	-	-	-	-	-	11,613
Leases receivable	-	330,551	-	-	-	-	-	-	-	330,551
Total assets	$ 44,996	$ 688,758	$ 109,523	$ 182,747	$ 34,896	$ 27,539	$ 24,315	$ 407,866	$ 79,469	$ 1,600,109
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
Liabilities										
Accounts payable	$ -	$ 825	$ 1,250	$ 116	$ 1,224	$ -	$ -	$ 260,714	$ -	$ 264,129
Other accrued items	-	-	-	7,461	-	-	-	-	-	7,461
Total liabilities	-	825	1,250	7,577	1,224	-	-	260,714	-	271,590
Deferred inflows of resources										
Deferred leases	-	318,519	-	-	-	-	-	-	-	318,519
Total deferred inflows of resourc	-	318,519	-	-	-	-	-	-	-	318,519
Fund balances										
Nonspendable	-	1,425	-	10,188	-	-	-	-	-	11,613
Restricted	44,996	367,989	108,273	164,982	33,672	27,539	24,315	147,152	79,469	998,387
Total fund balances	44,996	369,414	108,273	175,170	33,672	27,539	24,315	147,152	79,469	1,010,000
Total liabilities, deferred inflows of resources and fund balances	$ 44,996	$ 688,758	$ 109,523	$ 182,747	$ 34,896	$ 27,539	$ 24,315	$ 407,866	$ 79,469	$ 1,600,109

HART COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2023

	Special Revenue Funds									
	Confiscated Assets	DFACS Building	Drug Abuse Treatment and Education	E911	Jail	Behavioral Health Escrow	Law Library	Hotel Motel Tax	Health Care Services	TOTAL
REVENUES										
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 197,295	$ -	$ 197,295
Licenses and permits	-	-	-	-	-	-	-	27,884	-	27,884
Charges for services	-	41,940	-	503,687	-	-	-	-	-	545,627
Fines and forfeitures	2,500	-	116,641	-	40,427	-	9,200	250	-	169,018
Investment earnings	-	19,701	242	220	60	-	-	-	-	20,223
Miscellaneous	-	-	-	-	-	6,000	-	-	-	6,000
Total revenues	2,500	61,641	116,883	503,907	40,487	6,000	9,200	225,429	-	966,047
EXPENDITURES										
Current										
Judicial	-	-	-	-	-	-	7,900	-	-	7,900
Public safety	3,400	-	50,851	528,106	56,222	-	-	-	9,125	647,704
Health and welfare	-	17,139	-	-	-	6,750	-	-	-	23,889
Housing and development	-	-	-	-	-	-	-	177,251	-	177,251
Total expenditures	3,400	17,139	50,851	528,106	56,222	6,750	7,900	177,251	9,125	856,744
Excess (deficiency) of revenues over (under) expenditures	(900)	44,502	66,032	(24,199)	(15,735)	(750)	1,300	48,178	(9,125)	109,303
OTHER FINANCING SOURCES										
Transfers in	-	-	-	100,000	-	-	-	-	-	100,000
Total other financing sources (uses)	-	-	-	100,000	-	-	-	-	-	100,000
Net change in fund balances	(900)	44,502	66,032	75,801	(15,735)	(750)	1,300	48,178	(9,125)	209,303
Fund balances, beginning of year	45,896	324,912	42,241	99,369	49,407	28,289	23,015	98,974	88,594	800,697
Fund balances, end of year	$ 44,996	$ 369,414	$ 108,273	$ 175,170	$ 33,672	$ 27,539	$ 24,315	$ 147,152	$ 79,469	$ 1,010,000

HART COUNTY, GEORGIA
CONFISCATED ASSETS - VICE CONTROL SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended September 30, 2023

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Fines and forfeitures	$ -	$ 2,500	$ 2,500	$ -
Miscellaneous	450	-	-	-
Total revenues	450	2,500	2,500	-
EXPENDITURES				
Current				
Public safety	100	3,400	3,400	-
Total expenditures	100	3,400	3,400	-
Excess (deficiency) of revenues over (under) expenditures	350	(900)	(900)	-
Other financing sources (uses)				
Carryover of funds	-	900	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	350	-	(900)	-
Fund balances, beginning of year	45,896	45,896	45,896	-
Fund balances, end of year	$ 46,246	$ 45,896	$ 44,996	$ -

HART COUNTY, GEORGIA
DFACS BUILDING SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended September 30, 2023

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services	$ 69,020	$ 69,020	$ 41,940	$ (27,080)
Investment earnings	2,134	2,134	19,701	17,567
Total revenues	71,154	71,154	61,641	(9,513)
EXPENDITURES				
Current				
Health and welfare	37,750	37,750	17,139	(20,611)
Total expenditures	37,750	37,750	17,139	(20,611)
Excess (deficiency) of revenues over (under) expenditures	33,404	33,404	44,502	11,098
Fund balances, beginning of year	324,912	324,912	324,912	-
Fund balances, end of year	$ 358,316	$ 358,316	$ 369,414	$ 11,098

HART COUNTY, GEORGIA
DRUG ABUSE TREATMENT AND EDUCATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended September 30, 2023

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Fines and forfeitures	$ 24,400	$ 50,851	$ 116,641	$ 65,790
Investment earnings	-	-	242	242
Total revenues	24,400	50,851	116,883	66,032
EXPENDITURES				
Current				
Public safety	10,500	50,851	50,851	-
Total expenditures	10,500	50,851	50,851	-
Excess (deficiency) of revenues over (under) expenditures	13,900	-	66,032	66,032
Fund balances, beginning of year	42,241	42,241	42,241	-
Fund balances, end of year	$ 56,141	$ 42,241	$ 108,273	$ 66,032

HART COUNTY, GEORGIA
E911 SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended September 30, 2023

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services	$ 530,000	$ 530,000	$ 503,687	$ (26,313)
Investment earnings	-	-	220	220
Total revenues	530,000	530,000	503,907	(26,093)
EXPENDITURES				
Current				
Public safety	533,484	533,484	528,106	(5,378)
Total expenditures	533,484	533,484	528,106	(5,378)
Excess (deficiency) of revenues over (under) expenditures	(3,484)	(3,484)	(24,199)	(20,715)
Other financing sources (uses)				
Carryover of funds	3,484	3,484	-	-
Transfers in (out) - General Fund	-	-	100,000	100,000
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	-	75,801	79,285
Fund balances, beginning of year	99,369	99,369	99,369	-
Fund balances, end of year	$ 99,369	$ 99,369	$ 175,170	$ 79,285

HART COUNTY, GEORGIA
JAIL SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended September 30, 2023

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Fines and forfeitures	$ 40,000	$ 40,427	$ 40,427	$ -
Investment earnings	-	60	60	-
Total revenues	40,000	40,487	40,487	-
EXPENDITURES				
Current				
Public safety	42,000	56,222	56,222	-
Total expenditures	42,000	56,222	56,222	-
Excess (deficiency) of revenues over (under) expenditures	(2,000)	(15,735)	(15,735)	-
Other financing sources (uses)				
Carryover of funds	2,000	15,735	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	-	(15,735)	-
Fund balances, beginning of year	49,407	49,407	49,407	-
Fund balances, end of year	$ 49,407	$ 49,407	$ 33,672	$ -

HART COUNTY, GEORGIA
BEHAVIORAL HEALTH ESCROW SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended September 30, 2023

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Miscellaneous	$ 6,000	$ 6,000	$ 6,000	$ -
Total revenues	6,000	6,000	6,000	-
EXPENDITURES				
Current				
Health and welfare	-	6,750	6,750	-
Total expenditures	-	6,750	6,750	-
Excess (deficiency) of revenues over (under) expenditures	6,000	(750)	(750)	-
Other financing sources (uses)				
Carryover of funds	-	750	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	6,000	-	(750)	(750)
Fund balances, beginning of year	28,289	28,289	28,289	-
Fund balances, end of year	$ 34,289	$ 28,289	$ 27,539	$ (750)

HART COUNTY, GEORGIA
LAW LIBRARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended September 30, 2023

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Fines and forfeitures	$ -	$ 7,900	$ 9,200	$ 1,300
Total revenues	-	7,900	9,200	1,300
EXPENDITURES				
Current				
Judicial	-	7,900	7,900	-
Total expenditures	-	7,900	7,900	-
Excess (deficiency) of revenues over (under) expenditures	-	-	1,300	1,300
Fund balances, beginning of year	23,015	23,015	23,015	-
Fund balances, end of year	$ 23,015	$ 23,015	$ 24,315	$ 1,300

HART COUNTY, GEORGIA
HOTEL - MOTEL TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended September 30, 2023

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 135,976	$ 177,251	$ 197,295	$ 20,044
Licenses and permits	-	-	28,134	28,134
Total revenues	135,976	177,251	225,429	48,178
EXPENDITURES				
Current				
Housing and development	45,840	177,251	177,251	-
Total expenditures	45,840	177,251	177,251	-
Excess (deficiency) of revenues over (under) expenditures	90,136	-	48,178	48,178
Fund balances, beginning of year	98,974	98,974	98,974	-
Fund balances, end of year	$ 189,110	$ 98,974	$ 147,152	$ 48,178

HART COUNTY, GEORGIA
HEALTH SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended September 30, 2023

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Charges for services	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-
EXPENDITURES				
Current				
Public safety	-	9,125	9,125	-
Total expenditures	-	9,125	9,125	-
Excess (deficiency) of revenues over (under) expenditures	-	(9,125)	(9,125)	-
Other financing sources (uses)				
Carryover of funds	-	9,125	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	-	(9,125)	-
Fund balances, beginning of year	88,594	88,594	88,594	-
Fund balances, end of year	$ 88,594	$ 88,594	$ 79,469	$ -

Combining Financial Statements

Fiduciary Funds – Custodial Funds

Custodial funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments, and/or other funds. Custodial funds are custodial in nature and do not involve measurement of results of operations.

HART COUNTY, GEORGIA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS - CUSTODIAL
September 30, 2023

	Tax Commissioner	Clerk of Superior Court	Probate Court	Magistrate Court	Sheriff	Total
ASSETS						
Cash and cash equivalents	$ 731,217	$ 293,611	$ 111,360	$ 17,122	$ 283,893	$ 1,437,203
Taxes receivable	645,094	-	-	-	-	645,094
Total assets	1,376,311	293,611	111,360	17,122	283,893	2,082,297
LIABILITIES						
Due to others	1,376,311	293,611	111,360	17,122	283,893	2,082,297
Total liabilities	1,376,311	293,611	111,360	17,122	283,893	2,082,297
NET POSITION						
Restricted for individuals, organizations, and other	$ -	$ -	$ -	$ -	$ -	$ -

HART COUNTY, GEORGIA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS - CUSTODIAL
For the Year Ended September 30, 2023

	Tax Commissioner	Clerk of Superior Court	Probate Court	Magistrate Court	Sheriff	Total
ADDITIONS						
Taxes, fines and forfeitures collected for other governments	$ 30,336,374	$ 1,365,478	$ 670,983	$ 153,283	$ 397,086	$ 32,923,204
DEDUCTIONS						
Distributions of taxes, fines and forfeitures to other governments	30,336,374	1,365,478	670,983	153,283	397,086	32,923,204
Change in net position	-	-	-	-	-	-
Net position, beginning of year	-	-	-	-	-	-
Net position, end of year	$ -	$ -	$ -	$ -	$ -	$ -

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally or donor restricted to expenditures for specified purposes.

This section contains budgetary comparison schedules for each nonmajor special revenue fund with a legally appropriated budget. For special revenue funds determined to be major funds, the budgetary comparison schedules are reported under the Required Supplementary Information section of these financial statements.

MAJOR FUNDS:

Insurance Premium Tax Fund - This fund is used to account for the County's share of the state tax on insurance companies collected by Georgia. The monies collected are used for the fire department and street department.

Multiple Grant Fund - This fund is used to account for the proceeds received from federal and state sources for various grants to include multi-year Georgia Local Management Improvement Grants ("LMIG") for road resurfacing.

ARPA Fund – This fund is used to account for the revenues and expenditures of the American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Fund.

NONMAJOR FUNDS:

Confiscated Assets – Vice Control Fund – This fund is used to account for the proceeds received from the federal government from sales of confiscated assets and is designated for use by law enforcement for investigative purposes.

DFACS Building Fund - This fund is used to account for the collection of rental payments received from the Department of Human Resources for the Department of Family and Children's Services (DFACS).

Drug Abuse Treatment and Education Fund - This fund is used to account for the County's share of fines and forfeitures collected by the court system specifically designated for drug abuse treatment and education.

E911 Fund - This fund is used to account for the County's share of telephone fees for the operation of their 911 emergency system.

Jail Fund - This fund is used to account for the collection of fines and forfeitures specifically designated for operation of the County's Jail.

Behavioral Health Escrow Fund - This fund is used to account for the maintenance and upkeep of the Behavioral Health facility.

Hotel-Motel Tax Fund – This fund is used to account for the collections of Hotel-Motel taxes and the County's support for the Chamber of Commerce.

Law Library - The Law Library records are maintained separately from the County. This fund is used to account for the court fines and fees legally restricted for the operation of the County's Law Library. There is no legally adopted budget for the Law Library.

Health Services Fund - This fund is used to account for activity transferred to the County by the now defunct Hart County Hospital Authority.

Part III

Supplemental Schedules Section

This section contains schedules required by the State of Georgia.



HART COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX (SPLOST #5)
For the Year Ended September 30, 2023

Project	Estimated Cost		Expenditures			Estimated Percentage of Completion
	Original	Current	Prior Years	Current Year	Total	
Roads, streets, and bridges	$ 3,600,900	$ 3,653,995	$ 2,067,551	$ 658,763	$ 2,726,314	74.61%
Water system capital outlay	3,200,000	3,215,227	1,979,196	133,810	2,113,006	65.72%
Economic development capital outlay	3,200,000	3,093,057	1,217,262	450,778	1,668,040	53.93%
Capital outlay projects for the City of Royston	358,400	358,400	131,470	42,856	174,326	48.64%
Capital outlay projects for the Town of Bowersville	185,600	185,600	28,935	-	28,935	15.59%
Capital outlay projects for the City of Canon	37,100	37,100	19,927	12,907	32,834	88.50%
Capital outlay projects for the City of Hartwell	2,304,000	2,304,000	2,304,000	-	2,304,000	100.00%
Fire protection facilities and equipment	1,400,000	1,406,624	529,216	549,822	1,079,038	76.71%
Public safety equipment and capital improvements	1,214,000	1,214,000	743,238	149,935	893,173	73.57%
Recreation capital improvements	500,000	531,997	217,746	12,094	229,840	43.20%
Total	$ 16,000,000	$ 16,000,000	$ 9,238,541	$2,010,965	$ 11,249,506	

Note A: The SPLOST schedule has been prepared on the modified accrual basis of accounting.

Note B: On November 7, 2017, the special one percent sales tax #5 was approved by voters in Hart County with funds to be specifically used for:

1) Roads, streets, and bridges
2) Water system capital outlay projects
3) Economic development capital outlay projects
4) Fire fighting, public safety and recreation equipment and capital improvements
5) Capital outlay projects for the Cities of Royston, Canon, and Hartwell and the Town of Bowersville

Note C: The estimated $16,000,000 SPLOST was approved by election held on November 7, 2017, and shall continue for a period of six years with collections that started on April 1, 2018.

Part IV

Compliance Section

This section contains compliance reports and schedules required by *The Uniform Guidance* and *Government Auditing Standards*.



BURCH, CROOMS & COMPANY, LLP
Certified Public Accountants

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Ruth D. Hein

March 20, 2024

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*

The Honorable Chairman and
Members of the Board of Commissioners
Hart County
Hartwell, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Hart County, Georgia, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise Hart County, Georgia's basic financial statements and have issued our report thereon dated March 20, 2024. Our report includes a reference to other auditors who audited the financial statements of the Hart County Health Department, a component unit of Hart County, Georgia, as described in our report on Hart County, Georgia'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 Hart County, Georgia's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Hart County, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of Hart County, Georgia's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiences described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002 to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2023-003 to be signficiant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hart County, Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2023-003.

Hart County, Georgia's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Hart County, Georgia's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Hart County, Georgia's response was not subjected to the other audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

We noted certain other matters involving the internal control over financial reporting that we have reported to the management of Hart County, Georgia in a separate letter dated March 20, 2024.

Purpose of This Report

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

Burch, Crooms & Company, LLP

BURCH, CROOMS & COMPANY, LLP
Certified Public Accountants

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March 20, 2024

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

The Honorable Chairman and
Members of the Board of Commissioners
Hart County
Hartwell, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Hart County, Georgia's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Hart County, Georgia's major federal programs for the year ended September 30, 2023. Hart County, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Hart County, Georgia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Hart County, Georgia and to meet our ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Hart County, Georgia's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Hart County, Georgia's federal programs.

Consultants to Small Businesses and Members of Private Companies Practice Section
of the American Institute of Certified Public Accountants

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Hart County, Georgia's compliance based on our audit. 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 accept auditing standards, *Government Auditing Standards,* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Hart County, Georgia's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Hart County, Georgia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Hart County, Georgia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Hart County, Georgia's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2023-003. Our opinion on each major program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Hart County, Georgia's response to the noncompliance findings described in the accompanying schedule of findings and questioned costs. Hart County, Georgia's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type

of compliance requirement of a federal program that is less severe that a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Burch, Crooms & Company, LLP

HART COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Passed-Through Amounts to Subrecipients	Federal Expenditures
U.S. Department of Defense				
Passed-through the Georgia Office of the State Treasurer (GA OST)				
Payments to States in Lieu of Real Estate Taxes	12.112	8590-14917	$ -	$ 84,148
Total passed-through GA OST			-	84,148
Total U.S. Department of Defense			-	84,148
U.S. Department of the Interior				
Direct Programs				
Payments in Lieu of Taxes (PILT)	15.226	Hart County, Georgia	-	63,121
Total U.S. Department of the Interior			-	63,121
U.S. Department of Transportation				
Passed-through the Georgia Department of Transportation (GA DOT)				
Formula Grants for Other Than Urbanized Areas	20.509	GA-2022-003-00	-	60,135
Formula Grants for Other Than Urbanized Areas	20.509	GA-2023-003-00	-	12,351
Total passed-through the GA DOT			-	72,486
Total U.S. Department of Transportation			-	72,486
U.S. Department of the Treasury				
Direct Programs				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	LLAMXHM78E88	-	1,662,834
Total U.S. Department of the Treasury			-	1,662,834
U.S. Department of Homeland Security				
Passed-through the Georgia Emergency Management Agency (GEMA)				
Emergency Management Performance Grants	97.042	OEM22-075	-	7,550
Total passed-through GEMA			-	7,550
Total U.S. Department of Homeland Security			-	7,550
Total Expenditures of Federal Awards			$ -	$ 1,890,139

The accompanying notes are an integral part of this schedule.

HART COUNTY, GEORGIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards ("SEFA") is a summary of the expenditures relating to Hart County, Georgia's (the "County") federal award programs for the year ended September 30, 2023. The County's reporting entity is defined in Note 1 to the County's basic financial statements. The SEFA includes all federal award programs administered by the primary government and includes awards received directly from federal agencies as well as federal awards passed through other governmental agencies. The SEFA does not include the federal activity of the Hart County Industrial Building Authority ("IBA") or the Hart County Water and Sewer Authority ("HCWSA"), blended component units of the County since their federal awards are included in separate audits in compliance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), if applicable.

(B) Basis of Presentation

The SEFA presents total federal awards expended for each individual federal program in accordance with the Uniform Guidance. Federal award program titles are reported as presented in the Catalog of Federal Domestic Assistance ("CFDA"). Pass-through entity identifying numbers are presented where available.

(C) Basis of Accounting

The information in the SEFA is presented in accordance with the requirements of the Uniform Guidance. Expenditures are reported on the accrual basis of accounting based on accounting principles generally accepted in the United States of America. Such expenditures are recognized following the cost principles outlined in the Uniform Guidance, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. The accrual basis of accounting incorporates an estimation approach to determine the amount of expenditures incurred if not yet billed by a vendor. The County has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

(D) Relationship to the Basic Financial Statements

The amounts reported in the SEFA agree, in all material respects, to amounts reported within the County's basic financial statements, excluding amounts reported by blended component units. Because the schedule presents only a selected portion of the operations of the County, it is not intended to, and does not, present the net position, change in net position, or cash flows of the County.

(E) Federal Loans Programs with Continuing Compliance Requirements

As of September 30, 2023, the County, excluding blended component units, has no outstanding federal loan balances that are subject to the continuing compliance requirements of the Uniform Guidance, therefore no federal loan balances are included in the federal expenditures presented in the SEFA.

HART COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2023

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance to GAAP:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	X Yes	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	X Yes	None reported
Noncompliance material to financial statements noted?	Yes	X No

Federal Awards

Internal control over major federal programs:		
Material weakness(es) identified?	Yes	X No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	Yes	X None reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified	
Audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	Yes	X No

Identification of major federal programs:

CFDA Number	Name of Federal Program or Cluster
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000	
Does the auditee qualify as a low risk auditee?	Yes	X No

HART COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

SECTION II - FINANCIAL STATEMENT FINDINGS

Finding 2023-001

Material weakness in internal control over financial reporting

Condition: Two bank accounts held by a bond trustee for the Capital Projects Fund were not recorded in the County's trial balance and, therefore, activity for the fiscal year ending September 30, 2023 was incomplete.

Criteria: Effective internal control over financial reporting requires Hart County to maintain accurate financial records to correctly report all revenues and expenditures.

Effect: Failure to report all revenues and expenditures can materially understate the County's financial position. $464,293 of investment earnings were omitted and $16,096,241 of construction draws from these accounts were incorrectly recorded as receipts from new debt.

Questioned costs: No questioned costs noted.

Cause: The noted bank accounts are related to previously issued bonds for the jail construction project and are held by a trustee. It appears accounting personnel did not receive copies of bank statements and were unaware of the need to record and reconcile the activity in these accounts.

Recommendation: We recommend accounting personnel be made aware of all bank accounts in the County's name, record activity on a timely basis, and reconcile accounts monthly.

Corrective action plan: Management concurs with this finding. Amounts will be recorded and monthly reconciliations will be prepared, effective immediately.

Contact person: Terrell Partain, County Administrator

Finding 2023-002

Material weakness in internal control over financial reporting

Condition: Payments were made directly to vendors on behalf of blended component units without being recorded by the blended component unit, resulting in the component unit having unrecorded expenses and transfers.

Criteria: Effective internal control requires that all transactions between the County and the component units be recorded by both the County and the component unit so that amounts net to zero.

Effect: Paying vendors directly may lead to material misstatements on both the County and the component units' financial statements. IBA's financial statements are materially understated by $384,580 and will require a prior period adjustment.

Questioned costs: No questioned costs noted.

Cause: The County paid an invoice directly to legal counsel on behalf of the Hart County Industrial Building Authority ("IBA") in the amount of $364,580. This amount was correctly disclosed as a transfer timing difference in the County's prior fiscal year due to IBA and the County having different year ends. The timing difference should have reversed in the current fiscal year, however, this payment was never recorded in IBA's accounting records since the payment was never made from IBA's bank accounts. A similar payment was made to a vendor on behalf of the Hart County Water & Sewer Authority ("HCWSA"), although this payment was discovered and recorded by HCWSA since the County and HCWSA have the same fiscal year end.

SECTION II - FINANCIAL STATEMENT FINDINGS (CONTINUED)

Finding 2023-002 (Continued)

Recommendation: The County should submit invoices they receive for component units to the respective component unit for payment. Subsequently, the component unit can seek reimbursement from the County or if the component unit does not have adequate funds to pay an invoice, the County can make an operating transfer rather than paying the invoice directly. All costs for a component unit need to be paid from their own accounts in order to be captured in their records.

Corrective action plan: Management concurs with this finding. With the exception of benefit payments and allocated utilities for HCWSA, transfers will be made to the component unit so they can handle and pay the vendor payments directly, effective immediately.

Contact person: Terrell Partain, County Administrator

Finding 2023-003

Noncompliance with financial reporting requirements
Significant deficiency in internal control over financial reporrting

Condition: National Opioid Settlement Funds were not accounted for in the proper fund.

Criteria: State law requires the County follow the Georgia Department of Community Affairs Uniform Chart of Accounts.

Effect: Failure to follow the Georgia Department of Community Affairs Uniform Chart of Accounts can lead to noncompliance. In April 2023, an amendment was issued requiring the National Opioid Settlement funds be accounted for in a special revenue fund (#213).

Questioned costs: No questioned costs noted.

Criteria: Effective internal control requires County personnel be trained in the state legal requirements under the Uniform Chart of Accounts, stay current of any amendments and adhere to those requirements.

Recommendation: We recommend personnal move the National Opioid Settlement funds to the new special revenue fund as soon as possible.

Corrective action plan: Management concurs with this finding. A new fund will be set up and all activity will be moved to the new accounts, effective immediately.

Contact person: Terrell Partain, County Administrator

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported