TALBOT COUNTY, GEORGIA

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2023

INTRODUCTORY SECTION

TALBOT COUNTY, GEORGIA

FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2023

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FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
of Talbot County, Georgia
Talbotton, Georgia

Report on Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Talbot County, Georgia (the "County") as of and for the fiscal 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 the County as of September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison information for the General Fund; the Transportation Investment Act ("TIA") Fund; and the American Rescue Plan Act ("ARPA") Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Talbot County Department of Public Health, which represents 43.09% of the assets, 42.82% of the net position, and 79.39% of the revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Talbot County Department of Public Health, is based solely on the report of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated April 1, 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 Talbot County, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
April 1, 2024

BASIC FINANCIAL STATEMENTS

TALBOT COUNTY, GEORGIA

STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Department of Public Health	Development Authority
ASSETS					
Cash and cash equivalents	$ 12,445,733	$ 112,199	$ 12,557,932	$ 361,275	$ 358,019
Receivables, net of allowances:					
Taxes	597,011	-	597,011	-	-
Accounts	124,609	87,773	212,382	729	-
Due from other governments	61,751	120,133	181,884	-	-
Internal balances	16,073	(16,073)	-	-	-
Inventories	-	11,320	11,320	-	-
Prepaid items	157,795	-	157,795	-	-
Right to use asset net of accumulated amortization	-	-	-	4,185	-
Capital assets, non-depreciable	1,302,790	147,377	1,450,167	-	116,336
Capital assets, depreciable, net of accumulated depreciation	4,725,445	1,758,671	6,484,116	14,388	25,569
Total assets	19,431,207	2,221,400	21,652,607	380,577	499,924
LIABILITIES					
Accounts payable	297,258	38,235	335,493	867	2,671
Accrued liabilities	-	3,234	3,234	-	-
Customer deposits	-	198,300	198,300	-	-
Unearned revenue	955,685	-	955,685	-	-
Due to other governments	-	-	-	1,207	-
Due within one year:					
Financed purchases	58,342	7,901	66,243	-	-
Leases	-	-	-	1,620	-
Revenue bonds payable	-	87,598	87,598	-	-
Due in more than one year:					
Financed purchases	173,485	-	173,485	-	-
Leases	-	-	-	2,565	-
Notes payable	-	76,666	76,666	-	-
Revenue bonds payable	-	1,995,437	1,995,437	-	-
Landfill post-closure costs	491,131	-	491,131	-	-
Total liabilities	1,975,901	2,407,371	4,383,272	6,259	2,671

TALBOT COUNTY, GEORGIA

STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	Primary Government			Component Units	
NET POSITION	Governmental Activities	Business-type Activities	Total	Department of Public Health	Development Authority
Net investment in capital assets	$ 5,796,408	$ 683,798	$ 6,480,206	$ 14,388	$ 141,905
Restricted for:					
Judicial	38,221	-	38,221	-	-
Public safety	85,372	-	85,372	-	-
Capital projects	4,469,848	-	4,469,848	-	-
Other purposes	-	-	-	33,685	-
Unrestricted	7,065,457	(869,769)	6,195,688	326,245	355,348
Total net position	$ 17,455,306	$ (185,971)	$ 17,269,335	$ 374,318	$ 497,253

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

TALBOT COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL 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
Primary government				
Governmental activities:				
General government	$ 2,800,021	$ 1,152,894	$ 1,277,643	$ -
Judicial	489,189	216,151	-	-
Public safety	2,921,866	192,242	17	-
Public works	2,912,652	-	-	538
Health and welfare	617,614	-	-	-
Culture and recreation	435,238	-	-	-
Planning and community development	107,768	-	-	-
Interest on long-term debt	18,394	-	-	-
Total governmental activities	10,302,742	1,561,287	1,277,660	538
Business-type activities:				
Water system	1,230,436	1,083,142	-	51,111
Total business-type activities	1,230,436	1,083,142	-	51,111
Total primary government	$ 11,533,178	$ 2,644,429	$ 1,277,660	$ 51,649
Component units				
Department of Public Health	$ 273,359	$ 80,504	$ 217,850	$ -
Development Authority	32,886	-	20,000	-
Total component units	$ 306,245	$ 80,504	$ 237,850	$ -
General revenues:				
Property taxes				
Sales taxes				
Insurance premiums				
Motor vehicle and mobile home				
Other taxes				
Interest revenue				
Gain on sale of assets				
Total general revenues				
Change in net position				
Net position (deficit), beginning of year				
Net position (deficit), end of year				

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

Net (Expenses) Revenues and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Department of Public Health	Development Authority
$ (369,484)	$ -	$ (369,484)	$ -	$ -
(273,038)	-	(273,038)	-	-
(2,729,607)	-	(2,729,607)	-	-
(2,912,114)	-	(2,912,114)	-	-
(617,614)	-	(617,614)	-	-
(435,238)	-	(435,238)	-	-
(107,768)	-	(107,768)	-	-
(18,394)	-	(18,394)	-	-
(7,463,257)	-	(7,463,257)	-	-
-	(96,183)	(96,183)	-	-
-	(96,183)	(96,183)	-	-
(7,463,257)	(96,183)	(7,559,440)	-	-
-	-	-	24,995	-
-	-	-	-	(12,886)
-	-	-	24,995	(12,886)
4,266,271	-	4,266,271	-	-
2,298,455	-	2,298,455	-	-
332,324	-	332,324	-	-
425,024	-	425,024	-	-
181,470	-	181,470	-	-
132,363	31	132,394	-	226
5,700	-	5,700	-	57,205
7,641,607	31	7,641,638	-	57,431
178,350	(96,152)	82,198	24,995	44,545
17,276,956	(89,819)	17,187,137	349,323	452,708
$ 17,455,306	$ (185,971)	$ 17,269,335	$ 374,318	$ 497,253

TALBOT COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	General Fund	TIA Fund	SPLOST Fund	Capital Improvements Fund	ARPA Fund
ASSETS					
Cash and cash equivalents	$ 6,585,674	$ 1,739,140	$ 2,729,393	$ 322,539	$ 945,119
Receivables, net:					
Taxes receivable	418,985	58,205	119,821	-	-
Accounts receivable	124,609	-	-	-	-
Due from other governments	61,751	-	-	-	-
Due from other funds	966,348	-	-	-	10,566
Prepaid items	157,795	-	-	-	-
Total assets	$ 8,315,162	$ 1,797,345	$ 2,849,214	$ 322,539	$ 955,685
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 104,516	$ -	$ 176,711	$ 16,031	$ -
Unearned revenues	-	-	-	-	955,685
Due to other funds	10,566	-	-	950,000	-
Total liabilities	115,082	-	176,711	966,031	955,685
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	257,192	-	-	-	-
Unavailable revenue - EMS	107,875	-	-	-	-
Total deferred inflows of resources	365,067	-	-	-	-
FUND BALANCES (DEFICIT)					
Fund balances					
Non-spendable for:					
Prepaid items	157,795	-	-	-	-
Restricted for:					
Judicial	-	-	-	-	-
Public safety	-	-	-	-	-
Capital projects	-	1,797,345	2,672,503	-	-
Unassigned	7,677,218	-	-	(643,492)	-
Total fund balances (deficit)	7,835,013	1,797,345	2,672,503	(643,492)	-
Total liabilities, deferred inflows of resources and fund balances	$ 8,315,162	$ 1,797,345	$ 2,849,214	$ 322,539	$ 955,685

Amounts reported for governmental activities in the Statement of Net Position are different because:
- Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.
- Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.
- Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.
  - Financed purchases
  - Landfill post-closure costs

Net position of governmental activities

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

Nonmajor Governmental Funds	Total Governmental Funds
$ 123,868	$ 12,445,733
-	597,011
-	124,609
-	61,751
-	976,914
-	157,795
$ 123,868	$ 14,363,813
$ -	$ 297,258
-	955,685
275	960,841
275	2,213,784
-	257,192
-	107,875
-	365,067
-	157,795
38,221	38,221
85,372	85,372
-	4,469,848
-	7,033,726
123,593	11,784,962
$ 123,868	
	6,028,235
	365,067
$ (231,827)	
(491,131)	(722,958)
	$ 17,455,306

TALBOT COUNTY, GEORGIA

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

	General Fund	TIA Fund	SPLOST Fund	Capital Improvements Fund	ARPA Fund
Revenues					
Property taxes	$ 4,362,574	$ -	$ -	$ -	$ -
Sales tax	684,255	706,603	907,597	-	-
Motor vehicle and mobile home tax	425,024	-	-	-	-
Other taxes	181,470	-	-	-	-
Licenses and permits	61,840	-	-	-	-
Charges for services	1,091,054	-	-	-	-
Fines and forfeitures	254,806	-	-	-	-
Intergovernmental	1,025,169	-	-	-	168,139
Interest revenue	131,845	-	485	53	518
Miscellaneous	84,335	-	-	-	-
Total revenues	8,634,696	706,603	908,082	53	168,657
Expenditures					
Current:					
General government	2,059,542	-	-	-	168,657
Judicial	483,939	-	-	-	-
Public safety	2,817,272	-	-	-	-
Public works	1,652,804	351,659	-	-	-
Health and welfare	617,614	-	-	-	-
Culture and recreation	78,772	-	-	-	-
Planning and community development	107,768	-	-	-	-
Intergovernmental	-	-	136,139	-	-
Capital outlay	-	-	785,468	581,813	-
Debt service:					
Principal	81,948	256,019	-	-	-
Interest	7,688	10,706	-	-	-
Total expenditures	7,907,347	618,384	921,607	581,813	168,657
Excess (deficiency) of revenues over (under) expenditures	727,349	88,219	(13,525)	(581,760)	-
Other financing sources (uses)					
Issuance of leases	57,436	-	-	-	-
Transfers in	32,500	-	-	-	-
Transfers out	-	-	-	-	-
Sale of capital assets	5,700	-	-	-	-
Total other financing sources (uses)	95,636	-	-	-	-
Net change in fund balances	822,985	88,219	(13,525)	(581,760)	-
Fund balance, beginning of year	7,012,028	1,709,126	2,686,028	(61,732)	-
Fund balance (deficit), end of year	$ 7,835,013	$ 1,797,345	$ 2,672,503	$ (643,492)	$ -

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

Nonmajor Governmental Funds	Total Governmental Funds
$ -	$ 4,362,574
-	2,298,455
-	425,024
-	181,470
-	61,840
-	1,091,054
45,712	300,518
-	1,193,308
17	132,918
-	84,335
45,729	10,463,820
-	2,228,199
3,236	487,175
11,870	2,829,142
-	2,004,463
-	617,614
-	78,772
-	107,768
-	136,139
-	1,367,281
-	337,967
-	18,394
15,106	10,212,914
30,623	250,906
-	57,436
-	32,500
(32,500)	(32,500)
-	5,700
(32,500)	63,136
(1,877)	314,042
125,470	11,470,920
$ 123,593	$ 11,784,962

TALBOT COUNTY, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Amounts reported for governmental activities in the Statement of Activities are different because:		
Net change in fund balances - total governmental funds		$ 314,042
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.		
Capital outlay	$ 289,634	
Depreciation	(691,594)	(401,960)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		11,572
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Principal repayment - financed purchases		337,967
Issuance of financed purchase		(57,436)
Landfill liability		(35,329)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Compensated absences		9,494
Changes in net position - governmental activities		$ 178,350

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

TALBOT COUNTY, GEORGIA

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

	Original	Final	Actual Amount	Variance with Final Budget
Revenues				
Property taxes	$ 4,353,847	$ 4,353,847	$ 4,362,574	$ 8,727
Sales tax	442,000	442,000	684,255	242,255
Insurance premium	391,483	391,483	332,324	(59,159)
Motor vehicle and mobile home tax	404,921	404,921	425,024	20,103
Other taxes	192,782	192,782	181,470	(11,312)
Licenses and permits	45,900	45,900	61,840	15,940
Charges for services	1,223,503	1,223,503	1,091,054	(132,449)
Fines and forfeitures	334,700	334,700	254,806	(79,894)
Intergovernmental	910,865	910,865	1,025,169	114,304
Interest revenue	15,000	15,000	131,845	116,845
Miscellaneous	93,006	93,006	84,335	(8,671)
Total revenues	8,408,007	8,408,007	8,634,696	226,689
Expenditures				
Current:				
General government:				
General administration	592,342	592,342	467,392	124,950
County commissioners	496,427	496,427	491,759	4,668
Tax commissioner	311,982	311,982	307,799	4,183
Tax assessor	294,798	294,798	276,902	17,896
Elections	308,591	308,591	216,339	92,252
Public buildings	358,380	358,380	299,351	59,029
Total general government	2,362,520	2,362,520	2,059,542	302,978
Judicial:				
Probate court	193,724	193,724	165,084	28,640
Clerk of superior court	257,893	257,893	236,215	21,678
Magistrate	24,850	24,850	19,954	4,896
Appeal administration	13,484	13,484	7,979	5,505
Other court services	80,840	80,840	54,707	26,133
Total judicial	570,791	570,791	483,939	86,852
Public safety:				
Ambulance service	952,789	952,789	882,347	70,442
Coroner	34,049	34,049	35,056	(1,007)
Fire	100,680	100,680	160,009	(59,329)
Sheriff and jail	1,678,307	1,678,307	1,645,312	32,995
Emergency management	84,640	84,640	55,572	29,068
Regional E-911	36,489	36,489	38,976	(2,487)
Total public safety	2,886,954	2,886,954	2,817,272	69,682
Public works:				
Landfill	501,800	501,800	535,398	(33,598)
Public works	1,108,582	1,108,582	1,117,406	(8,824)
Total public works	1,610,382	1,610,382	1,652,804	(42,422)

(Continued)

TALBOT COUNTY, GEORGIA

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

	Original	Final	Actual	Variance with Final Budget
Expenditures (Continued)				
Current (Continued):				
Health and welfare:				
Transit	$ 404,295	$ 404,295	$ 388,103	$ 16,192
Nutrition	165,621	165,621	117,166	48,455
Health appropriations	110,009	110,009	112,345	(2,336)
Total health and welfare	679,925	679,925	617,614	62,311
Culture and recreation:				
Parks	56,783	56,783	35,047	21,736
Libraries	43,725	43,725	43,725	-
Total culture and recreation	100,508	100,508	78,772	21,736
Planning and community development:				
County agent	36,499	36,499	33,190	3,309
Building and zoning	63,959	63,959	54,041	9,918
Planning and community development appropriations	20,537	20,537	20,537	-
Total planning and community development	120,995	120,995	107,768	13,227
Debt service				
Principal	75,932	75,932	81,948	(6,016)
Interest	-	-	7,688	(7,688)
Total debt service	75,932	75,932	89,636	(13,704)
Total expenditures	8,408,007	8,408,007	7,907,347	500,660
Excess of revenues over expenditures	-	-	727,349	727,349
Other financing sources				
Proceeds from sale of capital assets	-	-	5,700	5,700
Issuance of leases	-	-	57,436	57,436
Transfers in	-	-	32,500	32,500
Total other financing sources	-	-	95,636	95,636
Net change in fund balance	-	-	822,985	822,985
Fund balance, beginning of year	7,012,028	7,012,028	7,012,028	-
Fund balance, end of year	$ 7,012,028	$ 7,012,028	$ 7,835,013	$ 822,985

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

TALBOT COUNTY, GEORGIA

TIA FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Original	Final	Actual Amount	Variance with Final Budget
Revenues				
Intergovernmental	$ 706,603	$ 706,603	$ 706,603	$ -
Total revenues	706,603	706,603	706,603	-
Expenditures				
Current:				
Public works	-	351,659	351,659	-
Debt service:				
Principal	-	256,019	256,019	-
Interest	-	10,706	10,706	-
Total expenditures	-	618,384	618,384	-
Net change in fund balance	706,603	88,219	88,219	-
Fund balance, beginning of year	1,709,126	1,709,126	1,709,126	-
Fund balance, end of year	$ 2,415,729	$ 1,797,345	$ 1,797,345	$ -

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

TALBOT COUNTY, GEORGIA

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

	Original	Final	Actual Amount	Variance with Final Budget
Revenues				
Intergovernmental	$ -	$ 168,139	$ 168,139	$ -
Interest	-	518	518	-
Total revenues	-	168,657	168,657	-
Expenditures				
Current:				
General government	-	168,657	168,657	-
Total expenditures	-	168,657	168,657	-
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ -	$ -	$ -

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

TALBOT COUNTY, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2023

	Major Enterprise Fund Water System
ASSETS	
Current assets:	
Cash	$ 112,199
Accounts receivable, net of allowance	87,773
Due from other governments	120,133
Inventory	11,320
Total current assets	331,425
Capital assets:	
Capital assets, non-depreciable	147,377
Capital assets, depreciable, net of accumulated depreciation	1,758,671
Total non-current assets	1,906,048
Total assets	2,237,473
LIABILITIES	
Current liabilities:	
Accounts payable	38,235
Customer deposits	198,300
Due to other funds	16,073
Accrued interest	3,234
Financed purchase payable, current portion	7,901
Revenue bonds payable, current portion	87,598
Total current liabilities	351,341
Non-current liabilities:	
Note payable	76,666
Revenue bonds payable	1,995,437
Total non-current liabilites	2,072,103
Total liabilites	2,423,444
NET POSITION (DEFICIT)	
Investment in capital assets	683,798
Unrestricted	(869,769)
Total net position (deficit)	$ (185,971)

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

TALBOT COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Major Enterprise Fund Water System
Operating revenues	
Charges for services	$ 929,774
Miscellaneous	153,368
Total operating revenues	1,083,142
Operating expenses	
Salaries and benefits	222,016
Water purchases	585,477
Services and supplies	218,582
Depreciation	34,422
Other	109,961
Total operating expenses	1,170,458
Operating loss	(87,316)
Non-operating revenues (expenses)	
Interest expense	(59,978)
Interest revenue	31
Intergovernmental	51,111
Total non-operating expenses, net	(8,836)
Change in net position	(96,152)
Net position (deficit), beginning of year	(89,819)
Net position (deficit), end of year	$ (185,971)

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

TALBOT COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Major Enterprise Fund Water System
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 1,180,956
Payments to employees	(223,944)
Payments to suppliers and service providers	(897,530)
Net cash provided by operating activities	59,482
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal paid on finance purchase	(14,862)
Proceeds from note payable	76,666
Intergovernmental	51,111
Principal paid on revenue bonds	(85,225)
Interest paid on capital debt	(60,110)
Purchase of capital assets	(127,777)
Net cash used in capital and related financing activities	(160,197)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest earned	31
Net cash provided by investing activities	31
Net change in cash and cash equivalents	(100,684)
Cash and cash equivalents:	
Beginning of year	212,883
End of year	$ 112,199
Classified as:	
Cash	$ 112,199
	$ 112,199
Reconciliation of operating loss to net cash provided by operating activities:	
Operating loss	$ (87,316)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	34,422
Decrease in accounts receivable	97,814
Increase in inventories	(366)
Increase in customer deposits	11,082
Increase in accounts payable	15,640
Decrease in due from other governments	(9,866)
Decrease in compensated absences	(1,928)
Net cash provided by operating activities	$ 59,482

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

TALBOT COUNTY, GEORGIA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2023

	Custodial Funds
ASSETS	
Cash and cash equivalents	$ 617,523
Taxes receivable	371,970
Total assets	$ 989,493
LIABILITIES	
Due to others	$ 194,825
Uncollected taxes	371,970
Total liabilities	$ 566,795
NET POSITION	
Restricted for individuals, organizations, and other governments	$ 422,698

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

TALBOT COUNTY, GEORGIA

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

	Custodial Funds
ADDITIONS	
Taxes collected	$ 6,189,735
Fines and fees collected	641,244
Total additons	6,830,979
DEDUCTIONS	
Taxes disbursed	6,186,594
Fines and fees disbursed	627,387
Total deductions	6,813,981
Change in net position	16,998
Net position, beginning of year	405,700
Net position, end of year	$ 422,698

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

Discretely Presented Component Units

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

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

Talbot County Department of Public Health
1073 Woodland Hwy
Talbotton, Georgia 31827

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Discretely Presented Component Units (Continued)

Development Authority of Talbot County ("Development Authority")

Identifies, attracts and locates new business, industry and tourism in the County for the purposes of increasing trade, commerce, industry, tourism and employment opportunities. The County Board of Commissioners appoints a majority of the Board of Directors. The Development Authority of the County's financial statements have been presented separately and can be obtained by writing to:

Talbot County Industrial Development Authority
P.O. Box 98
12 East Madison Street
Talbotton, Georgia 31827

B. Government-wide and Fund Financial Statements

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

The County reports the following major proprietary fund:

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

Additionally, the County reports the following fund types:

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

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

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

D. Deposits and Investments

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

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

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

Investments are reported at fair value. At September 30, 2023, the County has no investments.

E. Receivables/Payables

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Inventories

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

G. Prepaid Items

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

H. Restricted Cash

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

I. Capital Assets

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

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Capital Assets (Continued)

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

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

J. Compensated Absences

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

K. Long-Term Obligations

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Deferred Inflows of Resources

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

M. Deferred Outflows of Resources

In addition to assets, the Statement of Financial Position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditure until then. The County has no items that qualify for reporting in this category.

N. Fund Equity

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

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Equity (Continued)

Fund Balance (Continued) –

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

- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Through policy, authorization to assign fund balance remains with the Board.

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

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Use of Estimates

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

NOTE 2. LEGAL COMPLIANCE – BUDGETS

A. Budgets and Budgetary Accounting

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

1. The County Manager submits to the Board of Commissioners a proposed operating budget for the following fiscal year. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted to obtain taxpayer comments.

3. The budget is legally enacted through passage of an ordinance.

4. The budgets for the General Fund and Special Revenue Funds are adopted on a basis consistent with GAAP.

5. The Capital Projects Fund is budgeted on a project basis, which may be one or more years in length.

6. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

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

NOTE 2. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

A. Budgets and Budgetary Accounting (Continued)

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

B. Deficit Fund Balance/Net Position

For the fiscal year ended September 30, 2023, the County reported deficit net position in the Water System Fund of $185,971. For the fiscal year ended September 30, 2023, the County reported deficit fund balance in the Capital Improvements Fund of $643,492. The deficits are intended to be eliminated through future revenues and/or transfers.

C. Excess Expenditures Over Appropriations

For the fiscal year ended September 30, 2023, the following fund had expenditures which exceeded the appropriations, which were funded by fund balance and transfers from other funds:

General Fund:	
Coroner	$ 1,007
Fire	59,329
Regional E-911	2,487
Landfill	33,598
Public works	8,824
Health appropriations	2,336
Debt service - principal	6,016
Debt service - interest expense	7,688

NOTE 3. DEPOSITS AND INVESTMENTS

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

Balances per Statement of Net Position:	
Cash and cash equivalents - primary government	$ 12,557,932
Cash - custodial funds	617,523
	$ 13,175,455
Balances by type:	
Cash deposited with financial institutions	$ 13,175,455
	$ 13,175,455

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk. State statutes authorize the County to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. The County had no investments as of September 30, 2023.

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

Custodial Credit Risk – Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of September 30, 2023, all of the deposits maintained by the County were properly insured and collateralized as required by the Official Code of Georgia Annotated ("O.C.G.A.") §45-8-12(c) and as defined by GASB pronouncements.

NOTE 4. RECEIVABLES

Taxes were levied on October 15, 2022, and payable on or before December 20, 2022. The County bills and collects its own property taxes. Property taxes levied for 2022 are recorded as receivables, net of estimated uncollectibles. At December 21, the bill becomes delinquent, the applicable property is subject to lien, and penalties and interest may be assessed by the County.

The net receivables collected during the fiscal year ended September 30, 2023, and expected to be collected by November 30, 2023, are recognized as revenues in the fiscal year ended September 30, 2023. Net receivables estimated to be collectible subsequent to November 30, 2023, are recorded as revenue when received. Prior year levies were recorded using substantially the same principles, and remaining receivables are reevaluated annually.

Receivables consisted of the following at September 30, 2023:

	General	TIA	SPLOST	Water System Fund	Total
Receivables:					
Taxes	$ 418,985	$ 58,205	$ 119,821	$ -	$ 597,011
Accounts	260,369	-	-	140,250	400,619
Due from other governments	61,751	-	-	120,133	181,884
Gross receivables	741,105	58,205	119,821	260,383	1,179,514
Less allowance	135,760	-	-	52,477	188,237
Net total receivables	$ 605,345	$ 58,205	$ 119,821	$ 207,906	$ 991,277

NOTE 5. CAPITAL ASSETS

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

Governmental activities	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	$ 295,534	$ -	$ -	$ -	$ 295,534
Construction in progress	948,393	153,163	-	(94,300)	1,007,256
Total	1,243,927	153,163	-	(94,300)	1,302,790
Capital assets, being depreciated:					
Building and structures	5,493,561	-	-	94,300	5,587,861
Improvements	599,269	-	-	-	599,269
Machinery and equipment	4,960,434	136,471	(49,551)	-	5,047,354
Infrastructure	572,841	-	-	-	572,841
Total	11,626,105	136,471	(49,551)	94,300	11,807,325
Less accumulated depreciation for:					
Building and structures	2,072,059	140,916	-	-	2,212,975
Improvements	372,137	30,176	-	-	402,313
Machinery and equipment	3,854,628	506,181	(49,551)	-	4,311,258
Infrastructure	141,013	14,321	-	-	155,334
Total	6,439,837	691,594	(49,551)	-	7,081,880
Total capital assets, being depreciated, net	5,186,268	(555,123)	-	94,300	4,725,445
Governmental activities capital assets, net	$ 6,430,195	$ (401,960)	$ -	$ -	$ 6,028,235

NOTE 5. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities					
Capital assets, not being depreciated:					
Land	$ 19,600	$ -	$ -	$ -	$ 19,600
Construction in progress	-	127,777	-	-	127,777
Total	19,600	127,777	-	-	147,377
Capital assets, being depreciated:					
Machinery and equipment	173,717	-	-	-	173,717
Transportation equipment	144,469	-	-	-	144,469
Water system	5,949,344	-	-	-	5,949,344
Total	6,267,530	-	-	-	6,267,530
Less accumulated depreciation for:					
Machinery and equipment	151,007	29	-	-	151,036
Transportation equipment	126,978	2,393	-	-	129,371
Water system	4,196,452	32,000	-	-	4,228,452
Total	4,474,437	34,422	-	-	4,508,859
Total capital assets, being depreciated, net	1,793,093	(34,422)	-	-	1,758,671
Business-type activities capital assets, net	$ 1,812,693	$ 93,355	$ -	$ -	$ 1,906,048

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

Governmental activities	
General government	$ 169,231
Judicial	2,014
Public safety	174,458
Public works	314,109
Culture and recreation	31,782
Total depreciation expense - governmental activities	$ 691,594
Business-type activities:	
Water system	$ 34,422
Total depreciation expense - business-type activities	$ 34,422

NOTE 6. LONG-TERM DEBT

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
Financed purchases	$ 512,358	$ 57,436	$ 337,967	$ 231,827	$ 58,342
Landfill post-closure	455,802	35,329	-	491,131	-
Compensated absences	9,494	-	9,494	-	-
Totals	$ 977,654	$ 92,765	$ 347,461	$ 722,958	$ 58,342
Business-type activities					
Direct placement - revenue bonds	$ 2,168,260	$ -	$ 85,225	$ 2,083,035	$ 87,598
Notes payable	-	76,666	-	76,666	-
Financed purchases	22,763	-	14,862	7,901	7,901
Compensated absences	1,928	-	1,928	-	-
Totals	$ 2,192,951	$ 76,666	$ 102,015	$ 2,167,602	$ 95,499

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

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

For governmental activities, the 3 financed purchases were executed during the periods of February 2015 through April 2023. Title passes to the County at the end of the financed term.

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

NOTE 6. LONG-TERM DEBT (CONTINUED)

Financed purchases (Continued). The County's total financed purchase debt service requirements for governmental activities to maturity are as follows:

Year Ended September 30,	Principal	Interest
2024	$ 58,342	$ 2,150
2025	173,485	998
Total	$ 231,827	$ 3,148

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

Year Ended September 30,	Principal	Interest
2024	$ 7,901	$ 561
Total	$ 7,901	$ 561

Revenue bonds. In March 2022, the County issued $2,210,000 in Water Revenue Bond, Series 2022 with an interest rate of 2.75%. The proceeds were used for: (a) refunding the County's Water Revenue Fund, Series 1994A, Series 1994B, and Series 2001, (b) funding capital costs associated with the maintenance of a reservoir, and (c) paying issuance costs.

The County issues bonds where the County pledges revenues derived from the acquired or constructed assets to pay debt service. Business-type revenue bonds outstanding at September 30, 2023 are as follows:

Purpose	Interest Rate	Due Date	Original Amount	Outstanding Amount
Water revenue refunding and improvements	5.000%	2041	$ 2,168,260	$ 2,083,035
				$ 2,083,035

NOTE 6. LONG-TERM DEBT (CONTINUED)

Revenue bonds (Continued). The revenue bonds have debt service requirements as follows:

Fiscal year ending September 30,	Principal	Interest	Total
2024	$ 87,598	$ 56,185	$ 143,783
2025	90,037	53,745	143,782
2026	92,545	51,238	143,783
2027	95,122	48,661	143,783
2028	97,771	46,011	143,782
2029 – 2033	531,247	187,666	718,913
2034 – 2038	609,458	108,257	717,715
2039 – 2042	479,257	23,983	503,240
Total	$ 2,083,035	$ 575,746	$ 2,658,781

Notes Payable. In July of 2023, the County entered into a contract with GEFA for Drinking Water State Revolving Loan Fund grant/loan to finance upgrades to the County's water distribution system. The County may draw down $1,000,000. As of September 30, 2023 The total proceeds for the loan were $127,777. The loan portion is $76,666. Interest is at 2.01%. Repayment will be determined when construction is complete and all draws have been made.

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

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

	Due From				
Due To	General Fund	Water System Fund	Capital Improvements Fund	Nonmajor Funds	Total
General Fund	$ -	$ 16,073	$ 950,000	$ 275	$ 966,348
ARPA Fund	10,566	-	-	-	10,566
Total	$ 10,566	$ 16,073	$ 950,000	$ 275	$ 976,914

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

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

The interfund transfers consisted of the nonmajor governmental funds transferring out $32,500 to the General Fund for the fiscal year ended September 30, 2023. Transfers are used to: 1) move revenues from the fund that the statute or budget requires to collect them to the fund that the statute or budget requires to expend them, 2) close out funds no longer used by the City, and 3) use unrestrictive revenues collected in the General Fund and Enterprise Funds to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 8. JOINT USE AGREEMENT

On August 4, 1992, the County entered into a joint services contract with the City of Manchester, Georgia (the “City”) regarding the City's water treatment facility. The contract entitles the County to 29% of the City's total water treatment plant capacity, 29% of the reservoir capacity and 29% of total water line capacity. The County, in turn, shares in the cost of operating and maintaining the water treatment facility based upon actual consumption by the County in relation to the total production of the water treatment plant. Payments to the City are reported as water purchases in the Statement of Revenues, Expenses and Changes in Fund Net Position for proprietary funds.

NOTE 9. DEFINED CONTRIBUTION PENSION PLAN

Plan Description

Effective July 1, 2016, County employees are covered by the Association County Commissioners of Georgia Defined Contribution Plan Program, ACCG 401(a) Defined Contribution Plan for Talbot County employees. This plan covers full-time employees whom work at least 30 hours of service per week for compensation. Under the plan, the County contributes 6% of participating employee’s compensation. Plan provisions and contribution requirements are established and may be amended by a resolution of the Talbot County Commission. Employees will also have the option to participate in a 457(b) Eligible Deferred Compensation Plan with no matching contributions from the County. The County’s contribution for the fiscal year ended September 30, 2023 was $225,192. Total payroll for the fiscal year ended September 30, 2023 was $3,024,730.

NOTE 10. LANDFILL POST-CLOSURE COSTS

Effective April 1994, the County closed its landfill and no additional waste has been accepted. According to state and federal laws and regulations, the County must perform certain maintenance and monitoring functions at the site for a minimum of 30 years. As of September 30, 2023, the County has a remaining 30 years of monitoring. Engineering studies estimate post-closure costs of approximately $491,131 over that period. These costs are based on the amount that would be paid if all equipment, facilities, and services required to monitor and maintain the landfill were acquired as of September 30, 2023. Actual costs may be higher due to changes in inflation, changes in technology, or changes in regulations. Should any problems occur during this post-closure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

NOTE 11. RISK MANAGEMENT

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

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

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

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

NOTE 12. JOINT VENTURE

River Valley Regional Commission

Under Georgia law, the County, in conjunction with other cities and counties in the 16-county west central Georgia area, is a member of the River Valley Regional Commission ("RC") and is required to pay annual dues thereto. During its fiscal year ended September 30, 2023, the County paid $10,507 in such dues. Membership in an RC is required by O.C.G.A. §50-8-34 which provides for the organizational structure of the RC in Georgia.

The RC Board membership includes the chief elected official of each county and municipality of the area. O.C.G.A. §50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

River Valley Regional Commission
228 West Lamar Street
Americus, Georgia 31709.

Middle Flint Regional E-911 Authority

The Middle Flint Regional E-911 Authority (the "E-911 Authority") is comprised of eight board members: two appointed by the County and the remaining six appointed by the other representative counties. The County allocated to the E-911 Authority $38,976 during the fiscal year to assist with general operating expenses. The County's governing body does not approve the budget nor does it have any oversight of the day-to-day operations of the E-911 Authority. The E-911 Authority was established to provide emergency communications services to Dooly, Macon, Marion, Schley, Sumter, Talbot, Taylor, and Webster counties. Separate financial statements may be obtained from:

Middle Flint Regional E-911 Authority
222 Hayes Avenue
Ellaville, Georgia 31806.

NOTE 13. COMMITMENTS AND CONTINGENCIES

Litigation

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

Grant Contingencies

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

TALBOT COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	Special Revenue Funds				
	Law Library Fund	Jail Fund	DATE Fund	Sheriff Drug Fund	Totals
ASSETS					
Cash and cash equivalents	$ 38,221	$ 8,787	$ 59,776	$ 17,084	$ 123,868
Due from other funds	-	-	-	-	-
Total assets	$ 38,221	$ 8,787	$ 59,776	$ 17,084	$ 123,868
LIABILITIES					
Due to other funds	$ -	$ -	$ 275	$ -	$ 275
Total liabilities	$ -	$ -	$ 275	$ -	$ 275
FUND BALANCES					
Restricted for:					
Judicial	$ 38,221	$ -	$ -	$ -	$ 38,221
Public safety	-	8,787	59,501	17,084	85,372
Total fund balances	$ 38,221	$ 8,787	$ 59,501	$ 17,084	$ 123,593

TALBOT COUNTY, GEORGIA

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

	Special Revenue Funds				
	Law Library Fund	Jail Fund	DATE Fund	Sheriff Drug Fund	Totals
Revenues					
Fines and forfeitures	$ 7,057	$ 16,164	$ 3,314	$ 19,177	$ 45,712
Interest revenue	-	3	12	2.00	17
Total revenues	7,057	16,167	3,326	19,179	45,729
Expenditures					
Current:					
Judicial	3,236	-	-	-	3,236
Public safety	-	1,580	361	9,929	11,870
Total expenditures	3,236	1,580	361	9,929	15,106
Other financing uses:					
Transfers out	-	(32,500)	-	-	(32,500)
Total other financing uses	-	(32,500)	-	-	(32,500)
Net change in fund balances	3,821	(17,913)	2,965	9,250	(1,877)
Fund balances, beginning of year	34,400	26,700	56,536	7,834	125,470
Fund balances, end of year	$ 38,221	$ 8,787	$ 59,501	$ 17,084	$ 123,593

TALBOT COUNTY, GEORGIA

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

Project Description Per SPLOST Referendum	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
Resolution #070102:					
Recreational facilities and equipment	$ 2,000,000	$ 2,000,000	$ 538,382	$ -	$ 538,382
Public safety facilities	2,000,000	2,000,000	608,329	-	608,329
Roads, streets and bridge purposes	3,500,000	3,500,000	1,117,661	-	1,117,661
Courthouse	1,500,000	1,500,000	404,784	-	404,784
County Commissioners annex	1,000,000	1,000,000	219,650	-	219,650
Resolution #070107:					
Roads, streets and bridge purposes	1,200,000	1,200,000	916,193	-	916,193
Public safety facilities	400,000	400,000	260,208	-	260,208
Recreational facilities and equipment	400,000	400,000	176,954	-	176,954
Courthouse	1,600,000	1,600,000	1,109,737	-	1,109,737
Town of Geneva	100,000	100,000	77,866	-	77,866
Town of Junction City	100,000	100,000	77,866	-	77,866
City of Talbotton	100,000	100,000	77,866	-	77,866
City of Woodland	100,000	100,000	77,866	-	77,866
Debt service	Debt service	Debt service	1,046,054	-	1,046,054
Resolution #070114:					
Jail construction	1,200,000	1,200,000	939,271	311	939,582
Roads, streets and bridge purposes	800,000	800,000	432,999	-	432,999
Recreational facilities and equipment	1,200,000	1,200,000	45,451	65,375	110,826
Public safety facilities and equipment	400,000	400,000	137,019	-	137,019
Town of Geneva	100,000	100,000	78,210	-	78,210
Town of Junction City	100,000	100,000	78,209	-	78,209
City of Talbotton	100,000	100,000	78,210	-	78,210
City of Woodland	100,000	100,000	78,209	-	78,209
Resolution #070120:					
Community building	1,020,000	1,020,000	239,744	234,010	473,754
Roads, streets and bridge purposes	1,360,000	1,360,000	9,716	439,768	449,484
Public safety facilities and equipment	680,000	680,000	105,869	46,004	151,873
Town of Geneva	34,157	34,157	16,379	8,611	24,990
Town of Junction City	57,576	57,576	27,260	14,515	41,775
City of Talbotton	315,544	315,544	150,785	79,553	230,338
City of Woodland	132,723	132,723	64,019	33,460	97,479
	$ 21,600,000	$ 21,600,000	$ 9,190,766	$ 921,607	$ 10,112,373

CUSTODIAL FUNDS

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

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

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

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

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

TALBOT COUNTY, GEORGIA

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

	Clerk of Superior Court	Probate Court	Sheriff
ASSETS			
Cash and cash equivalents	$ 269,748	$ 22,233	$ 26,305
Taxes receivable	-	-	-
Total assets	$ 269,748	$ 22,233	$ 26,305
LIABILITIES			
Due to others	$ 8,711	$ 12,662	$ 5,566
Uncollected taxes	-	-	-
Total liabilities	$ 8,711	$ 12,662	$ 5,566
NET POSITION			
Restricted for individuals, organizations, and other governments	$ 261,037	$ 9,571	$ 20,739

Tax Commissioner	Magistrate Court	Total
$ 289,958	$ 9,279	$ 617,523
371,970	-	371,970
$ 661,928	$ 9,279	$ 989,493
$ 162,883	$ 5,003	$ 194,825
371,970	-	371,970
$ 534,853	$ 5,003	$ 566,795
$ 127,075	$ 4,276	$ 422,698

TALBOT COUNTY, GEORGIA

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

	Clerk of Superior Court	Probate Court	Sheriff
ADDITIONS			
Taxes collected	$ -	$ -	$ -
Fines and fees collected	165,189	314,975	106,505
Total additons	165,189	314,975	106,505
DEDUCTIONS			
Taxes disbursed	-	-	-
Fines and fees disbursed	155,116	315,923	104,577
Total deductions	155,116	315,923	104,577
Change in net position	10,073	(948)	1,928
Net position, beginning of year	250,964	10,519	18,811
Net position, end of year	$ 261,037	$ 9,571	$ 20,739

Tax Commissioner	Magistrate Court	Total
$ 6,189,735	$ -	$ 6,189,735
-	54,575	641,244
6,189,735	54,575	6,830,979
6,186,594	-	6,186,594
-	51,771	627,387
6,186,594	51,771	6,813,981
3,141	2,804	16,998
123,934	1,472	405,700
$ 127,075	$ 4,276	$ 422,698

COMPLIANCE SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

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

Board of Commissioners
of Talbot County, Georgia
Talbotton, Georgia

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Talbot County, Georgia (the "County"), as of and for the fiscal year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated April 1, 2024. Our report includes a reference to other auditors who audited the financial statements of the Talbot County Department of Public Health, as described in our report on the County's financial statements. This report does not include the results of other auditors' testing of internal control over financial reporting on compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as items 2023-001 and 2023-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

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

Talbot County, Georgia's Responses to Findings

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

Purpose of this Report

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

Mauldin & Jenkins, LLC

Macon, Georgia
April 1, 2024

TALBOT COUNTY, GEORGIA

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

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting: Material weaknesses identified?	_X_ Yes ___ No
Significant deficiencies identified not considered to be material weaknesses?	___ Yes _X_ No
Noncompliance material to financial statements noted?	___ Yes _X_ No

Federal Awards

There was not an audit of major federal programs as of September 30, 2023 due to the total amount expended being less than $750,000.

TALBOT COUNTY, GEORGIA

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

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2023-001 – General Accounting Matters/Close-Out Procedures

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

Condition: During our audit, we noted several occasions of accounting, reporting and reconciling not being properly performed and/or reviewed during the fiscal year which required a significant effort to close the County's 2023 fiscal year. Significant adjustments were determined and required to be recorded in the months that followed September 30, 2023. Specifically, we noted the following issues related to financial and non-financial information:

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

Context: We addressed the matter with the County officials who were able to provide all respective details and reconciliations as of and for the fiscal year ended September 30, 2023.

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

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

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

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

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2023-002 – Segregation of Duties

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

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

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

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

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

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

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

TALBOT COUNTY, GEORGIA

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

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Not applicable.

TALBOT COUNTY, GEORGIA

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

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

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

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

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

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

2022-002 – Segregation of Duties

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

Auditee Response/Status: Unresolved. See finding 2023-002.