

GEORGIA SHERIFFS' YOUTH HOMES, INC.

MADISON, GEORGIA

REPORT ON AUDIT OF FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

GEORGIA SHERIFFS' YOUTH HOMES, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Officers
Georgia Sheriffs' Youth Homes, Inc.
Madison, Georgia

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Georgia Sheriffs' Youth Homes, Inc. (a Georgia nonprofit organization) which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, cash flows and functional expenses for the year then ended and the related notes to the financial statements.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the financial position of Georgia Sheriffs' Youth Homes, Inc. as of June 30, 2023 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Georgia Sheriffs' Youth Homes, Inc. 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Georgia Sheriffs' Youth Homes, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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To the Board of Directors and Officers
Georgia Sheriffs' Youth Homes, Inc.
Madison, Georgia

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, 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 Georgia Sheriffs' Youth Homes, Inc.'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 Georgia Sheriffs' Youth Homes, Inc.'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.

Report on Summarized Comparative Information

We have previously audited Georgia Sheriffs' Youth Homes, Inc.'s June 30, 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 28, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information on pages 19 through 27 is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards on pages 34 and 35, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements*,

To the Board of Directors and Officers
Georgia Sheriffs' Youth Homes, Inc.
Madison, Georgia

Cost Principles, and Audit Requirements for Federal Awards, is also presented for purposes of additional analysis and is also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 2024 on our consideration of Georgia Sheriffs' Youth Homes, Inc.'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 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 Georgia Sheriffs' Youth Homes, Inc.'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 Georgia Sheriffs' Youth Homes, Inc.'s internal control over financial reporting and compliance.

Fowler, Holley, Rambo & Stalvey, P.C.

Valdosta, Georgia
February 20, 2024

GEORGIA SHERIFFS' YOUTH HOMES, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2023

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

	<u>JUNE 30,</u>	
	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Current Assets:		
Cash, Note 2	\$ 272,504	275,409
Investment securities, Notes 1, 3 and 12	6,814,819	6,581,775
Accrued interest receivable	47,277	50,386
Grants and other receivables, Note 7	3,594,434	3,496,670
Assets held for sale and use, at fair market value, Notes 1 and 12	100,402	100,501
Prepaid expenses	150,914	152,329
Total Current Assets	<u>10,980,350</u>	<u>10,657,070</u>
Property, plant & equipment, net of accumulated depreciation of \$12,404,386 and \$12,179,098 in 2023 and 2022, respectively, Notes 1 and 4	<u>9,717,455</u>	<u>9,038,455</u>
Other Assets:		
Cash - with donor restrictions, Notes 2 and 11	258,375	266,715
Investments - cash equivalent, with donor restrictions, Notes 2, 3 and 11	254,973	176,816
Investments - with donor restrictions, Notes 3 and 11	689,073	872,217
	<u>1,202,421</u>	<u>1,315,748</u>
Total Assets	<u>\$ 21,900,226</u>	<u>21,011,273</u>

Note: The accompanying notes to financial statements are an integral part of this statement.

GEORGIA SHERIFFS' YOUTH HOMES, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2023

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2022)

	<u>JUNE 30,</u>	
	<u>2023</u>	<u>2022</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts payable, Note 7	\$ 522,560	332,104
Deferred revenue	18,402	16,957
Accrued compensated absences, Note 1	330,505	350,347
Current portion of liability for split interest agreements, Note 9	8,146	8,099
Total Current Liabilities	<u>879,613</u>	<u>707,507</u>
Other Liabilities:		
Liability for split interest agreements, less current portion, Note 9	<u>69,695</u>	<u>77,841</u>
	<u>69,695</u>	<u>77,841</u>
Net Assets:		
Without donor restrictions:		
Operating	10,027,444	9,866,063
Land, building & equipment	<u>9,717,455</u>	<u>9,038,455</u>
	19,744,899	18,904,518
With donor restrictions, Notes 10 and 11	<u>1,206,019</u>	<u>1,321,407</u>
Total Net Assets	<u>20,950,918</u>	<u>20,225,925</u>
Total Liabilities & Net Assets	<u>\$ 21,900,226</u>	<u>21,011,273</u>

Note: The accompanying notes to financial statements are an integral part of this statement.

GEORGIA SHERIFFS' YOUTH HOMES, INC.

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2022)

	YEAR ENDED JUNE 30, 2023				
	WITHOUT DONOR RESTRICTIONS				
	YOUTH HOMES	BOYS' RANCH	CHEROKEE ESTATES	PINELAND	HERRINGTON HOMESTEAD
Public Support and Revenue:					
Public Support:					
Contributions - Cash	\$ 1,264,224	-	-	-	-
Contributions - Noncash	4,995	350	-	6,400	2,505
Social Security & AFDC payments	-	621,780	246,110	46,569	500,465
Private Grants	27,213	510,077	2,500	350	3,150
Bequests	50,591	-	-	-	-
Contribution from Ga. Sheriffs' Youth Homes Foundation, Inc., Note 7	<u>724,379</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Public Support	<u>2,071,402</u>	<u>1,132,207</u>	<u>248,610</u>	<u>53,319</u>	<u>506,120</u>
Revenues:					
Investment income	-	-	-	-	-
Unrealized gain (loss) - investments	-	-	-	-	-
Special events	434,856	46,812	11,385	22,000	41,457
Gain (Loss) on sale of investments	-	-	-	-	-
Net change in value of split-interest agreements	-	-	-	-	-
Gain (Loss) on sale of property	5,945	(4,018)	-	14,500	500
Gain (Loss) on extinguishment of debt, Note 14	-	-	-	-	-
Other income	<u>149,674</u>	<u>62,325</u>	<u>200</u>	<u>232,856</u>	<u>20,338</u>
Total Revenue	<u>590,475</u>	<u>105,119</u>	<u>11,585</u>	<u>269,356</u>	<u>62,295</u>
Net Assets Released From Restriction	<u>322,045</u>	<u>110,062</u>	<u>5,950</u>	<u>87,231</u>	<u>16,566</u>
Total Support and Revenue	<u>2,983,922</u>	<u>1,347,388</u>	<u>266,145</u>	<u>409,906</u>	<u>584,981</u>
Expenses:					
Program services:					
Child care, Note 7	268,286	735,761	391,967	336,959	538,128
Food service	-	151,735	17,902	25,622	47,798
Maintenance - Homes	-	422,392	167,313	300,555	196,185
Total Program Services	<u>268,286</u>	<u>1,309,888</u>	<u>577,182</u>	<u>663,136</u>	<u>782,111</u>
Supporting services:					
Management and general	611,519	7,093	802	871	667
Fund raising	288,607	-	-	-	-
Maintenance - Other	20,475	-	-	-	-
Farm	-	-	-	-	-
Total Supporting Services	<u>920,601</u>	<u>7,093</u>	<u>802</u>	<u>871</u>	<u>667</u>
Total Expenses	<u>1,188,887</u>	<u>1,316,981</u>	<u>577,984</u>	<u>664,007</u>	<u>782,778</u>
Increase (Decrease) in Net Assets	\$ <u>1,795,035</u>	<u>30,407</u>	<u>(311,839)</u>	<u>(254,101)</u>	<u>(197,797)</u>
Net Assets, Beginning of Year					
Net Assets, End of Year					

Note: The accompanying notes to financial statements are an integral part of this statement.

GEORGIA SHERIFFS' YOUTH HOMES, INC.

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2022)

YEAR ENDED JUNE 30, 2023							
WITHOUT DONOR RESTRICTIONS				WITH	TOTALS		
MOUNTAIN VIEW	GSYH INVESTMENTS	BUILDING, LAND & EQUIP	TOTAL	DONOR RESTRICTIONS	YEAR ENDED JUNE 30,		
					2023	2022	
-	-	-	1,264,224	263,030	1,527,254	1,478,889	
-	46,758	-	61,008	-	61,008	31,886	
104,478	-	-	1,519,402	-	1,519,402	1,106,426	
4,255	-	-	547,545	-	547,545	55,728	
-	-	-	50,591	-	50,591	632,749	
-	-	-	724,379	-	724,379	885,386	
108,733	46,758	-	4,167,149	263,030	4,430,179	4,191,064	
-	208,770	-	208,770	19,094	227,864	249,565	
-	302,635	-	302,635	42,409	345,044	(1,550,218)	
11,385	-	-	567,895	158,993	726,888	662,915	
-	(42,509)	-	(42,509)	9,547	(32,962)	250,533	
-	(7,363)	-	(7,363)	-	(7,363)	(7,948)	
-	-	-	16,927	-	16,927	769,905	
-	-	-	-	-	-	794,318	
-	-	-	465,393	-	465,393	192,383	
11,385	461,533	-	1,511,748	230,043	1,741,791	1,361,453	
66,607	-	-	608,461	(608,461)	-	-	
186,725	508,291	-	6,287,358	(115,388)	6,171,970	5,552,517	
206,737	-	442,376	2,920,214	-	2,920,214	3,147,864	
13,209	-	21,882	278,148	-	278,148	237,807	
83,540	-	101,316	1,271,301	-	1,271,301	1,184,324	
303,486	-	565,574	4,469,663	-	4,469,663	4,569,995	
3,113	39,566	1,397	665,028	-	665,028	707,331	
371	-	-	288,978	-	288,978	316,087	
-	-	-	20,475	-	20,475	14,585	
-	-	2,833	2,833	-	2,833	3,632	
3,484	39,566	4,230	977,314	-	977,314	1,041,635	
306,970	39,566	569,804	5,446,977	-	5,446,977	5,611,630	
(120,245)	468,725	(569,804)	840,381	(115,388)	724,993	(59,113)	
			18,904,518	1,321,407	20,225,925	20,285,038	
			<u>\$ 19,744,899</u>	<u>1,206,019</u>	<u>20,950,918</u>	<u>20,225,925</u>	

Note: The accompanying notes to financial statements are an integral part of this statement.

GEORGIA SHERIFFS' YOUTH HOMES, INC.

COMBINED STATEMENT OF FUNCTIONAL EXPENSES
 YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2022)

	YEAR ENDED JUNE 30, 2023										TOTALS		
	PROGRAM SERVICES				SUPPORTING SERVICES						YEAR ENDED JUNE 30,		
	CHILD CARE	FOOD SERVICE	HOME & MAINTENANCE	TOTAL	MANAGEMENT AND GENERAL	FUND RAISING	MAINTENANCE	FARM	TOTAL	2023	2022		
(1) Salaries	\$ 1,281,648	57,373	135,071	1,474,092	306,241	165,186	-	-	471,427	1,945,519	1,952,883	(1)	
(2) Payroll taxes and retirement	203,766	9,814	24,977	238,557	66,310	30,156	-	-	96,466	335,023	365,081	(2)	
(3) Insurance	307,954	15,029	254,980	577,963	104,926	34,783	-	-	139,709	717,672	776,735	(3)	
(4) Postage	21,428	-	-	21,428	3,108	16,648	-	-	19,756	41,184	47,387	(4)	
(5) Telephone	118,637	-	120	118,757	9,450	437	-	-	9,887	128,644	120,618	(5)	
(6) Travel	15,753	-	-	15,753	-	-	-	-	-	15,753	12,228	(6)	
(7) Public relations	34,821	-	-	34,821	181	-	-	-	181	35,002	31,499	(7)	
(8) Dues and subscriptions	2,548	-	-	2,548	1,262	-	-	-	1,262	3,810	4,355	(8)	
(9) Professional services	41,735	-	-	41,735	1,317	39,888	-	-	41,205	82,940	78,025	(9)	
(10) Allowances	19,652	-	-	19,652	-	-	-	-	-	19,652	19,321	(10)	
(11) Personnel screening costs	7,305	-	-	7,305	113	-	-	-	113	7,418	5,475	(11)	
(12) Hospital, drugs and medical	18,105	-	-	18,105	-	-	-	-	-	18,105	26,075	(12)	
(13) Haircuts	5,931	-	-	5,931	-	-	-	-	-	5,931	4,154	(13)	
(14) Recreation	25,059	-	-	25,059	-	-	-	-	-	25,059	37,044	(14)	
(15) Special occasions	22,696	-	-	22,696	-	-	-	-	-	22,696	45,098	(15)	
(16) Clothing	42,135	-	-	42,135	-	-	-	-	-	42,135	33,703	(16)	
(17) Utilities	-	-	273,422	273,422	-	-	8,233	-	8,233	281,655	250,706	(17)	
(18) Repairs and maintenance	-	-	22,100	22,100	3,216	458	2,806	-	6,480	28,580	19,946	(18)	
(19) Vehicle operating costs	-	-	104,975	104,975	-	-	7,754	-	7,754	112,729	97,420	(19)	
(20) Fees, taxes and licenses	917	-	-	917	31	-	-	-	31	948	1,162	(20)	
(21) Food	-	166,832	-	166,832	-	-	-	-	-	166,832	139,891	(21)	
(22) Household items and fixtures	-	-	20,009	20,009	-	-	-	-	-	20,009	28,278	(22)	
(23) Kitchen supplies	-	6,828	-	6,828	-	-	-	-	-	6,828	6,977	(23)	
(24) Bank charges	158	-	-	158	3,264	-	-	-	3,264	3,422	5,473	(24)	
(25) School fees and supplies	9,432	-	-	9,432	-	-	-	-	-	9,432	8,684	(25)	
(26) Advertising	4,565	-	-	4,565	-	-	-	-	-	4,565	1,174	(26)	
(27) Awards	640	-	-	640	977	-	-	-	977	1,617	985	(27)	
(28) Home maintenance	-	-	226,239	226,239	2,254	-	-	-	2,254	228,493	154,374	(28)	
(29) Personal care	1,191	-	-	1,191	136	-	-	-	136	1,327	519	(29)	
(30) Lawn care expense	-	-	107,004	107,004	-	-	1,682	-	1,682	108,686	67,893	(30)	
(31) Payroll services expense	9,546	390	1,088	11,024	2,250	1,132	-	-	3,382	14,406	13,729	(31)	
(32) Legal and accounting	-	-	-	-	46,660	-	-	-	46,660	46,660	46,173	(32)	
(33) Office supplies	17,819	-	-	17,819	1,133	66	-	-	1,199	19,018	12,803	(33)	
(34) Printing	3,517	-	-	3,517	98	-	-	-	98	3,615	2,699	(34)	
(35) Property taxes	5,617	-	-	5,617	-	-	-	-	-	5,617	2,094	(35)	
(36) Rent on equipment	11,483	-	-	11,483	10,809	224	-	-	11,033	22,516	78,228	(36)	
(37) Training and conferences	8,971	-	-	8,971	-	-	-	-	-	8,971	13,607	(37)	
(38) Computer expense	106,007	-	-	106,007	6,222	-	-	-	6,222	112,229	126,209	(38)	
(39) Special events	121,373	-	-	121,373	-	-	-	-	-	121,373	85,006	(39)	
(40) Investment fees	-	-	-	-	55,060	-	-	-	55,060	55,060	65,346	(40)	
(41) Farm supplies and expense	-	-	-	-	-	-	-	-	-	-	249	(41)	
(42) Rent-occupancy	-	-	-	-	38,419	-	-	-	38,419	38,419	41,802	(42)	
(43) Credit card processing fees	5,245	-	-	5,245	150	-	-	-	150	5,395	4,507	(43)	
(44) Meetings	2,184	-	-	2,184	44	-	-	-	44	2,228	2,068	(44)	
(45) Donations to other non-profits	-	-	-	-	-	-	-	-	-	-	179,344	(45)	
Total Expenses Before Depreciation	2,477,838	256,266	1,169,985	3,904,089	663,631	288,978	20,475	-	973,084	4,877,173	5,017,027		
Depreciation, Notes 1 and 4	442,376	21,882	101,316	565,574	1,397	-	-	2,833	4,230	569,804	594,603		
	\$ 2,920,214	278,148	1,271,301	4,469,663	665,028	288,978	20,475	2,833	977,314	5,446,977	5,611,630		

Note: The accompanying notes to financial statements are an integral part of this statement.

GEORGIA SHERIFFS' YOUTH HOMES, INC.

STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2022)

	YEAR ENDED JUNE 30,	
	2023	2022
Cash Flows From Operating Activities:		
Increase (Decrease) in net assets	\$ 724,993	(59,113)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
(Gain) loss on sales of investments	32,962	(250,533)
(Gain) loss on sale of assets	(16,927)	(769,906)
(Gain) loss on extinguishment of debt	-	(794,318)
Depreciation	569,804	594,603
Non-cash contributions and bequests	(51,658)	(186,213)
Non-cash expenses	4,999	14,055
Unrealized (gains) losses on investments	(345,044)	1,550,218
Change in assets and liabilities:		
(Increase) Decrease in interest receivable	3,109	(8,934)
(Increase) Decrease in prepaid expenses	1,415	19,601
(Increase) Decrease in grant and other receivables	(97,764)	(1,467,637)
(Increase) Decrease in assets held for sale and use	-	(2,349)
Increase (Decrease) in accounts payable	190,456	(15,722)
Increase (Decrease) in deferred revenue	1,445	11,150
Increase (Decrease) in accrued expenses	-	1,923
Increase (Decrease) in accrued compensated absences	(19,842)	17,152
Increase (Decrease) in liability for split interest agreements	(8,099)	(7,852)
Net Cash Provided (Used) By Operating Activities	<u>989,849</u>	<u>(1,353,875)</u>
Cash Flows From Investing Activities:		
Capital expenditures	(1,310,604)	(242,865)
Purchase of investments	(2,409,358)	(5,299,259)
Proceeds from sale of investments	2,718,298	5,239,203
Proceeds from sale of assets	78,727	1,127,600
Net Cash Provided (Used) by Investing Activities	<u>(922,937)</u>	<u>824,679</u>
Cash Flows From Financing Activities:		
Net Cash Provided (Used) By Financing Activities	<u>-</u>	<u>-</u>
Net Increase (Decrease) In Cash	66,912	(529,196)
Cash at Beginning of Year	<u>718,940</u>	<u>1,248,136</u>
Cash at End of Year	<u>\$ 785,852</u>	<u>718,940</u>

Note: The accompanying notes to financial statements are an integral part of this statement.

GEORGIA SHERIFFS' YOUTH HOMES, INC.

STATEMENT OF CASH FLOWS (CONTINUED)

YEAR ENDED JUNE 30, 2023

(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2022)

	<u>YEAR ENDED JUNE 30,</u>	
	<u>2023</u>	<u>2022</u>
Reconciliation of ending cash to Statement of Financial Position:		
Cash	\$ 272,504	275,409
Cash - with donor restrictions	258,375	266,715
Investments - cash equivalent, with donor restrictions	<u>254,973</u>	<u>176,816</u>
	<u>\$ 785,852</u>	<u>718,940</u>
 <u>Supplemental Disclosures of Cash Flow Information</u>		
Cash paid during the year for:		
Interest	<u>\$ -</u>	<u>-</u>
 <u>Disclosure of Non-Cash Investing and Financing Activities</u>		
Non-cash contributions of land, securities and other assets, net of liabilities under split interest agreements	<u>\$ 46,659</u>	<u>172,158</u>

Disclosure of Accounting Policy

For purposes of the statement of cash flows, the Organization classifies as cash equivalents those liquid assets with original maturities of three months or less.

Note: The accompanying notes to financial statements are an integral part of this statement.

GEORGIA SHERIFFS' YOUTH HOMES, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies

Organization and nature of activities: The Georgia Sheriffs' Youth Homes, Inc. operates children's homes for the care and shelter of children. Currently, these facilities consist of the Georgia Sheriffs' Boys Ranch (Hahira, Georgia), the Georgia Sheriffs' Cherokee Estates (Dalton, Georgia), Pineland (LaGrange, Georgia), Herrington Homestead (Nunez, Georgia) and Mountain View (Murray County, Georgia). Funding is provided by several sources consisting predominately of contributions and bequests from the general public, social security, Federal grants passed through the Georgia Department of Human Services, special fundraising events and earnings from investments.

Property, plant and equipment: Property, plant and equipment is recorded at cost (appraised value if donated). Depreciation is computed on the straight-line and accelerated cost recovery basis over the estimated useful lives of the assets. Expenditures for maintenance, repairs, removals and betterments which do not materially prolong the useful lives of the assets are charged to revenue as incurred. The cost of property retired or sold, and the related accumulated depreciation, is removed from the accounts, and any gain or loss is transferred to revenues.

Investments: In conformity with FASB ASC 958-320, all investments are carried at fair value based on quoted market values. Unrealized gains and losses on securities are reflected in the statement of activities. Cost of securities sold is determined using the specific identification method. Real estate limited partnerships are carried at net asset value. Land is carried at cost or fair market value at date of contribution.

Compensated absences: Compensated absences are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the Organization will compensate employees for the benefits through paid time off or some other means. The Organization accrues a liability for unused leave when earned; however, upon termination of employment, the maximum amount of annual leave that can be paid is 30 days.

Financial statement presentation and accounting for contributions received and contributions made: The financial statement presentation is in conformity with the requirements of the Financial Accounting Standards Board in FASB ASC 958. Under FASB ASC 958, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions, include a statement of cash flows and a statement of functional expenses. Under FASB ASC 958, contributions are recorded as without donor restrictions or with donor restriction depending on the existence or nature of any donor restrictions. FASB ASC 958 also addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources and the lack of consistency in the type of information provided about expenses and investment return.

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Contributed services: No amounts have been reflected in the financial statements for donated services. The Organization generally pays for services requiring specific expertise. However, a number of individuals volunteer their time and perform a variety of tasks that assist the Organization at its campuses, but these services do not meet the criteria for recognition as contributed services.

Note 1 – Summary of Significant Accounting Policies (Continued)

Unconditional promises to give are recorded as received. Unconditional promises to give due in the next year are reflected as current promises to give and are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reflected as long-term promises to give and are recorded at the present value of their net realizable value. An allowance for uncollectible promises has not been provided as all promises are expected to be collected. No unconditional promises were outstanding at June 30, 2023 or 2022.

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

Advertising: The Organization follows the policy of charging the cost of advertising to expense as incurred. Advertising expense was \$4,565 and \$1,174 for the years ended June 30, 2023 and 2022, respectively.

Rent expense: The Organization incurred rent expense of \$60,935 and \$120,030 for the years ended June 30, 2023 and 2022, respectively, for the rent of various equipment and Headquarters occupancy. See Note 17.

Accounting for uncertainty in income taxes: The Organization evaluates any income tax benefits generated from uncertain tax positions using a more-likely-than-not of being sustained upon examination analysis. If a tax benefit is not more-likely-than-not of being sustained upon examination, the Organization records a liability for the recognized income tax benefit. The Organization recognizes accrued interest associated with uncertain tax positions as part of interest expense and penalties associated with uncertain tax positions as part of other expenses.

Cost allocation: The financial statements report certain categories of expenses that are attributable to more than one program (or campus) or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Administrative and clerical services of the Georgia Sheriffs' Association, Inc. and the Georgia Sheriffs' Youth Homes Foundation, Inc. are performed by personnel of the Georgia Sheriffs' Youth Homes, Inc. All salaries allocated to the Association and the Foundation are reimbursed to Georgia Sheriffs' Youth Homes, Inc. to cover the cost of payroll taxes, group insurance, retirement and other related costs. Substantially all other expenses incurred are directly chargeable to program or supporting function and is not allocated.

Comparative data: Comparative totals for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Organization's financial position and operations. However, full comparative data for the prior year has not been included.

Reclassifications: Certain items in the financial statements as of and for the year ended June 30, 2022 have been reclassified, with no effect on total assets, net assets or increase (decrease) in net assets, in order to be consistent with the classifications adopted with the current year presentation.

New Accounting Standards Implemented:

In February 2016, the FASB issued ASU No. 2016-02 Leases (Topic 842) (ASU 2016-02). The amendments in ASU 2016-02 create FASB ASC Topic 842, Leases and supersede the requirements in ASC Topic 840, Leases. ASU 2016-02 requires the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under ASC Topic 840. Under the guidance of ASU 2016-02, a lessee should recognize in the balance sheet a liability to make lease payments (lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. The accounting applied by a lessor under ASU 2016-02 is largely unchanged from that applied under ASC Topic 840. The ASU, as extended, was effective for fiscal years beginning after December 15, 2021, and was implemented during the year beginning July 1, 2022. The standard had no material effect on the Organization's financial statements in the current year, but subsequent to year end a lease under this ASU was recorded. See Notes 17 and 18.

Note 2 – Cash

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents.

Note 3 – Investment Securities

Investment securities consist of the following:

	JUNE 30,			
	2023		2022	
	COST	MARKET	COST	MARKET
Stocks and mutual funds	\$ 4,516,661	4,959,437	4,746,594	4,909,840
U.S. Government Agency obligations	47,700	47,700	47,700	47,700
Corporate and fixed income obligations	3,025,972	2,751,728	3,013,026	2,673,268
	<u>\$ 7,590,333</u>	<u>7,758,865</u>	<u>7,807,320</u>	<u>7,630,808</u>
Securities without donor restrictions		\$ 6,814,819		6,581,775
Securities and cash with donor restrictions		944,046		1,049,033
		<u>\$ 7,758,865</u>		<u>7,630,808</u>

The following summarizes the investment return and its classification in the statement of activities for the year ended June 30, 2023:

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
Investment income	\$ 208,770	19,094	227,864
Unrealized gain/(losses)	302,635	42,409	345,044
Realized gains/(losses)	(42,509)	9,547	(32,962)
	<u>\$ 468,896</u>	<u>71,050</u>	<u>539,946</u>

Note 4 – Property, Plant and Equipment

Property, plant and equipment, stated at cost (appraised value if donated), consists of the following:

	JUNE 30,		ESTIMATED USEFUL LIVES
	2023	2022	
Land	\$ 3,896,776	3,960,340	
Buildings and improvements	15,114,783	14,676,809	10-40 years
Equipment and other assets	1,686,393	1,864,180	3-10 years
Automobiles and trucks	768,322	716,224	3-5 years
Construction in progress	655,567	-	
	22,121,841	21,217,553	
Less accumulated depreciation	<u>(12,404,386)</u>	<u>(12,179,098)</u>	
	<u>\$ 9,717,455</u>	<u>9,038,455</u>	

Note 4 – Property, Plant and Equipment (Continued)

Included in construction in progress is \$613,103 to rebuild the Boys Ranch gym, \$38,956 to install fiber at Cherokee Estate, and \$3,508 to install fiber at Mountain View. The gym was completed in August 2023 at a total cost of \$777,843 and the fiber installations were completed in November 2023 at a total cost of \$84,485 and \$16,288, respectively. The accompanying statements of activities include charges for depreciation of property, plant and equipment of \$569,804 and \$594,603 for the years ended June 30, 2023 and 2022, respectively.

Note 5 – Retirement Plan

The Organization has a defined contribution employee benefit plan that has money purchase and 401(k) components. The Organization makes matching contributions to the individual account of each eligible participant equal to 100 percent of the amount of the employee's elective deferrals that do not exceed three percent of compensation, plus 50 percent of the amount of the employee's elective deferrals that exceed three percent of the employee's compensation but do not exceed five percent of the employee's compensation. In addition, the Organization may elect to make additional discretionary contributions to the Plan on an annual basis but is not required to do so. For the years ended June 30, 2023 and 2022, the Organization made matching contributions to the 401(k) component in the amount of \$54,357 and \$62,506, respectively, and discretionary contributions to the retirement plan in the amount of \$143,539 and \$171,898, respectively.

Note 6 – Interest Cost

No interest expense was incurred for the years ended June 30, 2023 and 2022.

Note 7 – Affiliated Organizations-Related Party Transactions

On July 1, 1972, the Georgia Sheriffs' Boys Ranch, Inc. became affiliated with the Georgia Sheriffs' Cherokee Estate, Inc. Effective July 1, 1978, Georgia Sheriffs' Cherokee Estates, Inc. and the Georgia Sheriffs' Boys Ranch, Inc. were merged into one corporation known as Georgia Sheriffs' Youth Homes, Inc. In 1988, property was received by gift for the Pineland Campus at LaGrange, Georgia and in 1993, property was received by gift for the Herrington Homestead Campus at Nunez, Georgia. In the year ended June 30, 2007, a new campus, Mountain View in Murray County, Georgia, was opened. All campuses are sponsored by the Georgia Sheriffs' Association, Inc.

The Organization has accounts receivable from the Georgia Sheriffs' Association, Inc. of \$4,099 and \$0 at June 30, 2023 and 2022, respectively. Additionally, the Organization has accounts payable to the Georgia Sheriffs' Association, Inc. of \$7,891 and \$5,253 at June 30, 2023 and 2022, respectively.

The Organization accrued contributions from the Georgia Sheriffs' Youth Homes Foundation, Inc. of \$724,379 and \$885,386 for the years ended June 30, 2023 and 2022, respectively. Additionally, the Organization has accounts receivable due from the Foundation of \$2,344,413 and \$2,235,853 at June 30, 2023 and 2022, respectively, for accrued contributions and expense reimbursements and accounts payable of \$39 and \$1,900 for the same periods. Additionally, the Organization paid the Georgia Sheriffs' Youth Homes Foundation, Inc. \$38,419 and \$41,802 during June 30, 2023 and 2022, respectively, for occupancy rent. The Organization also had a Note Receivable of \$1,113,005 and \$1,113,005 at June 30, 2023 and 2022, respectively, related to the disposition of the McDonough, GA headquarters.

The Organization made contributions to the Foundation of \$0 and \$65,725 during the years ended June 30, 2023 and 2022, respectively. The prior-year amount was an allocated contribution of PPP Loan debt-forgiveness proceeds.

The Organization made contributions to the Georgia Sheriffs' Association, Inc. of \$0 and \$112,519 at June 30, 2023 and 2022, respectively. The prior-year amount was an allocated contribution of PPP Loan debt-forgiveness proceeds.

Note 8 – Income Taxes

Income taxes have not been provided as the organization is a non-profit corporation under Section 501(c)(3) of the Internal Revenue Code and therefore no provision is necessary. For the year ended June 30, 2023, management believes there are no material amounts of uncertain tax positions. Additionally, there were no amounts of interest or penalties recognized in the statement of financial position as of June 30, 2023 or the statement of activities for the year then ended. Further, all years subsequent to June 30, 2020 remain subject to examination.

Note 9 – Split Interest Agreements

During the years ended June 30, 2023 and 2022 and prior years, the Georgia Sheriffs' Youth Homes, Inc. received gifts from individuals under split-interest agreements which provided for annuities to be paid monthly or quarterly. Annuity payments under all agreements approximate an annual income stream to beneficiaries ranging from 6.3% to 12% of the contribution. The gifts were recorded at fair market value net of the annuity value. The balance of the annuities payable represents the present value of the future payments to be made based on the life expectancies of the individuals. Several of the agreements are partially revocable by the donors. The Georgia Sheriffs' Youth Homes, Inc. has no refundable advances liability of as of June 30, 2023 and 2022, respectively. Total annual payments under outstanding split interest agreements total \$15,463 and \$15,800 at June 30, 2023 and 2022, respectively.

The following is a schedule by years of future projected annuity payments required under the split-interest agreements as of June 30, 2023:

<u>YEAR ENDING JUNE 30,</u>	
2024	\$ 13,540
2025	7,008
2026	5,600
2027	5,600
2028	5,600
After 5 Years	<u>173,600</u>
Total Projected Payments	210,948
Less Amount Representing Interest	<u>133,107</u>
Present Value of Projected Annuity Payments	<u>\$ 77,841</u>
Current Portion	\$ 8,146
Long-Term Portion	<u>69,695</u>
	<u>\$ 77,841</u>

Note 10 – Restrictions on Net Assets

In August 2009, the Financial Accounting Standards Board (FASB) issued FASB ASC 958-205 (formerly Staff Position No. FAS 117-1, “Endowments of Not-for-Profit Foundations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds”). FASB ASC 958-205 provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA).

As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Note 10 – Restrictions on Net Assets (Continued)

The Board of Directors of the Organization has interpreted the State Prudent Management of Institutional Funds ACT (SPMIFA) as requiring the preservation of fair value of the original gift as of the date if the donor-restricted endowment funds do not include explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by SPMIFA

In accordance with SPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization, and (7) the Organization’s investment policies.

Investment Return Objectives, Risk Parameters and Strategies. The Organization has adopted investment and spending policies, approved by the Board of Directors, for endowment assets. The Organization engages the services of professional investment advisors to assist in monitoring compliance with its policies in this area.

Spending Policy. The current spending policy is based upon an allocation of 100% of the realized and unrealized income earned as available for current and future expenditures, except where restricted by the donor. However, spending is limited to reasonable and necessary expenses for program, management, general and fundraising.

Management, Reporting and Monitoring. Endowment and other funds are managed by the Organization through management and the Board of Directors with the assistance of professional investment advisors. Investment results are compared to certain predetermined benchmarks.

Note 11 – Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following:

	<u>JUNE 30,</u>	
	<u>2023</u>	<u>2022</u>
Boys Ranch	\$ 774,160	919,483
Cherokee Estates	75,194	69,321
Pineland	113,720	75,932
Herrington Homestead	96,393	61,158
Mountain View	46,598	95,980
Other (No specific campus designation)	(46)	(467)
Investments permanently restricted by the donor for educational purposes	<u>100,000</u>	<u>100,000</u>
	<u>\$ 1,206,019</u>	<u>1,321,407</u>

Donor restricted net assets include accrued income of \$3,598 and \$5,659 as of June 30, 2023 and 2022, respectively.

Donor restricted net assets are restricted for the purpose of funding construction projects, operations, and maintenance of the campuses and/or for educational purposes.

Note 12 – Fair Value Measurements

Generally accepted accounting principles define fair value, establishes a framework for measuring fair value and establishes a fair value hierarchy that prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Organization has the ability to access.
- Level 2 inputs are inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly.
- Level 3 are unobservable inputs for the asset or liability and rely on management’s own assumptions about the assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs should be developed based on the best information available in the circumstances and may include the Organization’s own data.

The following tables present the Organization’s fair value hierarchy for the financial assets measured at fair value on a recurring basis as of June 30, 2023 and June 30, 2022, respectively.

ASSETS AT FAIR VALUE JUNE 30, 2023				
	QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS (LEVEL 1)	SIGNIFICANT OTHER OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)	FAIR VALUE
Stocks and Mutual Funds	\$ 4,959,437	-	-	4,959,437
Corporate and Fixed Income	2,751,728	-	-	2,751,728
US Government Obligations	47,700	-	-	47,700
Assets Held For Sale and Use	-	-	100,402	100,402
	<u>\$ 7,758,865</u>	<u>-</u>	<u>100,402</u>	<u>7,859,267</u>

ASSETS AT FAIR VALUE JUNE 30, 2022				
	QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL ASSETS (LEVEL 1)	SIGNIFICANT OTHER OBSERVABLE INPUTS (LEVEL 2)	SIGNIFICANT UNOBSERVABLE INPUTS (LEVEL 3)	FAIR VALUE
Stocks and Mutual Funds	\$ 4,909,840	-	-	4,909,840
Corporate and Fixed Income	2,673,268	-	-	2,673,268
US Government Obligations	47,700	-	-	47,700
Assets Held For Sale and Use	-	-	100,501	100,501
	<u>\$ 7,630,808</u>	<u>-</u>	<u>100,501</u>	<u>7,731,309</u>

Note 12 – Fair Value Measurements (Continued)

	YEAR ENDED JUNE 30, 2023	
	INVESTMENT SECURITIES	ASSETS HELD FOR SALE
Fair Value Measurements Using Significant Unobservable Inputs (Level 3):		
Beginning Balance	\$ -	100,501
Total Gains or Losses Included in Earnings:		
Asset disposed of	-	(4,999)
Assets received by donation	-	4,900
Transfers in and/or out of level 3	-	-
Ending Balance	<u>\$ -</u>	<u>100,402</u>

The amount of total gains or losses for the period included in earnings attributable to the change in unrealized gains or losses relating to assets still held at the reporting date.

\$	-	-
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Gains and losses (realized and unrealized) included in earnings for the period are reported in revenues as follows:

	OTHER REVENUES
Total gains or (losses) included in earnings for the period	<u>\$ -</u>
Change in unrealized gains or losses relating to assets still held at reporting date	<u>\$ -</u>

	YEAR ENDED JUNE 30, 2022	
	INVESTMENT SECURITIES	ASSETS HELD FOR SALE
Fair Value Measurements Using Significant Unobservable Inputs (Level 3):		
Beginning Balance	\$ -	98,152
Total Gains or Losses Included in Earnings:		
Asset disposed of	-	-
Assets received by donation	-	2,349
Transfers in and/or out of level 3	-	-
Ending Balance	<u>\$ -</u>	<u>100,501</u>

The amount of total gains or losses for the period included in earnings attributable to the change in unrealized gains or losses relating to assets still held at the reporting date.

\$	-	-
----	---	---

Gains and losses (realized and unrealized) included in earnings for the period are reported in revenues as follows:

	OTHER REVENUES
Total gains or (losses) included in earnings for the period	<u>\$ -</u>
Change in unrealized gains or losses relating to assets still held at reporting date	<u>\$ -</u>

Note 13 – Liquidity and Availability of Financial Assets

The following represents the Organization’s financial assets as of June 30, 2023, reduced by amounts not available for general use because of contractual, donor-imposed or Board designated restrictions within one year of the statement of financial position date:

Financial assets at year end:	
Cash	\$ 530,879
Investment securities	7,758,865
Accrued interest receivable	47,277
Grants and other receivables	3,594,434
Assets held for sale or use	<u>100,402</u>
	<u>12,031,857</u>
Less amounts not available to be used within one year, due to:	
Current portion of liability for split interest agreements	8,146
Net assets with donor restrictions	1,206,019
Less net assets with purpose restrictions expected to be met in less than a year	<u>(1,106,019)</u>
	<u>108,146</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 11,923,711</u>

The Organization engages the services of investment advisors and money managers to ensure that assets are invested for a reasonable return. These professionals in consultation with management plan the composition of investment assets such as to provide sufficient liquidity for operating purposes.

Note 14 – Paycheck Protection Plan Loan Payable

Georgia Sheriffs' Youth Homes, Inc. received a Paycheck Protection Program 2 Loan (“PPP2”) totaling \$789,700. The Loan enabled the Organization to continue to assist with day-to-day qualifying expenses during the continuing COVID-19 pandemic. The PPP2 Loan was issued on April 21, 2021. Under terms of the PPP2, certain amounts of the Loan may be forgiven if used as described in the CARES Act, the Flexibility Act and the Economic Aid to Small Business Act. The Loan was forgiven during the year ended June 30, 2022 and the Organization has recorded a gain on extinguishment of debt in the Statement of Activities of \$794,318 for fiscal year ended June 30, 2022.

Note 15 – Donated Materials, Equipment and Other Assets

Donated materials, equipment and other assets, including land and assets held for sale, are reflected as contributions in the accompanying statements at their estimated values at date of receipt. Valuations are determined using estimated U.S. wholesale prices (principal market) of identical or similar products using price data under a “like-kind” methodology considering the goods’ condition and utility for use at the time of the contribution.

During the year ended June 30, 2023, the Organization received \$14,250 in donated materials and equipment with no donor-imposed restrictions. \$9,350 of donated materials and equipment were expensed as used, while \$4,900 of donated furniture was recorded to the assets held for sale account. During the year ended June 30, 2022, the Organization received \$18,854 in donated materials and equipment with no donor-imposed restrictions. \$13,855 of donated materials and equipment were expensed as used, while \$4,999 of donated tools were recorded to the assets held for sale account.

Note 15 – Donated Materials, Equipment and Other Assets (Continued)

The Organization also received \$46,758 and \$13,031 in donated securities for the years ended June 30, 2023 and 2022, respectively, with no donor-imposed restrictions. Securities were recorded at fair market value based on the current market value and are included in investment securities on the statement of position with changes in the fair market value from the donation date until year end included in unrealized gains and losses on the statement of activities. All donated securities are included in Tier 1 of the fair value hierarchy in Note 12.

Note 16 – Contingency

As of August 1, 2021, the Georgia Sheriffs Youth Homes Foundation, Inc. (the “Borrower”), entered into a Loan Agreement with the Development Authority of Morgan County, Georgia (“the Issuer”). The Borrower requested that the Issuer issue a Series 2021 Bond (the “Bond”) in the principal face amount of \$10,000,000 for the purpose of financing the costs of a new headquarters facility in Morgan County, Georgia for the Borrower and related entities and paying the costs of issuing the Bond. Morris Bank, located in Houston County, Georgia, purchased the Bond Issuance and will be financing the Loan. The Facility will be financed for up to 20 years at a rate of 2.95%, with an approximate mortgage payment of \$50,000 per month upon completion of the project. The Georgia Sheriffs’ Youth Homes Foundation will be the loan borrower with the Georgia Sheriffs’ Youth Homes, Inc. being the loan guarantor. Loan collateral is to include the current headquarters location and projected sales proceeds as well as the new headquarters building.

Land was purchased at the proposed location of Madison, Georgia on December 29, 2020 in the amount of \$784,370. In addition to the Georgia Sheriffs’ Youth Homes Foundation, Inc. and the Georgia Sheriffs’ Youth Homes, Inc., the Georgia Sheriffs’ Association, Inc. and the Sheriffs’ Retirement Fund of Georgia each will contribute their equitable share of costs associated with the construction, operations and maintenance of the facility as tenants. The construction of the new headquarters was substantially complete in November 2022 although additional updates have continued throughout the year ended June 30, 2023.

Note 17 – Leases

During November 2022, the Madison building was substantially completed and able to be moved into; however, there was still a significant amount of work and costs remaining to be completed. The lease contract terms were for the Organization to pay a proportional amount of the interest as lease payments until the loan converted to a permanent amortizing loan. Since the loan was still in the interest-only construction phase, rent payments were variable based on the current loan amount and charged to rent expense as incurred. Once the loan is converted in August 2023, a right-of-use asset and lease liability will each be recorded based on future payment obligations. Rent expense for office space totaled \$38,419 and \$41,802 for the years ended June 30, 2023 and 2022, respectively.

During the years ended June 30, 2023 and 2022, the Organization incurred rent expense of 22,516 and \$78,228 for short term equipment rentals.

Note 18 – Subsequent Events

The Organization has evaluated events and transactions for potential recognition or disclosure in the financial statements through February 20, 2024, the date on which the financial statements were available to be issued.

As stated in Note 17 above, subsequent to year end, the Morris Bank building loan converted from interest-only to interest and principal and began amortizing. New lease agreements were signed to detail the percentage of the payment that will be paid by each entity. The lease agreement term is for only one year; however, the lease is expected to be renewed until the loan has been paid in full. At commencement of the new lease, a right-of-use asset and lease liability will be recorded for the Organization’s portion of future lease payments.

GEORGIA SHERIFFS' YOUTH HOMES, INC.

YOUTH HOMES
SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2022)

	YEAR ENDED JUNE 30, 2023			
	PROGRAM SERVICES	SUPPORTING SERVICES		
	CHILD CARE	MANAGEMENT	FUND	
		AND GENERAL	RAISING	MAINTENANCE
(1) Salaries	\$ -	306,241	164,815	-
(2) Payroll taxes and retirement	-	66,310	30,156	-
(3) Insurance	109	104,926	34,783	-
(4) Postage	19,394	3,100	16,648	-
(5) Telephone	7,339	6,496	437	-
(6) Travel	6,862	-	-	-
(7) Public relations	33,087	181	-	-
(8) Dues and subscriptions	896	1,262	-	-
(9) Professional services	23,630	1,317	39,888	-
(10) Personnel screening costs	-	113	-	-
(11) Hospital, drugs and medical	18	-	-	-
(12) Utilities	-	-	-	8,233
(13) Repairs and maintenance	-	-	458	2,807
(14) Vehicle operating costs	-	-	-	7,753
(15) Fees, taxes and licenses	31	31	-	-
(16) Food	-	-	-	-
(17) Household items and fixtures	-	-	-	-
(18) Bank charges	-	3,211	-	-
(19) Advertising	-	-	-	-
(20) Awards	610	977	-	-
(21) Building maintenance	-	2,254	-	-
(22) Personal care	-	136	-	-
(23) Lawn care expense	-	-	-	1,682
(24) Payroll services expense	-	2,250	1,132	-
(25) Legal and auditing	-	46,660	-	-
(26) Office supplies	11,994	1,133	66	-
(27) Printing	3,517	38	-	-
(28) Property taxes	5,617	-	-	-
(29) Rent on equipment	112	10,809	224	-
(30) Computer expense	48,816	6,222	-	-
(31) Special events	101,171	-	-	-
(32) Investment fees	-	9,239	-	-
(33) Credit card processing fees	4,851	150	-	-
(34) Meetings	182	44	-	-
(35) Rent - Occupancy	-	38,419	-	-
(36) Donations to other non-profits, Note 7	-	-	-	-
Total Expenses Before Depreciation & Interest	268,286	611,519	288,607	20,475
Depreciation, Notes 1 and 4	429	1,397	-	-
	<u>\$ 268,715</u>	<u>612,916</u>	<u>288,607</u>	<u>20,475</u>

Note: See independent auditor's report.

GEORGIA SHERIFFS' YOUTH HOMES, INC.

YOUTH HOMES
SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023

(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2022)

YEAR ENDED JUNE 30, 2023		TOTALS		
SUPPORTING SERVICES		YEAR ENDED JUNE 30,		
PLANNED		2023	2022	
GIVING	TOTAL			
-	471,056	471,056	451,215	(1)
-	96,466	96,466	96,972	(2)
-	139,709	139,818	114,056	(3)
-	19,748	39,142	45,550	(4)
-	6,933	14,272	7,198	(5)
-	-	6,862	5,403	(6)
-	181	33,268	24,869	(7)
-	1,262	2,158	3,168	(8)
-	41,205	64,835	60,202	(9)
-	113	113	90	(10)
-	-	18	-	(11)
-	8,233	8,233	973	(12)
-	3,265	3,265	1,800	(13)
-	7,753	7,753	9,870	(14)
-	31	62	50	(15)
-	-	-	179	(16)
-	-	-	2,971	(17)
-	3,211	3,211	5,183	(18)
-	-	-	443	(19)
-	977	1,587	827	(20)
-	2,254	2,254	-	(21)
-	136	136	-	(22)
-	1,682	1,682	249	(23)
-	3,382	3,382	3,002	(24)
-	46,660	46,660	46,173	(25)
-	1,199	13,193	7,769	(26)
-	38	3,555	1,916	(27)
-	-	5,617	2,094	(28)
-	11,033	11,145	54,929	(29)
-	6,222	55,038	65,343	(30)
-	-	101,171	71,225	(31)
-	9,239	9,239	10,747	(32)
-	150	5,001	4,250	(33)
-	44	226	1,049	(34)
-	38,419	38,419	41,802	(35)
-	-	-	179,344	(36)
-	920,601	1,188,887	1,320,911	
-	1,397	1,826	6,495	
-	921,998	1,190,713	1,327,406	

Note: See independent auditor's report.

GEORGIA SHERIFFS' YOUTH HOMES, INC.

BOYS' RANCH
SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2022)

	YEAR ENDED JUNE 30, 2023			
	PROGRAM SERVICES			
	CHILD CARE	FOOD SERVICE	HOME & MAINTENANCE	TOTAL
(1) Salaries	\$ 449,241	57,373	37,838	544,452
(2) Payroll taxes and retirement	62,520	9,814	3,649	75,983
(3) Insurance	94,666	14,207	74,879	183,752
(4) Postage	531	-	-	531
(5) Telephone	17,583	-	-	17,583
(6) Travel	3,878	-	-	3,878
(7) Public relations	1,000	-	-	1,000
(8) Dues and subscriptions	970	-	-	970
(9) Professional services	8,405	-	-	8,405
(10) Allowances	6,517	-	-	6,517
(11) Personnel screening costs	2,912	-	-	2,912
(12) Hospital, drugs and medical	945	-	-	945
(13) Haircuts	3,269	-	-	3,269
(14) Recreation	7,093	-	-	7,093
(15) Special occasions	13,247	-	-	13,247
(16) Clothing	18,933	-	-	18,933
(17) Utilities	-	-	78,572	78,572
(18) Repairs and maintenance	-	-	6,958	6,958
(19) Vehicle operating costs	-	-	44,219	44,219
(20) Fees, taxes and licenses	540	-	-	540
(21) Food	-	64,776	-	64,776
(22) Household items and fixtures	-	-	3,603	3,603
(23) Kitchen supplies	-	5,175	-	5,175
(24) Bank charges	4	-	-	4
(25) School fees and supplies	2,376	-	-	2,376
(26) Awards	-	-	-	-
(27) Home maintenance	-	-	127,262	127,262
(28) Personal care	255	-	-	255
(29) Lawn care expense	-	-	45,169	45,169
(30) Payroll services expense	3,351	390	243	3,984
(31) Office supplies	1,264	-	-	1,264
(32) Rent on equipment	4,129	-	-	4,129
(33) Training and conferences	5,335	-	-	5,335
(34) Computer expense	17,446	-	-	17,446
(35) Special events	9,134	-	-	9,134
(36) Investment fees	-	-	-	-
(37) Credit card processing fees	217	-	-	217
Total Expenses Before Depreciation	735,761	151,735	422,392	1,309,888
Depreciation, Notes 1 and 4	89,749	14,754	33,882	138,385
	<u>\$ 825,510</u>	<u>166,489</u>	<u>456,274</u>	<u>1,448,273</u>

Note: See independent auditor's report.

GEORGIA SHERIFFS' YOUTH HOMES, INC.

**BOYS' RANCH
SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023**

(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2022)

YEAR ENDED JUNE 30, 2023				TOTALS		
SUPPORTING SERVICES				YEAR ENDED JUNE 30,		
MANAGEMENT AND GENERAL	FUNDRAISING	FARM	TOTAL	2023	2022	
-	-	-	-	544,452	512,107	(1)
-	-	-	-	75,983	87,019	(2)
-	-	-	-	183,752	196,289	(3)
8	-	-	8	539	661	(4)
789	-	-	789	18,372	13,704	(5)
-	-	-	-	3,878	2,194	(6)
-	-	-	-	1,000	4,810	(7)
-	-	-	-	970	524	(8)
-	-	-	-	8,405	9,171	(9)
-	-	-	-	6,517	7,682	(10)
-	-	-	-	2,912	1,745	(11)
-	-	-	-	945	821	(12)
-	-	-	-	3,269	2,088	(13)
-	-	-	-	7,093	14,865	(14)
-	-	-	-	13,247	15,778	(15)
-	-	-	-	18,933	8,456	(16)
-	-	-	-	78,572	77,433	(17)
-	-	-	-	6,958	138	(18)
-	-	-	-	44,219	33,808	(19)
-	-	-	-	540	790	(20)
-	-	-	-	64,776	60,631	(21)
-	-	-	-	3,603	5,323	(22)
-	-	-	-	5,175	5,207	(23)
41	-	-	41	45	78	(24)
-	-	-	-	2,376	2,198	(25)
-	-	-	-	-	158	(26)
-	-	-	-	127,262	51,187	(27)
-	-	-	-	255	62	(28)
-	-	-	-	45,169	34,302	(29)
-	-	-	-	3,984	3,952	(30)
-	-	-	-	1,264	1,355	(31)
-	-	-	-	4,129	8,638	(32)
-	-	-	-	5,335	10,745	(33)
-	-	-	-	17,446	5,821	(34)
-	-	-	-	9,134	6,090	(35)
6,255	-	-	6,255	6,255	7,286	(36)
-	-	-	-	217	3	(37)
7,093	-	-	7,093	1,316,981	1,193,119	
-	-	-	-	138,385	135,589	
7,093	-	-	7,093	1,455,366	1,328,708	

Note: See independent auditor's report.

GEORGIA SHERIFFS' YOUTH HOMES, INC.

**CHEROKEE ESTATE
SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2022)**

	YEAR ENDED JUNE 30, 2023			
	PROGRAM SERVICES			
	CHILD CARE	FOOD SERVICE	HOME & MAINTENANCE	TOTAL
(1) Salaries	\$ 209,339	-	-	209,339
(2) Payroll taxes and retirement	35,245	-	-	35,245
(3) Insurance	62,645	-	40,619	103,264
(4) Postage	355	-	-	355
(5) Telephone	38,949	-	-	38,949
(6) Travel	1,819	-	-	1,819
(7) Public relations	-	-	-	-
(8) Dues and subscriptions	230	-	-	230
(9) Professional services	-	-	-	-
(10) Allowances	4,313	-	-	4,313
(11) Personnel screening costs	925	-	-	925
(12) Hospital, drugs and medical	4,728	-	-	4,728
(13) Haircuts	162	-	-	162
(14) Recreation	3,735	-	-	3,735
(15) Special occasions	3,194	-	-	3,194
(16) Clothing	4,767	-	-	4,767
(17) Utilities	-	-	48,506	48,506
(18) Repairs and maintenance	-	-	81	81
(19) Vehicle operating costs	-	-	10,426	10,426
(20) Food	-	17,592	-	17,592
(21) Household items and fixtures	-	-	1,617	1,617
(22) Kitchen supplies	-	310	-	310
(23) Bank charges	66	-	-	66
(24) School fees and supplies	1,349	-	-	1,349
(25) Home maintenance	-	-	19,854	19,854
(26) Personal care	612	-	-	612
(27) Lawn care expense	-	-	46,210	46,210
(28) Payroll processing fees	1,376	-	-	1,376
(29) Office supplies	890	-	-	890
(30) Printing	-	-	-	-
(31) Rent on equipment	2,319	-	-	2,319
(32) Training and conferences	1,003	-	-	1,003
(33) Computer expense	9,965	-	-	9,965
(34) Special events	3,554	-	-	3,554
(35) Farm supplies and expense	-	-	-	-
(36) Credit card processing fees	53	-	-	53
(37) Meetings	374	-	-	374
Total Expenses Before Depreciation	391,967	17,902	167,313	577,182
Depreciation, Notes 1 and 4	86,965	1,361	11,753	100,079
	<u>\$ 478,932</u>	<u>19,263</u>	<u>179,066</u>	<u>677,261</u>

Note: See independent auditor's report.

GEORGIA SHERIFFS' YOUTH HOMES, INC.

**CHEROKEE ESTATE
SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2022)**

YEAR ENDED JUNE 30, 2023				TOTALS		
SUPPORTING SERVICES				YEAR ENDED JUNE 30,		
MANAGEMENT AND GENERAL	FUNDRAISING	FARM	TOTAL	2023	2022	
-	-	-	-	209,339	245,556	(1)
-	-	-	-	35,245	40,042	(2)
-	-	-	-	103,264	118,536	(3)
-	-	-	-	355	302	(4)
790	-	-	790	39,739	40,036	(5)
-	-	-	-	1,819	1,757	(6)
-	-	-	-	-	371	(7)
-	-	-	-	230	200	(8)
-	-	-	-	-	1,925	(9)
-	-	-	-	4,313	4,945	(10)
-	-	-	-	925	483	(11)
-	-	-	-	4,728	10,243	(12)
-	-	-	-	162	50	(13)
-	-	-	-	3,735	6,628	(14)
-	-	-	-	3,194	5,836	(15)
-	-	-	-	4,767	2,971	(16)
-	-	-	-	48,506	44,955	(17)
-	-	-	-	81	343	(18)
-	-	-	-	10,426	12,053	(19)
-	-	-	-	17,592	18,663	(20)
-	-	-	-	1,617	2,482	(21)
-	-	-	-	310	861	(22)
12	-	-	12	78	127	(23)
-	-	-	-	1,349	2,087	(24)
-	-	-	-	19,854	15,931	(25)
-	-	-	-	612	39	(26)
-	-	-	-	46,210	26,864	(27)
-	-	-	-	1,376	1,570	(28)
-	-	-	-	890	1,067	(29)
-	-	-	-	-	392	(30)
-	-	-	-	2,319	4,629	(31)
-	-	-	-	1,003	533	(32)
-	-	-	-	9,965	5,536	(33)
-	-	-	-	3,554	3,124	(34)
-	-	-	-	-	194	(35)
-	-	-	-	53	41	(36)
-	-	-	-	374	87	(37)
802	-	-	802	577,984	621,459	
-	-	1,290	1,290	101,369	107,807	
802	-	1,290	2,092	679,353	729,266	

Note: See independent auditor's report.

GEORGIA SHERIFFS' YOUTH HOMES, INC.

PINELAND
SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2022)

	YEAR ENDED JUNE 30, 2023			
	PROGRAM SERVICES			
	CHILD CARE	FOOD SERVICE	HOME & MAINTENANCE	TOTAL
(1) Salaries	\$ 193,119	-	62,478	255,597
(2) Payroll taxes and retirement	32,311	-	13,726	46,037
(3) Insurance	41,013	-	64,211	105,224
(4) Postage	529	-	-	529
(5) Telephone	18,190	-	-	18,190
(6) Travel	2,141	-	-	2,141
(7) Public relations	325	-	-	325
(8) Dues and subscriptions	205	-	-	205
(9) Professional services	2,015	-	-	2,015
(10) Allowances	742	-	-	742
(11) Personnel screening costs	2,375	-	-	2,375
(12) Hospital, drugs and medical	5,793	-	-	5,793
(13) Haircuts	572	-	-	572
(14) Recreation	3,064	-	-	3,064
(15) Special occasions	1,659	-	-	1,659
(16) Clothing	5,624	-	-	5,624
(17) Utilities	-	-	73,618	73,618
(18) Repairs and maintenance	-	-	14,967	14,967
(19) Vehicle operating cost	-	-	19,289	19,289
(20) Fees, taxes and licenses	332	-	-	332
(21) Food	-	24,380	-	24,380
(22) Household items and fixtures	-	-	5,603	5,603
(23) Kitchen supplies	-	1,242	-	1,242
(24) Bank charges	86	-	-	86
(25) School fees and supplies	1,176	-	-	1,176
(26) Advertising	2,817	-	-	2,817
(27) Home maintenance	-	-	42,359	42,359
(28) Personal care	66	-	-	66
(29) Lawn care expense	-	-	3,834	3,834
(30) Payroll processing fees	1,655	-	470	2,125
(31) Office supplies	1,229	-	-	1,229
(32) Rent of equipment	3,081	-	-	3,081
(33) Training and conferences	1,197	-	-	1,197
(34) Computer expense	9,060	-	-	9,060
(35) Special events	5,242	-	-	5,242
(36) Credit card processing fees	50	-	-	50
(37) Meetings	1,291	-	-	1,291
Total Expense Before Depreciation	336,959	25,622	300,555	663,136
Depreciation, Notes 1 and 4	124,123	3,939	33,097	161,159
	<u>\$ 461,082</u>	<u>29,561</u>	<u>333,652</u>	<u>824,295</u>

Note: See independent auditor's report.

GEORGIA SHERIFFS' YOUTH HOMES, INC.

PINELAND
 SCHEDULE OF FUNCTIONAL EXPENSES
 YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2022)

YEAR ENDED JUNE 30, 2023				TOTALS		
SUPPORTING SERVICES				YEAR ENDED JUNE 30,		
MANAGEMENT AND GENERAL	FUNDRAISING	FARM	TOTAL	2023	2022	
-	-	-	-	255,597	283,254	(1)
-	-	-	-	46,037	48,064	(2)
-	-	-	-	105,224	125,227	(3)
-	-	-	-	529	523	(4)
768	-	-	768	18,958	19,640	(5)
-	-	-	-	2,141	992	(6)
-	-	-	-	325	775	(7)
-	-	-	-	205	425	(8)
-	-	-	-	2,015	4,085	(9)
-	-	-	-	742	862	(10)
-	-	-	-	2,375	3,008	(11)
-	-	-	-	5,793	12,294	(12)
-	-	-	-	572	686	(13)
-	-	-	-	3,064	6,011	(14)
-	-	-	-	1,659	1,363	(15)
-	-	-	-	5,624	11,849	(16)
-	-	-	-	73,618	63,836	(17)
103	-	-	103	15,070	16,983	(18)
-	-	-	-	19,289	16,909	(19)
-	-	-	-	332	322	(20)
-	-	-	-	24,380	33,589	(21)
-	-	-	-	5,603	11,347	(22)
-	-	-	-	1,242	853	(23)
-	-	-	-	86	39	(24)
-	-	-	-	1,176	2,499	(25)
-	-	-	-	2,817	730	(26)
-	-	-	-	42,359	39,796	(27)
-	-	-	-	66	157	(28)
-	-	-	-	3,834	3,134	(29)
-	-	-	-	2,125	2,099	(30)
-	-	-	-	1,229	1,153	(31)
-	-	-	-	3,081	8,426	(32)
-	-	-	-	1,197	1,346	(33)
-	-	-	-	9,060	8,204	(34)
-	-	-	-	5,242	583	(35)
-	-	-	-	50	31	(36)
-	-	-	-	1,291	588	(37)
871	-	-	871	664,007	731,682	
-	-	1,543	1,543	162,702	168,553	
871	-	1,543	2,414	826,709	900,235	

Note: See independent auditor's report.

GEORGIA SHERIFFS' YOUTH HOMES, INC.

**HERRINGTON HOMESTEAD
SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2022)**

	YEAR ENDED JUNE 30, 2023			
	PROGRAM SERVICES			
	CHILD CARE	FOOD SERVICE	HOME & MAINTENANCE	TOTAL
(1) Salaries	\$ 326,817	-	2,438	329,255
(2) Payroll taxes and retirement	57,217	-	1,216	58,433
(3) Insurance	63,336	822	63,531	127,689
(4) Postage	619	-	-	619
(5) Telephone	16,048	-	120	16,168
(6) Travel	1,053	-	-	1,053
(7) Public relations	409	-	-	409
(8) Dues and subscriptions	117	-	-	117
(9) Professional services	7,685	-	-	7,685
(10) Allowances	6,874	-	-	6,874
(11) Personnel screening costs	820	-	-	820
(12) Hospital, drugs and medical	6,598	-	-	6,598
(13) Haircuts	1,803	-	-	1,803
(14) Recreation	7,548	-	-	7,548
(15) Special occasions	3,382	-	-	3,382
(16) Clothing	11,424	-	-	11,424
(17) Utilities	-	-	55,220	55,220
(18) Repairs and maintenance	-	-	-	-
(19) Vehicle operating costs	-	-	24,999	24,999
(20) Fees, taxes and licenses	13	-	-	13
(21) Food	-	46,890	-	46,890
(22) Household items and fixtures	-	-	8,630	8,630
(23) Kitchen supplies	-	86	-	86
(24) School fees and supplies	4,200	-	-	4,200
(25) Advertising	1,748	-	-	1,748
(26) Awards	30	-	-	30
(27) Home maintenance	-	-	28,998	28,998
(28) Personal care	226	-	-	226
(29) Lawn care expense	-	-	10,961	10,961
(30) Payroll processing fees	2,491	-	72	2,563
(31) Office supplies	1,939	-	-	1,939
(32) Printing	-	-	-	-
(33) Training and conferences	1,048	-	-	1,048
(34) Computer expense	13,226	-	-	13,226
(35) Special events	1,272	-	-	1,272
(36) Credit card processing fees	1	-	-	1
(37) Meetings	184	-	-	184
Total Expenses Before Depreciation	538,128	47,798	196,185	782,111
Depreciation, Notes 1 and 4	116,506	1,828	18,791	137,125
	<u>\$ 654,634</u>	<u>49,626</u>	<u>214,976</u>	<u>919,236</u>

Note: See independent auditor's report.

GEORGIA SHERIFFS' YOUTH HOMES, INC.

**HERRINGTON HOMESTEAD
SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023**

(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2022)

YEAR ENDED JUNE 30, 2023			TOTALS		
SUPPORTING SERVICES			YEAR ENDED JUNE 30,		
MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL	2023	2022	
-	-	-	329,255	357,964	(1)
-	-	-	58,433	72,897	(2)
-	-	-	127,689	171,998	(3)
-	-	-	619	350	(4)
607	-	607	16,775	20,758	(5)
-	-	-	1,053	1,868	(6)
-	-	-	409	300	(7)
-	-	-	117	38	(8)
-	-	-	7,685	942	(9)
-	-	-	6,874	5,166	(10)
-	-	-	820	99	(11)
-	-	-	6,598	1,647	(12)
-	-	-	1,803	1,220	(13)
-	-	-	7,548	8,903	(14)
-	-	-	3,382	21,824	(15)
-	-	-	11,424	9,711	(16)
-	-	-	55,220	48,590	(17)
-	-	-	-	683	(18)
-	-	-	24,999	22,475	(19)
-	-	-	13	2	(20)
-	-	-	46,890	23,319	(21)
-	-	-	8,630	6,056	(22)
-	-	-	86	57	(23)
-	-	-	4,200	1,790	(24)
-	-	-	1,748	-	(25)
-	-	-	30	-	(26)
-	-	-	28,998	41,925	(27)
-	-	-	226	154	(28)
-	-	-	10,961	2,532	(29)
-	-	-	2,563	2,386	(30)
-	-	-	1,939	1,359	(31)
60	-	60	60	-	(32)
-	-	-	1,048	901	(34)
-	-	-	13,226	37,366	(35)
-	-	-	1,272	932	(36)
-	-	-	1	37	(37)
-	-	-	184	114	(38)
667	-	667	782,778	866,363	
-	-	-	137,125	147,452	
667	-	667	919,903	1,013,815	

Note: See independent auditor's report.

GEORGIA SHERIFFS' YOUTH HOMES, INC.

MOUNTAIN VIEW
SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2022)

	YEAR ENDED JUNE 30, 2023			
	PROGRAM SERVICES			
	CHILD CARE	FOOD SERVICE	HOME & MAINTENANCE	TOTAL
(1) Salaries	\$ 103,132	-	32,316	135,448
(2) Payroll taxes and retirement	16,473	-	6,387	22,860
(3) Insurance	46,185	-	11,741	57,926
(4) Telephone	20,528	-	-	20,528
(5) Travel	-	-	-	-
(6) Public relations	-	-	-	-
(7) Dues and subscriptions	130	-	-	130
(8) Professional services	-	-	-	-
(9) Allowances	1,206	-	-	1,206
(10) Personnel screening costs	273	-	-	273
(11) Hospital, drugs and medical	23	-	-	23
(12) Haircuts	125	-	-	125
(13) Recreation	3,619	-	-	3,619
(14) Special occasions	1,214	-	-	1,214
(15) Clothing	1,387	-	-	1,387
(16) Utilities	-	-	17,507	17,507
(17) Repairs and maintenance	-	-	95	95
(18) Vehicle operating cost	-	-	6,041	6,041
(19) Fees, taxes and licenses	1	-	-	1
(20) Food	-	13,194	-	13,194
(21) Household items and fixtures	-	-	557	557
(22) Kitchen supplies	-	15	-	15
(23) Bank charges	2	-	-	2
(24) School fees and supplies	331	-	-	331
(25) Home maintenance	-	-	7,763	7,763
(26) Personal care	32	-	-	32
(27) Lawn care	-	-	829	829
(28) Payroll processing fees	673	-	304	977
(29) Office supplies	503	-	-	503
(30) Printing	-	-	-	-
(31) Rent of equipment	1,842	-	-	1,842
(32) Training and conferences	338	-	-	338
(33) Computer expense	7,494	-	-	7,494
(34) Special events	1,000	-	-	1,000
(35) Farm supplies and expense	-	-	-	-
(36) Credit card processing fees	73	-	-	73
(37) Meetings	153	-	-	153
	<u>206,737</u>	<u>13,209</u>	<u>83,540</u>	<u>303,486</u>
Depreciation, Notes 1 and 4	24,604	-	3,793	28,397
	<u>\$ 231,341</u>	<u>13,209</u>	<u>87,333</u>	<u>331,883</u>

Note: See independent auditor's report.

GEORGIA SHERIFFS' YOUTH HOMES, INC.

MOUNTAIN VIEW
 SCHEDULE OF FUNCTIONAL EXPENSES
 YEAR ENDED JUNE 30, 2023

(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2022)

YEAR ENDED JUNE 30, 2023			TOTALS		
SUPPORTING SERVICES			YEAR ENDED JUNE 30,		
MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL	2023	2022	
-	371	371	135,819	102,787	(1)
-	-	-	22,860	20,089	(2)
-	-	-	57,926	50,629	(3)
-	-	-	20,528	19,283	(4)
-	-	-	-	13	(5)
-	-	-	-	371	(6)
-	-	-	130	-	(7)
-	-	-	-	1,700	(8)
-	-	-	1,206	667	(9)
-	-	-	273	52	(10)
-	-	-	23	1,071	(11)
-	-	-	125	110	(12)
-	-	-	3,619	637	(13)
-	-	-	1,214	298	(14)
-	-	-	1,387	716	(15)
-	-	-	17,507	14,920	(16)
3,113	-	3,113	3,208	-	(17)
-	-	-	6,041	2,304	(18)
-	-	-	1	-	(19)
-	-	-	13,194	3,510	(20)
-	-	-	557	97	(21)
-	-	-	15	0	(22)
-	-	-	2	39	(23)
-	-	-	331	111	(24)
-	-	-	7,763	5,535	(25)
-	-	-	32	107	(26)
-	-	-	829	812	(27)
-	-	-	977	721	(28)
-	-	-	503	102	(29)
-	-	-	-	391	(30)
-	-	-	1,842	1,604	(31)
-	-	-	338	81	(32)
-	-	-	7,494	3,939	(33)
-	-	-	1,000	3,053	(34)
-	-	-	-	55	(35)
-	-	-	73	145	(36)
-	-	-	153	230	(37)
3,113	371	3,484	306,970	236,179	
-	-	-	28,397	28,707	
3,113	371	3,484	335,367	264,886	

Note: See independent auditor's report.

GEORGIA SHERIFFS' YOUTH HOMES, INC.
YOUTH HOMES INVESTMENTS
SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2022)

	SUPPORTING SERVICE MANAGEMENT AND GENERAL	TOTALS YEAR ENDED JUNE 30,	
		2023	2022
Investment fees	\$ 39,566	39,566	47,314

Note: See independent auditor's report.

GEORGIA SHERIFFS' YOUTH HOMES, INC.

SCHEDULE OF ASSETS RECEIVED FROM WILLS AND BEQUESTS
YEAR ENDED JUNE 30, 2023

Chester Knowles Trust	\$	2,628
Helen McPheeters		6,319
Estate of Joseph D. Cooley, Jr.		3,105
Estate of Jimmy D. Conner		14,214
Estate of William G. Longshore, Jr.		<u>24,325</u>
	\$	<u>50,591</u>

Note: See independent auditor's report.

GEORGIA SHERIFFS' YOUTH HOMES, INC.

SCHEDULE OF FEDERAL AND STATE CONTRACTUAL ASSISTANCE
YEAR ENDED JUNE 30, 2023

	<u>Contract Number</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Due (To) From</u>
Level of Care	42700-040C-RBWO23-01172			
	GA Sheriffs Boys Ranch	\$ 621,780	621,780	-
	GA Sheriffs Cherokee Estates	246,110	246,110	-
	GA Sheriffs Pineland	46,569	46,569	-
	GA Sheriffs Herrington Homestead	500,465	500,465	-
	GA Sheriffs Mountain View	<u>104,478</u>	<u>104,478</u>	<u>-</u>
		<u>1,519,402</u>	<u>1,519,402</u>	<u>-</u>
		<u>\$ 1,519,402</u>	<u>1,519,402</u>	<u>-</u>

Note: See independent auditor's report.



Fowler, Holley, Rambo & Stalvey, P.C.
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors and Officers
Georgia Sheriffs' Youth Homes, Inc.
Madison, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Georgia Sheriffs' Youth Homes, Inc. (a nonprofit organization) which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and cash flows and functional expenses for the year then ended, and the related notes to the financial statements and have issued our report thereon dated February 20, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Georgia Sheriffs' Youth Homes, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Georgia Sheriffs' Youth Homes, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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To the Board of Directors and Officers
Georgia Sheriffs' Youth Homes, Inc.
Madison, Georgia
Page Two

Report on Compliance and Other Matters

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

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 Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Fowler, Holley, Rambo & Stalvey, P.C.

Valdosta, Georgia
February 20, 2024



Fowler, Holley, Rambo & Stalvey, P.C.
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BUSINESS CONSULTANTS

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors and Officers
Georgia Sheriffs' Youth Homes, Inc.
Madison, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Georgia Sheriffs' Youth Homes, Inc.'s (a nonprofit organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Georgia Sheriffs' Youth Homes, Inc.'s major federal programs for the year ended June 30, 2023. Georgia Sheriffs' Youth Homes, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Georgia Sheriffs' Youth Homes, Inc., complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Georgia Sheriffs' Youth Homes, Inc., and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Georgia Sheriffs' Youth Homes, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

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To the Board of Directors and Officers
Georgia Sheriffs' Youth Homes, Inc.
Madison, Georgia
Page Two

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Georgia Sheriffs' Youth Homes, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted Auditing Standards, *Government Auditing Standards* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than one resulting for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable of the report on compliance about Georgia Sheriffs' Youth Homes, Inc.'s compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Georgia Sheriffs' Youth Homes, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered in the circumstances.
- Obtain an understanding Georgia Sheriffs' Youth Homes, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Georgia Sheriffs' Youth Homes, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

To the Board of Directors and Officers
Georgia Sheriffs' Youth Homes, Inc.
Madison, Georgia
Page Three

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

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

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

Fowler, Holley, Rambo & Stalvey, P.C.

Valdosta, Georgia
February 20, 2024

GEORGIA SHERIFFS' YOUTH HOMES, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

1. The auditor's report expresses an unmodified opinion on the financial statements of Georgia Sheriffs' Youth Homes, Inc.
2. No significant deficiencies in internal control over financial reporting relating to the audit of the financial statements were reported.
3. No instances of noncompliance material to the financial statements of Georgia Sheriffs' Youth Homes, Inc. which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.

FEDERAL AWARDS

4. No significant deficiencies in internal control over major federal award programs were reported.
5. The auditor's report on compliance for the major federal award programs expresses an unmodified opinion on all major federal programs.
6. The audit disclosed no findings relating to major programs that are required to be reported in accordance with 2 CFR 200.516(a).
7. The program tested as a major program includes:
Department of Health and Human Services
Foster Care - Title IV-E
Pass-Through Entity
Georgia Department of Human Services -
Division of Family and Children Services
CFDA No. 93.658 \$1,519,402
8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. Georgia Sheriffs' Youth Homes, Inc. qualified as a low-risk auditee.

FINDINGS – FINANCIAL STATEMENT AUDIT

None.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None.

GEORGIA SHERIFFS' YOUTH HOMES, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
U. S. Department of Health and Human Services - Federal Grantor Passed Through Georgia Department of Human Services - Division of Family and Children Services	93.658	\$ <u>1,519,402</u>
Total Expenditures of Federal Awards		\$ <u><u>1,519,402</u></u>

Note: See accompanying notes to schedule of expenditures of federal awards.

GEORGIA SHERIFFS' YOUTH HOMES, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Georgia Sheriffs' Youth Homes, Inc. under programs of the Federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of U.S. Office of Management and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Georgia Sheriffs' Youth Homes, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of Georgia Sheriffs' Youth Homes, Inc.

Note B – Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized and presented in accordance with the requirements of the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Pass-through entity identifying numbers are presented where applicable.

Note C – Sub-Recipients

No amounts were provided to sub-recipients.

Note D – Catalog of Federal Domestic Assistance (CFDA Numbers)

The CFDA numbers included in the accompanying SEFA were determined based on the program name, review of grant contract information, and the Office of Management and Budget's Catalog of Federal Domestic Assistance.

Note E – Indirect Cost Rate

The Organization did not elect to use the 10% de minimis cost rate as allowed under the Uniform Guidance.