

GEORGIA SHERIFFS' YOUTH HOMES, INC.

MADISON, GEORGIA

REPORT ON AUDIT OF FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2022

GEORGIA SHERIFFS' YOUTH HOMES, INC.

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor's Report	1-3
Statement of Financial Position	4
Statement of Activities	5
Combined Statement of Functional Expenses	6
Statement of Cash Flows	7-8
Notes to Financial Statements	9-19
Accompanying Information:	
Schedules of Functional Expenses:	
Youth Homes	20
Boys' Ranch	21
Cherokee Estate	22
Pineland	23
Herrington Homestead	24
Mountain View	25
Youth Homes Investments	26
Schedule of Assets Received From Wills and Bequests	27
Schedule of Federal and State Contractual Assistance	28
Single Audit Section:	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	29-30
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	31-33
Schedule of Findings and Questioned Costs	34
Schedule of Expenditures of Federal Awards	35-36



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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, 2022, 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, 2022 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, 2021 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated December 29, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, 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 20 through 28 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 35 and 36, 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 December 28, 2022 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
December 28, 2022

GEORGIA SHERIFFS' YOUTH HOMES, INC.

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2022

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2021)

	<u>JUNE 30,</u>	
	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
Current Assets:		
Cash, Note 2	\$ 275,409	733,082
Investment securities, Notes 1, 3 and 12	6,581,775	7,513,997
Accrued interest receivable	50,386	41,452
Grants and other receivables, Note 7	3,496,670	2,029,033
Assets held for sale and use, at fair market value, Notes 1 and 12	100,501	98,152
Prepaid expenses	152,329	171,930
Total Current Assets	<u>10,657,070</u>	<u>10,587,646</u>
Property, plant & equipment, net of accumulated depreciation of \$12,179,098 and \$12,461,541 in 2022 and 2021, respectively, Notes, 1 and 4	<u>9,038,455</u>	<u>9,743,887</u>
Other Assets:		
Cash - with donor restrictions, Notes 2 and 11	266,715	260,952
Investments - cash equivalent, with donor restrictions, Notes 2, 3 and 11	176,816	254,102
Investments - with donor restrictions, Notes 3 and 11	872,217	1,011,466
	<u>1,315,748</u>	<u>1,526,520</u>
Total Assets	<u>\$ 21,011,273</u>	<u>21,858,053</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, 2022

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2021)

	<u>JUNE 30,</u>	
	<u>2022</u>	<u>2021</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Accounts payable, Note 7	\$ 332,104	347,826
Accrued expenses	-	719
Deferred revenue	16,957	5,807
Accrued compensated absences, Note 1	350,347	333,195
Current portion of liability for split interest agreements, Note 9	8,099	7,852
Total Current Liabilities	<u>707,507</u>	<u>695,399</u>
Other Liabilities:		
Long-term Paycheck Protection Program loan payable, Note 14	-	791,676
Liability for split interest agreements, less current portion, Note 9	77,841	85,940
	<u>77,841</u>	<u>877,616</u>
Net Assets:		
Without donor restrictions:		
Operating	9,866,063	9,010,390
Land, building & equipment	9,038,455	9,743,887
	18,904,518	18,754,277
With donor restrictions, Notes 10 and 11	1,321,407	1,530,761
Total Net Assets	<u>20,225,925</u>	<u>20,285,038</u>
 Total Liabilities & Net Assets	 <u>\$ 21,011,273</u>	 <u>21,858,053</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, 2022(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2021)

	YEAR ENDED JUNE 30, 2022				
	WITHOUT DONOR RESTRICTIONS				
	YOUTH HOMES	BOYS' RANCH	CHEROKEE ESTATES	PINELAND	HERRINGTON HOMESTEAD
Public Support and Revenue:					
Public Support:					
Contributions - Cash	\$ 1,225,645	2,900	-	75	-
Contributions - Noncash	500	10,419	-	2,036	1,500
Social Security & AFDC payments	-	481,494	216,944	76,502	245,951
Private Grants	47,600	1,985	2,660	1,500	-
Bequests	477,622	-	-	-	-
Contribution from Ga. Sheriffs' Youth Homes Foundation, Inc., Note 7	<u>885,386</u>	-	-	-	-
Total Public Support	<u>2,636,753</u>	<u>496,798</u>	<u>219,604</u>	<u>80,113</u>	<u>247,451</u>
Revenues:					
Investment income	-	-	-	-	-
Unrealized gain (loss) - investments	-	-	-	-	-
Special events	398,936	90,820	12,795	1,155	20,382
Gain (Loss) on sale of investments	-	-	-	-	-
Net change in value of split-interest agreements	-	-	-	-	-
Gain (Loss) on sale of property	768,338	(1,733)	(700)	-	4,000
Gain (Loss) on extinguishment of debt, Note 14	794,318	-	-	-	-
Other income	<u>131,968</u>	<u>4,162</u>	<u>7,335</u>	<u>897</u>	<u>48,021</u>
Total Revenue	<u>2,093,560</u>	<u>93,249</u>	<u>19,430</u>	<u>2,052</u>	<u>72,403</u>
Net Assets Released From Restriction	<u>124,213</u>	<u>113,767</u>	<u>11,188</u>	<u>126,850</u>	<u>61,796</u>
Total Support and Revenue	<u>4,854,526</u>	<u>703,814</u>	<u>250,222</u>	<u>209,015</u>	<u>381,650</u>
Expenses:					
Program services:					
Child care, Note 7	351,865	750,118	458,119	388,884	596,894
Food service	-	133,116	19,620	34,442	24,402
Maintenance - Homes	-	300,755	141,007	306,369	243,080
Total Program Services	<u>351,865</u>	<u>1,183,989</u>	<u>618,746</u>	<u>729,695</u>	<u>864,376</u>
Supporting services:					
Management and general	638,422	9,130	2,519	1,987	1,987
Fund raising	316,039	-	-	-	-
Maintenance - Other	14,585	-	-	-	-
Farm	-	-	194	-	-
Total Supporting Services	<u>969,046</u>	<u>9,130</u>	<u>2,713</u>	<u>1,987</u>	<u>1,987</u>
Total Expenses	<u>1,320,911</u>	<u>1,193,119</u>	<u>621,459</u>	<u>731,682</u>	<u>866,363</u>
Increase (Decrease) in Net Assets	\$ <u>3,533,615</u>	<u>(489,305)</u>	<u>(371,237)</u>	<u>(522,667)</u>	<u>(484,713)</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, 2022
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2021)

YEAR ENDED JUNE 30, 2022							
WITHOUT DONOR RESTRICTIONS				WITH	TOTALS		
MOUNTAIN VIEW	GSYH INVESTMENTS	BUILDING, LAND & EQUIP	TOTAL	DONOR RESTRICTIONS	YEAR ENDED JUNE 30,		
					2022	2021	
-	-	-	1,228,620	250,269	1,478,889	1,417,008	
400	13,031	4,000	31,886	-	31,886	20,879	
85,535	-	-	1,106,426	-	1,106,426	944,127	
1,983	-	-	55,728	-	55,728	108,274	
-	155,127	-	632,749	-	632,749	356,170	
-	-	-	885,386	-	885,386	742,952	
87,918	168,158	4,000	3,940,795	250,269	4,191,064	3,589,410	
-	225,882	-	225,882	23,683	249,565	187,071	
-	(1,356,494)	-	(1,356,494)	(193,724)	(1,550,218)	1,043,334	
12,795	-	-	536,883	126,032	662,915	473,807	
-	211,037	-	211,037	39,496	250,533	300,157	
-	(7,948)	-	(7,948)	-	(7,948)	(7,691)	
-	-	-	769,905	-	769,905	(829)	
-	-	-	794,318	-	794,318	789,188	
-	-	-	192,383	-	192,383	95,156	
12,795	(927,523)	-	1,365,966	(4,513)	1,361,453	2,880,193	
17,296	-	-	455,110	(455,110)	-	-	
118,009	(759,365)	4,000	5,761,871	(209,354)	5,552,517	6,469,603	
162,809	-	439,175	3,147,864	-	3,147,864	3,098,525	
3,510	-	22,717	237,807	-	237,807	221,705	
69,805	-	123,308	1,184,324	-	1,184,324	1,100,684	
236,124	-	585,200	4,569,995	-	4,569,995	4,420,914	
-	47,314	5,972	707,331	-	707,331	659,846	
-	-	48	316,087	-	316,087	261,367	
-	-	-	14,585	-	14,585	28,157	
55	-	3,383	3,632	-	3,632	5,333	
55	47,314	9,403	1,041,635	-	1,041,635	954,703	
236,179	47,314	594,603	5,611,630	-	5,611,630	5,375,617	
(118,170)	(806,679)	(590,603)	150,241	(209,354)	(59,113)	1,093,986	
			18,754,277	1,530,761	20,285,038	19,191,052	
			<u>\$ 18,904,518</u>	<u>1,321,407</u>	<u>20,225,925</u>	<u>20,285,038</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, 2022
 (WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2021)

	YEAR ENDED JUNE 30, 2022										TOTALS	
	PROGRAM SERVICES				SUPPORTING SERVICES				YEAR ENDED JUNE 30,			
	CHILD CARE	FOOD SERVICE	HOME & MAINTENANCE	TOTAL	MANAGEMENT AND GENERAL	FUND RAISING	MAINTENANCE	FARM	TOTAL	2022		2021
(1) Salaries	\$ 1,258,945	50,417	192,306	1,501,668	293,211	158,004	-	-	451,215	1,952,883	1,889,155	(1)
(2) Payroll taxes and retirement	225,718	7,946	34,445	268,109	65,509	31,463	-	-	96,972	365,081	370,965	(2)
(3) Insurance	423,364	9,664	229,802	662,830	76,596	37,148	161	-	113,905	776,735	666,761	(3)
(4) Postage	26,418	-	-	26,418	7,513	13,456	-	-	20,969	47,387	33,991	(4)
(5) Telephone	113,318	-	480	113,798	6,307	513	-	-	6,820	120,618	153,921	(5)
(6) Travel	8,755	-	-	8,755	3,473	-	-	-	3,473	12,228	3,422	(6)
(7) Public relations	19,381	-	-	19,381	12,118	-	-	-	12,118	31,499	10,594	(7)
(8) Dues and subscriptions	2,980	-	-	2,980	1,375	-	-	-	1,375	4,355	3,717	(8)
(9) Professional services	40,605	-	-	40,605	1,665	35,755	-	-	37,420	78,025	54,974	(9)
(10) Allowances	19,321	-	-	19,321	-	-	-	-	-	19,321	20,060	(10)
(11) Personnel screening costs	5,385	-	-	5,385	90	-	-	-	90	5,475	1,792	(11)
(12) Hospital, drugs and medical	26,075	-	-	26,075	-	-	-	-	-	26,075	12,546	(12)
(13) Haircuts	4,154	-	-	4,154	-	-	-	-	-	4,154	3,911	(13)
(14) Recreation	37,044	-	-	37,044	-	-	-	-	-	37,044	10,176	(14)
(15) Special occasions	45,098	-	-	45,098	-	-	-	-	-	45,098	25,083	(15)
(16) Clothing	33,703	-	-	33,703	-	-	-	-	-	33,703	22,071	(16)
(17) Utilities	-	-	249,733	249,733	-	-	973	-	973	250,706	261,870	(17)
(18) Repairs and maintenance	-	-	18,147	18,147	-	-	1,799	-	1,799	19,946	24,109	(18)
(19) Vehicle operating costs	-	-	87,549	87,549	-	-	9,871	-	9,871	97,420	84,674	(19)
(20) Fees, taxes and licenses	1,162	-	-	1,162	-	-	-	-	-	1,162	1,598	(20)
(21) Food	29	139,712	-	139,741	150	-	-	-	150	139,891	113,581	(21)
(22) Household items and fixtures	2,971	-	25,307	28,278	-	-	-	-	-	28,278	18,342	(22)
(23) Kitchen supplies	-	6,977	-	6,977	-	-	-	-	-	6,977	13,137	(23)
(24) Bank charges	254	-	-	254	5,155	64	-	-	5,219	5,473	8,165	(24)
(25) School fees and supplies	8,684	-	-	8,684	-	-	-	-	-	8,684	7,481	(25)
(26) Advertising	1,124	-	-	1,124	50	-	-	-	50	1,174	1,247	(26)
(27) Awards	985	-	-	985	-	-	-	-	-	985	7,503	(27)
(28) Home maintenance	-	-	154,374	154,374	-	-	-	-	-	154,374	133,159	(28)
(29) Personal care	519	-	-	519	-	-	-	-	-	519	2,446	(29)
(30) Lawn care expense	-	-	67,644	67,644	-	-	249	-	249	67,893	69,426	(30)
(31) Payroll services expense	9,125	373	1,229	10,727	1,988	1,014	-	-	3,002	13,729	13,664	(31)
(32) Legal and accounting	-	-	-	-	46,173	-	-	-	46,173	46,173	44,719	(32)
(33) Office supplies	9,932	-	-	9,932	2,145	726	-	-	2,871	12,803	19,586	(33)
(34) Printing	2,543	-	-	2,543	-	156	-	-	156	2,699	15,939	(34)
(35) Property taxes	562	-	-	562	-	-	1,532	-	1,532	2,094	551	(35)
(36) Rent on equipment	22,723	-	-	22,723	33,255	22,250	-	-	55,505	78,228	72,379	(36)
(37) Training and conferences	13,607	-	-	13,607	-	-	-	-	-	13,607	6,696	(37)
(38) Computer expense	74,686	-	-	74,686	36,519	15,004	-	-	51,523	126,209	96,642	(38)
(39) Special events	84,532	-	-	84,532	474	-	-	-	474	85,006	46,005	(39)
(40) Investment fees	-	-	-	-	65,346	-	-	-	65,346	65,346	59,678	(40)
(41) Farm supplies and expense	-	-	-	-	-	-	-	249	249	249	1,400	(41)
(42) Rent-occupancy	-	-	-	-	41,802	-	-	-	41,802	41,802	-	(42)
(43) Credit card processing fees	4,011	-	-	4,011	10	486	-	-	496	4,507	4,919	(43)
(44) Meetings	1,633	-	-	1,633	435	-	-	-	435	2,068	613	(44)
(45) Donations to other non-profits	179,344	-	-	179,344	-	-	-	-	-	179,344	338,696	(45)
Total Expenses Before Depreciation	2,708,690	215,089	1,061,016	3,984,795	701,359	316,039	14,585	249	1,032,232	5,017,027	4,751,364	
Depreciation, Notes 1 and 4	439,174	22,718	123,308	585,200	5,972	48	-	3,383	9,403	594,603	624,253	
	\$ 3,147,864	237,807	1,184,324	4,569,995	707,331	316,087	14,585	3,632	1,041,635	5,611,630	5,375,617	

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, 2022
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2021)

	YEAR ENDED JUNE 30,	
	2022	2021
Cash Flows From Operating Activities:		
Increase (Decrease) in net assets	\$ (59,113)	1,093,986
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
(Gain) loss on sales of investments	(250,533)	(300,157)
(Gain) loss on sale of assets	(769,906)	829
(Gain) loss on extinguishment of debt	(794,318)	(789,188)
Depreciation	594,603	624,253
Non-cash contributions and bequests	(186,213)	(322,650)
Non-cash expenses	14,055	17,379
Unrealized (gains) losses on investments	1,550,218	(1,043,334)
Change in assets and liabilities:		
(Increase) Decrease in interest receivable	(8,934)	5,828
(Increase) Decrease in prepaid expenses	19,601	(23,005)
(Increase) Decrease in grant and other receivables	(1,467,637)	30,816
(Increase) Decrease in assets held for sale and use	(2,349)	2,600
Increase (Decrease) in accounts payable	(15,722)	(62,739)
Increase (Decrease) in deferred revenue	11,150	(58,279)
Increase (Decrease) in accrued expenses	1,923	489
Increase (Decrease) in accrued compensated absences	17,152	(6,756)
Increase (Decrease) in liability for split interest agreements	(7,852)	(8,109)
Net Cash Provided (Used) By Operating Activities	<u>(1,353,875)</u>	<u>(838,037)</u>
Cash Flows From Investing Activities:		
Capital expenditures	(242,865)	(272,965)
Purchase of investments	(5,299,259)	(5,156,803)
Proceeds from sale of investments	5,239,203	5,223,395
Proceeds from sale of assets	<u>1,127,600</u>	<u>1,571</u>
Net Cash Provided (Used) by Investing Activities	<u>824,679</u>	<u>(204,802)</u>
Cash Flows From Financing Activities:		
Proceeds from Paycheck Protection Program Two loan	<u>-</u>	<u>789,700</u>
Net Cash Provided (Used) By Financing Activities	<u>-</u>	<u>789,700</u>
Net Increase (Decrease) In Cash	(529,196)	(253,139)
Cash at Beginning of Year	<u>1,248,136</u>	<u>1,501,275</u>
Cash at End of Year	<u>\$ 718,940</u>	<u>1,248,136</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, 2022
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2021)

	<u>YEAR ENDED JUNE 30,</u>	
	<u>2022</u>	<u>2021</u>
Reconciliation of ending cash to Statement of Financial Position:		
Cash	\$ 275,409	733,082
Cash - with donor restrictions	266,715	260,952
Investments - cash equivalent, with donor restrictions	<u>176,816</u>	<u>254,102</u>
	<u>\$ 718,940</u>	<u>1,248,136</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>\$ 172,158</u>	<u>305,271</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.

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.

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, 2022 or 2021.

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 \$1,174 and \$1,247 for the years ended June 30, 2022 and 2021, respectively.

Rent expense: The Organization incurred rent expense of \$120,030 and \$72,379 for the years ended June 30, 2022 and 2021, respectively, for the rent of various equipment and Headquarters occupancy.

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, 2021 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 Pending Implementation:

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, is effective for fiscal years beginning after December 15, 2021, and will be implemented during the year during the year beginning July 1, 2022. Management does not expect it to have a material effect on the Organization's financial statements.

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,			
	2022		2021	
	COST	MARKET	COST	MARKET
Stocks and mutual funds	\$ 4,746,594	4,909,840	4,791,554	6,054,483
U.S. Government Agency obligations	47,700	47,700	47,700	47,700
Corporate and fixed income obligations	3,013,026	2,673,268	2,566,605	2,677,382
	<u>\$ 7,807,320</u>	<u>7,630,808</u>	<u>7,405,859</u>	<u>8,779,565</u>
Securities without donor restrictions		\$ 6,581,775		7,513,997
Securities and cash with donor restrictions		<u>1,049,033</u>		<u>1,265,568</u>
		<u>\$ 7,630,808</u>		<u>8,779,565</u>

The following summarizes the investment return and its classification in the statement of activities for the year ended June 30, 2022:

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
Investment income	\$ 225,882	23,683	249,565
Unrealized gain/(losses)	(1,356,494)	(193,724)	(1,550,218)
Realized gains/(losses)	211,037	39,496	250,533
	<u>\$ (919,575)</u>	<u>(130,545)</u>	<u>(1,050,120)</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
	2022	2021	
Land	\$ 3,960,340	4,023,547	
Buildings and improvements	14,676,809	15,574,295	10-40 years
Equipment and other assets	1,864,180	1,911,890	3-10 years
Automobiles and trucks	716,224	688,296	3-5 years
Livestock	-	7,400	7 years
	<u>21,217,553</u>	<u>22,205,428</u>	
Less accumulated depreciation	<u>(12,179,098)</u>	<u>(12,461,541)</u>	
	<u>\$ 9,038,455</u>	<u>9,743,887</u>	

Note 4 – Property, Plant and Equipment (Continued)

The accompanying statements of activities include charges for depreciation of property, plant and equipment of \$594,603 and \$624,253 for the years ended June 30, 2022 and 2021, 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, 2022 and 2021, the Organization made matching contributions to the 401(k) component in the amount of \$96,146 and \$94,324, respectively, and discretionary contributions to the retirement plan in the amount of \$265,420 and \$277,846, respectively.

Note 6 – Interest Cost

No interest expense was incurred for the years ended June 30, 2022 and 2021.

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 had accounts payable to the Georgia Sheriffs' Association, Inc. of \$5,253 and \$7,862 at June 30, 2022 and 2021, respectively.

The Organization accrued contributions from the Georgia Sheriffs' Youth Homes Foundation, Inc. of \$885,386 and \$742,952 for the years ended June 30, 2022 and 2021, respectively. Additionally, the Organization has accounts receivable due from the Foundation of \$2,235,853 and \$1,967,422 at June 30, 2022 and 2021, respectively, for accrued contributions and expense reimbursements and accounts payable of \$1,900 and \$0 for the same periods. Additionally, the Organization paid the Georgia Sheriffs' Youth Homes Foundation, Inc. \$41,802 and \$0 during June 30, 2022 and 2021, respectively, for occupancy rent. The Organization also had a Note Receivable of \$1,113,005 and \$0 at June 30, 2022 and 2021, respectively, related to the disposition of the McDonough, GA headquarters.

The Organization made contributions to the Foundation of \$65,725 and \$117,407 during the years ended June 30, 2022 and 2021, respectively. The amounts are an allocated contribution of PPP Loan debt-forgiveness proceeds.

The Organization made contributions to the Georgia Sheriffs' Association, Inc. of \$112,519 and \$220,589 at June 30, 2022 and 2021, respectively. The current-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.

Note 8 – Income Taxes (Continued)

For the year ended June 30, 2022, 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, 2022 or the statement of activities for the year then ended. Further, all years subsequent to June 30, 2019 remain subject to examination.

Note 9 – Split Interest Agreements

During the years ended June 30, 2022 and 2021 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, 2022 and 2021, respectively. Total annual payments under outstanding split interest agreements total \$15,800 and \$15,800 at June 30, 2022 and 2021, respectively.

The following is a schedule by years of future projected annuity payments required under the split-interest agreements as of June 30, 2022:

<u>YEAR ENDING JUNE 30,</u>	
2023	\$ 13,750
2024	13,540
2025	7,007
2026	5,600
2027	5,600
After 5 Years	<u>179,200</u>
Total Projected Payments	224,697
Less Amount Representing Interest	<u>138,757</u>
Present Value of Projected Annuity Payments	<u>\$ 85,940</u>
Current Portion	\$ 8,099
Long-Term Portion	<u>77,841</u>
	<u>\$ 85,940</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>2022</u>	<u>2021</u>
Boys Ranch	\$ 919,483	1,072,238
Cherokee Estates	69,321	65,890
Pineland	75,932	112,323
Herrington Homestead	61,158	86,704
Mountain View	95,980	95,801
Other (No specific campus designation)	(467)	(2,285)
Investments permanently restricted by the donor for educational purposes	<u>100,000</u>	<u>100,000</u>
	<u>\$ 1,321,407</u>	<u>1,530,671</u>

Donor restricted net assets include accrued income of \$5,659 and \$4,221 as of June 30, 2022 and 2021, 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, 2022 and June 30, 2021, respectively.

	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
Mutual Funds:				
Balanced funds	\$ 2,378,476	-	-	2,378,476
Blended funds	787,138	-	-	787,138
Growth funds	47,621	-	-	47,621
Fixed income funds	2,459,040	-	-	2,459,040
Other funds	322,608	-	-	322,608
Total mutual funds	5,994,883	-	-	5,994,883
Equity Securities:				
Common Stocks:				
Consumer	568,211	-	-	568,211
Energy	71,669	-	-	71,669
Finance-Banking	126,363	-	-	126,363
Healthcare-Biotechnology	102,299	-	-	102,299
Industrial	87,076	-	-	87,076
Technology	252,382	-	-	252,382
Telecommunications	22,210	-	-	22,210
Transportation	13,010	-	-	13,010
Total equity securities	1,243,220	-	-	1,243,220
Other Investments:				
Corporate Obligations	147,901	-	-	147,901
Unit Investment Trusts	20,288	-	-	20,288
U.S. Government Securities	47,700	-	-	47,700
Total other investments	215,889	-	-	215,889
Other Assets:				
Assets held for sale and use	-	-	100,501	100,501
Total other assets	-	-	100,501	100,501
Total assets at fair value	\$ 7,453,992	-	100,501	7,554,493

Note 12 – Fair Value Measurements (Continued)

	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.

\$	-	-
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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>

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Note 12 – Fair Value Measurements (Continued)

	ASSETS AT FAIR VALUE JUNE 30, 2021			
	QUOTED PRICES IN	SIGNIFICANT		FAIR VALUE
	ACTIVE MARKETS	OTHER	SIGNIFICANT	
	FOR IDENTICAL	OBSERVABLE	UNOBSERVABLE	
ASSETS (LEVEL 1)	INPUTS (LEVEL 2)	INPUTS (LEVEL 3)		
Mutual Funds:				
Balanced funds	\$ 2,777,773	-	-	2,777,773
Blended funds	1,350,397	-	-	1,350,397
Growth funds	58,155	-	-	58,155
Fixed income funds	2,392,133	-	-	2,392,133
Other funds	291,631	-	-	291,631
Total mutual funds	<u>6,870,089</u>	<u>-</u>	<u>-</u>	<u>6,870,089</u>
Equity Securities:				
Common Stocks:				
Consumer	537,917	-	-	537,917
Energy	91,286	-	-	91,286
Finance-Banking	178,750	-	-	178,750
Healthcare-Biotechnology	114,780	-	-	114,780
Industrial	91,407	-	-	91,407
Technology	293,944	-	-	293,944
Telecommunications	32,900	-	-	32,900
Transportation	20,233	-	-	20,233
Total equity securities	<u>1,361,217</u>	<u>-</u>	<u>-</u>	<u>1,361,217</u>
Other Investments:				
Corporate Obligations	223,006	-	-	223,006
Unit Investment Trusts	23,451	-	-	23,451
U.S. Government Securities	47,700	-	-	47,700
Total other investments	<u>294,157</u>	<u>-</u>	<u>-</u>	<u>294,157</u>
Other Assets:				
Assets held for sale	-	-	98,152	98,152
Total other assets	<u>-</u>	<u>-</u>	<u>98,152</u>	<u>98,152</u>
Total assets at fair value	<u>\$ 8,525,463</u>	<u>-</u>	<u>98,152</u>	<u>8,623,615</u>

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Note 12 – Fair Value Measurements (Continued)

	YEAR ENDED JUNE 30, 2021	
	INVESTMENT SECURITIES	ASSETS HELD FOR SALE
Fair Value Measurements Using Significant Unobservable Inputs (Level 3):		
Beginning Balance	\$ -	100,752
Total Gains or Losses Included in Earnings:		
Asset disposed of	-	(2,600)
Assets received by donation	-	-
Transfers in and/or out of level 3	-	-
Ending Balance	<u>\$ -</u>	<u>98,152</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	\$ (2,400)
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, 2022, 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	\$ 542,124
Investment securities	7,630,808
Accrued interest receivable	50,386
Grants and other receivables	3,496,670
Assets held for sale or use	<u>100,501</u>
	<u>11,820,489</u>
Less amounts not available to be used within one year, due to:	
Current portion of liability for split interest agreements	8,099
Net assets with donor restrictions	1,321,407
Less net assets with purpose restrictions expected to be met in less than a year	<u>(1,221,407)</u>
	<u>108,099</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 11,712,390</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. has received a Paycheck Protection Program 2 Loan (“PPP2”). The Loan proceeds received by the Organization was \$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 – 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 completed in October 2022.

Note 16 – Subsequent Events

The Organization has evaluated events and transactions for potential recognition or disclosure in the financial statements through December 28, 2022, the date on which the financial statements were available to be issued.

Beginning around March 2020, the COVID-19 was declared a global pandemic as it continues to spread rapidly. Business continuity, including supply chains and consumer demand across a broad range of industries and countries could be severely impacted for months or beyond as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. Management of the Organization is carefully monitoring the ongoing situation and evaluating the necessary responses as issues arise. A Paycheck Protection 2 (PPP2) Loan, as described in Note 14, was received to continue assisting all of the related Organizations with maintaining their level of employment during the pandemic. The PPP2 Loan of \$789,700 plus accrued interest was fully forgiven in November 2021 and the Organization recognized a gain from extinguishment of debt. The Organization subsequently contributed \$112,519 and \$65,725 to the Georgia Sheriffs’ Association, Inc. and the Georgia Sheriffs’ Youth Homes Foundation, Inc, respectively. COVID-19 remains a worldwide health and economic concern.

GEORGIA SHERIFFS' YOUTH HOMES, INC.

YOUTH HOMES
SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2021)

	YEAR ENDED JUNE 30, 2022			
	PROGRAM	SUPPORTING SERVICES		
	SERVICES	MANAGEMENT		
	CHILD CARE	AND GENERAL	FUND RAISING	MAINTENANCE
(1) Salaries	\$ -	293,211	158,004	-
(2) Payroll taxes and retirement	-	65,509	31,463	-
(3) Insurance	150	76,596	37,149	161
(4) Postage	24,581	7,513	13,456	-
(5) Telephone	4,357	2,328	513	-
(6) Travel	5,403	-	-	-
(7) Public relations	12,752	12,117	-	-
(8) Dues and subscriptions	1,793	1,375	-	-
(9) Professional services	22,782	1,665	35,755	-
(10) Personnel screening costs	-	90	-	-
(11) Utilities	-	-	-	973
(12) Repairs and maintenance	-	-	-	1,800
(13) Vehicle operating costs	-	-	-	9,870
(14) Fees, taxes and licenses	50	-	-	-
(15) Food	29	150	-	-
(16) Household items and fixtures	2,971	-	-	-
(17) Bank charges	-	5,119	64	-
(18) Advertising	393	50	-	-
(19) Awards	827	-	-	-
(20) Building maintenance	-	-	-	-
(21) Lawn care expense	-	-	-	249
(22) Payroll services expense	-	1,988	1,014	-
(23) Legal and auditing	-	46,173	-	-
(24) Office supplies	5,172	1,871	726	-
(25) Printing	1,760	-	156	-
(26) Property taxes	562	-	-	1,532
(27) Rent on equipment	-	32,680	22,249	-
(28) Computer expense	13,820	36,519	15,004	-
(29) Special events	70,751	474	-	-
(30) Investment fees	-	10,747	-	-
(31) Credit card processing fees	3,754	10	486	-
(32) Meetings	614	435	-	-
(33) Rent - Occupancy	-	41,802	-	-
(34) Donations to other non-profits, Note 7	179,344	-	-	-
Total Expenses Before Depreciation & Interest	351,865	638,422	316,039	14,585
Depreciation, Notes 1 and 4	475	5,972	48	-
	<u>\$ 352,340</u>	<u>644,394</u>	<u>316,087</u>	<u>14,585</u>

Note: See independent auditor's report.

GEORGIA SHERIFFS' YOUTH HOMES, INC.

YOUTH HOMES
SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2021)

<u>YEAR ENDED JUNE 30, 2022</u>		<u>TOTALS</u>		
<u>SUPPORTING SERVICES</u>		<u>YEAR ENDED JUNE 30,</u>		
<u>PLANNED</u>		<u>2022</u>	<u>2021</u>	
<u>GIVING</u>	<u>TOTAL</u>			
-	451,215	451,215	420,166	(1)
-	96,972	96,972	97,860	(2)
-	113,906	114,056	93,119	(3)
-	20,969	45,550	32,299	(4)
-	2,841	7,198	6,193	(5)
-	-	5,403	3,227	(6)
-	12,117	24,869	10,476	(7)
-	1,375	3,168	2,879	(8)
-	37,420	60,202	21,464	(9)
-	90	90	45	(10)
-	973	973	12,237	(11)
-	1,800	1,800	6,991	(12)
-	9,870	9,870	6,538	(13)
-	-	50	785	(14)
-	150	179	-	(15)
-	-	2,971	-	(16)
-	5,183	5,183	7,771	(17)
-	50	443	-	(18)
-	-	827	1,393	(19)
-	-	-	5,117	(20)
-	249	249	3,447	(21)
-	3,002	3,002	3,261	(22)
-	46,173	46,173	44,719	(23)
-	2,597	7,769	14,687	(24)
-	156	1,916	15,122	(25)
-	1,532	2,094	551	(26)
-	54,929	54,929	57,522	(27)
-	51,523	65,343	65,690	(28)
-	474	71,225	43,817	(29)
-	10,747	10,747	10,005	(30)
-	496	4,250	4,060	(31)
-	435	1,049	304	(32)
-	41,802	41,802	-	(33)
-	-	179,344	338,696	(34)
-	969,046	1,320,911	1,330,441	
-	6,020	6,495	37,252	
-	975,066	1,327,406	1,367,693	

Note: See independent auditor's report.

GEORGIA SHERIFFS' YOUTH HOMES, INC.

BOYS' RANCH
SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2021)

	YEAR ENDED JUNE 30, 2022			
	PROGRAM SERVICES			
	CHILD CARE	FOOD SERVICE	HOME & MAINTENANCE	TOTAL
(1) Salaries	\$ 432,634	50,321	29,152	512,107
(2) Payroll taxes and retirement	72,772	7,946	6,301	87,019
(3) Insurance	124,711	8,638	62,940	196,289
(4) Postage	661	-	-	661
(5) Telephone	12,709	-	-	12,709
(6) Travel	2,194	-	-	2,194
(7) Public relations	4,810	-	-	4,810
(8) Dues and subscriptions	524	-	-	524
(9) Professional services	9,171	-	-	9,171
(10) Allowances	7,682	-	-	7,682
(11) Personnel screening costs	1,745	-	-	1,745
(12) Hospital, drugs and medical	821	-	-	821
(13) Haircuts	2,088	-	-	2,088
(14) Recreation	14,865	-	-	14,865
(15) Special occasions	15,778	-	-	15,778
(16) Clothing	8,456	-	-	8,456
(17) Utilities	-	-	77,433	77,433
(18) Repairs and maintenance	-	-	138	138
(19) Vehicle operating costs	-	-	33,808	33,808
(20) Fees, taxes and licenses	790	-	-	790
(21) Food	-	60,631	-	60,631
(22) Household items and fixtures	-	-	5,323	5,323
(23) Kitchen supplies	-	5,207	-	5,207
(24) Bank charges	78	-	-	78
(25) School fees and supplies	2,198	-	-	2,198
(26) Advertising	-	-	-	-
(27) Awards	158	-	-	158
(28) Home maintenance	-	-	51,187	51,187
(29) Personal care	62	-	-	62
(30) Lawn care expense	-	-	34,302	34,302
(31) Payroll services expense	3,408	373	171	3,952
(32) Office supplies	1,081	-	-	1,081
(33) Printing	-	-	-	-
(34) Rent on equipment	8,063	-	-	8,063
(35) Training and conferences	10,745	-	-	10,745
(36) Computer expense	5,821	-	-	5,821
(37) Special events	6,090	-	-	6,090
(38) Investment fees	-	-	-	-
(39) Credit card processing fees	3	-	-	3
Total Expenses Before Depreciation	750,118	133,116	300,755	1,183,989
Depreciation, Notes 1 and 4	85,010	15,470	35,109	135,589
	<u>\$ 835,128</u>	<u>148,586</u>	<u>335,864</u>	<u>1,319,578</u>

Note: See independent auditor's report.

GEORGIA SHERIFFS' YOUTH HOMES, INC.

**BOYS' RANCH
SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022**

(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2021)

YEAR ENDED JUNE 30, 2022				TOTALS		
SUPPORTING SERVICES				YEAR ENDED JUNE 30,		
MANAGEMENT AND GENERAL	FUNDRAISING	FARM	TOTAL	2022	2021	
-	-	-	-	512,107	509,331	(1)
-	-	-	-	87,019	99,283	(2)
-	-	-	-	196,289	175,432	(3)
-	-	-	-	661	649	(4)
995	-	-	995	13,704	45,198	(5)
-	-	-	-	2,194	170	(6)
-	-	-	-	4,810	-	(7)
-	-	-	-	524	180	(8)
-	-	-	-	9,171	10,293	(9)
-	-	-	-	7,682	5,494	(10)
-	-	-	-	1,745	62	(11)
-	-	-	-	821	776	(12)
-	-	-	-	2,088	1,267	(13)
-	-	-	-	14,865	2,517	(14)
-	-	-	-	15,778	9,473	(15)
-	-	-	-	8,456	6,142	(16)
-	-	-	-	77,433	80,776	(17)
-	-	-	-	138	857	(18)
-	-	-	-	33,808	24,302	(19)
-	-	-	-	790	463	(20)
-	-	-	-	60,631	54,140	(21)
-	-	-	-	5,323	4,202	(22)
-	-	-	-	5,207	11,230	(23)
-	-	-	-	78	369	(24)
-	-	-	-	2,198	926	(25)
-	-	-	-	-	750	(26)
-	-	-	-	158	6,000	(27)
-	-	-	-	51,187	23,751	(28)
-	-	-	-	62	407	(29)
-	-	-	-	34,302	31,818	(30)
-	-	-	-	3,952	3,623	(31)
274	-	-	274	1,355	579	(32)
-	-	-	-	-	196	(33)
575	-	-	575	8,638	2,828	(34)
-	-	-	-	10,745	3,883	(35)
-	-	-	-	5,821	13,974	(36)
-	-	-	-	6,090	367	(37)
7,286	-	-	7,286	7,286	6,415	(38)
-	-	-	-	3	8	(39)
9,130	-	-	9,130	1,193,119	1,138,131	
-	-	-	-	135,589	142,350	
9,130	-	-	9,130	1,328,708	1,280,481	

Note: See independent auditor's report.

GEORGIA SHERIFFS' YOUTH HOMES, INC.

CHEROKEE ESTATE
SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2021)

	YEAR ENDED JUNE 30, 2022			
	PROGRAM SERVICES			
	CHILD CARE	FOOD SERVICE	HOME & MAINTENANCE	TOTAL
(1) Salaries	\$ 244,460	96	1,000	245,556
(2) Payroll taxes and retirement	39,919	-	123	40,042
(3) Insurance	81,289	-	37,247	118,536
(4) Postage	302	-	-	302
(5) Supplies	-	-	-	-
(5) Telephone	39,041	-	-	39,041
(6) Travel	268	-	-	268
(7) Public relations	371	-	-	371
(8) Dues and subscriptions	200	-	-	200
(9) Professional services	1,925	-	-	1,925
(10) Allowances	4,945	-	-	4,945
(11) Personnel screening costs	483	-	-	483
(12) Medical and hospital	10,243	-	-	10,243
(13) Haircuts	50	-	-	50
(14) Recreation	6,628	-	-	6,628
(15) Special occasions	5,836	-	-	5,836
(16) Clothing	2,971	-	-	2,971
(17) Utilities	-	-	44,955	44,955
(18) Repairs and maintenance	-	-	343	343
(19) Vehicle operating costs	-	-	12,053	12,053
(20) Food	-	18,663	-	18,663
(21) Household items and fixtures	-	-	2,482	2,482
(22) Kitchen supplies	-	861	-	861
(23) Bank charges	92	-	-	92
(24) School fees and supplies	2,087	-	-	2,087
(25) Advertising	-	-	-	-
(26) Home maintenance	-	-	15,931	15,931
(27) Personal care	39	-	-	39
(28) Lawn care expense	-	-	26,864	26,864
(29) Payroll processing fees	1,561	-	9	1,570
(30) Office supplies	1,067	-	-	1,067
(31) Printing	392	-	-	392
(32) Rent on equipment	4,629	-	-	4,629
(33) Training and conferences	533	-	-	533
(34) Computer expense	5,536	-	-	5,536
(35) Special events	3,124	-	-	3,124
(36) Farm supplies and expense	-	-	-	-
(37) Credit card processing fees	41	-	-	41
(38) Meetings	87	-	-	87
Total Expenses Before Depreciation	458,119	19,620	141,007	618,746
Depreciation, Notes 1 and 4	92,173	1,480	12,314	105,967
	<u>\$ 550,292</u>	<u>21,100</u>	<u>153,321</u>	<u>724,713</u>

Note: See independent auditor's report.

GEORGIA SHERIFFS' YOUTH HOMES, INC.

CHEROKEE ESTATE
 SCHEDULE OF FUNCTIONAL EXPENSES
 YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2021)

YEAR ENDED JUNE 30, 2022				TOTALS		
SUPPORTING SERVICES				YEAR ENDED JUNE 30,		
MANAGEMENT AND GENERAL	FUNDRAISING	FARM	TOTAL	2022	2021	
-	-	-	-	245,556	223,391	(1)
-	-	-	-	40,042	42,183	(2)
-	-	-	-	118,536	89,481	(3)
-	-	-	-	302	149	(4)
-	-	-	-	-	-	(5)
995	-	-	995	40,036	35,160	(5)
1,489	-	-	1,489	1,757	25	(6)
-	-	-	-	371	112	(7)
-	-	-	-	200	191	(8)
-	-	-	-	1,925	9,091	(9)
-	-	-	-	4,945	5,893	(10)
-	-	-	-	483	572	(11)
-	-	-	-	10,243	4,116	(12)
-	-	-	-	50	385	(13)
-	-	-	-	6,628	269	(14)
-	-	-	-	5,836	6,051	(15)
-	-	-	-	2,971	2,268	(16)
-	-	-	-	44,955	40,796	(17)
-	-	-	-	343	130	(18)
-	-	-	-	12,053	8,362	(19)
-	-	-	-	18,663	8,264	(20)
-	-	-	-	2,482	2,268	(21)
-	-	-	-	861	156	(22)
35	-	-	35	127	25	(23)
-	-	-	-	2,087	885	(24)
-	-	-	-	-	497	(25)
-	-	-	-	15,931	16,813	(26)
-	-	-	-	39	640	(27)
-	-	-	-	26,864	29,765	(28)
-	-	-	-	1,570	1,550	(29)
-	-	-	-	1,067	1,234	(30)
-	-	-	-	392	-	(31)
-	-	-	-	4,629	6,727	(32)
-	-	-	-	533	555	(33)
-	-	-	-	5,536	3,762	(34)
-	-	-	-	3,124	-	(35)
-	-	194	194	194	1,031	(36)
-	-	-	-	41	26	(37)
-	-	-	-	87	-	(38)
2,519	-	194	2,713	621,459	542,823	
-	-	1,840	1,840	107,807	114,560	
2,519	-	2,034	4,553	729,266	657,383	

Note: See independent auditor's report.

GEORGIA SHERIFFS' YOUTH HOMES, INC.

PINELAND

SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2022

(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2021)

	YEAR ENDED JUNE 30, 2022			
	PROGRAM SERVICES			
	CHILD CARE	FOOD SERVICE	HOME & MAINTENANCE	TOTAL
(1) Salaries	\$ 200,063	-	83,191	283,254
(2) Payroll taxes and retirement	35,613	-	12,451	48,064
(3) Insurance	66,975	-	58,252	125,227
(4) Postage	523	-	-	523
(5) Telephone	18,645	-	-	18,645
(6) Travel	-	-	-	-
(7) Public relations	775	-	-	775
(8) Dues and subscriptions	425	-	-	425
(9) Professional services	4,085	-	-	4,085
(10) Allowances	862	-	-	862
(11) Personnel screening costs	3,008	-	-	3,008
(12) Hospital, drugs and medical	12,294	-	-	12,294
(13) Haircuts	686	-	-	686
(14) Recreation	6,011	-	-	6,011
(15) Special occasions	1,363	-	-	1,363
(16) Clothing	11,849	-	-	11,849
(17) Utilities	-	-	63,836	63,836
(18) Repairs and maintenance	-	-	16,983	16,983
(19) Vehicle operating cost	-	-	16,909	16,909
(20) Fees, taxes and licenses	322	-	-	322
(21) Food	-	33,589	-	33,589
(22) Household items and fixtures	-	-	11,347	11,347
(23) Kitchen supplies	-	853	-	853
(24) Bank charges	39	-	-	39
(25) School fees and supplies	2,499	-	-	2,499
(26) Advertising	730	-	-	730
(27) Home maintenance	-	-	39,796	39,796
(28) Personal care	157	-	-	157
(29) Lawn care expense	-	-	3,134	3,134
(30) Payroll processing fees	1,629	-	470	2,099
(31) Office supplies	1,153	-	-	1,153
(32) Rent of equipment	8,426	-	-	8,426
(33) Training and conferences	1,346	-	-	1,346
(34) Computer expense	8,204	-	-	8,204
(35) Special events	583	-	-	583
(36) Credit card processing fees	31	-	-	31
(37) Meetings	588	-	-	588
Total Expense Before Depreciation	388,884	34,442	306,369	729,695
Depreciation, Notes 1 and 4	124,438	3,939	38,633	167,010
	<u>\$ 513,322</u>	<u>38,381</u>	<u>345,002</u>	<u>896,705</u>

Note: See independent auditor's report.

GEORGIA SHERIFFS' YOUTH HOMES, INC.

PINELAND
 SCHEDULE OF FUNCTIONAL EXPENSES
 YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2021)

YEAR ENDED JUNE 30, 2022				TOTALS		
SUPPORTING SERVICES				YEAR ENDED JUNE 30,		
MANAGEMENT AND GENERAL	FUNDRAISING	FARM	TOTAL	2022	2021	
-	-	-	-	283,254	282,734	(1)
-	-	-	-	48,064	43,404	(2)
-	-	-	-	125,227	108,413	(3)
-	-	-	-	523	676	(4)
995	-	-	995	19,640	30,963	(5)
992	-	-	992	992	-	(6)
-	-	-	-	775	-	(7)
-	-	-	-	425	385	(8)
-	-	-	-	4,085	5,315	(9)
-	-	-	-	862	1,094	(10)
-	-	-	-	3,008	665	(11)
-	-	-	-	12,294	5,309	(12)
-	-	-	-	686	609	(13)
-	-	-	-	6,011	4,378	(14)
-	-	-	-	1,363	4,633	(15)
-	-	-	-	11,849	4,992	(16)
-	-	-	-	63,836	59,543	(17)
-	-	-	-	16,983	15,148	(18)
-	-	-	-	16,909	20,616	(19)
-	-	-	-	322	254	(20)
-	-	-	-	33,589	21,872	(21)
-	-	-	-	11,347	4,904	(22)
-	-	-	-	853	920	(23)
-	-	-	-	39	-	(24)
-	-	-	-	2,499	2,226	(25)
-	-	-	-	730	-	(26)
-	-	-	-	39,796	45,444	(27)
-	-	-	-	157	395	(28)
-	-	-	-	3,134	2,932	(29)
-	-	-	-	2,099	2,149	(30)
-	-	-	-	1,153	1,097	(31)
-	-	-	-	8,426	3,743	(32)
-	-	-	-	1,346	1,284	(33)
-	-	-	-	8,204	5,940	(34)
-	-	-	-	583	1,764	(35)
-	-	-	-	31	92	(36)
-	-	-	-	588	220	(37)
1,987	-	-	1,987	731,682	684,534	
-	-	1,543	1,543	168,553	158,299	
1,987	-	1,543	3,530	900,235	842,833	

Note: See independent auditor's report.

GEORGIA SHERIFFS' YOUTH HOMES, INC.

HERRINGTON HOMESTEAD
SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2021)

	YEAR ENDED JUNE 30, 2022			
	PROGRAM SERVICES			
	CHILD CARE	FOOD SERVICE	HOME & MAINTENANCE	TOTAL
(1) Salaries	\$ 311,400	-	46,564	357,964
(2) Payroll taxes and retirement	63,286	-	9,611	72,897
(3) Insurance	107,096	1,026	63,876	171,998
(4) Postage	350	-	-	350
(5) Telephone	19,283	-	480	19,763
(6) Travel	876	-	-	876
(7) Public relations	300	-	-	300
(8) Dues and subscriptions	38	-	-	38
(9) Professional services	942	-	-	942
(10) Allowances	5,166	-	-	5,166
(11) Personnel screening costs	99	-	-	99
(12) Hospital, drugs and medical	1,647	-	-	1,647
(13) Haircuts	1,220	-	-	1,220
(14) Recreation	8,903	-	-	8,903
(15) Special occasions	21,824	-	-	21,824
(16) Clothing	9,711	-	-	9,711
(17) Utilities	-	-	48,590	48,590
(18) Repairs and maintenance	-	-	683	683
(19) Vehicle operating costs	-	-	22,475	22,475
(20) Fees, taxes and licenses	-	-	-	-
(21) Food	-	23,319	-	23,319
(22) Household items and fixtures	-	-	6,056	6,056
(23) Kitchen supplies	-	57	-	57
(24) School fees and supplies	1,790	-	-	1,790
(25) Awards	-	-	-	-
(26) Home maintenance	-	-	41,925	41,925
(27) Personal care	154	-	-	154
(28) Lawn care expense	-	-	2,532	2,532
(29) Payroll processing fees	2,098	-	288	2,386
(30) Office supplies	1,359	-	-	1,359
(31) Printing	-	-	-	-
(32) Rent of equipment	-	-	-	-
(33) Training and conferences	901	-	-	901
(34) Computer expense	37,366	-	-	37,366
(35) Special events	932	-	-	932
(36) Credit card processing fees	37	-	-	37
(37) Meetings	114	-	-	114
Total Expenses Before Depreciation	596,894	24,402	243,080	864,376
Depreciation, Notes 1 and 4	112,165	1,828	33,459	147,452
	<u>\$ 709,059</u>	<u>26,230</u>	<u>276,539</u>	<u>1,011,828</u>

Note: See independent auditor's report.

GEORGIA SHERIFFS' YOUTH HOMES, INC.

HERRINGTON HOMESTEAD
 SCHEDULE OF FUNCTIONAL EXPENSES
 YEAR ENDED JUNE 30, 2022

(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2021)

YEAR ENDED JUNE 30, 2022				TOTALS		
SUPPORTING SERVICES				YEAR ENDED JUNE 30,		
MANAGEMENT AND GENERAL	FUNDRAISING	FARM	TOTAL	2022	2021	
-	-	-	-	357,964	351,812	(1)
-	-	-	-	72,897	69,656	(2)
-	-	-	-	171,998	152,122	(3)
-	-	-	-	350	218	(4)
995	-	-	995	20,758	17,372	(5)
992	-	-	992	1,868	-	(6)
-	-	-	-	300	5	(7)
-	-	-	-	38	38	(8)
-	-	-	-	942	1,608	(9)
-	-	-	-	5,166	7,081	(10)
-	-	-	-	99	296	(11)
-	-	-	-	1,647	2,249	(12)
-	-	-	-	1,220	1,620	(13)
-	-	-	-	8,903	2,975	(14)
-	-	-	-	21,824	3,695	(15)
-	-	-	-	9,711	7,733	(16)
-	-	-	-	48,590	53,046	(17)
-	-	-	-	683	10	(18)
-	-	-	-	22,475	22,943	(19)
-	-	-	-	-	96	(20)
-	-	-	-	23,319	26,722	(21)
-	-	-	-	6,056	6,289	(22)
-	-	-	-	57	785	(23)
-	-	-	-	1,790	3,435	(24)
-	-	-	-	-	111	(25)
-	-	-	-	41,925	38,319	(26)
-	-	-	-	154	940	(27)
-	-	-	-	2,532	1,115	(28)
-	-	-	-	2,386	2,354	(29)
-	-	-	-	1,359	1,956	(30)
-	-	-	-	-	200	(31)
-	-	-	-	-	128	(32)
-	-	-	-	901	551	(33)
-	-	-	-	37,366	4,900	(34)
-	-	-	-	932	57	(35)
-	-	-	-	37	732	(36)
-	-	-	-	114	-	(37)
1,987	-	-	1,987	866,363	783,169	
-	-	-	-	147,452	142,662	
1,987	-	-	1,987	1,013,815	925,831	

Note: See independent auditor's report.

GEORGIA SHERIFFS' YOUTH HOMES, INC.

MOUNTAIN VIEW
SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2021)

	YEAR ENDED JUNE 30, 2022			
	PROGRAM SERVICES			
	CHILD CARE	FOOD SERVICE	HOME & MAINTENANCE	TOTAL
(1) Salaries	\$ 70,388	-	32,399	102,787
(2) Payroll taxes and retirement	14,129	-	5,960	20,089
(3) Insurance	43,143	-	7,486	50,629
(4) Telephone	19,283	-	-	19,283
(5) Travel	13	-	-	13
(6) Public relations	371	-	-	371
(7) Dues and subscriptions	-	-	-	-
(8) Professional services	1,700	-	-	1,700
(9) Allowances	667	-	-	667
(10) Personnel screening costs	52	-	-	52
(11) Hospital, drugs and medical	1,071	-	-	1,071
(12) Haircuts	111	-	-	111
(13) Recreation	637	-	-	637
(14) Special occasions	298	-	-	298
(15) Clothing	716	-	-	716
(16) Utilities	-	-	14,920	14,920
(17) Repairs and maintenance	-	-	-	-
(18) Vehicle operating cost	-	-	2,304	2,304
(19) Food	-	3,510	-	3,510
(20) Household items and fixtures	-	-	97	97
(21) Kitchen supplies	-	-	-	-
(22) Bank charges	39	-	-	39
(23) School fees and supplies	110	-	-	110
(24) Home maintenance	-	-	5,535	5,535
(25) Personal care	107	-	-	107
(26) Lawn care	-	-	812	812
(27) Payroll processing fees	429	-	292	721
(28) Office supplies	102	-	-	102
(29) Printing	391	-	-	391
(30) Rent of equipment	1,604	-	-	1,604
(31) Training and conferences	81	-	-	81
(32) Computer expense	3,939	-	-	3,939
(33) Special events	3,053	-	-	3,053
(34) Farm supplies and expense	-	-	-	-
(35) Credit card processing fees	145	-	-	145
(36) Meetings	230	-	-	230
	162,809	3,510	69,805	236,124
Depreciation, Notes 1 and 4	24,914	-	3,793	28,707
	<u>\$ 187,723</u>	<u>3,510</u>	<u>73,598</u>	<u>264,831</u>

Note: See independent auditor's report.

GEORGIA SHERIFFS' YOUTH HOMES, INC.

MOUNTAIN VIEW
 SCHEDULE OF FUNCTIONAL EXPENSES
 YEAR ENDED JUNE 30, 2022

(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2021)

YEAR ENDED JUNE 30, 2022			TOTALS		
SUPPORTING SERVICES			YEAR ENDED JUNE 30,		
MANAGEMENT AND GENERAL	FARM	TOTAL	2022	2021	
-	-	-	102,787	101,721	(1)
-	-	-	20,089	18,580	(2)
-	-	-	50,629	48,192	(3)
-	-	-	19,283	19,035	(4)
-	-	-	13	-	(5)
-	-	-	371	-	(6)
-	-	-	-	45	(7)
-	-	-	1,700	7,202	(8)
-	-	-	667	498	(9)
-	-	-	52	152	(10)
-	-	-	1,071	95	(11)
-	-	-	111	30	(12)
-	-	-	637	36	(13)
-	-	-	298	1,232	(14)
-	-	-	716	935	(15)
-	-	-	14,920	15,473	(16)
-	-	-	-	973	(17)
-	-	-	2,304	1,913	(18)
-	-	-	3,510	2,584	(19)
-	-	-	97	678	(20)
-	-	-	-	46	(21)
-	-	-	39	-	(22)
-	-	-	110	9	(23)
-	-	-	5,535	3,716	(24)
-	-	-	107	64	(25)
-	-	-	812	348	(26)
-	-	-	721	728	(27)
-	-	-	102	34	(28)
-	-	-	391	-	(29)
-	-	-	1,604	1,430	(30)
-	-	-	81	425	(31)
-	-	-	3,939	2,376	(32)
-	-	-	3,053	-	(33)
-	55	55	55	369	(34)
-	-	-	145	-	(35)
-	-	-	230	89	(36)
-	55	55	236,179	229,008	
-	-	-	28,707	29,130	
-	55	55	264,886	258,138	

Note: See independent auditor's report.

GEORGIA SHERIFFS' YOUTH HOMES, INC.

**YOUTH HOMES INVESTMENTS
SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022**

(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2021)

	<u>SUPPORTING SERVICE MANAGEMENT AND GENERAL</u>	<u>TOTALS</u>	
		<u>YEAR ENDED JUNE 30,</u>	
		<u>2022</u>	<u>2021</u>
Investment fees	<u>\$ 47,314</u>	<u>47,314</u>	<u>43,258</u>

Note: See independent auditor's report.

GEORGIA SHERIFFS' YOUTH HOMES, INC.

SCHEDULE OF ASSETS RECEIVED FROM WILLS AND BEQUESTS
YEAR ENDED JUNE 30, 2022

William Voigt	\$	50
Chester Knowles Trust		1,243
Verna Chapman		2,120
Estate of Joseph D. Cooley, Jr.		3,205
Estate of Winifred Irene Karnosky		7,633
Helen McPheeters		7,748
Estate of R. Michael Dixon		20,000
Estate of Delores Bell		25,559
Estate of Betty Bramlett		62,698
Estate of William G. Overby		155,127
Estate of David Goldin		<u>347,366</u>
	\$	<u>632,749</u>

Note: See independent auditor's report.

GEORGIA SHERIFFS' YOUTH HOMES, INC.

SCHEDULE OF FEDERAL AND STATE CONTRACTUAL ASSISTANCE
YEAR ENDED JUNE 30, 2022

	Contract Number	Revenue	Expenditures	Due (To) From
Level of Care	42700-040C-RBWO22-00596			
	GA Sheriffs Boys Ranch	\$ 481,494	481,494	-
	GA Sheriffs Cherokee Estates	216,944	216,944	-
	GA Sheriffs Pineland	76,502	76,502	-
	GA Sheriffs Herrington Homestead	245,951	245,951	-
	GA Sheriffs Mountain View	<u>85,535</u>	<u>85,535</u>	-
		<u>1,106,426</u>	<u>1,106,426</u>	-
		<u>\$ 1,106,426</u>	<u>1,106,426</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, 2022, 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 December 28, 2022.

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
December 28, 2022



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, 2022. 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, 2022.

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, significant audit findings, and certain internal control related matters 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 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
December 28, 2022

GEORGIA SHERIFFS' YOUTH HOMES, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022**

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 \$1,106,426
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, 2022

<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>1,106,426</u>
Total Expenditures of Federal Awards		\$ <u>1,106,426</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, 2022

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, 2022. 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.