

CAMDEN COUNTY PUBLIC SERVICE AUTHORITY
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2022

CAMDEN COUNTY PUBLIC SERVICE AUTHORITY

FINANCIAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
Camden County Public Service Authority
Kingsland, Georgia**

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Camden County Public Service Authority (the "Authority") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Authority, as of September 30, 2022, and the respective changes in financial position and budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying schedules of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia §48-8-121, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, schedules of expenditures of special purpose local option sales tax proceeds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2023 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Camden County Public Service Authority's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Savannah, Georgia
March 23, 2023

CAMDEN COUNTY PUBLIC SERVICE AUTHORITY

STATEMENT OF NET POSITION SEPTEMBER 30, 2022

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 508,352
Prepays	30,336
Intergovernmental receivable	250,575
Capital assets	
Nondepreciable assets	1,530,277
Depreciable assets, net	<u>6,720,230</u>
Total assets	<u>9,039,770</u>
LIABILITIES	
Current liabilities:	
Accounts payable	52,695
Accrued liabilities	121,376
Unearned revenue	49,100
Non-current liabilities:	
Due within one year	
Financed purchases	92,907
Compensated absences	95,114
Due in more than one year	
Claims and judgments	1,520,000
Financed purchases	<u>228,758</u>
Total liabilities	<u>2,159,950</u>
NET POSITION	
Net investment in capital assets	7,928,842
Restricted for:	
Capital outlay	566,521
Unrestricted	<u>(1,615,543)</u>
Total net position	<u>\$ 6,879,820</u>

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

CAMDEN COUNTY PUBLIC SERVICE AUTHORITY

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities					
Recreation	\$ 4,405,761	\$ 1,059,655	\$ 2,346,908	\$ 1,790,542	\$ 791,344
Interest on long-term debt	16,165	-	-	-	(16,165)
Total governmental activities	<u>\$ 4,421,926</u>	<u>\$ 1,059,655</u>	<u>\$ 2,346,908</u>	<u>\$ 1,790,542</u>	775,179
		General revenues:			
		Interest revenue			659
		Miscellaneous			4,018
		Total general revenues			<u>4,677</u>
		Change in net position			779,856
		Net position, beginning of year			<u>6,099,964</u>
		Net position, end of year			<u>\$ 6,879,820</u>

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

CAMDEN COUNTY PUBLIC SERVICE AUTHORITY

**BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022**

ASSETS	General Fund	SPLOST Fund	Total Governmental Funds
Cash and cash equivalents	\$ 66,066	\$ 442,286	\$ 508,352
Prepaid expenses	30,336	-	30,336
Intergovernmental receivable	110,846	139,729	250,575
Due from other funds	1,494	-	1,494
Total assets	\$ 208,742	\$ 582,015	\$ 790,757
LIABILITIES AND FUND BALANCES (DEFICIT)			
LIABILITIES			
Accounts payable	\$ 38,695	\$ 14,000	\$ 52,695
Accrued liabilities	121,376	-	121,376
Unearned revenue	49,100	-	49,100
Due to other funds	-	1,494	1,494
Total liabilities	209,171	15,494	224,665
FUND BALANCES (DEFICIT)			
Nonspendable	30,336	-	30,336
Restricted for capital projects	-	566,521	566,521
Unassigned	(30,765)	-	(30,765)
Total fund balances (deficit)	(429)	566,521	566,092
Total liabilities and fund balances (deficit)	\$ 208,742	\$ 582,015	\$ 790,757

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

CAMDEN COUNTY PUBLIC SERVICE AUTHORITY

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION SEPTEMBER 30, 2022

Amounts reported for governmental activities in the statement of net position are different because:

Fund balances - total governmental funds	\$	566,092
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Cost of the assets		11,124,156
Accumulated depreciation		(2,873,649)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position. Long-term liabilities at year-end consist of the following:

Claims and judgments		(1,520,000)
Financed purchases		(321,665)
Compensated absences		(95,114)
		<hr/>
	\$	6,879,820
		<hr/>

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

CAMDEN COUNTY PUBLIC SERVICE AUTHORITY

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
Intergovernmental	\$ 2,346,908	\$ 1,790,542	\$ 4,137,450
Charges for service	1,059,655	-	1,059,655
Miscellaneous	4,018	-	4,018
Interest earnings	292	367	659
Total revenues	<u>3,410,873</u>	<u>1,790,909</u>	<u>5,201,782</u>
EXPENDITURES			
Current:			
Purchase/Contract Services	574,910	-	574,910
Salaries/Benefits	2,232,430	-	2,232,430
Supplies	716,110	-	716,110
Capital outlay	18,459	1,616,232	1,634,691
Debt service:			
Principal	-	91,503	91,503
Interest	-	16,165	16,165
Total expenditures	<u>3,541,909</u>	<u>1,723,900</u>	<u>5,265,809</u>
Net change in fund balances (deficit)	(131,036)	67,009	(64,027)
FUND BALANCES, beginning of year	<u>130,607</u>	<u>499,512</u>	<u>630,119</u>
FUND BALANCES (DEFICIT), end of year	<u>\$ (429)</u>	<u>\$ 566,521</u>	<u>\$ 566,092</u>

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

CAMDEN COUNTY PUBLIC SERVICE AUTHORITY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ (64,027)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Total capital outlay	1,631,106
Total depreciation expense	(917,371)

The issuance of long-term debt (e.g., notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The adjustment for these amounts are

Financed purchases payments	91,503
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Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. The adjustment for this item is as follows:

Compensated absences	<u>38,645</u>
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Change in net position of governmental activities	<u>\$ 779,856</u>
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The accompanying notes are an integral part of these financial statements.

CAMDEN COUNTY PUBLIC SERVICE AUTHORITY

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

	Budget		Actual	Variance
	Original	Final		with Final Budget
REVENUES				
Intergovernmental	\$ 2,587,930	\$ 2,587,930	\$ 2,346,908	\$ (241,022)
Charges for services	1,098,031	1,098,031	1,059,655	(38,376)
Miscellaneous	-	-	4,018	4,018
Interest earnings	-	-	292	292
Total revenues	<u>3,685,961</u>	<u>3,685,961</u>	<u>3,410,873</u>	<u>(275,088)</u>
EXPENDITURES				
Current:				
Recreation	3,588,532	3,588,532	3,523,450	65,082
Capital outlay	100,228	100,228	18,459	81,769
Total expenditures	<u>3,688,760</u>	<u>3,688,760</u>	<u>3,541,909</u>	<u>146,851</u>
Net change in fund balances	(2,799)	(2,799)	(131,036)	(128,237)
FUND BALANCES, beginning of year	<u>130,607</u>	<u>130,607</u>	<u>130,607</u>	<u>-</u>
FUND BALANCES (DEFICIT), end of year	<u>\$ 127,808</u>	<u>\$ 127,808</u>	<u>\$ (429)</u>	<u>\$ (128,237)</u>

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

CAMDEN COUNTY PUBLIC SERVICE AUTHORITY

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Financial Reporting Entity

The Camden County Public Service Authority (the "Authority") was created by Act Number 887 (H.B. 2031) of the Georgia Legislature effective March 20, 1990. The responsibilities of the Authority are contained in Act Number 887 (H.B. 2031) and as amended by House Bill 681.

The Authority is composed of nine members: the members include the elected official or appointee of the City of Kingsland, City of St. Mary's, and the City of Woodbine and the elected official or appointee for Camden County (the "County"). Each City Council shall appoint one resident from their respective City to serve on the Authority and the County Board of Commissioners shall appoint two residents of the County to serve on the Authority. With respect to the resident member appointments, each shall be appointed for a term of three years. Immediately after such appointments, the resident members of the Authority shall enter upon their duties. Each of such resident members shall serve until their successors are appointed and qualified. The Authority board members are serving as of the effective date of this Act and shall serve until their term is completed.

In conformity with generally accepted accounting principles as set forth in Statement of Governmental Accounting Standards Board ("GASB") No. 14 *"The Financial Reporting Entity"*, as amended, the Authority's relationships with other governments and agencies have been examined. As a result, no component units were identified which should be included in the reporting entity.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately.

The statement of activities presents a comparison between the direct expenses and program revenues for each function of the Authority's governmental activities. *Direct expenses* are those that are specifically associated with a function and, therefore, are clearly identifiable to a particular function. *Program revenues* include: 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Other items not properly included among program revenues are reported instead as *general revenues*.

Major individual governmental funds are reported as separate columns in the fund financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

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

Fund Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or within 60 days after the period end to pay obligations of the current period. Intergovernmental revenues, rental income and interest associated with the current fiscal period are all considered to be susceptible to accrual as revenue of the current period. Expenditures, including capital outlay, are recognized in the accounting period in which the related fund liability is incurred.

The fund financial statements provide more detailed information about the government's most significant funds, not the government as a whole. The activities of the government are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

Fund Financial Statements (Continued)

The Authority reports the following major governmental funds:

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

The **Special Purpose Local Option Sales Tax ("SPLOST") Fund** is used to account for the acquisition and construction of capital expenditures which are financed by the special local option sales tax proceeds received from Camden County.

D. Budgets and Budgetary Accounting

Annual appropriated budgets are adopted for the General Fund. Budgets are adopted on a modified accrual basis, which is consistent with generally accepted accounting principles for governmental funds, except the capital projects funds, which adopt project-length budgets. All appropriations lapse at period end. Encumbrance accounting – under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation – is not employed by the Authority.

E. Deposits and Investments

The Authority's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with a maturity date within three months of the date of acquisition. Investments are reported at fair value, which is determined using selected bases. Short-term investments are reported at cost, which approximates fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates, and investments that do not have an established market are reported at estimated fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value. The Authority had no investments at September 30, 2022.

F. Receivables

Receivables and Due from Other Governments represent funds to be received from other local governments, state grant-in-aid, state contracts, or federal funds. No allowance is deemed necessary for these receivables.

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" or "advances to/from other funds." All other outstanding balances between funds are reported as "due to/from other funds."

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Inventories

Inventories of expendable supplies held for consumption are not considered material and are recorded as expenditures, or expenses, as appropriate, when purchased.

H. Prepaid Items

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

I. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items acquired subsequent to January 1, 2004) are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$5,000, and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

Property, plant and equipment of the Authority are depreciated using the straight-line method over the following estimated useful lives:

Buildings	30 years
Improvements	5 –10 years
Furniture, Fixtures and Equipment	5 years
Vehicles	5 years

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Compensated Absences

It is the Authority's policy to permit employees to accumulate a limited amount of earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the Authority does not have a policy to pay any amounts when employees separate from service with the Authority. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

K. Long-Term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position.

L. Net Position Flow Assumption

Sometimes the Authority will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the Authority's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

M. Fund Equity

In the financial statements, governmental funds report the following classifications of fund balances in accordance with GASB Statement No. 54:

- **Non-spendable** – amounts that cannot be spent because they are either: (a) not in spendable form, or (b) legally or contractually required to be maintained intact.
- **Restricted** – amounts are restricted when constraints have been placed on the use of resources by: (a) externally imposed by creditors, grantors, contributors or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed** – amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of the Authority. The Board approves committed resources through a motion and vote during the voting session of Board meetings.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity (Continued)

- **Assigned** – amounts that are constrained by the Authority's intent to be used for specific purposes, but are neither restricted nor committed. The intent is expressed by the Board. By motion, the Authority has authorized the Chairman or their designee to assign fund balance.
- **Unassigned** – amounts that have not been assigned to other funds and that are not restricted, committed or assigned to specific purposes within the General Fund.

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

- Committed
- Assigned
- Unassigned

The Authority does not have a formal minimum fund balance policy.

N. 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.

Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. BUDGETS

A. Budget Process

Prior to October 1, the Authority submits an operating budget to the Board. The operating budget includes proposed revenues and expenditures. The Authority budgets and receives a monthly amount, from the county and three cities, needed to meet the budgeted revenues and expenditures. The county and cities each issue a monthly check to the Authority. The percentages are based on the 2010 census information.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. BUDGETS (CONTINUED)

B. Deficit Fund Balance

The General Fund reported a deficit fund balance of \$429 a September 30, 2022. This deficit is expected to be reduced in the next fiscal year by increased receipts from local governments.

NOTE 3. DEPOSITS

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may be lost. The Authority's bank balances of deposits as of September 30, 2022 are entirely insured or collateralized with securities held by the Authority's agent in the Authority's name. State statutes require banks holding public funds to secure these funds by FDIC insurance, securities pledged at par value, and surety bonds at face value in combined aggregate totaling not less than 110% of the public funds held.

NOTE 4. RECEIVABLES

Receivables at September 30, 2022, consist of the following:

	<u>General Fund</u>	<u>SPLOST Fund</u>	<u>Total</u>
Receivables:			
Intergovernmental	\$ 110,846	\$ 139,729	\$ 250,575
Net total receivables	<u>\$ 110,846</u>	<u>\$ 139,729</u>	<u>\$ 250,575</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended September 30, 2022, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated:					
Land	\$ 1,458,810	\$ 16,147	\$ -	\$ -	\$ 1,474,957
Construction in progress	9,000	46,320	-	-	55,320
Total	<u>1,467,810</u>	<u>62,467</u>	<u>-</u>	<u>-</u>	<u>1,530,277</u>
Capital assets, being depreciated:					
Buildings	5,672,144	-	-	-	5,672,144
Improvements	795,203	1,408,514	-	-	2,203,717
Furniture, fixtures and equipment	995,892	160,125	-	-	1,156,017
Vehicles	562,001	-	-	-	562,001
Total	<u>8,025,240</u>	<u>1,568,639</u>	<u>-</u>	<u>-</u>	<u>9,593,879</u>
Less accumulated depreciation for:					
Buildings	(693,033)	(555,766)	-	-	(1,248,799)
Improvements	(203,388)	(179,728)	-	-	(383,116)
Furniture, fixtures and equipment	(643,734)	(142,924)	-	-	(786,658)
Vehicles	(416,123)	(38,953)	-	-	(455,076)
Total	<u>(1,956,278)</u>	<u>(917,371)</u>	<u>-</u>	<u>-</u>	<u>(2,873,649)</u>
Total capital assets, being depreciated, net	<u>6,068,962</u>	<u>651,268</u>	<u>-</u>	<u>-</u>	<u>6,720,230</u>
Governmental activities capital assets, net	<u>\$ 7,536,772</u>	<u>\$ 713,735</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,250,507</u>

Depreciation expense was charged to the recreation department.

NOTE 6. LONG-TERM DEBT

Long-term liability activity for the fiscal year ended September 30, 2022, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Financed purchases	\$ 413,168	\$ -	\$ (91,503)	\$ 321,665	\$ 92,907
Claims and judgements	1,520,000	-	-	1,520,000	-
Compensated absences	133,759	68,519	(107,164)	95,114	95,114
Total long-term liabilities	<u>\$ 2,066,927</u>	<u>\$ 68,519</u>	<u>\$ (198,667)</u>	<u>\$ 1,936,779</u>	<u>\$ 188,021</u>

For the governmental activities, compensated absences and claims and judgements are liquidated by the general fund.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

Financed Purchases

In March 2021, the Authority entered into a financed purchase agreement with MUSCO finance for the purchase of equipment. The financed purchase bears interest at a rate of 3.95% and payments in the amount of \$77,895 are due annually on March 9th of each year through 2026.

In prior years the Authority entered into financed purchase agreements with AGCO Finance for the purchase of equipment. The financed purchases bear interest at a rate of approximately 3% and payments in the respective amounts of \$13,031 and \$16,741 are due in June and July of each year through 2024.

Debt service requirements to maturity for the financed purchases as of September 30, 2022, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	92,907	12,745	105,652
2024	81,736	9,190	90,926
2025	72,088	5,807	77,895
2026	74,934	2,960	77,894
Total	<u>\$ 321,665</u>	<u>\$ 30,702</u>	<u>\$ 352,367</u>

Claims and Judgements

In prior years, the Authority was delinquent in paying payroll taxes to the Internal Revenue Service ("IRS"). As of September 30, 2022, the estimated outstanding liability to the IRS is \$1,520,000. The Authority had submitted an Offer in Compromise ("OIC") to the IRS for \$400,000. As of the date of this report, the Authority has not been notified if the IRS has accepted the Authority's offer.

NOTE 7. CONTRACTS AND AGREEMENTS

The Authority has an intergovernmental agreement with Camden County relative to the Special Purpose Local Option Sales Tax ("SPLOST"). Per the agreement, the Authority shall receive from the County proceeds from the SPLOST as provided in the Official Code of Georgia Annotated ("O.C.G.A.") §48-8-111(a)(1)(H). These proceeds are for capital equipment and capital improvements for the Authority. The total budgeted amount for the Authority per the SPLOST referendum is 7.27% of the net proceeds up to the first \$47,000,000, estimated amount of \$2,670,000.

NOTE 8. RISK MANAGEMENT

The Authority is exposed to various risks of loss relative to torts and personal property (e.g., theft, damage, destruction and injury). The Authority carries commercial insurance coverage for these risks to the extent deemed necessary by management.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. CONTINGENT LIABILITIES

Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time.

Litigation

During the course of normal operations of the Authority, various claims and lawsuits arise. The Authority's attorney had advised that there are no potential liabilities of which he is aware that will impair the Authority's financial position as of the date of this report.

CAMDEN COUNTY PUBLIC SERVICE AUTHORITY

**SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS (SPLOST 7)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

<u>Project</u>	<u>Original Estimated Cost</u>	<u>Current Estimated Cost</u>	<u>Expenditures</u>		<u>Total</u>
			<u>Prior Years</u>	<u>Current Year</u>	
(press box only)	\$ 100,000	\$ 100,000	\$ 32,091	\$ -	\$ 32,091
Recreation Center	175,000	175,000	367,193	-	367,193
Howard Peebles Park	400,000	400,000	212,118	-	212,118
Maple Ford Park	200,000	200,000	244,370	-	244,370
PSA Soccer Complex	294,000	294,000	214,219	-	214,219
Temple Landing Park	200,000	200,000	235,107	-	235,107
St. Mary's Civic Park	200,000	200,000	131,207	-	131,207
St. Mary's Recreation Center	400,000	400,000	211,657	29,889	241,546
Woodbine Lions Club Park	400,000	400,000	163,169	-	163,169
Woodbine Community Park	140,000	140,000	52,216	-	52,216
Other Park Improvements	240,000	240,000	459,761	27,929	487,690
Public Service Authority Equipment and Vehicles	147,000	147,000	380,296	-	380,296
Totals	\$ 2,896,000	\$ 2,896,000	\$ 2,703,404	\$ 57,818	\$ 2,761,222

CAMDEN COUNTY PUBLIC SERVICE AUTHORITY

**SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS (SPLOST 8)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022**

Project	Original Estimated Cost	Current Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
Recreation Center	\$ 900,000	\$ 900,000	\$ 124,841	\$ 71,545	\$ 196,386
Kingsland Catfish Park	65,000	65,000	-	-	-
Kingsland Lions Park	65,000	65,000	20,086	-	20,086
Gum Shoe Trail	50,000	50,000	-	-	-
Harietts Bluff Park	25,000	25,000	975	-	975
Howard Peeples Park	150,000	150,000	1,435	511	1,946
Maple Ford Park	10,000	10,000	-	-	-
Tarboro Mary B Smart Park	15,000	15,000	-	-	-
Temple Landing Boat Ramp	50,000	50,000	13,179	-	13,179
St. Mary's Recreation Park	370,000	370,000	347,264	53,647	400,911
Woodbine Lions Club Park	50,000	50,000	-	-	-
Woodbine 110 Park	165,000	165,000	5,531	-	5,531
Other Park Improvements	245,000	245,000	15,478	257,600	273,078
Public Service Authority Equipment and Vehicles	510,000	510,000	468,322	61,697	530,019
Totals	\$ 2,670,000	\$ 2,670,000	\$ 997,111	445,000	\$ 1,442,111
				SPLOST 7 expenditures	57,818
				Plus amounts paid and reported by Camden County BOE - Field Turf	1,113,414
				Plus debt service for capital lease included above	107,668
				Adjusted total	\$ 1,723,900

COMPLIANCE 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 GOVERNMENT AUDITING STANDARDS**

**To the Board of Directors
Camden County Public Service Authority
Kingsland, Georgia**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Camden County Public Service Authority (the "Authority"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated March 23, 2023.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2022-001, that we consider to be a significant deficiency.

Report on Compliance and Other Matters

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

Camden County Public Service Authority's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Authority's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. The Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response

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 Authority'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 Camden County Public Service Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Savannah, Georgia
March 23, 2023

CAMDEN COUNTY PUBLIC SERVICE AUTHORITY

SCHEDULE OF FINDINGS AND RESPONSES FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

SECTION I SUMMARY OF AUDIT RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP

Unmodified

Internal control over financial reporting:
Material weaknesses identified?

Yes No

Significant deficiencies identified not considered
to be material weaknesses?

Yes No

Noncompliance material to financial statements noted?

Yes No

Federal Awards

No audit of major federal award programs was performed as the Authority neither received nor expended federal funds during the fiscal year ended September 30, 2022.

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES

2022-001. Segregation of Duties

Criteria: Duties should be segregated between employees so that the responsibility for authorizing transactions, recording transactions and maintaining custody of assets are assigned to different personnel.

Condition/Context: There is not appropriate segregation of duties among recording and authorizing bank reconciliations or manual journal entries.

Effect: Failure to properly segregate duties among recording and authorizing transactions and procedures can lead to misappropriation of funds that is not detected during the normal course of business.

Cause: The lack of segregation of duties is primarily due to the limited number of individuals available to perform all of the duties of the Authority.

Recommendation: We recommend the Authority explore options to properly segregate duties within the accounting function. This would include proper review of monthly bank reconciliations and manual journal entries.

CAMDEN COUNTY PUBLIC SERVICE AUTHORITY

SCHEDULE OF FINDINGS AND RESPONSES FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2022-001. Segregation of Duties (Continued)

Views of Responsible Officials and Planned Corrective Action: Management agrees with the finding and is continually working to improve controls whenever economically feasible to mitigate the risks associated with this condition.

SECTION III FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT

Not Applicable

CAMDEN COUNTY PUBLIC SERVICE AUTHORITY

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022

2021–001. Segregation of Duties

Criteria: Duties should be segregated between employees so that the responsibility for authorizing transactions, recording transactions and maintaining custody of assets are assigned to different personnel.

Condition/Context: There is not appropriate segregation of duties among recording and authorizing bank reconciliations or manual journal entries.

Auditee Response/Status: Unresolved. See current period finding 2022-001.