

CAMDEN COUNTY PUBLIC SERVICE AUTHORITY

ANNUAL FINANCIAL REPORT

**FOR THE THREE MONTHS ENDED
SEPTEMBER 30, 2020**

CAMDEN COUNTY PUBLIC SERVICE AUTHORITY

FINANCIAL REPORT FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

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FINANCIAL SECTION

CAMDEN COUNTY PUBLIC SERVICE AUTHORITY

**STATEMENT OF NET POSITION
SEPTEMBER 30, 2020**

ASSETS	<u>Governmental Activities</u>
Cash and cash equivalents	\$ 660,477
Intergovernmental receivable	188,170
Capital assets	
Nondepreciable assets	1,486,245
Depreciable assets, net	<u>6,185,596</u>
Total assets	<u>8,520,488</u>
 LIABILITIES	
Current liabilities:	
Accounts payable	45,220
Accrued liabilities	41,895
Due to other governments	32,830
Unearned revenue	48,833
Non-current liabilities:	
Due within one year	
Capital leases	56,823
Note payable	15,000
Compensated absences	132,357
Due in more than one year	
Claims and judgments	1,600,000
Capital leases	<u>65,904</u>
Total liabilities	<u>2,038,862</u>
 NET POSITION	
Net investment in capital assets	7,534,114
Restricted for:	
Capital outlay	430,085
Unrestricted	<u>(1,482,573)</u>
Total net position	<u>\$ 6,481,626</u>

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

CAMDEN COUNTY PUBLIC SERVICE AUTHORITY

**STATEMENT OF ACTIVITIES
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses)</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Revenues and Changes in Net Position</u>
					<u>Governmental Activities</u>
Governmental activities					
Recreation	\$ 990,820	\$ 128,272	\$ 752,054	\$ 6,994,408	\$ 6,883,914
Total governmental activities	<u>\$ 990,820</u>	<u>\$ 128,272</u>	<u>\$ 752,054</u>	<u>\$ 6,994,408</u>	<u>6,883,914</u>
			Net position (deficit), beginning of year		<u>(402,288)</u>
			Net position, end of year		<u>\$ 6,481,626</u>

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

CAMDEN COUNTY PUBLIC SERVICE AUTHORITY

**BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020**

ASSETS	General Fund	SPLOST Fund	Total Governmental Funds
Cash and cash equivalents	\$ 305,264	\$ 355,213	\$ 660,477
Intergovernmental receivable	95,669	92,501	188,170
Total assets	\$ 400,933	\$ 447,714	\$ 848,647
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 27,591	\$ 17,629	\$ 45,220
Accrued liabilities	41,895	-	41,895
Due to other governments	32,830	-	32,830
Unearned revenue	48,833	-	48,833
Total liabilities	151,149	17,629	168,778
FUND BALANCES			
Restricted for capital projects	-	430,085	430,085
Unassigned	249,784	-	249,784
Total fund balances	249,784	430,085	679,869
Total liabilities and fund balances	\$ 400,933	\$ 447,714	\$ 848,647

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, 2020**

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

Fund balances - total governmental funds	\$	679,869
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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	8,870,042
Accumulated depreciation	(1,198,201)

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	(1,600,000)
Capital leases	(122,727)
Note payable	(15,000)
Compensated absences	(132,357)
	<hr/>
	\$ 6,481,626
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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
GOVERNMENTAL FUNDS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
REVENUES			
Intergovernmental	\$ 752,054	\$ 159,574	\$ 911,628
Charges for service	128,272	-	128,272
Total revenues	<u>880,326</u>	<u>159,574</u>	<u>1,039,900</u>
EXPENDITURES			
Current:			
Recreation	800,004	-	800,004
Debt service			
Principal	15,000	14,000	29,000
Capital outlay	52,963	185,889	238,852
Total expenditures	<u>867,967</u>	<u>199,889</u>	<u>1,067,856</u>
Excess (deficiency) of revenues over (under) expenditures	12,359	(40,315)	(27,956)
OTHER FINANCING SOURCE			
Issuance of debt	45,373	-	45,373
Net change in fund balances	57,732	(40,315)	17,417
FUND BALANCES, beginning of year	<u>192,052</u>	<u>470,400</u>	<u>662,452</u>
FUND BALANCES, end of year	<u>\$ 249,784</u>	<u>\$ 430,085</u>	<u>\$ 679,869</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 THREE MONTHS ENDED SEPTEMBER 30, 2020**

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

Net change in fund balances - total governmental funds	\$	17,417
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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 outlays		234,882
Total donated assets		6,834,834
Total depreciation expense		(178,674)

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 as follows:

Capital lease issuance		(45,373)
Capital lease payments		14,000
Note payable payments		15,000

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		(8,172)
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Change in net position of governmental activities	\$	<u>6,883,914</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 THREE MONTHS ENDED SEPTEMBER 30, 2020**

	Budget		Actual	Variance
	Original	Final		with Final Budget
REVENUES				
Intergovernmental	\$ 431,943	\$ 431,943	\$ 752,054	\$ 320,111
Charges for services	250,346	250,346	128,272	(122,074)
Miscellaneous	13,112	13,112	-	(13,112)
Total revenues	<u>695,401</u>	<u>695,401</u>	<u>880,326</u>	<u>184,925</u>
EXPENDITURES				
Current:				
Recreation	843,473	843,473	800,004	43,469
Debt service:				
Principal	-	-	15,000	(15,000)
Capital outlay	-	-	52,963	(52,963)
Total expenditures	<u>843,473</u>	<u>843,473</u>	<u>867,967</u>	<u>(24,494)</u>
Excess (deficiency) of revenues over (under) expenditures	(148,072)	(148,072)	12,359	160,431
OTHER FINANCING SOURCE				
Issuance of debt	-	-	45,373	45,373
Net change in fund balances	(148,072)	(148,072)	57,732	205,804
FUND BALANCES, beginning of year	<u>192,052</u>	<u>192,052</u>	<u>192,052</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 43,980</u>	<u>\$ 43,980</u>	<u>\$ 249,784</u>	<u>\$ 205,804</u>

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

CAMDEN COUNTY PUBLIC SERVICE AUTHORITY

NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2020

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. 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 set of 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, 2020.

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 three months ended 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 Governmental Accounting Standards Board 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. Excess of Expenditures Over Appropriations

The General Fund had expenditures in excess of appropriations for the following departments:

	<u>Excess</u>
Debt service - principal	\$ 15,000
Capital outlay	52,963

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, 2020 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, 2020, consist of the following:

	<u>General Fund</u>	<u>SPLOST Fund</u>	<u>Total</u>
Receivables:			
Intergovernmental	\$ 95,669	\$ 92,501	\$ 188,170
Net total receivables	<u>\$ 95,669</u>	<u>\$ 92,501</u>	<u>\$ 188,170</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS

Capital asset activity for the three months ended September 30, 2020, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated:					
Land	\$ 124,410	\$ 1,334,400	\$ -	\$ -	\$ 1,458,810
Construction in progress	124,929	66,850	-	(164,344)	27,435
Total	<u>249,339</u>	<u>1,401,250</u>	<u>-</u>	<u>(164,344)</u>	<u>1,486,245</u>
Capital assets, being depreciated:					
Buildings	-	5,500,434	-	164,344	5,664,778
Improvements	327,492	40,569	-	-	368,061
Furniture, fixtures and equipment	802,994	52,963	-	-	855,957
Vehicles	420,501	74,500	-	-	495,001
Total	<u>1,550,987</u>	<u>5,668,466</u>	<u>-</u>	<u>164,344</u>	<u>7,383,797</u>
Less accumulated depreciation for:					
Buildings	-	(137,511)	-	-	(137,511)
Improvements	(170,923)	(5,363)	-	-	(176,286)
Furniture, fixtures and equipment	(476,198)	(30,207)	-	-	(506,405)
Vehicles	(372,406)	(5,593)	-	-	(377,999)
Total	<u>(1,019,527)</u>	<u>(178,674)</u>	<u>-</u>	<u>-</u>	<u>(1,198,201)</u>
Total capital assets, being depreciated, net	<u>531,460</u>	<u>5,489,792</u>	<u>-</u>	<u>164,344</u>	<u>6,185,596</u>
Governmental activities capital assets, net	<u>\$ 780,799</u>	<u>\$ 6,891,042</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,671,841</u>

Depreciation expense was charged to the recreation department.

NOTE 6. LONG-TERM DEBT

Long-term liability activity for the three months ended September 30, 2020, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Capital leases payable	\$ 91,354	\$ 45,373	\$ (14,000)	\$ 122,727	\$ 56,823
Note payable	30,000	-	(15,000)	15,000	15,000
Claims and judgements	1,600,000	-	-	1,600,000	-
Compensated absences	124,185	20,753	(12,581)	132,357	132,357
Total long-term liabilities	<u>\$ 1,845,539</u>	<u>\$ 66,126</u>	<u>\$ (41,581)</u>	<u>\$ 1,870,084</u>	<u>\$ 204,180</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)

Capital Leases

The Authority has entered into lease agreements as lessee for financing the acquisition of equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, the assets have been recorded at the present value of the future minimum lease payments as of the inception date in the general capital assets. The amortization of assets recorded under capital leases is included with depreciation expense in the amount of \$8,894.

The assets acquired through capital leases are as follows:

Asset Class	Activities
Machinery and equipment	\$ 177,879
Less: Accumulated depreciation	(66,836)
Total	\$ 111,043

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2020, were as follows:

September 30,	Governmental Activities
2021	\$ 62,045
2022	28,764
2023	28,764
2024	13,031
Total minimum lease payments	132,604
Less: Amounts representing interest	(9,877)
Present value of future minimum lease payments	122,727
Less current portion	(56,823)
Long-term portion of leases	\$ 65,904

Note Payable

The Authority has entered into a note payable agreement with Camden Gymnastics to purchase certain equipment. Payments are made by the Authority semi-annually with no interest payments. As of September 30, 2020, the outstanding principal balance on the note is \$15,000 which is due within one year.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

Claims and Judgements

In prior years, the Authority was delinquent in paying payroll taxes to the Internal Revenue Service (“IRS”). As of September 30, 2020, the estimated outstanding liability to the IRS is \$1,600,000. The Authority has submitted an Offer in Compromise to the IRS for \$500,000. 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.

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 THREE MONTHS ENDED SEPTEMBER 30, 2020**

Project	Original Estimated Cost	Current Estimated Cost	Expenditures		Total
			Prior Years	Current Year	
Chris Gilman Stadium, (press box only)	\$ 100,000	\$ 100,000	\$ 23,615	\$ -	\$ 23,615
Recreation Center	175,000	175,000	366,898	295	367,193
Howard Peeples Park	400,000	400,000	203,819	83	203,902
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	234,607	-	234,607
St. Mary's Civic Park	200,000	200,000	103,670	-	103,670
St. Mary's Recreation Center	400,000	400,000	99,136	66,122	165,258
Woodbine Lions Club Park	400,000	400,000	160,596	742	161,338
Woodbine Community Park	140,000	140,000	52,216	-	52,216
Other Park Improvements	240,000	240,000	389,290	41,780	431,070
Public Service Authority Equipment and Vehicles	147,000	147,000	380,296	-	380,296
Totals	\$ 2,896,000	\$ 2,896,000	\$ 2,472,732	\$ 109,022	\$ 2,581,754

CAMDEN COUNTY PUBLIC SERVICE AUTHORITY

**SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS (SPLOST 8)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020**

<u>Project</u>	<u>Original Estimated Cost</u>	<u>Current Estimated Cost</u>	<u>Expenditures</u>		
			<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Recreation Center	\$ 900,000	\$ 900,000	\$ 95,156	\$ -	\$ 95,156
Kingsland Catfish Park	65,000	65,000	-	-	-
Kingsland Lions Park	65,000	65,000	-	-	-
Gum Shoe Trail	50,000	50,000	-	-	-
Harietts Bluff Park	25,000	25,000	-	-	-
Howard Peeples Park	150,000	150,000	114	-	114
Maple Ford Park	10,000	10,000	-	-	-
Tarboro Mary B Smart Park	15,000	15,000	-	-	-
Temple Landing Boat Ramp	50,000	50,000	-	-	-
St. Mary's Recreation Park	370,000	370,000	-	-	-
Woodbine Lions Club Park	50,000	50,000	-	-	-
Woodbine 110 Park	165,000	165,000	-	-	-
Other Park Improvements	245,000	245,000	9,000	-	9,000
Public Service Authority Equipment and Vehicles	510,000	510,000	204,107	76,867	280,974
Totals	\$ 2,670,000	\$ 2,670,000	\$ 308,377	76,867	\$ 385,244
				SPLOST 7 expenditures	109,022
				Plus debt service for capital lease included above	14,000
				Adjusted total	<u>\$ 199,889</u>

COMPLIANCE SECTION

CAMDEN COUNTY PUBLIC SERVICE AUTHORITY

SCHEDULE OF FINDINGS AND RESPONSES FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

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 three months ended September 30, 2020.

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES

92020-001. 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 THREE MONTHS ENDED SEPTEMBER 30, 2020

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

92020-001. 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 THREE MONTHS ENDED SEPTEMBER 30, 2020

2020-001. Year-End Accruals

Criteria: An effective system of internal controls should include procedures to ensure that all earned revenues and incurred expenditures are recorded in the proper accounting period.

Condition/Context: Earned revenues and incurred expenditures were not accrued at the end of the fiscal year. Audit adjustments were required to record several receivables/revenues in the amount of \$131,107 and several payables/expenditures in the amount of \$222,219.

Auditee Response/Status: Resolved.

2020-002. 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 92020-001.