

**CAMDEN COUNTY JOINT
DEVELOPMENT AUTHORITY
(A COMPONENT UNIT OF
CAMDEN COUNTY, GEORGIA)
INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2021**

CAMDEN COUNTY JOINT DEVELOPMENT AUTHORITY

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Camden County Joint Development Authority
Kingsland, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Camden County Joint Development Authority, a component unit of Camden County, Georgia, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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 Camden County Joint Development Authority, as of June 30, 2021, and the respective changes in financial position and the respective budgetary comparison for the General Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 2, 2022, on our consideration of the Camden County Joint Development 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 Camden County Joint Development 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 Camden County Joint Development Authority's internal control over financial reporting and compliance.

Cliff, Gipford, Harrison & Pahl

Macon, Georgia
February 2, 2022

CAMDEN COUNTY JOINT DEVELOPMENT AUTHORITY
KINGSLAND, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

As management of the Authority, we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2021.

FINANCIAL HIGHLIGHTS

- The assets of the Authority exceeded its liabilities as of June 30, 2021, by \$7,328,367.
- As of June 30, 2021, total net position consisted of \$1,733,200 investment in capital assets and \$5,595,167 unrestricted.
- As of June 30, 2021, the Authority's governmental funds reported ending fund balance of \$5,639,964, an increase of \$2,575,895 in comparison with the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Authority's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating. The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as earned but unused vacation leave.

Both of the government-wide financial statements distinguish functions of the Authority that are principally supported by intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through administrative fees and charges (business-type activities). The governmental activities of the Authority include job creation and increasing the tax base through economic development efforts such as issuance of industrial development revenue bonds and acquisition and development of industrial parks. The Authority currently has no business-type activities.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of a government can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

CAMDEN COUNTY JOINT DEVELOPMENT AUTHORITY
KINGSLAND, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021
(CONTINUED)

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Authority adopts an annual appropriated budget for the operating expenditures of the General Fund. A budgetary comparison statement has been provided to demonstrate compliance with this budget.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Authority, assets exceeded liabilities by \$7,328,367 at the close of the most recent fiscal year.

A portion of the Authority's net position reflects its investment in capital assets. These assets are not available for future spending. As of June 30, 2021, the investment consists of \$1,780,348 in assets less accumulated depreciation of \$47,148.

The balance of unrestricted net position may be used to meet the government's ongoing obligations. For the fiscal year ended June 30, 2021, capital assets increased \$298,703.

CAMDEN COUNTY JOINT DEVELOPMENT AUTHORITY
KINGSLAND, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021
(CONTINUED)

	Net Position	
	2021	2020
Assets		
Current and other assets	\$ 5,706,121	\$ 3,167,778
Notes Receivables	10,872,799	-
Capital assets	1,733,200	1,434,497
Total assets	<u>18,312,120</u>	<u>4,602,275</u>
Liabilities		
Current and other liabilities	135,253	1,260,516
Bonds Payable	10,848,500	-
Total liabilities	<u>10,983,753</u>	<u>1,260,516</u>
Net position		
Investment in capital assets	1,733,200	1,434,497
Unrestricted	5,595,167	1,907,262
Total net position	<u>\$ 7,328,367</u>	<u>\$ 3,341,759</u>

	Changes in Net Position	
	2021	2020
Revenues		
Property Taxes	\$ -	\$ 1,251
Intergovernmental	702,115	720,000
Lease Income	61,132	75,719
Interest Earnings	2,905	4,317
Other Revenue	10,902,965	-
Total Revenues	<u>11,669,117</u>	<u>801,287</u>
Expenses		
Total Expenses	<u>7,682,509</u>	<u>685,547</u>
Change in net position	3,986,608	115,740
Net position beginning	<u>3,341,759</u>	<u>3,226,019</u>
Net position ending	<u>\$ 7,328,367</u>	<u>\$ 3,341,759</u>

CAMDEN COUNTY JOINT DEVELOPMENT AUTHORITY
KINGSLAND, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021
(CONTINUED)

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

The Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Authority's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Authority's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2021, the Authority's governmental funds reported ending fund balance of \$5,639,964 of which \$2,335,286 is reported as unassigned fund balance, which is available for spending at the government's discretion.

The general fund is the operating fund of the Authority. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents approximately 1.19 times total general fund expenditures for fiscal year 2021.

The fund balance of the Authority's governmental funds increased \$2,575,895 during the current fiscal year. The primary reason for the increase was the issuance of the Taxable Industrial Development Revenue Bonds (Cumberland Inlet Project), Series 2020. The Authority had only expended a portion of the bond proceeds at year-end.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Authority's investment in capital assets for its governmental activities as of June 30, 2021, amounts to \$1,733,200 net of accumulated depreciation. The investment in capital assets consists primarily of land and land improvements. For the current fiscal year, the investment in capital assets increased \$298,703.

	2021	2020
Land	\$ 752,712	\$ 763,573
Construction in Progress	955,500	643,431
Land Improvements	33,360	33,360
Equipment	13,931	13,931
Vehicles	24,845	24,845
Accumulated depreciation	(47,148)	(44,643)
Total	<u>\$ 1,733,200</u>	<u>\$ 1,434,497</u>

Additional information about the Authority's capital assets can be found in Note 6 on page 22 of this report.

CAMDEN COUNTY JOINT DEVELOPMENT AUTHORITY
KINGSLAND, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021
(CONTINUED)

Long-Term Debt

As of June 30, 2021, the Authority had \$10,893,297 in outstanding long-term debt. Additional information on the Authority's long-term debt can be found in Note 8 of this report.

	Governmental Activities:	
	2021	2020
Bonds Payable	\$ 10,848,500	\$ 1,119,907
Notes Payable	24,299	28,187
Compensated Absences	20,498	11,862
	<u>\$ 10,893,297</u>	<u>\$ 1,159,956</u>

ECONOMIC FACTORS

The Authority continues to compete for local, state and federal funding to promote economic development in Camden County.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for anyone with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Mr. James Coughlin, Executive Director, 531 North Lee St., Kingsland, Georgia 31548.

FINANCIAL STATEMENTS

CAMDEN COUNTY JOINT DEVELOPMENT AUTHORITY

STATEMENT OF NET POSITION JUNE 30, 2021

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 5,698,073
Due from other governments	
Prepays	4,024
Security deposit	4,024
Notes receivable	10,872,799
Capital assets:	
Nondepreciable assets	1,708,212
Depreciable assets, net	<u>24,988</u>
Total Assets	<u>18,312,120</u>
<u>LIABILITIES</u>	
Current liabilities	
Accounts payable	13,567
Due to primary government	76,889
Compensated absences payable	20,498
Notes payable	3,967
Long-term liabilities	
Notes payable	20,332
Bonds payable	<u>10,848,500</u>
Total Liabilities	<u>10,983,753</u>
<u>NET POSITION</u>	
Invested in capital assets	1,733,200
Unrestricted	<u>5,595,167</u>
Total Net Position	<u><u>\$ 7,328,367</u></u>

The notes to the financial statements are an integral part of this statement.

CAMDEN COUNTY JOINT DEVELOPMENT AUTHORITY

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions	
Governmental Activities				
Economic development	\$ 7,625,869	\$ 61,132	\$ 11,550,615	\$ 3,985,878
Interest on long-term debt	56,640	-	-	(56,640)
Total governmental activities	<u>7,682,509</u>	<u>61,132</u>	<u>11,550,615</u>	<u>3,929,238</u>
Total Government	<u>\$ 7,682,509</u>	<u>\$ 61,132</u>	<u>\$ 11,550,615</u>	<u>3,929,238</u>
General Revenues				
Interest revenue				2,905
Miscellaneous revenue				1,965
Gain on sale of asset				<u>52,500</u>
Total General Revenues				<u>57,370</u>
Change in Net Position				3,986,608
Net Position - Beginning of year				<u>3,341,759</u>
Net Position - End of year				<u>\$ 7,328,367</u>

The notes to the financial statements are an integral part of this statement.

CAMDEN COUNTY JOINT DEVELOPMENT AUTHORITY

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	General Fund	Capital Improvements Fund	Total Governmental Funds
<u>ASSETS</u>			
Cash and cash equivalents	\$ 2,417,751	\$ 3,280,322	\$ 5,698,073
Prepaid asset	4,024	-	4,024
Security deposit	4,024	-	4,024
Notes receivable	24,299	10,848,500	10,872,799
Total Assets	\$ 2,450,098	\$ 14,128,822	\$ 16,578,920
<u>LIABILITIES</u>			
Accounts payable	\$ 13,567	\$ -	\$ 13,567
Due to primary government	76,889	-	76,889
Total Liabilities	90,456	-	90,456
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable revenue - other	-	10,848,500	10,848,500
Total Deferred Inflows of Resources	-	10,848,500	10,848,500
<u>FUND BALANCES</u>			
Nonspendable	24,356	-	24,356
Restricted	-	3,280,322	3,280,322
Unassigned	2,335,286	-	2,335,286
Total Fund Balances	2,359,642	3,280,322	5,639,964
Total Liabilities, Deferred inflows of Resources, and Fund balances	\$ 2,450,098	\$ 14,128,822	\$ 16,578,920

The notes to the financial statements are an integral part of this statement.

CAMDEN COUNTY JOINT DEVELOPMENT AUTHORITY

RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
JUNE 30, 2021

Amounts reported for governmental activities in the Statement of Net Position differ from amounts reported in the Balance Sheet of Governmental Funds due to the following:

Total Governmental Fund Balances	\$ 5,639,964
Capital Assets	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Cost of the assets	1,780,348
Accumulated depreciation	(47,148)
Revenues	
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	10,848,500
Long-term Debt	
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:	
Bonds Payable	(10,848,500)
Notes Payable	(24,299)
Compensated absences	(20,498)
Total Net Position of Governmental Activities	<u>\$ 7,328,367</u>

The notes to the financial statements are an integral part of this statement.

CAMDEN COUNTY JOINT DEVELOPMENT AUTHORITY

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	General Fund	Capital Projects Fund	Total Governmental Funds
<u>REVENUES</u>			
Intergovernmental			
Camden County	\$ 684,000	\$ -	\$ 684,000
USDA	18,115	-	18,115
Lease income	61,132	-	61,132
Interest earnings	2,905	-	2,905
Other income	1,964	1	1,965
Total Revenues	768,116	1	768,117
<u>EXPENDITURES</u>			
Current:			
Labor costs	283,526	-	283,526
Promotional costs	42,091	-	42,091
Business park	8,263	-	8,263
Industrial site and engineering	330,470	-	330,470
Travel	1,860	-	1,860
Professional fees	14,820	-	14,820
Office materials and supplies	17,481	-	17,481
Meetings, forums and training	1,896	-	1,896
Project expenses	21,888	7,020,000	7,041,888
Other expenses	54,436	-	54,436
Debt service			
Principal	1,124,116	-	1,124,116
Interest	56,640	-	56,640
Bond issuance costs	-	115,735	115,735
Total Expenditures	1,957,487	7,135,735	9,093,222
Excess/(Deficiency) of Revenues Over (Under) Expenditures	(1,189,371)	(7,135,734)	(8,325,105)
<u>Other Financing Sources/(Uses):</u>			
Issuance of debt	-	10,848,500	10,848,500
Sales of capital assets	52,500	-	52,500
Transfers from other funds	432,444	-	432,444
Transfers to other funds	-	(432,444)	(432,444)
Total other financing sources/(uses)	484,944	10,416,056	10,901,000
Net change in fund balances	(704,427)	3,280,322	2,575,895
Fund balance - Beginning of year	3,064,069	-	3,064,069
Fund balance - End of year	\$ 2,359,642	\$ 3,280,322	\$ 5,639,964

The notes to the financial statements are an integral part of this statement.

CAMDEN COUNTY JOINT DEVELOPMENT 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 JUNE 30, 2021

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

Net Change in Fund Balances - Total Governmental Funds	\$ 2,575,895
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Capital Assets

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense.

Total capital outlays	334,589
Total depreciation	(2,505)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net position.	(33,381)
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Long-term Debt

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has an 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. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Debt issued or incurred	(10,848,500)
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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. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The adjustments for these items are as follows:

Compensated absences	(8,636)
Bonds Payable	1,119,907
Notes Payable	4,209

Revenues

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Amount reflects current year net change.

10,845,030

Change in Net Position of Governmental Activities

<u>\$ 3,986,608</u>

The notes to the financial statements are an integral part of this statement.

CAMDEN COUNTY JOINT DEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budget			Variance with
	Original	Final	Actual	Final Budget
<u>REVENUES</u>				
Intergovernmental	\$ 684,000	\$ 684,000	\$ 702,115	\$ 18,115
Lease income	4,416	4,416	61,132	56,716
Interest earnings	3,300	3,300	2,905	(395)
Other income	2,000	2,000	1,964	(36)
Total Revenues	693,716	693,716	768,116	74,400
<u>EXPENDITURES</u>				
Current:				
Labor costs	268,500	268,500	283,526	(15,026)
Promotional costs	13,000	13,000	42,091	(29,091)
Business Park	18,000	18,000	8,263	9,737
Industrial site and engineering	135,000	135,000	330,470	(195,470)
Travel	13,000	13,000	1,860	11,140
Professional fees	7,500	7,500	14,820	(7,320)
Office materials and supplies	11,300	11,300	17,481	(6,181)
Meetings, forums and training	7,700	7,700	1,896	5,804
Project expenses	-	-	21,888	(21,888)
Other expenses	65,300	65,300	54,436	10,864
Debt Service				
Principal	154,416	154,416	1,124,116	(969,700)
Interest	-	-	56,640	(56,640)
Total Expenditures	693,716	693,716	1,957,487	(1,263,771)
Excess/(Deficiency) of Revenues Over (Under) Expenditures	-	-	(1,189,371)	(1,189,371)
<u>Other Financing Sources/(Uses):</u>				
Sales of capital assets	-	-	52,500	52,500
Transfers from other funds	-	-	432,444	432,444
Total other financing sources/(uses)	-	-	484,944	484,944
Net change in fund balances	-	-	(704,427)	(704,427)
Fund Balance - Beginning of year	3,064,069	3,064,069	3,064,069	-
Fund Balance - End of year	\$ 3,064,069	\$ 3,064,069	\$ 2,359,642	\$ (704,427)

The notes to the financial statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

CAMDEN COUNTY JOINT DEVELOPMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Camden County Joint Development Authority is a joint venture between Camden County and the cities of Kingsland, St. Mary's and Woodbine. It is governed by a nine-member board of directors. Each joint venture partner appoints two directors. The Authority was created for the purpose of developing, promoting, and expanding for the public good and general welfare, industry, agriculture, natural resources, the creation of jobs and the making of long-range plans for the coordination of such development, promotion and expansion within the territorial limits of Camden County, Georgia as provided by Georgia law.

The financial statements of the reporting entity include those of the primary government and any component units. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

In conformity with generally accepted accounting principles, as set forth in Statement of Governmental Accounting Standards Board (GASB) No. 61 "The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and 34," 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. However, the Authority is a component unit of Camden County, Georgia. Certain financial information from the Authority is included in the financial statements of the Camden County Reporting Entity.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (Statement of Net Position and Statement of Activities) report information on all of the nonfiduciary activities of the Authority. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

CAMDEN COUNTY JOINT DEVELOPMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

(CONTINUED)

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

Government-Wide Financial Statements

The government-wide financial statements are reported using the flow of 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 related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 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 soon enough thereafter to pay liabilities of the current period. For this purpose, the Authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, intergovernmental revenues, and interest associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues are considered to be measurable and available only when cash is received by the Authority.

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

CAMDEN COUNTY JOINT DEVELOPMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

(CONTINUED)

The Authority reports the following major governmental fund:

General Fund – 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.

Capital Projects Fund – The Capital Projects Fund is used to account for the proceeds and project expenditures associated with the Cumberland Inlet project.

D. Deposits

The Authority's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

E. Prepaid Items

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

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.

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is 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."

All trade and property tax receivables have been reduced to their estimated net realizable value and are shown net of an allowance for doubtful accounts. Estimated uncollectible amounts are based upon historical experience rates. Taxes receivable at June 30, 2021 amounted \$2,251, the estimate of uncollectible taxes was \$2,251.

G. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the applicable governmental activities' column in the government-wide financial statements. 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 asset or materially extend assets lives are not capitalized.

CAMDEN COUNTY JOINT DEVELOPMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

(CONTINUED)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant and equipment capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimate useful life in excess of one year. The Authority is depreciated using the straight-line method over the following estimated useful lives:

Buildings	30 years
Building improvements	15-40 years
Land improvements	40 years
Infrastructure	40 years
Equipment	4-10 years
Vehicles	5 years

H. Compensated Absences

It is the Authority's policy to permit employees to accumulate earned by unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. 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.

I. Deferred Outflows / Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period or periods and so will not be recognized as an outflow of resources (expense / expenditures) until then. The Authority does not have any deferred outflows of resources as of June 30, 2021.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues for the future receipts of note receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

J. Long-term Obligations

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. Bond premiums and discounts are deferred and amortized over the life of the

CAMDEN COUNTY JOINT DEVELOPMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

(CONTINUED)

bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

K. Net Position Flow Assumption

Sometimes the government 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 and proprietary fund financial statements, 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.

L. Fund Equity

In the financial statements, governmental funds report the following classifications of fund balance in accordance with Governmental Accounting Standards Board Statement No. 54:

- Nonspendable – 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 only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. The Board approves committed resources through a motion and vote during the voting sessions of Board meetings.
- Assigned – amounts that are constrained by the Board's intent to be used for specific purposes but are neither restricted nor committed. By motion, the Board has authorized the Executive Director or designee to assign fund balances.
- 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.

CAMDEN COUNTY JOINT DEVELOPMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

(CONTINUED)

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

- Committed
- Assigned
- Unassigned

As of June 30, 2021, Camden County Joint Development Authority had the following fund balances:

	General Fund	Capital Projects Fund	Total
Fund Balances:			
Nonspendable	\$ 24,356	\$ -	\$ 24,356
Restricted:			
JDI Cumberland Project	-	3,280,322	3,280,322
Unassigned	2,335,286	-	2,335,286
Total fund balances	\$ 2,359,642	\$ 3,280,322	\$ 5,639,964

M. Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; and errors or omissions. The Authority purchases commercial insurance for most types of risk. For these risks, settlements have not exceeded coverages for each of the past three fiscal years. The Authority had no significant reduction in insurance coverage from coverage in the prior year.

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING

The Executive Director prepares an annual budget for operating contributions and expenditures and presents it to the board of directors prior to next fiscal year. Significant departures must be approved by the board. Land sales and related expenditures are not included in the budget as they are not estimable or predictable.

NOTE 3 – CASH AND CASH EQUIVALENTS

The custodial credit risk of deposits is the risk that in the event of the failure of a bank, the Authority's deposits may not be recovered.

The Authority's bank balances of deposits as of June 30, 2021 are not entirely insured or collateralized with securities held by the Authority's agent in the Authority's name. The Authority's deposits were undercollateralized by \$432,338.

CAMDEN COUNTY JOINT DEVELOPMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

(CONTINUED)

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 – PROPERTY TAXES

During fiscal year 2015, the County approved a one mil tax increase on its tax digest to fund the Authority. This was the only year in which the Authority was included on the County's tax digest. Property tax receivables have been reduced to their estimated net realizable value. Estimated uncollectible amounts are based upon historical experience rates and result in a direct reduction of the related revenue amount at the end of the period.

NOTE 5 – NOTES RECEIVABLE

The Authority entered into a promissory note agreement on April 26, 2017, with Foodie'J Inc. The amount of the loan is \$40,000 and is to be used by the borrower to make leasehold improvements to its manufacturing space. The agreement is a 10 year note with an interest rate of 2%. Monthly payments of \$368 are due on the 26th of each month. As of June 30, 2021, the note receivable had a balance of \$24,299.

The Authority entered into a promissory note agreement on June 29, 2021, with JDI Cumberland Inlet, LLC. The amount of the loan is \$10,848,500 and is to be used by the borrower to purchase the master plan site and for approved project expenditures. The agreement is a 20 year note with an interest rate of 3.97%. Interest shall be paid in arrears in semi-annual installments, commencing on August 15, 2021, and continuing each February 15 and August 15 thereafter to and including the date upon which the Loan is paid in full. Principal shall be paid in annual installments equal to one-nineteenth (1/19) of the principal amount of the Series 2020 Bond, commencing on August 15, 2022 (which is fifteen (15) days prior to the date upon which the first annual principal payment is due under the Series 2020 Bond) and continuing each August 15 thereafter to and including the date upon which the loan is paid in full. As of June 30, 2021, the note receivable had a balance of \$10,848,500.

Year Ending		
June 30,	Principal	Interest
2022	\$ -	\$ 292,516
2023	570,974	419,352
2024	570,974	396,684
2025	570,974	374,016
2026	570,974	351,349
2027-2031	2,854,868	1,416,728
2032-2036	2,854,868	850,037
2037-2041	2,854,868	283,346
Total	\$ 10,848,500	\$ 4,384,028

CAMDEN COUNTY JOINT DEVELOPMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

(CONTINUED)

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the primary government for the year ended June 30, 2021, was as follows:

Governmental activities

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated				
Land	\$ 763,573	\$ 22,520	\$ (33,381)	\$ 752,712
Construction in Progress	643,431	312,069	-	955,500
Total capital assets not being depreciated	1,407,004	334,589	(33,381)	1,708,212
Capital assets being depreciated				
Land improvements	33,360	-	-	33,360
Equipment	13,931	-	-	13,931
Vehicles	24,845	-	-	24,845
Total capital assets being depreciated	72,136	-	-	72,136
Less accumulated depreciation for				
Land improvements	(8,340)	(834)	-	(9,174)
Equipment	(12,700)	(429)	-	(13,129)
Vehicles	(23,603)	(1,242)	-	(24,845)
Total accumulated depreciation	(44,643)	(2,505)	-	(47,148)
Capital assets being depreciated, net	27,493	(2,505)	-	24,988
Governmental activities capital assets, net	\$ 1,434,497	\$ 332,084	\$ (33,381)	\$ 1,733,200

Depreciation expense of \$2,505 was charged to economic development.

NOTE 7 – CONCENTRATION OF CREDIT RISK

The Authority receives a substantial amount of its support from Camden County, Georgia. A significant reduction in the level of support, if this were to occur, may have an effect on the Authority's programs and activities.

NOTE 8 – LONG-TERM DEBT

Notes Payable

The Authority entered into a promissory note agreement on April 26, 2017, with the Southeast Georgia Joint Development Authority. The amount of the loan is \$40,000 and is to be used by the Authority to provide a loan to Foodie'J Inc. The agreement is a 10 year note with an interest rate of 2%. Monthly payments of \$368 are due on the 26th of each month. As of June 30, 2021, the note payable had a balance of \$24,299.

CAMDEN COUNTY JOINT DEVELOPMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2021 (CONTINUED)

The future scheduled maturities of total notes payable are as follows:

	Southeast Georgia Joint Development Authority
2022	\$ 3,967
2023	4,047
2024	4,129
2025	4,212
2026	4,297
2027	3,647
	<u>\$ 24,299</u>

Bonds Payable

On December 21, 2018, the Authority issued Taxable Industrial Development Revenue Bonds (Industrial Land Project), Series 2018, for the purpose of acquiring, constructing and equipping the St. Marys Marine Center located in St. Marys, Georgia. The interest rate on the bonds was 5.21%. Total interest paid for fiscal year 2021 was \$56,640. The Taxable Industrial Development Revenue Bonds, Series 2018 were paid in full during fiscal year-end June 30, 2021.

On June 24, 2021, the Authority issued Taxable Industrial Development Revenue Bonds (Cumberland Inlet Project), Series 2020, for the purpose of the Cumberland Inlet Project with Jacoby Development, Inc. The interest rate on the bonds is 3.97% with a maturity date of September 1, 2040. Annual debt service requirements to maturity for this bond issue are as follows:

Year Ending June 30,	Principal	Interest
2022	\$ -	\$ 292,516
2023	570,974	419,352
2024	570,974	396,684
2025	570,974	374,016
2026	570,974	351,349
2027-2031	2,854,868	1,416,728
2032-2036	2,854,868	850,037
2037-2041	2,854,868	283,346
Total	<u>\$ 10,848,500</u>	<u>\$ 4,384,028</u>

CAMDEN COUNTY JOINT DEVELOPMENT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021
(CONTINUED)

Long-term liability activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
2018 Bonds Payable	\$ 1,119,907	\$ -	\$ (1,119,907)	\$ -	\$ -
2020 Bonds Payable	-	10,848,500	-	10,848,500	-
Notes Payable	28,187	-	(3,888)	24,299	3,967
Compensated absences	11,862	14,813	(6,177)	20,498	20,498
Total Liabilities	<u>\$ 1,159,956</u>	<u>\$ 10,863,313</u>	<u>\$ (1,129,972)</u>	<u>\$ 10,893,297</u>	<u>\$ 24,465</u>

For the governmental activities, compensated absences are generally liquidated by the general fund.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

During the course of normal operations of the Authority, various claims and lawsuits may arise. The Authority's attorney has 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.

NOTE 10 – EVALUATION OF SUBSEQUENT EVENTS

The Authority has evaluated subsequent events through December 16, 2021, the date which the financial statements were available to be issued.

**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
GOVERNMENTAL AUDITING STANDARDS**

Board of Directors
Camden County Joint Development 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 Joint Development Authority, a component unit of Camden County, Georgia, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Camden County Joint Development Authority's basic financial statements, and have issued our report thereon dated February 2, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Camden County Joint Development 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 Camden County Joint Development Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Camden County Joint Development 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. We did identify certain deficiencies in internal control, described in

the accompanying schedule of findings and responses as item 2021-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Camden County Joint Development 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 Joint Development Authority's Response to the Finding

Camden County Joint Development Authority's response to the finding identified in our audit is described in the accompanying schedule of findings and response. Camden County Joint Development Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Clifton, Yipford, Harkin & Park LLC

Macon, Georgia
February 2, 2022

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

FINANCIAL STATEMENT FINDINGS

Findings noted on the 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 *Governmental Auditing Standards*:

2021-001 Issuance of Debt and Related Notes Receivable

CRITERIA

In accordance with generally accepted accounting principles, governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. The issuance of long-term debt is a source of current financial resources, and therefore should be reported as an other financing source.

CONDITION

During fiscal year 2021, the Authority issued \$10,848,500 in Taxable Industrial Development Revenue Bonds, Series 2020 with a loan agreement with JDI Cumberland Inlet, LLC for the purchase and development of the "Master Plan". The Authority did not record the full amount of bond proceeds for the 2020 bonds or the associated loan agreement with JDI Cumberland Inlet, LLC.

CONTEXT

Material audit adjustments were required to correct the recording of the issuance of the Taxable Industrial Development Revenue Bonds, Series 2020, as follows:

- A material audit adjustment of \$7,020,000 was required to record the portion of bond proceeds that was paid directly to JDI Cumberland Inlet, LLC at the closing of the bonds.
- A material audit adjustment of \$10,848,500 was required to record the loan with JDI Cumberland Inlet, LLC.

EFFECT

The Authority's accounting records contained material errors which were identified and adjusted during the annual audit process.

CAUSE

Procedures were not in place to identify and record transactions that did not pass through the Authority's bank statement.

RECOMMENDATION

The Authority should establish procedures to insure the proper recording of long-term debt transactions.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

Management agrees with the finding. Management will continue to implement procedures to ensure the proper recording of debt issues and notes receivable. In addition, the Authority will obtain third party assistance on future complex accounting issues.