

CAMDEN COUNTY JOINT DEVELOPMENT AUTHORITY
(A Component Unit of Camden County, Georgia)

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

CAMDEN COUNTY JOINT DEVELOPMENT AUTHORITY

FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Camden County Joint Development 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 Joint Development Authority (the "Authority"), a component unit of Camden County, Georgia, as of and for the year ended June 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 June 30, 2022, and the respective changes in financial position 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.

Emphasis of Matter

The Authority implemented Governmental Accounting Standards Board ("GASB") Statement No. 87, *Leases*, as of July 1, 2021. This standard significantly changed the accounting for the Authority's leases and related disclosures and is discussed further in Notes 1, 5 and 6. Our opinion is not modified with respect to this matter.

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 twelve 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 – 9 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 November 30, 2022 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 Authority's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The script is cursive and fluid, with the ampersand being a simple cross-like symbol.

Savannah, Georgia
November 30, 2022

CAMDEN COUNTY JOINT DEVELOPMENT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

As management of the Camden County Joint Development Authority (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, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements and the notes to the financial statements.

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year 2022 are as follows:

- The Authority's total net position is \$4,457,150, a decrease of \$5,755 from the prior year.
- The General Fund reported fund balance of \$2,663,013. This is an increase of \$303,371 over the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management's Discussion and Analysis ("MD&A") is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to those 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. All governmental activities are consolidated to arrive at a total for the Primary Government. There are two government-wide statements, the statement of net position and the statement of activities, which are described below.

The statement of net position presents information on all of the Authority's assets, liabilities, and deferred inflows of resources, with the difference 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. It is important to note that this statement consolidates the governmental fund's current financial resources (short-term) with capital assets, long-term liabilities, and deferred inflows of resources.

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 (e.g., uncollected taxes and earned but unused vacation leave).

The governmental activities of the Authority include economic development.

The Authority's government-wide financial statements are presented on pages 10 and 11.

CAMDEN COUNTY JOINT DEVELOPMENT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

Reporting the Authority's Most Significant Funds

Unlike government-wide financial statements, the focus of fund financial statements is directed at specific activities of the Authority rather than the Authority as a whole. Except for the General Fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties or governmental statutes or regulations.

Governmental Funds

The governmental fund financial statements consist of a balance sheet and statement of revenues, expenditures and change in fund balances and are prepared on an accounting basis that is significantly different from that used to prepare the government-wide financial statements.

In general, these financial statements have a short-term emphasis and, for the most part, measure and account for cash and other assets that can easily be converted to cash. For example, amounts reported on the balance sheet include items such as cash and receivables collectible within a very short period of time, but do not include capital assets such as land and buildings. Fund liabilities include amounts that are to be paid within a very short period after the end of the fiscal year. The difference between a fund's assets, liabilities and deferred inflows of resources is labeled as the fund balance, and generally indicates the amount that can be used to finance the next fiscal year's activities. Likewise, the operating statement for governmental funds reports only those revenues and expenditures that were collected in cash or paid with cash, respectively, during the current period or very shortly after the end of the year.

For the most part, the balances and activities accounted for in governmental funds are also reported in the governmental activities columns of the government-wide financial statements; however, because different accounting bases are used to prepare fund financial statements, there are often significant differences between the totals presented in these financial statements. For this reason, there is an analysis following the balance sheet that reconciles the total fund balance to the amount of net position presented in the governmental activities column on the statement of net position. Also, there is an analysis following the statement of revenues, expenditures and changes in fund balances that reconciles the total change in fund balances for all governmental funds to the change in net position as reported in the governmental activities column in the statement of activities.

The Authority presents, in separate columns, the General Fund and Capital Improvements Fund. The Authority's governmental fund financial statements are presented on pages 12 – 16.

CAMDEN COUNTY JOINT DEVELOPMENT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

Overview of the Authority's Financial Position and Operations

The Authority's overall financial position and operations for the past two years are summarized as follows based on the information included in the government-wide financial statements (see pages 10 and 11):

	<u>2022</u>	<u>2021</u>
Assets		
Current and other assets	\$ 14,398,803	\$ 16,578,920
Capital assets	<u>1,710,969</u>	<u>1,733,200</u>
Total assets	<u>16,109,772</u>	<u>18,312,120</u>
Liabilities		
Current liabilities	79,832	110,954
Long-term liabilities	<u>11,187,571</u>	<u>10,872,799</u>
Total liabilities	<u>11,267,403</u>	<u>10,983,753</u>
Deferred inflows of resources		
Leases	<u>295,219</u>	<u>-</u>
Net Position		
Net investment in capital assets	1,686,723	1,733,200
Restricted	215,683	-
Unrestricted	<u>2,644,744</u>	<u>5,595,167</u>
Total net position	<u>\$ 4,547,150</u>	<u>\$ 7,328,367</u>

Assets decreased approximately \$2.2 million which is primarily the result of a decrease in the note receivable due to the prior period adjustment. Liabilities increased during the current year as a result of the new lease liability that was created from the implementation of General Accounting Standards Board ("GASB") Statement No. 87.

CAMDEN COUNTY JOINT DEVELOPMENT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

Financial Position

The total net position of the Authority decreased by \$5,755, as noted in the table below.

	<u>2022</u>	<u>2021</u>
Revenues		
Charges for services	\$ 30,085	\$ 61,132
Operating grants and contributions	685,948	1,575,153
Interest income	2,198	2,905
Miscellaneous	117,385	1,965
Gain on the sale of assets	155,751	52,500
Total revenue	<u>991,367</u>	<u>1,693,655</u>
Expenses		
Economic development	701,195	425,869
Interest	295,927	56,640
Total expenses	<u>997,122</u>	<u>482,509</u>
Change in net position	(5,755)	1,211,146
Net position, beginning	4,552,905	3,341,759
Net position, ending	<u>\$ 4,547,150</u>	<u>\$ 4,552,905</u>

Total revenues decreased significantly as a result of decreased operating grants and contributions.

Financial Analysis of the Authority's Funds

As noted earlier, the Authority uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Fund Balance

The Authority's combined fund balances as of the end of the current year for governmental funds, presented on page 17, were \$13,727,196. This balance represents a decrease of \$14,194 from last year's restated ending balance.

The increase in the General Fund is the result of increased other income coupled with decreased debt service payments. The decrease in the capital improvement fund is the result of the debt service interest payment made in the current year.

CAMDEN COUNTY JOINT DEVELOPMENT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

General Fund Budgetary Highlights

A comparison of the final budgetary figures and the actual budgetary figures for revenues are located on page 16.

- For the General Fund, the actual operating revenues were \$95,159 more than budgeted. Operating revenues were budgeted for \$740,118, and actual operating revenues were \$835,277. The most significant variance was other income which was not budgeted in FY 22.
- The actual operating expenditures of \$1,039,413 were \$299,295 more than the budgeted amount of \$740,118. The most significant variance was capital outlay which was not budgeted in FY 22.

Capital Assets and Debt Administration

Capital Assets

The Authority has invested \$1,710,969 in capital assets (net of depreciation). Capital assets held by the Authority at the end of the current and previous year are summarized below:

	2022	2021
Land	\$ 730,463	\$ 752,712
Construction in progress	955,500	955,500
Land improvements	23,352	24,186
Equipment	1,654	802
	<u>\$ 1,710,969</u>	<u>\$ 1,733,200</u>

The schedules of capital asset activity are reported in Note 6 of the financial statements.

Long-Term Debt

At the end of the current year, the Authority had long-term debt of \$11,169,302. The debt position of the Authority is summarized below and is more fully analyzed in Note 7 of the financial statements.

	2022	2021
Bonds payable	\$ 10,848,500	\$ 10,848,500
Notes payable	20,341	24,299
Leases	300,461	-
	<u>\$ 11,169,302</u>	<u>\$ 10,872,799</u>

CAMDEN COUNTY JOINT DEVELOPMENT AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

Economic Factors and Next Year's Budgets and Rates

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

Contacting the Authority's Financial Management

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

CAMDEN COUNTY JOINT DEVELOPMENT AUTHORITY

STATEMENT OF NET POSITION JUNE 30, 2022

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 4,860,913
Intergovernmental receivable	57,000
Security deposit	4,024
Lease receivable	295,219
Notes receivable	8,885,091
Lease asset, net	296,556
Capital assets	
Nondepreciable assets	1,685,963
Depreciable assets, net	<u>25,006</u>
Total assets	<u>16,109,772</u>
LIABILITIES	
Current liabilities:	
Accounts payable	69,832
Deposit	10,000
Non-current liabilities:	
Due within one year	
Bonds payable	570,974
Note payable	4,046
Lease liability	59,749
Compensated absences	18,269
Due in more than one year:	
Bonds payable	10,277,526
Note payable	16,295
Lease liability	<u>240,712</u>
Total liabilities	<u>11,267,403</u>
DEFERRED INFLOWS OF RESOURCES	
Leases	<u>295,219</u>
NET POSITION	
Net investment in capital assets	1,686,723
Restricted for:	
Debt service	215,683
Unrestricted	<u>2,644,744</u>
Total net position	<u><u>\$ 4,547,150</u></u>

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

CAMDEN COUNTY JOINT DEVELOPMENT AUTHORITY

STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental activities				
Economic development	\$ 701,195	\$ 30,085	\$ 685,948	\$ 14,838
Interest on long-term debt	295,927	-	-	(295,927)
Total governmental activities	<u>\$ 997,122</u>	<u>\$ 30,085</u>	<u>\$ 685,948</u>	<u>(281,089)</u>
General revenues:				
				2,198
				117,385
				155,751
				<u>275,334</u>
				(5,755)
				4,552,905
				<u>\$ 4,547,150</u>

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

CAMDEN COUNTY JOINT DEVELOPMENT AUTHORITY

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2022

ASSETS	General Fund	Capital Improvement Fund	Total Governmental Funds
Cash and cash equivalents	\$ 2,661,489	\$ 2,199,424	\$ 4,860,913
Intergovernmental receivable	57,000	-	57,000
Security deposit	4,024	-	4,024
Lease receivable	295,219	-	295,219
Notes receivable	20,332	8,864,759	8,885,091
	<u>20,332</u>	<u>8,864,759</u>	<u>8,885,091</u>
Total assets	<u>\$ 3,038,064</u>	<u>\$ 11,064,183</u>	<u>\$ 14,102,247</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 69,832	\$ -	\$ 69,832
Deposit	10,000	-	10,000
	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total liabilities	<u>79,832</u>	<u>-</u>	<u>79,832</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - lease receivable	295,219	-	295,219
Unavailable revenue - notes receivable	-	-	-
Total deferred inflows of resources	<u>295,219</u>	<u>-</u>	<u>295,219</u>
FUND BALANCES			
Nonspendable	24,356	-	24,356
Restricted for debt service	-	11,064,183	11,064,183
Unassigned	2,638,657	-	2,638,657
	<u>2,638,657</u>	<u>-</u>	<u>2,638,657</u>
Total fund balances	<u>2,663,013</u>	<u>11,064,183</u>	<u>13,727,196</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,038,064</u>	<u>\$ 11,064,183</u>	<u>\$ 14,102,247</u>

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

CAMDEN COUNTY JOINT DEVELOPMENT AUTHORITY

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

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

Fund balances - total governmental funds	\$ 13,727,196
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Capital assets and lease assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Lease assets	329,507
Accumulated amortization	(32,951)
Cost of the assets	1,759,625
Accumulated depreciation	(48,656)

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)
Note payable	(20,341)
Lease	(300,461)
Compensated absences	(18,269)
	\$ 4,547,150

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

CAMDEN COUNTY JOINT DEVELOPMENT AUTHORITY

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

	General Fund	Capital Improvement Fund	Total Governmental Funds
REVENUES			
Intergovernmental:			
Camden County	\$ 685,948	\$ -	\$ 685,948
Lease income	30,085	-	30,085
Interest earnings	1,859	339	2,198
Other income	117,385	-	117,385
Total revenues	<u>835,277</u>	<u>339</u>	<u>835,616</u>
EXPENDITURES			
Current:			
Labor costs	286,121	-	286,121
Promotional costs	11,576	-	11,576
Business park	300,980	-	300,980
Industrial site and engineering	2,042	-	2,042
Travel	1,925	-	1,925
Professional fees	17,860	-	17,860
Office materials and supplies	17,213	-	17,213
Meetings, forums and training	1,690	-	1,690
Other expenses	31,084	-	31,084
Debt service:			
Principal	33,004	-	33,004
Interest	6,411	289,516	295,927
Capital outlay	329,507	-	329,507
Total expenditures	<u>1,039,413</u>	<u>289,516</u>	<u>1,328,929</u>
Deficiency of revenues under expenditures	(204,136)	(289,177)	(493,313)
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	178,000	-	178,000
Lease	329,507	-	329,507
Total other financing sources (uses)	<u>507,507</u>	<u>-</u>	<u>507,507</u>
Net change in fund balances	303,371	(289,177)	14,194
FUND BALANCES, beginning of year, as restated	<u>2,359,642</u>	<u>11,353,360</u>	<u>13,713,002</u>
FUND BALANCES, end of year	<u>\$ 2,663,013</u>	<u>\$ 11,064,183</u>	<u>\$ 13,727,196</u>

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

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, 2022

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

Net change in fund balances - total governmental funds	\$ 14,194
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	1,526
Total depreciation expense	(1,508)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.	(22,249)
Lease assets are reported as capital outlay in the funds, but are reported as an asset in the statement of net position. These assets are amortized over the shorter of their useful life or the term of the lease.	
Total lease asset additions	329,507
Total amortization expense	(32,951)
The issuance of long-term debt (e.g., notes, bonds) 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:	
Lease payments	29,046
Lease	(329,507)
Note payments	3,958
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	2,229
Change in net position of governmental activities	\$ (5,755)

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

CAMDEN COUNTY JOINT DEVELOPMENT AUTHORITY

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

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental:				
Camden County	\$ 703,500	\$ 703,500	\$ 685,948	\$ (17,552)
Lease income	33,318	33,318	30,085	(3,233)
Interest earnings	3,300	3,300	1,859	(1,441)
Other income	-	-	117,385	117,385
Total revenues	<u>740,118</u>	<u>740,118</u>	<u>835,277</u>	<u>95,159</u>
EXPENDITURES				
Current:				
Labor costs	275,000	275,000	286,121	(11,121)
Promotional costs	13,000	13,000	11,576	1,424
Business park	262,000	262,000	300,980	(38,980)
Industrial site and engineering	70,000	70,000	2,042	67,958
Travel	13,425	13,425	1,925	11,500
Professional fees	27,916	27,916	17,860	10,056
Office materials and supplies	18,600	18,600	17,213	1,387
Meetings, forums and training	5,100	5,100	1,690	3,410
Other expenses	55,077	55,077	31,084	23,993
Debt service:				
Principal	-	-	33,004	(33,004)
Interest	-	-	6,411	(6,411)
Capital outlay	-	-	329,507	(329,507)
Total expenditures	<u>740,118</u>	<u>740,118</u>	<u>1,039,413</u>	<u>(299,295)</u>
Deficiency of revenues under expenditures	-	-	(204,136)	(204,136)
OTHER FINANCING SOURCE				
Sale of capital assets	-	-	178,000	178,000
Leases	-	-	329,507	329,507
Total other financing sources	<u>-</u>	<u>-</u>	<u>507,507</u>	<u>507,507</u>
Net change in fund balances	-	-	303,371	303,371
FUND BALANCES, beginning of year	<u>2,359,642</u>	<u>2,359,642</u>	<u>2,359,642</u>	<u>-</u>
FUND BALANCES, end of year	<u>\$ 2,359,642</u>	<u>\$ 2,359,642</u>	<u>\$ 2,663,013</u>	<u>\$ 303,371</u>

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

CAMDEN COUNTY JOINT DEVELOPMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Financial Reporting Entity

The Camden County Joint Development Authority (the "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.

A substantial amount of the Authority's revenue is received from Camden County, Georgia (the "County"). The County can impose its will on the Authority, as such, the Authority meets the criteria of a discretely presented component unit of the County.

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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting

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 year-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 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.

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 **Capital Improvement Fund** is used to account for the proceeds and project expenditures associated with the Cumberland Inlet project.

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 year-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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Deposits

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.

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."

G. 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.

H. Capital and Right To Use Lease 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital and Right To Use Lease Assets (Continued)

Property, plant and equipment and right to use lease assets of the Authority are depreciated/amortized using the straight-line method over the following estimated useful lives:

Buildings	30 years
Right to use lease asset - buildings	5 – 30 years
Building improvements	15 – 40 years
Land improvements	40 years
Infrastructure	40 years
Equipment	3 – 10 years
Vehicles	5 years

I. 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.

J. Deferred Inflows of Resources

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 represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources until that time. The unavailable revenue, which arises only under the modified accrual basis of accounting, qualifies for reporting in this category. Accordingly, the unavailable revenue is reported in the governmental funds balance sheet. These unavailable revenues are for future receipts of notes receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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.

In the fund financial statements, governmental fund types recognize the face amount of debt issued as other financing sources.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Leases

Lessee. The Authority is a lessee for a noncancellable lease of a warehouse. The Authority recognizes a lease liability and an intangible right-to-use lease asset in its financial statements. The Authority recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the Authority initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Authority determines: 1) the discount rate it uses to discount the expected lease payments to present value, 2) lease term, and 3) lease payments:

- The Authority uses the implicit interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided or cannot be imputed, the Authority generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the Authority is reasonably certain to exercise.

The Authority monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lessor. The Authority is a lessor for a noncancellable lease of a warehouse. The Authority recognizes a lease receivable and a deferred inflow of resources in its financial statements. The Authority recognizes lease receivables for leases with a term greater than 12 months.

At the commencement of a lease, the Authority initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Leases (Continued)

Key estimates and judgments related to leases include how the Authority determines: 1) the discount rate it uses to discount the expected lease receivable to present value, 2) lease term, and 3) lease revenue:

- The Authority uses the 10-year treasury rate at the lease inception date as the discount rate.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease receivable are composed of fixed payments expected to be received during the lease period.

The Authority monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflow if certain changes occur that are expected to significantly affect the amount of the lease receivable.

The Authority is the lessor in one lease, where it has a sublease of the property at 121 Industrial Drive. A lease receivable and corresponding deferred inflow of resources has been recorded. The Authority charges interest on the lease at 3.75%, the term of the lease extends through September 2026 and payments range from \$4,100 to \$7,000 over the course of the lease term.

M. 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.

N. Fund Equity

In the financial statements, governmental funds report the following classifications of fund balances in accordance with Governmental Accounting Standards Board ("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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Fund Equity (Continued)

- **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 Directors. The Board approves committed resources through a motion and vote during the voting session of Board meetings.
- **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 Executive Director 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. As of June 30, 2022, the restricted fund balance in the Capital Improvement Fund is for the JDI Cumberland Project.

O. 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. 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

Budget Process

The Executive Director prepares an annual budget for operating contributions and expenditures and presents it to the Board of Directors prior to July 1 of each year. Significant departures must be approved by the Board. Land sales and related expenditures are not included in the budgets as they are not estimable or predictable.

Excess of Expenditures Over Appropriations

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

	<u>Excess</u>
Labor costs	\$ 11,121
Business park	38,980
Debt service - principal	33,004
Debt service - interest	6,411
Capital outlay	329,507

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 June 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 Federal Deposit Insurance Corporation ("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.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. NOTES RECEIVABLE

The Authority entered into a promissory note agreement on April 26, 2017 with Foodie'J Inc. The amount of the note 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, 2022, the note receivable had an outstanding balance of \$20,332.

The Authority entered into a promissory note agreement on June 29, 2021 with JDI Cumberland Inlet, LLC. The amount of the note 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 3.79%. Interest shall be paid in arrears in semi-annual installments on August 15 and February 15 of each year until the note is paid in full. Principal is due in annual installments on August 15 of each year and continuing until the note is paid in full. As of June 30, 2022, the note receivable had an outstanding balance of \$8,864,759 as the entirety of the project account had not been spent as of year-end.

NOTE 5. LEASES

In January 2022, the Authority entered into a lease agreement for a warehouse with Dawson Community Empowerment Inc. A right to use lease asset of \$329,507 was recorded at the inception of the lease. See Note 7 for further disclosure of the lease liability.

Lease asset activity for the year ended June 30, 2022 is as follows:

	Beginning Balance	Increases	Decreases	Remeasurements	Ending Balance
Lease assets					
Buildings	\$ -	\$ 329,507	\$ -	\$ -	\$ 329,507
Less accumulated amortization					
Buildings	-	(32,951)	-	-	(32,951)
Total lease assets being amortized, net	\$ -	\$ 296,556	\$ -	\$ -	\$ 296,556

Amortization of the lease liability is charged to economic development.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated:					
Land	\$ 752,712	\$ -	\$ -	\$ (22,249)	\$ 730,463
Construction in progress	955,500	-	-	-	955,500
Total	<u>1,708,212</u>	<u>-</u>	<u>-</u>	<u>(22,249)</u>	<u>1,685,963</u>
Capital assets, being depreciated:					
Land improvements	33,360	-	-	-	33,360
Equipment	13,931	1,526	-	-	15,457
Vehicles	24,845	-	-	-	24,845
Total	<u>72,136</u>	<u>1,526</u>	<u>-</u>	<u>-</u>	<u>73,662</u>
Less accumulated depreciation for:					
Land improvements	(9,174)	(834)	-	-	(10,008)
Equipment	(13,129)	(674)	-	-	(13,803)
Vehicles	(24,845)	-	-	-	(24,845)
Total	<u>(47,148)</u>	<u>(1,508)</u>	<u>-</u>	<u>-</u>	<u>(48,656)</u>
Total capital assets, being depreciated, net	<u>24,988</u>	<u>18</u>	<u>-</u>	<u>-</u>	<u>25,006</u>
Governmental activities capital assets, net	<u>\$ 1,733,200</u>	<u>\$ 18</u>	<u>\$ -</u>	<u>\$ (22,249)</u>	<u>\$ 1,710,969</u>

Depreciation expense was charged to economic development.

NOTE 7. LONG-TERM DEBT

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable	\$ 10,848,500	\$ -	\$ -	\$ 10,848,500	\$ 570,974
Note payable	24,299	-	(3,958)	20,341	4,046
Leases	-	329,507	(29,046)	300,461	59,749
Compensated absences	20,498	13,217	(15,446)	18,269	18,269
Total long-term liabilities	<u>\$ 10,893,297</u>	<u>\$ 342,724</u>	<u>\$ (48,450)</u>	<u>\$ 11,187,571</u>	<u>\$ 653,038</u>

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

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

Note 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, 2022, the note payable had a balance of \$20,341.

Debt service requirements to maturity on the note payable are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 4,046	\$ 370	\$ 4,416
2024	4,128	288	4,416
2025	4,211	205	4,416
2026	4,297	119	4,416
2027	3,659	33	3,692
	<u>\$ 20,341</u>	<u>\$ 1,015</u>	<u>\$ 21,356</u>

Bonds Payable

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. The outstanding balance on the bonds payable as of June 30, 2022 was \$10,848,500. Annual debt service requirements to maturity on the bonds are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 570,974	\$ 419,352	\$ 990,326
2024	570,974	396,684	967,658
2025	570,974	374,016	944,990
2026	570,974	351,349	922,323
2027	570,974	328,681	899,655
2028 – 2032	2,854,868	1,303,390	4,158,258
2033 – 2037	2,854,868	736,699	3,591,567
2038 – 2041	2,283,894	181,341	2,465,235
	<u>\$ 10,848,500</u>	<u>\$ 4,091,512</u>	<u>\$ 14,940,012</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT (CONTINUED)

Lease

In January 2022, the Authority entered into a lease agreement for a warehouse with Dawson Community Empowerment Inc. Payments of \$5,833 are made monthly and the Authority used an incremental borrowing rate of 3.75% to calculate the net present value of the future lease payments which extend through December 2026. A lease liability and corresponding right to use lease asset of \$329,507 was recorded at the inception of the lease.

Debt service requirements to maturity on the lease are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 59,749	\$ 10,247	\$ 69,996
2024	62,028	7,968	69,996
2025	67,569	5,577	73,146
2026	73,382	2,914	76,296
2027	37,733	415	38,148
	<u>\$ 300,461</u>	<u>\$ 27,121</u>	<u>\$ 327,582</u>

NOTE 8. 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PRIOR PERIOD ADJUSTMENT

The Authority determined that a restatement to the June 30, 2021 ending fund balance for the capital improvement fund and governmental activities net position were required to correct certain errors in prior year reporting. The impact of these restatements are as follows:

	Governmental Activities	Capital Improvement Fund
Beginning Net Position/Fund Balance, as previously reported	\$ 7,328,367	\$ 3,280,322
Restatement	(2,775,462)	8,073,038
Beginning Net Position/Fund Balance, as restated	<u>\$ 4,552,905</u>	<u>\$ 11,353,360</u>

The Authority entered into a note receivable agreement with a Company in the prior year by recording a note receivable, unavailable revenue, project costs expense and debt proceeds other financing source in the Capital Improvement Fund. To properly report this transaction, a prior period adjustment was required as of July 1, 2021 in the amount of \$8,073,038 to properly report the note receivable balance and fund balance at year-end, effectively removing the unavailable revenue balance. As the Company provides invoices for reimbursement under the agreement, the note receivable is increased as project costs are reimbursed to the Company. As such, the note receivable was reduced to the balance drawn at year-end, which also required a prior period adjustment of \$2,775,462 to net position of the governmental activities as of July 1, 2021.

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 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 (the "Authority"), a component unit of Camden County, Georgia, as of and for the year ended June 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 November 30, 2022.

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 were not identified. We identified 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 material weakness.

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*.

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.

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The script is cursive and fluid, with the letters "M", "J", and "L" being particularly large and stylized.

Savannah, Georgia
November 30, 2022

CAMDEN COUNTY JOINT DEVELOPMENT AUTHORITY

SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED JUNE 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 year ended June 30, 2022.

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES

2022-001. Prior Period Adjustment

Criteria: Unavailable revenue should only be reported in governmental funds when the amount is not available to be spent.

Condition/Context: Unavailable revenue was recorded in the Capital Improvements Fund that was available to be spent.

Effect: Unavailable revenue and the note receivable were overstated and fund balance was understated at June 30, 2021 which required a prior period adjustment at both the fund and government-wide level.

Cause: Internal controls were not implemented to ensure the review of the financial statements would detect such a misstatement.

Recommendation: We recommend the Authority implement controls to ensure only unavailable revenue is reported as such in the Authority's financial statements.

Views of Responsible Officials and Planned Corrective Action: Management agrees with the finding. In future years, the Authority will implement proper controls related to unavailable revenue.

CAMDEN COUNTY JOINT DEVELOPMENT AUTHORITY

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

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

Not Applicable

SECTION IV PRIOR YEAR FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.