CHARLTON COUNTY, GEORGIA

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2020

CHARLTON COUNTY, GEORGIA

FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

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INTRODUCTORY SECTION

CHARLTON COUNTY, GEORGIA

LISTING OF COUNTY OFFICIALS
DECEMBER 31, 2020

COUNTY COMMISSIONERS

James E. Everett, Commission Chairman
Alphya Benefield, Commission Vice-Chair
Jesse Crews, Commissioner
Luke Gowen, Commissioner
Drew Jones, Commissioner

CONSTITUTIONAL OFFICERS

Sheriff Dobie Conner (retired 12/31/2020)
Wendy Whitaker-Lee – Clerk of Courts
Cheryl McMillan – Probate/Magistrate Judge
Debra Mizell – Tax Commissioner

ELECTED OFFICIALS

Patrick Brooks – Solicitor General
Blaine Murray – Coroner
John Adams – State Court/Juvenile Court Judge

COUNTY ADMINISTRATION

Hampton Raulerson, County Administrator
Jenifer Nobles, County Clerk
Rebecca Harden – Finance/HR Coordinator

OFFDEPARTMENT DIRECTORS

Ronnie Pollock – Road/Public Works Superintendent
Charles Smith – Facilities Maintenance
Brenda Hodges – Supervisor of Elections
Vacant – Chief Appraiser
C. L. Lewis – Fire Chief
Bruce Young – EMA/EMS Director
Larry Allen – Recreation
Ray Davis – Vehicle/Equipment Shop Maintenance
Connie Bass – Senior Center

COUNTY ATTORNEY

John Adams

FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
of Charlton County, Georgia
Folkston, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of **Charlton County, Georgia** (the "County"), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County'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 did not audit the financial statements of the Charlton County Health Department (the "Health Department"), which represents 100%, 100%, and 100%, respectively, of the assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Health Department, is based solely on the report of the other auditors. 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 that we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of December 31, 2020, and the respective changes in financial position and, the respective budgetary comparisons for the General Fund and Grants Fund 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 ("MD&A") (on pages 4 through 10), the Schedule of Changes in the County's Net Pension Liability and Related Ratios, (on page 43) and the Schedule of County Contributions (on page 44) 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements of the County. The accompanying schedules of expenditures of special purpose local option sales tax proceeds are presented for the purpose of additional analysis as required by the Official Code of Georgia Annotated ("O.C.G.A.") Section 48-8-121, and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements of the County.

The combining and individual nonmajor fund financial statements and schedules, the schedules of expenditures of special purpose local option sales tax proceeds, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, the schedules of expenditures of special purpose local option sales tax proceeds, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2021, on our consideration of the County'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 County'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 Charlton County, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Savannah, Georgia
September 28, 2021

CHARLTON COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

Within this section of Charlton County, Georgia ("the County") annual financial report, the County's management provides a narrative Management Discussion and Analysis ("MD&A") of the financial activities of the County for the year ended December 31, 2020. The County's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. The discussion focuses on the County's primary government and, unless otherwise noted, component units reported separately from the primary government are not included.

Financial Highlights

The County's total assets and deferred outflows of resources exceeded its total liabilities and deferred inflows of resources by $31,173,412 (net position) for the year reported. This compares to the previous year when the total assets and deferred outflows exceeded the total liabilities and deferred inflows by $25,628,593.

Total net position is comprised of the following:

1. Net Investment in capital assets, of $19,574,389 include property and equipment, net of accumulated depreciation, and reduced by outstanding debt related to the purchase and construction of capital assets.
2. Net position of $3,907,287 are restricted by constraints imposed upon the County by laws and regulations.
3. Unrestricted net position of $7,691,736 represent the portion available to maintain the County's continuing obligations to citizens and creditors.

The County's governmental funds reported total ending fund balance of $8,612,778 this year. This compares to the prior year ending fund balance of $8,576,558 as restated, showing an increase of $36,220 during the current year.

At the end of the current year, unassigned fund balance for the General Fund was $4,705,491, or 35.6% of total General Fund expenditures.

Using the Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities on pages 11 and 12 provide information about the activities of the County as a whole and present a long-term view of the County's finances. Fund financial statements start on page 13. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. The remaining statements provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside of the government.

Overview to the Financial Statements

Management's Discussion and Analysis introduces the County's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The County also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements

The County's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the County's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the Statement of Net Position. This is the County-wide statement of position presenting information that includes all of the County's assets and liabilities, 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 County as a whole is improving or deteriorating. Evaluation of the overall health of the County would extend to other nonfinancial factors such as diversification to the taxpayer base or the condition of County infrastructure in addition to the financial information provided in this report.

The second government-wide statement is the Statement of Activities which reports how the County's net position changed during the current year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the County's distinct activities or functions on revenues provided by the County's taxpayers.

Governmental activities include general government, judicial, public safety, public works, health and welfare, culture and recreation and community development. The County's fiduciary activities simply holds resources temporarily for others and are not included in the government-wide statements since these assets are not available to fund County programs.

The County's financial reporting includes the funds of the County (primary government) and, additionally, organizations for which the County is accountable (component units). These component units operate independently and provide services directly to the citizens, though the County remains accountable for their activities. These component units are governed by a board of directors that the County Commission has appointed. The County Health Department is reported separately from the primary government though included in the County's overall reporting entity.

The government-wide financial statements are presented on pages 11 and 12 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The County uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the County's most significant funds rather than the County as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report.

The County has two kinds of funds:

Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the County's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to assist in understanding the differences between these two perspectives.

Budgetary comparison statements are included in the required supplementary information for the general fund. Budgetary comparison schedules for special revenue funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the County's adopted and final revised budget.

Pension Plan information are included as Required Supplementary Information.

Fiduciary funds (i.e., the agency funds) are reported in the fiduciary fund financial statements, but are excluded from the government-wide reporting. Fiduciary fund financial statements report resources that are not available to fund County programs. Fiduciary fund financial statements report similarly to proprietary funds.

The basic fiduciary fund financial statement is presented on page 19 and 20 of this report.

Notes to basic financial statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements are on pages 21 - 42 of this report.

Other information

Major funds and component units are reported in the basic financial statements as discussed. Combining and individual statements and schedules for non-major funds are presented in a subsequent section of this report on pages 45 - 50.

Financial Analysis of the County as a Whole

The County's combined net position was $31,173,412 of December 31, 2020. This is a $5,544,819 increase from last year's net position of $25,628,593. The following table provides a summary of the County's net position:

Charlton County's Statement of Net Position

	Governmental Activities		Total	
	2020	2019	**2020**	2019
Current and other assets	**$ 13,717,507**	$ 10,453,855	**$ 13,717,507**	$ 10,453,855
Capital assets	**20,260,532**	17,804,451	**20,260,532**	17,804,451
Total assets	**33,978,039**	28,258,306	**33,978,039**	28,258,306
Deferred outflows of resources	**806,114**	1,191,891	**806,114**	1,191,891
Current liabilities	**1,171,794**	146,520	**1,171,794**	146,520
Long-term liabilities outstanding	**1,844,845**	1,816,002	**1,844,845**	1,816,002
Total liabilities	**3,016,639**	1,962,522	**3,016,639**	1,962,522
Deferred inflows of resources	**594,102**	1,602,696	**594,102**	1,602,696
Net position:				
Net investment in capital assets	**19,574,389**	17,790,691	**19,574,389**	17,790,691
Restricted	**3,907,287**	1,961,331	**3,907,287**	1,961,331
Unrestricted	**7,691,736**	6,132,957	**7,691,736**	6,132,957
Total net position, as restated	**$ 31,173,412**	$ 25,884,979	**$ 31,173,412**	$ 25,884,979

The County continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 12 to 1. This ratio is strong.

Note that approximately 62.8% of the governmental activities' net position is in capital (with 41.9% of the capital assets being infrastructure and buildings). The County uses these capital assets to provide services to its citizens.

The County reported positive balances in net position for governmental activities. Net position increased $5,544,819 for governmental activities.

Charlton County's Changes in Net Position

	Governmental Activities		Total	
	2020	2019	**2020**	2019
Revenues				
Program revenues:				
Charges for services	**$ 5,171,184**	$ 4,316,446	**$ 5,171,184**	$ 4,316,446
Operating grants and contributions	**914,594**	1,529,740	**914,594**	1,529,740
Capital grants and contributions	**2,166,881**	852,789	**2,166,881**	852,789
General revenues:				
Property taxes	**10,000,915**	5,340,367	**10,000,915**	5,340,367
Other taxes	**3,245,053**	2,917,187	**3,245,053**	2,917,187
Unrestricted investment earnings	**-**	14,683	**-**	14,683
Other revenues	**-**	2,860	**-**	2,860
Total revenues	**21,498,627**	14,974,072	**21,498,627**	14,974,072
Expenses				
General government	**4,521,500**	3,323,574	**4,521,500**	3,323,574
Judicial	**955,274**	920,136	**955,274**	920,136
Public safety	**5,045,126**	5,007,255	**5,045,126**	5,007,255
Public works	**4,563,114**	2,236,890	**4,563,114**	2,236,890
Health and welfare	**204,959**	206,685	**204,959**	206,685
Culture and recreation	**434,866**	747,374	**434,866**	747,374
Other government services	**202,790**	96,073	**202,790**	96,073
Interest on long-term debt	**26,179**	920	**26,179**	920
Total expenses	**15,953,808**	12,538,907	**15,953,808**	12,538,907
Change in net position	**5,544,819**	2,435,165	**5,544,819**	2,435,165
Net position, beginning of year, as restated	**25,628,593**	23,449,814	**25,628,593**	23,449,814
Net position, end of year	**$ 31,173,412**	$ 25,884,979	**$ 31,173,412**	$ 25,884,979

Financial Analysis of the County's Funds

The overall repairs and maintenance expense for the equipment within the County was down in 2020 because of the upgrades made to the County equipment.

Governmental funds

As discussed, governmental funds are reported in the fund statements with a short-term inflow and outflow of spendable resource focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements.

The General Fund is the County's primary operating fund and the largest source of day-to-day service delivery. The General Fund reported ending fund balance of $5,473,981 for 2020 and $6,620,955 for 2019. In 2020 $292,420 was restricted and $4,705,491 was unassigned and available to pay current obligations.

General Fund Budgetary Highlights

The original budget adopted anticipated a $0 decrease in its fund balance. The budget was subsequently revised to reflect a decrease in its fund balance of $611,000. The actual fund balance decrease was $1,146,974.

Capital Asset and Debt Administration

Capital assets

The County's investment in capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2020, was $20,260,532.

	Governmental Activities		Total	
	2020	2019	**2020**	2019
Land	**$ 707,650**	$ 707,650	**$ 707,650**	$ 707,650
Buildings	**6,691,028**	7,072,811	**6,691,028**	7,072,811
Infrastructure	**1,806,937**	7,291,665	**1,806,937**	7,291,665
Machinery and equipment	**11,054,917**	2,732,325	**11,054,917**	2,732,325
Total	**$ 20,260,532**	$ 17,804,451	**$ 20,260,532**	$ 17,804,451

See Note 5 for addition information about the County's capital assets on page 32.

Long-term debt

At the end of the year, the County had total debt outstanding of $2,322,530. This total amount is supported by pledged revenues generated primarily by the County's Governmental Activities, and real and personal property.

The County's long-term debt relates to Net Pension Liability, Leases and Compensated Absences.

Charlton's County's Long-Term Debt

	Governmental Activities		Total	
	2020	2019	**2020**	2019
Capital leases	**$ 686,143**	$ 13,760	**$ 686,143**	$ 13,760
Compensated absences	**113,028**	114,207	**113,028**	114,207
Net pension liability	**1,523,359**	1,701,795	**1,523,359**	1,701,795
Total	**$ 2,322,530**	$ 1,829,762	**$ 2,322,530**	$ 1,829,762

See Note 6 for additional information about the County's long-term debt on pages 33 - 34.

Economic Factors and Next Year's Budgets and Rates

The revenues of the County are projected to remain stable in 2021. The economy of the County as a whole is stable.

Charlton County will continue to update its capital assets during the year ended December 31, 2021.

Contacting the County's Financial Management

This financial report is designed to provide a general overview of the County's finances, comply with finance-related laws and regulation, and demonstrate the County's commitment of public accountability. If you have questions about this report or would like to request additional information, contact:

Charlton County Board of Commissioners
68 Kingsland Drive, Suite B
Folkston, Georgia 31537
Telephone: (912) 496-2549

BASIC FINANCIAL STATEMENTS

CHARLTON COUNTY, GEORGIA

STATEMENT OF NET POSITION
DECEMBER 31, 2020

	Primary Government	Component Unit
	Governmental Activities	Health Department
ASSETS		
Cash and cash equivalents	$ 8,664,329	$ 426,518
Taxes receivable, net	4,975,844	-
Accounts receivable, net	4,552	-
Due from other governments	72,782	195,495
Capital assets, non-depreciable	707,650	-
Capital assets, depreciable, net of accumulated depreciation	19,552,882	17,609
Total assets	33,978,039	639,622
DEFERRED OUTFLOWS OF RESOURCES		
Pension	806,114	77,714
OPEB	-	26,232
Total deferred outflows of resources	806,114	103,946
LIABILITIES		
Accounts payable	412,973	19,733
Accrued liabilities	281,136	-
Unearned revenues	-	36,000
Capital leases due within one year	364,657	-
Capital leases due in more than one year	321,486	-
Compensated absences due within one year	113,028	5,938
Compensated absences due in more than one year	-	23,754
Net pension liability	1,523,359	344,400
Net OPEB liability	-	72,519
Total liabilities	3,016,639	502,344
DEFERRED INFLOWS OF RESOURCES		
Pension	594,102	52,246
OPEB	-	202,262
Total deferred inflows of resources	594,102	254,508
NET POSITION		
Net investment in capital assets	19,574,389	17,609
Restricted for:		
Capital projects	3,122,921	-
Excess funds - tax sales	50,958	-
Public safety	78,516	-
Solid waste	162,946	-
Culture and recreation	17,604	174,976
EMS expenditures	474,342	-
Unrestricted	7,691,736	(205,869)
Total net position	$ 31,173,412	$ (13,284)

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

CHARLTON COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities	Net (Expenses) Revenues and Changes in Net Position: Component Unit Health Department
Primary government:						
Governmental activities:						
General government	$ 4,521,500	$ 4,770,352	$ 914,594	$ -	$ 1,163,446	$ -
Judicial	955,274	163,829	-	-	(791,445)	-
Public safety	5,045,126	237,003	-	-	(4,808,123)	-
Public works	4,563,114	-	-	2,166,881	(2,396,233)	-
Health and welfare	204,959	-	-	-	(204,959)	-
Culture and recreation	434,866	-	-	-	(434,866)	-
Other services	202,790	-	-	-	(202,790)	-
Interest on long-term debt	26,179	-	-	-	(26,179)	-
Total governmental activities	$ 15,953,808	$ 5,171,184	$ 914,594	$ 2,166,881	(7,701,149)	-
Component units:						
Health Department	$ 400,099	$ 190,894	$ 323,826	$ -	-	114,621
Total component units	$ 400,099	$ 190,894	$ 323,826	$ -	-	114,621
General revenues:						
Property taxes					10,000,915	-
Sales taxes					3,245,053	-
Special local option sales tax					-	-
Transportation special local option sales tax					-	-
Other taxes					-	-
Unrestricted investment earnings					-	-
Gain on sale of capital assets					-	-
Other					-	62,441
Transfers					-	-
Total general revenues					13,245,968	62,441
Change in net position					5,544,819	177,062
Net position, beginning of year, as restated					25,628,593	(190,346)
Net position, end of year					$ 31,173,412	$ (13,284)

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

CHARLTON COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	General	SPLOST Fund	Transportation SPLOST Fund	Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 5,645,948	$ 1,782,243	$ 501,886	$ 718,376	$ 15,876	$ 8,664,329
Taxes receivable, net	4,725,874	212,656	37,314	-	-	4,975,844
Accounts receivable, net	4,552	-	-	-	-	4,552
Due from other governments	72,782	-	-	-	-	72,782
Total assets	$ 10,449,156	$ 1,994,899	$ 539,200	$ 718,376	$ 15,876	$ 13,717,507
LIABILITIES						
Accounts payable	$ 397,273	$ 4,100	$ -	$ 11,600	$ -	$ 412,973
Accrued liabilities	160,245	-	-	-	-	160,245
Due to other governments	-	113,854	-	-	-	113,854
Total liabilities	557,518	117,954	-	11,600	-	687,072
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues						
Taxes	4,417,657	-	-	-	-	4,417,657
Total deferred inflows of resources	4,417,657	-	-	-	-	4,417,657
FUND BALANCES						
Fund balances						
Restricted for:						
Capital projects	-	1,876,945	539,200	706,776	-	3,122,921
Excess funds - tax sales	50,958					50,958
Public safety	78,516	-	-	-	-	78,516
Solid waste	162,946					162,946
Assigned for:						
Culture and recreation	1,728	-	-	-	15,876	17,604
EMS expenditures	474,342	-	-	-	-	474,342
Unassigned	4,705,491	-	-	-	-	4,705,491
Total fund balances	5,473,981	1,876,945	539,200	706,776	15,876	8,612,778
Total liabilities, deferred inflows of resources and fund balances	$ 10,449,156	$ 1,994,899	$ 539,200	$ 718,376	$ 15,876	$ 13,717,507

Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets	36,894,155	
Accumulated depreciation	(16,633,623)	20,260,532
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		4,417,657
Deferred outflows and inflows of resources related to the recording of the net pension liability are recognized as expense over time and, therefore, are not reported in the funds.		
Pension deferred outflows of resources	806,114	
Pension deferred inflows of resources	(594,102)	212,012
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Capital leases	(686,143)	
Net pension liability	(1,523,359)	
Compensated absences	(113,028)	
Accrued interest	(7,037)	(2,329,567)
Net position of governmental activities		$ 31,173,412

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

CHARLTON COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

	General	SPLOST Fund	Transportation SPLOST Fund	Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Taxes	$ 6,072,907	$ 1,238,280	$ 2,006,773	$ -	$ -	$ 9,317,960
Fines and forfeitures	163,829	-		-	-	163,829
Licenses, fees and permits	115,786	-	-	-	-	115,786
Intergovernmental	914,594	-	-	2,145,536	21,345	3,081,475
Charges for services	4,486,228	-	-	-	20,194	4,506,422
Other revenue	385,147	-	-	-	-	385,147
Total revenues	12,138,491	1,238,280	2,006,773	2,145,536	41,539	17,570,619
Expenditures						
Current:						
General government	4,413,061	-	-	-	-	4,413,061
Judicial	750,592	-	-	-	-	750,592
Public safety	4,432,219	-	-	-	-	4,432,219
Public works	2,927,947	-	-	-	-	2,927,947
Health and welfare	167,898	-	-	-	-	167,898
Culture and recreation	324,225	-	-	-	42,052	366,277
Economic development	193,378	-	-	-	-	193,378
Capital outlay	-	540,432	1,764,452	1,730,658	-	4,035,542
Debt service:						
Principal	13,760	196,313	11,233	-	-	221,306
Interest and other charges	510	17,424	8,245	-	-	26,179
Total expenditures	13,223,590	754,169	1,783,930	1,730,658	42,052	17,534,399
Excess (deficiency) of revenues over (under) expenditures	(1,085,099)	484,111	222,843	414,878	(513)	36,220
Other financing sources (uses)						
Transfers in	-	25,000	36,875	-	-	61,875
Transfers out	(61,875)	-	-	-	-	(61,875)
Total other financing sources (uses)	(61,875)	25,000	36,875	-	-	-
Net change in fund balances	(1,146,974)	509,111	259,718	414,878	(513)	36,220
Fund balances, beginning of year, as restated	6,620,955	1,367,834	279,482	291,898	16,389	8,576,558
Fund balances, end of year	$ 5,473,981	$ 1,876,945	$ 539,200	$ 706,776	$ 15,876	$ 8,612,778

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

CHARLTON COUNTY, GEORGIA

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 DECEMBER 31, 2020

Amounts reported for governmental activities in the statement of activities are different because:			
Net change in fund balances - total governmental funds			$ 36,220
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. This is the amount by which capital outlay exceeded depreciation in the current period.			
Capital outlay	$	3,343,061	
Depreciation expense		(1,507,837)	1,835,224
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
Current year unavailable tax revenue	$	4,417,657	
Prior year unavailable tax revenue		(489,649)	3,928,008
The issuance of long-term debt 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. This amount is the net effect of these differences in the treatment of long-term debt and related items.			
Principal payments on capital leases			221,306
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.			
Change in compensated absences	$	1,179	
Change in the net pension liability and related deferred outflows and inflows		(470,591)	
Change in accrued interest		(6,527)	(475,939)
Change in net position of governmental activities			$ 5,544,819

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

CHARLTON COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Property taxes	$ 6,124,901	$ 6,255,838	$ 4,746,544	$ (1,509,294)
Other taxes	1,199,000	1,262,776	1,326,363	63,587
Licenses, fees and permits	108,150	112,163	115,786	3,623
Charges for services	3,851,682	4,546,804	4,486,228	(60,576)
Fines and forfeitures	293,600	293,600	163,829	(129,771)
Intergovernmental	541,349	919,470	914,594	(4,876)
Interest income	12,500	12,500	-	(12,500)
Other revenue	69,235	370,832	385,147	14,315
Total revenues	12,200,417	13,773,983	12,138,491	(1,635,492)
Expenditures				
General government				
Governing body	80,497	80,497	65,805	14,692
Boards and commissions	2,600	2,600	2,600	-
Clerk of council/commission	134,534	134,534	131,269	3,265
Chief executive (administrator)	72,136	72,136	69,348	2,788
Elections	90,928	101,793	90,095	11,698
General administration	100,000	802,889	737,760	65,129
Financial administration	288,200	272,045	237,545	34,500
Human resources	2,103,450	2,511,175	2,382,791	128,384
Tax commissioners	262,266	262,266	228,838	33,428
Tax assessors	383,195	390,596	317,329	73,267
General government buildings	161,929	161,929	149,681	12,248
Total general government	3,679,735	4,792,460	4,413,061	379,399
Judiciary				
Superior court	421,309	421,309	388,683	32,626
State court	125,865	125,865	107,984	17,881
Solicitor	72,329	72,329	68,097	4,232
Probate/magistrate court	189,960	189,960	185,828	4,132
Total judiciary	809,463	809,463	750,592	58,871
Public safety				
Sheriff	1,540,693	1,555,422	1,555,405	17
Jail	1,272,912	1,340,912	1,340,873	39
Fire	211,300	213,550	159,881	53,669
EMS	1,789,496	1,789,496	1,302,615	486,881
Coroner/medical examiner	21,350	21,350	17,506	3,844
Other protection	29,265	29,265	29,265	-
Emergency management	28,940	28,940	26,674	2,266
Total public safety	4,893,956	4,978,935	4,432,219	546,716
Public works				
Public works administration	197,536	197,536	158,280	39,256
Roads and bridges	1,003,784	2,185,152	2,184,628	524
Shop - vehicle and equipment maintenance	170,817	170,817	168,547	2,270
Solid waste and recycling	400,000	422,157	416,492	5,665
Total public works	1,772,137	2,975,662	2,927,947	47,715
Health and welfare				
Public health	77,700	82,700	82,359	341
Welfare	13,816	13,816	13,816	-
Community services - action pact	14,000	14,000	14,000	-
Senior citizens center	82,570	82,070	57,723	24,347
Total health and welfare	188,086	192,586	167,898	24,688

(Continued)

CHARLTON COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

	Budget			Variance With
	Original	Final	Actual	Final Budget
Expenditures (Continued)				
Culture and recreation				
Recreation administration	$ 261,622	$ 261,622	$ 253,225	$ 8,397
Library	71,000	71,000	71,000	-
Total culture and recreation	332,622	332,622	324,225	8,397
Economic development				
County extension/4H services	66,483	66,483	64,485	1,998
Protective inspection administration	121,127	121,127	89,953	31,174
Economic development and resources	39,500	39,500	38,940	560
Total economic development	227,110	227,110	193,378	33,732
Debt service				-
Principal	-	13,760	13,760	-
Interest and other charges	-	510	510	-
Total expenditures	11,903,109	14,323,108	13,223,590	1,099,518
Excess (deficiency) of revenues over (under) expenditures	297,308	(549,125)	(1,085,099)	(535,974)
Other financing uses				
Transfers out	(297,308)	(61,875)	(61,875)	-
Total other financing uses	(297,308)	(61,875)	(61,875)	-
Net change in fund balance	-	(611,000)	(1,146,974)	(535,974)
Fund balance, beginning of year, as restated	6,620,955	6,620,955	6,620,955	-
Fund balance, end of year	$ 6,620,955	$ 6,009,955	$ 5,473,981	$ (535,974)

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

CHARLTON COUNTY, GEORGIA

GRANTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Intergovernmental	$ 377,530	$ 1,777,530	$ 2,145,536	$ 368,006
Total revenues	$ 377,530	$ 1,777,530	$ 2,145,536	$ 368,006
Expenditures				
Capital outlay	$ 377,530	$ 1,777,530	$ 1,730,658	$ 46,872
Total expenditures	$ 377,530	$ 1,777,530	$ 1,730,658	$ 46,872
Net change in fund balance	$ -	$ -	$ 414,878	$ 414,878
Fund balance, beginning of year	291,898	291,898	291,898	-
Fund balance, end of year	$ 291,898	$ 291,898	$ 706,776	$ 414,878

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

CHARLTON COUNTY, GEORGIA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

	Custodial Funds
ASSETS	
Cash and cash equivalents	$ 2,789,733
Total assets	2,789,733
NET POSITION	
Restricted:	
Individuals, organizations, and other governments	2,789,733
Total net position	$ 2,789,733

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

CHARLTON COUNTY, GEORGIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2020

	Custodial Funds
ADDITIONS	
Taxes	$ 10,158,626
Fines and fees	35,711,413
Criminal and civil bonds	42,376
Total additions	45,912,415
DEDUCTIONS	
Taxes and fees paid to other governments	10,158,626
Other custodial disbursements	33,867,472
Total deductions	44,026,098
Change in fiduciary net position	1,886,317
NET POSITION, beginning of year, as restated	903,416
NET POSITION, end of year	$ 2,789,733

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Charlton County, Georgia (the "County") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to governments. The Governmental Auditing Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

A. The Reporting Entity

Charlton County was established under the provisions of an act of the General Assembly of Georgia on February 18, 1854. The County operates under a County Commissioner form of government and provides the following services as authorized by state law: public safety (police and fire), highways and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

As required by GAAP, the financial statements of the reporting entity include those of Charlton County, Georgia (the primary government) and its component unit. The component unit discussed below is included in the County's reporting entity because of the significance of its operational or financial relationship with the County. In conformity with accounting principles generally accepted in the United States of America, as set forth in Governmental Accounting Standards Board ("GASB") Statement No. 14, as amended by Statements No. 39 and 61, the financial statements of the component unit is discretely presented in the government-wide financial statements.

Charlton County Health Department

The Charlton County Health Department (the "Health Department") provides public health care services and health education to the residents of the County. The Health Department receives financial support from Charlton County, Georgia, the State of Georgia and the Federal Government. The County Commission appoints a majority of the Board of Directors, and the Health Department issues separately audited financial statements. Although the County does not have the authority to approve or modify the budget of the Health Department, the County is obligated to provide financial support to the Health Department. The Health Department has a June 30th year-end. The Health Department's statements have been prepared separately and can be obtained by writing to the Charlton County Health Department, 2587 Third Street, Folkston, Georgia 31537.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 government. For the most part, the effect of interfund activity has been removed from these statements. *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 are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to those 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*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and the fiduciary fund financial statements, which have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and 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 County 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 payment is due.

Property taxes, franchise fees, licenses, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and, therefore, have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

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

The ***Special Purpose Local Option Sales Tax ("SPLOST") Fund*** accounts for the proceeds of a 1% Special Purpose Local Option Sales Tax. Funds are used for road and bridges improvements, public safety projects, recreation projects, public building projects, County administration projects, and other City projects within the County.

The ***Transportation Special Purpose Local Option Sales Tax ("T-SPLOST") Fund*** accounts for the revenues and expenditures of the Transportation Special Purpose Local Option Sales Tax.

The ***Grants Fund*** accounts for the majority of the federal and local grant revenues and expenditures the County receives for various purposes.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Additionally, the County reports the following fund types:

The ***special revenue funds*** account for specific revenues that are legally restricted to expenditures for particular purposes.

The ***custodial funds*** are used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals, such as cash bonds, traffic fines, support payments and ad valorem and property taxes.

Amounts reported as *program revenues* include: 1) charges for services 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. Likewise, general revenues include all taxes.

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

D. Cash and Cash Equivalents

The County'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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2020, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reserved as this amount is not available for general appropriation

F. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. For the most part, the effect of interfund activity has been removed from the government-wide statement of net position. In the fund financial statements, these receivables and payables are classified as “due from other funds” or “due to other funds.”

In the government-wide financial statements, any residual balances outstanding between the governmental activities and business-type activities are reported as “internal balances”.

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 or business-type activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. The County has retroactively reported major general infrastructure assets. In this case, the County chose to include all items regardless of their acquisition date. The County was able to estimate the historical cost for the initial reporting of these assets through back trending.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets (Continued)

Capital assets of the primary government are depreciated using the straight line method over the following useful lives:

Asset Category	Years
Buildings	40 - 60
Improvements	10 - 60
Infrastructure	40
Machinery and Equipment	3 - 10

H. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits.

Vacation/Personal Leave. All covered employees, both regular and working test, shall accrue annual leave from the date of employment in a covered position. Employees earn annual (Vacation/Personal) leave as follows:

Years of Service	Hours/Year
1 to 3 years	72 Hours
4 to 10 years	112 Hours
11 to 15 years	152 Hours
16 years and over	192 Hours

There is no liability for unpaid vacation time as vacation leave must be taken by December 31 of each year. Leave not taken will be forfeited. No vacation leave will be carried forward into the next calendar year.

Sick Leave. Sick leave is earned to be taken for bona fide illness and injury, and other medically related necessities. All covered employees, both regular and working test, shall accrue sick leave from the date of employment in a covered position. Eligible employees shall accrue sick leave at a rate of 5.33 hours per month. Sick leave may not be accrued in excess of 240 hours.

Benefits are accrued as a liability in the government-wide financial statements using the termination method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the County's past experience of making termination payments.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Long-Term Obligations

All payables, accrued liabilities and long-term obligation are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of these funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only of the extent that they are "due for payments" during the current year. Bonds and capital leases are recognized as a liability in the governmental fund financial statements when due.

J. 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(s) and, therefore, will not be recognized as an outflow of resources (expense/expenditure) until then.

The County has three items that qualify for reporting in this category. These items, relating to the County's retirement plan, qualify for reporting in this category and are combined in the Statement of Net Position under the heading "Pension". The County reports deferred outflow of resources for assumption changes which are amortized against pension expense over time. Additionally, any contribution made by the County to the pension plan before year-end but subsequent to the measurement date of the County's net pension liability are reported as deferred outflows of resources. Also, experience differences result from periodic studies by the County's actuary, which adjust the net pension liability for actual experience for certain trend information that was previously assumed, resulting as a deferred outflow of resources and amortized over time.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of net position and the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance that applies to a future period(s) and, therefore, will not be recognized as an inflow of resources (revenue) until that time. The County has three items that qualify for reporting in this category, one of which arises only under the modified accrual basis of accounting. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The other two items, experience differences and assumption changes, result from periodic studies by the County's actuary, which adjust the net pension liability for actual experience for certain trend information that was previously assumed, resulting as a deferred inflow of resources and amortized over time. Also, differences between projected investment return on pension investments and actual return on those investments is deferred and amortized over time, resulting in recognition as a deferred inflow of resources.

K. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- ***Nonspendable*** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either: (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

- ***Restricted*** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Fund Equity (Continued)

- ***Committed*** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of County Commissioners through the adoption of a resolution. The Board of Commissioners also may modify or rescind the commitment.

- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the Board of County Commissioners has authorized the County Manager to assign fund balances.

- ***Unassigned*** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balance may be reported in all funds.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County's policy to use fund balance in the following order: 1) committed, 2) assigned, and 3) unassigned.

Net Position – Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the County has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

L. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from these estimates.

NOTE 2. LEGAL COMPLIANCE – BUDGETS

Budgets and Budgetary Accounting

Budgetary Data. The County adopts an annual operating budget for the General Fund and each Special Revenue Fund. A project budget is adopted for each Capital Projects Fund. The budget resolution reflects the total of each department's appropriation in each fund.

The general fund budget is adopted on a basis consistent with GAAP except that the occurrence of capital lease obligations and the related capital lease expenditures are not budgeted. Budgets for the Special Revenue Funds are adopted on a basis consistent with GAAP. Budgets for Capital Project funds are adopted on a basis consistent with GAAP except the budget period is a project period rather than an annual period. At year-end, no capital project period exceeded the annual.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the department level within each individual fund. Any change in total to a fund or departmental appropriation within a fund requires approval of the Board of Commissioners.

Either the County Chairman or County Administrator may approve budget transfers within departments, except those related to personnel or capital expenditures. The Board of Commissioners must approve transfers of personnel or capital appropriations. During the year, the Board of Commissioners approved budget revisions.

All unexpended annual appropriations lapse at year-end.

NOTE 3. DEPOSITS AND INVESTMENTS

Credit risk. State statutes authorize the County to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. It is the County's policy to limit its investments to those allowed and authorized by state law. As of December 31, 2020, the County held no investments.

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial credit risk – deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of December 31, 2020, the deposits of the County and its component unit wasproperly insured and collateralized as defined by GASB pronouncements and the official code of the State of Georgia.

Interest rate risk. The County's investment policy is a means of managing its exposure to fair value losses arising from increasing interest rates. As such, they adhere to the following criteria regarding investments as outlined in the County's policies and procedures manual: the investment must always be concerned with the preservation of principal; all investments must be relatively liquid; and there must be a realization of competitive interest rates relative to the risk assumed. The County Manager is authorized to make all investment decisions on behalf of the County.

NOTE 4. RECEIVABLES

Receivables at December 31, 2020, consist of the following:

	General Fund	SPLOST Fund	T-SPLOST Fund	Total
Receivables:				
Taxes	$ 4,725,874	$ 212,656	$ 37,314	$ 4,975,844
Accounts	4,552	-	-	4,552
Due from other governments	72,782	-	-	72,782
Total receivables	$ 4,803,208	$ 212,656	$ 37,314	$ 5,053,178

The Board of Commissioners levies property taxes by or about September 25th of each year. Property taxes attach as an enforceable lien on property as of January 1. Property taxes are billed on or about October 20th of each year and are payable within sixty days. The County bills and collects its own property taxes and also collects property taxes for the Charlton County Board of Education, and the State of Georgia. Collection of the County's taxes, and for the other government agencies, is the responsibility of the Tax Commissioner's Office, which is accounted for as a Custodial Fund. County property tax revenue at the fund reporting level are recognized when levied to the extent that they result in current receivables (i.e., collectible in 60 days). For 2020, property tax bills were mailed on March 1, 2020, and were due on May 15, 2020.

NOTE 5. CAPITAL ASSETS

Primary Government

Capital asset activity for the fiscal year ended December 31, 2020, is as follows:

	Beginning Balance (as restated)	Increases	Decreases	Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated:					
Land	$ 707,650	$ -	$ -	$ -	$ 707,650
Total	707,650	-	-	-	707,650
Capital assets, being depreciated:					
Buildings	10,826,011	21,987	-	-	10,847,998
Infrastructure	8,858,821	3,051,794	-	-	11,910,615
Machinery and equipment	13,158,612	269,280	-	-	13,427,892
Total	32,843,444	3,343,061	-	-	36,186,505
Less accumulated depreciation for:					
Buildings	(3,753,200)	(403,770)	-	-	(4,156,970)
Infrastructure	(9,805,430)	(298,248)	-	-	(10,103,678)
Machinery and equipment	(1,567,156)	(805,819)	-	-	(2,372,975)
Total	(15,125,786)	(1,507,837)	-	-	(16,633,623)
Total capital assets, being depreciated, net	17,717,658	1,835,224	-	-	19,552,882
Governmental activities capital assets, net	$ 18,425,308	$ 1,835,224	$ -	$ -	$ 20,260,532

Depreciation expense was charged to functions/programs of the County as follows:

Governmental activities:	
General government	$ 77,812
Judicial	167,035
Public safety	583,799
Public works	566,759
Health and welfare	32,355
Culture and recreation	80,077
Total depreciation expense - governmental activities	$ 1,507,837

NOTE 6. LONG-TERM DEBT

Primary Government

The following is a summary of long-term debt activity for the primary government for the year ended December 31, 2020:

	Beginning Balance (as restated)	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Capital leases	$ 907,449	$ -	$ (221,306)	$ 686,143	$ 364,657
Compensated absences	114,207	77,147	(78,326)	113,028	113,028
Net pension liability	1,701,795	1,296,746	(1,475,182)	1,523,359	-
Governmental activities Long-term liabilities	$ 2,723,451	$ 1,373,893	$ (1,774,814)	$ 2,322,530	$ 477,685

The governmental activities, compensated absences and the net pension liability are generally liquidated by the General Fund.

Capital Leases Payable. The County has entered into lease agreements as lessee for financing the acquisition of various pieces of equipment. The lease agreements qualify as capital leases for accounting purposes, and therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inceptions. These leases are being serviced by the General, SPLOST and T-SPLOST funds with interest rates on the leases ranging from 2.3% to 3.79%.

The cost of assets under capital leases as of December 31, 2020:

	Governmental Activities
Equipment	$ 1,053,048
Less accumulated depreciation	(582,626)
Carrying value	$ 470,422

Current year depreciation expense of assets under capital lease totaled $150,435.

NOTE 6. LONG-TERM DEBT (CONTINUED)

Primary Government - Continued

The County's total capital lease debt service requirements to maturity are as follows:

Fiscal year	Total
2021	$ 385,168
2022	38,377
2023	298,304
Total minimum lease payments	721,849
Less amount representing interest	(35,706)
Present value of future minimum lease payments	$ 686,143
Less current maturities	(364,657)
	$ 321,486

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund transfers as of December 31, 2020, are as follows:

Transfers In	Transfer Out	Amount
SPLOST Fund	General Fund	$ 25,000
T-SPLOST Fund	General Fund	36,875
		$ 61,875

Transfers are used to: 1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them, 2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and 3) to transfer funds for debt service.

NOTE 8. JOINT VENTURE

Under Georgia law, the County is a participating member of the Southern Georgia Commission ("Southern GC") and is required to pay annual dues thereto. During its year ended December 31, 2020, the County paid $9,200 in such dues. Membership in Southern GC is required by the Official Code of Georgia Annotated ("O.C.G.A.") Section 50-8-34 which provides for the organizational structure of the Southern GC in Georgia. The Southern GC Board membership includes the chief elected official of each county and municipality of the area. O.C.G.A. Section 50-8-39.1 provides that the member governments are liable for any debts and obligations of a Regional Commission. Separate financial statements may be obtained from: Southern Georgia Commission, 3395 Harris Road, Waycross, Georgia 31503.

NOTE 9. RETIREMENT PLANS

Primary Government

Plan Description

The County sponsors the Association County Commissioners of Georgia Restated Pension Plan for Charlton County Employees (the "Plan"), which is a defined benefit pension plan.

The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. The Plan, through execution of the adoption agreement, is affiliated with the Association County Commissioners of Georgia Third Restated Defined Benefit Plan (the "ACCG Plan"), an agent multiple-employer pension plan, administered by the Government Employee Benefits Corporation of Georgia, ("GenCorp"). The ACCG, in its role as the Plan sponsor, has the sole authority to amend the provisions of the ACCG Plan, as provided in Section 19.03 of the ACCG Plan document. The County, through its Board of Commissioners, has the authority to amend the adoption agreement, which defines the specific benefit provisions of the Plan, as provided in Section 19.02 of the ACCG Plan document. A separately issued financial report for the ACCG Plan may be obtained by writing to GenCorp at 400 Galleria Parkway, Suite 1250, Atlanta, Georgia 30339.

Plan membership as of January 1, 2019, (the most recent actuarial valuation date) is as follows:

Inactive plan members or beneficiaries currently receiving benefits	26
Inactive plan members entitled to but not receiving benefits	36
Active plan members	68
Total	130

The County is required to contribute an actuarially determined amount annually to the Plan's trust. The contribution amount is determined using actuarial methods and assumptions approved by the ACCG Plan trustees and must satisfy the minimum contribution requirement contained in the State of Georgia statutes. The County's contribution for the 2020 Plan year is $277,850 or 10.7% of covered payroll. No contributions are required of or permitted by plan members.

NOTE 9. RETIREMENT PLANS (CONTINUED)

Primary Government (Continued)

Net Pension Liability of the County

The County is required to contribute an actuarially determined amount annually to the Plan's trust. A contribution amount is determined using actuarial methods and assumptions approved by the ACCG Plan trustees and intended to satisfy the minimum contribution requirements as set forth in controlling State of Georgia statutes. Plan participants are not required to contribute to the Plan.

The County's net pension liability was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019, with update procedures performed by the actuary to roll forward to the total pension liability measured as of December 31, 2019.

Actuarial Assumptions. The total pension liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Cost of living adjustment	N/A
Salary increases	4.50% per year with an age based scale
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Mortality Table Projected with Scale AA to 2018

The actuarial assumptions used in the January 1, 2019 valuation were based on the results of an actuarial experience study for February 2019.

The long-term expected rate of return on pension plan investments was determined through a blend of using a building-block method based on 20-year benchmarks (33.33%) and 30-year benchmarks (33.33%), as well as forward-looking capital market assumptions for a moderate asset allocation (33.34%), as determined by UBS. Expected future rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

NOTE 9. RETIREMENT PLANS (CONTINUED)

Primary Government (Continued)

Net Pension Liability of the County (Continued)

Actuarial Assumptions (Continued). Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2019, are summarized in the following table:

Asset Class	Target Allocation	Range
Fixed income	30%	25% - 35%
Large cap equities	30%	25% - 35%
Mid cap equities	5%	2.5% - 10%
Small cap equities	5%	2.5% - 10%
REIT equities	5%	2.5% - 10%
International equities	15%	10% - 20%
Multi cap equities	5%	2.5% - 10%
Global allocation	5%	2.5% - 10%
Total	100%	

Discount Rate. The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that County contributions will be made based on the average County contribution made to the Plan over the prior five years. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

NOTE 9. RETIREMENT PLANS (CONTINUED)

Primary Government (Continued)

Net Pension Liability of the County (Continued)

Changes in the Net Pension Liability of the County. The changes in the components of the net pension liability of the County for the year ended December 31, 2020, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2019	$ 6,046,464	$ 4,344,669	$ 1,701,795
Changes for the year:			
Service cost	135,880	-	135,880
Interest	416,831	-	416,831
Liability experience (gain)/loss	(306,464)	-	(306,464)
Assumption change	359,398	-	359,398
Plan change	323,504	-	323,504
Contributions-employer	-	277,850	(277,850)
Net investment income	-	890,868	(890,868)
Benefit payments, including refunds of employee contributions	(183,449)	(183,449)	-
Administrative expense	-	(28,711)	28,711
Other changes	-	(32,422)	32,422
Net changes	745,700	924,136	(178,436)
Balances at December 31, 2020	$ 6,792,164	$ 5,268,805	$ 1,523,359

The required schedule of changes in the County's net pension liability and related ratios immediately following the notes to the financial statements presents multi-year trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability of the County, calculated using the discount rate of 7.00%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's net pension liability	$ 2,514,287	$ 1,523,359	$ 702,556

NOTE 9. RETIREMENT PLANS (CONTINUED)

Primary Government (Continued)

Net Pension Liability of the County (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate (Continued). Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of December 31, 2019, and the current sharing pattern of costs between employer and employee.

Pension Expense and Deferred Outflows of Resources Related to Pensions

For the year ended December 31, 2020, the County recognized a pension expense of $698,047. At December 31, 2020, the County reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Investment earnings difference	$ -	$ 248,573
Contributions subsequent to the measurement date	232,428	-
Assumption changes	564,436	-
Experience differences	9,250	345,529
Total	$ 806,114	$ 594,102

County contributions subsequent to the measurement date of $232,428 are reported as a deferred outflow of resources and will be recognized as a reduction of the net pension liability in the year ending December 31, 2021. The remaining deferred outflows and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ending December 31,	
2021	$ 27,712
2022	(15,575)
2023	45,656
2024	(78,209)
Total	$ (20,416)

NOTE 10. RISK MANAGEMENT

The County is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. The County has joined the ACCG Interlocal Risk Management Agency (“IRMA”). The membership allows the County to share liability, crime, motor vehicle and property damage risks. The County is also a part of the ACCG Workers' Compensation Self Insurance Fund.

As part of these risk pools, The County is obligated to pay all contributions and assessments as prescribed by the pools. To cooperate with the pool's agents and attorneys. To follow loss reduction procedures established by the funds. To report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the pool's agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim against the County within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the worker' compensation law of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment and all expenses incurred for investigation, negotiation or defense.

Settled claims in the past three years have not exceeded coverage.

NOTE 11. CONTINGENCIES AND COMMITMENTS

Grant Contingencies: The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their representatives. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, County management believes such disallowances, if any, will not be significant.

Litigation: From time to time, the County is involved in pending lawsuits. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the County.

NOTE 12. RESTATEMENTS TO FUND EQUITY AND NET POSITION

Prior Period Adjustments

The County determined that restatements to the December 31, 2019 ending net position and fund balance accounts were needed as follows:

- Net position at the entity-wide level – Governmental activities
- Fund balance of the:
  - General Fund
  - T-SPLOST Fund
  - SPLOST Fund

	Governmental Activities	General Fund	Transportation SPLOST Fund	SPLOST Fund
Fund balance as of December 31, 2019, as previously reported		$ 6,674,504	$ 314,004	$ 1,355,429
Net position as of December 31, 2019, as previously reported	$ 25,884,979			
Restatement No. 1 - Recording of capital lease liabilities and equipment.	(180,720)	-	-	-
Restatement No. 2 - Recording of accrued payroll.	(118,493)	(118,493)	-	-
Restatement No. 3 - Recording of accounts receivables and deferred revenues.	42,827	64,944	(34,522)	12,405
	(256,386)	(53,549)	(34,522)	12,405
Fund balance as of December 31, 2019, as restated		$ 6,620,955	$ 279,482	$ 1,367,834
Net position as of December 31, 2019, as restated	$ 25,628,593			

NOTE 12. RESTATEMENTS TO FUND EQUITY AND NET POSITION (CONTINUED)

Prior Period Adjustments (Continued)

To further explain the above restatements, the following thoughts are provided:

Restatement No. 1 - Recording of capital lease liabilities and equipment. The County has determined that a restatement to the beginning net position for its governmental activities was required to record various capital leases and related equipment that were improperly recorded as operating leases. An adjustment was required to reduce beginning net position for governmental activities in the amount of $180,720 as of January 1, 2020.

Restatement No. 2 - Recording of accrued payroll. The County has determined that a restatement to the beginning fund balance of the General Fund was required to properly record the accrued payroll liability that existed in the prior year. An adjustment was required to reduce beginning fund balance of the General Fund in the amount of $118,493 as of January 1, 2020.

Restatement No. 3 - Recording of accounts receivable and deferred revenues. The County has determined that a restatement to the beginning fund balance of the General Fund, the T-SPLOST Fund, and the SPLOST Fund was required to properly record accounts receivable in the General Fund and accounts receivable and deferred revenue in the T-SPLOST and SPLOST Funds. Adjustments were required to increase beginning fund balance of the General and SPLOST Funds for $64,944 and $12,405, respectively, and decrease beginning fund balance of the T-SPLOST Fund in the amount of $34,522 as of January 1, 2020. An adjustment was required to increase governmental activities beginning net position in the amount of $42,827 as of January 1, 2020.

Change in Accounting Principle

In conjunction with the implementation of GASB Statement No. 84, Fiduciary Activities, the County is required to reevaluate the accounting treatment of fiduciary activities. The new standard requires the County to determine if funds are still considered fiduciary, and if so, if they are considered custodial funds under the new definitions of GASB Statement No. 84. Therefore, in conjunction with the implementation of GASB Statement No. 84, the following restatement was required to the beginning net position of the Fiduciary Activities to properly report the custodial funds.

Net Position, custodial activities, as previously reported	$	-
Recognition of the beginning net position of the former Agency Funds now reported as Custodial Funds		903,416
Net Position, custodial activities, as restated	$	903,416

REQUIRED SUPPLEMENTARY INFORMATION

CHARLTON COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEARS ENDED DECEMBER 31,

	2020	2019	2018	2017	2016	2015
Total pension liability						
Service cost	**$ 135,880**	$ 136,329	$ 121,999	$ 116,119	$ 97,088	$ 77,914
Interest on total pension liability	**416,831**	392,319	380,359	356,779	329,392	314,530
Liability experience (gain)/loss	**(306,464)**	8,081	(172,539)	(67,343)	24,657	-
Assumption change	**359,398**	283,267	12,530	173,040	197,126	-
Plan change	**323,504**	-	-	-	-	-
Benefit payments, including refunds of employee contributions	**(183,449)**	(184,830)	(177,380)	(178,641)	(193,778)	(194,282)
Net change in total pension liability	**745,700**	635,166	164,969	399,954	454,485	198,162
Total pension liability - beginning	**6,046,464**	5,411,298	5,246,329	4,846,375	4,391,890	4,193,728
Total pension liability - ending (a)	**$ 6,792,164**	$ 6,046,464	$ 5,411,298	$ 5,246,329	$ 4,846,375	$ 4,391,890
Plan fiduciary net position						
Contributions - employer	**$ 277,850**	$ 283,315	$ 299,026	$ 302,648	$ 268,400	$ 243,193
Net investment income	**890,868**	(207,501)	599,417	241,913	22,242	232,793
Benefit payments, including refunds of employee contributions	**(183,449)**	(178,364)	(171,175)	(178,641)	(186,774)	(187,260)
Administrative expenses	**(28,711)**	(18,690)	(15,139)	(18,017)	(13,927)	(12,787)
Other	**(32,422)**	(20,393)	(37,866)	(89,730)	(61,694)	(80,126)
Net change in fiduciary net position	**924,136**	(141,633)	674,263	258,173	28,247	195,813
Plan fiduciary net position - beginning	**4,344,669**	4,486,302	3,812,039	3,553,866	3,525,619	3,329,806
Plan fiduciary net position - ending (b)	**$ 5,268,805**	$ 4,344,669	$ 4,486,302	$ 3,812,039	$ 3,553,866	$ 3,525,619
County's net pension liability - ending (a) - (b)	**$ 1,523,359**	$ 1,701,795	$ 924,996	$ 1,434,290	$ 1,292,509	$ 866,271
Plan fiduciary net position as a percentage of total pension liability	77.6%	71.9%	82.9%	72.7%	73.3%	80.3%
Covered payroll	**$ 2,585,923**	$ 2,792,086	$ 2,429,495	$ 2,282,840	$ 2,097,626	$ 1,961,312
County's net pension liability as a percentage of covered payroll	58.9%	61.0%	38.1%	62.8%	61.6%	44.2%

Notes to the Schedule:
The schedule will present 10 years of information once it is accumulated.

The assumptions used in the preparation of the above schedule are disclosed in Note 9 in the Notes to the Financial Statements.

CHARLTON COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY CONTRIBUTIONS
FOR THE YEARS ENDED DECEMBER 31,

	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	**$ 293,100**	$ 260,257	$ 262,395	$ 299,026	$ 302,648	$ 268,400	$ 241,649
Contributions in relation to the actuarially determined contribution	**277,850**	282,822	262,395	299,026	302,648	268,400	241,649
Contribution deficiency/(excess)	**$ 15,250**	$ (22,565)	$ -	$ -	$ -	$ -	$ -
Covered payroll	**$ 2,586,396**	$ 2,585,923	$ 2,792,086	$ 2,429,495	$ 2,282,840	$ 2,097,626	$ 1,961,312
Contributions as a percentage of covered payroll	**10.7%**	10.9%	9.4%	12.3%	13.3%	12.8%	12.3%

Notes to the Schedule:

Valuation Date	January 1, 2019
Cost Method	Entry age normal
Actuarial Asset Valuation Method	Smoothed market value with a 5-year smoothing period
Assumed Rate of Return on Investments	7.00%
Projected Salary Increases	4.50% per year with an age based scale
Cost of Living Adjustment	N/A
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	None remaining

The schedule will present 10 years of information once it is accumulated.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CHARLTON COUNTY, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Recreation Department Fund is used to account for revenue and expenditures of organized sporting events conducted by the recreation department.

CDBG Fund is used to account for Community Development Block Grant revenues and expenditures of the 2017 CDBG grant.

CHARLTON COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2020

	Special Revenue		
	Recreation Department Fund	CDBG Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	$ 15,876	$ -	$ 15,876
Total assets	$ 15,876	$ -	$ 15,876
FUND BALANCES			
Assigned for:			
Culture and recreation	15,876	-	15,876
Total fund balances	$ 15,876	$ -	$ 15,876

CHARLTON COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

	Special Revenue		
	Recreation Department Fund	CDBG Fund	Total Nonmajor Governmental Funds
Revenues			
Intergovernmental	$ -	$ 21,345	$ 21,345
Charges for services	20,194	-	20,194
Total revenues	20,194	21,345	41,539
Expenditures			
Current:			
Culture and recreation	20,707	21,345	42,052
Total expenditures	20,707	21,345	42,052
Net change in fund balances	(513)	-	(513)
Fund balances, beginning of year	16,389	-	16,389
Fund balances, end of year	$ 15,876	$ -	$ 15,876

CHARLTON COUNTY, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - RECREATION FUND - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Charges for services	$ -	$ 20,194	$ 20,194	$ -
Total revenues	-	20,194	20,194	-
Expenditures				
Culture and recreation	-	20,707	20,707	-
Net change in fund balance	-	(513)	(513)	-
Fund balance, beginning of year	16,389	16,389	16,389	-
Fund balance, end of year	$ 16,389	$ 15,876	$ 15,876	$ -

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

CHARLTON COUNTY, GEORGIA

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - CDBG FUND - BUDGET AND ACTUAL FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Intergovernmental	$ -	$ 27,000	$ 21,345	$ (5,655)
Total revenues	-	27,000	21,345	(5,655)
Expenditures				
Culture and recreation	-	27,000	21,345	5,655
Total expenditures	-	27,000	21,345	-
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ -	$ -	$ -

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

CHARLTON COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2014 ISSUE FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

Project Description	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
Health Department Building	$ 50,000	$ 50,000	$ 49,611	$ -	$ 49,611
Family Practice Clinic	150,000	-	-	-	-
Enhanced 911	950,000	1,021,000	931,848	-	931,848
County Library	50,000	50,000	16,369	-	16,369
County Senior Citizens Center	80,000	80,000	10,900	-	10,900
Sheriff Vehicles and Equipment	500,000	579,000	565,974	-	565,974
County Physical Plant	455,000	455,000	385,252	-	385,252
County Volunteer Fire Stations 1-5	225,000	225,000	147,290	380	147,670
Georgia Bend Training Room/Polling Place	50,000	50,000	-	-	-
Count Roads and Bridges	2,000,000	2,000,000	1,233,313	-	1,233,313
Fire Vehicles and Equipment	550,000	550,000	535,008	-	535,008
County Parks and Recreation Facilities	330,000	330,000	235,917	-	235,917
Road Department Equipment	830,000	830,000	695,543	88,916	784,459
Sanitation Department Trash Trucks (2)	280,000	280,000	270,755	-	270,755
City of Folkston	200,000	200,000	200,000	-	200,000
City of Homeland	100,000	100,000	100,000	48,849	148,849
Total	$ 6,800,000	$ 6,800,000	$ 5,377,780	$ 138,145	$ 5,515,925

CHARLTON COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2020 ISSUE FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

Project Description	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
EMS/E-911 Vehicles and Equipment	$ 1,050,000	$ 1,131,172	$ -	$ 80,891	$ 80,891
Sheriff Equipment and Vehicles	600,000	646,384	-	50,036	50,036
Administration/Improvement	400,000	430,923	-	3,404	3,404
Fire Department Station Renovation	200,000	215,461	-	-	-
Roads and Equipment	2,350,000	2,531,672	-	133,455	133,455
Fire Department Vehicles and Equipment	400,000	430,923	-	-	-
Parks and Recreation	300,000	323,192	-	76,182	76,182
City of Folkston	1,200,000	1,292,769	-	217,645	217,645
City of Homeland	300,000	323,192	-	54,411	54,411
Total	$ 6,800,000	$ 7,325,688	$ -	$ 616,024	$ 616,024

CHARLTON COUNTY, GEORGIA

CUSTODIAL FUNDS

Tax Commissioner – To account for the collection and payment to Charlton County and other taxing units of the property taxes levied, billed, and collected by the Tax Commissioner on behalf of Charlton County and other taxing units.

Sheriff – To account for all monies received by the Sheriff's Department on behalf of individuals, private organizations, other governmental units, and other funds.

Clerk of Superior Court – To account for all monies received by the Clerk of Superior Court on behalf of individuals, private organizations, other governmental units, and other funds.

Probate Court – To account for all monies received by the Probate Court on behalf of individuals, private organizations, other governmental units, and other funds.

Magistrate Court – To account for all monies received by the Magistrate Court on behalf of individuals, private organizations, other governmental units, and other funds.

ICE Conduit – To account for all monies received by the ICE Conduit on behalf of individuals, private organizations, other governmental units, and other funds.

CHARLTON COUNTY, GEORGIA

COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2020

ASSETS	Tax Commissioner	Sheriff	Clerk of Superior Court	Probate Court	Magistrate Court	ICE Conduit	Total
Cash and cash equivalents	$ -	$ 35,930	$ 460,040	$ 961	$ 50	$ 2,292,752	$ 2,789,733
Total assets	-	35,930	460,040	961	50	2,292,752	2,789,733
NET POSITION							
Restricted:							
Individuals, organizations, and other governments	-	35,930	460,040	961	50	2,292,752	2,789,733
Total net position	$ -	$ 35,930	$ 460,040	$ 961	$ 50	$ 2,292,752	$ 2,789,733

CHARLTON COUNTY, GEORGIA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION CUSTODIAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2020

	Tax Commissioner	Sheriff	Clerk of Superior Court	Probate Court	Magistrate Court	ICE Conduit	Total
ADDITIONS							
Taxes	$ 10,158,626	$ -	$ -	$ -	$ -	$ -	$ 10,158,626
Fines and fees	-	63,846	528,182	78,230	46,738	34,994,417	35,711,413
Criminal and civil bonds	-	-	42,376	-	-	-	42,376
Total additions	10,158,626	63,846	570,558	78,230	46,738	34,994,417	45,912,415
DEDUCTIONS							
Taxes and fees paid to other governments	10,158,626	-	-	-	-	-	10,158,626
Other custodial disbursements	-	48,904	552,481	85,700	50,103	33,130,284	33,867,472
Total deductions	10,158,626	48,904	552,481	85,700	50,103	33,130,284	44,026,098
Net increase (decrease) in fiduciary net position	-	14,942	18,077	(7,470)	(3,365)	1,864,133	1,886,317
Net position, beginning of year, as restated	-	20,988	441,963	8,431	3,415	428,619	903,416
Net position, end of year	$ -	$ 35,930	$ 460,040	$ 961	$ 50	$ 2,292,752	$ 2,789,733

COMPLIANCE SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

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*

Board of Commissioners
of Charlton County, Georgia
Folkston, 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Charlton County, Georgia (the "County") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 28, 2021. Our report includes a reference to other auditors who audited the financial statements of the Charlton County Health Department (the "Health Department"), as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2020-001 and 2020-002 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Charlton County, Georgia's Response to the Findings

The County's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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 result 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.

Mauldin & Jenkins, LLC

Savannah, Georgia
September 28, 2021

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Commissioners
of Charlton County, Georgia
Folkston, Georgia

Report on Compliance for Each Major Federal Program

We have audited Charlton County, Georgia's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2020. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Savannah, Georgia
September 28, 2021

CHARLTON COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Contract or Project Number	Total Expenditures
U.S. DEPARTMENT OF TREASURY:			
Passed through State of Georgia Office of Planning and Budget:			
Coronavirus Aid Relief & Economic Security Act Grant - COVID-19	21.019	HMPG 5163-0003	$ 388,106
Total U.S. Department of Treasury			388,106
U.S. DEPARTMENT OF TRANSPORTATION:			
Passed through Georgia Department of Transportation:			
Transportation Enhancement Activities Grant	20.205	GDOT PI 0013319	1,008,706
Total U.S. Department of Transportation			1,008,706
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed through Georgia Emergency Management Agency:			
Fire Hazard Mitigation Grant	97.046	HMPG5163-0003	485,460
SAFER	97.083	EMW-2015-FF-00194	50,988
Total U.S. Department of Homeland Security			536,448
Total Federal Financial Assistance			$ 1,933,260

See accompanying notes to schedule of expenditures of federal awards.

CHARLTON COUNTY, GEORGIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Charlton County, Georgia (the "County"), and is presented on the modified accrual basis of accounting.

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.* Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2. DE MINIMIS INDIRECT COST RATE

The County chose not to use the 10% de minimis cost rate for the year ended December 31, 2020.

NOTE 3. NON-CASH AWARDS

The County did not receive non-cash federal awards during the year ended December 31, 2020.

NOTE 4. SUBRECIPEIENTS

The County did not pass through any funds to subrecipients during the year ended December 31, 2020.

CHARLTON COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of report issued on whether the financial statements audited were presented in accordance with GAAP	Unmodified
Internal control over financial reporting: Material weaknesses identified?	__X__ Yes ____ No
Significant deficiencies identified not considered to be material weaknesses?	____ Yes __X__ None reported
Noncompliance material to financial statements noted?	____ Yes __X__ No

Federal Awards

Internal control over major programs: Material weaknesses identified?	____ Yes __X__ No
Significant deficiencies identified not considered to be material weaknesses?	____ Yes __X__ None Reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	____ Yes __X__ No

Identification of major program:

CFDA Number	Name of Federal Program or Cluster
20.205	**U.S. Department of Transportation** Federal Highway Administration – Highway Planning and Construction

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	____ Yes __X__ No

CHARLTON COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2020-001 Financial Reporting and Year-End Closeout

Criteria: Internal controls are processes designed to provide reasonable assurance about the achievement of an entity's objectives with regard to the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: The County required several significant year-end audit adjustments to properly report accounts receivable, capital assets, accounts payable, accrued liabilities, and expenditures/expenses.

Context: We addressed this matter with County officials, who determined the propriety of all respective details and reconciliations in order to produce trial balances and supporting documentation as of and for the fiscal year ended December 31, 2020.

Effect: Adjustments were necessary to properly report accrued payroll in the General Fund in the amount of $41,752. General Fund accounts required adjustments of $1,336,984 for accounts receivable and $2,936,555 for deferred revenue related to property taxes. Adjustments were required in the CDBG Fund to adjust accounts receivable and deferred revenue in the amount of $156,000 for de-obligated grant funds. Adjustments were needed to properly report accounts payable in the General, CDBG, Grants Fund, and SPLOST Funds by $397,372, $588, $11,600, $117,954, respectively.

The capital asset additions were not properly identified by management during the year-end closeout procedures. This resulted in adjustments at the government-wide level of $3,343,061 subsequent to year-end. Adjustments to record current year depreciation expense of $1,507,837 among the various functions was also required.

Additionally, there were no trial balances included in the financial reporting system for a number of the funds. A great effort was required to sort through, accumulate and record the effect of the year's transactions to arrive at a balanced trial balance that did not include duplicate information. This was especially true for the Grants Fund.

The ultimate effect of the above condition includes a delayed conclusion to the 2020 fiscal year financial reporting process as well as the potential for errors and irregularities to occur and not be detected and corrected in a timely manner.

Cause: There was a lack of appropriate controls implemented at the County during the fiscal year to ensure that the year-end balances were properly recorded and reconciled.

Recommendation: We recommend the County work with their third-party accounting firm to receive assistance with adjusting the system balances and performing the year-end close out procedures in order to ensure the balances are properly recorded at the end of the year. This would improve the timeliness and accuracy of the County's financial reporting.

CHARLTON COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2020-001 Financial Reporting and Year-End Closeout (Continued)

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will implement the necessary controls and procedures to ensure that balances are properly recorded and reconciled in a timely manner and ensure that all transactions are being properly recognized during the correct period.

2020-002 Prior Period Adjustments

Criteria: Internal controls are processes designed to provide reasonable assurance about the achievement of an entity's objectives with regard to the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition: The County did not properly record various transactions related to capital leases, capital assets, accounts receivable, deferred revenue, and accrued payroll in the General Fund, T-SPLOST Fund, and SPLOST Fund as of December 31, 2019, which resulted in prior period adjustments to each of these funds as well as the Governmental Activities of the County.

Context: We addressed this matter with County officials to determine the appropriate amounts to record as of and for the year ended December 31, 2019.

Effect: Prior period adjustments to increase/decrease fund balance and accounts receivable in the General, SPLOST and T-SPLOST funds in the amounts of $64,944, $78,405 and $68,102, respectively, were required as of December 31, 2019. Prior period adjustments to decrease fund balance and increase accrued payroll in the General Fund in the amount of $118,493 were required as of December 31, 2019. Prior period adjustments to increase fund balance and decrease deferred revenue in the T-SPLOST and SPLOST Funds in the amounts of $33,580 and $90,810, respectively, were required as of December 31, 2019. Prior period adjustments to decrease net position, increase capital assets and increase capital lease liabilities of the County's Governmental Activities in the net amount of $256.386 was required as of December 31, 2019.

Cause: There was a lack of appropriate controls implemented at the County during the fiscal year to ensure the prior year balances were properly recorded.

Recommendation: We recommend that the County implement the necessary controls to ensure the proper recording and reconciliation of such items as noted above in a timely manner and to ensure all transactions are being properly recognized during the correct period.

View of Responsible Officials and Planned Corrective Action: We concur with the finding. We will implement the necessary controls and procedures to ensure that our account balances are properly recorded in a timely manner and ensure that all transactions are being properly recognized during the correct period.

CHARLTON COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

CHARLTON COUNTY, GEORGIA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

STATUS OF PRIOR YEAR AUDIT FINDINGS

None reported.

Charlton County, Georgia

Board of Commissioners

James E. Everett, Chairman
Alphya Benefield, Vice Chairman
Jesse Crews, Commissioner
Drew Jones, Commissioner
Luke Gowen, Commissioner

68 Kingsland Drive, Suite B
Folkston, GA 31537-2872
(912) 496-2549 (office)
(912) 496-1156 (fax)

Hampton Raulerson, Administrator
Jenifer Nobles, County Clerk
John B. Adams, County Attorney

September 28, 2021

Dear Sir or Madam:

Please find below the Charlton County, GA corrective action plan for the audit findings reported in the December 31, 2020 annual financial report.

2020-001 Financial Reporting and Year-end Closeout

Criteria: Internal controls are processes designed to provide reasonable assurance about the achievement of an entity's objectives with regard to the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition/Cause: The County required several significant year-end audit adjustments to properly report accounts receivable, capital assets, accounts payable, accrued liabilities, and expenditures/expenses which was due to a lack of appropriate controls implemented at the County during the fiscal year to ensure that the year-end balances were properly recorded and reconciled.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will implement the necessary controls and procedures to ensure that balances are properly recorded and reconciled in a timely manner and ensure that all transactions are being properly recognized during the correct period.

2020-002 Prior Period Adjustments

Criteria: Internal controls are processes designed to provide reasonable assurance about the achievement of an entity's objectives with regard to the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations.

Condition/Cause: The County did not properly record various transactions related to capital leases, capital assets, accounts receivable, deferred revenue, and accrued payroll in the General Fund, T-SPLOST Fund, and SPLOST Fund as of December 31, 2019, which resulted in prior period adjustments to each of these funds as well as the Governmental Activities of the County which was due to a lack of appropriate controls implemented at the County during the fiscal year to ensure the prior year balances were properly recorded.

Views of Responsible Officials and Planned Corrective Action: We concur with the finding. We will implement the necessary controls and procedures to ensure that our account balances are properly recorded in a timely manner and ensure that all transactions are being properly recognized during the correct period.

Please let me know if additional information is needed.

Thank you,

Hampton Raulerson
County Administrator

CHARLTON COUNTY, GEORGIA

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
PROJECT COST SCHEDULE
CDBG 17P-Y-024-1-5925
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

Program Activity	CDBG Activity Number	Latest Approved Budget	Cumulative CDBG Expenditures To Date	Cumulative Expenditures To Date (Other Funds)	Grand Total of Expenditures To Date	Questioned Costs
			CDBG Budget			
Engineering-Street Improvements/						
Flood and Drainage	T-03K-01	$ 58,548	$ 58,548	$ -	$ 58,548	$ -
Street Improvements`	P-03K-01	339,267	339,267	-	339,267	-
Flood and Drainage Facilities	P-03K-02	54,115	54,115	-	54,115	-
Administration	A-21A-00	37,433	37,433	-	37,433	-
Budget Total		489,363	489,363	-	489,363	-
Recipient Cash Match:						
Street Improvements:						
Construction	03K-01	16,194	-	16,194	16,194	-
Recipient Cash Leverage:						
Construction:						
Street Improvements	03K-01	23,806	-	23,806	23,806	-
Engineering	03K-01	17,040	-	17,040	17,040	-
Street Improvements:						
PER	03K-01	5,000	-	5,000	-	-
Applicant/Recipient in-Kind:						
Administration						
Audit	21A-00	1,000	-	1,000	-	-
Grant Prep	21A-01	3,500	-	3,500	-	-
Budget Total Recipient		66,540	-	66,540	57,040	-
Grand Total		$ 555,903	$ 489,363	$ 66,540	$ 546,403	$ -