CHARLTON COUNTY, GEORGIA

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2021

CHARLTON COUNTY, GEORGIA

FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

Principal County Officials ..... **i**

FINANCIAL SECTION

Independent Auditor's Report ..... **1 – 4**
Management's Discussion and Analysis ..... **5 – 11**

Basic Financial Statements:
- **Government-wide Financial Statements:**
  - **Statement of Net Position** **12**
  - **Statement of Activities** **13**
- **Fund Financial Statements:**
  - **Balance Sheet – Governmental Funds** **14**
  - **Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds** **15**
  - **Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities** **16**
  - **General Fund – Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual** ..... **17 and 18**
  - **ARPA Fund – Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual** **19**
- **Statement of Fiduciary Assets and Liabilities – Fiduciary Funds** **20**
- **Statement of Changes in Fiduciary Net Position – Fiduciary Funds** **21**
- **Notes to Financial Statements** ..... **22 – 42**

Required Supplementary Information:
- **Schedule of Changes in the County's Net Pension Liability and Related Ratios** **43**
- **Schedule of County Contributions** **44**

Supplementary Information:
Combining and Individual Nonmajor Fund Statements and Schedules:
- **Combining Balance Sheet – Nonmajor Governmental Funds** **45**
- **Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds** **46**
- **Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Recreation Fund** **47**

CHARLTON COUNTY, GEORGIA

FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

TABLE OF CONTENTS (CONTINUED)

Page

FINANCIAL SECTION (CONTINUED)

Supplementary Information (Continued):
Combining and Individual Nonmajor Fund Statements and Schedules (Continued):
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Grants Fund **48**
Combining Statement of Fiduciary Net Position – Custodial Funds ..... **49 and 50**
Combining Statement of Changes in Fiduciary Net Position – Custodial Funds ..... **51 and 52**
Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds – 2020 Issue **53**

COMPLIANCE SECTION

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* ..... **54 and 55**
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance ..... **56 – 58**
Schedule of Expenditures of Federal Awards **59**
Notes to Schedule of Expenditures of Federal Awards **60**
Schedule of Findings and Questioned Costs ..... **61 – 63**
Summary of Prior Year Findings **64**
Management's Corrective Action Plan **65**

INTRODUCTORY SECTION

CHARLTON COUNTY, GEORGIA

PRINCIPAL COUNTY OFFICIALS
DECEMBER 31, 2021

COUNTY COMMISSIONERS

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

CONSTITUTIONAL OFFICERS

Robert Phillips – Sheriff
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 Judge, Juvenile Court Judge

COUNTY ADMINISTRATION

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

COUNTY ATTORNEY

John Adams

DEPARTMENT DIRECTORS

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

FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
of Charlton County, Georgia
Folkston, Georgia

Report on the Audit of the Financial Statements

Opinions

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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Charlton County Health Department (the "Health Department"), a discretely presented component unit, which represents 100% of the assets, net position and revenues of the discretely presented component unit as of December 31, 2021, and the respective changes in financial position for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the Health Department are based solely on the report of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis ("MD&A") (on pages 5 through 11), 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 is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors 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.

Supplementary 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 combining and individual nonmajor fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal award is presented for the purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* 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 accompanying schedule of expenditures of special purpose local option sales tax proceeds is presented for the purpose of additional analysis as required by the Official Code of Georgia Annotated ("O.C.G.A.") §48-8-121 and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit and the report of the other auditors, combining and individual nonmajor fund statements and schedules, the schedule of expenditures of federal awards, and the schedule of expenditures of special purpose local option sales tax proceeds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 22, 2022 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 22, 2022

Within this section of Charlton County, Georgia (the "County") annual financial report, the County's management provides narrative discussion and analysis of the financial activities of the County for the year ended December 31, 2021. 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 $33,358,373 (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 $31,173,412.

Total net position is comprised of the following:

1. Net Investment in Capital Assets, of $19,142,879 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 $3,999,505 are restricted by constraints imposed upon the County by laws and regulations.
3. Unrestricted net position of 10,215,989 represent the portion available to maintain the County's continuing obligations to citizens and creditors.

The County's governmental funds reported a total ending fund balance of $14,428,142 this year. This compares to the prior year ending fund balance, of $8,612,778 as restated showing an increase of $5,815,364 during the current year.

At the end of the current year, unassigned fund balance for the General Fund was $9,987,308, or 89.0% of total General Fund expenditures.

Overall, Charlton County, Georgia, continues to maintain a strong financial position.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities on pages 12 and 13 provide information about the activities of the County as a whole and present a longer-term view of the County's finances. Fund financial statements start on page 14. 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, are reported separately from the primary government though included in the County's overall reporting entity.

The Government-wide financial statements are presented on pages 12 and 13 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 is 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 20 of this report.

Notes to the 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 22 – 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 – 53.

Financial Analysis of the County as a Whole

The County's combined net position was $33,358,373 of December 31, 2021. This is a $2,184,961 increase from last year's net position of $31,173,412. The following table provides a summary of the County's net position:

	Governmental Activities		Total	
	2021	2020	**2021**	2020
Current and other assets	**$ 16,820,777**	$ 13,717,507	**$ 16,820,777**	$ 13,717,507
Capital assets	**20,306,641**	20,260,532	**20,306,641**	20,260,532
Total assets	**37,127,418**	33,978,039	**37,127,418**	33,978,039
Deferred outflows of resources	**695,846**	806,114	**695,846**	806,114
Current liabilities	**1,489,008**	1,171,794	**1,489,008**	1,171,794
Long-term liabilities outstanding	**2,084,413**	1,844,845	**2,084,413**	1,844,845
Total liabilities	**3,573,421**	3,016,639	**3,573,421**	3,016,639
Deferred inflows of resources	**788,064**	594,102	**788,064**	594,102
Net position:				
Net investment in capital assets	**19,142,879**	19,574,389	**19,142,879**	19,574,389
Restricted	**3,999,505**	3,907,287	**3,999,505**	3,907,287
Unrestricted	**10,319,395**	7,691,736	**10,319,395**	7,691,736
Total net position, as restated	**$ 33,461,779**	$ 31,173,412	**$ 33,461,779**	$ 31,173,412

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 71 to 1. This ratio is strong.

Note that approximately 57.3% of the governmental activities' net position is in capital (with 32.0% of the capital assets being infrastructure). 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 $2,184,961 for governmental activities.

	Governmental Activities		Total	
	2021	2020	**2021**	2020
Revenues				
Program revenues:				
Charges for services	**$ 4,849,591**	$ 5,171,184	**$ 4,849,591**	$ 5,171,184
Operating grants and contributions	**412,858**	914,594	**412,858**	914,594
Capital grants and contributions	**1,305,087**	2,166,881	**1,305,087**	2,166,881
General revenues:				
Property taxes	**7,838,143**	10,000,915	**7,838,143**	10,000,915
Other taxes	**2,064,524**	3,245,053	**2,064,524**	3,245,053
Unrestricted investment earnings	**-**	-	**-**	-
Other revenues	**-**	-	**-**	-
Total revenues	**16,470,203**	21,498,627	**16,470,203**	21,498,627
Expenses				
General government	**4,108,228**	4,521,500	**4,108,228**	4,521,500
Judicial	**973,992**	955,274	**973,992**	955,274
Public safety	**4,732,905**	5,045,126	**4,732,905**	5,045,126
Public works	**3,432,533**	4,563,114	**3,432,533**	4,563,114
Health and welfare	**232,746**	204,959	**232,746**	204,959
Culture and recreation	**475,485**	434,866	**475,485**	434,866
Other government services	**194,544**	202,790	**194,544**	202,790
Interest on long-term debt	**31,403**	26,179	**31,403**	26,179
Total expenses	**14,181,836**	15,953,808	**14,181,836**	15,953,808
Change in net position before transfers	**2,288,367**	5,544,819	**2,288,367**	5,544,819
Change in net position	**2,288,367**	5,544,819	**2,288,367**	5,544,819
Net position, beginning of year	**31,173,412**	25,628,593	**31,173,412**	25,628,593
Net position, end of year	**$ 33,461,779**	$ 31,173,412	**$ 33,461,779**	$ 31,173,412

Financial Analysis of the County's Funds

The overall repairs and maintenance expense for the equipment within the County was down in 2021 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 resources 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 balances of $10,714,603 for 2021 and $5,473,981 for 2020. In 2021, $317,745 was restricted and $9,987,308 was unassigned and available to pay current obligations.

General Fund Budgetary Highlights

The original and final budgets adopted anticipated a $0.00 decrease in its fund balance. The actual fund balance increased by $5,240,622.

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, 2021, was $20,306,641.

	Governmental Activities		Total	
	2021	2020	**2021**	2020
Land	**$ 707,650**	$ 707,650	**$ 707,650**	$ 707,650
Buildings	**6,369,841**	6,691,028	**6,369,841**	6,691,028
Infrastructure	**1,633,858**	1,806,937	**1,633,858**	1,806,937
Machinery and equipment	**11,595,292**	11,054,917	**11,595,292**	11,054,917
Total	**$ 20,306,641**	$ 20,260,532	**$ 20,306,641**	$ 20,260,532

See Note 5 for additional information about the County's capital assets on page 33.

Long-term debt

At the end of the year, the County had total debt outstanding of $2,351,879. 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 Notes, Leases and Compensated Absences.

	Governmental Activities		Total	
	2021	2020	**2021**	2020
Capital leases	$ **1,163,762**	$ 686,143	$ **1,163,762**	$ 686,143
Compensated absences	**-**	113,028	**-**	113,028
Net pension liability	**1,084,711**	1,523,359	**1,084,711**	1,523,359
Total	**$ 2,248,473**	$ 2,322,530	**$ 2,248,473**	$ 1,636,387

See Note 6 for additional information about the County's long-term debt on pages 34 and 35.

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, 2021

	Primary Government	Component Unit
	Governmental Activities	Health Department
ASSETS		
Cash and cash equivalents	$ 13,384,163	$ 589,698
Taxes receivable, net	3,300,314	-
Accounts receivable, net	4,552	-
Due from other governments	131,748	64,826
Capital assets, non-depreciable	707,650	-
Capital assets, depreciable, net of accumulated depreciation	19,598,991	13,622
Total assets	37,127,418	668,146
DEFERRED OUTFLOWS OF RESOURCES		
Pension	695,846	123,613
OPEB	-	62,737
Total deferred outflows of resources	695,846	186,350
LIABILITIES		
Accounts payable	12,900	-
Accrued liabilities	281,984	-
Unearned revenues	1,030,064	36,000
Capital leases due within one year	164,060	-
Capital leases due in more than one year	999,702	-
Compensated absences due within one year	-	7,468
Compensated absences due in more than one year	-	29,872
Net pension liability	1,084,711	439,662
Net OPEB liability	-	68,919
Total liabilities	3,573,421	581,921
DEFERRED INFLOWS OF RESOURCES		
Pension	788,064	3,997
OPEB	-	153,429
Total deferred inflows of resources	788,064	157,426
NET POSITION		
Net investment in capital assets	19,142,879	13,622
Restricted for:		
Capital projects	3,681,760	-
Excess funds - tax sales	82,570	-
Public safety	72,229	-
Solid waste	162,946	-
Culture and recreation	-	125,801
Unrestricted	10,319,395	(24,274)
Total net position	$ 33,461,779	$ 115,149

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

CHARLTON COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

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	$ 4,108,228	$ 4,362,610	$ 412,858	$ -	$ 667,240	$ -
Judicial	973,992	207,633	-	-	(766,359)	-
Public safety	4,732,905	279,348	-	-	(4,453,557)	-
Public works	3,432,533	-	-	1,305,087	(2,127,446)	-
Health and welfare	232,746	-	-	-	(232,746)	-
Culture and recreation	475,485	-	-	-	(475,485)	-
Other services	194,544	-	-	-	(194,544)	-
Interest on long-term debt	31,403	-	-	-	(31,403)	-
Total governmental activities	$ 14,181,836	$ 4,849,591	$ 412,858	$ 1,305,087	(7,614,300)	-
Component units:						
Health Department	$ 426,232	$ 141,547	$ 351,421	$ -	-	66,736
Total component units	$ 426,232	$ 141,547	$ 351,421	$ -	-	66,736
General revenues:						
Property taxes					7,838,143	-
Sales taxes					2,064,524	-
Other					-	61,697
Total general revenues					9,902,667	61,697
Change in net position					2,288,367	128,433
Net position, beginning of year					31,173,412	(13,284)
Net position, end of year					$ 33,461,779	$ 115,149

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

CHARLTON COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	General	SPLOST Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 8,801,480	$ 2,139,176	$ 1,030,064	$ 1,413,443	$ 13,384,163
Taxes receivable, net	3,062,471	237,843	-	-	3,300,314
Accounts receivable, net	4,552	-	-	-	4,552
Due from other governments	79,365	-	-	52,383	131,748
Total assets	$ 11,947,868	$ 2,377,019	$ 1,030,064	$ 1,465,826	$ 16,820,777
LIABILITIES					
Accounts payable	$ -	$ 12,900	$ -	$ -	$ 12,900
Accrued liabilities	154,858	-	-	-	154,858
Due to other governments	-	116,406	-	-	116,406
Unearned revenue	-	-	1,030,064	-	1,030,064
Total liabilities	154,858	129,306	1,030,064	-	1,314,228
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues					
Taxes	1,078,407	-	-	-	1,078,407
Total deferred inflows of resources	1,078,407	-	-	-	1,078,407
FUND BALANCES					
Fund balances:					
Restricted for:					
Capital projects	-	2,247,713	-	1,434,047	3,681,760
Excess funds - tax sales	82,570				82,570
Public safety	72,229	-	-	-	72,229
Solid waste	162,946				162,946
Assigned for:					
Culture and recreation	1,929	-	-	31,779	33,708
EMS expenditures	407,621	-	-	-	407,621
Unassigned	9,987,308	-	-	-	9,987,308
Total fund balances	10,714,603	2,247,713	-	1,465,826	14,428,142
Total liabilities, deferred inflows of resources and fund balances	$ 11,947,868	$ 2,377,019	$ 1,030,064	$ 1,465,826	$ 16,820,777

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.		20,306,641
Other long-term assets are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.		1,078,407
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.		(92,218)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Capital leases	$ (1,163,762)	
Compensated absences	-	
Net pension liability	(1,084,711)	
Accrued interest	(10,720)	(2,259,193)
Net position of governmental activities		$ 33,461,779

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, 2021

	General	SPLOST Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes	$ 11,177,393	$ 1,308,575	$ -	$ 755,949	$ 13,241,917
Fines and forfeitures	207,633	-	-	-	207,633
Licenses, fees and permits	142,932	-	-	-	142,932
Intergovernmental	412,858	-	270,556	1,034,531	1,717,945
Charges for services	4,050,713	-	-	62,539	4,113,252
Other revenue	385,774	-	-	-	385,774
Total revenues	16,377,303	1,308,575	270,556	1,853,019	19,809,453
Expenditures					
Current:					
General government	3,612,263	-	270,556	-	3,882,819
Judicial	801,173	-	-	-	801,173
Public safety	4,506,500	-	-	-	4,506,500
Public works	1,556,810	-	-	-	1,556,810
Health and welfare	197,490	-	-	-	197,490
Culture and recreation	340,955	-	-	46,636	387,591
Economic development	197,233	-	-	-	197,233
Intergovernmental	-	275,652	-	-	275,652
Capital outlay	-	1,052,106	-	1,582,931	2,635,037
Debt service:					
Principal	3,716	471,266	-	11,666	486,648
Interest and other charges	-	23,591	-	7,812	31,403
Total expenditures	11,216,140	1,822,615	270,556	1,649,045	14,958,356
Excess (deficiency) of revenues over (under) expenditures	5,161,163	(514,040)	-	203,974	4,851,097
Other financing sources (uses)					
Lease proceeds	-	964,267		-	964,267
Transfers in	79,459	-	-	24,845	104,304
Transfers out	-	(79,459)	-	(24,845)	(104,304)
Total other financing sources (uses)	79,459	884,808	-	-	964,267
Net change in fund balances	5,240,622	370,768	-	203,974	5,815,364
Fund balances, beginning of year	5,473,981	1,876,945	-	1,261,852	8,612,778
Fund balances, end of year	$ 10,714,603	$ 2,247,713	$ -	$ 1,465,826	$ 14,428,142

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, 2021

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ 5,815,364
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 expense in the current period.		
Capital outlay	$ 1,751,764	
Depreciation expense	(1,705,655)	46,109
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the change in unavailable revenue.		(3,339,250)
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.		
Lease proceeds	$ (964,267)	
Principal payments on leases	486,648	(477,619)
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.		
Net pension liability	$ 134,418	
Accrued interest	113,028	
Compensated absences	(3,683)	243,763
Change in net position of governmental activities		$ 2,288,367

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, 2021

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Property taxes	$ 6,184,901	$ 6,202,630	$ 9,520,232	$ 3,317,602
Other taxes	1,282,000	1,650,274	1,657,161	6,887
Licenses, fees and permits	113,000	142,875	142,932	57
Charges for services	3,967,182	4,144,090	4,050,713	(93,377)
Fines and forfeitures	193,600	209,299	207,633	(1,666)
Intergovernmental	540,648	409,395	412,858	3,463
Interest income	12,500	-	-	-
Other revenue	82,234	380,547	385,774	5,227
Total revenues	12,376,065	13,139,110	16,377,303	3,238,193
Expenditures				
General Government:				
Governing Body	81,189	82,689	82,456	233
Boards and Commissions	2,600	2,600	2,568	32
Clerk of Council/Commission	139,213	139,213	134,634	4,579
Chief Executive (Administrator)	78,840	74,840	71,775	3,065
Elections	91,143	93,043	64,704	28,339
General Administration	260,000	260,000	-	260,000
Financial Administration	272,500	543,556	239,874	303,682
Human Resources	2,139,466	2,280,059	2,243,727	36,332
Tax Commissioners	261,540	268,964	252,845	16,119
Tax Assessors	404,678	410,471	346,412	64,059
Board of Equalization	-	100	79	21
General Government Buildings	198,812	180,812	173,189	7,623
Total General Government	3,929,981	4,336,347	3,612,263	724,084
Judiciary:				
Superior Court	432,332	432,332	418,966	13,366
State Court	135,505	135,522	128,650	6,872
Solicitor	73,786	73,786	65,192	8,594
Probate/Magistrate Court	195,364	195,364	188,365	6,999
Total Judiciary	836,987	837,004	801,173	35,831
Public Safety:				
Sheriff	1,610,523	1,747,598	1,589,178	158,420
Jail	1,292,253	1,432,753	1,315,505	117,248
Fire	239,203	239,203	180,931	58,272
EMS	1,833,666	1,858,632	1,348,167	510,465
Coroner/Medical Examiner	22,165	22,165	17,108	5,057
Other Protection	29,265	29,265	29,265	-
Emergency Management	29,940	29,971	26,346	3,625
Total Public Safety	5,057,015	5,359,587	4,506,500	853,087
Public Works:				
Public Works Administration	211,270	211,270	170,550	40,720
Roads and Bridges	1,033,243	1,308,543	841,021	467,522
Shop - Vehicle and Equipment Maintenance	199,687	205,187	205,385	(198)
Solid Waste and Recycling	420,000	420,000	339,854	80,146
Total Public Works	1,864,200	2,145,000	1,556,810	588,190

(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, 2021

	Budget			Variance With
	Original	Final	Actual	Final Budget
Expenditures (Continued)				
Health and Welfare:				
Public Health	$ 77,700	$ 87,700	$ 86,465	$ 1,235
Welfare	13,816	13,816	13,816	-
Community Services - Action Pact	14,000	14,000	14,000	-
Senior Citizens Center	88,711	93,132	83,209	9,923
Total Health and Welfare	194,227	208,648	197,490	11,158
Culture and Recreation:				
Recreation Administration	284,854	326,454	269,955	56,499
Library	71,000	71,000	71,000	-
Total Culture and Recreation	355,854	397,454	340,955	56,499
Economic Development:				
County Extension/4H Services	68,571	68,571	62,906	5,665
Protective Inspection Administration	124,342	124,342	95,327	29,015
Economic Development and Resources	39,000	39,000	39,000	-
Total Economic Development	231,913	231,913	197,233	34,680
Debt service:				
Principal	-	4,000	3,716	284
Total expenditures	12,470,177	13,519,953	11,216,140	2,303,813
Excess (deficiency) of revenues over (under) expenditures	(94,112)	(380,843)	5,161,163	5,542,006
Other financing sources				
Transfers in	94,112	380,843	79,459	(301,384)
Total other financing sources	94,112	380,843	79,459	(301,384)
Net change in fund balance	-	-	5,240,622	5,240,622
Fund balance, beginning of year	5,473,981	5,473,981	5,473,981	-
Fund balance, end of year	$ 5,473,981	$ 5,473,981	$ 10,714,603	$ 5,240,622

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

CHARLTON COUNTY, GEORGIA

ARPA FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Intergovernmental	$ 270,556	$ 270,556	$ 270,556	$ -
Total revenues	270,556	270,556	270,556	-
Expenditures				
General government	270,556	270,556	270,556	-
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

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2021

	Custodial Funds
ASSETS	
Cash and cash equivalents	$ 493,510
Total assets	493,510
NET POSITION	
Restricted:	
Individuals, organizations and other governments	493,510
Total net position	$ 493,510

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, 2021

	Custodial Funds
ADDITIONS	
Taxes	$ 16,867,310
Fines and fees	25,487,989
Criminal and civil bonds	48,788
Total additions	42,404,087
DEDUCTIONS	
Taxes and fees paid to other governments	16,867,310
Other custodial disbursements	27,833,000
Total deductions	44,700,310
Change in fiduciary net position	(2,296,223)
NET POSITION, beginning of year, as restated	2,789,733
NET POSITION, end of year	$ 493,510

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 GAAP, as set forth in GASB Statement No. 14, as amended, 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, Folkston, Georgia 31533.

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, proprietary 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 so 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% SPLOST. 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 ***American Rescue Plan Act ("ARPA") Fund*** is a special revenue fund that accounts for the revenues and expenditures associated with the U.S. Department of Treasury's Coronavirus State and Local Recovery Funds established by the American Rescue Plan Act of 2021.

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 ***capital project funds*** account for financial resources that are legally restricted to acquisition or construction of major capital facilities.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

E. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2021, 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".

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Compensated Absences (Continued)

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 5.53 hours per month. Sick leave may not be accrued in excess of 240 hours.

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 future period(s) and so 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 future period(s) and so 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 relate to the County's pension plan. 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. 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 balances." Fund equity for all other reporting is classified as "net position."

Fund Balances – Generally, fund balances represent 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)

Fund Balances (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 balances 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 balances, it is the County's policy to use fund balances 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

A. 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 Projects funds are adopted one 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 2. LEGAL COMPLIANCE – BUDGETS

B. Excess of Expenditures over Appropriations

For the year ended December 31, 2021, expenditures exceeded appropriations at the legal level of budgetary control as follows:

Department	Excess
Recreation Fund	
Culture and recreation	$ 19,636
Grants Fund	
Capital outlay	878,355

These over expenditures were funded primarily by underspending in other departments.

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, 2021, the County held no investments.

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, 2021, the deposits of the County and its component units were properly insured and collateralized as defined by GASB pronouncements and the Official Code of Georgia Annotated ("O.C.G.A.").

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, 2021, consists of the following:

	General Fund	SPLOST Fund	Nonmajor Governmental Funds	Total
Receivables:				
Taxes	$ 3,062,471	$ 237,843	$ -	$ 3,300,314
Accounts	4,552	-	-	4,552
Due from other governments	79,365	-	52,383	131,748
Total receivables	$ 3,146,388	$ 237,843	$ 52,383	$ 3,436,614

The Board of Commissioners levies property taxes by or about August 25th of each year. Property taxes attach as an enforceable lien on property as of January 1. Property taxes are billed on or about September 15th of each year and are payable within 60 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 2021, property tax bills were mailed on March 1, 2021, and were due on May 15, 2021.

NOTE 5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended December 31, 2021, is as follows:

	Beginning Balance	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	10,847,998	86,136	-	-	10,934,134
Infrastructure	11,910,615	215,590	-	-	12,126,205
Machinery and equipment	13,427,892	1,450,038	-	-	14,877,930
Total	36,186,505	1,751,764	-	-	37,938,269
Less accumulated depreciation for:					
Buildings	(4,156,970)	(407,323)	-	-	(4,564,293)
Infrastructure	(10,103,678)	(388,669)	-	-	(10,492,347)
Machinery and equipment	(2,372,975)	(909,663)	-	-	(3,282,638)
Total	(16,633,623)	(1,705,655)	-	-	(18,339,278)
Total capital assets, being depreciated, net	19,552,882	46,109	-	-	19,598,991
Governmental activities capital assets, net	$ 20,260,532	$ 46,109	$ -	$ -	$ 20,306,641

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

Governmental activities:	
General government	$ 88,020
Judicial	188,949
Public safety	660,389
Public works	641,114
Health and welfare	36,600
Culture and recreation	90,583
Total depreciation expense - governmental activities	$ 1,705,655

NOTE 6. LONG-TERM DEBT

The following is a summary of long-term debt activity for the primary government for the year ended December 31, 2021:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Capital leases	$ 686,143	$ 964,267	$ (486,648)	$ 1,163,762	$ 164,060
Compensated absences	113,028	-	(113,028)	-	-
Net pension liability	1,523,359	703,298	(1,141,946)	1,084,711	-
Governmental activities Long-term liabilities	$ 2,322,530	$ 1,667,565	$ (1,741,622)	$ 2,248,473	$ 164,060

For 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, and interest rates on the leases range from 2.3% to 3.79%.

The cost of assets under capital leases as of December 31, 2021:

	Governmental Activities
Equipment	$ 1,678,321
Less accumulated depreciation	(817,591)
Carrying value	$ 860,730

Current year depreciation expense of assets under capital lease totaled $234,965.

NOTE 6. LONG-TERM DEBT (CONTINUED)

Capital Leases Payable (Continued)

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

Fiscal year	Total
2022	$ 189,830
2023	473,701
2024	170,539
2025	127,606
2026	327,908
Total minimum lease payments	1,289,584
Less amount representing interest	(125,822)
Present value of future minimum lease payments	1,163,762
Less current maturities	(164,060)
	$ 999,702

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund transfers as of December 31, 2021, are as follows:

Transfers In	Transfer Out	Amount
General Fund	SPLOST Fund	$ 79,459
Nonmajor Governmental Funds	Nonmajor Governmental Funds	24,845
		$ 104,304

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 and is required to pay annual dues thereto. During its year ended December 31, 2021, the County paid $9,268 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 an RC. Separate financial statements may be obtained from: Southern Georgia Commission, 3395 Harris Road, Waycross, Georgia 31503.

NOTE 9. RETIREMENT PLANS

A. 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, 2020, (the most recent actuarial valuation date) is as follows:

Inactive plan members or beneficiaries currently receiving benefits	28
Inactive plan members entitled to but not receiving benefits	39
Active plan members	68
Total	135

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 required contribution for the 2021 Plan year is $305,966 or 11.5% of covered payroll. No contributions are required of or permitted by plan members. The County meets all costs of the Plan.

B. 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.

NOTE 9. RETIREMENT PLANS (CONTINUED)

B. Net Pension Liability of the County (Continued)

The County's net pension liability was measured as of December 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020, with update procedures performed by the actuary to roll forward to the total pension liability measured as of December 31, 2020.

Actuarial Assumptions. The total pension liability in the January 1, 2020 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 inflatio

Mortality rates were based on the PUB-2010 GE (50%) & PS (50%) AMT-Weighted with Scale AA to 2020.

The actuarial assumptions used in the January 1, 2020 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)

B. 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, 2020, 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)

B. 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, 2021, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2019	$ 6,792,164	$ 5,268,805	$ 1,523,359
Changes for the year:			
Service cost	154,858	-	154,858
Interest	468,289	-	468,289
Liability experience (gain)/loss	(135,277)	-	(135,277)
Assumption change	12,933	-	12,933
Plan change	-	-	-
Contributions-employer	-	305,966	(305,966)
Net investment income	-	700,703	(700,703)
Benefit payments, including refunds of employee contributions	(204,627)	(204,627)	-
Administrative expense	-	(29,497)	29,497
Other changes	-	(37,721)	37,721
Net changes	296,176	734,824	(438,648)
Balances at December 31, 2020	$ 7,088,340	$ 6,003,629	$ 1,084,711

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	$ 2,092,820	$ 1,084,711	$ 248,333

NOTE 9. RETIREMENT PLANS (CONTINUED)

B. 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, 2020, and the current sharing pattern of costs between employer and employee.

C. Pension Expense and Deferred Outflows of Resources Related to Pensions

For the year ended December 31, 2021, the County recognized pension expense of $698,047. At December 31, 2021, 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	$ -	$ 441,621
Contributions subsequent to the measurement date	305,966	-
Assumption changes	386,206	-
Experience differences	3,674	346,443
Total	$ 695,846	$ 788,064

County contributions subsequent to the measurement date of $305,966 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, 2022. The remaining deferred outflows and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ending December 31,	
2022	$ (127,291)
2023	(134,115)
2024	(19,542)
2025	(117,236)
Total	$ (398,184)

NOTE 10. DEFINED CONTRIBUTION PENSION PLAN

The ACCG 401(a) Defined Contribution Plan for Senior Management (the “Plan”) is a single employer contribution plan established and administered by the Charlton County Board of Commissioners for the senior management of the County. The Plan provides retirement and death benefits to Plan participants and beneficiaries. Plan provisions and contribution requirements are established and may be amended by the Board of Commissioners.

Employees are not required to contribution to the Plan. The County contributes an amount equal to 10% of each participant’s compensation. For the year ended December 31, 2021, the County’s contribution to the Plan was $6,803.

NOTE 11. 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 12. 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.

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,

	2021	2020	2019	2018	2017	2016	2015
Total pension liability							
Service cost	**$ 154,858**	$ 135,880	$ 136,329	$ 121,999	$ 116,119	$ 97,088	$ 77,914
Interest on total pension liability	**468,289**	416,831	392,319	380,359	356,779	329,392	314,530
Liability experience (gain)/loss	**(135,277)**	(306,464)	8,081	(172,539)	(67,343)	24,657	-
Assumption change	**12,933**	359,398	283,267	12,530	173,040	197,126	-
Plan change	-	323,504	-	-	-	-	-
Benefit payments, including refunds of employee contributions	**(204,627)**	(183,449)	(184,830)	(177,380)	(178,641)	(193,778)	(194,282)
Net change in total pension liability	**296,176**	745,700	635,166	164,969	399,954	454,485	198,162
Total pension liability - beginning	**6,792,164**	6,046,464	5,411,298	5,246,329	4,846,375	4,391,890	4,193,728
Total pension liability - ending (a)	**$ 7,088,340**	$ 6,792,164	$ 6,046,464	$ 5,411,298	$ 5,246,329	$ 4,846,375	$ 4,391,890
Plan fiduciary net position							
Contributions - employer	**$ 305,966**	$ 277,850	$ 283,315	$ 299,026	$ 302,648	$ 268,400	$ 243,193
Net investment income	**700,703**	890,868	(207,501)	599,417	241,913	22,242	232,793
Benefit payments, including refunds of employee contributions	**(204,627)**	(183,449)	(178,364)	(171,175)	(178,641)	(186,774)	(187,260)
Administrative expenses	**(29,497)**	(28,711)	(18,690)	(15,139)	(18,017)	(13,927)	(12,787)
Other	**(37,721)**	(32,422)	(20,393)	(37,866)	(89,730)	(61,694)	(80,126)
Net change in fiduciary net position	**734,824**	924,136	(141,633)	674,263	258,173	28,247	195,813
Plan fiduciary net position - beginning	**5,268,805**	4,344,669	4,486,302	3,812,039	3,553,866	3,525,619	3,329,806
Plan fiduciary net position - ending (b)	**$ 6,003,629**	$ 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)	**$ 1,084,711**	$ 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	84.7%	77.6%	71.9%	82.9%	72.7%	73.3%	80.3%
Covered payroll	**$ 2,586,396**	$ 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	41.9%	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,

	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	**$ 305,966**	$ 293,100	$ 260,257	$ 262,395	$ 299,026	$ 302,648	$ 268,400	$ 241,649
Contributions in relation to the actuarially determined contribution	**305,966**	277,850	282,822	262,395	299,026	302,648	268,400	241,649
Contribution deficiency (excess)	**-**	$ 15,250	$ (22,565)	$ -	$ -	$ -	$ -	$ -
Covered payroll	**$ 2,665,096**	$ 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	**11.5%**	10.7%	10.9%	9.4%	12.3%	13.3%	12.8%	12.3%

Notes to the Schedule:

Valuation Date	January 1, 2020
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.

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

Capital Projects Fund

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.

CHARLTON COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2021

	Special Revenue		Capital Projects	
	Recreation Department Fund	Grants Fund	Transportation SPLOST Fund	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	$ 31,779	$ 460,577	$ 921,087	$ 1,413,443
Due from other governments	-	-	52,383	52,383
Total assets	$ 31,779	$ 460,577	$ 973,470	$ 1,465,826
FUND BALANCES				
Restricted for:				
Capital projects	$ -	$ 460,577	$ 973,470	$ 1,434,047
Assigned for:				
Culture and recreation	31,779	-	-	31,779
Total fund balances	$ 31,779	$ 460,577	$ 973,470	$ 1,465,826

CHARLTON COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

	Special Revenue		Capital Projects	
	Recreation Department Fund	Grants Fund	Transportation SPLOST Fund	Total Nonmajor Governmental Funds
Revenues				
Taxes	$ -	$ -	$ 755,949	$ 755,949
Intergovernmental	-	1,034,531	-	1,034,531
Charges for services	62,539	-	-	62,539
Total revenues	62,539	1,034,531	755,949	1,853,019
Expenditures				
Current:				
Culture and recreation	46,636	-	-	46,636
Capital outlay	-	1,255,885	327,046	1,582,931
Debt service:				
Principal	-	-	11,666	11,666
Interest and other charges	-	-	7,812	7,812
Total expenditures	46,636	1,255,885	346,524	1,649,045
Excess (deficiency) of revenues over (under) expenditures	15,903	(221,354)	409,425	203,974
Other financing sources (uses)				
Transfers in	-	-	24,845	24,845
Transfers out	-	(24,845)	-	(24,845)
Total other financing sources (uses)	-	(24,845)	24,845	-
Net change in fund balances	15,903	(246,199)	434,270	203,974
Fund balances, beginning of year	15,876	706,776	539,200	1,261,852
Fund balances, end of year	$ 31,779	$ 460,577	$ 973,470	$ 1,465,826

CHARLTON COUNTY, GEORGIA

RECREATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Charges for services	$ 27,000	$ 27,000	$ 62,539	$ 35,539
Total revenues	27,000	27,000	62,539	35,539
Expenditures				
Culture and recreation	27,000	27,000	46,636	(19,636)
Net change in fund balance	-	-	15,903	(15,903)
Fund balance, beginning of year	15,876	15,876	15,876	-
Fund balance, end of year	$ 15,876	$ 15,876	$ 31,779	$ (15,903)

CHARLTON COUNTY, GEORGIA

GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues				
Intergovernmental	$ 377,530	$ 377,530	$ 1,034,531	$ 657,001
Total revenues	377,530	377,530	1,034,531	657,001
Expenditures				
Capital outlay	377,530	377,530	1,255,885	(878,355)
Total expenditures	377,530	377,530	1,255,885	(878,355)
Deficiency of revenues under expenditures	-	-	(221,354)	(221,354)
Other financing uses				
Transfers out	-	-	(24,845)	(24,845)
Total other financing uses	-	-	(24,845)	(24,845)
Net change in fund balance	-	-	(246,199)	(246,199)
Fund balance, beginning of year	706,776	706,776	706,776	-
Fund balance, end of year	$ 706,776	$ 706,776	$ 460,577	$ (246,199)

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, 2021

ASSETS	Tax Commissioner	Sheriff	Clerk of Superior Court	Probate Court
Cash and cash equivalents	$ -	$ 39,149	$ 445,850	$ 5,292
Total assets	-	39,149	445,850	5,292
NET POSITION				
Restricted:				
Individuals, organizations and other governments	-	39,149	445,850	5,292
Total net position	$ -	$ 39,149	$ 445,850	$ 5,292

Magistrate Court	ICE Conduit	Total
$ 3,119	$ 100	$ 493,510
3,119	100	493,510
3,119	100	493,510
$ 3,119	$ 100	$ 493,510

CHARLTON COUNTY, GEORGIA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

	Tax Commissioner	Sheriff	Clerk of Superior Court	Probate Court
ADDITIONS				
Taxes	$ 16,867,310	$ -	$ -	$ -
Fines and fees	-	49,979	720,680	72,193
Criminal and civil bonds	-	-	48,788	-
Total additions	16,867,310	49,979	769,468	72,193
DEDUCTIONS				
Taxes and fees paid to other governments	16,867,310	-	-	-
Other custodial disbursements	-	46,760	783,658	67,862
Total deductions	16,867,310	46,760	783,658	67,862
Change in fiduciary net position	-	3,219	(14,190)	4,331
Net position, beginning of year	-	35,930	460,040	961
Net position, end of year	$ -	$ 39,149	$ 445,850	$ 5,292

Magistrate Court	ICE Conduit	Total
$ -	$ -	$ 16,867,310
35,133	24,610,004	25,487,989
-	-	48,788
35,133	24,610,004	42,404,087
-	-	16,867,310
32,064	26,902,656	27,833,000
32,064	26,902,656	44,700,310
3,069	(2,292,652)	(2,296,223)
50	2,292,752	2,789,733
$ 3,119	$ 100	$ 493,510

CHARLTON COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2020 ISSUE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

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	43,443	93,479
Administration/ Imrpovement	400,000	430,923	3,404	24,300	27,704
Fire Department Station Rennovation	200,000	215,461	-	66,615	66,615
Roads and Equipment	2,350,000	2,531,672	133,455	1,334,593	1,468,048
Fire Department Vehicles and Equipment	400,000	430,923	-	17,276	17,276
Parks and Recreation	300,000	323,192	76,182	60,736	136,918
City of Folkston	1,200,000	1,292,769	217,645	220,522	438,167
City of Homeland	300,000	323,192	54,411	55,130	109,541
Total	$ 6,800,000	$ 7,325,688	$ 616,024	$ 1,822,615	$ 2,438,639

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, 2021, 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 22, 2022. 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.

Report on 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) as a basis for designing 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. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a material weakness.

Report on 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 Finding

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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 22, 2022

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

Opinion on Each Major Federal Program

We have audited Charlton County, Georgia's (the "County") compliance with the types of compliance requirements identified as subject to audit 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, 2021. 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.

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, 2021.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Charlton County, Georgia's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 22, 2022

CHARLTON COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Contract or Project Number	Total Expenditures
U.S. DEPARTMENT OF TREASURY:			
Coronavirus State and Local Fiscal Recovery Funds	21.027	SLT-2037	$ 270,556
Total U.S. Department of Treasury			270,556
U.S. DEPARTMENT OF TRANSPORTATION:			
Passed through Georgia Department of Transportation:			
Transportation Enhancement Activities Grant	20.205	GDOT PI 0013319	110,360
Total U.S. Department of Transportation			110,360
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed through Georgia Emergency Management Agency:			
Hazard Mitigation Grant Program	97.039	HMPG5163-0003	572,661
Total U.S. Department of Homeland Security			572,661
Total Federal Financial Assistance			$ 953,577

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, 2021.

NOTE 3. NON-CASH AWARDS

The County did not receive non-cash federal awards during the year ended December 31, 2021.

NOTE 4. SUBRECIPIENTS

The County did not pass through any funds to subrecipients during the year ended December 31, 2021.

CHARLTON COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

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

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 Report the auditor issued on compliance for major programs: Modified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? ____ Yes __X__ No

Identification of major program:

AL Number	Name of Federal Program or Cluster
97.039	**U.S. Department of Homeland Security** Hazard Mitigation Grant Program

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, 2021

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2021-001 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, 2021.

Effect: For the General Fund, adjustments were necessary to correct beginning fund balance in the amount of $171,966, accounts receivable in the amount of $3,146,388, unavailable revenue in the amount of $512,279, accrued payroll in the amount of $154,858 and accounts payable in the amount of $397,272. Adjustments were required in the ARPA Fund to correct revenue and unearned revenue in the amount of $1,030. Adjustments were required in the Grant Fund to correct beginning fund balance and accounts payable in the amount of $11,600. Adjustments were required in the T-SPLOST Fund to correct beginning fund balance in the amount of $37,314 and accounts receivable in the amount of $52,383. Additionally, adjustments were required in the SPLOST Fund to correct beginning fund balance in the amount of $94,702, accounts receivable in the amount of $123,989 and accounts payable in the amount of $12,900.

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 $1,751,764 subsequent to year-end. Adjustments to record current year depreciation expense of $1,705,655 among the various functions was also required.

Additionally, there were trial balances either not included (or not accurate) 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 mostly prevalent in the Grants Fund.

The ultimate effect of the above condition includes a delayed conclusion to the 2021 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.

CHARLTON COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2021-001 Financial Reporting and Year-end Closeout (Continued)

Recommendation: We recommend the County utilize their third-party accounting firm for assistance with adjusting account balances and performing the year-end close out procedures in order to ensure all account balances are properly recorded at year-end.

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 year-end closeout procedures are performed prior to the start of the annual audit process.

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, 2021

STATUS OF PRIOR YEAR AUDIT FINDINGS

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.

Status: Unresolved, see finding 2021-001

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, 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.

Status: Resolved

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 22, 2022

Dear Sir or Madam:

Please find below the Charlton County, GA corrective action plan for the audit findings reported in the December 31, 2021 annual financial report.

2021-001 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.

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 year-end closeout procedures are performed prior to the start of the annual audit process.

Please let me know if additional information is needed.

Thank you,

Hampton Raulerson
County Administrator