MCINTOSH COUNTY, GEORGIA

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

MCINTOSH COUNTY, GEORGIA

FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

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FINANCIAL SECTION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
of McIntosh County, Georgia
Darien, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of **McIntosh County, Georgia (the "County")**, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise McIntosh County, Georgia's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the McIntosh County Health Department, which represents 100% of the assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the McIntosh County Health Department, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America requires that the Management's Discussion and Analysis (on pages 4 through 11) and the Schedule of Changes in the County's Net Pension Liability and Related Ratios (on pages 52 and 53), and the Schedule of County Contributions (on pages 54 and 55) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with accounting principles generally accepted in the United States of America which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, the schedules of expenditures of special purpose local option sales tax ("SPLOST") proceeds, and the schedule of expenditures of transportation special purpose local option sales tax ("TSPLOST") proceeds, as required by the Official Code of Georgia Annotated ("O.C.G.A.") § 48-8-121, and as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for 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.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2021, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering McIntosh County, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Savannah, Georgia
September 23, 2021

MCINTOSH COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

As County Manager of McIntosh County, Georgia, I offer readers of the County's financial statements this narrative overview and analysis of the financial activities of McIntosh County for the year ended September 30, 2020. This discussion is intended to help provide a comprehensive understanding of the financial performance and condition of McIntosh County taken as a whole. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in the financial statements and the notes to the financial statements.

Fiscal Year 2020 is the fifteenth year McIntosh County has prepared its annual report in compliance with the financial reporting model, GASB 34. This reporting model is a combination of both government-wide financial statements and fund financial statements. As such, our basic financial statements contain three components:

1) Government-wide financial statements including the Statement of Net Position and the Statement of Activities. These statements provide a broad, long-term overview of the County's finances based upon the driving factors of economic resources available.

2) Fund financial statements including Balance Sheets and Statements of Revenues, Expenditures and Changes in Fund Balance. These statements focus more on the short-term performance of the County's finances based upon the current financial resources available.

3) Notes to the financial statements.

The Management's Discussion and Analysis ("MD&A") will assist the reader by highlighting and summarizing in general terms the basic financial information contained within the annual report.

Financial Highlights

Key Financial Highlights for fiscal year 2020 are as follows:

Government-wide Financial Statements:

- At September 30, 2020, the County's assets exceeded its liabilities by $28,420,330 (net position).
- The County's $22,336,570 net investment in capital assets leaves the County with $6,083,760 in net position of which $3,042,261 is restricted.
- The County's total net position increased from $26,358,441 in the prior year to $28,420,330 in the current year, for a total increase of $2,061,889, or 7.82%.
- The County's revenues for fiscal year 2020 totaled $20,339,923. Of this amount, 27% are property tax revenues, 14% are sales tax revenues, 2% are other tax revenues, 5% are for business taxes, 38% are charges for services, and 14% are grant revenues. This is a 10.5% increase over fiscal year 2019 revenues.

- The County's total program expenses for fiscal year 2020 totaled $18,278,034. Of this amount, 44% are public safety expenses, 15% are general governmental expenses, 6% are judicial expenses, 10% are public works expenses, 12% are solid waste, and the remaining 13% are other expenses. This is a 2.7% increase over fiscal year 2019 expenses.

Governmental Funds Financial Statements:

- The County's governmental funds recorded total assets of $11,170,015 for fiscal year ended September 30, 2020. This amount is over the total governmental funds liabilities and deferred inflow of resources by $9,735,841 (fund balance).

- Total governmental fund's fund balances for fiscal year ended September 30, 2020 increased by $723,309 from the previous year. This increase was a result of a $567,351 increase in the General Fund, and a $155,958 increase in Other Governmental Funds.

- Total governmental fund balance of $9,735,841 consists of $1,059,832 nonspendable, $2,892,116 restricted, $131,353 committed, and $5,652,540 unassigned.

Overview of the Financial Statements

The reporting model for the government-wide financial statements is designed to provide readers with a broad overview of the County's financial performance over the past year and the resulting condition thereof. The statements resemble those of private sector business by taking on an "economic resource" approach as opposed to a "current resource" approach traditionally found in fund financial statements. Additionally, this MD&A helps highlight and emphasize in plain language, the events that have occurred over the past year to bring about the current financial condition of the County. I encourage readers to review all of the basic financial statements, along with the MD&A and supplementary information in order to fully understand the overall financial position of McIntosh County, Georgia.

Reporting on the County as a Whole

The model of financial reporting, which includes the statement of net position and the statement of activities beginning on page 12, helps readers identify whether or not the County as a whole is in better condition as a result of the events that have taken place over the past year. These statements capture all assets and liabilities using the *accrual basis of accounting.* This format of accounting resembles that used by most private-sector companies by recording all of the current year's revenues and expenses regardless of when cash is received or paid.

In the statement of net position and statement of activities, the County is presented in three distinct activities:

- Governmental activities – This section reports most of the familiar governmental services: general government, judicial, public safety, public works, health and welfare, culture and recreation, housing and development, and interest on long-term debt. The majority of funding for these programs comes from property taxes, sales tax, charges for services and fines and forfeitures.

- Business-type activities – This section reports activities that are financed and operated in a manner similar to private business enterprises where the intent of the governing authority is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges or where the governing authority has decided that periodic determination of revenues earned, expenses incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. For purposes of this paragraph, the term "costs" means expenses, including depreciation.

- Component units – There is one component unit included in the report related to McIntosh County Health Department. Although this unit is a legally separate entity, it is important because the County has a significant financial interest in this unit.

Reporting on the County's Most Significant Funds

The fund financial statements beginning on page 15 provide a more detailed look at the County's most significant funds – not the County as a whole. While some funds are required by state law, others are established by the Board of Commissioners to help control budgets and financing for specific purposes. The County maintains three categories of funds: governmental, proprietary and fiduciary.

- Governmental funds – As you might expect, most of the familiar governmental services (general government, judiciary, public safety, public works, health and welfare, culture and recreation, housing and development, and interest on long-term debt) are captured and reported in governmental funds. These funds use a method of accounting called the modified accrual approach. This method of accounting measures cash and other financial assets that can be readily converted into cash. The governmental funds provide a short-term view of the County's general government operations and services, and help determine the amount of financial resources that are available in the near future to fund County programs. On page 17 is the reconciliation between the statement of revenues, expenditures and changes in fund balances of governmental funds and the statement of activities.

- Proprietary funds – The County maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its Water Fund and Solid Waste Fund. The accounting method used for these funds is much like that used for a business, the *full accrual* method.

- Fiduciary funds – These funds are established to report on assets being held by the County for the benefit of parties outside the County. Although these funds are presented in the fund financial statements, they do not appear in the government-wide statements because the resources of these funds are not available to support the programs of the County. The accounting method used for these funds is much like that used for proprietary funds, the *full accrual* method.

McIntosh County Government-wide Financial Analysis

The following table presents a summary of the statement of net position for the County as of September 30, 2020 and 2019.

Table 1
Summary of Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	**2020**	2019	**2020**	2019
Current and other assets	**$ 10,688,699**	$ 9,737,001	**$ 404,091**	$ 165,932	**$ 11,092,790**	$ 9,902,933
Capital assets	**16,423,652**	15,533,464	**12,637,990**	11,478,180	**29,061,642**	27,011,644
Total assets	**27,112,351**	25,270,465	**13,042,081**	11,644,112	**40,154,432**	36,914,577
Deferred outflows of resources	**443,833**	730,242	**17,293**	24,344	**461,126**	754,586
Long-term liabilities	**1,735,520**	2,157,364	**8,737,957**	8,199,523	**10,473,477**	10,356,887
Other liabilities	**837,343**	599,299	**422,111**	222,983	**1,259,454**	822,282
Total liabilities	**2,572,863**	2,756,663	**9,160,068**	8,422,506	**11,732,931**	11,179,169
Net position:						
Net investment in capital assets	**16,220,573**	15,368,387	**6,115,997**	5,243,129	**22,336,570**	20,611,516
Restricted	**2,892,116**	2,613,505	**150,145**	149,947	**3,042,261**	2,763,452
Unrestricted (deficit)	**5,425,672**	5,134,843	**(2,384,173)**	(2,151,370)	**3,041,499**	2,983,473
Total net position	**$ 24,538,361**	$ 23,116,735	**$ 3,881,969**	$ 3,241,706	**$ 28,420,330**	$ 26,358,441

Net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by $28,420,330 at the close of the most recent fiscal year.

By far the largest portion of the County's net position (79%) reflects its net investment in capital assets (e.g., land, building machinery, and equipment). The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net position (11%) represents resources that are subject to external restrictions on how they can be used. The remaining balance of net position (amounting to $3,041,499) is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

The following table summarizes the changes in net position for the primary government for the fiscal years ended September 30, 2020 and 2019.

Table 2
Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	**2020**	2019	**2020**	2019
Revenues:						
Program revenues:						
Charges for services	**$ 4,653,087**	$ 4,863,599	**$ 3,010,292**	$ 2,460,424	**$ 7,663,379**	$ 7,324,023
Operating grants	**2,006,258**	1,013,640	**-**	-	**2,006,258**	1,013,640
Capital grants	**865,448**	939,237	**-**	-	**865,448**	939,237
General revenues:						
Property taxes	**5,517,569**	5,088,988	**-**	-	**5,517,569**	5,088,988
Sales taxes	**2,915,057**	2,358,565	**-**	-	**2,915,057**	2,358,565
Business taxes	**916,622**	859,080	**-**	-	**916,622**	859,080
Other taxes	**432,694**	804,530	**-**	-	**432,694**	804,530
Unrestricted investment earnings	**21,258**	15,326	**1,638**	1,731	**22,896**	17,057
Total revenues	**17,327,993**	15,942,965	**3,011,930**	2,462,155	**20,339,923**	18,405,120
Program expenses:						
General government	**2,790,009**	2,550,233	**-**	-	**2,790,009**	2,550,233
Judicial	**1,165,365**	1,276,301	**-**	-	**1,165,365**	1,276,301
Public safety	**8,098,708**	8,216,046	**-**	-	**8,098,708**	8,216,046
Public works	**1,769,186**	1,611,980	**-**	-	**1,769,186**	1,611,980
Health and welfare	**156,219**	157,162	**-**	-	**156,219**	157,162
Culture and recreation	**655,427**	770,934	**-**	-	**655,427**	770,934
Housing and development	**469,319**	482,493	**-**	-	**469,319**	482,493
Interest	**5,841**	9,877	**-**	-	**5,841**	9,877
Water	**-**	-	**895,983**	918,284	**895,983**	918,284
Solid waste	**-**	-	**2,271,977**	1,809,697	**2,271,977**	1,809,697
Total expenses	**15,110,074**	15,075,026	**3,167,960**	2,727,981	**18,278,034**	17,803,007
Excess (deficiency)	**2,217,919**	867,939	**(156,030)**	(265,826)	**2,061,889**	602,113
Transfers	**(796,293)**	(54,448)	**796,293**	54,448	**-**	-
Changes in net position	**1,421,626**	813,491	**640,263**	(211,378)	**2,061,889**	602,113
Net position - beg. of year	**23,116,735**	22,303,244	**3,241,706**	3,453,084	**26,358,441**	25,756,328
Net position - end of year	**$ 24,538,361**	$ 23,116,735	**$ 3,881,969**	$ 3,241,706	**$ 28,420,330**	$ 26,358,441

Excluding transfers, total revenues for governmental activities exceeded total expenses by $2,217,919. By review of Table 2, it is apparent that the bulk of revenues supporting governmental activities are attributable to charges for services, $4,653,087 or 27%, and property taxes of $5,517,569 or 32%.

Additionally, Table 2 illustrates the bulk of governmental activities expense being reported within the program of public safety at $8,098,708 or 54%, with the second largest expense attributable to general government, reporting expenses of $2,790,009 or 18%.

Governmental Activities

The current reporting model provides users with an understanding of how governmental activities are fully supported. Table 3 will help illustrate how these programs fall short of supporting themselves and must, therefore, rely on general revenues such as property tax, sales tax, fines and grants. The table lists the total cost of each program, and the final net cost (total cost less revenues generated by the program).

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2020	2019	**2020**	2019
General government	**$ 2,790,009**	$ 2,287,838	**$ 2,219,154**	$ 2,113,038
Judicial	**1,165,365**	1,400,411	**1,165,365**	1,276,301
Public safety	**8,098,708**	10,217,020	**3,019,077**	3,399,399
Public works	**1,769,186**	1,693,243	**1,349,871**	727,131
Health and welfare	**156,219**	149,392	**(359,522)**	32,973
Culture and recreation	**655,427**	664,193	**451,320**	656,864
Housing and development	**469,319**	445,673	**(265,825)**	42,967
Interest on long-term debt	**5,841**	11,035	**5,841**	9,877
Totals	**$ 15,110,074**	$ 16,868,805	**$ 7,585,281**	$ 8,258,550

As noted in the above table, governmental programs fell $7,585,281 short of supporting themselves through direct revenues attributable to those programs. As a result, citizens support these programs through payment of property taxes, sales, and other taxes.

While the County was able to support its Governmental Activities, it should be noted that a few significant factors affected total revenues for the year ended September 30, 2020.

The County's Major Governmental Funds

At the end of fiscal year 2020, the County reported its governmental funds (as presented in the balance sheet on page 15) having a combined fund balance of $9,735,841. This balance increased by $723,309 from prior year's balance.

The County's total governmental fund balance of $9,735,841 is divided into four categories: nonspendable of $1,059,832; restricted of $2,892,116; and committed of $131,353. The unassigned fund balance is $5,652,540 that is available for use to meet current ongoing obligations of the County.

Revenues for the general fund totaled $13,397,784, or approximately 77% of total governmental revenues reported in the statement of revenues, expenditures and changes in fund balances presented on page 16. Of this amount, $5,511,452 (or 41%) was collected through property taxes, with the second largest source of revenues reported in the line item of fines and forfeitures revenues, $2,569,663, or 19%.

Expenditures for the General Fund totaled $13,100,000 (not including Other Financing Sources). Revenues exceeded expenditures by $297,784.

General Fund Budgetary Highlights

Total revenues in the general fund were under budget by $1,280,091, or approximately 11%. This final result is a combination of both positive and negative variance as reported on the General Fund Budgetary Comparison Schedule presented on pages 18 and 19. The largest negative variance, $273,759 is reported in the line item of fines and forfeitures.

General Fund expenditures (not including other financing sources) for the year ended September 30, 2020, were over budget by $857,831, or approximately 7%.

Capital Assets and Debt Administration

The County's investment in capital assets for its governmental and business-type activities as of September 30, 2020, amounts to $29,061,642 (net of accumulated depreciation). This is an increase of $2,049,998 from last year. The increase is due to the purchase of capital assets and CIP additions. Table 4 is summary data of capital assets.

Table 4
Capital Assets (Net of Depreciation)

	Governmental Activities	Business-type Activities	Total
Land	$ 958,877	$ 214,793	$ 1,173,670
Construction in progress	1,012,552	953,245	1,965,797
Buildings	6,888,325	75,520	6,963,845
Machinery and equipment	2,752,059	1,116,850	3,868,909
Infrastructure	4,811,839	-	4,811,839
Water system	-	10,261,884	10,261,884
Landfill	-	15,698	15,698
Totals	$ 16,423,652	$ 12,637,990	$ 29,061,642

It should be noted that the majority of the capital assets in the County have been obtained through the use of Special Purpose Local Option Sales Tax ("SPLOST"). Currently, the County is 100% complete with the 2005 SPLOST program. The County started the SPLOST 2010 and 2016 program in FY 2011 and 2017, respectively. More detail on the County's capital assets can be found on pages 38 and 39.

At year-end, the County had a total $10,907,316 in outstanding long-term liabilities which includes $2,356,363 in closure and post-closure care costs for the McIntosh County Landfill Fund, $6,133,531 in revenue bonds payable and the remaining balance being capital leases and compensated absences. More information regarding the County's Long-Term Debt can be found in Note 7 on pages 39 – 43.

Other Economic Factors

The Board of Commissioners and County Manager have considered several factors when establishing FY 2021 budget, including the overall economic issues affecting the entire County, as a result in decreased SPLOST and LOST revenues, and steep decline in the County's Tax Digest Values.

Finally, the Board in conjunction with the County Manager and Finance Department will continue to develop various financial policies to help govern the way the County does business. These policies will include standards to track fund balances on a monthly basis compared to budget. Furthermore, standards will be implemented to ensure appropriate procurement procedures are followed and adherence to budget is achieved.

Contacting the County's Financial Management

This annual financial report is designed to help citizens, taxpayers, customers, investors, and creditors evaluate the overall condition of McIntosh County, Georgia and the operations thereof. Additional details can be requested by mail at the following address: McIntosh County Board of Commissioners, P.O. Box 584, Darien, Georgia 31305.

MCINTOSH COUNTY, GEORGIA

STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Board of Health
ASSETS				
Cash and cash equivalents	$ 8,423,339	$ 992,678	$ 9,416,017	$ 367,642
Taxes receivable, net	390,867	-	390,867	-
Accounts receivable, net	64,216	183,100	247,316	11,564
Internal balances	780,045	(780,045)	-	-
Due from other governments	694,497	-	694,497	17,580
Prepaid expenses	335,735	8,358	344,093	-
Capital assets, non-depreciable	1,971,429	1,168,038	3,139,467	-
Capital assets, depreciable, net of accumulated depreciation	14,452,223	11,469,952	25,922,175	4,654
Total assets	27,112,351	13,042,081	40,154,432	401,440
DEFERRED OUTFLOWS OF RESOURCES				
Pension	443,833	17,293	461,126	125,275
OPEB	-	-	-	31,521
Total deferred outflows of resources	443,833	17,293	461,126	156,796
LIABILITIES				
Accounts and retainage payable	474,847	121,432	596,279	938
Accrued liabilities	118,184	23,925	142,109	-
Due to other governments	22,960	-	22,960	17,580
Customer deposits	-	64,267	64,267	-
Capital leases due within one year	84,285	98,098	182,383	-
Capital leases due in more than one year	118,794	290,364	409,158	-
Bond payable due within one year	-	106,042	106,042	-
Bond payable due in more than one year	-	6,027,489	6,027,489	-
Compensated absences due within one year	137,067	8,347	145,414	6,200
Compensated absences due in more than one year	34,267	2,087	36,354	24,798
Closure and post-closure care cost	-	2,356,363	2,356,363	-
Net pension liability due in more than one year	1,582,459	61,654	1,644,113	280,274
Net OPEB liability due in more than one year	-	-	-	61,213
Total liabilities	2,572,863	9,160,068	11,732,931	391,003
DEFERRED INFLOWS OF RESOURCES				
Pension	444,960	17,337	462,297	8,724
OPEB	-	-	-	131,541
Total deferred inflows of resources	444,960	17,337	462,297	140,265
NET POSITION				
Net investment in capital assets	16,220,573	6,115,997	22,336,570	4,654
Restricted for:				
Judicial	632,270	-	632,270	-
Public safety	613,993	-	613,993	-
Economic development	76,094	-	76,094	-
Capital outlay	1,200,808	-	1,200,808	-
Tourism	368,951	-	368,951	-
Special use	-	-	-	134,404
Debt service	-	150,145	150,145	-
Unrestricted	5,425,672	(2,384,173)	3,041,499	(112,090)
Total net position	$ 24,538,361	$ 3,881,969	$ 28,420,330	$ 26,968

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

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MCINTOSH COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	$ 2,790,009	$ 570,855	$ -	$ -
Judicial	1,165,365	-	-	-
Public safety	8,098,708	4,072,054	970,690	36,887
Public works	1,769,186	-	-	419,315
Health and welfare	156,219	-	106,495	409,246
Culture and recreation	655,427	10,178	193,929	-
Housing and development	469,319	-	735,144	-
Interest on long-term debt	5,841	-	-	-
Total governmental activities	15,110,074	4,653,087	2,006,258	865,448
Business-type activities:				
Water	895,983	821,321	-	-
Solid waste	2,271,977	2,188,971	-	-
Total business-type activities	3,167,960	3,010,292	-	-
Total primary government	$ 18,278,034	$ 7,663,379	$ 2,006,258	$ 865,448
Component unit:				
Board of Health	$ 484,023	$ 134,443	$ 250,567	$ -
Total component unit	$ 484,023	$ 134,443	$ 250,567	$ -
General revenues:				
Property taxes				
Sales taxes				
Business taxes				
Other taxes				
Unrestricted investment earnings				
Miscellaneous				
Transfers				
Total general revenues				
Change in net position				
Net position, beginning of year, as restated				
Net position, end of year				

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

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Board of Health
$ (2,219,154)	$ -	$ (2,219,154)	$ -
(1,165,365)	-	(1,165,365)	-
(3,019,077)	-	(3,019,077)	-
(1,349,871)	-	(1,349,871)	-
359,522	-	359,522	-
(451,320)	-	(451,320)	-
265,825	-	265,825	-
(5,841)	-	(5,841)	-
(7,585,281)	-	(7,585,281)	-
-	(74,662)	(74,662)	-
-	(83,006)	(83,006)	-
-	(157,668)	(157,668)	-
$ (7,585,281)	$ (157,668)	$ (7,742,949)	$ -
$ -	$ -	$ -	$ (99,013)
-	-	-	(99,013)
5,517,569	-	5,517,569	-
2,915,057	-	2,915,057	-
916,622	-	916,622	-
432,694	-	432,694	-
21,258	1,638	22,896	-
-	-	-	91,949
(796,293)	796,293	-	-
9,006,907	797,931	9,804,838	91,949
1,421,626	640,263	2,061,889	(7,064)
23,116,735	3,241,706	26,358,441	34,032
$ 24,538,361	$ 3,881,969	$ 28,420,330	$ 26,968

MCINTOSH COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	General	Nonmajor Governmental Funds	Total
ASSETS			
Cash and cash equivalents	$ 5,854,082	$ 2,569,257	$ 8,423,339
Taxes receivable, net	385,858	5,009	390,867
Accounts receivable	49,489	14,727	64,216
Due from other funds	125,720	411,544	537,264
Due from other governments	406,211	288,286	694,497
Prepaid items	335,735	-	335,735
Advances to other funds	724,097	-	724,097
Total assets	$ 7,881,192	$ 3,288,823	$ 11,170,015
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts and retainage payable	$ 172,564	$ 302,283	$ 474,847
Accrued expenses	104,191	11,322	115,513
Due to other funds	411,544	69,772	481,316
Due to other governments	-	22,960	22,960
Total liabilities	688,299	406,337	1,094,636
DEFERRED INFLOW OF RESOURCES			
Unavailable revenue - property taxes	339,538	-	339,538
Total deferred inflow of resources	339,538	-	339,538
FUND BALANCES			
Nonspendable:			
Prepaid items	335,735	-	335,735
Advances to other funds	724,097	-	724,097
Restricted for:			
Judicial	-	632,270	632,270
Public safety	-	613,993	613,993
Economic development	-	76,094	76,094
Capital outlay	-	1,200,808	1,200,808
Tourism	-	368,951	368,951
Committed to:			
Public safety	-	131,353	131,353
Unassigned	5,793,523	(140,983)	5,652,540
Total fund balances	6,853,355	2,882,486	9,735,841
Total liabilities, deferred inflow of resources and fund balances	$ 7,881,192	$ 3,288,823	

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.	16,423,652
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	339,538
Deferred outflows and inflows of resources are not available to pay for current resources and, therefore, are not reported in the funds. These items consist of the net difference between projected and actual earnings on pension plan investments, differences between expected and actual experience of economic/demographic losses, and differences in assumption changes.	(1,127)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(377,084)
The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.	(1,582,459)
Net position of governmental activities	$ 24,538,361

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

MCINTOSH COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	General	Nonmajor Governmental Funds	Total
Revenues			
Property taxes	$ 5,511,452	$ -	$ 5,511,452
Sales taxes	997,321	1,917,736	2,915,057
Business taxes	916,622	-	916,622
Other taxes	332,749	99,945	432,694
Licenses and permits	109,397	-	109,397
Intergovernmental	2,015,185	855,323	2,870,508
Charges for services	660,221	316,290	976,511
Fines and forfeitures	2,569,663	720,363	3,290,026
Interest	8,420	14,036	22,456
Other revenues	276,754	399	277,153
Total revenues	13,397,784	3,924,092	17,321,876
Expenditures			
Current:			
General government	2,367,520	254,948	2,622,468
Judicial	1,099,365	58,407	1,157,772
Public safety	6,719,446	999,760	7,719,206
Public works	1,944,493	-	1,944,493
Health and welfare	144,689	-	144,689
Culture and recreation	414,236	115,934	530,170
Housing and development	394,128	74,229	468,357
Intergovernmental	-	266,044	266,044
Capital outlay	-	1,765,612	1,765,612
Debt service:			
Principal	15,263	69,024	84,287
Interest	860	5,832	6,692
Total expenditures	13,100,000	3,609,790	16,709,790
Excess of revenues over expenditures	297,784	314,302	612,086
Other financing sources (uses)			
Capital leases	122,289	-	122,289
Transfers in	179,426	21,082	200,508
Transfers out	(32,148)	(179,426)	(211,574)
Total other financing sources (uses)	269,567	(158,344)	111,223
Net change in fund balances	567,351	155,958	723,309
Fund balances, beginning of year	6,286,004	2,726,528	9,012,532
Fund balances, end of year	$ 6,853,355	$ 2,882,486	$ 9,735,841

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

MCINTOSH 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 SEPTEMBER 30, 2020

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

Net change in fund balances - total governmental funds	$	723,309
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 difference between depreciation expense and capital outlay in the current period.		1,702,490
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, transfers, trade-ins, and donations) is to decrease net position.This is the net book value of assets transferred to business-type activities.		(785,227)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. Unavailable revenues changed during the year by this amount.		6,117
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. This amount is the net of those transactions.		(38,002)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net position. This is the loss on disposal of capital assets.		(27,075)
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.		(159,986)
Change in net positon - governmental activites	$	1,421,626

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

MCINTOSH COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET (GAAP BASIS) AND ACTUAL GENERAL FUND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Property taxes	$ 5,172,915	$ 5,172,915	$ 5,511,452	$ 338,537
Sales taxes	985,079	985,079	997,321	12,242
Business taxes	882,953	882,953	916,622	33,669
Other taxes	423,130	423,130	332,749	(90,381)
Licenses and permits	116,588	116,588	109,397	(7,191)
Intergovernmental	1,052,301	1,052,301	2,015,185	962,884
Charges for services	575,745	575,745	660,221	84,476
Fines and forfeitures	2,843,422	2,843,422	2,569,663	(273,759)
Interest income	10,200	10,200	8,420	(1,780)
Other revenues	55,360	55,360	276,754	221,394
Total revenues	12,117,693	12,117,693	13,397,784	1,280,091
Expenditures				
Current:				
General government:				
Elections	222,895	222,895	243,588	(20,693)
Financial administration	852,561	852,561	825,893	26,668
Tax commissioner	387,441	387,441	338,762	48,679
Tax assessor	503,980	503,980	534,421	(30,441)
General government buildings and plant	347,940	347,940	413,044	(65,104)
Board of equalization	16,661	16,661	11,812	4,849
Total general government	2,331,478	2,331,478	2,367,520	(36,042)
Judicial:				
Superior court	443,182	443,182	376,827	66,355
State court	514,325	514,325	458,726	55,599
Probate-magistrate court	266,986	266,986	263,752	3,234
District Attorney	-	-	60	(60)
Total judicial	1,224,493	1,224,493	1,099,365	125,128
Public safety:				
Sheriff	3,349,033	3,349,033	3,395,959	(46,926)
Jail operations	1,823,107	1,823,107	1,702,301	120,806
Fire	208,706	208,706	470,565	(261,859)
Ambulance services	437,449	437,449	566,048	(128,599)
Coroner	42,963	42,963	40,281	2,682
Emergency management	125,541	125,541	359,267	(233,726)
Animal shelter	186,292	186,292	185,025	1,267
Total public safety	6,173,091	6,173,091	6,719,446	(546,355)
Public works:				
Roads and bridges	1,457,455	1,457,455	1,944,493	(487,038)
Total public works	1,457,455	1,457,455	1,944,493	(487,038)

(Continued)

MCINTOSH COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET (GAAP BASIS) AND ACTUAL GENERAL FUND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Expenditures (Continued)				
Current (Continued):				
Health and welfare:				
Health	$ 52,080	$ 52,080	$ 52,080	$ -
Mosquito control	24,000	24,000	22,620	1,380
Welfare	14,040	14,040	14,040	-
Family connections	55,000	55,000	55,949	(949)
Total health and welfare	145,120	145,120	144,689	431
Culture and recreation:				
Leisure services	392,045	392,045	346,236	45,809
Library	68,000	68,000	68,000	-
Total culture and recreation	460,045	460,045	414,236	45,809
Housing and development:				
County extension	93,768	93,768	43,505	50,263
Protective inspection	224,573	224,573	222,204	2,369
Economic opportunity	132,146	132,146	128,419	3,727
Total housing and development	450,487	450,487	394,128	56,359
Debt service:				
Principal	-	-	15,263	(15,263)
Interest	-	-	860	(860)
Total debt service	-	-	16,123	(16,123)
Total expenditures	12,242,169	12,242,169	13,100,000	(857,831)
Excess (deficiency) of revenues over (under) expenditures	(124,476)	(124,476)	297,784	422,260
Other financing sources (uses)				
Proceeds from sale of assets	5,000	5,000	-	(5,000)
Capital leases	-	-	122,289	122,289
Transfers in	119,476	119,476	179,426	59,950
Transfers out	-	-	(32,148)	(32,148)
Total other financing sources, net	124,476	124,476	269,567	145,091
Net change in fund balances	-	-	567,351	567,351
Fund balance, beginning of year	6,286,004	6,286,004	6,286,004	-
Fund balance, end of year	$ 6,286,004	$ 6,286,004	$ 6,853,355	$ 567,351

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

MCINTOSH COUNTY, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2020

ASSETS	Water Fund	Solid Waste Fund	Total
CURRENT ASSETS			
Cash and cash equivalents	$ 618,123	$ 374,555	$ 992,678
Accounts receivable, net of allowances	95,693	87,407	183,100
Prepaids	-	8,358	8,358
Total current assets	713,816	470,320	1,184,136
NON-CURRENT ASSETS			
Capital assets:			
Nondepreciable	930,648	237,390	1,168,038
Depreciable, net of accumulated depreciation	10,375,337	1,094,615	11,469,952
Total non-current assets	11,305,985	1,332,005	12,637,990
Total assets	12,019,801	1,802,325	13,822,126
DEFERRED OUTFLOWS OF RESOURCES			
Pension	5,534	11,759	17,293
Total deferred outflows of resources	5,534	11,759	17,293
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	98,943	22,489	121,432
Accrued expenses	16,422	7,503	23,925
Due to other funds	55,948	-	55,948
Customer deposits	64,267	-	64,267
Current portion - compensated absences	3,440	4,907	8,347
Current portion - bond payable	106,042	-	106,042
Current portion - capital lease payable	-	98,098	98,098
Total current liabilities	345,062	132,997	478,059
LONG-TERM LIABILITIES			
Advance from other funds	-	724,097	724,097
Compensated absences, net of current portion	860	1,227	2,087
Accrued landfill closure/post-closure care costs	-	2,356,363	2,356,363
Bond payable, net of current portion	6,027,489	-	6,027,489
Capital lease payable, net of current portion	-	290,364	290,364
Net pension liability	19,729	41,925	61,654
Total long-term liabilities	6,048,078	3,413,976	9,462,054
Total liabilities	6,393,140	3,546,973	9,940,113
DEFERRED INFLOWS OF RESOURCES			
Pension	5,548	11,789	17,337
Total deferred inflows of resources	5,548	11,789	17,337
NET POSITION			
Net investment in capital assets	5,172,454	943,543	6,115,997
Restricted for:			
Debt service	150,145	-	150,145
Unrestricted	304,048	(2,688,221)	(2,384,173)
Total net position	$ 5,626,647	$ (1,744,678)	$ 3,881,969

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

MCINTOSH COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Water Fund	Solid Waste Fund	Total
OPERATING REVENUES			
Charges for services	$ 791,033	$ 2,188,971	$ 2,980,004
Miscellaneous	30,288	-	30,288
Total operating revenues	821,321	2,188,971	3,010,292
OPERATING EXPENSES			
Salaries and benefits	166,635	366,078	532,713
Cost of sales and services	124,995	1,649,230	1,774,225
Supplies	91,302	82,343	173,645
Depreciation	280,347	171,502	451,849
Total operating expenses	663,279	2,269,153	2,932,432
Operating income (loss)	158,042	(80,182)	77,860
NON-OPERATING INCOME (EXPENSES)			
Interest income	888	750	1,638
Interest expense	(232,704)	(2,824)	(235,528)
Total non-operating income (expenses)	(231,816)	(2,074)	(233,890)
Loss before capital contributions and transfers	(73,774)	(82,256)	(156,030)
CAPITAL CONTRIBUTIONS	702,436	82,791	785,227
TRANSFERS IN	4,302	9,014	13,316
TRANSFERS OUT	(2,250)	-	(2,250)
Change in net position	630,714	9,549	640,263
NET POSITION, beginning of year	4,995,933	(1,754,227)	3,241,706
NET POSITION, end of year	$ 5,626,647	$ (1,744,678)	$ 3,881,969

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

MCINTOSH COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
SEPTEMBER 30, 2020

	Water Fund	Solid Waste Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 830,282	$ 2,191,427	$ 3,021,709
Payments to suppliers	(119,548)	(1,371,865)	(1,491,413)
Payments to employees	(162,565)	(347,295)	(509,860)
Net cash provided by operating activities	548,169	472,267	1,020,436
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	2,052	9,014	11,066
Net cash provided by noncapital financing activities	2,052	9,014	11,066
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from issuance of capital leases	-	485,935	485,935
Principal payments on capital leases payable	-	(97,473)	(97,473)
Principal payments on bonds payable	(101,520)	-	(101,520)
Payments for capital assets	(235,211)	(591,221)	(826,432)
Interest paid	(231,688)	(2,824)	(234,512)
Net cash used in capital and related financing activities	(568,419)	(205,583)	(774,002)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	888	750	1,638
Net cash provided by investing activities	888	750	1,638
Net change in cash and cash equivalents	(17,310)	276,448	259,138
Cash and cash equivalents			
Beginning of year	635,433	98,107	733,540
End of year	$ 618,123	$ 374,555	$ 992,678
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income (loss)	$ 158,042	$ (80,182)	$ 77,860
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation expense	280,347	171,502	451,849
Change in assets and liabilities:			
Decrease in accounts receivable	6,711	10,814	17,525
Decrease in due from other funds	2,250	-	2,250
Increase in prepaids	-	(8,358)	(8,358)
Decrease in deferred outflows of resources	2,574	4,477	7,051
Increase (decrease) in accounts payable	90,819	(5,479)	85,340
Increase in accrued expenses	-	7,503	7,503
Increase in due to other funds	3,866	-	3,866
Increase in customer deposits	2,064	-	2,064
Increase in advance from other funds	-	5,696	5,696
Increase in compensated absences	9	723	732
Decrease in net pension liability	(2,647)	(2,879)	(5,526)
Increase in landfill closure and post-closure	-	359,491	359,491
costs Increase in deferred inflows of resources	4,134	8,959	13,093
Net cash provided by operating activities	$ 548,169	$ 472,267	$ 1,020,436
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Contributions of capital assets from governmental activities	$ 702,436	$ 82,791	$ 785,227

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

MCINTOSH COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
SEPTEMBER 30, 2020

	Agency Funds
ASSETS	
Cash	$ 845,389
Taxes receivable	933,976
Total assets	$ 1,779,365
LIABILITIES	
Due to others	$ 845,389
Uncollected taxes	933,976
Total liabilities	$ 1,779,365

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

McIntosh County, Georgia (the "County") was created by legislative act in 1793 and operates under a County Commissioner/County Manager form of government, providing the following services as authorized by its charter: public safety, highways and streets, health and social services, culture-recreation, courts, economic development and general administrative services.

The County is governed by a five-member Board of Commissioners. Four members represent a geographical district within the County, while the Chairman represents the County at large. There are additional officers elected countywide. State law pertaining to county government provides for the independent election of these county officials. The officials are all part of the County's legal entity and include the Sheriff, Tax Commissioner, State Court Judges, Probate-Magistrate Court Judge, and Clerk of Courts. The offices of the independently elected officials are not separate from the County and are, therefore, reported as part of the County.

The financial statements have been prepared in conformity with generally accepted accounting principles ("GAAP") as applied to governmental units. The Governmental Accounting 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. Reporting Entity

As required by GAAP, these financial statements present McIntosh 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 their operational or financial relationship with the County.

Discretely Presented Component Unit

The McIntosh County Board of Health (the "Board of Health") was established pursuant to an act of the General Assembly of the State of Georgia. The Board of Health is governed by a seven-member board consisting of the chief executive officer of the County, or the designated replacement, three members appointed by the County, the chief executive officer of the City of Darien, one member appointed by the City of Darien, and the County's Superintendent of Schools. The McIntosh County Commission has the authority to review and reject the annual budget of the Board of Health. Upon approval of the Board of Health's budget by the Commission, the Commission shall levy a tax sufficient to meet the Board of Health's appropriations in excess of funds it expects to receive from other sources. The fiscal year-end of the component unit is June 30.

Separate financial statements for the Board of Health can be obtained from its administrative office at P.O. Box 576, Darien, Georgia 31305.

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 primary government and its component unit. 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. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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

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.

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. 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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Property taxes, sales taxes, franchise taxes, 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 fund:

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 County reports the following major business-type funds:

The ***Water Fund*** is an enterprise fund used to account for the provision of water services to the citizens of the County. Activities of the fund include water administration, operations, billing, and collections.

The ***Solid Waste Fund*** accounts for the activities of the County's solid waste management operations. All activities necessary to provide such services are accounted for in this fund.

Additionally, the County reports the following fund types:

The ***special revenue funds*** account for revenue sources that are legally restricted to expenditure for specific purposes.

The ***capital project funds*** account for the acquisition or construction of capital facilities.

The ***agency 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 to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services provided. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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 Investments

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the County.

Statutes authorize the County to invest in obligations of the United States and of its agencies and instrumentalities, bonds of the State of Georgia and its agencies, instrumentalities and political subdivisions, certificates of deposit of national or state banks that are fully insured or collateralized by United States obligations, repurchase agreements and Georgia Fund 1, the Local Government Investment Pool.

Cash deposits are reported at carrying amounts, which reasonably estimates fair value.

E. Short-Term Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Inventory and Prepaid Items

Inventory in the governmental funds is valued at the lower of cost or market. The County accounts for inventory on the purchase basis. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

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 columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend useful lives are expensed as incurred. Major outlays for capital assets and major improvements are capitalized as projects are constructed.

Depreciation is provided on the straight-line method over the following estimated useful lives:

Primary Government	
Buildings and improvements	20 – 40 years
Machinery and equipment	5 – 15 years
Infrastructure	15 – 50 years
Water system	20 – 50 years
Landfill	15 – 50 years

H. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt, and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Long-Term Obligations (Continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

I. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The County's policy is to permit employees to accumulate up to 160 days earned but unused vacation. All compensated absences are accrued when earned in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. No liability is recorded for nonvesting accumulation rights to receive sick pay benefits.

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has two items related to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Experience gains or losses 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, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. The County also reports deferred outflows of resources for assumption changes which are amortized into pension expense over the average expected remaining service lives of plan members.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the balance sheet and statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has three items that qualified for reporting in this category. The first, unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and other receivables, and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. Second, experience gains and losses result from periodic studies by the County's actuaries which adjust the net pension liability for actual experiences for certain trend information that was previously assumed, for example, the assumed dates of retirement of plan members. These experience gains and losses are recorded as deferred inflows of resources and are amortized over the expected remaining service lives of plan members. Third, the County's net difference between projected investment return on pension investments and actual return on those investments is also deferred and amortized against pension expense over a five-year period.

K. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the McIntosh County, Georgia Retirement Plan (the "Plan") and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Fund Equity

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

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

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

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

- ***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 County Commission through the adoption of a resolution. Only the County Commission 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 County Commission 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 balances may be reported in all funds.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Fund Equity (Continued)

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:

- Committed
- Assigned
- 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 is available.

M. Management 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 and 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. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds." The details of this difference are as follows:

Accrued interest payable	$ (2,671)
Capital lease payable	(203,079)
Compensated absences	(171,334)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$ (377,084)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their useful lives and reported as depreciation expense." The details of this difference are as follows:

Capital outlay	$ 2,809,850
Depreciation expense	(1,107,360)
Net adjustment to increase *net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities*	$ 1,702,490

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)

Another element of that reconciliation states that "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." The details of this difference are as follows:

Accrued interest	$ 851
Compensated absences	10,484
Change in net pension liability and related deferred outflows and inflows of resources	(171,321)
Net adjustment to reduce *net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities*	$ (159,986)

NOTE 3. LEGAL COMPLIANCE – BUDGETS

A. Budgets and Budgetary Accounting

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to year-end, the County Manager submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted at the County Court House to obtain taxpayer comments.

3. Prior to October 1, the budget is legally enacted through approval by the Board of Commissioners.

4. The Board of Commissioners has the authority to amend its budget. An increase in appropriation in any fund for a department, whether accomplished through a change in anticipated revenues in any fund or through a transfer of appropriations among departments, shall require the approval of the Board of Commissioners. Transfers of appropriations in any fund among the various accounts within a department shall require only the approval of the budget officer.

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

A. Budgets and Budgetary Accounting (Continued)

5. Formal budgetary integration is employed as a measurement control device during the year for the general fund and the special revenue funds.

6. The budgets for the general fund and the special revenue funds are adopted on a basis consistent with generally accepted accounting principles ("GAAP") and are presented in accordance with finance-related legal and contractual provisions.

Budgeted amounts are as originally adopted on November 1, 2019 or as amended by the Board of Commissioners. Individual amendments were not material in relation to the original appropriations.

B. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to assign or commit that portion of the applicable appropriation, is not utilized by the County.

C. Excess of Expenditures Over Appropriations

For the year ended September 30, 2020, the following departments of the general fund had excess of actual expenditures over appropriations. The over-expenditures were funded by under-expenditures in other departments:

	Excess
Elections	$ 20,693
Tax assessor	30,441
General government buildings and plant	65,104
District attorney	60
Sheriff	46,926
Fire	261,859
Ambulance services	128,599
Emergency management	233,726
Roads and bridges	487,038
Family connections	949

D. Deficit Fund Balance/Net Position

The following funds reported a deficit net position of fund balance for the fiscal year ended September 30, 2020: Solid Waste Fund's deficit net position of $1,744,678, the CDBG Water System Fund's deficit fund balance of $140,983, and the 2005 SPLOST Fund's deficit fund balance of $2,250. The Solid Waste deficit is intended to be eliminated through increased user charges or interfund transfers. The other deficits will be eliminated through transfers from the general fund.

NOTE 4. CASH AND INVESTMENTS

Total deposits and investments as of September 30, 2020, are summarized as follows:

As reported in the Statement of Net Position:	
Cash and cash equivalents - Primary Government	$ 9,416,017
Cash and cash equivalents - Agency Funds	845,389
	$ 10,261,406
Cash deposited with financial institutions	$ 10,261,406

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.

Interest rate risk. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial credit risk – deposits. The County does not have a formal custodial credit risk policy. 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 September 30, 2020, $485,103 of the County's deposits were exposed to custodial credit risk as uninsured and uncollateralized as defined by GASB pronouncements.

NOTE 5. RECEIVABLES

Receivables consisted of the following at September 30, 2020, for the County's individual major funds and nonmajor funds in the aggregate:

	General	Nonmajor Governmental Funds	Water Fund	Solid Waste Fund	Total
Receivables:					
Taxes	$ 575,908	$ 5,009	$ -	$ -	$ 580,917
Accounts	49,489	14,727	171,303	125,355	360,874
Other governments	406,211	288,286	-	-	694,497
Gross receivables	1,031,608	308,022	171,303	125,355	1,636,288
Less allowance for uncollectibles	(190,050)	-	(75,610)	(37,948)	(303,608)
Net total receivable	$ 841,558	$ 308,022	$ 95,693	$ 87,407	$ 1,332,680

Property taxes attached as an enforceable lien on property as of January 1, 2019. Property taxes were levied on September 19, 2019, and payable on or before December 5, 2019. The County bills and collects its own property taxes. Property taxes levied for 2019 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during the year ended September 30, 2020, and collected by November 30, 2020, are recognized as revenues in the year ended September 30, 2020. Net receivables estimated to be collected subsequent to November 30, 2020, are recorded as revenue when received. Prior year levies were recorded using substantially the same principles, and remaining receivables are reevaluated annually.

NOTE 6. CAPITAL ASSETS

Primary Government

The County's capital asset activity for the fiscal year ended September 30, 2020, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated:					
Land and improvements	$ 958,877	$ -	$ -	$ -	$ 958,877
Construction in progress	230,496	1,881,553	-	(1,099,497)	1,012,552
Total capital assets, not being depreciated	1,189,373	1,881,553	-	(1,099,497)	1,971,429
Capital assets, being depreciated:					
Buildings	11,078,324	5,096	-	391,197	11,474,617
Machinery and equipment	8,740,668	846,320	(36,100)	(76,927)	9,473,961
Infrastructure	34,144,620	76,881	-	-	34,221,501
Total capital assets, being depreciated	53,963,612	928,297	(36,100)	314,270	55,170,079
Less accumulated depreciation for:					
Buildings	(4,294,595)	(291,697)	-	-	(4,586,292)
Machinery and equipment	(6,206,945)	(523,982)	9,025	-	(6,721,902)
Infrastructure	(29,117,981)	(291,681)	-	-	(29,409,662)
Total accumulated depreciation	(39,619,521)	(1,107,360)	9,025	-	(40,717,856)
Total capital assets, being depreciated, net	14,344,091	(179,063)	(27,075)	314,270	14,452,223
Governmental activities capital assets, net	$ 15,533,464	$ 1,702,490	$ (27,075)	$ (785,227)	$ 16,423,652
Business-type activities					
Capital assets, not being depreciated:					
Land	$ 214,793	$ -	$ -	$ -	$ 214,793
Construction in progress	-	244,945	-	708,300	953,245
Total capital assets, not being depreciated	214,793	244,945	-	708,300	1,168,038
Capital assets, being depreciated:					
Building and improvements	174,459	-	-	-	174,459
Machinery and equipment	1,838,319	581,487	-	76,927	2,496,733
Water system	12,735,689	-	-	-	12,735,689
Landfill	757,304	-	-	-	757,304
Total	15,505,771	581,487	-	76,927	16,164,185
Less accumulated depreciation for:					
Building and improvements	(90,614)	(8,325)	-	-	(98,939)
Machinery and equipment	(1,204,402)	(175,481)	-	-	(1,379,883)
Water system	(2,208,522)	(265,283)	-	-	(2,473,805)
Landfill	(738,846)	(2,760)	-	-	(741,606)
Total	(4,242,384)	(451,849)	-	-	(4,694,233)
Total capital assets, being depreciated, net	11,263,387	129,638	-	76,927	11,469,952
Business-type activities capital assets, net	$ 11,478,180	$ 374,583	$ -	$ 785,227	$ 12,637,990

NOTE 6. CAPITAL ASSETS (CONTINUED)

Primary Government (Continued)

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

Governmental activities:		
General government	$	41,764
Judicial		6,230
Public safety		585,888
Public works		288,052
Health and welfare		11,530
Culture and recreation		173,896
Total depreciation expense - governmental activities	$	1,107,360
Business-type activities:		
Water Fund	$	280,347
Solid Waste Fund		171,502
Total depreciation expense - business-type activities	$	451,849

NOTE 7. LONG-TERM DEBT

The following is a summary of long-term debt activity for the fiscal year ended September 30, 2020:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Capital leases payable	$ 165,077	$ 122,289	$ (84,287)	$ 203,079	$ 84,285
Compensated absences	181,818	49,884	(60,368)	171,334	137,067
Net pension liability	2,015,198	959,746	(1,392,485)	1,582,459	-
Governmental activities long-term liabilities	$ 2,362,093	$ 1,131,919	$ (1,537,140)	$ 1,956,872	$ 221,352
Business-type activities:					
Revenue bonds payable	$ 6,235,051	$ -	$ (101,520)	$ 6,133,531	$ 106,042
Capital leases payable	-	485,935	(97,473)	388,462	98,098
Compensated absences	9,702	3,804	(3,072)	10,434	8,347
Closure and post-closure care	1,996,872	359,491	-	2,356,363	-
Net pension liability	67,180	48,727	(54,253)	61,654	-
Business-type activities long-term liabilities	$ 8,308,805	$ 897,957	$ (256,318)	$ 8,950,444	$ 212,487

NOTE 7. LONG-TERM DEBT (CONTINUED)

For governmental activities, compensated absences are generally liquidated by the general fund. For business-type activities, compensated absences are liquidated by the related proprietary fund.

Capital Leases. The County has entered into lease agreements as lessee for financing the acquisition of various types of equipment. The lease agreements qualify as capital leases for accounting purposes (titles transfer at the end of the lease terms) and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inceptions.

The following is an analysis of leased assets under capital leases related to governmental activities as of September 30, 2020:

	Governmental Activities
Equipment	$ 147,289
Less: Accumulated depreciation	(14,729)
	$ 132,560

The County recorded $14,729 in depreciation expense on capital leases related to governmental activities during the year ended September 30, 2020.

The following is an analysis of leased assets under capital leases related to business-type activities as of September 30, 2020:

	Business-type Activities
Equipment	$ 822,722
Less: Accumulated depreciation	(166,469)
	$ 656,253

The County recorded $82,272 in depreciation expense on capital leases related to business-type activities during the year ended September 30, 2020.

NOTE 7. LONG-TERM DEBT (CONTINUED)

The following is a schedule of future minimum lease payments together with the present value of net minimum lease payments related to governmental activities as of September 30, 2020:

	Governmental Activities
Fiscal year ending September 30,	
2021	$ 90,979
2022	72,479
2023	26,421
2024	26,421
Total minimum lease payments	216,300
Less amount representing interest	13,221
Present value of future minimum lease payments	$ 203,079

The following is a schedule of future minimum lease payments together with the present value of net minimum lease payments related to business-type activities as of September 30, 2020:

	Business-type Activities
Fiscal year ending September 30,	
2021	$ 100,297
2022	100,297
2023	100,297
2024	92,572
Total minimum lease payments	393,463
Less amount representing interest	5,001
Present value of future minimum lease payments	$ 388,462

Revenue Bonds Payable. During the fiscal year ended September 30, 2012, the County issued $6,760,000 in Series 2011 McIntosh County Water System Revenue Bonds for the purposes of paying the interim commercial financing used for acquiring, constructing and equipping improvements and additions to extensions of the existing water system of the County, as required by the United States Department of Agriculture agreement. These bonds were purchased by the United States Department of Agriculture and were due in annual installments of interest only of $253,500 through November 2013. Principal is due in monthly installments of $27,852, beginning December 2013 through November 2051, including interest of 3.75%.

NOTE 7. LONG-TERM DEBT (CONTINUED)

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

Fiscal Year Payable	Total	Principal	Interest
2021	$ 334,224	$ 106,042	$ 228,182
2022	334,224	110,088	224,136
2023	334,224	114,288	219,936
2024	334,224	118,045	216,179
2025	334,224	123,151	211,073
2026 – 2030	1,671,120	689,330	981,790
2031 – 2035	1,671,120	831,295	839,825
2036 – 2040	1,671,120	1,002,171	668,949
2041 – 2045	1,671,120	1,209,065	462,055
2046 – 2050	1,671,120	1,458,097	213,023
2051 – 2052	380,531	371,959	8,572
	$ 10,407,251	$ 6,133,531	$ 4,273,720

Landfill Closure and Post-closure Care Cost. State and federal laws and regulations require that McIntosh County, Georgia place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The amount of costs recognized in each period is based on the relative amount of waste received during the period, even though some of the closure and post-closure care costs will be paid after the landfill is closed. The $2,356,363 reported as an estimated liability for closure and post-closure care costs represents the estimated cost for landfill closure and post-closure care based upon the capacity of the County's landfills used to date. The amount of the total estimated cost for landfill closure and post-closure care of $4,181,266 will be recognized on a pro rata basis as the remaining estimated capacity of 71,035 cubic yards of useable space for the original landfill, and 638,724 cubic yards of useable space for the new landfill are filled. Approximately 87% of the original landfill's capacity has been used to date and 23% of the new landfill's capacity has been used to date. The County expects the original landfill to close in 2025 and the new landfill to close in 2046. All amounts recognized are based on what it would cost to perform all closure and post-closure care in 2003 as adjusted annually for inflation. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

NOTE 7. LONG-TERM DEBT (CONTINUED)

It is anticipated that future inflation costs will be in part financed from earnings on investments. The remaining portion of anticipated future inflation costs (including inadequate earning on investments, if any, and additional costs that might arise from changes in post-closure requirements (due to changes in technology or more rigorous environmental regulations, for example), may need to be covered by charges to future landfill users, taxpayers, or both. The financial assurance requirements are being met through the proper maintenance of cash balances and financial ratios.

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of September 30, 2020, is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	$ 69,772
General Fund	Water Fund	55,948
Nonmajor Governmental Funds	General Fund	411,544
		$ 537,264

Advances to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Solid Waste Fund	$ 724,097

These balances resulted from the time lag between the dates that: 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made. Advances to/from other funds represent amounts not expected to be repaid within one year from the date of the financial statements.

Interfund transfers:

	Transfer Out			
Transfer In	General Fund	Water Fund	Nonmajor Governmental Funds	Total
General Fund	$ -	$ -	$ 179,426	$ 179,426
Nonmajor Governmental Funds	18,832	2,250	-	21,082
Water Fund	4,302	-	-	4,302
Solid Waste Fund	9,014	-	-	9,014
	$ 32,148	$ 2,250	$ 179,426	$ 213,824

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

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 9. DEFINED BENEFIT PENSION PLAN

Primary Government

Plan Description

The County, as authorized by the County Commission, has established a non-contributory defined benefit pension plan, The McIntosh County Defined Benefit Plan (the "Plan"), covering substantially all of the County's employees. The County's pension plan is administered through the Association County Commissioners of Georgia Third Restated Defined Benefit Plan (the "ACCG Plan"), an agent multiple-employer pension plan administered by GEBCorp and affiliated with the Association of County Commissioners of Georgia ("ACCG"). The Plan provides retirement, disability, and death benefits to plan members and beneficiaries. Plan benefits are provided for Plan participants who were participants in the Plan before January 1, 2004 whereby retirees receive between 1% and 1.75% multiplied by the average of the highest five consecutive years of earnings multiplied by the total credited years of service. Plan benefits are provided for Plan participants who were participants in the Plan on or after January 1, 2004 whereby retirees receive 1% multiplied by the average of the highest five consecutive years of earnings multiplied by the total credited years of service. The ACCG, in its role as the Plan sponsor, has the sole authority to establish and amend the benefit provisions and the contribution rates of the County related to the Plan, as provided in Section 19.03 of the ACCG Plan document. The County 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. The County Commission retains this authority. The ACCG Plan issues a publicly available financial report that includes financial statements and required supplementary information for the pension trust. That report may be obtained at **www.gebcorp.com** or by writing to Association County Commissioners of Georgia, Retirement Services, 191 Peachtree Street, NE, Atlanta, Georgia 30303 or by calling (800) 736-7166.

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Primary Government (Continued)

Plan Membership

As of January 1, 2019, the date of the most recent actuarial valuation, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	60
Inactive plan members entitled to but not receiving benefits	92
Active plan members	98
	250

Contributions

The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of the ACCG Plan has adopted a recommended actuarial funding policy for the Plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the Plan. The funding policy for the Plan, as adopted by the County Commission, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. No contributions are made by plan participants. For the year ended September 30, 2020, the County's contribution rate was 9.2% of annual payroll. County contributions to the Plan were $353,853 for the year ended September 30, 2020.

Net Pension Liability of the County

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

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Primary Government (Continued)

Net Pension Liability of the County (Continued)

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

Inflation	3.00%
Salary increases	4.50%, per year with an age based scale
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table.

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

The Plan's guidelines for asset allocation are as follows:

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 Equities	5	2.5 - 10
	100 %	

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Primary Government (Continued)

Net Pension Liability of the County (Continued)

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.

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 September 30, 2020, were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at September 30, 2019	$ 6,571,698	$ 4,489,320	$ 2,082,378
Changes for the year:			
Service cost	157,829	-	157,829
Interest	451,562	-	451,562
Changes in experience	(177,159)	-	(177,159)
Assumption changes	306,060	-	306,060
Contributions - employer	-	353,853	(353,853)
Net investment income	-	907,269	(907,269)
Benefit payments, including refunds of employee contributions	(241,637)	(241,637)	-
Administrative expense	-	(34,335)	34,335
Other charges	-	(50,230)	50,230
Net changes	496,655	934,920	(438,265)
Balances at September 30, 2020	$ 7,068,353	$ 5,424,240	$ 1,644,113

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.

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Primary Government (Continued)

Net Pension Liability of the County (Continued)

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	$ 2,520,763	$ 1,644,113	$ 912,192

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

Pension Expense and Deferred Outflows of Resources Related to Pensions

For the year ended September 30, 2020, the County recognized pension expense of $539,792. At September 30, 2020, the County reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ -	$ 254,414
Differences between expected and actual experience of economic/demographic losses	46,583	207,883
Difference in assumption changes	414,543	-
	$ 461,126	$ 462,297

NOTE 9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Primary Government (Continued)

Pension Expense and Deferred Outflows of Resources Related to Pensions (Continued)

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending September 30,	
2021	$ 98,908
2022	5,885
2023	10,198
2024	(116,162)
Total	$ (1,171)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Employees' Retirement Systems of Georgia Financial Report which is publically available at www.ersga.com.

NOTE 10. DEFINED CONTRIBUTION PLAN

The County sponsors a defined contribution plan, the Charles Schwab, Inc. Plan (the "Contribution Plan"), administered by Charles Schwab. The Contribution Plan is a 457 deferred compensation agreement. The Contribution Plan was adopted by the McIntosh County Board of Commissioner's passing of a resolution. Amendments to the Contribution Plan are under the control of the Board of Commissioners. The County does not make contributions to the Contribution Plan. All employees may contribute amounts up to the annual ceiling established by the Internal Revenue Service. All contributions are vested at the time they are made. All employees are eligible to participate in the Contribution Plan. During the fiscal year ended September 30, 2020, employees contributed $68,004 to the Contribution Plan.

NOTE 11. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The County has insurance coverage with the Association County Commissioners of Georgia–Interlocal Risk Management Agency ("ACCG-IRMA") to cover these claims. Losses relative to these risks are limited to a $1,000 to $5,000 per occurrence deductible provided for in the ACCG-IRMA contracts. As part of this risk pool, the County is obligated to pay all contributions and assessments as prescribed in the pool, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the fund, and to report as promptly as possible, and in accordance with any coverage description 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 made against the County within the scope of loss protection furnished by the funds. As of September 30, 2020, there were no outstanding or expected claims that would, in management's opinion, have a material adverse effect on the County's financial condition. Over the past four years, settlements have not exceeded the coverage.

The County participates in the Georgia Municipal Association Workers' Compensation Self-Insurance Fund ("GMAWCSIF"), a risk management agency created under Georgia law. As a participant in the GMAWCSIF, the County has no legal obligation to pay its own workers' compensation claims. The County is required to make an annual contribution to the fund in an amount that is determined on the basis of actuarial projections of losses. With payment of the County's annual contribution, the County has effectively transferred the risk and responsibility for payment of its workers' compensation claims. However, the enabling statute creating the GMAWCSIF permits the fund to levy an assessment upon its members to make up any deficiency in surplus or reserves. No amount has been recorded in the financial statements for this contingency, as management believes the likelihood for assessment is remote.

There were no significant reductions of insurance coverage compared to the prior year. Settled claims in the past four years have not exceeded the coverages.

NOTE 12. COMMITMENTS AND CONTINGENCIES

Litigation

The County is involved in a number of legal matters, which either have or could result in litigation. The nature of the lawsuits varies considerably. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the County.

NOTE 12. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Grant Contingencies

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. 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.

Contractual Commitments

As of September 30, 2020, the County has no contractual commitments on uncompleted construction contracts.

NOTE 13. RELATED ORGANIZATIONS

The McIntosh County Commission is responsible for appointing the seven-member board of the McIntosh County Industrial Development Authority ("MCIDA"). However, the McIntosh County Commission's powers with respect to MCIDA do not extend beyond these appointments and, accordingly, the County has no financial accountability for the MCIDA.

NOTE 14. JOINT VENTURE

Under Georgia law, the County, in conjunction with other cities and counties in the nine-county coastal Georgia region, is a member of the Coastal Regional Commission ("CRC") and is required to pay annual dues thereto. During its year ended September 30, 2020, the County paid $16,065 in such dues. Membership in a Regional Commission ("RC") is required by the Official Code of Georgia Annotated ("O.C.G.A.") § 50-8-34 which provides for the organizational structure of the RC's in Georgia. The CRC Board membership includes the chief elected official of each county and municipality of the area. O.C.G.A.§ 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from the Coastal Regional Commission, 127 "F" Street, Brunswick, Georgia 31520.

NOTE 15. HOTEL/MOTEL LODGING TAX

The County has imposed a 5% hotel/motel tax on lodging facilities within the County. Revenues collected during the fiscal year ended September 30, 2020, were $99,945. Of this amount, $59,967, or 60% of the amount collected was paid to the McIntosh County Chamber of Commerce to promote tourism within McIntosh County.

REQUIRED SUPPLEMENTARY INFORMATION

MCINTOSH COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30,

	2020	2019	2018
Total pension liability			
Service cost	**$ 157,829**	$ 158,931	$ 159,667
Interest on total pension liability	**451,562**	430,906	391,510
Changes of assumptions	**306,060**	315,655	12,243
Benefit payments, including refunds of employee contributions	**(241,637)**	(194,094)	(168,702)
Experience loss	**(177,159)**	(180,276)	161,376
Net change in total pension liability	**496,655**	531,122	556,094
Total pension liability - beginning	**6,571,698**	6,040,576	5,484,482
Total pension liability - ending (a)	**$ 7,068,353**	$ 6,571,698	$ 6,040,576
Plan fiduciary net position			
Contributions - employer	**$ 353,853**	$ 324,599	$ 376,723
Net investment income	**907,269**	(208,984)	609,889
Benefit payments, including refunds of employee contributions	**(241,637)**	(194,094)	(168,702)
Administrative expenses	**(34,335)**	(25,315)	(23,498)
Other	**(50,230)**	(22,646)	(96,067)
Net change in plan fiduciary net position	**934,920**	(126,440)	698,345
Plan fiduciary net position - beginning	**4,489,320**	4,615,760	3,917,415
Plan fiduciary net position - ending (b)	**$ 5,424,240**	$ 4,489,320	$ 4,615,760
County's net pension liability - ending (a) - (b)	**$ 1,644,113**	$ 2,082,378	$ 1,424,816
Plan fiduciary net position as a percentage of the total pension liability	**76.7%**	68.3%	76.4%
Covered payroll	**$ 3,833,923**	$ 4,262,113	$ 4,286,200
County's net pension liability as a percentage of covered payroll	**42.9%**	48.9%	33.2%

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

2017	2016	2015
$ 149,309	$ 137,728	$ 145,049
371,629	330,894	305,995
163,322	168,710	-
(155,990)	(134,925)	(119,050)
1,160	40,719	-
529,430	543,126	331,994
4,955,052	4,411,926	4,079,932
$ 5,484,482	$ 4,955,052	$ 4,411,926
$ 341,417	$ 312,354	$ 319,724
259,033	23,186	215,954
(150,352)	(130,049)	(114,747)
(25,688)	(22,353)	(22,549)
(28,542)	(37,937)	(41,002)
395,868	145,201	357,380
3,521,547	3,376,346	3,018,966
$ 3,917,415	$ 3,521,547	$ 3,376,346
$ 1,567,067	$ 1,433,505	$ 1,035,580
71.4%	71.1%	76.5%
$ 3,986,892	$ 3,972,684	$ 4,121,892
39.3%	36.1%	25.1%

MCINTOSH COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30,

	2020	2019	2018
Actuarially determined contribution	**$ 372,715**	$ 353,853	$ 324,599
Contributions in relation to the actuarially determined contribution	**353,853**	324,599	376,723
Contribution deficiency (excess)	**$ 18,862**	$ 29,254	$ (52,124)
Covered payroll	**$ 3,833,923**	$ 4,262,113	$ 4,286,200
Contributions as a percentage of covered payroll	**9.2%**	7.6%	8.8%

Notes to the Schedule:

Valuation date	January 1, 2019
Cost Method	Entry Age Normal
Actuarial Asset Valuation Method	Market value as of measurement date
Assumed Rate of Return on Investments	7.00%
Projected Salary Increases	3.50%-4.50%
Amortization Period	Closed level dollar for unfunded liability
Remaining Amortization Period	None remaining

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

2017	2016	2015
$ 376,723	$ 312,354	$ 319,724
341,417	312,354	319,724
$ 35,306	$ -	$ -
$ 3,986,892	$ 3,972,684	$ 4,121,892
8.6%	7.9%	7.8%

COMBINING AND INDIVIDUAL FUND STATEMENTS
AND
SCHEDULES

MCINTOSH COUNTY, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Law Library Fund is used to account for the resources received from the various courts of the County and disbursements for the support of a centralized law library.

Confiscated Assets Fund is used to account for cash received either as a result of a cash confiscation or cash received from a sale of capital assets acquired from a drug raid.

Jail Fund is used to account for revenues collected by the imposition of a 10% add-on fine as provided for by the Georgia Jail Construction and Staffing Act.

Drug Fund is used to account for the collection of additional penalties for certain drug related crimes, donations related to drug education and for expenditure of those funds solely and exclusively for drug abuse treatment and education programs relating to controlled substances and marijuana (O.C.G.A. § 15-21-100).

Victims' Witness Assistance Fund is used to account for the County's activities related to witnesses in legal proceedings.

Jail Commissary Fund is used to account for the proceeds from jail inmate commissary sales.

E-911 Fund is used to account for the County's emergency communications operations by providing an open channel between citizens and public safety providers.

Grant Fund is used to account for most of the County's grant activity which consists of short-lived projects.

Hotel/Motel Tax Fund is used to account for funds collected from the hotel/motel tax and disbursed to other agencies for the promotion of tourism.

Revolving Loan Fund is a special revenue fund used to account for the operations of the County's revolving loans. Original funding was provided by the Department of Housing and Urban Development through the State of Georgia Department of Community Affairs.

MCINTOSH COUNTY, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

Capital Projects Funds

2005 Sales Tax Fund accounts for the proceeds of a 1% Special Purpose Local Option Sales Tax. Funds are used for: road and drainage projects; landfill projects; fire department projects; jail improvements; recreation projects; animal shelter projects; emergency medical projects; County administration projects; Industrial Development Authority projects; debt service; and other City projects within the County.

2010 Sales Tax Fund accounts for the proceeds of a 1% Special Purpose Local Option Sales Tax. Funds are used for: roads, courthouse and administrative buildings, local solid waste handling facility, recreational facility, public safety facilities, capital equipment for use in voting, other various capital projects to be owned and/or operated by the County, and other City projects within the County.

2016 Sales Tax Fund accounts for the proceeds of a 1% Special Purpose Local Option Sales Tax. Funds are used for: senior center facilities, animal shelter improvements, emergency medical assistance equipment, landfill improvements, roads, other various capital projects to be owned and/or operated by the County, and other City projects within the County.

CDBG Water System Fund is used to account for activities related to the improvements of the water system.

TSPLOST Fund accounts for the proceeds of a 1% Transportation Special Purpose Local Option Sales Tax. Funds are used for road improvement projects.

MCINTOSH COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	Special Revenue Funds						
ASSETS	**Law Library**	**Confiscated Assets**	**Jail**	**Drug**	**Victims' Witness Assistance**	**Jail Commissary**	**E-911**
Cash and cash equivalents	$ 109,992	$ 125,226	$ 105,052	$ 98,115	$ 543,050	$ 131,353	$ 229,128
Taxes receivable	-	-	-	-	-	-	-
Accounts receivable	-	-	14,727	-	-	-	-
Due from other funds	-	-	31,890	-	-	-	-
Due from other governments	-	-	-	407	7,370	-	66,034
Total assets	$ 109,992	$ 125,226	$ 151,669	$ 98,522	$ 550,420	$ 131,353	$ 295,162
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts and retainage payable	$ -	$ -	$ 8,135	$ -	$ -	$ -	$ 7
Accrued expenses	-	-	-	-	-	-	11,322
Due to other funds	28,142	-	-	5,994	-	-	31,128
Due to other governments	-	-	-	-	-	-	-
Total liabilities	28,142	-	8,135	5,994	-	-	42,457
FUND BALANCES (DEFICITS)							
Restricted for:							
Judicial	81,850	-	-	-	550,420	-	-
Public safety	-	125,226	143,534	92,528	-	-	252,705
Economic development	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Tourism	-	-	-	-	-	-	-
Committed to:							
Public safety	-	-	-	-	-	131,353	-
Unassigned	-	-	-	-	-	-	-
Total fund balances (deficits)	81,850	125,226	143,534	92,528	550,420	131,353	252,705
Total liabilities and fund balances (deficits)	$ 109,992	$ 125,226	$ 151,669	$ 98,522	$ 550,420	$ 131,353	$ 295,162

Special Revenue Funds			Capital Projects Funds				Total Nonmajor Governmental Funds
Grant	Hotel/ Motel Tax	Revolving Loan	2005 Sales Tax	2016 Sales Tax	CDBG Water System	TSPLOST	
$ 100	$ -	$ 76,094	$ -	$ 762,799	$ 100	$ 388,248	$ 2,569,257
-	5,009	-	-	-	-	-	5,009
-	-	-	-	-	-	-	14,727
6,650	364,093	-	-	-	8,911	-	411,544
-	-	-	-	114,800	-	99,675	288,286
$ 6,750	$ 369,102	$ 76,094	$ -	$ 877,599	$ 9,011	$ 487,923	$ 3,288,823
$ 6,750	$ 151	$ -	$ -	$ 137,246	$ 149,994	$ -	$ 302,283
-	-	-	-	-	-	-	11,322
-	-	-	-	4,508	-	-	69,772
-	-	-	-	22,960	-	-	22,960
6,750	151	-	-	164,714	149,994	-	406,337
-	-	-	-	-	-	-	632,270
-	-	-	-	-	-	-	613,993
-	-	76,094	-	-	-	-	76,094
-	-	-	-	712,885	-	487,923	1,200,808
-	368,951	-	-	-	-	-	368,951
-	-	-	-	-	-	-	131,353
-	-	-	-	-	(140,983)	-	(140,983)
-	368,951	76,094	-	712,885	(140,983)	487,923	2,882,486
$ 6,750	$ 369,102	$ 76,094	$ -	$ 877,599	$ 9,011	$ 487,923	$ 3,288,823

MCINTOSH COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

	Special Revenue Funds						
	Law Library	Confiscated Assets	Jail	Drug	Victims' Witness Assistance	Jail Commissary	E-911
Revenues							
Sales taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other taxes	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	252,148
Charges for services	-	-	-	-	-	52,834	263,456
Fines and forfeitures	51,330	163,247	319,415	12,906	173,465	-	-
Interest income	393	-	102	98	674	-	313
Other revenues	-	-	-	-	-	-	399
Total revenues	51,723	163,247	319,517	13,004	174,139	52,834	516,316
Expenditures							
Current							
General government	-	-	-	-	-	-	-
Judicial	58,407	-	-	-	-	-	-
Public works	-	92,072	318,395	11,524	13,113	41,061	523,595
Culture and recreation	-	-	-	-	-	-	-
Housing and development	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Debt service							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total expenditures	58,407	92,072	318,395	11,524	13,113	41,061	523,595
Excess (deficiency) of revenues over (under) expenditures	(6,684)	71,175	1,122	1,480	161,026	11,773	(7,279)
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	18,832
Transfers out	-	-	-	-	(101,431)	-	-
Total other financing sources (uses)	-	-	-	-	(101,431)	-	18,832
Net change in fund balances	(6,684)	71,175	1,122	1,480	59,595	11,773	11,553
Fund balances, beginning of year	88,534	54,051	142,412	91,048	490,825	119,580	241,152
Fund balances (deficits), end of year	$ 81,850	$ 125,226	$ 143,534	$ 92,528	$ 550,420	$ 131,353	$ 252,705

Special Revenue Funds			Capital Projects Funds				Total Nonmajor Governmental Funds
Grant	Hotel/ Motel Tax	Revolving Loan	2005 Sales Tax	2016 Sales Tax	CDBG Water System	TSPLOST	
$ -	$ -	$ -	$ -	$ 1,330,220	$ -	$ 587,516	$ 1,917,736
-	99,945	-	-	-	-	-	99,945
193,929	-	-	-	-	409,246	-	855,323
-	-	-	-	-	-	-	316,290
-	-	-	-	-	-	-	720,363
-	-	11,258	-	1,165	-	33	14,036
-	-	-	-	-	-	-	399
193,929	99,945	11,258	-	1,331,385	409,246	587,549	3,924,092
-	-	254,948	-	-	-	-	254,948
-	-	-	-	-	-	-	58,407
-	-	-	-	-	-	-	999,760
115,934	-	-	-	-	-	-	115,934
-	74,229	-	-	-	-	-	74,229
-	-	-	-	1,120,064	545,922	99,626	1,765,612
-	-	-	-	266,044	-	-	266,044
-	-	-	-	69,024	-	-	69,024
-	-	-	-	5,832	-	-	5,832
115,934	74,229	254,948	-	1,460,964	545,922	99,626	3,609,790
77,995	25,716	(243,690)	-	(129,579)	(136,676)	487,923	314,302
-	-	-	2,250	-	-	-	21,082
(77,995)	-	-	-	-	-	-	(179,426)
(77,995)	-	-	2,250	-	-	-	(158,344)
-	25,716	(243,690)	2,250	(129,579)	(136,676)	487,923	155,958
-	343,235	319,784	(2,250)	842,464	(4,307)	-	2,726,528
$ -	$ 368,951	$ 76,094	$ -	$ 712,885	$ (140,983)	$ 487,923	$ 2,882,486

MCINTOSH COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

Project Description	Original Costs	Estimated Costs	Expenditures		
			Prior Years	Current Year	Total
2005 REFERENDUM					
Fire Department Improvements	$ 1,250,000	$ 1,250,000	$ 1,467,532	$ -	$ 1,467,532
Animal Shelter Improvements	60,000	60,000	57,883	-	57,883
Emergency Medical Improvements	625,000	625,000	569,706	-	569,706
Landfill Improvements	1,050,000	1,050,000	1,118,051	-	1,118,051
Recreational Facilities	1,040,000	1,040,000	568,362	-	568,362
County Roads and Bridges Improvements	2,675,000	2,675,000	2,528,681	-	2,528,681
City of Darien Projects	450,000	450,000	431,049	-	431,049
County Office Equipment Enhancements	115,000	115,000	324,760	-	324,760
Development Authority Projects	250,000	250,000	100,000	-	100,000
Jail Facility Improvements	675,000	675,000	525,253	-	525,253
Totals	$ 8,190,000	$ 8,190,000	$ 7,691,277	$ -	$ 7,691,277
2010 REFERENDUM					
Courthouse Improvements	$ 221,455	$ 221,455	$ 221,456	$ -	$ 221,456
Animal Shelter Improvements	75,000	75,000	69,477	-	69,477
Elections Equipment	15,000	15,000	4,061	-	4,061
Emergency Medical Assistance Equipment	147,000	147,000	290,768	-	290,768
Emergency Medical Service Equipment	617,240	617,240	591,603	-	591,603
Landfill Equipment and Improvements	855,000	855,000	830,244	-	830,244
Leisure Services Equipment and Improvements	868,000	868,000	584,459	-	584,459
Roads and Bridges Improvements	2,151,305	2,151,305	1,948,671	-	1,948,671
Sheriff's Department Improvements	500,000	500,000	473,682	-	473,682
Volunteer Fire Equipment	780,000	780,000	264,368	-	264,368
Chamber of Commerce Projects	710,000	710,000	-	-	-
Development Authority Projects	660,000	660,000	70,110	-	70,110
Project Chamber of Commerce	710,000	710,000	310,147	-	310,147
City of Darien Projects	1,900,000	1,900,000	2,020,833	-	2,020,833
Totals	$ 10,210,000	$ 10,210,000	$ 7,679,879	$ -	$ 7,679,879

MCINTOSH COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

Project Description	Original Costs	Estimated Costs	Expenditures		
			Prior Years	Current Year	Total
2016 REFERENDUM					
General Government and Senior Center Facility	$ 300,000	$ 300,000	$ 151,460	$ 50,013	$ 201,473
Animal Shelter Improvements	72,000	72,000	23,028	7,350	30,378
Elections Equipment	27,000	27,000	-	-	-
Emergency Medical Assistance Equipment	135,000	135,000	91,442	158,257	249,699
Emergency Medical Service Equipment	680,000	680,000	120,993	0	120,993
Landfill Equipment and Improvements	565,000	565,000	114,473	82,791	197,264
Leisure Services Equipment and Improvements	763,186	763,186	27,488	131,833	159,321
Roads and Bridges Improvements	1,942,906	1,942,906	610,990	280,356	891,346
Sheriff's Department Improvements	1,100,000	1,100,000	322,720	172,577	495,297
Volunteer Fire Equipment	547,908	547,908	232,336	23,537	255,873
Water Department	500,000	500,000	-	103,722	103,722
Development Authority Projects	550,000	550,000	-	-	-
County Department Equipment	132,000	132,000	90,836	7,597	98,433
E-911 Services Equipment	45,000	45,000	38,250	25,875	64,125
Recreational Facilities	370,000	370,000	298,072	22,156	320,228
Tax Assessor Equipment	80,000	80,000	26,833	54,000	80,833
Project Chamber of Commerce	350,000	350,000	-	-	-
City of Darien Projects	2,040,000	2,040,000	759,252	266,044	1,025,296
Totals	$ 10,200,000	$ 10,200,000	$ 2,908,173	$ 1,386,108	$ 4,294,281

Note: The difference between the above schedule and the Statement of Revenues, Expenditures and Changes in Fund Balances is due to equipment purchased through capital leases being recognized in the year purchased. Payments of principal and interest made during the current year totaled $74,856.

MCINTOSH COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

Project Description	Original Costs	Estimated Costs	Expenditures		
			Prior Years	Current Year	Total
2019 REFERENDUM					
Road Improvements	$ 5,236,063	$ 5,236,063	$ -	$ 2,058	$ 2,058
Payments to Other Governments	763,937	763,937	-	97,568	97,568
Totals	$ 6,000,000	$ 6,000,000	$ -	$ 99,626	$ 99,626

MCINTOSH COUNTY, GEORGIA

AGENCY FUNDS

Tax Commissioner – This fund is used to account for all real, personal and intangible taxes collected and forwarded to the County and other government units.

Jail Inmate Fund – This fund accounts for jail inmate funds while in custody, and for the purchase of items from the Jail Commissary and related activities on behalf of inmates and the correctional institution.

The following agency funds are used to account for fines, fees and other monies collected by the courts and Sheriff's Office and remitted to other parties in accordance with court orders and state law:

Clerk of Court
Probate – Magistrate Court
Sheriff

MCINTOSH COUNTY, GEORGIA

COMBINING ASSETS AND LIABILITIES
AGENCY FUNDS
SEPTEMBER 30, 2020

ASSETS	Tax Commissioner	Clerk of Courts	Probate - Magistrate Court	Sheriff	Jail Inmate	Total
Cash	$ 391,329	$ 362,082	$ 23,074	$ 59,930	$ 8,974	$ 845,389
Taxes receivable	933,976	-	-	-	-	933,976
Total assets	$ 1,325,305	$ 362,082	$ 23,074	$ 59,930	$ 8,974	$ 1,779,365
LIABILITIES						
Due to others	$ 391,329	$ 362,082	$ 23,074	$ 59,930	$ 8,974	$ 845,389
Uncollected taxes	933,976	-	-	-	-	933,976
Total liabilities	$ 1,325,305	$ 362,082	$ 23,074	$ 59,930	$ 8,974	$ 1,779,365

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*

To the Board of Commissioners
of McIntosh County, Georgia
Darien, Georgia

We have audited, in accordance with the 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 business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of McIntosh County, Georgia (the "County") as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise McIntosh County, Georgia's basic financial statements and have issued our report thereon dated September 23, 2021. Our report includes a reference to other auditors who audited the financial statements of the McIntosh County Health Department, as described in our report on McIntosh County, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2020-001 that we considered to be significant deficiency.

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 the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2020-002.

McIntosh County, Georgia's Responses to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on 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 County'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 23, 2021

MAULDIN & JENKINS
CPAs & ADVISORS

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

To the Board of Commissioners
of McIntosh County, Georgia
Darien, Georgia

Report on Compliance for Each Major Federal Program

We have audited McIntosh County, Georgia's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the County's major federal program for the year ended September 30, 2020. The County's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2020.

Report on Internal Control Over Compliance

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

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

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

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

Mauldin & Jenkins, LLC

Savannah, Georgia
September 23, 2021

MCINTOSH COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Grant Identification Number	Expenditures
U.S. Environmental Protection Agency			
Passed through Georgia Department of Natural Resources			
Nonpoint Source Implementation Grant	66.460	C9994458-15-0	$ 76,614
Historic Preservation Fund Grants-in-Aid	15.904	N/A	15,302
Total U.S. Environmental Protection Agency			91,916
U.S. Department of Housing and Urban Development			
Passed through Georgia Department of Community Affairs			
Community Development Block Grant	14.218	18p-y-095-1-6013	408,428
			408,428
U.S. Department of the Treasury			
Passed through Georgia Governors Office of Planning and Budget			
COVID-19 - Coronavirus Relief Fund	21.019	14635-CRF	652,095
			652,095
U.S. Department of Homeland Security			
Passed through Georgia Emergency Management Agency			
Disaster Grant - Public Assistance	97.036	FEMA-4284-DR-GA	40,610
Emergency Management Performance Grant	97.042	OEM19-100	18,887
Pre-Disaster Mitigation	97.047	PDMC-PL-04-GA-2015-003	28,259
Total U.S. Department of Homeland Security			87,756
U.S. Department of Health and Human Services			
Passed through from Coastal Georgia. Regional Commission			
Title III, Part C - Nutrition Services	93.045	N/A	51,395
			51,395
U.S. Department of Justice			
Passed through from Georgia Criminal Justice Coordinating Council			
Crime Victims' Assistance Grant	16.575	C18-8-230	66,447
			66,447
U.S. Department of Commerce			
Passed through Georgia Department of Natural Resources			
Coastal Incentive Grant	11.419	NA18NOS4190146 306-7 5/8	66,108
			66,108
Total Expenditures of Federal Awards			$ 1,424,145

MCINTOSH COUNTY, GEORGIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of McIntosh County, Georgia (the "County"), and is presented on the accrual basis of accounting. The County reporting entity is defined in Note 1 of the County's basic financial statements.

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. SIGNIFICANT ACCOUNTING POLICIES

Measurement Focus

The determination of when an award is expended is based on when the activity related to the award occurred.

Program Type Determination

Type A programs are defined as federal programs with federal expenditures exceeding the larger of $750,000, or 3% of total federal expenditures. The threshold of $750,000 was used in distinguishing between Type A and Type B programs.

Method of Major Program Selection

The risk-based approach was used in the selection of federal programs to be tested as major programs. The County did not qualify as a low-risk auditee for the fiscal year ended September 30, 2020.

De-Minimis Indirect Cost Rate

During 2020, the County did not use the de-minimis indirect cost rate.

MCINTOSH COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	___ Yes __X__ No
Significant deficiencies identified not considered to be material weaknesses?	__X__ Yes ___ No
Noncompliance material to financial statements noted?	__X__ Yes ___ 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__ No
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?	___ Yes __X__ No

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
21.019	**U.S. Department of the Treasury** COVID-19 - Coronavirus Relief Fund

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

MCINTOSH COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2020–001. Segregation of Duties

Criteria: Internal controls should be in place which provide reasonable assurance that an individual cannot misappropriate funds without such actions being detected during the normal course of business.

Condition: There is not appropriate segregation of duties between recording, distribution and reconciliation of cash accounts and other operational functions in the various funds possessed by the County. This is especially prominent in the offices of the Clerk of Court, Probate-Magistrate Court, Law Library, and the operations of the Confiscated Assets Fund, Jail Fund and Jail Commissary Fund. Processes such as opening mail, posting cash receipts, reconciliation of receipts, deposit preparation, custody of checks, preparation of disbursements, signing of checks for disbursement, and reconciliation of the bank accounts should be properly segregated and in most cases these processes should have an appropriate review process.

We also noted the McIntosh County Manager currently is a check signer and prepares the monthly bank reconciliations. Considering the over-arching responsibilities of the McIntosh County Manager, we recommend the bank reconciliation duties be assigned to another individual and the County Manager be responsible for performing a review of the bank reconciliations once they are prepared.

We also noted that the County does not have policies or procedures in place for the initiation, approval, and recording of journal entries. It is our recommendation that the County establish such policies or procedures as to mitigate potential for misuse or misappropriation of funds.

Context: Several instances of overlapping duties were noted during interviews regarding internal control procedures as noted in the condition above.

Effect: Failure to properly segregate duties noted in the condition above, as well as the initiation, approval, and recording of journal entries can lead to misappropriation of funds that is not detected during the normal course of business.

Cause: The lack of segregation of duties is due to the limited number of individuals in each office to perform all of the required duties.

Recommendation: The County should consider having checks and balances in place, so that if overlapping duties exist, an appropriate level of review is performed.

MCINTOSH COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2020–002. Collateralization of Deposits

Criteria: Internal controls should be in place which ensure proper collateral is pledged by all financial institutions where deposits exceed the Federal Depository Insurance Corporation ("FDIC") coverage.

Condition/Context: Certain deposits for the Tax Commissioner were not properly collateralized in accordance with Official Code of Georgia Annotated ("O.C.G.A.") § 45-8-13.1. The State of Georgia requires collateral to be pledged at 110% for all public deposits in excess of the FDIC's insured limits.

Effect: Failure to maintain proper collateral is considered noncompliance with the O.C.G.A.

Cause: Lack of controls by the Tax Commissioner to ensure the respective banks hold sufficient securities pledged as collateral for the deposits in excess of FDIC coverage.

Recommendation: The County should implement internal controls to ensure proper collateral is pledged by all banking institutions where deposits exceed the FDIC's coverage and that those reports are reconciled on a monthly basis.

Views of Responsible Officials and Planned Corrective Action: We concur with the recommendation. Proper actions will be taken to ensure proper collateral is maintained.

SECTION III
FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported

MCINTOSH COUNTY, GEORGIA

SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

2019–001. Segregation of Duties

Criteria: Internal controls should be in place which provide reasonable assurance that an individual cannot misappropriate funds without such actions being detected during the normal course of business.

Condition: There is not appropriate segregation of duties between recording, distribution and reconciliation of cash accounts and other operational functions in the various funds possessed by the County. This is especially prominent in the offices of the Clerk of Court, Probate–Magistrate Court, Law Library, and the operations of the Confiscated Assets Fund, Jail Fund and Jail Commissary Fund.

Auditee Response/Status: Unresolved – See current year financial audit finding 2020–001.

20219–002. Collateralization of Deposits

Criteria: Internal controls should be in place which ensure proper collateral is pledged by all financial institutions where deposits exceed the Federal Depository Insurance Corporation ("FDIC") coverage.

Condition/Context: Certain deposits for the Tax Commissioner were not properly collateralized in accordance with Official Code of Georgia Annotated ("O.C.G.A.") § 45-8-13.1. The State of Georgia requires collateral to be pledged at 110% for all public deposits in excess of the FDIC's insured limits.

Auditee Response/Status: Unresolved – See current year financial audit finding 2020–002.