MCINTOSH COUNTY, GEORGIA

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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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 Audit of the Financial Statements

Opinions

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, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the American Rescue Plan Act ("ARPA") Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the McIntosh County Health Department, a discretely presented component unit of the County, which represents 100% of the assets and deferred outflows of resources, net position, and revenues of the discretely presented component unit as of September 30, 2023, and the respective changes in financial position for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the McIntosh County Health Department, are based solely on the report of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America requires that the Management's Discussion and Analysis (on pages 5 – 13), the Schedule of Changes in the County's Net Pension Liability and Related Ratios (on pages 59 and 60), and the Schedule of County Contributions (on pages 61 and 62) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 §48-8-269.5, 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, the Schedule of Expenditures of Federal Awards, the Schedules of Expenditures of SPLOST proceeds, and the Schedule of Expenditures of TSPLOST proceeds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 2024, 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
May 23, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

As County Manager of McIntosh County, Georgia (the "County"), I offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the year ended September 30, 2023. This discussion is intended to help provide a comprehensive understanding of the financial performance and condition of the 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 2023 is the 18th year the County has prepared its annual report in compliance with the financial reporting model, Governmental Accounting Standards Board ("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 2023 are as follows:

Government-wide Financial Statements:

- At September 30, 2023, the County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by $34,084,555 (net position).

- The County's $26,623,676 net investment in capital assets leaves the County with $7,460,879 in net position of which $4,639,016 is restricted.

- The County's total net position increased from $31,563,430 in the prior year to $34,084,555 in the current year, for a total increase of $2,521,125, or 7.99%.

- The County's revenues for fiscal year 2023 totaled $26,083,455. Of this amount, 26% are property tax revenues, 19% are sales tax revenues, 3% are other tax revenues, 3% are for business taxes, 37% are charges for services, 2% are interest revenues, and 10% are grant revenues. This is a 14.9% increase over fiscal year 2022 revenues.

- The County's total program expenses for fiscal year 2023 totaled $23,562,330. Of this amount, 45% are public safety expenses, 13% are general governmental expenses, 6% are judicial expenses, 13% are public works expenses, 11% are solid waste, and the remaining 12% are other expenses. This is a 10.2% increase over fiscal year 2022 expenses.

Governmental Funds Financial Statements:

- The County's governmental funds recorded total assets of $15,531,854 for fiscal year ended September 30, 2023. This amount is over the total governmental funds liabilities and deferred inflows of resources by $11,785,554 (fund balance).

- Total governmental fund's fund balances for fiscal year ended September 30, 2023 decreased by $2,848,755 from the previous year. The main reason for this decrease was the result of a $3,968,606 decrease in the General Fund.

- Total governmental fund balance of $11,785,554 consists of $1,291,197 nonspendable, $4,481,209 restricted, $164,703 committed, $99,911 assigned and $5,748,534 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 the County.

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 14, 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 taxes, 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 the 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 17 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 21 is the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to 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, 2023 and 2022.

Table 1
Summary of Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	**2023**	2022	**2023**	2022
Current and other assets	**$ 14,232,138**	$ 18,694,111	**$ 428,602**	$ 612,358	**$ 14,660,740**	$ 19,306,469
Capital assets	**28,382,398**	22,580,474	**11,484,061**	11,826,906	**39,866,459**	34,407,380
Total assets	**42,614,536**	41,274,585	**11,912,663**	12,439,264	**54,527,199**	53,713,849
Deferred outflows of resources	**919,521**	149,717	**48,090**	6,776	**967,611**	156,493
Long-term liabilities	**8,599,339**	7,668,863	**9,042,294**	8,828,501	**17,641,633**	16,497,364
Other liabilities	**3,211,903**	4,572,568	**371,675**	411,150	**3,583,578**	4,983,718
Total liabilities	**11,811,242**	12,241,431	**9,413,969**	9,239,651	**21,225,211**	21,481,082
Deferred inflows of resources	**175,848**	790,071	**9,196**	35,759	**185,044**	825,830
Net position:						
Net investment in capital assets	**21,035,000**	15,075,209	**5,588,676**	5,717,869	**26,623,676**	20,793,078
Restricted	**4,481,209**	4,054,635	**157,807**	5,190	**4,639,016**	4,059,825
Unrestricted (deficit)	**6,030,758**	9,262,956	**(3,208,895)**	(2,552,429)	**2,821,863**	6,710,527
Total net position	**$ 31,546,967**	$ 28,392,800	**$ 2,537,588**	$ 3,170,630	**$ 34,084,555**	$ 31,563,430

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 $34,084,555 at the close of the most recent fiscal year. By far the largest portion of the County's net position (78%) 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 (14%) represents resources that are subject to external restrictions on how they can be used. The remaining balance of net position (amounting to $2,821,863) is unrestricted and may be used to meet the County'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, 2023 and 2022.

Table 2
Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	**2023**	2022	**2023**	2022
Revenues:						
Program revenues:						
Charges for services	**$ 6,852,150**	$ 5,569,472	**$ 2,770,977**	$ 2,916,179	**$ 9,623,127**	$ 8,485,651
Operating grants	**2,077,402**	1,398,946	**-**	-	**2,077,402**	1,398,946
Capital grants	**615,852**	379,911	**-**	-	**615,852**	379,911
General revenues:						
Property taxes	**6,704,922**	5,988,628	**-**	-	**6,704,922**	5,988,628
Sales taxes	**5,093,930**	4,732,514	**-**	-	**5,093,930**	4,732,514
Business taxes	**794,876**	1,003,166	**-**	-	**794,876**	1,003,166
Other taxes	**714,247**	668,915	**-**	-	**714,247**	668,915
Unrestricted investment earnings	**397,017**	48,238	**62,082**	7,569	**459,099**	55,807
Total revenues	**23,250,396**	19,789,790	**2,833,059**	2,923,748	**26,083,455**	22,713,538
Program expenses:						
General government	**3,200,547**	2,663,736	**-**	-	**3,200,547**	2,663,736
Judicial	**1,465,066**	1,332,038	**-**	-	**1,465,066**	1,332,038
Public safety	**10,497,746**	9,187,408	**-**	-	**10,497,746**	9,187,408
Public works	**3,142,007**	2,432,191	**-**	-	**3,142,007**	2,432,191
Health and welfare	**174,861**	182,551	**-**	-	**174,861**	182,551
Culture and recreation	**832,808**	450,580	**-**	-	**832,808**	450,580
Housing and development	**595,893**	1,329,674	**-**	-	**595,893**	1,329,674
Interest	**187,301**	181,890	**-**	-	**187,301**	181,890
Water	**-**	-	**927,691**	901,422	**927,691**	901,422
Solid waste	**-**	-	**2,538,410**	2,703,888	**2,538,410**	2,703,888
Total expenses	**20,096,229**	17,760,068	**3,466,101**	3,605,310	**23,562,330**	21,365,378
Excess (deficiency)	**3,154,167**	2,029,722	**(633,042)**	(681,562)	**2,521,125**	1,348,160
Transfers	**-**	(102,443)	**-**	102,443	**-**	-
Changes in net position	**3,154,167**	1,927,279	**(633,042)**	(579,119)	**2,521,125**	1,348,160
Net position - beg. of year	**28,392,800**	26,465,521	**3,170,630**	3,749,749	**31,563,430**	30,215,270
Net position - end of year	**$ 31,546,967**	$ 28,392,800	**$ 2,537,588**	$ 3,170,630	**$ 34,084,555**	$ 31,563,430

Excluding transfers, total revenues for the primary government exceeded total expenses by $2,521,125. By review of Table 2, it is apparent that the bulk of revenues supporting the primary government are attributable to charges for services, $9,623,127, or 37%, and property taxes of $6,704,922, or 26%.

Additionally, Table 2 illustrates the bulk of the primary government's expenses being reported within the program of public safety at $10,497,746, or 45%, with the second largest expenses attributable to general government, reporting expenses of $3,200,547, or 13%.

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	
	2023	2022	**2023**	2022
General government	**$ 3,200,547**	$ 2,663,736	**$ 2,229,568**	$ 2,025,788
Judicial	**1,465,066**	1,332,038	**1,465,066**	1,332,038
Public safety	**10,497,746**	9,187,408	**4,160,454**	3,864,326
Public works	**3,142,007**	2,432,191	**1,394,707**	1,713,333
Health and welfare	**174,861**	182,551	**89,935**	90,432
Culture and recreation	**832,808**	450,580	**777,171**	216,995
Housing and development	**595,893**	1,329,674	**246,623**	986,937
Interest on long-term debt	**187,301**	181,890	**187,301**	181,890
Totals	**$ 20,096,229**	$ 17,760,068	**$ 10,550,825**	$ 10,411,739

As noted in the above table, governmental programs fell $10,550,825 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, 2023.

The County's Major Governmental Funds

At the end of fiscal year 2023, the County reported its governmental funds (as presented in the Balance Sheet on pages 17 and 18) having a combined fund balance of $11,785,554. This balance decreased by $2,848,755 from the prior year's balance.

The County's total governmental fund balance of $11,785,554 is divided into five categories: nonspendable of $1,291,197; restricted of $4,481,209; committed of $164,703; and assigned of $99,911. The unassigned fund balance is $5,748,534 that is available for use to meet current ongoing obligations of the County.

Revenues for the General Fund totaled $16,726,982, or approximately 72% of total governmental revenues reported in the Statement of Revenues, Expenditures and Changes in Fund Balances presented on pages 22 and 23. Of this amount, $6,837,795, or 41%, was collected through property taxes, with the second largest source of revenues reported in the line item of fines and forfeitures revenues, $3,376,073, or 20%. Expenditures for the General Fund totaled $15,755,683 (not including Other Financing Sources). Revenues exceeded expenditures by $971,299.

Revenues for the American Rescue Plan Act ("ARPA") Fund totaled $1,226,507, which represents intergovernmental, other, and interest income reported in the Statement of Revenues, Expenditures and Changes in Fund Balances presented on page 24. Expenditures for the ARPA Fund totaled $1,148,447 (not including Other Financing Sources). Revenues exceeded expenditures by $78,060.

Revenues for the 2022 sales tax fund totaled $1,971,407, or approximately 8% of total governmental revenues reported in the Statement of Revenues, Expenditures and Changes in Fund Balances presented on pages 19 and 20. Of this amount, $1,971,047, or 99%, was collected through sales taxes and $360, or 1%, was collected as interest. Expenditures for the 2022 sales tax fund totaled $1,823,500 (not including Other Financing Sources). Revenues exceeded expenditures by $147,907.

Revenues for the Transportation Special Purpose Local Option Sales Tax ("TSPLOST) fund totaled $1,722,842, or approximately 7% of total governmental revenues reported in the Statement of Revenues, Expenditures and Changes in Fund Balances presented on pages 19 and 20. Of this amount, $1,644,368, or 95%, was collected through sales taxes and $78,474, or 5%, was collected as interest. Expenditures for the TSPLOST fund totaled $1,334,223 (not including Other Financing Sources). Revenues exceeded expenditures by $388,619.

Revenues for the Capital Improvements Fund totaled $153, which represents interest income reported in the Statement of Revenues, Expenditures and Changes in Fund Balances presented on pages 19 and 20. Expenditures for the Capital Improvements Fund totaled $4,633,870 (not including Other Financing Sources). Expenditures exceeded revenues by $4,633,717.

General Fund Budgetary Highlights

Total revenues in the General Fund were over budget by $1,138,891, or approximately 7%. This final result is a combination of both positive and negative variance as reported on the General Fund Budgetary Comparison Schedule presented on pages 22 and 23. The largest negative variance, $236,875 is reported in the line item of business taxes.

General Fund expenditures (not including Other Financing Uses) for the year ended September 30, 2023, were over budget by $112,592, or approximately 1%.

Capital Assets and Debt Administration

The County's investment in capital assets for its governmental and business-type activities as of September 30, 2023, amounts to $39,866,459 (net of accumulated depreciation). This is an increase of $5,459,079 from last year. The increase is due to the purchase of capital assets and construction in progress ("CIP") additions. Table 4 is summary data of capital assets.

Table 4
Capital Assets (Net of Depreciation)

	Governmental Activities	Business-type Activities	Total
Land	$ 648,730	$ 214,793	$ 863,523
Construction in progress	9,917,559	-	9,917,559
Buildings	7,904,943	50,545	7,955,488
Machinery and equipment	3,074,411	523,344	3,597,755
Infrastructure	6,836,755	-	6,836,755
Water system	-	10,598,192	10,598,192
Leased assets	-	97,187	97,187
Totals	$ 28,382,398	$ 11,484,061	$ 39,866,459

It should be noted that the majority of the capital assets in the County have been obtained through the use of the Special Purpose Local Option Sales Tax ("SPLOST"). Currently, the County is 100% complete with the 2005 and 2010 SPLOST programs. The County started the SPLOST 2016 program in fiscal year 2017 and the SPLOST 2022 program in fiscal year 2023. More detail on the County's capital assets can be found on pages 45 and 46.

At year-end, the County had a total of $18,648,051 in outstanding long-term liabilities which includes $3,262,084 in closure and post-closure care costs for the McIntosh County Landfill Fund, $5,803,111 in revenue bonds payable, $6,989,000 in notes payable and the remaining balance being financed purchases, leases, compensated absences and the net pension liability. More information regarding the County's long-term debt can be found in Note 8 on pages 47 – 49.

Other Economic Factors

The Board of Commissioners and County Manager have considered several factors when establishing the fiscal year 2024 budget, including the overall economic issues affecting the entire County, as a result in increased SPLOST and Local Option Sales Tax ("LOST") revenues, and an incline 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

BASIC FINANCIAL STATEMENTS

MCINTOSH COUNTY, GEORGIA

STATEMENT OF NET POSITION
SEPTEMBER 30, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Board of Health
ASSETS				
Cash and cash equivalents	$ 11,899,379	$ 1,098,660	$ 12,998,039	$ 591,918
Taxes receivable, net	214,709	-	214,709	-
Accounts receivable, net	23,075	157,570	180,645	307
Notes receivable	293,748	-	293,748	-
Internal balances	827,628	(827,628)	-	-
Due from other governments	499,676	-	499,676	18,306
Prepaid expenses	473,923	-	473,923	-
Capital assets, non-depreciable	10,566,289	214,793	10,781,082	-
Capital assets, depreciable, net of accumulated depreciation	17,816,109	11,269,268	29,085,377	7,292
Total assets	42,614,536	11,912,663	54,527,199	617,823
DEFERRED OUTFLOWS OF RESOURCES				
Pension	919,521	48,090	967,611	220,670
OPEB	-	-	-	39,143
Total deferred outflows of resources	919,521	48,090	967,611	259,813
LIABILITIES				
Accounts and retainage payable	1,019,335	42,483	1,061,818	8,630
Accrued liabilities	96,892	13,713	110,605	-
Due to other governments	31,527	-	31,527	-
Unearned revenue	1,273,977	-	1,273,977	-
Customer deposits	-	99,233	99,233	-
Financed purchase due within one year	114,211	-	114,211	-
Financed purchase due in more than one year	244,187	-	244,187	-
Lease due within one year	-	92,274	92,274	-
Note payable due within one year	475,000	-	475,000	-
Note payable due in more than one year	6,514,000	-	6,514,000	-
Bond payable due within one year	-	118,046	118,046	-
Bond payable due in more than one year	-	5,685,065	5,685,065	-
Compensated absences due within one year	200,961	5,926	206,887	3,430
Compensated absences due in more than one year	50,240	1,482	51,722	13,718
Closure and post-closure care cost	-	3,262,084	3,262,084	-
Net pension liability due in more than one year	1,790,912	93,663	1,884,575	530,938
Net OPEB liability due in more than one year	-	-	-	12,860
Total liabilities	11,811,242	9,413,969	21,225,211	569,576
DEFERRED INFLOWS OF RESOURCES				
Pension	175,848	9,196	185,044	5,090
OPEB	-	-	-	34,464
Total deferred inflows of resources	175,848	9,196	185,044	39,554
NET POSITION				
Net investment in capital assets	21,035,000	5,588,676	26,623,676	7,292
Restricted for:				
Judicial	884,439	-	884,439	-
Public safety	565,337	-	565,337	-
Economic development	21,598	-	21,598	-
Capital outlay	2,661,913	-	2,661,913	-
Tourism	347,922	-	347,922	-
Special use	-	-	-	185,985
Debt service	-	157,807	157,807	-
Unrestricted	6,030,758	(3,208,895)	2,821,863	75,229
Total net position	$ 31,546,967	$ 2,537,588	$ 34,084,555	$ 268,506

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

MCINTOSH COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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	$ 3,200,547	$ 970,979	$ -	$ -
Judicial	1,465,066	-	-	-
Public safety	10,497,746	5,825,534	494,759	16,999
Public works	3,142,007	-	1,148,447	598,853
Health and welfare	174,861	-	84,926	-
Culture and recreation	832,808	55,637	-	-
Housing and development	595,893	-	349,270	-
Interest on long-term debt	187,301	-	-	-
Total governmental activities	20,096,229	6,852,150	2,077,402	615,852
Business-type activities:				
Water	927,691	836,730	-	-
Solid waste	2,538,410	1,934,247	-	-
Total business-type activities	3,466,101	2,770,977	-	-
Total primary government	$ 23,562,330	$ 9,623,127	$ 2,077,402	$ 615,852
Component unit:				
Board of Health	$ 562,296	$ 186,007	$ 309,443	$ -
Total component unit	$ 562,296	$ 186,007	$ 309,443	$ -

General revenues:
- Property taxes
- Sales taxes
- Business taxes
- Other taxes
- Unrestricted investment earnings
- Miscellaneous

Total general revenues

Change in net position

Net position, beginning of year

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
	$ (2,229,568)	$ -	$ (2,229,568)	$ -
	(1,465,066)	-	(1,465,066)	-
	(4,160,454)	-	(4,160,454)	-
	(1,394,707)	-	(1,394,707)	-
	(89,935)	-	(89,935)	-
	(777,171)	-	(777,171)	-
	(246,623)	-	(246,623)	-
	(187,301)	-	(187,301)	-
	(10,550,825)	-	(10,550,825)	-
	-	(90,961)	(90,961)	-
	-	(604,163)	(604,163)	-
	-	(695,124)	(695,124)	-
	$ (10,550,825)	$ (695,124)	$ (11,245,949)	$ -
	$ -	$ -	$ -	$ (66,846)
	-	-	-	(66,846)
	6,704,922	-	6,704,922	-
	5,093,930	-	5,093,930	-
	794,876	-	794,876	-
	714,247	-	714,247	-
	397,017	62,082	459,099	-
	-	-	-	160,199
	13,704,992	62,082	13,767,074	160,199
	3,154,167	(633,042)	2,521,125	93,353
	28,392,800	3,170,630	31,563,430	175,153
	$ 31,546,967	$ 2,537,588	$ 34,084,555	$ 268,506

MCINTOSH COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	General	ARPA Fund	2022 Sales Tax	TSPLOST
ASSETS				
Cash and cash equivalents	$ 6,641,641	$ 1,071,603	$ 442,096	$ 1,869,083
Taxes receivable, net	205,602	-	-	-
Accounts receivable	18,539	-	-	-
Notes receivable	-	232,042	-	-
Due from other funds	188,174	85,193	-	-
Due from other governments	175,501	-	157,635	133,359
Prepaid items	473,923	-	-	-
Advances to other funds	755,568	-	-	-
Total assets	$ 8,458,948	$ 1,388,838	$ 599,731	$ 2,002,442
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts and retainage payable	$ 260,127	$ 14,950	$ -	$ 25,300
Accrued expenses	42,502	-	-	-
Due to other funds	1,099,051	-	-	-
Due to other governments	-	-	31,527	-
Unearned revenue	-	1,273,977	-	-
Total liabilities	1,401,680	1,288,927	31,527	25,300
DEFERRED INFLOW OF RESOURCES				
Unavailable revenue - property taxes	79,243	-	-	-
Total deferred inflow of resources	79,243	-	-	-
FUND BALANCES				
Nonspendable:				
Prepaid items	473,923	-	-	-
Long-term notes receivable	-	-		-
Advances to other funds	755,568	-	-	-
Restricted for:				
Judicial	-	-	-	-
Public safety	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	568,204	1,977,142
Tourism	-	-	-	-
Committed to:				
Public safety	-	-	-	-
Assigned to:				
Public works	-	99,911	-	-
Unassigned	5,748,534	-	-	-
Total fund balances	6,978,025	99,911	568,204	1,977,142
Total liabilities, deferred inflow of resources and fund balances	$ 8,458,948	$ 1,388,838	$ 599,731	$ 2,002,442

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.
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.
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.
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.
The net pension liability is not due and payable in the current period and, therefore, is not reported in the funds.

Net position of governmental activities

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

Capital Improvements	Nonmajor Governmental Funds	Total
$ 2,667	$ 1,872,289	$ 11,899,379
-	9,107	214,709
-	4,536	23,075
-	61,706	293,748
718,794	379,615	1,371,776
-	33,181	499,676
-	-	473,923
-	-	755,568
$ 721,461	$ 2,360,434	$ 15,531,854
$ 636,268	$ 82,690	$ 1,019,335
-	-	42,502
85,193	115,472	1,299,716
-	-	31,527
-	-	1,273,977
721,461	198,162	3,667,057
-	-	79,243
-	-	79,243
-	-	473,923
-	61,706	61,706
-	-	755,568
-	884,439	884,439
-	565,337	565,337
-	21,598	21,598
-	116,567	2,661,913
-	347,922	347,922
-	164,703	164,703
-	-	99,911
-	-	5,748,534
-	2,162,272	11,785,554
$ 721,461	$ 2,360,434	
		28,382,398
		79,243
		743,673
		(7,652,989)
		(1,790,912)
		$ 31,546,967

MCINTOSH COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	General	ARPA Fund	2022 Sales Tax	TSPLOST
Revenues				
Property taxes	$ 6,837,795	$ -	$ -	$ -
Sales taxes	1,478,515	-	1,971,047	1,644,368
Business taxes	794,876	-	-	-
Other taxes	552,348	-	-	-
Licenses and permits	166,874	-	-	-
Intergovernmental	1,053,637	1,148,447	-	-
Charges for services	1,596,849	-	-	-
Fines and forfeitures	3,376,073	-	-	-
Interest	321,407	70,878	360	78,474
Other revenues	548,608	7,182	-	-
Total revenues	16,726,982	1,226,507	1,971,407	1,722,842
Expenditures				
Current:				
General government	3,308,470	-	-	-
Judicial	1,444,787	-	-	-
Public safety	8,181,849	-	-	-
Public works	1,546,125	1,148,447	-	-
Health and welfare	163,331	-	-	-
Culture and recreation	657,333	-	-	-
Housing and development	427,367	-	-	-
Capital outlay	-	-	1,080,732	1,334,223
Debt service:				
Principal	24,712	-	553,452	-
Interest	1,709	-	189,316	-
Total expenditures	15,755,683	1,148,447	1,823,500	1,334,223
Excess (deficiency) of revenues over (under) expenditures	971,299	78,060	147,907	388,619
Other financing sources (uses)				
Proceeds from sale of assets	300,000	-	-	-
Debt proceeds	-	-	420,297	-
Transfers in	108,183	-	-	-
Transfers out	(5,348,088)	-	-	-
Total other financing sources (uses)	(4,939,905)	-	420,297	-
Net change in fund balances	(3,968,606)	78,060	568,204	388,619
Fund balances (deficit), beginning of year	10,946,631	21,851	-	1,588,523
Fund balances, end of year	$ 6,978,025	$ 99,911	$ 568,204	$ 1,977,142

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

Capital Improvements	Nonmajor Governmental Funds	Total
$ -	$ -	$ 6,837,795
-	-	5,093,930
-	-	794,876
-	161,899	714,247
-	-	166,874
-	360,081	2,562,165
-	328,698	1,925,547
-	879,244	4,255,317
153	5,223	476,495
-	233	556,023
153	1,735,378	23,383,269
-	-	3,308,470
-	14,265	1,459,052
-	1,664,239	9,846,088
-	-	2,694,572
-	-	163,331
-	8,220	665,553
-	167,201	594,568
4,633,870	402,673	7,451,498
-	-	578,164
-	-	191,025
4,633,870	2,256,598	26,952,321
(4,633,717)	(521,220)	(3,569,052)
-	-	300,000
-	-	420,297
5,251,296	96,792	5,456,271
-	(108,183)	(5,456,271)
5,251,296	(11,391)	720,297
617,579	(532,611)	(2,848,755)
(617,579)	2,694,883	14,634,309
$ -	$ 2,162,272	$ 11,785,554

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, 2023

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

Net change in fund balances - total governmental funds	$	(2,848,755)
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.		6,112,071
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and donations) is to decrease net position.		(310,147)
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.		(132,873)
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.		157,867
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.		176,004
Change in net positon - governmental activites	$	3,154,167

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, 2023

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Property taxes	$ 6,488,345	$ 6,488,345	$ 6,837,795	$ 349,450
Sales taxes	1,373,555	1,373,555	1,478,515	104,960
Business taxes	1,031,751	1,031,751	794,876	(236,875)
Other taxes	454,769	454,769	552,348	97,579
Licenses and permits	141,759	141,759	166,874	25,115
Intergovernmental	871,547	871,547	1,053,637	182,090
Charges for services	1,584,327	1,584,327	1,596,849	12,522
Fines and forfeitures	3,416,771	3,416,771	3,376,073	(40,698)
Interest income	50,690	50,690	321,407	270,717
Other revenues	174,577	174,577	548,608	374,031
Total revenues	15,588,091	15,588,091	16,726,982	1,138,891
Expenditures				
Current:				
General government:				
Elections	294,008	294,008	341,586	(47,578)
Financial administration	1,190,210	1,190,210	1,268,501	(78,291)
Tax commissioner	484,859	484,859	478,504	6,355
Tax assessor	724,932	724,932	623,306	101,626
General government buildings and plant	449,748	449,748	588,909	(139,161)
Board of equalization	16,060	16,060	7,664	8,396
Total general government	3,159,817	3,159,817	3,308,470	(148,653)
Judicial:				
Superior court	494,027	494,027	482,346	11,681
State court	612,160	612,160	591,991	20,169
Probate-magistrate court	352,002	352,002	370,450	(18,448)
Total judicial	1,458,189	1,458,189	1,444,787	13,402
Public safety:				
Sheriff	4,246,398	4,246,398	4,228,963	17,435
Jail operations	1,788,824	1,788,824	1,813,578	(24,754)
Fire	231,511	231,511	295,401	(63,890)
Ambulance services	1,351,846	1,351,846	1,403,708	(51,862)
Coroner	66,222	66,222	58,907	7,315
Emergency management	144,197	144,197	156,545	(12,348)
Animal shelter	230,985	230,985	224,747	6,238
Total public safety	8,059,983	8,059,983	8,181,849	(121,866)
Public works:				
Roads and bridges	1,560,713	1,560,713	1,546,125	14,588
Total public works	1,560,713	1,560,713	1,546,125	14,588

(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, 2023

	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	60,000	60,000	45,521	14,479
Welfare	14,040	14,040	14,040	-
Family connections	57,500	57,500	51,690	5,810
Total health and welfare	183,620	183,620	163,331	20,289
Culture and recreation:				
Leisure services	507,564	507,564	436,510	71,054
Parks	201,302	201,302	150,058	51,244
Library	68,000	68,000	70,765	(2,765)
Total culture and recreation	776,866	776,866	657,333	119,533
Housing and development:				
County extension	97,493	97,493	122,306	(24,813)
Protective inspection	247,410	247,410	216,457	30,953
Economic development and assistance	-	-	7,734	(7,734)
Economic opportunity	99,000	99,000	80,870	18,130
Total housing and development	443,903	443,903	427,367	16,536
Debt service:				
Principal	-	-	24,712	(24,712)
Interest	-	-	1,709	(1,709)
Total debt service	-	-	26,421	(26,421)
Total expenditures	15,643,091	15,643,091	15,755,683	(112,592)
Excess (deficiency) of revenues over (under) expenditures	(55,000)	(55,000)	971,299	1,026,299
Other financing sources (uses)				
Sale of assets	5,000	5,000	300,000	295,000
Transfers in	50,000	50,000	108,183	58,183
Transfers out	-	-	(5,348,088)	(5,348,088)
Total other financing sources (uses)	55,000	55,000	(4,939,905)	(4,994,905)
Net change in fund balances	-	-	(3,968,606)	(3,968,606)
Fund balance, beginning of year	10,946,631	10,946,631	10,946,631	-
Fund balance, end of year	$ 10,946,631	$ 10,946,631	$ 6,978,025	$ (3,968,606)

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
ARPA FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Budgeted Amounts			Variance with Final
	Original	Final	Actual	Budget
Revenues				
Intergovernmental	$ -	$ -	$ 1,148,447	$ 1,148,447
Interest income	-	-	70,878	70,878
Other	-	-	7,182	7,182
Total revenues	-	-	1,226,507	1,226,507
Expenditures				
Current:				
Public works	-	-	1,148,447	(1,148,447)
Total expenditures	-	-	1,148,447	(1,148,447)
Net change in fund balances	-	-	78,060	78,060
Fund balance, beginning of year	21,851	21,851	21,851	-
Fund balance, end of year	$ 21,851	$ 21,851	$ 99,911	$ 78,060

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

MCINTOSH COUNTY, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2023

ASSETS	Water Fund	Solid Waste Fund	Total
CURRENT ASSETS			
Cash and cash equivalents	$ 721,963	$ 376,697	$ 1,098,660
Accounts receivable, net of allowances	95,871	61,699	157,570
Due from other funds	642	-	642
Total current assets	818,476	438,396	1,256,872
NON-CURRENT ASSETS			
Capital assets:			
Nondepreciable	90,103	124,690	214,793
Depreciable, net of accumulated depreciation	10,738,383	530,885	11,269,268
Total non-current assets	10,828,486	655,575	11,484,061
Total assets	11,646,962	1,093,971	12,740,933
DEFERRED OUTFLOWS OF RESOURCES			
Pension	21,384	26,706	48,090
Total deferred outflows of resources	21,384	26,706	48,090
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	8,184	34,299	42,483
Accrued expenses	13,713	-	13,713
Due to other funds	72,702	-	72,702
Customer deposits	99,233	-	99,233
Current portion - compensated absences	5,926	-	5,926
Current portion - bond payable	118,046	-	118,046
Current portion - lease	-	92,274	92,274
Total current liabilities	317,804	126,573	444,377
LONG-TERM LIABILITIES			
Advance from other funds	-	755,568	755,568
Compensated absences, net of current portion	1,482	-	1,482
Accrued landfill closure/post-closure care costs	-	3,262,084	3,262,084
Bond payable, net of current portion	5,685,065	-	5,685,065
Net pension liability	41,649	52,014	93,663
Total long-term liabilities	5,728,196	4,069,666	9,797,862
Total liabilities	6,046,000	4,196,239	10,242,239
DEFERRED INFLOWS OF RESOURCES			
Pension	4,089	5,107	9,196
Total deferred inflows of resources	4,089	5,107	9,196
NET POSITION			
Net investment in capital assets	5,025,375	563,301	5,588,676
Restricted for:			
Debt service	157,807	-	157,807
Unrestricted	435,075	(3,643,970)	(3,208,895)
Total net position	$ 5,618,257	$ (3,080,669)	$ 2,537,588

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, 2023

	Water Fund	Solid Waste Fund	Total
OPERATING REVENUES			
Charges for services	$ 778,892	$ 1,934,247	$ 2,713,139
Miscellaneous	57,838	-	57,838
Total operating revenues	836,730	1,934,247	2,770,977
OPERATING EXPENSES			
Salaries and benefits	177,198	293,946	471,144
Cost of sales and services	110,206	1,972,449	2,082,655
Supplies	110,311	82,243	192,554
Depreciation and amortization	310,311	188,837	499,148
Total operating expenses	708,026	2,537,475	3,245,501
Operating income (loss)	128,704	(603,228)	(474,524)
NON-OPERATING INCOME (EXPENSES)			
Interest income	30,094	31,988	62,082
Interest expense	(219,665)	(935)	(220,600)
Total non-operating income (expenses)	(189,571)	31,053	(158,518)
Change in net position	(60,867)	(572,175)	(633,042)
NET POSITION, beginning of year	5,679,124	(2,508,494)	3,170,630
NET POSITION, end of year	$ 5,618,257	$ (3,080,669)	$ 2,537,588

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

MCINTOSH COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Water Fund	Solid Waste Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 834,225	$ 1,958,554	$ 2,792,779
Payments to suppliers	(237,005)	(1,673,722)	(1,910,727)
Payments to employees	(179,002)	(298,677)	(477,679)
Net cash provided by (used in) operating activities	418,218	(13,845)	404,373
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal payments on lease payable	-	(99,362)	(99,362)
Principal payments on bonds payable	(114,290)	-	(114,290)
Payments for capital assets	(117,241)	(39,062)	(156,303)
Interest paid	(219,935)	(935)	(220,870)
Net cash used in capital and related financing activities	(451,466)	(139,359)	(590,825)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	30,094	31,988	62,082
Net cash provided by investing activities	30,094	31,988	62,082
Net change in cash and cash equivalents	(3,154)	(121,216)	(124,370)
Cash and cash equivalents			
Beginning of year	725,117	497,913	1,223,030
End of year	$ 721,963	$ 376,697	$ 1,098,660
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	$ 128,704	$ (603,228)	$ (474,524)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities			
Depreciation and amortization expense	310,311	188,837	499,148
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	(1,863)	15,949	14,086
Increase in due from other funds	(642)	-	(642)
Decrease in prepaids	-	8,358	8,358
Increase in deferred outflows of resources	(18,098)	(23,216)	(41,314)
Decrease in accounts payable	(42,466)	(2,183)	(44,649)
Increase in due to other funds	13,445	-	13,445
Increase in customer deposits	12,533	-	12,533
Increase in advance from other funds	-	24,139	24,139
Increase (decrease) in compensated absences	1,295	(5,994)	(4,699)
Increase in net pension liability	28,253	37,788	66,041
Increase in landfill closure and post-closure costs	-	359,014	359,014
Decrease in deferred inflows of resources	(13,254)	(13,309)	(26,563)
Net cash provided by (used in) operating activities	$ 418,218	$ (13,845)	$ 404,373

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

MCINTOSH COUNTY, GEORGIA

STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
SEPTEMBER 30, 2023

	Custodial Funds
ASSETS	
Cash and cash equivalents	$ 1,402,107
Taxes receivable	532,739
Total assets	1,934,846
LIABILITIES	
Due to others	773,886
Uncollected taxes	532,739
Total liabilities	1,306,625
NET POSITION	
Restricted:	
Individuals, organizations, and other governments	628,221
Total net position	$ 628,221

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

MCINTOSH COUNTY, GEORGIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION CUSTODIAL FUNDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Custodial Funds
ADDITIONS	
Taxes	$ 19,942,029
Fines and fees	6,528,101
Total additions	26,470,130
DEDUCTIONS	
Taxes and fees paid to other governments	19,942,029
Other custodial disbursements	6,438,972
Total deductions	26,381,001
Change in fiduciary net position	89,129
NET POSITION, beginning of year	539,092
NET POSITION, end of year	$ 628,221

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

NOTES TO 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 and 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 County-wide. State law pertaining to county government provides for the independent election of these county officials. The officials are all part of the County's financial reporting 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 financially 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (Continued)

Governmental fund financial statements are reported using the *current financial* resources measurement focus and the *modified accrual basis* of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, including lease liabilities, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions, including entering into contracts giving the County the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

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 ***American Rescue Plan Act ("ARPA") Fund*** was established to account for the revenues and expenditures associated with the U.S. Department of Treasury's Coronavirus State and Local Recovery Funds established by the American Rescue Plan Act of 2021.

The ***2022 Special Purpose Local Option Sales Tax ("SPLOST") Fund*** is a capital projects fund used to account for the proceeds of a 1% SPLOST.

The ***Transportation Special Purpose Local Option Sales Tax ("TSPLOST") Fund*** is a capital projects fund used to account for the proceeds of a 1% TSPLOST.

The ***Capital Improvements Fund*** is a capital projects fund used to account for the acquisition of equipment and the construction of major capital projects.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 expenditures for specific purposes.

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

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

Amounts reported as *program revenues* include: 1) charges 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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and right to use leased assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, including right to use leased 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Capital Assets (Continued)

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 and amortization 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
Right-to-use leased equipment	5 – 10 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, including lease liabilities, 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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 assets 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 four 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. Also, the net difference between projected and actual earnings on pension plan investments is deferred and amortized into pension expense over a five-year period, resulting in recognition as a deferred outflow of resources. Additionally, any contributions made by the County to the retirement plan before year-end but subsequent to the measurement date of the County's net pension liability are reported as deferred outflows of resources.

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 net assets 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 two 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Fund Equity (Continued)

Fund Balance (Continued)

- ***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.

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 1.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Leases – Lessee

The County is a lessee for noncancellable leases of equipment and vehicles. The County recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of $5,000 or more.

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

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

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

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

Lease assets are reported with capital assets and lease liabilities are reported separately on the Statement of Net Position.

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	$ (54,390)
Financed purchases	(358,398)
Notes payable	(6,989,000)
Compensated absences	(251,201)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$ (7,652,989)

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	$ 7,494,472
Depreciation expense	(1,382,401)
Net adjustment to increase *net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities*	$ 6,112,071

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	$	3,724
Compensated absences		(31,131)
Change in net pension liability and related deferred outflows and inflows of resources		203,411
Net adjustment to increase *net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities*	$	176,004

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 GAAP and are presented in accordance with finance-related legal and contractual provisions.

Budgeted amounts are as originally adopted on November 1, 2022 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, 2023, 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 as well as excess revenues over appropriations:

General Fund	Excess
Elections	$ 47,578
Financial administration	78,291
General government buildings and plant	139,161
Probate-magistrate court	18,448
Jail operations	24,754
Fire	63,890
Ambulance services	51,862
Emergency management	12,348
Library	2,765
County extension	24,813
Economic development and assistance	7,734
Principal	24,712
Interest	1,709

For the year ended September 30, 2023, public works expenditures of the ARPA fund had excess of actual expenditures over appropriations of $1,148,447. The over-expenditures were funded by excess revenues over appropriations.

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

D. Deficit Net Position

The following fund reported a deficit net position for the fiscal year ended September 30, 2023: Solid Waste Fund's deficit net position of $3,080,669. The Solid Waste deficit is intended to be eliminated through increased user charges and interfund transfers.

NOTE 4. CASH AND INVESTMENTS

Total deposits and investments as of September 30, 2023 are summarized as follows:

As reported in the Statement of Net Position:	
Cash and cash equivalents - Primary Government	$ 12,998,039
Cash and cash equivalents - Custodial Funds	1,402,107
	$ 14,400,146
Cash deposited with financial institutions	$ 14,400,146

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, 2023, $3,259,133 of the County's deposits were exposed to custodial credit rick as uninsured and uncollateralized as defined by GASB pronouncements.

NOTE 5. RECEIVABLES

Receivables consisted of the following at September 30, 2023, for the County's individual major funds and nonmajor funds in the aggregate:

	General	ARPA Fund	2022 Sales tax	TSPLOST	Nonmajor Governmental Funds	Water Fund	Solid Waste Fund	Total
Receivables:								
Taxes	$ 306,868	$ -	$ -	$ -	$ 9,107	$ -	$ -	$ 315,975
Accounts	18,539	-	-	-	4,536	176,368	78,568	278,011
Notes	-	232,042	-	-	61,706	-	-	293,748
Other governments	175,501	-	157,635	133,359	33,181	-	-	499,676
Gross receivables	500,908	232,042	157,635	133,359	108,530	176,368	78,568	1,387,410
Less allowance for uncollectibles	(101,266)	-	-	-	-	(80,497)	(16,869)	(198,632)
Net total receivable	$ 399,642	$ 232,042	$ 157,635	$ 133,359	$ 108,530	$ 95,871	$ 61,699	$ 1,188,778

Property taxes attached as an enforceable lien on property as of January 1, 2022. Property taxes were levied in September 2022, and payable on or before December 15, 2022. The County bills and collects its own property taxes. Property taxes levied for 2022 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during the year ended September 30, 2023, and collected by November 30, 2023, are recognized as revenues in the year ended September 30, 2023. Net receivables estimated to be collected subsequent to November 30, 2023, 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, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities					
Capital assets, not being depreciated:					
Land and improvements	$ 958,877	$ -	$ (310,147)	$ -	$ 648,730
Construction in progress	4,339,923	6,578,880	-	(1,001,244)	9,917,559
Total capital assets, not being depreciated	5,298,800	6,578,880	(310,147)	(1,001,244)	10,566,289
Capital assets, being depreciated:					
Buildings	13,061,889	38,200	-	373,095	13,473,184
Machinery and equipment	10,028,862	877,392	-	-	10,906,254
Infrastructure	36,620,908	-	-	628,149	37,249,057
Total capital assets, being depreciated	59,711,659	915,592	-	1,001,244	61,628,495
Less accumulated depreciation for:					
Buildings	(5,213,736)	(354,505)	-	-	(5,568,241)
Machinery and equipment	(7,152,218)	(679,625)	-	-	(7,831,843)
Infrastructure	(30,064,031)	(348,271)	-	-	(30,412,302)
Total accumulated depreciation	(42,429,985)	(1,382,401)	-	-	(43,812,386)
Total capital assets, being depreciated, net	17,281,674	(466,809)	-	1,001,244	17,816,109
Governmental activities capital assets, net	$ 22,580,474	$ 6,112,071	$ (310,147)	$ -	$ 28,382,398
Business-type activities					
Capital assets, not being depreciated:					
Land	$ 214,793	$ -	$ -	$ -	$ 214,793
Total capital assets, not being depreciated	214,793	-	-	-	214,793
Capital assets, being depreciated:					
Building and improvements	174,459	-	-	-	174,459
Machinery and equipment	2,289,276	90,973	-	-	2,380,249
Water system	13,860,432	65,330	-	-	13,925,762
Landfill	757,304	-	-	-	757,304
Total	17,081,471	156,303	-	-	17,237,774
Less accumulated depreciation for:					
Building and improvements	(115,587)	(8,327)	-	-	(123,914)
Machinery and equipment	(1,764,359)	(92,546)	-	-	(1,856,905)
Water system	(3,035,447)	(292,123)	-	-	(3,327,570)
Landfill	(748,339)	(8,965)	-	-	(757,304)
Total	(5,663,732)	(401,961)	-	-	(6,065,693)
Total capital assets, being depreciated, net	11,417,739	(245,658)	-	-	11,172,081
Business-type activities capital assets, net excluding leases	$ 11,632,532	$ (245,658)	$ -	$ -	11,386,874
Lease assets, net (Note 7)					97,187
Total capital assets, net as reported in the Statement of Net Position					$ 11,484,061

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	$	69,253
Judicial		4,980
Public safety		664,859
Public works		456,319
Health and welfare		11,530
Culture and recreation		175,460
Total depreciation expense - governmental activities	$	1,382,401
Business-type activities:		
Water Fund	$	310,311
Solid Waste Fund		91,650
Total depreciation expense - business-type activities	$	401,961

NOTE 7. LEASED ASSETS

A summary of lease asset activity for the County for the year ended September 30, 2023 is as follows:

	Beginning Balance	Increases	Decreases	Remeasure	Ending Balance
Lease Assets:					
Equipment	$ 485,935	$ -	$ -	$ -	$ 485,935
Less accumulated amortization, equipment	(291,561)	(97,187)	-	-	(388,748)
Total leased assets, net	$ 194,374	$ (97,187)	$ -	$ -	$ 97,187

NOTE 8. LONG-TERM DEBT

The following is a summary of long-term debt activity for the fiscal year ended September 30, 2023:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Financed purchases	$ 50,265	$ 420,297	$ (112,164)	$ 358,398	$ 114,211
Note payable - direct borrowing	7,455,000	-	(466,000)	6,989,000	475,000
Compensated absences	220,070	129,049	(97,918)	251,201	200,961
Net pension liability	610,296	1,782,496	(601,880)	1,790,912	-
Governmental activities long-term liabilities	$ 8,335,631	$ 2,331,842	$ (1,277,962)	$ 9,389,511	$ 790,172
Business-type activities:					
Revenue bonds payable	$ 5,917,401	$ -	$ (114,290)	$ 5,803,111	$ 118,046
Leases	191,636	-	(99,362)	92,274	92,274
Compensated absences	12,107	4,684	(9,383)	7,408	5,926
Closure and post-closure care	2,903,070	359,014	-	3,262,084	-
Net pension liability	27,622	93,223	(27,182)	93,663	-
Business-type activities long-term liabilities	$ 9,051,836	$ 456,921	$ (250,217)	$ 9,258,540	$ 216,246

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.

Leases. The County entered into a lease agreement for a period of five years as lessee for the use of certain equipment. The lease has an imputed interest rate of 3.20%. Principal and interest requirements to maturity for the lease as of September 30, 2023 are as follows:

Fiscal Year Payable	Total	Principal	Interest
2024	$ 92,572	$ 92,274	$ 298
	$ 92,572	$ 92,274	$ 298

NOTE 8. LONG-TERM DEBT (CONTINUED)

Financed Purchases. The County entered into financed purchase agreements for financing the acquisition of certain equipment. Interest rates range from 3.20% to 3.40%. The duration of the agreements are for three to six years. Principal and interest requirements to maturity for the financed purchase agreements as of September 30, 2023 are as follows:

Fiscal Year Payable	Total	Principal	Interest
2024	$ 129,489	$ 114,211	$ 15,278
2025	103,067	92,552	10,515
2026	103,067	96,619	6,448
2027	57,217	55,016	2,201
	$ 392,840	$ 358,398	$ 34,442

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%.

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

Fiscal Year Payable	Total	Principal	Interest
2024	$ 334,225	$ 118,046	$ 216,179
2025	334,224	123,151	211,073
2026	334,224	127,850	206,374
2027	334,224	132,727	201,497
2028	334,224	137,242	196,982
2029 – 2033	1,671,120	771,318	899,802
2034 – 2038	1,671,120	930,174	740,946
2039 – 2043	1,671,120	1,121,752	549,368
2044 – 2048	1,671,120	1,352,673	318,447
2049 – 2052	1,048,976	988,178	60,798
	$ 9,404,577	$ 5,803,111	$ 3,601,466

Notes Payable – Direct Borrowing. During the fiscal year ended September 30, 2021, the County issued $6,890,000 in notes payable for the purpose of purchasing a recreation complex and certain equipment. Principal payments on this note are due in annual installments beginning in June 2022 and ending in June 2036. Interest is due in semi-annual installments beginning December 2021 through June 2036. The interest rate on the note is 2.33%

NOTE 8. LONG-TERM DEBT (CONTINUED)

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

Fiscal Year Payable	Total	Principal	Interest
2024	$ 637,844	$ 475,000	$ 162,844
2025	636,776	485,000	151,776
2026	635,476	495,000	140,476
2027	633,942	505,000	128,942
2028	632,176	515,000	117,176
2029 – 2033	3,135,993	2,735,000	400,993
2034 – 2036	1,862,461	1,779,000	83,461
	$ 8,174,668	$ 6,989,000	$ 1,185,668

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 $3,262,084 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 $4,713,276 will be recognized on a pro rata basis as the remaining estimated capacity of 67,101 cubic yards of useable space for the original landfill, and 421,585 cubic yards of useable space for the new landfill are filled. Approximately 88% of the original landfill's capacity has been used to date and 49% 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.

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 earnings 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 9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of September 30, 2023 is as follows:

Due to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	$ 115,472
General Fund	Water Fund	72,702
ARPA Fund	Capital Improvements	85,193
Water Fund	General Fund	642
Capital Improvements	General Fund	718,794
Nonmajor Governmental Funds	General Fund	379,615
		$ 1,372,418

Advances to/from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Solid Waste Fund	$ 755,568

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	Nonmajor Governmental Funds	Total
General Fund	$ -	$ 108,183	$ 108,183
Capital Improvements	5,251,296	-	5,251,296
Nonmajor Governmental Funds	96,792	-	96,792
	$ 5,348,088	$ 108,183	$ 5,456,271

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) transfer funds for debt service.

NOTE 10. 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.

Plan Membership

As of January 1, 2022, the date of the most recent actuarial valuation, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	63
Inactive plan members entitled to but not receiving benefits	99
Active plan members	85
	247

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Primary Government (Continued)

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, 2023, the County's contribution rate was 10.4% of annual payroll. County contributions to the Plan were $381,667 for the year ended September 30, 2023.

Net Pension Liability of the County

The County's net pension liability was measured as of December 31, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022 with updated procedures performed by the actuary to roll forward to the total pension liability measured as of December 31, 2022.

Actuarial Assumptions. The total pension liability in the January 1, 2022 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 Pub-2010 GE (50%) & PS (50%) Amt-Weighted with Scale AA to 2022 (Pre-Retirement: Employee, Post-Retirement: Retiree).

The actuarial assumptions used in the January 1, 2022 valuation were based on the results of an actuarial experience study through February 2019.

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Primary Government (Continued)

Net Pension Liability of the County (Continued)

Actuarial Assumptions (Continued). 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 %	

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 contributions made to the Plan over the prior five years. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension liability.

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Primary Government (Continued)

Net Pension Liability of the County (Continued)

Changes in the Net Pension Liability of the County. The changes in the components of the net pension liability of the County for the year ended September 30, 2023 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at September 30, 2022	$ 7,700,392	$ 7,062,474	$ 637,918
Changes for the year:			
Service cost	164,249	-	164,249
Interest	525,799	-	525,799
Changes in experience	(247,395)	-	(247,395)
Assumption changes	11,983	-	11,983
Contributions - employer	-	381,667	(381,667)
Net investment income	-	(985,350)	985,350
Benefit payments, including refunds of employee contributions	(377,947)	(377,947)	-
Administrative expense	-	(36,709)	36,709
Other charges	-	(151,629)	151,629
Net changes	76,689	(1,169,968)	1,246,657
Balances at September 30, 2023	$ 7,777,081	$ 5,892,506	$ 1,884,575

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

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's net pension liability	$ 2,837,589	$ 1,884,575	$ 1,089,602

NOTE 10. 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 (Continued). 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, 2022, 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, 2023, the County recognized pension expense of $430,865. At September 30, 2023, 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	$ 643,332	$ -
Differences between expected and actual experience of economic/demographic losses	56,558	185,044
Difference in assumption changes	13,276	-
Employer contributions subsequent to the measurement date	254,445	-
	$ 967,611	$ 185,044

County contributions subsequent to the measurement date are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ending September 30, 2024. Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending September 30,	
2024	$ (16,692)
2025	63,900
2026	183,810
2027	297,104
Total	$ 528,122

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Primary Government (Continued)

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 publicly available at www.ersga.com.

NOTE 11. 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, 2023, employees contributed $52,361 to the Contribution Plan.

NOTE 12. 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, 2023, 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.

NOTE 12. RISK MANAGEMENT (CONTINUED)

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 three years have not exceeded the coverages.

NOTE 13. 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.

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, 2023, the County had outstanding construction commitments totaling $1,750,374 for various capital projects.

NOTE 14. 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 15. 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, 2023, the County paid $12,370 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 16. 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, 2023, were $161,899. Of this amount, $161,899 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 CHANGES IN THE COUNTY'S NET PENSION LIABILITY AND RELATED RATIOS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30,

	2023	2022	2021	2020
Total pension liability				
Service cost	**$ 164,249**	$ 164,449	$ 165,944	$ 157,829
Interest on total pension liability	**525,799**	492,764	494,785	451,562
Changes of assumptions	**11,983**	12,204	11,319	306,060
Benefit payments, including refunds of employee contributions	**(377,947)**	(335,807)	(293,645)	(241,637)
Experience (gain)/loss	**(247,395)**	159,392	(239,366)	(177,159)
Net change in total pension liability	**76,689**	493,002	139,037	496,655
Total pension liability - beginning	**7,700,392**	7,207,390	7,068,353	6,571,698
Total pension liability - ending (a)	**$ 7,777,081**	$ 7,700,392	$ 7,207,390	$ 7,068,353
Plan fiduciary net position				
Contributions - employer	**$ 381,667**	$ 397,395	$ 372,715	$ 353,853
Net investment income	**(985,350)**	937,783	724,122	907,269
Benefit payments, including refunds of employee contributions	**(377,947)**	(335,807)	(283,715)	(241,637)
Administrative expenses	**(36,709)**	(34,805)	(34,767)	(34,335)
Other	**(151,629)**	(63,893)	(40,794)	(50,230)
Net change in plan fiduciary net position	**(1,169,968)**	900,673	737,561	934,920
Plan fiduciary net position - beginning	**7,062,474**	6,161,801	5,424,240	4,489,320
Plan fiduciary net position - ending (b)	**$ 5,892,506**	$ 7,062,474	$ 6,161,801	$ 5,424,240
County's net pension liability - ending (a) - (b)	**$ 1,884,575**	$ 637,918	$ 1,045,589	$ 1,644,113
Plan fiduciary net position as a percentage of the total pension liability	**75.8%**	91.7%	85.5%	76.7%
Covered payroll	**$ 3,668,652**	$ 3,676,836	$ 3,755,648	$ 3,833,923
County's net pension liability as a percentage of covered payroll	**51.4%**	17.3%	27.8%	42.9%

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

2019	2018	2017	2016	2015
$ 158,931	$ 159,667	$ 149,309	$ 137,728	$ 145,049
430,906	391,510	371,629	330,894	305,995
315,655	12,243	163,322	168,710	-
(194,094)	(168,702)	(155,990)	(134,925)	(119,050)
(180,276)	161,376	1,160	40,719	-
531,122	556,094	529,430	543,126	331,994
6,040,576	5,484,482	4,955,052	4,411,926	4,079,932
$ 6,571,698	$ 6,040,576	$ 5,484,482	$ 4,955,052	$ 4,411,926
$ 324,599	$ 376,723	$ 341,417	$ 312,354	$ 319,724
(208,984)	609,889	259,033	23,186	215,954
(194,094)	(168,702)	(150,352)	(130,049)	(114,747)
(25,315)	(23,498)	(25,688)	(22,353)	(22,549)
(22,646)	(96,067)	(28,542)	(37,937)	(41,002)
(126,440)	698,345	395,868	145,201	357,380
4,615,760	3,917,415	3,521,547	3,376,346	3,018,966
$ 4,489,320	$ 4,615,760	$ 3,917,415	$ 3,521,547	$ 3,376,346
$ 2,082,378	$ 1,424,816	$ 1,567,067	$ 1,433,505	$ 1,035,580
68.3%	76.4%	71.4%	71.1%	76.5%
$ 4,262,113	$ 4,286,200	$ 3,986,892	$ 3,972,684	$ 4,121,892
48.9%	33.2%	39.3%	36.1%	25.1%

MCINTOSH COUNTY, GEORGIA

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

Actuarially determined contribution	**$ 436,345**	$ 381,667	$ 397,395	$ 372,715
Contributions in relation to the actuarially determined contribution	**381,667**	397,395	372,714	353,853
Contribution deficiency (excess)	**$ 54,678**	$ (15,728)	$ 24,681	$ 18,862
Covered payroll	**$ 3,668,652**	$ 3,676,836	$ 3,755,648	$ 3,833,923
Contributions as a percentage of covered payroll	**10.4%**	10.8%	9.9%	9.2%

Notes to the Schedule:

Valuation Date	January 1, 2023
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	4.50% per year with an age based scale
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.

$ 353,853	$ 324,599	$ 376,723	$ 312,354	$ 319,724
324,599	376,723	341,417	312,354	319,724
$ 29,254	$ (52,124)	$ 35,306	$ -	$ -
$ 4,262,113	$ 4,286,200	$ 3,986,892	$ 3,972,684	$ 4,121,892
7.6%	8.8%	8.6%	7.9%	7.8%

SUPPLEMENTARY INFORMATION

MCINTOSH COUNTY, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures 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.

Opioid Settlement Fund is used to account for proceeds received from opioid settlements.

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

Community Development Block Grant ("CDBG") Water System Fund is used to account for activities related to the improvements of the water system.

2016 Sales Tax Fund accounts for the proceeds of a 1% SPLOST.

MCINTOSH COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2023

	Special Revenue Funds						
ASSETS	Law Library	Confiscated Assets	Jail	Drug	Victims' Witness Assistance	Jail Commissary	E-911
Cash and cash equivalents	$ 319,374	$ 239,160	$ 221,997	$ 126,720	$ 600,618	$ 164,703	$ 5,073
Taxes receivable	-	-	-	-	-	-	-
Accounts receivable	-	-	4,536	-	-	-	-
Notes receivable	-	-	-	-	-	-	-
Due from other funds	-	-	31,889	-	-	-	-
Due from other governments	-	-	-	109	2,258	-	30,814
Total assets	$ 319,374	$ 239,160	$ 258,422	$ 126,829	$ 602,876	$ 164,703	$ 35,887
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts and retainage payable	$ -	$ -	$ 27,547	$ 25,000	$ -	$ -	$ 30,143
Due to other funds	37,811	-	533	5,994	-	-	5,744
Total liabilities	37,811	-	28,080	30,994	-	-	35,887
FUND BALANCES							
Nonspendable:							
Long-term note receivable	-	-	-	-	-	-	-
Restricted for:							
Judicial	281,563	-	-	-	602,876	-	-
Public safety	-	239,160	230,342	95,835	-	-	-
Economic development	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Tourism	-	-	-	-	-	-	-
Committed to:							
Public safety	-	-	-	-	-	164,703	-
Total fund balances	281,563	239,160	230,342	95,835	602,876	164,703	-
Total liabilities and fund balances	$ 319,374	$ 239,160	$ 258,422	$ 126,829	$ 602,876	$ 164,703	$ 35,887

Special Revenue Funds				Capital Projects Funds		Total Nonmajor Governmental Funds
Opioid Settlement	Grant	Hotel/ Motel Tax	Revolving Loan	CDBG Water System	2016 Sales tax	
$ -	$ 60,882	$ -	$ 21,598	$ 100	$ 112,064	$ 1,872,289
-	-	9,107	-	-	-	9,107
-	-	-	-	-	-	4,536
-	-	-	61,706	-	-	61,706
-	-	338,815	-	8,911	-	379,615
-	-	-	-	-	-	33,181
$ -	$ 60,882	$ 347,922	$ 83,304	$ 9,011	$ 112,064	$ 2,360,434
$ -	$ -	$ -	$ -	$ -	$ -	$ 82,690
-	60,882	-	-	-	4,508	115,472
-	60,882	-	-	-	4,508	198,162
-	-	-	61,706	-	-	61,706
-	-	-	-	-	-	884,439
-	-	-	-	-	-	565,337
-	-	-	21,598	-	-	21,598
-	-	-	-	9,011	107,556	116,567
-	-	347,922	-	-	-	347,922
-	-	-	-	-	-	164,703
-	-	347,922	83,304	9,011	107,556	2,162,272
$ -	$ 60,882	$ 347,922	$ 83,304	$ 9,011	$ 112,064	$ 2,360,434

MCINTOSH COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Special Revenue Funds						
	Law Library	Confiscated Assets	Jail	Drug	Victims' Witness Assistance	Jail Commissary	E-911
Revenues							
Other taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	-	-	-	360,081
Charges for services	-	-	-	-	-	101,703	226,995
Fines and forfeitures	85,552	275,854	296,623	21,135	148,469	-	-
Interest income	398	-	408	139	44	-	52
Other revenues	-	-	-	-	-	-	233
Total revenues	85,950	275,854	297,031	21,274	148,513	101,703	587,361
Expenditures							
Current:							
Judicial	14,265	-	-	-	-	-	-
Public safety	-	121,617	421,438	25,000	206,431	97,323	792,430
Culture and recreation	-	-	-	-	-	-	-
Housing and development	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	14,265	121,617	421,438	25,000	206,431	97,323	792,430
Excess (deficiency) of revenues over (under) expenditures	71,685	154,237	(124,407)	(3,726)	(57,918)	4,380	(205,069)
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	88,572
Transfers out	-	-	-	-	(56,572)	-	-
Total other financing sources (uses)	-	-	-	-	(56,572)	-	88,572
Net change in fund balances	71,685	154,237	(124,407)	(3,726)	(114,490)	4,380	(116,497)
Fund balances, beginning of year	209,878	84,923	354,749	99,561	717,366	160,323	116,497
Fund balances, end of year	$ 281,563	$ 239,160	$ 230,342	$ 95,835	$ 602,876	$ 164,703	$ -

Special Revenue Funds				Capital Projects Funds		Total
Opioid Settlement	Grant	Hotel/ Motel Tax	Revolving Loan	CDBG Water System	2016 Sales Tax	Nonmajor Governmental Funds
$ -	$ -	$ 161,899	$ -	$ -	$ -	$ 161,899
-	-	-	-	-	-	360,081
-	-	-	-	-	-	328,698
51,611	-	-	-	-	-	879,244
-	-	-	3,691	-	491	5,223
-	-	-	-	-	-	233
51,611	-	161,899	3,691	-	491	1,735,378
-	-	-	-	-	-	14,265
-	-	-	-	-	-	1,664,239
-	8,220	-	-	-	-	8,220
-	-	167,201	-	-	-	167,201
-	-	-	-	-	402,673	402,673
-	8,220	167,201	-	-	402,673	2,256,598
51,611	(8,220)	(5,302)	3,691	-	(402,182)	(521,220)
-	8,220	-	-	-	-	96,792
(51,611)	-	-	-	-	-	(108,183)
(51,611)	8,220	-	-	-	-	(11,391)
-	-	(5,302)	3,691	-	(402,182)	(532,611)
-	-	353,224	79,613	9,011	509,738	2,694,883
$ -	$ -	$ 347,922	$ 83,304	$ 9,011	$ 107,556	$ 2,162,272

MCINTOSH COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Project Description	Original Costs	Estimated Costs	Expenditures		
			Prior Years	Current Year	Total
2016 REFERENDUM					
General Government and Senior Center Facility	$ 300,000	$ 300,000	$ 241,379	$ -	$ 241,379
Animal Shelter Improvements	72,000	72,000	45,313	-	45,313
Elections Equipment	27,000	27,000	-	-	-
Emergency Medical Assistance Equipment	135,000	135,000	279,449	-	279,449
Emergency Medical Service Equipment	680,000	680,000	378,438	-	378,438
Landfill Equipment and Improvements	565,000	565,000	312,428	-	312,428
Leisure Services Equipment and Improvements	763,186	763,186	598,046	8,789	606,835
Roads and Bridges Improvements	1,942,906	1,942,906	1,315,197	-	1,315,197
Sheriff's Department Improvements	1,100,000	1,100,000	734,383	61,145	795,528
Volunteer Fire Equipment	547,908	547,908	373,883	-	373,883
Water Department	500,000	500,000	424,837	-	424,837
Development Authority Projects	550,000	550,000	-	332,739	332,739
County Department Equipment	132,000	132,000	98,433	-	98,433
E-911 Services Equipment	45,000	45,000	64,125	-	64,125
Recreational Facilities	370,000	370,000	1,211,085	-	1,211,085
Tax Assessor Equipment	80,000	80,000	84,833	-	84,833
Project Chamber of Commerce	350,000	350,000	-	-	-
City of Darien Projects	2,040,000	2,040,000	1,703,234	-	1,703,234
Totals	$ 10,200,000	$ 10,200,000	$ 7,865,063	$ 402,673	$ 8,267,736

MCINTOSH COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Project Description	Original Costs	Estimated Costs	Expenditures		
			Prior Years	Current Year	Total
2022 REFERENDUM					
Administrative Equipment	$ 120,000	$ 120,000	$ -	$ -	$ -
Public Safety Animal Control Equipment	30,000	30,000	-	58,204	58,204
Public Safety Animal Shelter Improvements	48,000	48,000	-	-	-
Building Inspections Equipment	30,000	30,000	-	-	-
Public Safety E-911 Equipment	45,000	45,000	-	-	-
Public Safety Communications Equipment	50,000	50,000	-	-	-
Public Safety EMS Equipment	633,750	633,750	-	-	-
IT Equipment	75,000	75,000	-	15,492	15,492
Recreation Complex Payments	3,815,918	3,815,918	-	725,356	725,356
Recreation Department Equipment	165,000	165,000	-	36,000	36,000
Ft. Barrington Park Improvements	200,000	200,000	-	-	-
McCullough Creek Park Improvements	200,000	200,000	-	-	-
Eulonia Park Improvements	200,000	200,000	-	-	-
Butler Island Improvements	10,000	10,000	-	-	-
Government Building Improvements	202,332	202,332	-	-	-
Eulonia Senior Center Improvements	15,000	15,000	-	-	-
Public Works Road Department Equipment	1,256,000	1,256,000	-	435,912	435,912
Public Works Mosquito Control Equipment	30,000	30,000	-	-	-
Public Safety Sheriff's Department Equipment	780,000	780,000	-	68,641	68,641
Public Safety Jail Improvements	300,000	300,000	-	2,234	2,234
Tax Assessor Equipment	65,000	65,000	-	-	-
Visitor's Center Improvements	15,000	15,000	-	-	-
Public Safety Fire Department Equipment	320,000	320,000	-	-	-
Public Safety Fire Station Improvements	60,000	60,000	-	-	-
Economic Development Industrial Park Improvements	550,000	550,000	-	-	-
City of Darien Projects	2,304,000	2,304,000	-	394,209	394,209
Totals	$ 11,520,000	$ 11,520,000	$ -	$ 1,736,048	$ 1,736,048

FY2023 SPLOST expenditures	$ 1,736,048
Principal payments on financed purchases	87,452
Total SPLOST Fund Expenditures	$ 1,823,500

MCINTOSH COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Project Description	Original Costs	Estimated Costs	Expenditures		
			Prior Years	Current Year	Total
2019 REFERENDUM					
Road Improvements	$ 5,236,063	$ 5,236,063	$ 1,175,911	$ 978,654	$ 2,154,565
Payments to Other Governments	763,937	763,937	657,322	355,569	1,012,891
Totals	$ 6,000,000	$ 6,000,000	$ 1,833,233	$ 1,334,223	$ 3,167,456

MCINTOSH COUNTY, GEORGIA

CUSTODIAL 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 custodial 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 STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
SEPTEMBER 30, 2023

ASSETS	Tax Commissioner	Clerk of Court	Probate - Magistrate Courts	Sheriff	Jail Inmate	Total
Cash and cash equivalents	$ 647,386	$ 488,331	$ 23,506	$ 220,090	$ 22,794	$ 1,402,107
Taxes receivable	532,739	-	-	-	-	532,739
Total assets	1,180,125	488,331	23,506	220,090	22,794	1,934,846
LIABILITIES						
Due to others	647,386	103,169	1,447	14,203	7,681	773,886
Uncollected taxes	532,739	-	-	-	-	532,739
Total liabilities	1,180,125	103,169	1,447	14,203	7,681	1,306,625
NET POSITION						
Restricted:						
Individuals, organizations, and other governments	-	385,162	22,059	205,887	15,113	628,221
Total net position	$ -	$ 385,162	$ 22,059	$ 205,887	$ 15,113	$ 628,221

MCINTOSH COUNTY, GEORGIA

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION CUSTODIAL FUNDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Tax Commissioner	Clerk of Court	Probate - Magistrate Courts	Sheriff	Jail Inmate	Total
ADDITIONS						
Taxes	$ 19,942,029	$ -	$ -	$ -	$ -	$ 19,942,029
Fines and fees	-	5,438,233	90,623	678,721	320,524	6,528,101
Total additions	19,942,029	5,438,233	90,623	678,721	320,524	26,470,130
DEDUCTIONS						
Taxes and fees paid to other governments	19,942,029	-	-	-	-	19,942,029
Other custodial disbursements	-	5,454,668	92,158	586,552	305,594	6,438,972
Total deductions	19,942,029	5,454,668	92,158	586,552	305,594	26,381,001
Net change in fiduciary net position	-	(16,435)	(1,535)	92,169	14,930	89,129
Net position, beginning of year	-	401,597	23,594	113,718	183	539,092
Net position, end of year	$ -	$ 385,162	$ 22,059	$ 205,887	$ 15,113	$ 628,221

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, 2023, 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 May 23, 2024. Our report includes a reference to other auditors who audited the financial statements of the McIntosh County Board of Health, 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.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2023-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 are required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2023-002.

McIntosh County, Georgia's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on McIntosh County, Georgia's responses to the findings identified in our audit as described in the accompanying Schedule of Findings and Questioned Costs. McIntosh County, Georgia's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the 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
May 23, 2024

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

Opinion on the Major Federal Program

We have audited McIntosh County, Georgia's (the "County") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the County's major federal program for the year ended September 30, 2023. The County's major federal program is identified in the Summary of the Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2023.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

Mauldin & Jenkins, LLC

Savannah, Georgia
May 23, 2024

MCINTOSH COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing Number	Grant Identification Number	Expenditures
U.S. Department of the Treasury			
Direct Programs:			
Coronavirus State and Local Fiscal Recovery Funds - COVID-19	21.027	1505-0271	$ 1,148,447
Total U.S. Department of the Treasury			1,148,447
U.S. Department of Homeland Security			
Passed through Georgia Emergency Management Agency			
Emergency Management Performance Grant	97.042	EMA-2022-EO-00005-S01	16,999
Total U.S. Department of Homeland Security			16,999
U.S. Department of Health and Human Services			
Passed through from Coastal Georgia Regional Commission			
Aging Cluster			
Title III, Part C - Nutrition Services	93.045	N/A	19,726
Total U.S. Department of Health and Human Services			19,726
U.S. Department of Justice			
Passed through from Georgia Criminal Justice Coordinating			
Council Crime Victims' Assistance Grant	16.575	C21-8-043	73,699
Total U.S. Department of Justice			73,699
Total Expenditures of Federal Awards			$ 1,258,871

MCINTOSH COUNTY, GEORGIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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, 2023.

De-Minimis Indirect Cost Rate

During 2023, the County did not use the de-minimis indirect cost rate.

Subrecipients

The County did not pass through any federal funding during the fiscal year ended September 30, 2023.

MCINTOSH COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP.	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	___ Yes __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 2 CFR 200.516(a)	____Yes __X__No

Identification of major programs:

AL Number	Name of Federal Program or Cluster
	U.S. Department of the Treasury
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds

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, 2023

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2023–001. 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.

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 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.

Views of Responsible Officials and Planned Corrective Action: We concur. We are in the process of implementing additional controls to ensure that the various accounting functions are properly being segregated.

MCINTOSH COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2023–002. 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 County were not properly collateralized in accordance with the 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 County 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, 2023

2022–001. 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.

Auditee Response/Status: Partially resolved – See current year financial audit finding 2023–001.

Kate Karwacki, Chairman
David Stevens, Vice-Chairman
Roger Lotson, Commissioner
William Harrell, Commissioner
Davis Poole, Commissioner

John "Patrick" Zoucks, County Manager
Adam S. Poppell, III, County Attorney
Shawn Jordan, Deputy County Manager
Sherrell D. Davis, County Clerk

McIntosh County Board of Commissioners
P.O. Box 584 • 1200 North Way • Darien, Georgia 31305 • 912-437-6671 • FAX 912-437-6416

May 23, 2024

Dear Sir or Madam:

Please find below the McIntosh County, Georgia' corrective action plan for the audit findings reported in the September 30, 2023 financial report.

2023-001 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/Cause: 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.

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

Views of Responsible Officials and Planned Corrective Action: We concur. We are in the process of implementing additional controls to ensure that the various accounting functions are properly being segregated.

Kate Karwacki, Chairman
David Stevens, Vice-Chairman
Roger Lotson, Commissioner
William Harrell, Commissioner
Davis Poole, Commissioner



John "Patrick" Zoucks, County Manager
Adam S. Poppell, III, County Attorney
Shawn Jordan, Deputy County Manager
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2023-002 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/Cause: Certain deposits for the County 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.

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

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

Compliance With State Law: Expenditures exceeded appropriations at the legal level of control.

Views of Responsible Officials and Planned Corrective Action: We concur. We will implement controls to ensure proper review of the County's budgets to ensure budgets are appropriately amended so that expenditures do not exceed appropriations at the legal level of budgetary control.

Please let me know if additional information is needed.

Thank you,

Patrick Zoucks
County Manager