HANCOCK COUNTY, GEORGIA

FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1 – 4
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements:	
Statement of Net Position	5
Statement of Activities	6
Fund Financial Statements:	
Balance Sheet – Governmental Funds	7
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	8
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	9
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	10
Statement of Net Position – Proprietary Funds	11
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	12
Statement of Cash Flows – Proprietary Funds	13
Statement of Fiduciary Net Position – Custodial Funds	14
Statement of Changes in Fiduciary Net Position – Custodial Funds	15
Notes to Financial Statements	16 – 43
REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS:	
Schedule of Changes in the Net Pension Liability and Related Ratios	44
Schedule of County Contributions	45
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual – General Fund	46 – 47
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual –TSPLOST Special Revenue Fund	48
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual –LMIG Special Revenue Fund	49
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual –ARPA Special Revenue Fund	50

	PAGE
OTHER SUPPLEMENTARY INFORMATION:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual – Special Local Option Sales Tax Fund	51
Combining Balance Sheet – Nonmajor Governmental Funds	52
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	53
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual – Emergency 911 Telephone Special Revenue Fund	54
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual –Law Library Special Revenue Fund	55
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual –Public Facilities Special Revenue Fund	56
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual –2021 Community Development Block Grant Special Revenue Fund	57
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual –Sheriff's Confiscation Special Revenue Fund	58
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual –Drug Abuse Education Special Revenue Fund	59
2021 Community Development Block Grant Schedule of Project Cost – Budget to Actual	60
2021 Community Development Block Grant Schedule of Source and Application of Funds	61
Combining Statement of Fiduciary Net Position – Custodial Funds	62
Combining Statement of Changes in Fiduciary Net Position – Custodial Funds	63
Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds	64

	PAGE
COMPLIANCE SECTION	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*	65 - 66
Schedule of Findings and Questioned Costs	67

BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by the Governmental Accounting Standards Board ("GASB"). The sets of statements include:

- Government-wide financial statements
- Fund financial statements:
  - Governmental funds
  - Proprietary funds
  - Fiduciary funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

HANCOCK COUNTY, GEORGIA
STATEMENT OF NET POSITION
DECEMBER 31, 2022

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Health Department	Development Authority
ASSETS:					
Current assets:					
Cash and cash equivalents	$ 765,412	$ 64,833	$ 830,245	$ 694,470	$ 62,264
Accounts receivable, net	1,289,256	8,983	1,298,239	22,853	6,012
Due from other governments	242,922	-	242,922	-	-
Prepaid expenses	86,695	-	86,695	-	-
Total current assets	2,384,285	73,816	2,458,101	717,323	68,276
Noncurrent assets:					
Nondepreciable	998,734	20,413	1,019,147	-	-
Depreciable capital assets, net of accumulated depreciation	13,013,070	1,039,559	14,052,629	2,259	1,038,127
Total noncurrent assets	14,011,804	1,059,972	15,071,776	2,259	1,038,127
Total assets	16,396,089	1,133,788	17,529,877	719,582	1,106,403
DEFERRED OUTFLOWS OF RESOURCES:					
Deferred outflows related to pensions	803,699	-	803,699	180,201	-
LIABILITIES:					
Current liabilities:					
Accounts payable	717,584	-	717,584	15,403	-
Other accrued liabilities	119,676	4,028	123,704	7,021	-
Customer deposits	8,000	-	8,000	-	-
Due to other governments	4,477	-	4,477	-	-
Unearned revenues	269	-	269	-	-
Current portion of long-term obligations	224,602	25,287	249,889	-	60,000
Accrued compensated absences	168,267	4,386	172,653	-	-
Total current liabilities	1,242,875	33,701	1,276,576	22,424	60,000
Noncurrent liabilities:					
Long-term obligations	1,262,490	333,090	1,595,580	-	-
Accrued compensated absences	-	-	-	45,671	-
Net pension liability	2,198,038	-	2,198,038	220,138	-
Net OPEB liability	-	-	-	(51,003)	-
Total noncurrent liabilities	3,460,528	333,090	3,793,618	214,806	-
Total liabilities	4,703,403	366,791	5,070,194	237,230	60,000
DEFERRED INFLOWS OF RESOURCES:					
Deferred inflows related to pensions	74,587	-	74,587	325,513	-
NET POSITION:					
Net investment in capital assets	12,524,712	701,595	13,226,307	2,259	978,127
Restricted for:					
Public safety	85,919	-	85,919	-	-
Judicial	33,721	-	33,721	-	-
Transportation	138,244	-	138,244	-	-
Unrestricted	(360,798)	65,402	(295,396)	334,781	68,276
	$ 12,421,798	$ 766,997	$ 13,188,795	$ 337,040	$ 1,046,403

See accompanying notes to the basic financial statements

HANCOCK COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units: Health Department	Component Units: Development Authority
Primary government:									
Governmental activities:									
General government	$ 2,936,134	$ 313,952	$ 909,063	$ -	$ (1,713,119)	$ -	$ (1,713,119)		
Public safety	3,018,497	162,653	-	340	(2,855,504)	-	(2,855,504)		
Judicial	753,998	293,944	-	-	(460,054)	-	(460,054)		
Public works	5,120,865	6,986	2,112,469	-	(3,001,410)	-	(3,001,410)		
Health and welfare	1,204,937	52,435	230,600	52,844	(869,058)	-	(869,058)		
Culture and recreation	435,779	-	-	-	(435,779)	-	(435,779)		
Housing and development	161,974	-	-	-	(161,974)	-	(161,974)		
Interest on long-term debt	57,307	-	-	-	(57,307)	-	(57,307)		
Total governmental activities	13,689,491	829,970	3,252,132	53,184	(9,554,205)	-	(9,554,205)		
Business-type activities:									
Water and Sewer	705,903	212,400	-	-	-	(493,503)	(493,503)		
Total primary government	$ 14,395,394	$ 1,042,370	$ 3,252,132	$ 53,184	(9,554,205)	(493,503)	(10,047,708)		
Component units:									
Health department	$ 491,556	$ 165,350	$ 581,842	$ -				$ 255,636	$ -
Development authority	200,694	16,350	45,369	-				-	(138,975)
Total component units	$ 692,250	$ 181,700	$ 627,211	$ -				255,636	(138,975)
		General revenues:							
		Taxes:							
		Property taxes			7,029,711	-	7,029,711	-	-
		General sales and use tax			462,101	-	462,101	-	-
		Special purpose local option sales tax			745,076	-	745,076	-	-
		Insurance premium tax			551,958	-	551,958	-	-
		Other taxes			882,437	-	882,437	-	-
		Interest income			1,498	56	1,554	922	130
		Miscellaneous			20,932	-	20,932	-	-
		Transfers in (out)			(256,147)	256,147	-	-	-
		Total general revenues and transfers			9,437,566	256,203	9,693,769	922	130
		Change in net position			(116,639)	(237,300)	(353,939)	256,558	(138,845)
		Net position, beginning, as restated			12,538,437	1,004,297	13,542,734	80,482	1,185,248
		Net position, ending			$ 12,421,798	$ 766,997	$ 13,188,795	$ 337,040	$ 1,046,403

See accompanying notes to the basic financial statements

HANCOCK COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	General Fund	TSPLOST	LMIG	Special Local Option Sales Tax	ARPA	Other Govern-mental Funds	Total Govern-mental Funds
ASSETS:							
Cash and cash equivalents	$ 529,188	$ 114,758	$ 499	$ 1,262	$ 269	$ 119,436	$ 765,412
Accounts receivable, net	1,278,136	-	-	-	-	11,120	1,289,256
Due from other funds	75,529	-	-	-	-	-	75,529
Due from other governments	37,921	136,684	-	61,656	-	6,661	242,922
Prepaid expenses	86,695	-	-	-	-	-	86,695
Total assets	$ 2,007,469	$ 251,442	$ 499	$ 62,918	$ 269	$ 137,217	$ 2,459,814
LIABILITIES:							
Accounts payable	$ 597,665	$ 113,697	$ -	$ -	$ -	$ 6,222	$ 717,584
Accrued expenses	107,369	-	-	-	-	12,307	119,676
Customer deposits	8,000	-	-	-	-	-	8,000
Unearned revenues	-	-	-	-	269	-	269
Intergovernmental payable	4,477	-	-	-	-	-	4,477
Due to other funds	-	-	-	73,969	-	1,560	75,529
Total liabilities	717,511	113,697	-	73,969	269	20,089	925,535
DEFERRED INFLOWS OF RESOURCES:							
Unavailable revenues - property taxes	821,856	-	-	-	-	-	821,856
Total deferred inflows of resources	821,856	-	-	-	-	-	821,856
FUND BALANCES:							
Non-spendable fund balance:							
Prepaid expenses	86,695	-	-	-	-	-	86,695
Restricted fund balance:							
Public safety	-	-	-	-	-	85,919	85,919
Judicial	-	-	-	-	-	33,721	33,721
Transportation	-	137,745	499	-	-	-	138,244
Unassigned fund balance	381,407	-	-	(11,051)	-	(2,512)	367,844
Total fund balances	468,102	137,745	499	(11,051)	-	117,128	712,423
Total liabilities, deferred inflows of resources and fund balances	$ 2,007,469	$ 251,442	$ 499	$ 62,918	$ 269	$ 137,217	$ 2,459,814

See accompanying notes to the basic financial statements

HANCOCK COUNTY, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2022

Fund balances - total governmental funds	$	712,423
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, net of accumulated depreciation of $14,675,116		14,011,804
Some liabilities, including net pension liability, are not due and payable in the current period and, therefore are not reported in the funds:		
Net pension liability		(2,198,038)
Net deferred (inflows) outflows - pension		729,112
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds		821,856
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Long-term debt		(1,304,793)
Lease liability		(182,299)
Compensated absences		(168,267)
Net position of governmental activities	$	12,421,798

See accompanying notes to the basic financial statements

HANCOCK COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	General Fund	TSPLOST	LMIG	Special Local Option Sales Tax	ARPA	Other Govern-mental Funds	Total Govern-mental Funds
REVENUES:							
Taxes	$ 8,935,688	$ -	$ -	$ 745,076	$ -	$ -	$ 9,680,764
Licenses and permits	119,537	-	-	-	-	-	119,537
Intergovernmental	230,600	1,453,580	658,889	-	909,063	52,844	3,304,976
Fees and fines	305,082	-	-	-	-	10,971	316,053
Charges for services	205,040	-	-	-	-	140,544	345,584
Other	71,226	-	-	340	-	-	71,566
Total revenues	9,867,173	1,453,580	658,889	745,416	909,063	204,359	13,838,480
EXPENDITURES:							
Current operating:							
General government	3,155,809	-	-	17	-	-	3,155,826
Public safety	2,214,211	-	-	-	-	621,987	2,836,198
Judicial	746,882	-	-	-	-	4,383	751,265
Public works	2,492,937	1,120,993	1,319,619	-	-	-	4,933,549
Health and welfare	1,164,716	-	-	-	-	-	1,164,716
Culture and recreation	409,493	-	-	-	-	-	409,493
Housing and development	155,570	-	-	-	-	-	155,570
Debt service:							
Principal	81,291	52,695	-	-	-	130,856	264,842
Interest and other charges	17,305	2,697	-	-	-	30,712	50,714
Capital outlays	-	4,999	-	-	239,063	52,844	296,906
Total expenditures	10,438,214	1,181,384	1,319,619	17	239,063	840,782	14,019,079
Excess (deficiency) of revenues over expenditures	(571,041)	272,196	(660,730)	745,399	670,000	(636,423)	(180,599)
OTHER FINANCING SOURCES (USES):							
Transfers in (out)	(546,784)	(185,000)	660,000	(156,548)	(670,000)	642,185	(256,147)
Total other financing sources and uses	(546,784)	(185,000)	660,000	(156,548)	(670,000)	642,185	(256,147)
Net change in fund balance	(1,117,825)	87,196	(730)	588,851	-	5,762	(436,746)
FUND BALANCE, beginning	1,585,927	50,549	1,229	(599,902)	-	111,366	1,149,169
FUND BALANCE, ending	$ 468,102	$ 137,745	$ 499	$ (11,051)	$ -	$ 117,128	$ 712,423

See accompanying notes to the basic financial statements

HANCOCK COUNTY, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2022

Net change in fund balances - total governmental funds	$ (436,746)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:	
Capital outlays	736,267
Depreciation	(837,624)
	(101,357)
The effect of various capital asset disposals and sales, net of accumulated depreciation	-
Governmental funds report pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense:	
Cost of benefits net of employee contributions	98,131
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 assets:	
Issuance of long-term debt	-
Repayment of leases	12,982
Repayment of long-term debt	264,842
	277,824
Compensated absences 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	54,990
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds	(9,481)
	$ (116,639)

See accompanying notes to the basic financial statements

HANCOCK COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2022

	Water and Sewer Fund
ASSETS	
CURRENT ASSETS:	
Cash in bank	$ 64,833
Accounts receivable, net of allowance of $87,599	8,983
Total current assets	73,816
NONCURRENT ASSETS:	
Capital Assets:	
Land	20,413
Equipment	297,745
Distribution system	6,271,837
	6,589,995
Less accumulated depreciation	(5,530,023)
Total capital assets	1,059,972
Total assets	1,133,788
LIABILITIES	
CURRENT LIABILITIES:	
Current portion of notes payable	25,287
Accrued compensated absences	4,386
Other accrued liabilities	4,028
Total current liabilities	33,701
NONCURRENT LIABILITIES:	
Notes payable, net of current portion	333,090
Total noncurrent liabilities	333,090
Total liabilities	366,791
NET POSITION	
NET INVESTMENT IN CAPITAL ASSETS	701,595
UNRESTRICTED	65,402
Total net position	$ 766,997

See accompanying notes to the basic financial statements

HANCOCK COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Water and Sewer Fund
OPERATING REVENUES:	
Water sales	$ 212,400
Total operating revenue	212,400
OPERATING EXPENSES:	
Personal services and employee benefits:	
Salaries	164,081
Payroll taxes	12,887
Employee benefits	23,628
Purchased/contracted services:	
Repairs and replacement	28,814
Dues and subscriptions	4,190
Supplies:	
Chemicals and supplies	18,740
Office supplies	184
Utilities and communication	150,018
Depreciation	270,362
Miscellaneous	18,985
Total operating expenses	691,889
OPERATING LOSS	(479,489)
NON-OPERATING REVENUES (EXPENSES):	
Interest income	56
Interest expense	(14,014)
Total non-operating revenues (expenses)	(13,958)
NET LOSS BEFORE TRANSFERS	(493,447)
TRANSFERS FROM (TO) GENERAL FUND	256,147
NET LOSS	(237,300)
NET POSITION, beginning of year	1,004,297
NET POSITION, end of year	$ 766,997

See accompanying notes to the basic financial statements

HANCOCK COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Water and Sewer Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	$ 218,374
Cash paid to suppliers for goods and services	(220,931)
Cash paid to employees	(204,945)
Net cash provided by (used for) operating activities	(207,502)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Transfer from (to) other funds	256,147
Net cash provided by (used for) noncapital financing activities	256,147
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Principal paid on capital debt	(24,728)
Interest paid on capital debt	(14,014)
Net cash provided by (used for) capital and related financing activities	(38,742)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest received	56
Net cash provided by (used for) investing activities	56
NET INCREASE (DECREASE) IN CASH	9,959
CASH AND CASH EQUIVALENTS, beginning of year	54,874
CASH AND CASH EQUIVALENTS, end of year	$ 64,833
RECONCILIATION OF NET INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:	
Net operating income (loss)	$ (479,489)
Adjustments to reconcile net operating income (loss) to net cash provided by operating activities:	
Cash flows reported in other categories:	
Depreciation expense	270,362
Changes in assets and liabilities:	
Accounts receivable	5,974
Other accrued liabilities	(4,349)
Net cash provided by (used for) operating activities	$ (207,502)

See accompanying notes to the basic financial statements

HANCOCK COUNTY, GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2022

ASSETS:		
Cash	$	864,832
LIABILITIES:		
Amount held for others		347,869
NET POSITION:		
Restricted for others		516,963
Total net position	$	516,963

See accompanying notes to the basic financial statements

HANCOCK COUNTY, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

ADDITIONS:	
Taxes	$ 14,925,475
Fines and fees	566,106
Interest income	1,920
TOTAL ADDITIONS	15,493,501
DEDUCTIONS:	
Taxes and fees paid to other governments	6,703,224
Payments to Board of Commissioners	8,121,707
Payments to other Hancock County entities	17,414
Payments to others	527,651
TOTAL DEDUCTIONS	15,369,996
CHANGE IN FIDUCIARY NET POSITION	123,505
TOTAL NET POSITION, beginning of year	393,458
TOTAL NET POSITION, end of year	$ 516,963

See accompanying notes to the basic financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The financial statements of Hancock County (the "County") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to government units. As required by GAAP, these financial statements present the County and its component units, entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the County's operations and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize they are legally separate from the County.

Included as blended component units because they are, in substance, part of the County's operation:

Sparta-Hancock Public Facilities Authority – The Sparta-Hancock Public Facilities Authority's (the Public Facilities Authority) purpose is to promote the public good and general welfare of the citizens of Hancock County and of the State of Georgia and finance and provide facilities, equipment, and services within the County, for sale to, lease or sublease to, or operation by any public body or any private person. In 2018, the Public Facilities Authority issued bonds in the amount of $1,257,000, the proceeds of which were used to pay in full the outstanding balance of the County's Certificates of Participation, Series 1999. As part of the issuance, the County entered into an intergovernmental agreement with the Authority, whereby the County will make annual principal and semiannual interest payments sufficient to meet debt service requirements through 2028. The County's commitment to making the payments meets the criteria for inclusion as financial burden. Accordingly, the financial statements of the Public Facilities Authority have been included as a blended component unit in these financial statements.

Included as discretely presented component units in separate columns in the government-wide financial statements to emphasize that each is legally separate from the County:

Hancock County Health Department – The Hancock County Health Department (the Department) provides various health services for citizens in Hancock County. The County Commission's Chairperson holds a permanent seat on the board of directors. The County appoints three of the six remaining seats and funds a portion of the Department's budget. Another auditor, whose report was unmodified, audited the Health Department's financial statements which have a fiscal year end of June 30, 2022. Complete financial statements may be obtained at 451A Boland Street, Sparta, Georgia 31087.

Hancock County Development Authority – The Hancock County Development Authority is charged with promoting and expanding industry and trade within Hancock County. The County appoints the seven board members of the Authority and funds a significant portion of the Authority's budget. The Authority has a December 31 fiscal year. Separate statements are not prepared for the Hancock County Development Authority.

Excluded from the reporting entity:

Because they are operated as agencies controlled and/or funded by other government agencies, the Hancock County Board of Education and the Hancock County Hospital Authority are not included in the County's reporting entity.

B. Government-wide and Fund Financial Statements

The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the County as a whole. The primary government and the component units are presented separately within these financial statements with the focus on the primary government. Fiduciary activities are not included at the government-wide reporting level. 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 County is reported separately from certain legally separate component units for which the County 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. The County has elected not to allocate indirect costs among the programs, functions and segments. 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 as general revenues.

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government 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 accrued interest on general long-term debt, is recognized when due, and certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Those revenues susceptible to accrual are property taxes, interest, and charges for services. Other receipts and taxes become measurable and available when cash is received by the County and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The County reports the following major governmental funds:

> The General Fund is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
>
> The TSPLOST Fund accounts for capital outlay and other transportation improvements related to the additional one-percent local option sales tax in effect for the period January 1, 2014 to December 31, 2022.
>
> The LMIG Fund accounts for the LMIG grant funds to be used for transportation projects.

The American Rescue Plan Act (ARPA) Grant Fund accounts for the receipt of funds to assist with recovery efforts as a result of the COVID-19 pandemic.

The County reports the following major proprietary fund:

The Water and Sewer Fund is used to account for the provision of water and sewer services to businesses and residents of the County. All activities necessary to provide such services are accounted for in the fund, including, but not limited to, administration, operation, financing and related debt services, and billing and collections.

Additionally, the County reports the following fund type:

Fiduciary funds - The County's fiduciary funds are custodial funds. Constitutional officers use these funds to temporarily hold assets.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

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, including special assessments. 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 nonoperating 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. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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.

Georgia law authorizes the County to invest in the following type of obligations:

- Obligations of the State of Georgia or of any other states
- Obligations of the United States Government
- Obligations fully insured or guaranteed by the government or governmental agency
- Obligations of any corporation of the government
- Prime bankers' acceptances
- The State of Georgia local government investment pool (i.e., Georgia Fund I)
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

Any investment or deposit in excess of the Federal Deposit Insurance Corporation (FDIC) insured amount must be secured by 110% of an equivalent amount of State or U.S. obligations.

E. Inventory

Inventory is valued at cost, which approximates market, using the first-in/first-out method. The cost of governmental fund-type inventory is recorded as an expenditure when consumed rather than when purchased.

Materials purchased in the proprietary fund are expensed as purchased and are not inventoried at year end due to lack of materiality.

F. Prepaid Items

Prepaid balances, if any, are for payments made by the County in the current year to provide services occurring in the subsequent fiscal year, and a reserve for prepaid items is recognized to signify that a portion of fund balance is not available for other subsequent expenditures.

G. Capital Assets and Depreciation

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an estimated useful life in excess of two years and an original cost of $1,000 or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. General infrastructure assets acquired prior to January 1, 2004 are not reported in the basic financial statements.

The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend assets lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows

Buildings	20-40 Years
Depreciable land improvements	8 - 20 years
Equipment	5 - 25 years
Infrastructure	20 - 50 years

H. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Full time employees of the Hancock County Health Department (the "Department") earn 10, 12, or 14 hours of annual leave time per month depending on length of service. The maximum accumulation is 360 hours for any one employee. In accordance with the provisions of Financial Accounting Standards No. 43, "Accounting for Compensated Absences", no liability is recorded for nonvesting accumulated rights to receive sick pay benefits.

I. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as an outflow of resources in the reporting period in which they occurred.

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 is reported as other financing sources. Premiums received on debt issuances are 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.

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources until then.

In addition to liabilities, the statement of financial position and the balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

K. Equity Classifications

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 Commissioners through the adoption of a resolution. Only the County Commissioners 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 Commissioners have authorized the County Clerk to assign fund balances.

Unassigned – Fund balances are reported as unassigned 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 balances may be reported in all funds.

The County uses restricted amounts to be spent first when both restricted and unrestricted fund balances are available, unless there are legal documents/contracts that prohibit the use of restricted fund balances, such as grant agreements that require a dollar match. Additionally, the County would then use committed, assigned and lastly unassigned amounts from the unrestricted fund balance when expending funds.

The County does not have a formal minimum fund balance policy; however, the County Commissioners address various target reserve positions which are reviewed periodically.

Net Position

Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position – All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

L. Leases

The County is a lessee for a noncancellable lease for public works equipment. The County recognizes a lease liability and an intangible right-to-use lease asset (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 the 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 judgements 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 price that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its 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 other capital assets and lease liabilities are reported with long-term obligations in the statement of net position.

M. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly chargeable to another fund, are recorded as expenditures/ expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Basis

GAAP is the budgetary basis used in the preparation of these statements.

Budget Requirements, Accounting and Reporting

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

1. Prior to yearend the County Administrator submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. The Board of Commissioners holds a public hearing on the budget, giving notice thereof at least ten days in advance by publication in the official organ of Hancock County.
3. The budget is then revised and adopted or amended by the Board of Commissioners at a regular meeting early in the year to which it applies.
4. The budget so adopted may be revised during the year only by formal action of the Board of Commissioners in a regular meeting and no increase shall be made therein without provision also being made for financing same.

5. The legal level of budgetary control is the department level within the General Fund. Increases in the total appropriations of a department, whether accomplished through an increase in estimated revenues or through a transfer of appropriations among departments, require the approval of the Board of Commissioners.
6. Formal budgetary integration is employed as a management control device during the year for the General Fund. The budgets for the General Fund and Special Revenue Funds are adopted on a basis consistent with GAAP.
7. Budgeted amounts are as originally adopted, or as amended by the Board of Commissioners. Individual amendments were not material in relation to the original appropriations which were amended.

Excesses of Expenditures over Appropriations in Individual Funds

No funds or departments within funds had expenditures in excess of budgeted appropriations for the year ended December 31, 2022.

3. DEPOSITS AND INVESTMENTS

Deposits – Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County limits its exposure to custodial credit risk by requiring deposits to be collateralized in accordance with State law. Neither the County nor its component units, have a deposit policy for custodial credit risk. As of December 31, 2022, none of the County's bank balance was exposed to custodial credit risk.

Investments – The County had no investments at December 31, 2022. As of December 31, 2022, the County did not have a formal investment policy.

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 increased interest rates.

Credit Risk – Statutes authorize the County to invest in obligations of the State of Georgia, other states, or the United States Government; obligations fully insured or guaranteed by the United Sates Government or an agency or corporation of the United Sates Government; and/or repurchase agreements and certificates of deposit which are secured by direct obligations of Georgia or the investments in US Agencies (Federal Home Loan Bank) are rated AAA by Standard and Poor's and AAA by Moody's Investors Service.

Fair Value Measurements

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County had no policy on custodial credit risk. As of December 31, 2022, the County had no investments.

Concentration of Credit Risk – The County places no limit on the amount that the County may invest in any one issuer.

4. PROPERTY TAXES

The value of all real and business personal property located in the County is assessed (appraised) as of each January 1. Taxable assessed value represents the appraisal value less applicable exemptions authorized by the County Commissioners. Appraised values are established by the Hancock County Tax Assessors at 40% of estimated fair market value. Property taxes are usually levied on or around July 15 of each year. Real and personal property taxes are usually due by November 15 and considered delinquent by November 16. Property taxes are attached as an enforceable lien on the day the taxes become delinquent. The total real and personal property tax levy is recorded as revenue in the fiscal year in which such amounts will be available (collected within 60 days of year-end) as net current assets.

Property taxes receivable at December 31, 2022, is comprised of the following:

Year of Levy:	
2022	$ 985,907
2021	247,329
2020	76,603
2019	58,551
2018	45,517
2017	53,036
2016	40,573
2015	49,798
Prior to 2015	617,775
Total	2,175,089
Allowance for doubtful accounts	(930,255)
Net receivable	$ 1,244,834

The County has implemented Governmental Accounting Standards Board (GASB) Statement No. 77, Tax Abatement Disclosures. This statement requires the County to disclose information for any tax abatement agreements either entered into by the County, or agreements entered into by other governments that reduce the County's tax revenues.

For the year ended December 31, 2022, the County had the following property tax abatements:

- For the fiscal year ended December 31, 2022, the County abated property taxes for the development of a solar farm. The abatement was a 100% property tax reduction which totaled approximately $12,000.

5. RECEIVABLES

Primary Government

Receivables at December 31, 2022 for the County's individual major funds and non-major funds, including applicable allowances for uncollectible accounts, are as follows:

At December 31, 2022, receivables consisted of the following:

	Governmental Activities	Business-type Activities	Total
General Fund:			
Property tax	$ 2,175,089	$ -	$ 2,175,089
Local option sales tax	37,921	-	37,921
Miscellaneous receivable	33,302	-	33,302
Special Local Option Sales Tax Fund:			
Special local option sales tax	61,656	-	61,656
TSPLOST Fund:			
Special local option sales tax	136,684	-	136,684
Nonmajor Funds:			
Accounts receivable	11,120	-	11,120
Intergovernmental	6,661	-	6,661
Water and Sewer Fund:			
Water and sewer fees	-	96,582	96,582
	2,462,433	96,582	2,559,015
Allowance for doubtful accounts	(930,255)	(87,599)	(1,017,854)
	$ 1,532,178	$ 8,983	$ 1,541,161

Trade receivables from the Sparta-Hancock County Development Authority and Hancock County Health Department as of December 31, 2022, are as follows:

	Sparta-Hancock County Development Authority	Hancock Health Department	Total
Receivables:			
Accounts	$ -	$ 22,853	$ 22,853
Other	6,012	-	6,012
	6,012	22,853	28,865
Allowance for doubtful accounts	-	-	-
	$ 6,012	$ 22,853	$ 28,865

6. CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended December 31, 2022 was as follows:

	(Restated) Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Not being depreciated:				
Land	$ 896,820	$ 39,760	$ -	$ 936,580
Construction-in-progress	-	62,154	-	62,154
Subtotal	896,820	101,914	-	998,734
Other capital assets:				
Infrastructure	1,917,889	-	-	1,917,889
Buildings	15,588,879	383,129	-	15,972,008
Right-to-use leased equipment	220,512	-	-	220,512
Equipment	9,326,553	251,224	-	9,577,777
Subtotal	27,950,653	736,267	-	28,686,920
Accumulated depreciation:				
Infrastructure	893,850	63,507	-	957,357
Buildings	4,999,387	427,174	-	5,426,561
Right-to-use leased equipment	52,258	22,051	-	74,309
Equipment	7,891,997	324,892	-	8,216,889
Subtotal	13,837,492	837,624	-	14,675,116
Net capital assets	$ 14,113,161	$ (101,357)	$ -	$ 14,011,804

Depreciation was charged to functions as follows:

Governmental activities:	
General government	$ 265,863
Judicial	27,571
Public safety	229,625
Public works	236,858
Health and welfare	40,221
Housing and development	7,718
Culture and recreation	29,768
	$ 837,624

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Not being depreciated:				
Land	$ 20,413	$ -	$ -	$ 20,413
Construction-in-progress	-		-	-
Subtotal	20,413	-	-	20,413
Other capital assets:				
Equipment	297,745	-	-	297,745
Infrastructure	6,271,837	-	-	6,271,837
Subtotal	6,589,995	-	-	6,589,995
Accumulated depreciation:				
Equipment	297,434	216	-	297,650
Infrastructure	4,962,227	270,146	-	5,232,373
Subtotal	5,259,661	270,362	-	5,530,023
Net capital assets	$ 1,330,334	$ (270,362)	$ -	$ 1,059,972

7. CHANGES IN GENERAL CAPITAL ASSETS – DISCRETELY PRESENTED COMPONENT UNIT

Capital asset activity for the Hancock County Health Department for the year ended June 30, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets being depreciated:				
Equipment	$ 54,248	$ -	$ -	$ 54,248
Less accumulated depreciation	(50,956)	(1,033)	-	(51,989)
Net capital assets	$ 3,292	$ (1,033)	$ -	$ 2,259

Capital asset activity for the Hancock County Development Authority for the year ended December 31, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Depreciable capital assets:				
Buildings and land improvements	$ 3,990,876	$ -	$ -	$ 3,990,876
Equipment	979,329	-	-	979,329
Subtotal	4,970,205	-	-	4,970,205
Accumulated depreciation:				
Buildings and land improvements	2,802,169	150,580	-	2,952,749
Equipment	979,329	-	-	979,329
Subtotal	3,781,498	150,580	-	3,932,078
Net capital assets	$ 1,188,707	$ (150,580)	$ -	$ 1,038,127

8. INTERFUND TRANSACTIONS AND BALANCES

Balances due to/from other funds at December 31, 2022, consist of the following –

	Due From	Due To
Major Funds:		
General Fund	$ -	$ 75,529
Special Local Option Sales Tax Fund	73,969	-
Nonmajor Funds:		
Emergency 911 Fund	1,560	-
	$ 75,529	$ 75,529

Generally, outstanding balances between funds reported as due to/due from other funds include outstanding charges by one fund to another for services or goods, subsidy commitments outstanding, and other miscellaneous receivables and payables between funds. Balances to which a fiduciary fund is a party are treated as external receivables and payables.

Management expects that future special local option tax collections will be in excess of the amount needed to extinguish debt obligations thereby allowing the Special Local Option Sales Tax Fund to use these excess proceeds to repay the General Fund.

Transfers and payments within the reporting entity are substantially for the purposes of subsidizing operating functions, funding capital projects and asset acquisitions, or maintaining debt service. Resources are accumulated in a fund or component unit to support and simplify the administration of various projects or programs.

A reconciliation of transfers in and transfers out is as follows:

	Transfer From:				
Transfer To:	General Fund	TSPLOST Fund	ARPA Fund	SPLOST Fund	Total
General Fund	$ -	$ 125,000	$ 670,000	$ -	$ 795,000
Public Facilities Fund	-	-	-	156,548	156,548
LMIG Fund	600,000	60,000	-	-	660,000
Water Fund	256,147	-	-	-	256,147
E911 Fund	485,637	-	-	-	485,637
	$ 1,341,784	$ 185,000	$ 670,000	$ 156,548	$ 2,353,332

9. SHORT TERM NOTES PAYABLE

The County uses warrants payable to provide operating funds on a short-term basis throughout the year. Short-term notes payable activity for the year ended December 31, 2022 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental Activities	$ -	$ 4,600,000	$ 4,600,000	$ -

In addition, the Sparta-Hancock County Development Authority has a short-term note payable with the Bank of Hancock County with an interest rate of 4.0% for the purpose of acquiring real estate for community development. The note is secured by real estate and has an outstanding balance of $60,000 at December 31, 2022. Short-term notes payable activity for the year ended December 31, 2022 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Sparta –Hancock Development Authority	$ 60,000	$ -	$ -	$ 60,000

10. LONG-TERM OBLIGATIONS

At December 31, 2022, long-term obligations consisted of the following:

	Governmental Activities	Water and Sewer Fund Debt
Bonds Payable:		
Series 2018 bonds in the original amount of $1,257,000; issued to pay off the balance of the Series 1999 Certificates of Participation which were used for the construction of Hancock County Jail Facility, Fire and Rescue Buildings, and development of Devereaux Water and Sewer System; due in annual installments ranging from $83,375 to 158,477; interest rate at 3.58%	$ 842,000	$ -
Notes Payable:		
$336,400 to USDA Rural Development for building and equipment purchase; due in annual installments of $17,315 through April 2054; interest at 4.125%	302,425	-
$375,250 USDA note payable; interest at 4.5%; due in monthly principle and interest payments of $1,689 to June 2044	-	279,201
$119,795 GEFA note payable; interest at 3.0%; due in monthly principle and interest payments of $690 to June 2027	-	38,397
$198, 800 GEFA note payable; interest at 0%; due in quarterly principle and interest payments of $2,549 to April 2026	-	40,779
Financed Purchases from Direct Borrowings:		
$130,600 to Caterpillar Financial for 2 pieces of equipment; interest at 3.2%; due in 3 annual installments of $46,374 to July 2024	88,443	-
$106,496 to Truist for 3 Sheriff vehicles; interest at 2.7%; due in 3 annual installments of $37,404 to March 2024	71,925	-
Total long-term debt	$ 1,569,635	$ 358,377

Annual Requirements to Retire Debt Obligations:

The annual maturities for the years subsequent to December 31, 2022 are as follows:

Governmental-Type Activities:

Year Ending December 31	Series 2018 Bonds		Notes Payable	
	Principal	Interest	Principal	Interest
2023	$ 128,000	$ 27,852	$ 4,751	$ 12,564
2024	133,000	23,180	4,947	12,368
2025	138,000	18,330	5,151	12,164
2026	142,000	13,318	5,364	11,951
2027	148,000	8,127	5,585	11,730
2028 – 2032	153,000	2,739	31,576	54,999
2033 – 2037	-	-	38,650	47,925
2038 – 2042	-	-	47,307	39,268
2043 – 2047	-	-	57,904	28,671
2048 – 2052	-	-	70,872	15,703
2053 - 2054	-	-	30,318	2,019
	$ 842,000	$ 93,546	$ 302,425	$ 249,362

Business-Type Activities:

Year Ending December 31	Notes Payable	
	Principal	Interest
2023	$ 25,287	$ 13,445
2024	25,868	12,874
2025	26,473	12,269
2026	27,100	11,641
2027	17,560	10,987
2028 – 2032	53,968	47,372
2033 – 2037	67,557	33,783
2038 – 2042	84,567	16,773
2043 - 2044	29,997	1,101
	$ 358,377	$ 160,245

Financed Purchases from Direct Borrowings

In July 2022, the County entered into a financed purchase agreement with Caterpillar Financial in the amount of $130,600 to finance the purchase of public works equipment. The original cost of the County's assets under the purchase arrangements at December 31, 2022 is $130,600 and there has been $39,287 of accumulated depreciation as of year-end. Annual principal and interest payments are required until maturity on July 8, 2024 at an interest rate of 3.2%. Future minimum lease payments are as follows:

Year	Principal	Interest	Total
2023	$ 43,519	$ 2,855	$ 46,374
2024	44,924	1,450	46,374
	$ 88,443	$ 4,305	$ 92,748

In March 2022, the County entered into a financed purchase agreement with Truist Bank in the amount of $106,496 to finance the purchase of three Sheriff's vehicles. The original cost of the County's assets under the purchase arrangements at December 31, 2022 is $135,858 and there has been $33,663 of accumulated depreciation as of year-end. Annual principal and interest payments are required until maturity on March 8, 2024 at an interest rate of 2.7%. Future minimum lease payments are as follows:

Year	Principal	Interest	Total
2023	$ 35,490	$ 1,914	$ 37,404
2024	36,435	969	37,404
	$ 71,925	$ 2,883	$ 74,808

Leases

In August 2019, the County entered into an 84 month lease as lessee for the use of public works equipment. An initial lease was recorded in the amount of $220,512. At December 31, 2022, the value of the lease liability was $182,299. The County is required to make monthly payments of $1,631. The lease has a purchase option of $134,351 which the County plans to exercise. The lease has an interest rate of 3.8%. The value of the right-to-use asset as of December 31, 2022 was $220,512 with accumulated amortization of $74,310.

The future principal and interest lease payments as of December 31, 2022 were as follows:

Year	Principal	Interest	Total
2023	$ 12,842	$ 6,732	$ 19,574
2024	13,341	6,233	19,574
2025	13,859	5,715	19,574
2026	142,257	3,513	145,770
	$ 182,299	$ 22,193	$ 204,492

Long-term obligations activity for the year ended December 31, 2022 were as follows:

	(Restated) Beginning Balance	Additions	Reductions	Ending Balance	Amount Due in One Year
Governmental Activities:					
Financed purchases from direct borrowings	$ 296,647	$ -	$ (136,279)	$ 160,368	$ 79,009
Notes payable	306,988	-	(4,563)	302,425	4,751
Series 2018 Bonds	966,000	-	(124,000)	842,000	128,000
Leases	195,281	-	(12,982)	182,299	12,842
Compensated absences	223,257	-	(54,990)	168,267	168,267
Total governmental activities	$ 1,988,173	$ -	$ (332,814)	$ 1,655,359	$ 392,869
Business-Type Activities:					
Notes payable	$ 383,105	$ -	$ (24,728)	$ 358,377	$ 25,287
Compensated absences	9,875	-	(5,489)	4,386	4,386
Total business-type activities	$ 392,980	$ -	$ (30,217)	$ 362,763	$ 29,673
Discretely presented component unit:					
Health Department					
Compensated absences	$ 40,678	$ 25,055	$ (20,062)	$ 45,671	$ -
Total long-term liabilities	$ 40,678	$ 25,055	$ (20,062)	$ 45,671	$ -

Long-term obligations and compensated absences are general liquidated by the General Fund and are therefore included in the above schedule.

Bonds payable include the Series 2018 Bonds in the original amount of $1,257,000 which were issued to pay off the Series 1999 Certificates of Participation. The Sparta-Hancock Public Facilities Authority's source of revenues to pay for the principal and interest of the bonds is an intergovernmental agreement between the Public Facilities Authority and the County, whereby the County will make annual principal and semiannual interest payments sufficient to meet debt service requirements.

11. FUND DEFICITS

As of December 31, 2022, the Special Local Option Sales Tax Fund had a deficit fund balance of $11,051 and the Public Facilities Fund had a deficit balance of $2,512.

12. CONTINGENT LIABILITIES

Amounts expended or payable from federal grantor agencies are subject to audit and adjustment. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

Various claims and lawsuits are pending against the County. In the opinion of County management, after consultation with legal counsel, the potential loss on all claims and lawsuits will not materially affect the County's financial position.

13. RETIREMENT BENEFITS

The following pension and retirement plans are in effect but are not under the direct control of the County:

Probate Judge's Retirement Fund of Georgia

The Probate Judge is covered under a pension plan which requires that certain sums from marriage licenses and fines or bond forfeitures be remitted to the pension plan before the payment of any costs or other claims.

Clerk of Superior Court Retirement Fund

The Clerk of Superior Court is covered under a pension plan which requires that certain sums from fees and fines or bond forfeitures be remitted to the pension plan before the payment of any costs or other claims.

Sheriff's Retirement Fund/Peace Officer's Annuity and Benefit Fund

The Sheriff and sheriff deputies are covered under separate pension plans which require that certain sums from fines or bond forfeitures be remitted by the Probate Judge or Clerk of Superior Court to the pension plan before the payment of any costs or other claims.

These plans provide for certain sums from marriage license, fees, fines and forfeitures to be remitted directly to the pension plans before payment of any costs or other claims. The County does not make contributions to the plans, qualifying the plans as special funding situations under the requirements of GASB guidance. Management has determined the related impact on the financial statements to be immaterial. Further information and valuation reports and schedules can be found on their respective websites.

Deferred Compensation Plan

The County has adopted a deferred compensation plan, the Hancock County Deferred Compensation Plan, in accordance with Section 457 of the Internal Revenue Code. The plan allows any employee participant to defer gross compensation in an amount not to exceed $19,500 per year. Any employee participant who reaches age 50 before the end of the calendar year is eligible to contribute an additional amount not to exceed $6,500 per year. All administration costs of the plan are deducted from the participants' accounts.

Benefit payments are payable upon termination of employment, unforeseeable emergency, retirement or death. The Custodial Account Agreement requires the County to set aside assets and income from the plan in trust for exclusive benefit of the participants and their beneficiaries. The County is in compliance with the agreement.

The County believes that it has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. Investments are managed by the Plan Administrator, ACCG Retirement Services. ACCG Retirement Services provides at least 19 investment options covering a variety of asset classes ranging from aggressive growth equity mutual funds to bond mutual funds to stable value and money market funds. Employees can invest in one or all of the funds.

For the year ended December 31, 2022, employees contributed $25,295 to the deferred compensation plan. No other contributions are made to the plan.

Defined Benefit Pension Plan

The following information is as of January 1, 2022, the most recent year end of the described benefit pension plan.

A. Plan Description

The County contributes to the Association County Commissioners of Georgia (ACCG) Defined Benefit Plan (Plan), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agency for participating counties in Georgia.

The specific benefit provisions of the County's plan were established by an adoption agreement executed by the County Board of Commissioners. The plan provides for benefits upon retirement, death, disablement, and termination of employment, if certain eligibility conditions are met.

The County's payroll for employees participating in the Plan as of January 1, 2022, the date of the latest actuarial valuation study, was $3,193,066 (based on W-2 earnings for the preceding year). All full-time County employees are eligible to participate in the Plan after completing three years of service. Benefits are fully vested after five years of service. Participants become eligible to retire at age 65 with three years of participation in the Plan. Upon eligibility to retire, participants are entitled to an annual benefit in the amount of 1.0% of average annual compensation multiplied by years of service payable as a life annuity. Compensation is calculated as the highest average of the participant's compensation over five consecutive plan years during the ten plan years preceding retirement or termination. The Plan also provides benefits in the event of death or disability. These benefit provisions were established by an adoption agreement executed by the County Board of Commissioners.

ACCG issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by writing to GEBCorp, 400 Galleria Parkway, Suite 1250, Atlanta, Georgia 30339 or by calling (800) 736-7166.

Plan membership data related to the current plan membership at January 1, 2022, was as follows:

Retirees and beneficiaries currently receiving benefits	62
Terminated employees entitled to benefits but not yet receiving them	24
Active employees participating in the Plan:	76
Total number of Plan participants	162

B. Summary of Significant Accounting Policies

The Plan's financial statements are prepared on an accrual basis, modified to include unrealized gains or losses on marketable securities owned by the Plan.

Plan member contributions are recognized in the period in which contributions are due. County contributions are recognized when due and the County has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable.

Investments in securities are valued at current market prices. The trust fund is invested, approximately, in 70% equities and 30% fixed income securities on a cost basis. The trustees shall rebalance the portfolio at least annually for asset allocation purposes.

Plan assets do not include any loans, notes, bonds, or other instruments or securities of the County or related parties.

C. Contributions

The County is required to contribute at an actuarially determined rate. Section 47-20 of the Georgia Code sets forth minimum funding standards for state and local governmental pension plans. Administrative expenses are based on total covered compensation of active plan participants and are added to the state-required annual funding requirement.

County employees are not required to contribute to the Plan. The annual County contribution to the Plan is determined using actuarial methods and assumptions approved by the ACCG Plan trustees and must satisfy the minimum contribution requirement contained in the State of Georgia Statute 47-20. The required contribution for the 2022 plan year was $434,002. This amount represents 13.6% of covered payroll.

The Georgia Constitution enables the governing authority of the County, the Board of Commissioners, to establish and amend from time-to-time, the contribution rates for the County and its plan participants.

D. Actuarial Methods and Assumptions

Valuation date	January 1, 2022
Mortality rates	RP-2000 projected with Scale AA to 2022
Actuarial cost method	Entry age method
Asset valuation method	Five-year smoothed market
Investment rate of return	7.0% per annum
Projected salary increases	4.5% - 6.5% per annum
Inflation	3.0%
Cost of Living Adjustment	N/A

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

E. Changes in the Net Pension Liability

	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2021	$ 8,079,117	$ 7,440,293	$ 638,824
Changes for the year:			
Service cost	175,592	-	175,592
Interest	550,185	-	550,185
Liability experience (gain)/loss	156,637	-	156,637
Assumption change	12,491	-	12,491
Employer contributions	-	479,347	(479,347)
Employee contributions	-	-	-
Net investment income	-	(1,066,449)	1,066,449
Benefit payments	(438,669)	(438,669)	-
Administrative expense	-	(34,619)	34,619
Other	-	(42,588)	42,588
Net changes	456,236	(1,102,978)	1,559,214
Balances at December 31, 2022	$ 8,535,353	$ 6,337,315	$ 2,198,038

F. Equity Classifications

The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, 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.

G. Sensitivity Analysis for the Measurement Period Ended December 31, 2022

The following presents the County's net pension liability calculated using the discount rate of 7.0%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.0%) and 1-percentage point higher (8.0%) than the current rate:

	6.0%	7.0%	8.0%
Total Pension Liability	$ 9,452,632	$ 8,535,353	$ 7,758,272
Fiduciary Net Position	6,337,315	6,337,315	6,337,315
Net Pension Liability	$ 3,115,317	$ 2,198,038	$ 1,420,957

H. Summary of Net Deferred Outflows and Inflows of Resources

At December 31, 2022 the County reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between expected and actual earnings on pension plan investments	$ 681,338	$ -
Differences in expected and actual experience	107,688	(74,587)
(Gain)/Loss due to Assumption change	14,673	-
Net position restricted for pensions	$ 803,699	$ (74,587)

The net amount of the County's balances of deferred outflows and inflows that will be recognized in the County's pension expense is as follows:

Year ending December 31:	
2023	$ 182,278
2024	182,278
2025	182,278
2026	182,278
	$ 729,112

I. Pension Expense for the Measurement Period Ended December 31, 2022

Service cost	$ 175,592
Interest on TPL	550,185
Amortization of:	
Liability experience (gain)/loss	(1,495)
Change in assumption	12,827
Asset (gain)/loss	131,773
Employee contributions	-
Projected earnings on plan investments	(537,285)
Administrative expense	34,619
Other change in FNP	15,000
Total expense	$ 381,216

J. Asset Allocation Policy

The Trustees rebalance the portfolio at least annually for asset allocation purposes. The guidelines for allocations are: equities shall not exceed 70% of total Plan assets, valued at cost. Fixed Income shall be targeted at 30% of total Plan assets, valued at cost.

The long-term expected rate of return on pension plan investments was determined through a blend of using a building blocks approach based on 20-year benchmarks (33.33%) and thirty-year benchmarks (33.33%), as well as the forward-looking capital market assumptions for a moderate asset allocation (33.33%), as determined by UBS. Expected future rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expecte rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of of arithmetic real rates of return fo each major asset class included in the pension plan's target asset allocation as of December 31, 2022, are summarized as follows:

	Target Allocation	Range
Fixed Income	30%	25% - 35%
Large Cap equity	30%	25% - 35%
International equity	15%	10% - 20%
Other equity	20%	2.5% - 10%
Real estate	5%	2.5% - 10%
	100%	

14. 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 for which the County carries commercial insurance. The County is partially self-insured for medical claims. The County pays for such claims as they become due. There are no unpaid claims as of December 31, 2022.

The County has joined together with other governments in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Association of County Commissioners of Georgia (ACCG) Workers Compensation Self Insurance Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments. As a part of these risk pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the pool's agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

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

There were no significant reductions in insurance coverage from the prior year, and there have been no settlements that exceed the County's insurance coverage during the past three years.

15. JOINT VENTURE

Under Georgia law, the County in conjunction with other cities and counties in the fourteen county east central Georgia area, is a member of the Central Savannah River Area Regional Commission and is required to pay annual dues thereto. Membership in a Regional Commission is required by the OCGA Section 50-8-34 which provides for the organizational structure of the Regional Commission in Georgia. The Regional Commission Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a Regional Commission. Separate financial statements may be obtained from:

Central Savannah River Area Regional Commission
3023 Riverwatch Parkway, Suite A
Augusta, Georgia 30908-2016

16. RELATED PARTY TRANSACTIONS

The County purchased various parts and supplies from three entities owned by a related party. This related party also served as a County Commissioner during the year ended December 31, 2022. Payments to these entities totaled $13,679 during the year.

17. RESTATEMENT OF BEGINNING BALANCES

The County has determined a restatement of the beginning net position for governmental activities is required to report implementation of GASB Statement No. 87 Leases. This restatement resulted in a change in the beginning net position as follows.

	Governmental Activities
Beginning Net Position, as previously reported	$ 12,565,464
Recognition of lease liability and related right-to-use intangible asset in accordance with GASB No. 87	(27,027)
Beginning Net Position, as restated	$ 12,538,437

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule of Changes in Net Pension Liability and Related Ratios
- Schedule of County Contributions
- Budgetary Comparison Schedules
  - General Fund
  - TSPLOST Special Revenue Fund
  - LMIG Fund
  - ARPA Fund

HANCOCK COUNTY, GEORGIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEARS ENDED DECEMBER 31,

	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability as of the beginning of year (1)	$ 8,079,117	$ 7,991,666	$ 7,645,564	$ 7,080,637	$ 6,460,282	$ 6,200,518	$ 5,620,958	$ 5,177,596
Service cost	175,592	167,633	171,374	140,459	100,051	87,985	75,692	64,334
Interest	550,185	543,965	521,420	483,246	454,990	436,541	408,958	376,919
Plan chage	-	-	-	-	-	-	-	-
Changes of assumptions	12,491	16,227	11,561	283,882	439,462	12,194	155,665	144,765
Benefit payments (adjusted for interest)	(438,669)	(441,473)	(393,392)	(354,251)	(369,109)	(358,525)	(336,360)	(304,025)
Experience (gain)/(loss)	156,637	(198,901)	35,139	11,591	(5,039)	81,569	275,605	161,369
Total pension liability as of end of year (2)	$ 8,535,353	$ 8,079,117	$ 7,991,666	$ 7,645,564	$ 7,080,637	$ 6,460,282	$ 6,200,518	$ 5,620,958
Fiduciary Net Position as of beginning of year (3)	$ 7,440,293	$ 6,517,238	$ 5,711,136	$ 4,939,090	$ 5,409,001	$ 4,706,640	$ 4,427,196	$ 4,453,855
Contributions - employer	479,347	422,324	409,491	409,491	190,379	398,669	367,141	308,152
Contributions - employee (including buyback)	-	-	-	-	-	-	-	-
Net investment income	(1,066,449)	1,044,576	862,325	1,005,367	(230,786)	714,415	301,275	30,690
Benefit payments	(438,669)	(441,473)	(393,392)	(354,251)	(369,109)	(358,525)	(336,360)	(304,025)
Administrative expense	(34,619)	(31,923)	(31,168)	(28,636)	(16,980)	(14,603)	(17,703)	(12,333)
Other	(42,588)	(70,449)	(41,154)	149,566	(43,415)	(37,595)	(34,909)	(49,143)
Fiduciary net position as of end of year (4)	$ 6,337,315	$ 7,440,293	$ 6,517,238	$ 6,120,627	$ 4,939,090	$ 5,409,001	$ 4,706,640	$ 4,427,196
Net pension liability, beginning of year (1)-(3)	$ 638,824	$ 1,474,428	$ 1,934,428	$ 2,141,547	$ 1,051,281	$ 1,493,878	$ 1,193,762	$ 723,741
Net pension liability as of end of year (2)-(4)	$ 2,198,038	$ 638,824	$ 1,474,428	$ 1,524,937	$ 2,141,547	$ 1,051,281	$ 1,493,878	$ 1,193,762
Fiduciary Net Position as % of Total Pension Liability (4)/(2)	74.2%	92.1%	81.6%	80.1%	69.8%	83.7%	75.9%	78.8%
Covered payroll	$ 3,193,066	$ 3,028,280	$ 2,946,140	$ 2,559,418	$ 2,397,795	$ 2,302,496	$ 2,200,545	$ 1,766,404
Net pension liability as a % of covered payroll	68.8%	21.1%	50.0%	59.6%	89.3%	45.7%	67.9%	67.6%

Notes to the schedule

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

HANCOCK COUNTY, GEORGIA
SCHEDULE OF COUNTY CONTRIBUTIONS
FOR THE YEARS ENDED DECEMBER 31,

	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 434,002	$ 425,733	$ 393,938	$ 370,411	$ 324,695	$ 398,669	$ 367,141	$ 308,152
Contributions in relation to the actuarially determined contribution	-	479,347	422,324	409,491	190,271	398,669	367,141	308,152
Contribution deficiency (excess)	$ 434,002	$ (53,614)	$ (28,386)	$ (39,080)	$ 134,424	$ -	$ -	$ -
Covered payroll	3,193,066	3,028,280	2,946,140	2,559,418	2,397,795	2,302,496	2,200,545	1,766,404
Contribution as a % of covered payroll	0.00%	15.83%	14.33%	16.00%	7.94%	17.31%	16.68%	17.45%

Notes to the Schedule

Valuation Date	January 1, 2022
Cost Method	Entry Age Normal
Actuarial Asset Valuation Method	Smoothed market with a 5-year smoothing period
Assumed Rate of Return on Investments	7.0%
Projected Salary Increases	4.50% - 6.50% per annum
Inflation	3.00%
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	None remaining

The schedule will present 10 years of information once accumulated

HANCOCK COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes:				
General property taxes	$ 6,452,780	$ 7,275,370	$ 7,039,192	$ (236,178)
Local option sales tax	790,000	790,000	462,101	(327,899)
Timber tax	200,000	200,000	177,347	(22,653)
Mobile home tax	175,000	175,000	137,829	(37,171)
Vehicle tax	425,000	500,000	511,640	11,640
Insurance premium tax	610,443	610,443	551,958	(58,485)
Other taxes	50,000	50,000	55,621	5,621
	8,703,223	9,600,813	8,935,688	(665,125)
Licenses and Permits:				
Occupation tax	10,000	10,000	9,364	(636)
Business licenses	13,000	13,000	10,534	(2,466)
Building permits	90,000	100,000	99,639	(361)
	113,000	123,000	119,537	(3,463)
Intergovernmental:				
Rural transit fee reimbursement	215,000	215,000	230,600	15,600
	215,000	215,000	230,600	15,600
Charges for services:				
Tax Commissioner	150,000	150,000	145,619	(4,381)
Public transit fees	25,000	50,000	52,435	2,435
Streets and sanitation	120,000	120,000	6,986	(113,014)
	295,000	320,000	205,040	(114,960)
Fees and fines:				
Sheriff costs and fees	20,000	20,000	14,034	(5,966)
Superior Court	200,000	200,000	172,098	(27,902)
Probate Court	90,000	100,000	99,484	(516)
Magistrate Court	19,000	19,000	19,466	466
	329,000	339,000	305,082	(33,918)
Interest income	1,000	1,000	1,498	498
Miscellaneous:				
Rent	48,504	48,504	48,796	292
Other	740,694	36,100	20,932	(15,168)
	789,198	84,604	69,728	(14,876)
Total revenues	10,445,421	10,683,417	9,867,173	(816,244)

HANCOCK COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
EXPENDITURES:				
Current Operating:				
General government	$ 4,020,887	$ 2,740,887	$ 2,716,448	$ 24,439
Public safety	1,875,062	2,275,062	2,214,211	60,851
Judicial	654,255	754,255	746,882	7,373
Public works	2,173,511	2,503,511	2,492,937	10,574
Health and welfare	1,060,050	1,170,050	1,164,716	5,334
Culture and recreation	366,202	416,202	409,493	6,709
Housing and development	125,822	170,822	155,570	15,252
Total operating expenditures	10,275,789	10,030,789	9,900,257	130,532
Capital Outlays:				
General government	100,000	455,000	439,361	15,639
Public safety	39,404	-	-	-
Judicial	1,000	-	-	-
Public works	75,000	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Housing and development	-	-	-	-
Total capital expenditures	215,404	455,000	439,361	15,639
Debt Service:				
Principal	-	100,000	81,291	18,709
Interest	-	20,000	17,305	2,695
Total debt service	-	120,000	98,596	21,404
Total expenditures	10,491,193	10,605,789	10,438,214	167,575
Excess (deficiency) of revenues over expenditures	(45,772)	77,628	(571,041)	(648,669)
OTHER FINANCING SOURCES (USES):				
Proceeds from capital leases	-	-	-	-
Interfund transfers in (out):				
ARPA Fund	-	670,000	670,000	-
TSPLOST Fund	630,000	630,000	125,000	(505,000)
LMIG Fund	-	(600,000)	(600,000)	-
Water Fund	(171,628)	(261,628)	(256,147)	5,481
Emergency 911 Telephone Fund	(412,600)	(516,000)	(485,637)	30,363
	45,772	(77,628)	(546,784)	(469,156)
Excess (deficiency) of revenues over expenditures and other financing sources	-	-	(1,117,825)	(1,117,825)
FUND BALANCE, beginning of year	1,585,927	1,585,927	1,585,927	-
FUND BALANCE, end of year	$ 1,585,927	$ 1,585,927	$ 468,102	$ (1,117,825)

HANCOCK COUNTY, GEORGIA
TSPLOST SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental revenue	$ 1,700,000	$ 1,700,000	$ 1,453,580	$ (246,420)
Total revenues	1,700,000	1,700,000	1,453,580	(246,420)
EXPENDITURES:				
Current operating:				
Purchased/contracted services	1,400,000	1,400,000	1,120,993	279,007
Debt service:				
Principal	65,000	65,000	52,695	12,305
Interest	5,000	5,000	2,697	2,303
Capital outlays	40,000	40,000	4,999	35,001
Total expenditures	1,510,000	1,510,000	1,181,384	328,616
Excess revenues over (under) expenditures	190,000	190,000	272,196	82,196
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	(190,000)	(190,000)	(185,000)	5,000
Excess revenues and other financing sources (uses) over (under) expenditures	-	-	87,196	87,196
FUND BALANCE, beginning of year	50,549	50,549	50,549	-
FUND BALANCE, end of year	$ 50,549	$ 50,549	$ 137,745	$ 87,196

HANCOCK COUNTY, GEORGIA
LMIG FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental revenue	$ 567,000	$ 700,000	$ 658,889	$ (41,111)
	567,000	700,000	658,889	(41,111)
EXPENDITURES:				
Current operating:				
Road expenditures	567,000	1,400,000	1,319,619	80,381
Total expenditures	567,000	1,400,000	1,319,619	80,381
Excess revenues over (under) expenditures	-	(700,000)	(660,730)	39,270
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	-	700,000	660,000	(40,000)
Excess revenues and other financing sources (uses) over (under) expenditures	-	-	(730)	(730)
FUND BALANCE, beginning of year	1,229	1,229	1,229	-
FUND BALANCE, end of year	$ 1,229	$ 1,229	$ 499	$ (730)

HANCOCK COUNTY, GEORGIA
ARPA FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental				
ARPA grant	$ 909,063	$ 909,063	$ 909,063	$ -
Total revenues	909,063	909,063	909,063	-
EXPENDITURES:				
Current operating	-	-	-	-
Capital outlays	239,063	239,063	239,063	-
Total expenditures	239,063	239,063	239,063	-
Excess revenues over (under) expenditures	670,000	670,000	670,000	-
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	(670,000)	(670,000)	(670,000)	-
Total other financing sources (uses)	(670,000)	(670,000)	(670,000)	-
Excess revenues and other financing sources (uses) over (under) expenditures	-	-	-	-
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	$ -	$ -	$ -	$ -

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements not required by the GASB, nor is a part of the basic financial statements, but is presented for purposes of additional analysis. Such information includes:

- Budgetary Comparison Schedules
  - Special Local Option Sales Tax Fund
- Combining Balance Sheet – Nonmajor Funds
- Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Funds
- Nonmajor Special Revenue Funds – Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP) Basis to Actual
  - Emergency 911
  - Law Library
  - Public Facilities
  - 2021 CDBG Fund
  - Sheriff's Confiscation
  - Drug Abuse Education
- 2021 CDBG Schedule of Project Costs – Budget and Actual
- 2021 CDBG Schedule of Source and Application of Funds
- Combining Statement of Fiduciary Net Position – Custodial Funds
- Combining Statement of Changes in Fiduciary Net Position – Custodial Funds
- Schedule of Projects Constructed with Special Sales Tax Proceeds

HANCOCK COUNTY, GEORGIA
SPECIAL LOCAL OPTION SALES TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes	$ 525,000	$ 750,000	$ 745,076	$ (4,924)
Other	500	500	340	(160)
	525,500	750,500	745,416	(5,084)
EXPENDITURES:				
Current operating:				
Purchased/contracted services	1,000	1,000	17	983
Total expenditures	1,000	1,000	17	983
Excess revenues over (under) expenditures	524,500	749,500	745,399	(4,101)
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	(524,500)	(749,500)	(156,548)	592,952
Excess revenues and other financing sources (uses) over (under) expenditures	-	-	588,851	588,851
FUND BALANCE (DEFICIT), beginning of year	(599,902)	(599,902)	(599,902)	-
FUND BALANCE (DEFICIT), end of year	$ (599,902)	$ (599,902)	$ (11,051)	$ 588,851

HANCOCK COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	SPECIAL REVENUE						Total
	Emergency 911 Fund	Law Library	Public Facilities Authority	2021 CDBG	Sheriff's Confiscation	Drug Abuse Education	Nonmajor Governmental Funds
ASSETS:							
Cash and cash equivalents	$ 235	$ 33,579	$ -	$ -	$ 9,794	$ 75,828	$ 119,436
Accounts receivable, net	11,120	-	-	-	-	-	11,120
Intergovernmental receivable	-	-	-	6,212	-	-	6,212
Due from other governments	-	142	-	-	-	307	449
Total assets	$ 11,355	$ 33,721	$ -	$ 6,212	$ 9,794	$ 76,135	$ 137,217
LIABILITIES:							
Accounts payable	$ -	$ -	$ -	$ 6,212	$ 10	$ -	$ 6,222
Accrued expenses	9,795	-	2,512	-	-	-	12,307
Due to other funds	1,560	-	-	-	-	-	1,560
Total liabilities	11,355	-	2,512	6,212	10	-	20,089
FUND BALANCES:							
Restricted fund balance:							
Public safety	-	-	-	-	9,784	76,135	85,919
Judicial	-	33,721	-	-	-	-	33,721
Transportation	-	-	-	-	-	-	-
Unassigned fund balance	-	-	(2,512)	-	-	-	(2,512)
Total fund balances	-	33,721	(2,512)	-	9,784	76,135	117,128
Total liabilities and fund balance	$ 11,355	$ 33,721	$ -	$ 6,212	$ 9,794	$ 76,135	$ 137,217

HANCOCK COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENT FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2022

	SPECIAL REVENUE						Total
	Emergency 911 Fund	Law Library	Public Facilities Authority	2021 CDBG	Sheriff's Confiscation	Drug Abuse Education	Nonmajor Governmental Funds
REVENUES:							
Intergovernmental	$ -	$ -	$ -	$ 52,844	$ -	$ -	$ 52,844
Fines and forfeitures	-	2,896	-	-	2,888	5,187	10,971
Charges for services	140,544	-	-	-	-	-	140,544
Total revenues	140,544	2,896	-	52,844	2,888	5,187	204,359
EXPENDITURES:							
Current operating:							
Public safety	619,312	-	-	-	2,675	-	621,987
Public works	-	-	-	-	-	-	-
Judicial	-	4,383	-	-	-	-	4,383
Capital outlays	-	-	-	52,844	-	-	52,844
Debt service:							
Principal	6,856	-	124,000	-	-	-	130,856
Interest	13	-	30,699	-	-	-	30,712
Total expenditures	626,181	4,383	154,699	52,844	2,675	-	840,782
Excess (deficiency) of revenues over expenditures	(485,637)	(1,487)	(154,699)	-	213	5,187	(636,423)
OTHER FINANCING SOURCES (USES):							
Transfers in (out)	485,637	-	156,548	-	-	-	642,185
Total other financing sources and uses	485,637	-	156,548	-	-	-	642,185
Net change in fund balance	-	(1,487)	1,849	-	213	5,187	5,762
FUND BALANCE, beginning	-	35,208	(4,361)	-	9,571	70,948	111,366
FUND BALANCE, ending	$ -	$ 33,721	$ (2,512)	$ -	$ 9,784	$ 76,135	$ 117,128

HANCOCK COUNTY, GEORGIA
EMERGENCY 911 TELEPHONE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Charges for services:				
E-911 fees	$ 125,000	$ 130,000	$ 140,544	$ 10,544
Total revenues	125,000	130,000	140,544	10,544
EXPENDITURES:				
Current operating:				
Personal services and employee benefits	391,846	506,000	505,076	924
Purchased/contracted services	100,037	123,283	111,639	11,644
Supplies	3,000	8,000	2,597	5,403
Debt service:				
Principal	42,717	41,717	6,856	34,861
Interest	-	1,000	13	987
Total expenditures	537,600	680,000	626,181	53,819
Excess revenues over (under) expenditures	(412,600)	(550,000)	(485,637)	64,363
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	412,600	550,000	485,637	(64,363)
Total other financing sources (uses)	412,600	550,000	485,637	(64,363)
Excess revenues and other financing sources (uses) over (under) expenditures	-	-	-	-
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	$ -	$ -	$ -	$ -

HANCOCK COUNTY, GEORGIA
LAW LIBRARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Fines and forfeitures	$ 4,000	$ 8,000	$ 2,896	$ (5,104)
Total revenues	4,000	8,000	2,896	(5,104)
EXPENDITURES:				
Current operating:				
Purchased/contracted services	4,000	8,000	4,383	3,617
Total expenditures	4,000	8,000	4,383	3,617
Excess revenues over (under) expenditures	-	-	(1,487)	(1,487)
FUND BALANCE, beginning of year	35,208	35,208	35,208	-
FUND BALANCE, end of year	$ 35,208	$ 35,208	$ 33,721	$ (1,487)

HANCOCK COUNTY, GEORGIA
PUBLIC FACILITIES AUTHORITY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental revenue	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-
EXPENDITURES:				
Debt service:				
Principal	57,000	125,000	124,000	1,000
Interest	48,000	35,000	30,699	4,301
Total expenditures	105,000	160,000	154,699	5,301
Excess revenues over (under) expenditures	(105,000)	(160,000)	(154,699)	5,301
OTHER FINANCING SOURCES (USES)				
Transfers in	105,000	160,000	156,548	(3,452)
Total other financing sources (uses)	105,000	160,000	156,548	(3,452)
Excess revenues and other financing sources (uses) over (under) expenditures	-	-	1,849	1,849
FUND BALANCE, beginning of year	(4,361)	(4,361)	(4,361)	-
FUND BALANCE, end of year	$ (4,361)	$ (4,361)	$ (2,512)	$ 1,849

HANCOCK COUNTY, GEORGIA
2021 COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental revenue	$ -	$ 52,844	$ 52,844	$ -
	-	52,844	52,844	-
EXPENDITURES:				
Capital outlays	-	52,844	52,844	-
Total expenditures	-	52,844	52,844	-
Excess revenues over (under) expenditures	-	-	-	-
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	$ -	$ -	$ -	$ -

HANCOCK COUNTY, GEORGIA
SHERIFF'S CONFISCATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Fines and forfeitures	$ 4,000	$ 4,000	$ 2,888	$ (1,112)
Total revenues	4,000	4,000	2,888	(1,112)
EXPENDITURES:				
Current operating:				
Purchased/contracted services	4,000	4,000	2,675	1,325
Total expenditures	4,000	4,000	2,675	1,325
Excess revenues over (under) expenditures	-	-	213	213
FUND BALANCE, beginning of year	9,571	9,571	9,571	-
FUND BALANCE, end of year	$ 9,571	$ 9,571	$ 9,784	$ 213

HANCOCK COUNTY, GEORGIA
DRUG ABUSE EDUCATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Fines and forfeitures	$ 7,000	$ 7,000	$ 5,187	$ (1,813)
Total revenues	7,000	7,000	5,187	(1,813)
EXPENDITURES:				
Current operating:				
Purchased/contracted services	4,000	4,000	-	4,000
Supplies	3,000	3,000	-	3,000
Total expenditures	7,000	7,000	-	7,000
Excess revenues over (under) expenditures	-	-	5,187	5,187
FUND BALANCE, beginning of year	70,948	70,948	70,948	-
FUND BALANCE, end of year	$ 70,948	$ 70,948	$ 76,135	$ 5,187

HANCOCK COUNTY, GEORGIA
2021 COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
CDBG No. 21cv-y-070-1-6255
SCHEDULE OF PROJECT COST - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2022

	Total Budgeted Costs For CDBG	Costs Prior to Year Ended 12/31/22	Actual Current Year Costs	Total Project Costs To Date	(Over) Under Budget
Construction cost for health facilities	$ 731,860	$ -	$ -	$ -	$ 731,860
Administration	42,264	-	-	-	42,264
Engineering	62,123	-	52,844	52,844	9,279
Total	$ 836,247	$ -	$ 52,844	$ 52,844	$ 783,403

HANCOCK COUNTY, GEORGIA
COMMUNITY DEVELOPMENT BLOCK GRANT SPECIAL REVENUE FUND
CDBG No. 21cv-y-070-1-6255
SCHEDULE OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022 (CUMULATIVE)

SOURCE OF FUNDS:		
CDBG Funds drawn down by recipient		$ 52,844
APPLICATION OF FUNDS:		
Construction costs for health department upgrades	$ 731,860	
Administration	42,264	
Engineering	62,123	836,247
SOURCE OF FUNDS IN EXCESS OF (LESS THAN) APPLICATION		$ (783,403)

HANCOCK COUNTY, GEORGIA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2022

	Superior Court	Sheriff's Office	Magistrate Court	Probate Court	Tax Commissioner's Office	Total
ASSETS:						
Cash	$ 264,285	$ 13,459	$ 12,136	$ 82,637	$ 492,315	$ 864,832
LIABILITIES:						
Amounts held for others	259,559	360	9,942	76,404	1,604	347,869
NET POSITION:						
Restricted for others	4,726	13,099	2,194	6,233	490,711	516,963
Total net position	$ 4,726	$ 13,099	$ 2,194	$ 6,233	$ 490,711	$ 516,963

HANCOCK COUNTY, GEORGIA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Superior Court	Sheriff's Office	Magistrate Court	Probate Court	Tax Commissioner's Office	Total
ADDITIONS:						
Taxes	$ -	$ -	$ -	$ -	$ 14,925,475	$ 14,925,475
Fines and fees	331,059	30,115	47,629	157,303	-	566,106
Interest income	235	-	16	-	1,669	1,920
TOTAL ADDITIONS	331,294	30,115	47,645	157,303	14,927,144	15,493,501
DEDUCTIONS:						
Taxes and fees paid to other governments	-	-	-	-	6,703,224	6,703,224
Payments to Board of Commissioners	163,694	13,822	16,336	87,555	7,840,300	8,121,707
Payments to other Hancock County entities	2,246	-	2,179	12,989	-	17,414
Payments to others	188,255	3,693	29,412	56,116	250,175	527,651
TOTAL DEDUCTIONS	354,195	17,515	47,927	156,660	14,793,699	15,369,996
CHANGE IN FIDUCIARY NET POSITION	(22,901)	12,600	(282)	643	133,445	123,505
TOTAL NET POSITION, beginning of year	27,627	499	2,476	5,590	357,266	393,458
TOTAL NET POSITION, end of year	$ 4,726	$ 13,099	$ 2,194	$ 6,233	$ 490,711	$ 516,963

HANCOCK COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF SPECIAL
PURPOSE LOCAL OPTION SALES TAX PROCEEDS
For the Year Ended December 31, 2022

Project	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
Jail Renovation Project	$3,700,000	$6,400,000	$ 10,664,032	$ 156,548	$ 10,820,580

COMPLIANCE SECTION