LINCOLN COUNTY, GEORGIA

FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2014

LINCOLN COUNTY, GEORGIA

FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
of Lincoln County, Georgia
Lincolnton, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Lincoln County, Georgia** (the "County"), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Lincoln County Health Department or the Development Authority of Lincoln County, which represent 99%, 99%, and 99%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Lincoln County Health Department and the Development Authority of Lincoln County, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lincoln County, Georgia as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lincoln County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of special purpose local option sales tax proceeds, as required by the Official Code of Georgia 48-8-121, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2014, on our consideration of Lincoln County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lincoln County, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
December 17, 2014

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LINCOLN COUNTY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014

The Management's Discussion and Analysis of the Annual Financial Report of Lincoln County, Georgia (the County) provides an overall narrative and analysis of the County's financial statements for the fiscal year ended June 30, 2014. This discussion and analysis is designed to look at the County's financial performance as a whole. Readers should also review the complete financial statements, with notes, which follow this narrative, for a better understanding of the County's financial performance.

Financial Highlights

- The assets of Lincoln County exceeded its liabilities at June 30, 2014, by $27,320,821 (net position).
- At June 30, 2014, the County's governmental funds reported combined ending fund balances of $3,963,635, an increase of $412,444 or 11.61% in comparison with the prior year. Of this amount, $1,843,255 remains in the various funds as unreserved.
- At June 30, 2014, the County's General Fund reported an unreserved, undesignated fund balance of $1,864,144, an increase of $156,100 or 9.14% from the last fiscal year.
- The County's 2011 SPLOST Capital Project Fund and Workforce Development Grant Special Revenue Fund closed fiscal year 2014 with a fund balance of $661,977 and $0, respectively.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the County.

Basic Financial Statements

The first two statements in the basic financial statements are the Government-wide Financial Statements. They provide both short and long-term information about the County's financial status.

The next statements are Fund Financial Statements. These statements focus on the activities of the individual parts of Lincoln County, Georgia's government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary fund statements.

The next section of the basic financial statements is the notes, which explain in detail some of the data contained in those statements. After the notes, supplemental information is provided to show details about the County's non-major governmental funds and other information which provide additional information for the basic financial statements.

Government-Wide Financial Statements

The Government-wide financial statements provide a broad picture of the County's operations. The statements provide information about the County's financial position, which assists in assessing the economic condition at the end of the fiscal year. These statements are prepared using the flow of economic resources measurement focus and the modified-accrual basis of accounting. This means the statements take into account all revenues and expenses connected with the fiscal year even if cash involved has not been received or disbursed. The government-wide financial statements include the following two statements:

The Statement of Net Position presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods (e.g., uncollected taxes).

The government-wide statements are divided into three categories: 1) governmental activities, 2) business-type activities, and 3) component units. The governmental activities include most of the County's basic services such as general government, public safety, public works, health and welfare, and culture and recreation. Property taxes, sales taxes, and state and federal grant funds finance most of these activities. The business-type activities are those services that the County charges a fee to customers in order to provide. These include the Water Fund, Solid Waste Fund, and the Campgrounds and Parks Fund.

The final category is component units. The Lincoln County Development Authority serves to promote, pursue, and implement economic development in the County. The Lincoln County Health Department is a public health department. Although legally separate from the County, the County appoints a voting majority of the boards for the Development Authority, Recreation Authority, and the Board of Health. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

Fund Financial Statements

A Fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The fund financial statements focus on individual parts of the County, reporting the County's operations in more detail than the government-wide statements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. These fund categories use different accounting approaches and should be interpreted differently.

Governmental Funds

Most of the basic services provided by the County are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported as government activities in the government-wide financial statements. However, unlike the government-wide statements, these funds focus on how assets can readily be converted into cash and the amount of funds left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called modified-accrual accounting, which focuses on current financial resources. Such information may be useful in evaluating the county's short-term financing requirements. These statements provide a detailed short-term view of the County's finances that assists in determining whether there will be adequate financial resources available to meet the County's current needs. The relationship between government activities in the government-wide financial statements and the governmental funds financial statements is described in a reconciliation that is a part of the fund financial statements.

The County has three governmental fund types: the General Fund, Special Revenue Funds, and Capital Projects Fund.

Proprietary Funds

The County operates three enterprise funds to account for activities that operate similar to commercial enterprises found in the private sector. Funds that charge fees for services provided to outside customers are known as Enterprise Funds. Proprietary funds use the accrual basis of accounting, thus there is no reconciliation needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements.

The County has three enterprise funds: the Solid Waste Fund, the Water Fund, and the Campgrounds and Parks Fund.

Fiduciary Funds

The Fiduciary Funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments, and other Lincoln County departments. The County is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and only by those to whom the assets belong. These funds are not reflected in the government-wide financial statements because the resources are not available to support the County's operations or programs.

Government-wide Financial Analysis

The Governmental Accounting Standards Board (GASB) requires the use of government-wide financial statements for comparative reporting. The comparative data is provided below.

Net Position

Net Position may serve over time as one useful indicator of a government's financial condition. The assets of the County exceeded liabilities by $27,320,821 as of June 30, 2014. Of the $27,320,821, $14,993,087 resulted from the County's governmental activities and $12,327,734 resulted from the County's business-type activities.

The largest portion of Lincoln County's net position, 84.7%, reflects its investment in capital assets such as land, buildings, equipment, and roads. Lincoln County uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	$ 4,706,524	$ 4,269,203	$ 644,089	$ 664,806	$ 5,350,613	$ 4,934,009
Capital assets	10,943,826	11,400,058	16,915,461	17,347,633	27,859,287	28,747,691
Total assets	15,650,350	15,669,261	17,559,550	18,012,439	33,209,900	33,681,700
Long-term liabilities outstanding	76,107	65,987	4,727,893	4,880,103	4,804,000	4,946,090
Other liabilities	581,156	493,982	503,923	554,656	1,085,079	1,048,638
Total liabilities	657,263	559,969	5,231,816	5,434,759	5,889,079	5,994,728
Net Position:						
Net investment in capital assets	10,858,970	11,400,058	12,289,641	12,579,177	23,148,611	23,979,235
Restricted	1,455,005	1,124,262	108,984	106,706	1,563,989	1,230,968
Unrestricted	2,679,112	2,584,972	(70,891)	(108,203)	2,608,221	2,476,769
Total net position	$ 14,993,087	$ 15,109,292	$ 12,327,734	$ 12,577,680	$ 27,320,821	$ 27,686,972

An additional portion of Lincoln County's total net position (5.73%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of total unrestricted net assets, 9.55% may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Lincoln County is able to report positive balances in all three categories of net position for the government as a whole.

Governmental activities decreased the County's net position by $116,205 in 2014. Key elements of this decrease are as follows:

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues						
Program revenues:						
Charges for services	$ 1,550,664	$ 1,377,625	$ 1,520,140	$ 1,396,278	$ 3,070,804	$ 2,773,903
Operating grants and contributions	3,091,659	1,004,318	-	-	3,091,659	1,004,318
Capital grants and contributions	-	-	-	33,320	-	33,320
General revenues:						
Property taxes	3,014,310	2,918,915	-	-	3,014,310	2,918,915
Other taxes	2,070,072	1,843,416	-	-	2,070,072	1,843,416
Investment Income	3,354	5,618	778	1,605	4,132	7,223
Gain (loss) on sale of assets	-	(2,588)	-	-	-	(2,588)
Total revenues	9,730,059	7,147,304	1,520,918	1,431,203	11,250,977	8,578,507
Expenses						
General government	2,089,983	2,049,923	-	-	2,089,983	2,049,923
Judicial	341,710	354,220	-	-	341,710	354,220
Public safety	2,527,421	2,587,831	-	-	2,527,421	2,587,831
Public works	2,082,951	1,453,219	-	-	2,082,951	1,453,219
Health and welfare	2,160,360	384,638	-	-	2,160,360	384,638
Culture and recreation	369,902	354,012	-	-	369,902	354,012
Housing and development	259,438	268,173	-	-	259,438	268,173
Interest on long-term debt	-	294	-	-	-	294
Water	-	-	1,111,538	1,043,492	1,111,538	1,043,492
Solid waste	-	-	628,447	622,725	628,447	622,725
Campgrounds and parks	-	-	45,378	-	45,378	-
Total expenses	9,831,765	7,452,310	1,785,363	1,666,217	11,617,128	9,118,527
Change in net position before transfers	(101,706)	(305,006)	(264,445)	(235,014)	(366,151)	(540,020)
Transfers	(14,499)	-	14,499	-	-	-
Change in net position	(116,205)	(305,006)	(249,946)	(235,014)	(366,151)	(540,020)
Net position, beginning of year	15,109,292	15,414,298	12,577,680	12,812,694	27,686,972	28,226,992
Net position, end of year	$ 14,993,087	$ 15,109,292	$ 12,327,734	$ 12,577,680	$ 27,320,821	$ 27,686,972

Financial Analysis of the Government's Funds

Lincoln County uses fund accounting to demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the County's financial requirements. In particular, the unreserved fund balance may serve as a useful measure of a county's net resources available for spending at the end of the fiscal year. At the end of the 2014 fiscal year, the combined fund balance of all the governmental funds is $3.9 million, of which $1,843,255, or 46.50%, was unassigned.

General Fund

The General Fund is the primary operating fund of the Government. At the end of the current fiscal year, unassigned fund balance of the general fund was $1,864,144, while total fund balance was $2,675,032. Total fund balance increased $98,524 from the prior year. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 29.32% of total General Fund expenditures while total fund balance represents 42.08% of that same amount.

Capital Projects Fund

The County uses Capital Projects Funds to account for the acquisition and construction of major capital facilities that are not financed by Proprietary Funds. A major fund in the fund financial statements is the Special Purpose Local Option Sales Tax (SPLOST) Fund. The proceeds of the special purpose 1% sales tax are accounted for in this Capital Projects Fund until expenditures are incurred. The fund balance of the SPLOST Fund increased $86,515 to a balance of $661,977 primarily due to the accumulation of funds to build a public safety building.

Special Revenue Funds

There are seven funds accounted for in the Special Revenue Funds section. They are the Workforce Development Grant Fund, Hotel/Motel Tax Fund, E911 Fund, Law Library Fund, Family Connection Fund, Drug Education Fund, and Jail Fund of which the Workforce Development Grant Fund is major. These funds are used to account for revenues and expenditures specifically dealing with these areas. Total fund balances increased by $227,405 for the year.

Proprietary Funds

Lincoln County's proprietary funds provide the same type information found in the government-wide financial statements, but in more detail.

At the end of the current fiscal year, unrestricted net position of the Water Fund was $13,685, a decrease of $16. The Solid Waste Fund reported a deficit of unrestricted net position in the amount of $96,431, a decrease of $25,473. For the year ended June 30, 2014, the proprietary funds reflected total net position of $12,327,734.

General Fund Budgetary Highlights

The original budget was increased by $782,645 due to increased revenues and a grant. The General Fund revenues were $6,470,610. Expenses were $6,357,587. There was an excess of revenues over expenditures in the amount of $113,023.

Capital Assets and Debt Administration

Lincoln County's investment in capital assets for its governmental and business-type activities as of June 30, 2014, amounts to $27,859,287 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, infrastructure (roads), and construction in progress. For additional information regarding capital assets see Note 6 in the Notes to Financial Statements.

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	$ 578,825	$ 578,825	$ 17,034	$ 17,034	$ 595,859	$ 595,859
Land improvements	126,770	126,770	87,753	87,753	214,523	214,523
Water system and lines	-	-	21,052,391	21,052,391	21,052,391	21,052,391
Infrastructure	22,130,609	22,130,609	-	-	22,130,609	22,130,609
Buildings	4,103,031	4,096,402	-	-	4,103,031	4,096,402
Furniture and equipment	942,698	836,548	119,777	119,777	1,062,475	956,325
Vehicles	1,425,935	1,237,945	51,169	51,169	1,477,104	1,289,114
Construction in progress	-	-	-	-	-	-
Total	29,307,868	29,007,099	21,328,124	21,328,124	50,635,992	50,335,223
Accumulated depreciation	18,364,042	17,607,041	4,412,663	3,980,491	22,776,705	21,587,532
Net Capital Assets	$ 10,943,826	$ 11,400,058	$ 16,915,461	$ 17,347,633	$ 27,859,287	$ 28,747,691

Lincoln County's outstanding debt as of June 30, 2014 was $4.81 million for its governmental and business-type activities, with $178,842 payable within one year. Approximately 98.24% of outstanding debt is for the County's business-type activities. For additional information regarding the County's long-term debt, see Note 7 in the Notes to Financial Statements.

Economic Factors and Next Year's Budget

Lincoln County continues to issue permits for new homes and is optimistic about the growth potential of the digest due to one of the larger subdivisions finally getting the approval to build. The implementation of the Title Ad Valorem Tax (TAVT) created an approximate 2% decrease in the tax digest; however, these funds are being received via sales tax distributions. The TAVT funds continue to have a negative impact on capital improvements due to the way that the legislation was structured; funds that were once designated as Special Purpose Local Option Sales Tax (S.P.L.O.S.T.) are now funding the General Fund which limits funds available for approved S.P.L.O.S.T. projects. The County continues to struggle to replace aging vehicles and maintain its public buildings.

The costs of insurance is increasing at an alarming rate; liability, workers' compensation, and employee health plans, are increasing each year and limiting the County's ability to improve services, provide employee raises, and/or lower the millage rate.

The FY 2015 budgets remain virtually the same as last year with the exception of the increases in insurance costs and certain other unavoidable increases. The budgets do not include any additional personnel or employee raises with the exception of a 1% increase for Constitutional Officers, effective January 1st, as required by the State of Georgia. For the fourth year in a row with a declining digest, the County has not increased the millage rate. The Lincoln County Chairman and County Commissioner's continue to focus resources on roads and public safety as the primary services expected by the residents and continues its efforts to increase the recreational activities offered.

Requests for Information

This financial report is designed to provide a general overview of Lincoln County's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Wade Johnson, Chairman, P.O. Box 340, Lincolnton, Georgia 30817.

BASIC FINANCIAL STATEMENTS

LINCOLN COUNTY, GEORGIA

STATEMENT OF NET POSITION
JUNE 30, 2014

	Primary Government		
ASSETS	**Governmental Activities**	**Business-type Activities**	**Total**
Cash and cash equivalents	$ 3,514,574	$ 381,974	$ 3,896,548
Investments	145,654	-	145,654
Taxes receivable	236,794	-	236,794
Accounts receivable, net of allowances	172,622	211,365	383,987
Due from other governments	343,167	2,138	345,305
Due from component unit	7,701	-	7,701
Due from primary government	-	-	-
Internal balances	116,717	(116,717)	-
Capital leases receivable	-	-	-
Inventories	42,118	-	42,118
Prepaid items	35,166	34	35,200
Restricted assets, cash	-	165,295	165,295
Assets held for resale	-	-	-
Capital assets, non-depreciable	578,825	17,034	595,859
Capital assets, depreciable, net of accumulated depreciation	10,365,001	16,898,427	27,263,428
Other assets	92,011	-	92,011
Total assets	15,650,350	17,559,550	33,209,900
LIABILITIES			
Accounts payable	159,601	154,134	313,735
Accrued liabilities	184,130	11,149	195,279
Unearned revenues	71,841	338,640	410,481
Due to other governments	100,915	-	100,915
Due to component unit	1,107	-	1,107
Due to primary government	-	-	-
Compensated absences due within one year	54,813	-	54,813
Compensated absences due in more than one year	-	3,573	3,573
Notes payable due within one year	21,294	91,387	112,681
Notes payable due in more than one year	63,562	1,501,134	1,564,696
Bonds payable due within one year	-	56,311	56,311
Bonds payable due in more than one year	-	2,976,988	2,976,988
Landfill due within one year	-	9,850	9,850
Landfill due in more than one year	-	88,650	88,650
Total liabilities	657,263	5,231,816	5,889,079
NET POSITION			
Net investment in capital assets	10,858,970	12,289,641	23,148,611
Restricted for:			
Judicial	8,767	-	8,767
Public Safety	169,134	-	169,134
Health and welfare	-	-	-
Culture and recreation	147,757	-	147,757
Capital projects	1,129,347	-	1,129,347
Debt service	-	108,984	108,984
Unrestricted (deficit)	2,679,112	(70,891)	2,608,221
Total net position	$ 14,993,087	$ 12,327,734	$ 27,320,821

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

Component Units		
Lincoln County Health Department	Development Authority of Lincoln County	Recreation Authority
$ 71,107	$ 532,570	$ 4,039
-	-	-
-	22,165	-
22,043	-	-
-	-	-
-	-	-
-	2,441	-
-	-	-
-	2,128,458	-
-	-	-
-	-	-
-	-	-
-	96,886	-
-	24,877	-
-	2,214,127	-
-	-	-
93,150	5,021,524	4,039
2,148	10,695	-
-	3,369	-
-	10,480	-
10,024	-	-
-	-	-
-	7,701	-
-	-	-
4,802	-	-
-	520,469	-
-	677,602	-
-	61,556	-
-	185,273	-
-	-	-
-	-	-
16,974	1,477,145	-
-	794,104	-
-	-	-
-	-	-
47,486	-	-
-	-	-
-	-	-
-	582,025	-
28,690	2,168,250	4,039
$ 76,176	$ 3,544,379	$ 4,039

LINCOLN COUNTY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	$ 2,089,983	$ 246,800	$ 143,754	$ -
Judicial	341,710	144,943	9,282	-
Public safety	2,527,421	1,107,709	39,288	-
Public works	2,082,951	1,398	672,527	-
Health and welfare	2,160,360	10,330	2,029,044	-
Culture and recreation	369,902	12,335	-	-
Housing and development	259,438	27,149	197,764	-
Total governmental activities	9,831,765	1,550,664	3,091,659	-
Business-type activities:				
Water	1,111,538	828,263	-	-
Solid waste	628,447	649,143	-	-
Campgrounds and parks	45,378	42,734	-	-
Total business-type activities	1,785,363	1,520,140	-	-
Total primary government	$ 11,617,128	$ 3,070,804	$ 3,091,659	$ -
Component units:				
Lincoln County Health Department	$ 226,081	$ 57,690	$ 155,918	$ -
Development Authority of Lincoln County	428,325	139,198	1,834	-
Recreation Authority	-	-	-	-
Total component units	$ 654,406	$ 196,888	$ 157,752	$ -
General revenues:				
Property taxes				
Sales taxes				
Other taxes				
Unrestricted investment earnings				
Transfers				
Total general revenues and transfers				
Change in net position				
Net position, beginning of year				
Net position, end of year				

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

Net (Expenses) Revenues and Changes in Net Position					
			Component Units		
Governmental Activities	Business-type Activities	Total	Lincoln County Health Department	Development Authority of Lincoln County	Recreation Authority
$ (1,699,429)	$ -	$ (1,699,429)	$ -	$ -	$ -
(187,485)	-	(187,485)	-	-	-
(1,380,424)	-	(1,380,424)	-	-	-
(1,409,026)	-	(1,409,026)	-	-	-
(120,986)	-	(120,986)	-	-	-
(357,567)	-	(357,567)	-	-	-
(34,525)	-	(34,525)	-	-	-
(5,189,442)	-	(5,189,442)	-	-	-
-	(283,275)	(283,275)	-	-	-
-	20,696	20,696	-	-	-
-	(2,644)	(2,644)	-	-	-
-	(265,223)	(265,223)	-	-	-
(5,189,442)	(265,223)	(5,454,665)	-	-	-
-	-	-	(12,473)	-	-
-	-	-	-	(287,293)	-
-	-	-	-	-	-
-	-	-	(12,473)	(287,293)	-
3,014,310	-	3,014,310	-	224,954	-
1,638,198	-	1,638,198	-	-	-
431,874	-	431,874	-	-	-
3,354	778	4,132	74	824	2
(14,499)	14,499	-	-	-	-
5,073,237	15,277	5,088,514	74	225,778	2
(116,205)	(249,946)	(366,151)	(12,399)	(61,515)	2
15,109,292	12,577,680	27,686,972	88,575	3,605,894	4,037
$ 14,993,087	$ 12,327,734	$ 27,320,821	$ 76,176	$ 3,544,379	$ 4,039

LINCOLN COUNTY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

	General Fund	SPLOST Fund	Workforce Development Grant Fund	Other Governmental Funds	Total
ASSETS					
Cash and cash equivalents	$ 2,041,316	$ 754,793	$ 168,136	$ 550,329	$ 3,514,574
Investments	145,654	-	-	-	145,654
Taxes receivable	176,669	56,543	-	3,582	236,794
Accounts receivable, net of allowances	140,327	-	-	32,295	172,622
Due from other governments	114,987	-	6,156	222,024	343,167
Due from component unit	7,701	-	-	-	7,701
Due from other funds	469,513	-	-	-	469,513
Prepaid items	35,025	-	-	141	35,166
Inventories	42,118	-	-	-	42,118
Total assets	$ 3,173,310	$ 811,336	$ 174,292	$ 808,371	$ 4,967,309
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 126,688	$ 6,592	-	$ 26,321	$ 159,601
Accrued liabilities	165,775	-	18,136	219	184,130
Unearned revenues	71,841	-	-	-	71,841
Due to other governments	690	100,225	-	-	100,915
Due to component unit	-	-	-	1,107	1,107
Due to other funds	-	42,542	156,156	154,098	352,796
Total liabilities	364,994	149,359	174,292	181,745	870,390
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	$ 133,284	$ -	$ -	$ -	$ 133,284
Total deferred inflows of resources	133,284	-	-	-	133,284
FUND BALANCES					
Fund balances:					
Nonspendable:					
Prepaid items	$ 35,025	$ -	-	$ 141	$ 35,166
Inventory	42,118	-	-	-	42,118
Restricted for:					
Public library	145,654	-	-	-	145,654
Tourism	-	-	-	2,103	2,103
E-911	-	-	-	135,410	135,410
Drug education	-	-	-	10,301	10,301
Public safety	-	-	-	23,423	23,423
Law library	-	-	-	8,767	8,767
Capital projects	-	661,977	-	467,370	1,129,347
Assigned:					
Subsequent year's budget	588,091	-	-	-	588,091
Unassigned	1,864,144	-	-	(20,889)	1,843,255
Total fund balances	2,675,032	661,977	-	626,626	3,963,635
Total liabilities, deferred inflows of resources and fund balances	$ 3,173,310	$ 811,336	$ 174,292	$ 808,371	
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.					10,943,826
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.					133,284
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.					(139,669)
Net pension asset used in governmental activities is not a financial resource and, therefore, is not reported in the funds.					92,011
Net position of governmental activities					$ 14,993,087

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

LINCOLN COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	General Fund	SPLOST Fund	Workforce Development Grant Fund	Other Governmental Funds	Total
Revenues					
Taxes	$ 3,919,209	$ 616,267	$ -	$ 550,879	$ 5,086,355
Licenses and permits	35,048	-	-	-	35,048
Intergovernmental	1,017,877	-	1,684,696	249,400	2,951,973
Charges for services	1,194,681	-	-	145,254	1,339,935
Fines and forfeitures	74,462	-	-	11,450	85,912
Investment income	2,862	-	-	492	3,354
Rental income	81,002	-	-	-	81,002
Miscellaneous	145,469	-	-	2,984	148,453
Total revenues	6,470,610	616,267	1,684,696	960,459	9,732,032
Expenditures					
Current:					
General government	1,957,201	-	-	-	1,957,201
Judicial	335,263	-	-	6,447	341,710
Public safety	2,345,133	-	-	131,016	2,476,149
Public works	1,015,103	-	-	-	1,015,103
Health and welfare	206,733	-	1,684,696	268,931	2,160,360
Culture and recreation	271,278	-	-	-	271,278
Housing and development	226,876	-	-	19,771	246,647
Intergovernmental	-	97,630	-	-	97,630
Capital outlay	-	432,122	-	391,745	823,867
Total expenditures	6,357,587	529,752	1,684,696	817,910	9,389,945
Excess of revenues over expenditures	113,023	86,515	-	142,549	342,087
Other financing sources (uses):					
Issuance of debt	-	-	-	84,856	84,856
Transfers out	(14,499)	-	-	-	(14,499)
Total other financing sources (uses)	(14,499)	-	-	84,856	70,357
Net change in fund balances	98,524	86,515	-	227,405	412,444
Fund balances, beginning of year	2,576,508	575,462	-	399,221	3,551,191
Fund balances, end of year	$ 2,675,032	$ 661,977	$ -	$ 626,626	$ 3,963,635

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

LINCOLN COUNTY, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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

Net change in fund balances - total governmental funds	$	412,444
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.		(456,233)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(1,973)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(84,856)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		14,413
	$	(116,205)

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

LINCOLN COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Property taxes	$ 3,445,371	$ 3,553,970	$ 3,016,280	$ (537,690)
Sales taxes	550,000	490,255	490,255	-
Other taxes	393,900	412,674	412,674	-
Licenses and permits	26,400	35,048	35,048	-
Intergovernmental	494,212	1,017,877	1,017,877	-
Charges for services	932,245	1,194,681	1,194,681	-
Fines and forfeitures	73,750	63,279	74,462	11,183
Investment income	4,000	2,862	2,862	-
Rental income	82,530	81,002	81,002	-
Miscellaneous	182,350	156,423	145,469	(10,954)
Total revenues	6,184,758	7,008,071	6,470,610	(537,461)
Expenditures:				
Current:				
General government:				
Board of county commissioners	143,580	148,582	146,964	1,618
Elections	67,282	83,782	82,067	1,715
General administration	1,683,586	1,769,639	1,215,332	554,307
Finance office	82,735	82,210	81,600	610
County attorney	40,552	61,100	54,560	6,540
Tax commissioner	181,027	177,028	169,510	7,518
Tax assessor	154,853	151,848	150,863	985
Information technology	54,812	54,812	52,821	1,991
Board of equalization	7,300	5,100	3,484	1,616
Total general government	2,415,727	2,534,101	1,957,201	576,900
Judicial:				
Clerk of superior court	194,880	188,630	176,441	12,189
District attorney	6,800	10,272	9,687	585
Probate court	153,120	150,788	146,457	4,331
Juvenile court	2,100	4,678	2,678	2,000
Total judicial	356,900	354,368	335,263	19,105
Public safety:				
Sheriff	622,164	726,614	723,316	3,298
Jail	645,511	708,511	705,420	3,091
Communications	205,854	221,855	219,850	2,005
Fire	9,748	2,437	6,337	(3,900)
Office of emergency services	651,619	676,621	679,730	(3,109)
Coroner	11,446	11,446	10,480	966
Total public safety	2,146,342	2,347,484	2,345,133	2,351
Public works:				
Shop	91,069	101,069	98,925	2,144
Roads	448,476	935,262	916,178	19,084
Total public works	539,545	1,036,331	1,015,103	21,228

(Continued)

LINCOLN COUNTY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budget			Variance With
	Original	Final	Actual	Final Budget
Expenditures (continued):				
Health and welfare:				
Health department	$ 38,800	$ 38,800	$ 38,800	$ -
Georgia forestry	6,834	6,834	6,834	-
DFACS	6,400	6,400	3,102	3,298
Senior citizens	76,260	74,260	77,738	(3,478)
Lincoln center	16,221	15,022	13,031	1,991
Transit	80,889	84,288	67,228	17,060
Total health and welfare	225,404	225,604	206,733	18,871
Culture and recreation:				
Art and recreation	126,565	123,065	116,471	6,594
Library	160,545	155,595	154,807	788
Cherokee Park	26,877	-	-	-
Total culture and recreation	313,987	278,660	271,278	7,382
Housing and development:				
Cooperative extension service	43,001	45,001	42,261	2,740
Planning and permits	51,579	47,580	45,016	2,564
GIS	-	2	2	-
Code enforcement	50,137	50,136	49,042	1,094
Economic development	121,850	127,850	90,555	37,295
Total housing and development	266,567	270,569	226,876	43,693
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total debt service	-	-	-	-
Total expenditures	6,264,472	7,047,117	6,357,587	689,530
Excess (deficiency) of revenues over (under) expenditures	(79,714)	(39,046)	113,023	152,069
Other financing sources (uses):				
Proceeds from sale of assets	5,000	-	-	-
Transfers in	74,714	39,046	-	(39,046)
Transfers out	-	-	(14,499)	(14,499)
Total other financing sources (uses)	79,714	39,046	(14,499)	(53,545)
Net change in fund balance	-	-	98,524	98,524
Fund balance, beginning of year	2,576,508	2,576,508	2,576,508	-
Fund balance, end of year	$ 2,576,508	$ 2,576,508	$ 2,675,032	$ 98,524

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

LINCOLN COUNTY, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014

ASSETS	Major Enterprise Funds: Water Fund	Major Enterprise Funds: Solid Waste Fund	Nonmajor Enterprise Fund	Totals
CURRENT ASSETS				
Cash	$ 88,746	$ 271,001	$ 22,227	$ 381,974
Accounts receivable, net of allowances	125,235	86,130	-	211,365
Due from other governments	2,138	-	-	2,138
Prepaid expenses	34	-	-	34
Restricted assets, cash	165,295	-	-	165,295
Total current assets	381,448	357,131	22,227	760,806
NONCURRENT ASSETS				
Capital assets				
Capital assets, non-depreciable	17,034	-	-	17,034
Capital assets, depreciable, net of accumulated depreciation	16,847,969	50,458	-	16,898,427
Total capital assets	16,865,003	50,458	-	16,915,461
Total noncurrent assets	16,865,003	50,458	-	16,915,461
Total assets	17,246,451	407,589	22,227	17,676,267
LIABILITIES				
CURRENT LIABILITIES				
Payable from current assets:				
Accounts payable	95,806	52,496	5,832	154,134
Accrued liabilities	11,149	-	-	11,149
Unearned revenues	31,860	302,240	4,540	338,640
Notes payable, current portion	91,387	-	-	91,387
Postclosure liability, current portion	-	9,850	-	9,850
Due to other funds	116,391	326	-	116,717
Total payable from current assets	346,593	364,912	10,372	721,877
Payable from restricted assets:				
Revenue bonds payable, current portion	56,311	-	-	56,311
Total payable from restricted assets	56,311	-	-	56,311
Total current liabilities	402,904	364,912	10,372	778,188
NONCURRENT LIABILITIES				
Revenue bonds payable, net of current portion	2,976,988	-	-	2,976,988
Postclosure liability, net of current portion	-	88,650	-	88,650
Compensated absences	3,573	-	-	3,573
Notes payable, net of current portion	1,501,134	-	-	1,501,134
Total noncurrent liabilities	4,481,695	88,650	-	4,570,345
Total liabilities	4,884,599	453,562	10,372	5,348,533
NET POSITION				
Net investment in capital assets	12,239,183	50,458	-	12,289,641
Restricted for:				
Debt service	108,984	-	-	108,984
Unrestricted	13,685	(96,431)	11,855	(70,891)
Total net position (deficit)	$ 12,361,852	$ (45,973)	$ 11,855	$ 12,327,734

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

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LINCOLN COUNTY, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Major Enterprise Funds			
	Water Fund	Solid Waste Fund	Nonmajor Enterprise Fund	Totals
Operating revenues:				
Charges for services	$ 827,553	$ 649,143	$ 42,734	$ 1,519,430
Miscellaneous income	710	-	-	710
Total operating revenues	828,263	649,143	42,734	1,520,140
Operating expenses:				
Purchases	176,254	-	-	176,254
Salaries and benefits	138,208	17,687	6,498	162,393
Materials and supplies	31,185	311	11,141	42,637
Repairs and maintenance	42,896	618	2,976	46,490
Professional and contract services	41,675	602,993	9,849	654,517
Utilities	36,656	1,719	14,524	52,899
Other operating expenses	39,360	732	390	40,482
Depreciation	427,785	4,387	-	432,172
Total operating expenses	934,019	628,447	45,378	1,607,844
Operating income (loss)	(105,756)	20,696	(2,644)	(87,704)
Nonoperating revenues (expenses):				
Investment income	388	390	-	778
Interest expense	(177,519)	-	-	(177,519)
Total nonoperating revenues (expenses)	(177,131)	390	-	(176,741)
Income (loss) before contributions	(282,887)	21,086	(2,644)	(264,445)
Transfers in	-	-	14,499	14,499
Change in net position (deficit)	(282,887)	21,086	11,855	(249,946)
Net position (deficit), beginning of year	12,644,739	(67,059)	-	12,577,680
Net position (deficit), end of year	$ 12,361,852	$ (45,973)	$ 11,855	$ 12,327,734

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

LINCOLN COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Major Enterprise Funds			
	Water Fund	Solid Waste Fund	Nonmajor Enterprise Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 811,123	$ 643,548	$ 47,274	$ 1,501,945
Payments to suppliers and service providers	(358,419)	(612,881)	(33,048)	(1,004,348)
Payments to employees	(147,033)	(17,687)	(6,498)	(171,218)
Net cash provided by operating activities	305,671	12,980	7,728	326,379
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	-	-	14,499	14,499
Net cash provided by noncapital financing activities	-	-	14,499	14,499
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Borrowings on notes payable	470,000	-	-	470,000
Principal paid on bonds	(53,681)	-	-	(53,681)
Principal paid on notes payable	(558,955)	-	-	(558,955)
Interest paid	(183,709)	-	-	(183,709)
Net cash used in capital and related financing activities	(326,345)	-	-	(326,345)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	388	390	-	778
Net cash provided by investing activities	388	390	-	778
Net increase (decrease) in cash and cash equivalents	(20,286)	13,370	22,227	15,311
Cash and cash equivalents:				
Beginning of year	274,327	257,631	-	531,958
End of year	$ 254,041	$ 271,001	$ 22,227	$ 547,269
Classified as:				
Cash and cash equivalents	$ 88,746	$ 271,001	$ 22,227	$ 381,974
Restricted assets, cash and cash equivalents	165,295	-	-	165,295
	$ 254,041	$ 271,001	$ 22,227	$ 547,269

(Continued)

LINCOLN COUNTY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Major Enterprise Funds		Nonmajor Enterprise Fund	Totals
	Water Fund	Solid Waste Fund		
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	$ (105,756)	$ 20,696	$ (2,644)	$ (87,704)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	427,785	4,387	-	432,172
Increase in accounts receivable	(28,818)	(2,860)	-	(31,678)
Increase in due from other governments	(2,138)	-	-	(2,138)
Increase in prepaid expenses	(1)	-	-	(1)
Increase (decrease) in accounts payable	(17,036)	4,724	5,832	(6,480)
Decrease in accrued liabilities	(9,100)	(255)	-	(9,355)
Increase (decrease) in unearned revenues	11,678	(2,735)	4,540	13,483
Increase in compensated absences	276	-	-	276
Decrease in postclosure liability	-	(9,850)	-	(9,850)
Decrease in due to other governments	(42,191)	-	-	(42,191)
Increase (decrease) in due to other funds	70,972	(1,127)	-	69,845
Net cash provided by operating activities	$ 305,671	$ 12,980	$ 7,728	$ 326,379

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

LINCOLN COUNTY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2014

	Agency Funds
ASSETS	
Cash	$ 427,134
Taxes receivable	403,808
Total assets	$ 830,942
LIABILITIES	
Due to component unit	$ 2,441
Due to others	424,693
Uncollected property taxes	403,808
Total liabilities	$ 830,942

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. The Reporting Entity

Lincoln County was established under the provisions of an act of the General Assembly of Georgia. The County operates under a County Commissioner form of government (four commissioners are elected by district with the Chairman elected at large from the county), and provides the following services as authorized by state law: public safety (police and fire), highways and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

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

Lincoln County Health Department

The governing board of the Lincoln County Health Department (the "Health Department") receives funding from the County. Members of its governing board are appointed by the Lincoln County Board of Commissioners. The Health Department maintains its financial records on a fiscal year ending June 30. The Lincoln County Health Department's financial statements may be obtained by writing to the Lincoln County Health Department,101 Peachtree Street, Lincolnton, Georgia 30817.

Development Authority of Lincoln County

The Development Authority of Lincoln County, Georgia (the "Development Authority") was created for the purpose of promoting and developing trade, commerce, industry, and employment opportunities within Lincoln County, Georgia. The members of its board of directors are appointed by the County, and its primary source of revenue is from a one mill property tax levy that must be approved by the Board of Commissioners. The Development Authority maintains its financial records on a fiscal year ending June 30. The Lincoln County Development Authority's financial statements may be obtained by writing to the Lincoln County Development Authority, 112 N. Washington Street, Lincolnton, Georgia 30817.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. The Reporting Entity (Continued)

Lincoln County Recreation Authority

The Lincoln County Board of Commissioners appoints members to the governing board of the Lincoln County Recreation Authority (the "Recreation Authority"). The Recreation Authority's operational and capital budgets are not subject to approval or modification by any governmental entity, and it establishes various fees for sporting events and other recreational activities. The Recreation Authority can borrow money for any of its corporate purposes and issues other obligations that are not expressly prohibited by the Georgia Constitution, including bonded debt that does not have to be approved by the Board of Commissioners. The Recreation Authority does not prepare separate financial statements.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales tax, intergovernmental grants, and investment earnings associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The format of the fund financial statements has been modified by GASB Statement No. 34. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

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

The ***Special Purpose Local Option Sales Tax (SPLOST) Fund*** is used to account for expenditures for capital improvements made by the County. Financing is provided by the revenues from a special purpose local option sales tax.

The ***Workforce Development Grant Fund*** is used to account for intergovernmental funds received from the State and Federal governments for the Workforce Investment Act grant.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The County reports the following major proprietary funds:

The ***Water Fund*** accounts for the operation of the water system, including all revenues and costs of providing water services to residents of Lincoln County.

The ***Solid Waste Fund*** accounts for the administration and operations of the removal and disposal of solid waste in the County.

Additionally, the County reports the following fund types:

The ***Special Revenue Funds*** are used to account for revenue sources that are legally restricted to expenditure for specific purposes.

The ***Capital Projects Fund*** is used to account for expenditures for capital improvements made by the County for transportation improvements and infrastructure. Financing is provided by the revenues from a transportation special purpose local option sales tax.

The ***Proprietary Fund*** is used to account for the operation and activities of the campgrounds and parks located within the County.

The ***Agency Funds*** are used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals.

Amounts reported as *program revenues* include 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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. The principal operating revenues of the enterprise funds are charges for goods and services provided. Operating expenses of the enterprise funds include the cost of these goods and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash and Investments

The County and discretely presented component units' cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the County and discretely presented component units to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and the Georgia Fund 1. Investments are stated at fair value.

E. Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year as well as all other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

F. Inventories

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The consumption method is used to account for inventories. Under the consumption method, inventory items are recognized as expenditures when used.

G. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

H. Restricted Assets

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants, with which the County is in compliance as of June 30, 2014.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The County has retroactively reported major general infrastructure assets. The County chose to include all items, regardless of their acquisition date. The County was able to estimate the historical costs for the initial reporting of these assets through backtrending.

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

In the proprietary funds, interest incurred during the construction phase of capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period. No capitalized interest was recorded during the year ended June 30, 2014.

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

Asset Category	Years
Land improvements	40
Water system and lines	50
Buildings	20-40
Vehicles	5
Furniture, fixtures, and equipment	5-10
Infrastructure	40

J. 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 County does not have a policy to pay any amount when employees separate from service with the County. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary 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 or retirements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. 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, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued 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.

L. Deferred Outflows / Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditure) until then. The County has no items that qualify for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity

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

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

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

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

- ***Committed*** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners through the adoption of a resolution. Only the Board of 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 Board of Commissioners has authorized the County's Commission Chairman 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 fund balances may be reported in all funds.

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

- Committed
- Assigned
- Unassigned

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Fund Equity (Continued)

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

N. Use of Estimates

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

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

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

The governmental fund balance sheet includes reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this $139,669 difference are as follows:

Compensated absences	$	(54,813)
Notes payable		(84,856)
Net adjustment to reduce *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$	(139,669)

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

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this $456,233 difference are as follows:

Capital outlay	$	300,768
Depreciation expense		(757,001)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$	(456,233)

Another element of the reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this $84,856 difference are as follows:

Issuance of long-term debt:		
Note payable	$	(84,856)
Net adjustment to decrease *net changes in fund balances - total governmental funds* to arrive at *changes in net position - governmental activities*	$	(84,856)

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

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

Another element of that reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this $14,413 difference are as follows:

Compensated absences	$	11,174
Net pension asset		3,239
Net adjustment to increase *net changes in fund balances - total governmental funds* to arrive at *changes in net position of governmental activities*	$	14,413

NOTE 3. LEGAL COMPLIANCE – BUDGETS

Budgetary Data. Formal budgetary accounting is employed as a management control device for the funds of the County. Annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required for all governmental funds. Budgets for capital project funds are adopted on a project basis, spanning more than one fiscal year. Proprietary budgets are prepared and utilized as a management tool to assess the operations of the enterprise funds. All budgets are adopted on a basis consistent with generally accepted accounting principles.

Prior to June 1, the Chairman submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following July 1. The Board of Commissioners holds public hearings, and prior to June 30, the Board adopts the budget.

Budgetary Control. Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source, and expenditures are budgeted by department and character. The legal level of budgetary control is the department level. All budget revisions at this level are subject to final review by the Board of Commissioners.

The supplementary budgetary appropriations made were not material.

All annual budget appropriations lapse at the end of the year.

NOTE 3. LEGAL COMPLIANCE – BUDGETS (CONTINUED)

Encumbrances. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to commit or assign that portion of the applicable appropriation, is not employed by the County.

Deficit Fund Equity. The Solid Waste Fund had a deficit net position balance of $45,973 at June 30, 2014. In addition, the Family Connection Fund had a deficit fund balance of $20,889 at June 30, 2014. The County plans to eliminate the deficit balances through future operations and transfers from the General Fund.

Excess Expenditures over Appropriations. For the year ended June 30, 2014, expenditures exceeded budget in the General Fund, as follows:

Department	Excess
Fire	$ (3,900)
Office of emergency services	(3,109)
Senior citizens	(3,478)
Transfers out	(14,499)

These over-expenditures were funded by under-expenditures in other departments of the General Fund.

NOTE 4. DEPOSITS AND INVESTMENTS

Credit risk. State statutes authorize the County to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. The County had no investments as of June 30, 2014.

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

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial credit risk – deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2014, all of the deposits of the County and the component units were properly insured and collateralized as defined by GASB pronouncements and the official code of the State of Georgia.

As of June 30, 2014, the County had the following investments:

Investment Type	Fair Value	Investment Maturities (in years) Less than 1
Certificates of deposit	$ 145,654	$ 145,654

NOTE 5. RECEIVABLES

Receivables at June 30, 2014 for the County's individual major and nonmajor funds consist of the following:

	General	SPLOST Fund	Water Fund	Solid Waste Fund	Nonmajor Funds	Total
Receivables:						
Taxes	$ 209,310	$ 56,543	$ -	$ -	$ 3,582	$ 269,435
Accounts	461,061	-	160,794	113,162	32,295	767,312
Gross receivables	670,371	56,543	160,794	113,162	35,877	1,036,747
Less allowance	(353,375)	-	(35,559)	(27,032)	-	(415,966)
Net receivables	$ 316,996	$ 56,543	$ 125,235	$ 86,130	$ 35,877	$ 620,781

Property taxes were levied on September 17, 2013. Bills are payable on or before December 20, 2013, after which the applicable property is subject to lien and penalties and interest are assessed. The County bills and collects its own property taxes. Property taxes levied for 2013 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during the year ended June 30, 2014, and collected by August 31, 2014, are recognized as revenues in the year ended June 30, 2014. Net receivables estimated to be collected subsequent to August 31, 2014 are recorded as revenue when received. Prior year levies were recorded using substantially the same principles, and remaining receivables are reevaluated annually. Property taxes attached as an enforceable lien on property as of December 21, 2013.

NOTE 6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2014 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 578,825	$ -	$ -	$ -	$ 578,825
Total	578,825	-	-	-	578,825
Capital assets, being depreciated:					
Land improvements	126,770	-	-	-	126,770
Infrastructure	22,130,609	-	-	-	22,130,609
Buildings	4,096,402	6,629	-	-	4,103,031
Vehicles	1,237,945	187,990	-	-	1,425,935
Furniture, fixtures and equipment	836,548	106,150	-	-	942,698
Total	28,428,274	300,769	-	-	28,729,043
Less accumulated depreciation for:					
Land improvements	14,261	3,169	-	-	17,430
Infrastructure	13,260,065	507,778	-	-	13,767,843
Buildings	2,509,802	135,643	-	-	2,645,445
Vehicles	1,150,274	43,152	-	-	1,193,426
Furniture, fixtures and equipment	672,639	67,259	-	-	739,898
Total	17,607,041	757,001	-	-	18,364,042
Total capital assets, being depreciated, net	10,821,233	(456,232)	-	-	10,365,001
Governmental activities capital assets, net	$ 11,400,058	$ (456,232)	$ -	$ -	$ 10,943,826

NOTE 6. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	$ 17,034	$ -	$ -	$ -	$ 17,034
Total	17,034	-	-	-	17,034
Capital assets, being depreciated:					
Water system and lines	21,052,391	-	-	-	21,052,391
Land improvements	87,753	-	-	-	87,753
Vehicles	51,169	-	-	-	51,169
Furniture and equipment	119,777	-	-	-	119,777
Total	21,311,090	-	-	-	21,311,090
Less accumulated depreciation for:					
Water system and lines	3,783,887	421,048	-	-	4,204,935
Land improvements	32,909	4,387	-	-	37,296
Vehicles	48,633	2,536	-	-	51,169
Furniture and equipment	115,062	4,201	-	-	119,263
Total	3,980,491	432,172	-	-	4,412,663
Total capital assets, being depreciated, net	17,330,599	(432,172)	-	-	16,898,427
Business-type activities capital assets, net	$ 17,347,633	$ (432,172)	$ -	$ -	$ 16,915,461

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

Governmental activities:	
General government	$ 32,653
Public safety	83,148
Public works	542,044
Culture and recreation	86,975
Housing and development	12,181
Total depreciation expense - governmental activites	$ 757,001
Business-type activities:	
Water	$ 427,785
Solid waste	4,387
Total depreciation expense - business-type activities	$ 432,172

NOTE 6. CAPITAL ASSETS (CONTINUED)

Capital asset activity for the Development Authority for the fiscal year ended June 30, 2014 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets, not being depreciated:					
Land	$ 24,877	$ -	$ -	$ -	$ 24,877
Construction in progress	1,285	-	-	(1,285)	-
Total	26,162	-	-	(1,285)	24,877
Capital assets, being depreciated:					
Buildings	2,298,355	-	(109,175)	1,285	2,190,465
Land improvements	716,407	3,660	-	-	720,067
Furniture, fixtures and equipment	39,734	-	-	-	39,734
Total	3,054,496	3,660	(109,175)	1,285	2,950,266
Less accumulated depreciation for:					
Buildings	533,315	56,807	(37,000)	-	553,122
Land improvements	123,021	24,995	-	-	148,016
Furniture, fixtures and equipment	32,925	2,076	-	-	35,001
Total	689,261	83,878	(37,000)	-	736,139
Total capital assets, being depreciated, net	2,365,235	(80,218)	(72,175)	1,285	2,214,127
Capital assets, net	$ 2,391,397	$ (80,218)	$ (72,175)	$ -	$ 2,239,004

NOTE 7. LONG-TERM DEBT

The following is a summary of long-term debt activity for the fiscal year ended June 30, 2014:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Notes payable	$ -	$ 84,856	$ -	$ 84,856	$ 21,294
Compensated absences	65,987	65,237	76,411	54,813	54,813
Totals	$ 65,987	$ 150,093	$ 76,411	$ 139,669	$ 76,107

NOTE 7. LONG-TERM DEBT (CONTINUED)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Revenue bonds	$ 3,086,980	$ -	$ 53,681	$ 3,033,299	$ 56,311
Notes payable	1,681,476	470,000	558,955	1,592,521	91,387
Landfill postclosure	108,350	-	9,850	98,500	9,850
Compensated absences	3,297	3,609	3,333	3,573	-
Totals	$ 4,880,103	$ 473,609	$ 625,819	$ 4,727,893	$ 157,548
Development Authority:					
Revenue bonds	$ 305,912	$ -	$ 59,083	$ 246,829	$ 61,556
Notes payable	1,319,583	-	121,512	1,198,071	520,469
Totals	$ 1,625,495	$ -	$ 180,595	$ 1,444,900	$ 582,025

For governmental activities, compensated absences are ordinarily liquidated by the General Fund. For business-type activities, compensated absences are ordinarily liquidated by the Water Fund.

Revenue Bonds. The Water Revenue Bonds constitute special obligations of the County secured by the revenue from the operation of the water system. The proceeds of the bonds were used for the purpose of expansion of the water and sewer system. Revenue bonds outstanding as of June 30, 2014, are as follows:

Series 1994 $533,600 Water Revenue Bonds, due in monthly principal installments of $2,685, including interest at 5.25%. Final payment is due March 14, 2033.	$ 383,296
Series 1996 $596,800 Water Revenue Bonds, due in monthly principal installments of $2,907, including interest at 5.0%. Final payment is due October 23, 2035.	457,123
Series 2004 $1,588,000 Water Revenue Bonds, due in monthly principal installments of $7,210, including interest at 4.5%. Final payment is due July 23, 2044.	1,423,153
Series 2011 $784,000 Water Revenue Bonds, due in monthly principal installments of $3,434, including interest at 4.25%. Final payment is due September 22, 2051.	769,727
	$ 3,033,299

NOTE 7. LONG-TERM DEBT (CONTINUED)

Revenue Bonds (Continued).

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

Year ending June 30,	Principal	Interest
2015	$ 56,311	$ 138,521
2016	59,036	135,796
2017	61,895	132,937
2018	64,893	129,939
2019	68,037	126,795
2020-2024	392,977	581,183
2025-2029	498,055	476,105
2030-2034	588,204	344,088
2035-2039	464,328	221,072
2040-2044	523,032	115,518
2045-2049	169,359	37,373
2050-2052	87,172	4,331
	$ 3,033,299	$ 2,443,658

Revenue Bonds – Development Authority. On March 1, 2002, the Development Authority issued Lincoln County Development Authority Industrial Revenue Bonds, Series 2001, in the principal amount of $800,000 for the purpose of industrial development. The funding of these bonds was split between two local financial institutions, each providing $400,000. These bonds are payable in monthly installments to each financial institution in the amount of $3,015, totaling monthly payments of $6,030, including interest of 4.92%. Final payment is due April 1, 2018. The outstanding balance of the revenue bonds as of June 30, 2014 is $246,829.

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

Year ending June 30,	Principal	Interest
2015	$ 61,556	$ 10,804
2016	64,656	7,702
2017	67,914	4,444
2018	52,703	1,170
	$ 246,829	$ 24,120

NOTE 7. LONG-TERM DEBT (CONTINUED)

Notes Payable.

During the year ended June 30, 2014, the County entered into a note payable agreement with a local financial institution in the amount of $84,856. The proceeds of this note were used to purchase equipment. The note is due in yearly installments of $21,294 with no interest. Final payment is due on September 17, 2018. The outstanding balance of the note at June 30, 2014, was $84,856.

Debt service requirements to maturity on the note payable describe above are as follows:

Year ending June 30,	Principal	Interest
2015	$ 21,294	$ -
2016	21,294	-
2017	21,294	-
2018	20,974	-
	$ 84,856	$ -

During the year ended June 30, 2014, the County entered into a note payable agreement with U.S. Department of Agriculture Rural Development in the amount of $470,000. The proceeds of the note were used to finance various water and sewer system projects. The note is due in yearly installments with varying interest rates between 2.0% and 2.125%. Final payment is due on March 24, 2054. The outstanding balance of the notes at June 30, 2014, was $468,117.

Debt service requirements to maturity on the note payable describe above are as follows:

Year ending June 30,	Principal	Interest
2015	$ 7,710	$ 9,522
2016	7,844	9,388
2017	8,032	9,200
2018	8,198	9,034
2019	8,368	8,864
2020-2024	44,459	41,701
2025-2029	49,279	36,881
2030-2034	54,592	31,568
2035-2039	60,480	25,680
2040-2049	66,994	19,166
2045-2049	74,233	11,927
2050-2054	77,928	3,926
	$ 468,117	$ 216,857

NOTE 7. LONG-TERM DEBT (CONTINUED)

Notes Payable (Continued).

The Water Fund has also incurred debt to the Georgia Environmental Facilities Authority (GEFA) for various water and sewer system projects. These notes are as follows at June 30, 2014:

Interest Rate	Term	Due Date	Original Amount	Outstanding Amount
4.76%	20 years	2020	$ 212,432	$ 76,373
1.50%	20 years	2028	1,449,967	1,048,031
				$ 1,124,404

Additionally, the County has a construction line of credit agreement with a financial institution to be used as needed for the construction of a sewer line. As of June 30, 2014, $0 had been drawn on the line of credit agreement.

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

Year ending June 30,	Principal	Interest
2015	$ 83,677	$ 18,378
2016	85,662	16,672
2017	87,415	14,919
2018	89,216	13,118
2019	91,068	11,266
2020-2024	397,523	35,648
2025-2027	289,843	6,809
	$ 1,124,404	$ 116,810

Notes Payable – Development Authority. During the year ended June 30, 2008, the Development Authority entered into a note payable agreement with a local financial institution in the amount of $1,368,395. The proceeds of this note were used to refinance two previous notes, which funded the construction of two buildings. The note is due in monthly installments of $11,000, including interest of 4.14%. Final payment is due on May 10, 2021. The outstanding balance of the note at June 30, 2014, was $779,255. During the year ended June 30, 2013, the Development Authority entered into a note payable agreement with a local financial institution in the amount of $450,000. The proceeds of this note were used to construct a new building. The note is due in monthly installments of $3,166, including interest of 3.2%. Final payment is due on May 18, 2015. The outstanding balance of the note at June 30, 2014, was $418,816.

NOTE 7. LONG-TERM DEBT (CONTINUED)

Notes Payable – Development Authority (Continued). Debt service requirements to maturity on the notes payable are as follows:

Year ending June 30,	Principal	Interest
2015	$ 520,469	$ 43,570
2016	105,943	26,057
2017	110,413	21,587
2018	115,072	16,928
2019	119,927	12,072
2020-2021	226,247	8,837
	$ 1,198,071	$ 129,051

Landfill Postclosure Costs. Effective April 10, 1993, the Lincoln County landfill was closed and no additional waste has been accepted. According to state and federal laws and regulations, Lincoln County must perform certain maintenance and monitoring functions at the landfill site for a period of 30 years. As of June 30, 2014, the County has 10 years of monitoring remaining. The liability for the landfill postclosure care costs is estimated to be $98,500 as of June 30, 2014. These estimated costs are based on what it would cost to perform all postclosure care in 2014. However, the actual cost of postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. Should any problems occur during this postclosure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2014 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Water Fund	$ 116,391
General Fund	Solid Waste Fund	326
General Fund	SPLOST	42,542
General Fund	Workforce Development Grant Fund	156,156
General Fund	Nonmajor Governmental Funds	154,098
		$ 469,513

These balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

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

Any transactions to transfer revenues from the fund budgeted to receive them to the fund budgeted to expend them are reported as transfers from and to other funds. Total transfers during the year ended June 30, 2014 consisted of the following individual amounts:

Transfer in	Transfer out	Amount
Nonmajor Enterprise Fund	General Fund	$ 14,499

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

NOTE 9. JOINT VENTURE

Under Georgia law, the County is a participating member of the Central Savannah River Area Regional Commission (RC) and is required to pay annual dues thereto. During its year ended June 30, 2014, the County paid $6,430 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC 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 and obligations of an RC. Separate financial statements may be obtained from: Central Savannah River Area Regional Commission, 3023 Riverwatch Parkway, Suite A, P.O. Box 2800, Augusta, Georgia 30907-2800.

NOTE 10. DEFINED BENEFIT PENSION PLAN

Plan Description

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

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Plan Description (Continued)

The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. The Plan is affiliated with the Association County Commissioners of Georgia Defined Benefit Plan ("The ACCG Plan"), an agent multiple-employer pension plan administered by GEBCorp. The ACCG, in its role as the Plan Sponsor, has the sole authority to amend the provisions of The ACCG Plan, as provided in Section 19.03 of The ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of The Plan, as provided in Section 19.02 of the ACCG Plan document. Complete financial statements for the Association County Commissioners of Georgia (ACCG) Defined Benefit Pension Plan can be obtained from Pension Service Company, 1100 Circle 75 Parkway, Suite 300, Atlanta, Georgia 30339.

Funding Policy

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

Annual Pension Cost

The County's annual pension cost and net pension obligation for the pension plan for the year beginning January 1, 2014, (the most recent actuarial valuation date) are as follows:

	January 1, 2014	January 1, 2013
Derivation of Annual Pension Cost		
Annual Required Contribution	$ 235,097	$ 221,232
Interest on Net Pension Obligation	(6,766)	(6,219)
Amortization of Net Pension Obligation	7,295	6,654
Annual Pension Cost	$ 235,626	$ 221,667

Derivation of Net Pension Obligation	
Annual Pension Cost for Current Year	$ 235,626
Actual Contributions to Plan for Prior Year	238,865
Increase in Net Pension Obligation (Asset)	(3,239)
Net Pension Obligation (Asset) as of Beginning of the Year	(88,772)
Net Pension Obligation (Asset) as of End of the Year	$ (92,011)

NOTE 10. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Basis of Valuation

Current Valuation Date	January 1, 2014
Annual Return on Invested Plan Assets	7.50%
Projected Annual Salary Increases	3.0% - 5.5% based on age
Expected Annual Inflation	3.0%
Actuarial Value of Assets	Market Value
Actuarial Funding Method	Projected Unit Credit
Amortization Method	Level Percent of Pay (closed)
Remaining Amortization Period	8

Trend Information for The Plan

Fiscal Year Beginning	Annual Pension Cost (APC)	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
7/1/13	$ 235,626	$ 238,865	101 %	$ (92,011)
7/1/12	221,667	230,198	104	(88,773)
7/1/11	207,497	219,695	106	(80,242)
7/1/10	203,701	224,867	110	(68,044)
7/1/09	195,072	203,854	105	(46,878)
7/1/08	169,114	176,312	104	(38,096)

As of the most recent valuation date, January 1, 2014, the funded status of the Plan was as follows:

Measurement Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
12/31/2013	$ 2,314,401	$ 2,883,353	$ 568,952	80.3 %	$ 1,595,505	35.7 %

The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan net assets is increasing or decreasing over time relative to the actuarial accrued liability.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of January 1, 2014.

NOTE 11. DEFINED CONTRIBUTION PENSION PLAN

Certain employees of the County participate in a Defined Contribution Plan (the Plan), which provides retirement benefits to plan participants and beneficiaries. The plan is privately administered, and provisions may be amended by Board-appointed personnel. Employees who are expected to receive $5,000 in annual compensation are eligible for participation. Employees are not required to contribute to the Plan. The County contributes an amount equal to the amount contributed by participants, except that the County shall not match in excess of 3% of the participants' annual compensation. All contributions are fully vested and non-forfeitable. For the fiscal year ending June 30, 2014, neither the County, nor County employees made contributions to the Plan.

NOTE 12. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which, except as described in the following paragraph, the County carries commercial insurance in amounts deemed prudent by County management.

The County participates in the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Association of County Commissioners of Georgia Group Self-Insurance Workers' Compensation Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments.

As part of these risk pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pools' 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 pools' 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 pools 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 judgment, and all expenses incurred for investigation, negotiation or defense.

There have been no significant reductions of insurance coverage from the prior year, and settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 13. CONTINGENCIES AND COMMITMENTS

Litigation:

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

Grant Contingencies:

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

NOTE 14. HOTEL/MOTEL LODGING TAX

The County has levied a 5% lodging tax. The Official Code of Georgia Annotated 48-13-50 requires that all lodging taxes levied of 5% or more be expended or obligated contractually for the promotion of tourism, conventions, or trade shows. For the fiscal year ended June 30, 2014, the County collected $19,203 of hotel/motel taxes. Management represents that $19,203, or 100%, of the lodging tax received during the year ended June 30, 2014, was used for the promotion of tourism.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS
DEFINED BENEFIT PENSION PLAN

Measurement Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll
12/31/2013	$ 2,314,401	$ 2,883,353	$ 568,952	80.3 %	$ 1,595,505	35.7 %
12/31/2012	1,965,427	2,689,797	724,370	73.1	1,571,701	46.1
12/31/2011	1,730,023	2,408,548	678,525	71.8	1,564,111	43.4
12/31/2010	1,527,401	2,216,190	688,789	68.9	1,375,431	50.1
12/31/2009	1,321,243	1,969,227	647,984	67.1	1,318,576	49.1
12/31/2008	1,132,647	1,577,901	445,254	71.8	1,216,166	36.6

The assumptions used in the preparation of the above schedule are disclosed in Note 10 in the Notes to the Financial Statements.

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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Hotel/Motel Tax Fund – To account for revenues and expenditures for hotel/motel taxes collected in the County that must be used for the purpose of tourism, conventions or trade shows.

E911 Fund – To account for the operations of the County's E911 system.

Law Library Fund – To account for costs of operating and maintaining the County Law Library. Financing is provided from a $2 charge added to and collected on all costs in civil and criminal cases.

Family Connection Fund – To account for the revenues and expenditures of the County's Family Connection programs that are primarily funded through various grant revenues.

Drug Education Fund – To account for fines collected as required by state law for drug abuse treatment and educational purposes.

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

Capital Projects Fund

T-SPLOST Fund – To account for the property acquisition and construction of projects designated to be funded from the special 1% sales tax created with the Transportation Improvement Act of 2010.

LINCOLN COUNTY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014

	Special Revenue			
	Hotel/Motel Tax Fund	E911 Fund	Law Library Fund	Family Connection Fund
ASSETS				
Cash and cash equivalents	$ 1,365	$ 88,926	$ 8,767	$ 23,675
Taxes receivable	3,582	-	-	-
Accounts receivable	-	32,295	-	-
Due from other governments	-	14,189	-	119,455
Prepaid Items	-	-	-	-
Total assets	$ 4,947	$ 135,410	$ 8,767	$ 143,130
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 1,737	$ -	$ -	$ 10,702
Accrued liabilities	-	-	-	219
Due to component unit	1,107	-	-	-
Due to other funds	-	-	-	153,098
Total liabilities	2,844	-	-	164,019
FUND BALANCES				
Nonspendable:				
Prepaid items	-	-	-	-
Restricted:				
Tourism	2,103	-	-	-
E-911	-	135,410	-	-
Drug education	-	-	-	-
Public safety	-	-	-	-
Capital Projects	-	-	-	-
Law library	-	-	8,767	-
Unassigned	-	-	-	(20,889)
Total fund balances	2,103	135,410	8,767	(20,889)
Total liabilities and fund balances	$ 4,947	$ 135,410	$ 8,767	$ 143,130

		Capital Projects	
Drug Education Fund	Jail Fund	T-SPLOST Fund	Totals
$ 10,301	$ 23,423	$ 393,872	$ 550,329
-	-	-	3,582
-	-	-	32,295
-	-	88,380	222,024
141	-	-	141
$ 10,442	$ 23,423	$ 482,252	$ 808,371
$ -	$ -	$ 13,882	$ 26,321
-	-	-	219
-	-	-	1,107
-	-	1,000	154,098
-	-	14,882	181,745
141	-	-	141
-	-	-	2,103
-	-	-	135,410
10,301	-	-	10,301
-	23,423	-	23,423
-	-	467,370	467,370
-	-	-	8,767
-	-	-	(20,889)
10,442	23,423	467,370	626,626
$ 10,442	$ 23,423	$ 482,252	$ 808,371

LINCOLN COUNTY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Special Revenue			
	Hotel/Motel Tax Fund	E911 Fund	Law Library Fund	Family Connection Fund
Revenues:				
Taxes	$ 19,203	$ -	$ -	$ -
Intergovernmental	-	-	-	249,400
Charges for services	-	145,254	-	-
Fines and forfeitures	-	-	2,399	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	2,984
Total revenues	19,203	145,254	2,399	252,384
Expenditures:				
Current:				
Judicial	-	-	6,447	-
Public safety	-	130,000	-	-
Health and welfare	-	-	-	268,931
Housing and development	19,771	-	-	-
Capital outlay	-	-	-	-
Total expenditures	19,771	130,000	6,447	268,931
Excess (deficiency) of revenues over (under) expenditures	(568)	15,254	(4,048)	(16,547)
Other financing sources:				
Issuance of debt	-	-	-	-
Total other financing sources	-	-	-	-
Net change in fund balances	(568)	15,254	(4,048)	(16,547)
Fund balances (deficit), beginning of year	2,671	120,156	12,815	(4,342)
Fund balances (deficit), end of year	$ 2,103	$ 135,410	$ 8,767	$ (20,889)

		Capital Projects	
Drug Education Fund	Jail Fund	T-SPLOST Fund	Totals
$ -	$ -	$ 531,676	$ 550,879
-	-	-	249,400
-	-	-	145,254
3,300	5,751	-	11,450
5	-	487	492
-	-	-	2,984
3,305	5,751	532,163	960,459
-	-	-	6,447
1,016	-	-	131,016
-	-	-	268,931
-	-	-	19,771
-	-	391,745	391,745
1,016	-	391,745	817,910
2,289	5,751	140,418	142,549
-	-	84,856	84,856
-	-	84,856	84,856
2,289	5,751	225,274	227,405
8,153	17,672	242,096	399,221
$ 10,442	$ 23,423	$ 467,370	$ 626,626

LINCOLN COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Project Description	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
Roads, streets and bridges	$ 1,472,960	$ 1,472,960	$ 583,343	$ 245,653	$ 828,996
Office of Emergency Services building	800,000	800,000	-	-	-
Fire protection, rescue facilities and equipment	576,000	576,000	223,469	159,738	383,207
Recreation facilities	164,480	164,480	38,685	19,149	57,834
General government infrastructure	352,000	352,000	74,156	7,582	81,738
City of Lincolnton	634,560	634,560	281,888	97,630	379,518
Total	$ 4,000,000	$ 4,000,000	$ 1,201,541	$ 529,752	$ 1,731,293

AGENCY FUNDS

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

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

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

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

LINCOLN COUNTY, GEORGIA

AGENCY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2014

ASSETS	Tax Commissioner	Clerk of Superior Court	Probate Court	Sheriff	Total
Cash	$ 227,023	$ 165,472	$ 10,370	$ 24,269	$ 427,134
Taxes receivable	403,808	-	-	-	403,808
Total assets	$ 630,831	$ 165,472	$ 10,370	$ 24,269	$ 830,942
LIABILITIES					
Due to component unit	$ 2,053	$ 388	$ -	$ -	$ 2,441
Due to others	224,970	165,084	10,370	24,269	424,693
Uncollected property taxes	403,808	-	-	-	403,808
Total liabilities	$ 630,831	$ 165,472	$ 10,370	$ 24,269	$ 830,942

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