LINCOLN COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended

June 30, 2018

Lincoln County, Georgia
Annual Financial Report
For The Year Ended June 30, 2018

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INDEPENDENT AUDITOR'S REPORT

Honorable Chairman and Members of the
Board of Commissioners of Lincoln County
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, 2018, 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 Development Authority of Lincoln County, which represents 91.3% of the assets, 101.1% of the net position, and 51.3% of the revenues of the aggregate discretely presented component units for the year ended June 30, 2018. 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 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, 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, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, Schedule of Changes in Net Pension Liability and Related Ratios, and Schedule of Pension Contributions on pages 42-45 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.

Emphasis of Matter

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

As discussed in Note 1-E-12 to the financial statements, the County adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 75. Our opinion is not modified with respect to this matter.

As part of our audit of the financial statements referred to above that collectively comprise the County's basic financial statements as of and for the year ended June 30, 2018, we also audited the adjustments described in Note 4-G to the financial statements that were applied to restate the financial statements of the County for the year ended June 30, 2017. In our opinion, such adjustments are appropriate and have been properly applied to the financial statements. Our opinion is not modified with respect to this matter.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining fund financial statements, the accompanying Section 5311 Transportation Program Statement of Revenues and Expenditures, and the accompanying schedules of projects constructed with special purpose local option sales tax proceeds are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining fund financial statements, the accompanying Section 5311 Transportation Program Statement of Revenues and Expenditures, the accompanying schedules of projects constructed with special purpose local option sales tax proceeds, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements, the accompanying Section 5311 Transportation Program Statement of Revenues and Expenditures, the accompanying schedules of projects constructed with special purpose local option sales tax proceeds, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2018 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Jones, Jones, Davis & Associates

Louisville, Georgia
December 19, 2018

Lincoln County, Georgia
Statement of Net Position
June 30, 2018

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Current Assets				
Cash and cash equivalents	$ 4,083,417	$ 556,061	$ 4,639,478	$ 703,700
Receivables:				
Accounts	182,203	215,205	397,408	25,298
Property taxes	130,003	-	130,003	-
Intergovernmental	318,505	-	318,505	3,956
Interfund	118,966	(118,966)	-	-
Other	1,050	-	1,050	-
Capital leases	-	-	-	326,041
Inventory	31,013	-	31,013	-
Assets held for resale	-	-	-	244,546
Prepaid items	118,568	-	118,568	-
Restricted Assets	-	99,935	99,935	-
Noncurrent Assets				
Prepaid bond issuance	-	16,014	16,014	-
Proportionate share of collective net SEAD-OPEB asset	-	-	-	5,146
Capital Assets				
Nondepreciable capital assets	475,508	17,034	492,542	18,877
Depreciable capital assets, net	10,574,309	15,246,133	25,820,442	959,148
Total Assets	16,033,542	16,031,416	32,064,958	2,286,712
Deferred Outflows of Resources				
Deferred outflows of resources-				
State OPEB contributions	-	-	-	37,402
Retirement contributions	208,676	8,695	217,371	36,789
Total Deferred Outflows of Resources	208,676	8,695	217,371	74,191
Liabilities				
Current Liabilities				
Accounts payable	370,937	137,042	507,979	8,375
Accrued expenses	233,929	32,378	266,307	2,411
Intergovernmental payable	17,920	-	17,920	11,482
Due to others	25,285	-	25,285	-
Unearned revenues	-	414,405	414,405	-
Compensated absences payable	17,822	-	17,822	-
Notes payable	78,723	83,295	162,018	26,859
Revenue bonds payable	-	105,000	105,000	-
Landfill post-closure care costs payable	-	9,850	9,850	-
Long-Term Liabilities:				
Compensated absences payable (net of current portion)	87,013	1,935	88,948	6,021
Notes payable (net of current portion)	-	1,112,308	1,112,308	291,601
Landfill post-closure care costs payable (net of current portion)	-	49,250	49,250	-
Net state OPEB liability	-	-	-	142,027
Revenue bonds payable (net of current portion)	-	2,814,294	2,814,294	-
Net pension liability	830,658	34,610	865,268	118,510
Total Liabilities	1,662,287	4,794,367	6,456,654	607,286
Deferred Inflows of Resources				
Related to state OPEB fund	-	-	-	10,286
Related to SEAD-OPEB fund	-	-	-	983
Related to pension plan	195,120	8,130	203,250	296
Total Deferred Inflows of Resources	195,120	8,130	203,250	11,565
Net Position				
Net investment in capital assets	10,971,094	11,148,270	22,119,364	659,565
Restricted for:				
Capital projects	486,793	-	486,793	-
Judicial	5,183	-	5,183	-
Public safety	131,867	-	131,867	-
Public works	770,975	-	770,975	-
Economic development	6,557	-	6,557	-
Health and welfare	-	-	-	104,227
Culture and recreation	147,240	-	147,240	4,046
Debt service	-	99,935	99,935	-
Unrestricted	1,865,102	(10,591)	1,854,511	974,214
Total Net Position	$ 14,384,811	$ 11,237,614	$25,622,425	$ 1,742,052

See accompanying notes to the basic financial statements.

Lincoln County, Georgia
Statement of Activities
For the Year Ended June 30, 2018

Function/Program	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants, Contributions and Interest	Program Revenues: Capital Grants, Contributions and Interest	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units
Primary Government								
Governmental Activities								
General government	$ 1,973,079	$ 580,579	$ 24,647	$ -	$ (1,367,853)	$ -	$ (1,367,853)	$ -
Judicial	396,012	74,478	-	-	(321,534)	-	(321,534)	-
Public safety	2,736,444	858,868	293,266	-	(1,584,310)	-	(1,584,310)	-
Public works	1,249,679	319,655	351,718	1,887,978	1,309,672	-	1,309,672	-
Health and welfare	2,278,296	5,272	28,218	-	(2,244,806)	-	(2,244,806)	-
Culture and recreation	341,512	8,918	50,750	-	(281,844)	-	(281,844)	-
Conservation of natural resources	72,538	-	-	-	(72,538)	-	(72,538)	-
Housing and development	204,452	-	17,361	-	(187,091)	-	(187,091)	-
Interest	4,763	-	-	-	(4,763)	-	(4,763)	-
Total Governmental Activities	9,256,775	1,847,770	765,960	1,887,978	(4,755,067)	-	(4,755,067)	-
Business-Type Activities								
Water and sewer	1,238,733	927,222	-	-	-	(311,511)	(311,511)	-
Solid waste	664,974	761,502	-	-	-	96,528	96,528	-
Campgrounds and parks	71,372	70,794	-	-	-	(578)	(578)	-
Total Business-Type Activities	1,975,079	1,759,518	-	-	-	(215,561)	(215,561)	-
Total - Primary Government	$ 11,231,854	$ 3,607,288	$ 765,960	$ 1,887,978	(4,755,067)	(215,561)	(4,970,628)	-
Component Units								
Department of Health	$ 216,981	$ 70,132	$ 195,528	$ -	-	-	-	48,679
Development Authority	222,893	19,434	-	-	-	-	-	(203,459)
Recreation Authority	-	-	-	-	-	-	-	-
Total - Component Units	$ 439,874	$ 89,566	$ 195,528	$ -	-	-	-	(154,780)
		General Revenues						
		Property taxes			2,911,547	-	2,911,547	268,739
		Sales taxes			1,729,246	-	1,729,246	-
		Other taxes and revenues			469,639	-	469,639	-
		Investment earnings			3,510	921	4,431	743
		Miscellaneous			38,528	-	38,528	3,527
		Special item - gain on disposition of assets			15,683	-	15,683	(11,483)
		Total General Revenues and Special Items			5,168,153	921	5,169,074	261,526
		Change in Net Position			413,086	(214,640)	198,446	106,746
		Net Position, Beginning of Year			13,938,970	11,452,254	25,391,224	1,752,056
		Prior Period Adjustment			32,755	-	32,755	(116,750)
		Net Position, Beginning of Year, Restated			13,971,725	11,452,254	25,423,979	1,635,306
		Net Position, End of Year			$ 14,384,811	$ 11,237,614	$ 25,622,425	$ 1,742,052

See accompanying notes to the basic financial statements.

Lincoln County, Georgia
Balance Sheet
Governmental Funds
For the Year Ended June 30, 2018

	General	SPLOST Fund	TSPLOST Fund	Workforce Development Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	$ 2,296,641	$ 449,112	$ 704,527	$ 260,853	$ 226,212	$ 3,937,345
Receivables:						
Accounts, net	144,647	-	-	-	37,556	182,203
Property taxes	130,003	-	-	-	-	130,003
Intergovernmental	133,793	58,085	62,697	9,382	54,548	318,505
Interfund	326,850	-	-	-	13,440	340,290
Other	146,072	-	-	-	1,050	147,122
Prepaid items	118,568	-	-	-	-	118,568
Inventory	31,013	-	-	-	-	31,013
Total Assets	$ 3,327,587	$ 507,197	$ 767,224	$ 270,235	$ 332,806	$ 5,205,049
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts payable	$ 148,118	$ 2,484	$ 2,320	$ 204,466	$ 13,549	$ 370,937
Accrued expenses	230,274	-	-	-	3,655	233,929
Intergovernmental payable	-	17,920	-	-	-	17,920
Interfund payable	-	-	-	65,769	155,555	221,324
Due to others	25,285	-	-	-	-	25,285
Total Liabilities	403,677	20,404	2,320	270,235	172,759	869,395
Deferred Inflows of Resources						
Unavailable revenue: property taxes	117,124	-	-	-	-	117,124
Total Liabilities and Deferred Inflows of Resources	520,801	20,404	2,320	270,235	172,759	986,519
Fund Balances						
Nonspendable	149,581	-	-	-	-	149,581
Restricted						
Judicial	-	-	-	-	5,183	5,183
Public safety	-	-	-	-	131,867	131,867
Public works	-	-	764,904	-	6,071	770,975
Health and welfare	-	-	-	-	6,557	6,557
Capital projects	-	486,793	-	-	-	486,793
Culture and recreation	147,240	-	-	-	-	147,240
Housing and development	-	-	-	-	10,369	10,369
Assigned						
Culture and recreation	9,545	-	-	-	-	9,545
Capital projects	320,067				-	320,067
Unassigned	2,180,353	-	-	-	-	2,180,353
Total Fund Balances (Deficits)	2,806,786	486,793	764,904	-	160,047	4,218,530
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 3,327,587	$ 507,197	$ 767,224	$ 270,235	$ 332,806	$ 5,205,049

See accompanying notes to the basic financial statements.

Lincoln County, Georgia
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2018

Total Governmental Fund Balances		$ 4,218,530
Amounts reported for governmental activities in the statement of net position are different because:		
Interfund receivables and payables between governmental funds are reported on the fund balance sheet but eliminated on the government-wide statement of net position:		
Interfund receivables	$ 221,324	
Interfund payables	(221,324)	-
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds. However, in the statement of net position the cost of these assets are capitalized and expensed over their estimated lives through annual depreciation expense.		
Cost of capital assets	32,510,629	
Less accumulated depreciation	(21,460,812)	11,049,817
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		117,124
Liabilities associated with the County's pension plan are recognized for accrual reporting, but not reported in the fund financial statements.		(830,658)
Recognition of the net difference between projected and actual earnings on pension plan investments, changes in assumptions, and changes in proportions are recognized as a deferred outflow of resources for accrual reporting, but not reported in the fund financial statements.		208,676
Recognition of the changes in proportion and differences between contributions and the proportionate share of contributions are recognized as a deferred inflow of resources for accrual reporting, but not reported in the fund financial statements.		(195,120)
Liabilities, including capital leases, compensated absences and notes payable, are not due and payable in the current period and therefore are not reported in the funds:		
Notes payable	(78,723)	
Compensated absences	(104,835)	(183,558)
Net Position of Governmental Activities		$ 14,384,811

See accompanying notes to the basic financial statements.

Lincoln County, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2018

Revenues	General	SPLOST Fund	TSPLOST Fund	Workforce Development Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
Taxes	$ 3,867,660	$ 634,610	$ 586,947	$ -	$ 23,016	$ 5,112,233
Licenses and permits	82,829	-	-	-	-	82,829
Intergovernmental	823,433	-	-	1,886,900	17,361	2,727,694
Charges for services	1,127,805	-	-	-	189,790	1,317,595
Fines, forfeitures and fees	168,480	-	-	-	244,335	412,815
Investment earnings	3,496	264	814	-	14	4,588
Miscellaneous	86,178	-	-	-	-	86,178
Total Revenues	6,159,881	634,874	587,761	1,886,900	474,516	9,743,932
Expenditures						
Current:						
General government	2,026,829	-	-	-	-	2,026,829
Judicial	391,045	-	-	-	5,094	396,139
Public safety	2,258,287	-	-	-	234,365	2,492,652
Public works	792,569	-	-	-	-	792,569
Health and welfare	206,883	-	-	1,886,900	184,513	2,278,296
Culture and recreation	262,685	-	-	-	-	262,685
Conservation of natural resources	72,538	-	-	-	-	72,538
Housing and development	178,441	-	-	-	16,446	194,887
Intergovernmental	-	100,935	-	-	-	100,935
Capital Outlay	-	254,900	333,097	-	-	587,997
Debt Service:						
Principal retirement	-	40,874	20,974	-	-	61,848
Interest and fiscal charges	-	4,763	-	-	-	4,763
Total Expenditures	6,189,277	401,472	354,071	1,886,900	440,418	9,272,138
Excess (Deficiency) of Revenues Over (Under) Expenditures	(29,396)	233,402	233,690	-	34,098	471,794
Other Financing Sources (Uses)						
Transfers in (out), net	(45,551)	-	-	-	45,551	-
Total Other Financing Sources (Uses)	(45,551)	-	-	-	45,551	-
Special Items						
Proceeds from dispostion of assets	236,500	-	-	-	-	236,500
Net Change in Fund Balances	161,553	233,402	233,690	-	79,649	708,294
Fund Balances, Beginning	2,770,233	151,292	531,214	-	(44,602)	3,408,137
Prior Period Adjustment	(125,000)	102,099	-	-	125,000	102,099
Fund Balances, Beginning, Restated	2,645,233	253,391	531,214	-	80,398	3,510,236
Fund Balances, Ending	$ 2,806,786	$ 486,793	$ 764,904	$ -	$ 160,047	$ 4,218,530

See accompanying notes to the basic 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 Year Ended June 30, 2018

Net Changes In Fund Balances - Total Governmental Funds		$ 708,294
Amounts reported for governmental activities in the statement of activities are different because		
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 as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in the current period.		
Capital outlay	$ 780,808	
Depreciation expense	(802,199)	(21,391)
The book value of disposed capital assets is reported on the government-wide statement of activities but not reported at the fund financial reporting level.		(220,817)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Deferred, end of year	117,124	
Deferred, beginning of year	(206,878)	(89,754)
Repayment of general obligation debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		61,848
Net pension expense adjustments associated with changes in pension liability and net changes in deferred inflows and outflows.		(62,559)
Certain liabilities are reported in the statement of activities, but do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated absences:		
Liability, end of year	(104,835)	
Liability, beginning of year	142,300	37,465
Change In Net Position of Governmental Activities		$ 413,086

See accompanying notes to the basic financial statements.

Lincoln County, Georgia
Statement of Net Position
Proprietary Funds
June 30, 2018

Assets	Water Fund	Solid Waste Fund	Campgrounds and Parks Fund	Total
Current Assets:				
Cash and cash equivalents	$ 51,305	$ 465,755	$ 39,001	$ 556,061
Restricted Assets:				
Cash and cash equivalents	115,324	-	-	115,324
Accounts receivable, net	105,989	109,216	-	215,205
Total Current Assets	272,618	574,971	39,001	886,590
Noncurrent Assets:				
Prepaid bond issuance	16,014	-	-	16,014
Capital Assets:				
Nondepreciable, net	17,034	-	-	17,034
Depreciable, net	15,213,225	32,908	-	15,246,133
Total Noncurrent Assets	15,246,273	32,908	-	15,279,181
Total Assets	15,518,891	607,879	39,001	16,165,771
Deferred Outflows of Resources				
Related to pension	8,695	-	-	8,695
Total Deferred Outflows of Resources	8,695	-	-	8,695
Liabilities				
Current Liabilities:				
Accounts payable	86,630	49,743	16,058	152,431
Accrued expenses	31,775	603	-	32,378
Unearned revenue	-	414,405	-	414,405
Interfund payable	83,452	-	35,514	118,966
Notes payable	83,295	-	-	83,295
Revenue bonds payable	105,000	-	-	105,000
Postclosure liability, current portion	-	9,850	-	9,850
Total Current Liabilities	390,152	474,601	51,572	916,325
Long-Term Liabilities:				
Notes payable (net of current portion)	1,112,308	-	-	1,112,308
Revenue bonds payable (net of current portion)	2,814,294	-	-	2,814,294
Net pension liability	34,610	-	-	34,610
Landfill closure/post-closure care costs	-	49,250	-	49,250
Compensated absences	1,935	-	-	1,935
Total Long-Term Liabilities	3,963,147	49,250	-	4,012,397
Total Liabilities	4,353,299	523,851	51,572	4,928,722
Deferred Inflows of Resources				
Related to pension	8,130	-	-	8,130
Total Deferred Inflows of Resources	8,130	-	-	8,130
Net Position				
Net investment in capital assets	11,115,362	32,908	-	11,148,270
Restricted for debt service	115,324	-	-	115,324
Unrestricted	(64,529)	51,120	(12,571)	(25,980)
Total Net Position	$ 11,166,157	$ 84,028	$ (12,571)	$ 11,237,614

See accompanying notes to the basic financial statements.

Lincoln County, Georgia
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2018

	Water Fund	Solid Waste Fund	Campgrounds and Parks Fund	Total
Operating Revenues				
Charges for services	$ 915,202	$ 761,502	$ 69,588	$ 1,746,292
Miscellaneous	12,020	-	1,206	13,226
Total Operating Revenues	927,222	761,502	70,794	1,759,518
Operating Expenses				
Cost of water	198,236	-	-	198,236
Salaries and benefits	186,001	16,912	21,995	224,908
Repairs and maintenance	61,042	222	4,300	65,564
Materials and supplies	39,272	348	3,854	43,474
Utilities	61,781	2,424	19,602	83,807
Professional and contract services	48,795	640,027	20,464	709,286
Other operating expenses	97,884	654	1,157	99,695
Depreciation	435,715	4,387	-	440,102
Total Operating Expenses	1,128,726	664,974	71,372	1,865,072
Operating Income (Loss)	(201,504)	96,528	(578)	(105,554)
Non-Operating Revenues (Expenses)				
Investment earnings	465	456	-	921
Interest and fiscal charges	(110,007)	-	-	(110,007)
Total Non-Operating Revenues (Expenses)	(109,542)	456	-	(109,086)
Change in Net Position	(311,046)	96,984	(578)	(214,640)
Net Position, Beginning of Year	11,477,203	(12,956)	(11,993)	11,452,254
Net Position, End of Year	$ 11,166,157	$ 84,028	$ (12,571)	$ 11,237,614

See accompanying notes to the basic financial statements.

Lincoln County, Georgia
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2018

	Water Fund	Solid Waste Fund	Campgrounds and Parks Fund	Total
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows from Operating Activities				
Cash received from customers	$ 930,600	$ 666,939	$ 70,794	$ 1,668,333
Cash payments to employees for services & benefits	(177,894)	(16,912)	(21,995)	(216,801)
Cash payments for goods and services	(479,799)	(511,886)	(20,623)	(1,012,308)
Net Cash Provided by (Used in) Operating Activities	272,907	138,141	28,176	439,224
Cash Flows from Noncapital Financing Activities				
Cash payments of landfill post closure costs	-	(9,850)	-	(9,850)
Net Cash Provided by (Used in) Noncapital Financing Activities	-	(9,850)	-	(9,850)
Cash Flows from Capital and Related Financing Activities				
Purchase/construction of capital assets	(17,725)	-	-	(17,725)
Principal paid on long term debt	(186,014)	-	-	(186,014)
Interest paid	(110,007)	-	-	(110,007)
Payments on bond issuance cost	942	-	-	942
Net Cash Provided by (Used in) Capital and Related Financing Activities	(312,804)	-	-	(312,804)
Cash Flows from Investing Activities				
Investment earnings	465	456	-	921
Net Increase (Decrease) in Cash and Cash Equivalents	(39,432)	128,747	28,176	117,491
Cash and Cash Equivalents, Beginning of Year	206,061	337,008	10,825	553,894
Cash and Cash Equivalents, End of Year	$ 166,629	$ 465,755	$ 39,001	$ 671,385

(Continued)

See accompanying notes to the basic financial statements.

Lincoln County, Georgia
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2018

	Water Fund	Solid Waste Fund	Campgrounds and Parks Fund	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Operating Income (Loss)	$ (201,504)	$ 96,528	$ (578)	$ (105,554)
Adjustments:				
Depreciation	435,715	4,387	-	440,102
(Increase) Decrease in Assets:				
Accounts receivable	3,378	(23,826)	-	(20,448)
Deferred outflows of resources	2,522	-	-	2,522
Increase (Decrease) in Liabilities:				
Accounts payable	60,866	(2,968)	12,031	69,929
Other liabilities	(1,435)	-	(939)	(2,374)
Unearned revenues	-	70,737	(3,831)	66,906
Deferred inflows of resources	8,130	-	-	8,130
Net pension liability	(8,047)	-	-	(8,047)
Compensated absences payable	(3,408)	-	-	(3,408)
Interfund payable	(23,310)	(6,717)	21,493	(8,534)
Net Cash Provided by (Used in) Operating Activities	$ 272,907	$ 138,141	$ 28,176	$ 439,224

See accompanying notes to the basic financial statements.

Lincoln County, Georgia
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2018

	2018
Assets	
Cash and cash equivalents	$ 520,135
Liabilities	
Due to others	$ 520,135
Total Liabilities	$ 520,135

See accompanying notes to the basic financial statements.

Lincoln County, Georgia
Combining Statement of Net Position
Component Units
June 30, 2018

	Lincoln County Department of Health	Development Authority of Lincoln County	Recreation Authority	Total
Assets				
Current:				
Cash and cash equivalents	$ 162,424	$ 537,230	$ 4,046	$ 703,700
Receivables:				
Accounts	25,298	-	-	25,298
Intergovernmental	-	3,956	-	3,956
Capital leases receivable	-	326,041	-	326,041
Assets held for resale	-	244,546	-	244,546
Noncurrent:				
Proportionate share of collective net SEAD-OPEB asset	5,146	-	-	5,146
Capital Assets:				
Nondepreciable capital assets	-	18,877	-	18,877
Depreciable capital assets, net	-	959,148	-	959,148
Total Assets	192,868	2,089,798	4,046	2,286,712
Deferred Outflows of Resources				
Deferred outflows of resources-				
State OPEB contributions	37,402	-	-	37,402
Retirement contributions	36,789	-	-	36,789
Total Deferred Outflows of Resources	74,191	-	-	74,191
Liabilities				
Current Liabilities:				
Accounts payable	1,092	7,283	-	8,375
Accrued liabilities	-	2,411	-	2,411
Intergovernment payable	11,482	-	-	11,482
Notes payable	-	26,859	-	26,859
Long-Term Liabilities: (net of current portion)				
Compensated absences payable	6,021	-	-	6,021
Notes payable	-	291,601	-	291,601
Net state OPEB liability	142,027	-	-	142,027
Net pension liability	118,510	-	-	118,510
Total Liabilities	279,132	328,154	-	607,286
Deferred Inflows of Resources				
Deferred inflows of resources -				
Related to state OPEB fund	10,286	-	-	10,286
Related to SEAD-OPEB fund	983	-	-	983
Related to pension plan	296	-	-	296
Total Deferred Inflows of Resources	11,565	-	-	11,565
Net Position				
Net investment in capital assets	-	659,565	-	659,565
Restricted:				
Health and welfare	104,227	-	-	104,227
Culture and recreation	-	-	4,046	4,046
Unrestricted	(127,865)	1,102,079	-	974,214
Total Net Position	$ (23,638)	$ 1,761,644	$ 4,046	$ 1,742,052

See accompanying notes to the basic financial statements.

Lincoln County, Georgia
Combining Statement of Activities
Component Units
For the Year Ended June 30, 2018

	Lincoln County Department of Health	Development Authority of Lincoln County	Recreation Authority	Total
Expenses				
Health and welfare	$ 216,981	$ -	$ -	$ 216,981
Economic development	-	203,666	-	203,666
Interest	-	19,227	-	19,227
Total Expenses	216,981	222,893	-	439,874
Revenues				
Program revenues:				
Charges for services	70,132	19,434	-	89,566
Operating grants and contributions	195,528	-	-	195,528
Total Program Revenues	265,660	19,434	-	285,094
Net Program (Expense)	48,679	(203,459)	-	(154,780)
General Revenues				
Property taxes	-	268,739	-	268,739
Investment earnings	7	734	2	743
Gain (loss) on sale of assets	-	(11,483)	-	(11,483)
Miscellaneous	-	3,527	-	3,527
Total General Revenues	7	261,517	2	261,526
Change in Net Position	48,686	58,058	2	106,746
Net Position, Beginning of Year, Restated	44,426	1,703,586	4,044	1,752,056
Prior Period Adjustment	(116,750)	-	-	(116,750)
Net Position, Beginning of Year, Restated	(72,324)	1,703,586	4,044	1,635,306
Net Position, End of Year	$ (23,638)	$ 1,761,644	$ 4,046	$ 1,742,052

See accompanying notes to the basic financial statements.

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Lincoln County, Georgia (the County) is a political subdivision of the State of Georgia. The County is governed by a five member elected board of county commissioners which is governed by state statutes and regulations. There are certain elected officials whose operations are wholly included within the financial records and financial statements of the County. These elected officials include the Sheriff, Tax Commissioner, Probate Court Judge, Magistrate Court Judge and Clerk of Superior Court. The cost of operations of the Superior Court Judges and the District Attorney, which are elected court functions, is shared with the State of Georgia. Only that portion of the cost for which the County is responsible is reported in the County's financial statements.

Note 1 - Summary of Significant Accounting Policies

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

1-A. Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the County consists of all funds, departments, boards and agencies that are not legally separate from the County. For the County, this entity includes the various constitutional officers including the Clerk of Court, the Probate Court, the Tax Commissioner and the Magistrate Court.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organizations; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the County in that the County approves the budget, levies their taxes or issues their debt.

The component unit column included on the government-wide financial statements identifies the financial data of the County's discretely presented component units. They are reported separately to emphasize that they are legally separate from the County.

Brief descriptions of the discretely presented component units follow:

Lincoln County Department of Health (the Health Department) – The Health Department works to promote and preserve the health of the citizens of the County. Members of its governing board are appointed by the Lincoln County Board of Commissioners. Although the County does not have the authority to approve or modify the Department of Health's budgets, it does have the ability to control the amount of funding it provides to the Health Department and such funding is significant to the overall operations of the Department of Health. Complete financial statements for the Health Department may be obtained from its administrative office.

Development Authority of Lincoln County (the Development Authority) – 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 Development Authority's financial statements may be obtained from its administrative office.

Lincoln County Recreation Authority (the Recreation Authority) – The Board of Commissioners appoints members to the governing body of 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-B. Basis of Presentation

The County's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements - The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the County as a whole. All funds other than fiduciary activities are included at the government-wide reporting level. The primary government and the component units are presented separately within these financial statements with the focus on the primary government. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and grants and the County's general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of net position presents the financial position of the governmental and business-type activities of the County and its discretely presented component units at year-end.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities and for each identifiable activity of the business-type activities of the County. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The County does not allocate indirect expenses to functions in the statement of activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the County's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which function the revenues are *restricted*.

Other revenue sources not properly included with program revenues are reported as general revenues of the County. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the County.

Fund Financial Statements - During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. Fund financial statements are provided for government and proprietary funds.

Major individual governmental and business-type activities are reported in separate columns.

Fund Accounting - The County uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The County uses three categories of funds: governmental, proprietary and fiduciary.

> ***Governmental Funds*** - Government funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The County reports the difference between governmental fund assets and liabilities as fund balance. The following are the County's major governmental funds:

Note 1 - Summary of Significant Accounting Policies (Continued)

1-B. Basis of Presentation (Continued)

The General Fund – The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund's fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of Georgia.

The TSPLOST Fund – This capital projects fund is used to account for acquisition of property and the construction of projects designated to be funded by the special sales tax created with the Transportation Investment Act of 2010.

The Special Purpose Local Option Sales Tax (SPLOST) Capital Projects Fund – This fund accounts for expenditures for capital project improvements made by the County. Financing is provided by the special purpose local option sales tax revenues approved by referendum.

The Workforce Development Grant Fund – This fund is a special revenue fund used to account for intergovernmental funds received from the State and Federal governments for the Workforce Investment Act Grant.

Proprietary Funds - Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The proprietary funds classified as major enterprise funds are as follows:

The Water and Sewer Fund – This fund is used to account for the County's water system, including all revenues and costs of providing water services to the residents of Lincoln County.

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

The Campgrounds and Parks Fund – This fund accounts for the administration and operations of the County's campgrounds and parks.

Fiduciary Funds – Fiduciary fund reporting focuses on changes in assets and liabilities. The County's fiduciary funds are agency funds.

1-C. Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the County are included on the statement of net position. The statement of activities reports revenues and expenses.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and all liabilities associated with the operation of these funds are included on the statements of net position. The statements of revenues, expenses and changes in fund net position present increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, the governmental funds use the modified accrual basis of accounting and fiduciary funds use the accrual basis of accounting. Proprietary funds use the accrual basis of accounting at both reporting levels. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues – Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, the phrase "available for exchange transactions" means expected to be received within 60 days of year-end.

Revenues - Non-exchange Transactions - Non-exchange transactions in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (Note 3-C) Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes and federal and state grants.

On governmental fund financial statements (i.e., on the modified accrual basis), receivables that will not be collected within the available period have been reported as deferred inflows of resources revenue (i.e., they are measurable but not available) rather than as revenue.

Grants and entitlements received before the eligibility requirements are met (e.g., cash advances) are recorded as unearned revenue.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

1-E. Assets, Liabilities and Fund Equity

1-E-1 Cash, Cash Equivalents and Investments

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

Investments are stated at fair value based on quoted market prices.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-1 Cash, Cash Equivalents and Investments (Continued)

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

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

1-E-2 Receivables

All trade and property tax receivables are reported net of an allowance for uncollectible, where applicable. Uncollected and unbilled water/sewer charges and landfill user charges are accrued as receivables and revenue at June 30, 2018.

1-E-3 Interfund Balances

On the fund financial statements, receivables and payables resulting from short term interfund loans are classified as "interfund receivables/interfund payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances.

1-E-4 Consumable Inventories

On the government-wide financial statements, inventories (if material) are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used (i.e., the consumption method).

On the fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first in, first out basis. The cost of inventory items is recorded as an expenditure in the governmental fund types when consumed. Inventories of the proprietary funds are expensed when consumed.

1-E-5 Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2018, are recorded as prepaid items in both government-wide and fund financial statements using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reserved as this amount is not available for general appropriation.

1-E-6 Restricted Assets

Certain resources in the Water Enterprise Fund are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond and note covenants. The County has restricted assets in order to be in compliance with the U. S. Department of Agriculture bond agreements. These accounts are used to report resources set aside to subsidize potential deficiencies from the enterprise fund's operation that could adversely affect debt service payments.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-7 Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The County reports these assets in the governmental activities column of the government-wide statement of net position but does not report these assets in the Government fund financial statements. Capital assets utilized by enterprise funds are reported both in the business-type activities column of the government-wide statement of net position and in the enterprise funds' statement of net position.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The County maintains a capitalization threshold of five thousand dollars. The County chose to include all items, regardless of their acquisition date. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets utilized by the enterprise fund is capitalized. No capitalized interest was recorded during the fiscal year ended June 30, 2018.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

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

At the inception of capital leases at the governmental fund reporting level, expenditures and an "other financing source" of an equal amount are reported at the net present value of future minimum lease payments.

1-E-8 Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the County's past experience of making termination payments.

All compensated absence liabilities include salary-related payments, where applicable.

The total compensated absence liability is reported on the government-wide financial statements. Proprietary funds report the total compensated liability in each individual fund at the fund reporting level. Governmental funds report the compensated absence liability at the fund reporting level only "*when due.*"

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-9 Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of these funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are "due for payment" during the current year. Bonds and capital leases are recognized as a liability in the governmental fund financial statements when due.

1-E-10 Deferred Outflows/Inflows of Resources

The County has implemented GASB Statements No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position and No. 65, Items Previously Reported as Assets and Liabilities. These standards establish accounting and financial reporting for deferred outflows / inflows of resources and the concept of net position as the residual of all other elements presented in a statement of net position.

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. On the County's government-wide financial statements, a deferred outflow related to pensions will be reported and will be recognized as pension expense over a five-year closed period.

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 two items that qualify for reporting in this category; unavailable revenue, which arises only under a modified accrual basis of accounting, and deferred inflows related to pensions. The governmental funds report unavailable revenues from property taxes and other receivables, which are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The government-wide financial statements report deferred inflows related pensions and will be recognized as a reduction of pension expense over a five-year closed period.

1-E-11 Pensions

The County implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. GASB Statement No. 68 establishes standards for measuring and recognizing net pension liabilities, deferred outflows of resources, deferred inflows of resources, and expenses related to pension benefits provided through defined benefit pension plans. In addition, Statement No. 68 requires disclosure of information related to pension benefits.

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

1-E-12 Postemployment Benefits Other Than Pensions (OPEB)

For the year ended June 30, 2018, the County implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. GASB Statement No. 75 establishes standards for measuring and recognizing net OPEB liabilities, deferred outflows of resources, deferred inflows of resources, and expenses related to OPEB provided through defined benefit OPEB plans. In addition, Statement No. 75 requires disclosure of information related to OPEB. For the fiscal year ended June 30, 2018, the County did not have any OPEB items that were required to be disclosed to be in compliance with GASB Statement No. 75.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-13 Fund Balance

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

Fund Balance – Generally, fund balance represents the difference between the current assets and current liabilities. In the fund financial statements, governmental funds report fund 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:

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

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

- ***Committed*** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the County Commission through the adoption of a resolution. By policy, only the Board of Commissioners may modify or rescind a 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. By policy, the County has authorized the Chairman of the County Commission to assign fund balances.

- ***Unassigned*** - Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all other 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

Net Position - Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. This net position amount also is adjusted by any bond issuance deferral amounts. Net position is 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. 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.

1-E-14 Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for services for water and sewer and solid waste. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of each fund. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-15 Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

1-E-16 Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as inter-fund transfers. Inter-fund transfers are reported as other financing sources/uses in governmental funds and after the non-operating revenues/expenses section in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted).

Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business type activities column are eliminated.

1-E-17 Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

1-E-18 Comparative Data

Comparative total data for the prior year have been presented only for individual funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data may have been restated and reclassified to be consistent with the current year's presentation.

1-E-19 Tax Abatements

GASB Statement No. 77 establishes financial reporting standards for tax abatement agreements entered into by state and local governments. The disclosure will include descriptive information about the tax being abated, the gross dollar amount of taxes abated during the period and any additional comments made by the County.

Note 2 – Stewardship, Compliance and Accountability

2-A. Budgetary Information

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

Note 2 – Stewardship, Compliance and Accountability (Continued)

2-B. Deficit fund balances or net position

For the fiscal year ended June 30, 2018, the Campgrounds and Parks Fund had a deficit of $ 12,571. This deficit was due to campgrounds and parks operating expenses exceeding operating revenues. This deficit is expected to be recovered during the next fiscal year from contributions from the General Fund and from changes to operations of the fund.

Note 3 – Detailed Notes on All Funds

3-A. Deposits and Investments

Custodial Credit Risk - Deposits – Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be recovered. State statutes require all deposits and investments to be collateralized by depository insurance, obligations of the U. S. government, or bonds of public authorities, counties or municipalities. The County's custodial credit risk policy requires all deposits in excess of Federal Deposit Insurance be collateralized by securities equal to at least 110% of the excess deposits.

The County participates in the pooled method with its depositors to collateralize funds as allowed by law. At June 30, 2018, the County's deposits and investments were exposed to custodial credit risk as follows:

Carrying amount of the County's deposits	$ 5,259,548
Bank balances of the County's deposits	5,325,198
Deposits covered by depository insurance	647,240
Deposits collateralized by securities	4,677,958

State statutes authorize the County to invest in obligations of, or obligations guaranteed by the U.S. government; obligations of any state; obligations of any political subdivision of any state; certificates of deposit of any national state bank or savings and loan which have deposits insured by the FDIC or FSLIC; prime bankers acceptances; and the Office of State Treasurer.

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.

The County had no other investments that require disclosure as to the basis of valuation other than capital assets, the basis of which are properly disclosed.

At June 30, 2018, the County's component units' bank balances were properly insured and collateralized as required by OCGA Section 45-8-12(c) and as defined by GASB pronouncements.

3-B. Receivables

Receivables at June 30, 2018, consisted of taxes, interest, accounts (billings for user charges, including unbilled utility receivables), and intergovernmental receivables arising from grants.

Receivables and payables are recorded on the County's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectability.

3-C. Property Taxes

County property taxes are based on assessments of property values on January 1, assessed by the County Tax Assessors' office. The digest is prepared by the assessor's office and verified by the Georgia Department of Revenue. The Board of Commissioners set the property tax millage rate in September 2017. Property tax bills were mailed in October 2017 and were due by December 20, 2017. Property taxes attach as an enforceable lien on property as of January 1. The County bills and collects its own property taxes and also collects property taxes for the County Board of Education and the State of Georgia. Any taxes not paid by due date are considered delinquent and are subject to a 10% penalty and an interest charge. If taxes remain delinquent by July of the following year, a fifa is issued against the property, and the county can advertise and sell the property at a tax sale.

Note 3 - Detailed Notes on All Funds (Continued)

3-D. Capital Assets

Capital asset activity for the year ended June 30, 2018, was as follows:

	Beginning Balance (Restated)	Additions	Deductions	Ending Balance
GOVERNMENTAL ACTIVITIES:				
Nondepreciable capital assets:				
Land	$ 578,825	$ -	$ 103,317	$ 475,508
Construction in progress	117,500	-	117,500	-
Total capital assets not being depreciated	696,325	-	220,817	475,508
Depreciable capital assets:				
Land improvements	147,360	32,813	-	180,173
Infrastructure	22,615,059	495,725	-	23,110,784
Buildings	5,223,879	303,359	117,500	5,409,738
Vehicles	1,880,634	66,411	-	1,947,045
Furniture, fixtures and equipment	1,387,381	-	-	1,387,381
Total depreciable capital assets	31,254,313	898,308	117,500	32,035,121
Total capital assets	31,950,638	898,308	338,317	32,510,629
Accumulated depreciation:				
Land improvements	27,106	5,307	-	32,413
Infrastructure	15,136,676	431,057	-	15,567,733
Buildings	3,015,908	153,888	-	3,169,796
Vehicles	1,520,524	112,672	-	1,633,196
Furniture, fixtures and equipment	958,399	99,275	-	1,057,674
Total accumulated depreciation	20,658,613	802,199	-	21,460,812
Governmental activitivties capital assets, net	$ 11,292,025	$ 96,109	$ 338,317	$ 11,049,817

Governmental activities depreciation expense:

General government	$ 7,961
Public safety	224,346
Public works	479,546
Culture and recreation	78,165
Housing and development	12,181
Total governmental activities depreciation expense	$ 802,199

Note 3 - Detailed Notes on All Funds (Continued)

3-D. Capital Assets (Continued)

	Beginning Balance	Additions	Deductions	Ending Balance
BUSINESS-TYPE ACTIVITIES:				
Non-depreciable capital assets:				
Land	$ 17,034	$ -	$ -	$ 17,034
Total non-depreciable capital assets	17,034	-	-	17,034
Depreciable capital assets:				
Water system and lines	21,052,391	-	-	21,052,391
Land improvements	87,753	-	-	87,753
Vehicles	51,169	-	-	51,169
Furniture and equipment	186,782	17,725	-	204,507
Total depreciable capital assets	21,378,095	17,725	-	21,395,820
Total capital assets	21,395,129	17,725	-	21,412,854
Accumulated depreciation:				
Water system and lines	5,468,077	421,048	-	5,889,125
Land improvements	50,459	4,387	-	54,846
Vehicles	51,169	-	-	51,169
Furniture and equipment	139,880	14,667	-	154,547
Total accumulated depreciation	5,709,585	440,102	-	6,149,687
Business-type activities capital assets, net	$ 15,685,544	$ (422,377)	$ -	$ 15,263,167

Business-type activities depreciation expense:

Water	$ 435,715
Solid Waste	4,387
Total governmental activities depreciation expense	$ 440,102

(Continued on the following page)

Note 3 - Detailed Notes on All Funds (Continued)

3-D. Capital Assets (Continued)

	Beginning Balance	Additions	Deductions	Ending Balance
COMPONENT UNITS:				
Non-depreciable capital assets:				
Land	$ 24,877	$ -	$ 6,000	$ 18,877
Total non-depreciable capital assets	24,877	-	6,000	18,877
Buildings	1,053,022	-	-	1,053,022
Land improvements	720,067	-	-	720,067
Furniture, fixtures and equipment	34,201	-	-	34,201
Total depreciable capital assets	1,807,290	-	-	1,807,290
Total capital assets	1,832,167	-	6,000	1,826,167
Accumulated depreciation:				
Buildings	537,444	28,371	-	565,815
Land improvements	223,220	24,906	-	248,126
Furniture, fixtures and equipment	34,200	1	-	34,201
Total accumulated depreciation	794,864	53,278	-	848,142
Component unit capital assets, net	$ 1,037,303	$ (53,278)	$ (6,000)	$ 978,025

3-E. Interfund Balances and Transfers

Interfund balances and transfers for the year ended June 30, 2018, consisted of the following:

Interfund Balances	Due From:	Due To:
General Fund	$ -0-	$ 326,850
Water Fund	83,452	-0-
Campgrounds and Parks Fund	35,514	-0-
Workforce Development Fund	65,769	-0-
Non-major Governmental Fund	155,555	13,440
Total Interfund Balances	$ 340,290	$ 340,290

Note 3 - Detailed Notes on All Funds (Continued)

3-F. Compensated Absences

The following is a breakdown of compensated absences by department for the year ended June 30, 2018:

General administration	$ 33,209
Court system	7,057
Public safety	36,844
Public works	19,325
Housing and development	1,668
Culture and recreation	6,732
Total Governmental Activities	$ 104,835
Water and sewer	$ 1,935
Total Business-type Activities	$ 1,935

3-G. Long-term Debt

Changes in Long-Term Debt

The following is a summary of changes in long-term liabilities reported in the government-wide financial statements for the year ended June 30, 2018:

Governmental Activities	Outstanding 6/30/17 Restated	Additions	Reductions	Outstanding 6/30/18	Amounts Due in One Year
Notes payable	$ 140,571	$ -	$ 61,848	$ 78,723	$ 78,723
Compensated Absences	142,300	72,748	110,213	104,835	17,822
Net pension liability	1,023,744	-	193,086	830,658	-
Total Governmental Activities	$ 1,306,615	$ 72,748	$ 365,147	$ 1,014,216	$ 96,545
Business-type Activities					
Revenue bonds	$ 3,035,000	$ -	$ 105,000	$ 2,930,000	$ 105,000
Unamortized discount	(11,723)	-	(1,017)	(10,706)	-
Total revenue bonds	3,023,277	-	103,983	2,919,294	105,000
Notes payable	1,277,634	-	82,031	1,195,603	83,295
Landfill postclosure	68,950	-	9,850	59,100	9,850
Compensated absences	5,343	836	4,244	1,935	-
Net pension liability	42,657	-	8,047	34,610	-
Total Business-type Activities	$ 4,417,861	$ 836	$ 208,155	$ 4,210,542	$ 198,145
Component Units					
Net pension liability	$ 121,004	$ -	$ 2,494	$ 118,510	$ -
Net state OPEB liability	137,439	4,588	-	142,027	-
Notes payable	568,593	-	250,133	318,460	26,859
Compensated Absences	6,280	4,248	4,507	6,021	-
Total Component Units	$ 833,316	$ 8,836	$ 257,134	$ 585,018	$ 26,859

All long-term obligations of the County's governmental funds will be financed through future general fund expendable available financial sources as they become due. Principal and interest payments related to the County's water enterprise fund are financed from income derived from the operation of the water system and transfers from other funds.

Note 3 - Detailed Notes on All Funds (Continued)

3-G. Long-term Debt (Continued)

The compensated absences liabilities and net pension liabilities will be paid from the funds from which the employees' salaries are paid. For governmental activities, compensated absences and pension liabilities are liquidated by the General Fund. For business-type activities, compensated absences and pension liabilities are liquidated by the Water Fund.

Governmental Activities Long-Term Debt

The County entered into notes payable agreements with local financial institutions in May 2014 and December 2016 to finance the purchase of public safety equipment and the construction of public safety capital improvements. The original amount of $ 301,843 in notes payable were financed and are due in monthly and bi-monthly installments with interest rates between 3.750% and 5.750%. Final payments are due in December 2018 and May 2019. The outstanding balance of the notes at June 30, 2018 was $ 78,723.

Annual debt service requirements to maturity on the notes payable described above are as follows:

YEAR	PRINCIPAL	INTEREST	TOTALS
2019	$ 78,723	$ 1,664	$ 80,387
Total	$ 78,723	$ 1,664	$ 80,387

Business-type Activities Long-Term Debt

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, 2018 are as follows:

Series 2015 $ 3,235,000 Water and Sewerage System Revenue Refunding Bonds, interest due in semiannual installments on April 1st and October 1st at 2.00% - 3.25% and principal due annually on April 1st. Final payment is due April 1, 2035.	$ 2,930,000
Less: Unamortized discount	(10,706)
Total Revenue Bond	$ 2,919,294

Debt service requirements to maturity on the revenue bonds outstanding, as of June 30, 2018, are as follows:

YEAR	PRINCIPAL	INTEREST	TOTALS
2019	$ 105,000	$ 85,550	$ 190,550
2020	110,000	82,400	192,400
2021	110,000	79,100	189,100
2022	115,000	75,800	190,800
2023	115,000	73,500	188,500
2024-2028	670,000	285,213	955,213
2029-2033	1,180,000	198,994	1,378,994
2034-2035	525,000	25,675	550,675
Total	$ 2,930,000	$ 906,232	$3,836,232

The County entered into notes payable agreements with the United States Department of Agriculture Rural Development in the amount of $470,000 to finance various water and sewer system projects. The notes are due in annual installments with varying interest rates between 2.000% and 2.125%. Final payment is due on March 24, 2054. The outstanding balance of the notes at June 30, 2018 was $ 436,322.

Note 3 - Detailed Notes on All Funds (Continued)

3-G. Long-term Debt (Continued)

Annual debt service requirements to maturity on the notes payable described above are as follows:

YEAR	PRINCIPAL	INTEREST	TOTALS
2019	$ 8,368	$ 8,864	$ 17,232
2020	8,517	8,715	17,232
2021	8,717	8,515	17,232
2022	8,897	8,335	17,232
2023	9,081	8,151	17,232
2024-2028	48,259	37,901	86,160
2029-2033	53,486	32,674	86,160
2034-2038	59,254	26,906	86,160
2039-2043	65,645	20,515	86,160
2044-2048	72,720	13,440	86,160
2049-2053	80,575	5,585	86,160
2054	12,803	121	12,924
Total	$ 436,322	$ 179,722	$ 616,044

The County 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, 2018:

Interest Rate	Term	Due Date	Original Amount	Outstanding Amount
1.50%	20 years	2028	$ 1,449,967	$ 759,281

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, 2018, $0 had been drawn on the line of credit.

Annual debt service requirements to maturity on the water fund notes payable described above are as follows:

YEAR	PRINCIPAL	INTEREST	TOTALS
2019	$ 74,927	$ 10,881	$ 85,808
2020	76,064	9,744	85,808
2021	77,213	8,595	85,808
2022	78,379	7,429	85,808
2023	79,563	6,245	85,808
2024-2027	373,135	12,968	386,103
Total	$ 759,281	$ 55,862	$ 815,143

3-H. Landfill Post-closure Care Cost

The County landfill closed in April 1994. Currently, the County has a contract with a private waste disposal facility, whereby all county waste will be transferred and disposed of by the private company. According to state and federal laws and regulations, the County must perform certain maintenance and monitoring functions at the landfill site for a period of 30 years. As of June 30, 2018, the County has 9 years of monitoring remaining. The liability for the landfill post-closure care costs is estimated to be $59,100 as of June 30, 2018. These estimated costs are based on what it would cost to perform all post-closure care in fiscal year 2018. However, the actual cost of post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. Should any problems occur during this post-closure period, the costs and time period required for the maintenance and monitoring functions may substantially increase.

Note 3 - Detailed Notes on All Funds (Continued)

3-I. Pensions

The County, as authorized by the County Commission, has established a non-contributory defined benefit pension plan, The Lincoln County Defined Benefit Plan (the Plan), covering substantially all of the County's employees. The County's pension plan is administered through the Association County Commissioners of Georgia Third Restated Defined Benefit Plan (the ACCG Plan), an agent multiple-employer pension plan administered by GEBCorp and affiliated with the Association of County Commissioners of Georgia (ACCG). The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. 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.

Eligibility - All full-time County employees are eligible to participate in the Plan after completing three years of service. Benefits vest after five years of service. Participants become eligible to retire at age 65 with five years of participation in the Plan. Covered earnings of active participants for the year ended December 31, 2017 totaled $ 1,644,501. Total payroll for all employees totaled $ 3,344,388 for the same period.

Benefits Provided – Participants become eligible to retire at age 65 with at least five years of participation in the Plan. Upon eligibility to retire, participants who participated in the Plan before January 1, 2004 are entitled to an annual compensation of 1.00% - 1.75% of average annual compensation multiplied by the average of the highest five consecutive years of earnings multiplied by the credited service. Participants who participated in the Plan on or after January 1, 2004 are entitled to an annual compensation of 1.00% of average annual compensation multiplied by the average of the highest five consecutive years of earnings multiplied by the credited service.

These benefit provisions were established by an adoption agreement executed by the County Board of Commissioners.

Funding Policy - The County is required to contribute an actuarially determined amount annually to the Plan's trust. The contribution amount is determined using actuarial methods and assumptions approved by The ACCG Plan trustees and must satisfy the minimum contribution requirement contained in the State of Georgia statues. County employees are not required to contribute to the Plan. The County contributes the entire cost of the Plan using the actuarial basis described in the annual valuation report.

Contributions – The County is required to contribute at an actuarially determined rate. Section 47-20 of the Georgia Code sets forth minimum funding standards for state and local governmental pension plans. Administrative expenses are based on total covered compensation of active plan participants and are added to the state-required annual funding requirement. The Georgia Constitution enables the governing authority of the County, the Board of Commissioners, to establish, and amend from time to time the contribution rates for the County and its plan participants. For the year ended June 30, 2018, the County was required to contribute $ 242,457, or 14.74% of the covered employee payroll.

Employees covered by benefit terms – At January 1, 2017, the following employees were covered by the benefit terms:

Retirees, Beneficiaries and Disables receiving benefits	30
Terminated plan participants entitled to, but not yet receiving benefits	63
Active employees participating in the Plan	52
Total number of Plan Participants	145
Covered compensation for active participants	$ 1,644,501

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2018, the County reported a liability for its net pension liability. The net pension liability was measured as of December 31, 2017. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of January 1, 2017. An expected total pension liability as of December 31, 2017 was determined using standard roll-forward techniques. The County's net pension liability was based on contributions to the Plan during the fiscal year ended December 31, 2017.

Note 3 - Detailed Notes on All Funds (Continued)

3-I. Pensions (Continued)

Actuarial assumptions - The total pension liability as of December 31, 2017 was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Annul return on invested plan assets	7.25%
Projected annual salary increases	3.00%-5.50% based on age
Expected annual inflation	2.5%

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements.

The actuarial assumptions used in the January 1, 2017 valuation were based on the results of a February 2014 actuarial experience study.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return
S&P 500	30.00%	3.07%
Barclay's Agg.	30.00%	1.97%
MSCI EAFE	15.00%	0.86%
Citi Non US WEBI	5.00%	0.30%
NAREIT Equity	5.00%	0.52%
Russell 2000	5.00%	0.47%
Russell 3000	5.00%	0.51%
S&P Mid Cap	5.00%	0.58%
Total	100.00%	

Discount rate: The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 3 - Detailed Notes on All Funds (Continued)

3-I. Pensions (Continued)

For the year ended June 30, 2018, the County recognized pension expense of $ 307,622. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 51,229	$ -0-
Changes of assumptions	79,395	-0-
Net difference between projected and actual earnings on pension plan investments	86,747	203,250
Changes in proportion and differences between County contributions and proportionate share of contributions	-0-	-0-
County contributions subsequent to the measurement date	-0-	-0-
Total	$ 217,371	$ 203,250

County contributions subsequent to the measurement date of December 31, 2017 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2019	$ 74,734
2020	30,660
2021	(40,462)
2022	(50,811)
2023	-0-
Thereafter	-0-

Sensitivity of the County's net pension liability to changes in the discount rate: The following presents the County's net pension liability calculated using the discount rate of 7.25 %, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 %) or 1- percentage-point higher (8.25 %) than the current rate:

	1% Decrease (6.25%)	Current discount rate (7.25%)	1% Increase (8.25%)
County's net pension liability	$ 1,452,775	$ 865,268	$ 377,648

Note 3 - Detailed Notes on All Funds (Continued)

3-I. Pensions (Continued)

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at December 31, 2016	$ 4,185,295	$ 3,118,894	$ 1,066,401
Changes for the year:			
Service Cost	102,656	-	102,656
Interest on Total Pension Liability	297,151	-	297,151
Differences between expected and actual experience	61,560	-	61,560
Assumption Change	7,210	-	7,210
Contributions - employer	-	242,457	(242,457)
Contributions - employee	-	-	-
Net investment income	-	487,713	(487,713)
Benefit payments (Adjusted for interest)	(173,322)	(173,322)	-
Administrative expenses	-	(11,211)	11,211
Other charges	-	(49,249)	49,249
Net Changes	295,255	496,388	(201,133)
Balances at December 31, 2017	$ 4,480,550	$ 3,615,282	$ 865,268

Pension plan fiduciary net position:

Detailed information about the pension plan's fiduciary net position may be obtained from:

Government Employee Benefits Corporation of Georgia
400 Galleria Parkway, Suite 1250
Atlanta, Georgia 30339

Other State of Georgia Pension Plans:

The Sheriff, Clerk of Court, Probate Judge, Magistrate Judge, Tax Commissioner, and various other employees of the County are covered by the State of Georgia retirement plans and are not included as part of the County's plan described above. These State Plans are funded, in part, through County fines and forfeitures collections. Information on each of these plans may be found at the following:

Georgia Sheriffs Association Retirement Fund
Post Office Box 1000
Stockbridge, Georgia 30281

Judges of the Probate Courts Retirement Fund of Georgia
Post Office Box 56
Griffin, Georgia 30224

Employee Retirement System
Two Northside 75, Suite 300
Atlanta, Georgia 30318

Superior Court of Clerk's Retirement Fund of Georgia
124 N. McDonough Street #3
Jonesboro, Georgia 30236

Magistrates Retirement Fund
Post Office Box 56
Griffin, Georgia 30224

Peace Officers' Annuity and Benefit Fund
Post Office Box 56
Griffin, Georgia 30224

Note 3 - Detailed Notes on All Funds (Continued)

3-J. Net Investment in Capital Assets

Net investment of capital assets on the government-wide statement of net position as of June 30, 2018, is as follows:

	Governmental Activities	Business Type Activities	Component Units
Cost of capital assets	$ 32,510,629	$ 21,412,854	$ 1,826,167
Less accumulated depreciation	(21,460,812)	(6,149,687)	(848,142)
Book value	11,049,817	15,263,167	978,025
Less capital related debt	(78,723)	(4,114,897)	(318,460)
Net Investment in Capital Assets	$ 10,971,094	$ 11,148,270	$ 659,565

3-K. Fund Balances

The County's fund balance designations are summarized as follows:

Non-spendable – The following fund balances are non-spendable because they are allocated to:

General Fund:	
Prepaid items	$ 149,581

Restricted –The following fund balances are restricted for:

General Fund:	
Culture and recreation	147,240
Special Revenue Funds:	
Hotel/Motel Tax Fund	10,369
Jail Fund	18,985
Drug Education Fund	25,681
Family Connection Fund	6,557
Law Library Fund	5,183
E-911 Fund	87,201
Condemned Funds Fund	6,071
Capital Projects Funds:	
SPLOST Fund	486,793
TSPLOST Fund	764,904

Assigned - The following fund balances are assigned for:

General Fund:	
Culture and recreation	9,545
Capital projects	320,067

Unassigned

General Fund:	2,180,353
Total Fund Balances	$ 4,218,530

Note 4 - Other Notes

4-A. Risk Management

The County is exposed to potential risk of loss in the areas of: theft, damage or destruction of County assets; errors and omission; natural disasters; and injuries to employees. Significant losses in these areas are covered by commercial insurance with the exception of workers' compensation. There have been no significant reductions in the amount of insurance coverage in the past year in any major category of risk. There have been no insurance settlements that exceeded coverage over the past year.

Note 4 - Other Notes (Continued)

4-A. Risk Management (Continued)

Insurance Risk - The County has its property and liability insurance with the ACCG-Inter-local Risk Management Agency, a self-insurance pool and a risk financing mechanism, whereby the members join together to provide a source of coverage for their property, automobiles, general liability, law enforcement liability, public officials liability, crime, and boiler and machinery exposures. The Fund is owned by its members and is managed by a seven-member board of trustees who are representatives from participating counties. The Fund is operated under the authority of OCGA 36-85-20 et seq. The ACCG-IRMA estimates the anticipated losses for its members and self-funds a portion of that exposure. The funds which are allocated for the anticipated losses are deposited and invested until such time that they are needed to pay claims. The ACCG-IRMA purchases appropriate reinsurance coverage to provide for catastrophic losses or for an unanticipated increase in frequency of smaller claims.

The County is a member of the Association County Commissioners of Georgia Group Self-Insurance Workers' Compensation Fund, a risk sharing public entity risk pool currently operating as a common risk management and insurance program for member local governments. This fund was created to provide its members with an alternative method in which to finance their workers' compensation coverage. The County pays an annual premium to the fund for its workers' compensation coverage. The fund purchases excess insurance to protect the fund from catastrophic losses and for any unexpected increase in frequency of smaller claims.

As part of these risk pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the pool's agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

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

4-B. Contingent Liabilities

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the County believes such disallowances, if any, will be immaterial.

According to the County attorneys, as of the report date, there is no pending or threatened litigation in which the County is involved that will result in material liability to the County.

4-C. Joint Ventures

Under Georgia law, the County, in conjunction with other cities and counties in the fourteen county east central Georgia area, is a member of the Central Savannah River Area Regional Commission (RC) and is required to pay annual dues thereto. 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 or obligations of an RC. Separate financial statements of the CSRA RC may be obtained from:

Central Savannah River Area Regional Commission
3023 Riverwatch Parkway, Suite A
Augusta, Georgia 30907

Note 4 - Other Notes (Continued)

4-D Lodging Tax

The County has levied a 5.00% lodging tax. The Official Code of Georgia Annotated 48-13-50 requires that all lodging taxes levied of 5.00% or more be expended or obligated contractually for the promotion of tourism, conventions, or trade shows. For the fiscal year ended June 30, 2018, the County collected $ 23,016 of hotel/motel taxes. Management represents that 100% of the lodging tax received during the year ended June 30, 2018 was used for the promotion of tourism.

4-E Tax Abatements

Lincoln County grants various tax incentives that are negotiated on an individual basis. Additionally, the County is subject to tax abatements granted by other authorities in addition to state and federal tax abatement programs.

Tax incentives provided by the County include a reduction of property taxes based on the percentage negotiated and have the stated purpose of increasing employment and business investment in the County. Each of the incentive agreements contain a recapture provision that requires repayment of a portion of the abatement if the business fails to meet its job and/or investment thresholds. For the fiscal year ended June 30, 2018, the County did not have any tax incentive agreements to disclose to be in compliance with GASB 77.

The Georgia Forest Land Protection Act of 2008 OCGA Section 48-5-7.7 provides for an ad valorem tax exemption for property primarily used for the good faith subsistence or commercial production of trees, timber, or other wood and wood fiber products and excludes the entire value of any residence located on the property. This 15-year covenant agreement between the taxpayer and County is limited to forest land tracts consisting of more than 200 acres when owned by an individual or individuals, or by any entity registered to do business in Georgia. County property tax abatements for properties entered into this covenant program in Lincoln County totaled approximately $ 19,808. No individual tax abatement exceeded ten percent of the total amount abated. The abatement was partially offset by state reimbursements.

4-F Subsequent Events

In preparing the financial statements, the County has evaluated events and transactions for potential recognition or disclosure through December 19, 2018. Management has not identified any items requiring recognition or disclosure.

4-G Prior Period Adjustments

SPLOST Capital Projects Fund: The County has determined that a restatement of beginning fund balance of the SPLOST Capital Projects Fund is necessary. Adjustments were made to restate the beginning fund balance in the SPLOST Capital Projects Fund, as indicated on the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds. The prior period adjustments made to the SPLOST Capital Projects Fund's beginning fund balance were as follows:

Fund balance, June 30, 2017, as previously reported	$	151,292
Prior period adjustments		102,099
Fund balance, June 30, 2017, restated	$	253,391

E-911 Fund: The County has determined that a restatement of beginning fund balance of the E-911 Fund is necessary. Adjustments were made to restate the beginning fund balance in the E-911 Fund, as indicated on the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds. The prior period adjustments made to the E-911 Fund's beginning fund balance were as follows:

Fund balance, June 30, 2017, as previously reported	$	(58,318)
Prior period adjustments		125,000
Fund balance, June 30, 2017, restated	$	66,682

Note 4 - Other Notes (Continued)

4-G Prior Period Adjustments (Continued)

General Fund: The County has determined that a restatement of beginning fund balance of the General Fund is necessary. Adjustments were made to restate the beginning fund balance in the General Fund, as indicated on the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds. The prior period adjustments made to the General Fund's beginning fund balance were as follows:

Fund balance, June 30, 2017, as previously reported	$	2,770,233
Prior period adjustments		(125,000)
Fund balance, June 30, 2017, restated	$	2,645,233

Governmental Activities: The County has determined that a restatement of beginning net position of the governmental activities is necessary as a result of the adjustments to the fund level balance. Adjustments were made to restate the beginning net position of the governmental activities, as indicated on the Statement of Activities. The beginning net position of the governmental activities has been restated from the prior year as follows:

Net position, June 30, 2017, as previously reported	$	13,938,970
Prior period adjustments		32,755
Net position, June 30, 2017, restated	$	13,971,725

Component Units:

The Lincoln County Health Department determined that a restatement of beginning fund balance of the General Fund and net position of the Governmental Activities is necessary as a result of an adjustment to the Health Department's financial position. An adjustment was made to restate the Health Department's beginning fund balance as indicated on the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds. The beginning fund balance of the Health Department's General Fund has been restated from the prior year as follows:

Fund balance, June 30, 2017, as previously reported	$	137,588
Prior period adjustment		(265)
Fund balance, June 30, 2017, restated	$	137,323

The beginning net position of the governmental activities of the Lincoln County Health Department has been restated from the prior year as follows:

Net position, June 30, 2017, as previously reported	$	44,426
Implementation of GASB Statement No. 75		(116,485)
Prior period adjustment		(265)
Net position, June 30, 2017, restated	$	(72,324)

Lincoln County, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Taxes	$ 3,863,304	$ 3,888,304	$ 3,867,660	$ (20,644)
Licenses and permits	77,300	77,300	82,829	5,529
Intergovernmental	782,032	782,032	823,433	41,401
Charges for services	1,183,393	1,183,393	1,127,805	(55,588)
Fines, forfeitures and fees	189,625	189,625	168,480	(21,145)
Investment earnings	2,600	2,600	3,496	896
Miscellaneous	72,556	72,556	86,178	13,622
Total Revenues	6,170,810	6,195,810	6,159,881	(35,929)
Expenditures				
Current:				
General government	2,075,226	2,030,924	2,026,829	4,095
Judicial	392,973	396,473	391,045	5,428
Public safety	2,220,429	2,284,429	2,258,287	26,142
Public works	798,051	796,453	792,569	3,884
Health and welfare	226,288	225,288	206,883	18,405
Culture and recreation	277,574	268,574	262,685	5,889
Conservation of natural resources	77,840	72,840	72,538	302
Housing and development	160,537	178,937	178,441	496
Total Expenditures	6,228,918	6,253,918	6,189,277	64,641
Excess (Deficiency) of Revenues Over (Under) Expenditures	(58,108)	(58,108)	(29,396)	28,712
Other Financing Sources (Uses)				
Transfers in (out)	58,108	58,108	(45,551)	(103,659)
Total Other Financing Sources (Uses)	58,108	58,108	(45,551)	(103,659)
Special Items				
Gain on disposition of assets	-	-	236,500	236,500
Net Change in Fund Balances	$ -	$ -	161,553	$ 161,553
Fund Balance, Beginning of Year			2,770,233	
Prior Period Adjustment			(125,000)	
Fund Balances, Beginning of Year, Restated			2,645,233	
Fund Balances, End of Year			$ 2,806,786	

Lincoln County, Georgia
Workforce Development Grant Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Intergovernmental	$ 1,885,000	$ 1,886,900	$ 1,886,900	$ -
Total Revenues	1,885,000	1,886,900	1,886,900	-
Expenditures				
Health and welfare	1,885,000	1,886,900	1,886,900	-
Total Expenditures	1,885,000	1,886,900	1,886,900	-
Net Change in Fund Balance	$ -	$ -	-	$ -
Fund Balance, Beginning of Year			-	
Fund Balance, End of Year			$ -	

Lincoln County, Georgia

Schedule of Changes in Net Pension Liability and Related Ratios

For the Year Ended June 30, 2018

	2018	2017	2016	2015
Total pension liability				
Service cost	$ 102,656	$ 103,765	$ 116,094	$ 113,794
Interest on total pension liability	297,151	286,554	258,060	238,565
Differences between expected and actual experience	61,560	11,381	13,770	-
Assumption change	7,210	121,650	105,312	-
Benefit payments (Adjusted for interest)	(173,322)	(158,771)	(113,326)	(92,421)
Net change in total pension liability	295,255	364,579	379,910	259,938
Total pension liability, Beginning	4,185,295	3,820,716	3,440,806	3,180,868
Total pension liability, Ending	$ 4,480,550	$ 4,185,295	$ 3,820,716	$ 3,440,806
Plan fiduciary net position				
Contributions - employer	$ 242,457	$ 237,611	$ 240,241	$ 243,643
Net investment income	487,713	211,062	23,152	180,521
Benefit payments (Adjusted for interest)	(173,322)	(153,032)	(109,230)	(89,081)
Administrative expenses	(11,211)	(14,499)	(11,882)	(11,371)
Other charges	(49,249)	(24,908)	(37,989)	(36,718)
Net change in plan fiduciary net position	496,388	256,234	104,292	286,994
Plan fiduciary net position, Beginning	3,118,894	2,862,660	2,758,368	2,471,374
Plan fiduciary net position, Ending	$ 3,615,282	$ 3,118,894	$ 2,862,660	$ 2,758,368
County's net pension liability	$ 865,268	$ 1,066,401	$ 958,056	$ 682,438
Plan fiduciary net position as a percentage of the total pension liability	80.69%	74.52%	74.92%	80.17%
Covered-employee payroll	$ 1,644,501	$ 1,599,926	$ 1,725,201	$ 1,703,881
County's net pension liability as a percentage of covered-employee payroll	52.62%	66.65%	55.53%	40.05%

Lincoln County, Georgia
Schedule of Pension Contributions
For the Year Ended June 30, 2018

	2018	2017	2016	2015	2014
Contractually required contribution	$ 242,457	$ 233,124	$ 235,060	$ 233,483	$ 236,710
Contributions in relation to the contractually required contribution	242,457	237,611	240,241	243,643	242,391
Contribution deficiency (excess)	$ -	$ (4,487)	$ (5,181)	$ (10,160)	$ (5,681)
County's covered-employee payroll	$ 1,644,501	$ 1,599,926	$ 1,725,201	$ 1,703,881	$ 1,595,505
Contributions as a percentage of covered-employee payroll	14.74%	14.85%	13.93%	14.30%	15.19%

Note 1 - Budgetary Information

Budgets for the general fund and special revenue funds are adopted on a basis that is consistent with accounting principles generally accepted in the United States as applied to governments.

The County's financial statements did not reflect any expenditures in excess of budgeted amounts.

Note 2 - Schedule of Changes in Net Pension Liability and Related Ratios

Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

Note 3 - Schedule of Pension Contributions

Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

Method and assumptions used in calculations of actuarially determined contributions: The following actuarial methods and assumptions were used to determine the contractually required contributions for year ended June 30, 2018 reported in that schedule:

Valuation date	January 1, 2018
Actuarial cost method	Entry Age Normal
Amortization method	Closed level dollar for unfunded liability
Remaining amortization method	None remaining
Asset valuation period	Market Value
Inflation rate	3.00%
Salary increases	3.00%-5.50% (including 3.00% for inflation
Investment rate of return	7.25%, net of pension plan investment expense, including inflation

Lincoln County, Georgia
General Fund
Balance Sheet
June 30, 2018

Assets		
Cash and cash equivalents	$	2,442,713
Receivables:		
Accounts, net		144,647
Property taxes, net		130,003
Intergovernmental		133,793
Interfund		326,850
Prepaid items		118,568
Inventory		31,013
Total Assets	$	3,327,587
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities		
Accounts payable	$	148,118
Accrued expenses		230,274
Due to others		25,285
Total Liabilities		403,677
Deferred Inflows of Resources		
Unavailable revenue: property taxes		117,124
Total Liabilities and Deferred Inflows of Resources		520,801
Fund Balances		
Nonspendable		
Inventory		31,013
Prepaid items		118,568
Restricted		
Culture and recreation		147,240
Assigned		
Culture and recreation		9,545
Capital projects		320,067
Unassigned		2,180,353
Total Fund Balances		2,806,786
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$	3,327,587

Lincoln County, Georgia
General Fund
Schedule of Revenues - Budget and Actual
For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Taxes				
General property tax	$ 2,579,366	$ 2,604,366	$ 2,481,415	$ (122,951)
Vehicle property tax	81,494	81,494	62,631	(18,863)
Title ad valorem tax	199,000	199,000	287,329	88,329
Mobile home property tax	30,613	30,613	28,659	(1,954)
Recording intangible tax	29,204	29,204	25,494	(3,710)
Real estate transfer tax	7,779	7,779	10,645	2,866
Timber tax	24,948	24,948	17,037	(7,911)
Other taxes	-	-	138	138
Insurance premium tax	333,000	333,000	384,607	51,607
Local option sales tax	517,000	517,000	507,689	(9,311)
Bank licenses and taxes	7,400	7,400	8,807	1,407
Franchise taxes	26,000	26,000	25,682	(318)
Alcoholic beverage licenses/taxes	27,500	27,500	27,527	27
Total Taxes	3,863,304	3,888,304	3,867,660	(20,644)
Licenses and Permits	77,300	77,300	82,829	5,529
Intergovernmental				
Federal grant funds	12,788	12,788	22,990	10,202
Federal P.I.L.O.T.	145,000	145,000	142,771	(2,229)
Road paving contracts	305,726	305,726	329,528	23,802
Forest Land Protection Grant	9,903	9,903	20,758	10,855
Columbia County library supplement	50,750	50,750	50,750	-
Nutrition Program	46,500	46,500	33,210	(13,290)
DOT transit program revenues	35,000	35,000	46,852	11,852
State grant funds	-	-	22,190	22,190
Juvenile Offenders Program	-	-	3,889	3,889
Other local funds	176,365	176,365	150,495	(25,870)
Total Intergovernmental	782,032	782,032	823,433	41,401
Charges for Services				
Commissions on tax collections	196,000	196,000	187,574	(8,426)
Ambulance fees	345,000	345,000	343,860	(1,140)
Correction Institute-inmate cost rebate	412,500	412,500	318,605	(93,895)
Civil defense	1,800	1,800	1,050	(750)
Code enforcement	12,000	12,000	12,023	23
Rental income	59,530	59,530	110,428	50,898
Administrative fees	144,858	144,858	140,075	(4,783)
Library fees	3,205	3,205	3,641	436
Transportation program fares	2,300	2,300	5,272	2,972
Recreation fees and sponsorships	6,200	6,200	5,277	(923)
Total Charges for Services	1,183,393	1,183,393	1,127,805	(55,588)

(continued)

Lincoln County, Georgia
General Fund
Schedule of Revenues - Budget and Actual
For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Fines, Forfeitures and Fees				
State and superior courts	$ 55,825	$ 55,825	$ 55,266	$ (559)
Sheriff's fees	42,100	42,100	38,736	(3,364)
Magistrate court	8,700	8,700	5,146	(3,554)
Probate court	83,000	83,000	69,332	(13,668)
Total Fines, Forfeitures and Fees	189,625	189,625	168,480	(21,145)
Investment Earnings	2,600	2,600	3,496	896
Miscellaneous				
Penalties & interest/costs	40,475	40,475	47,650	7,175
Sale of surplus property	10,750	10,750	17,988	7,238
Other	21,331	21,331	20,540	(791)
Total Miscellaneous	72,556	72,556	86,178	13,622
TOTAL REVENUES	$ 6,170,810	$ 6,195,810	$ 6,159,881	$ (35,929)

Lincoln County, Georgia
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance Over (Under)
EXPENDITURES				
General Government				
Board of commissioners	$ 204,714	$ 195,214	$ 170,556	$ 24,658
Tax commissioner	185,224	186,224	190,354	(4,130)
Tax assessor	246,350	241,350	220,190	21,160
General administration	1,111,007	1,092,005	1,102,616	(10,611)
Finance office	125,498	117,498	152,351	(34,853)
County attorney	33,876	36,376	32,354	4,022
Information technology	71,670	66,670	64,291	2,379
Board of equalization	7,615	5,815	4,853	962
Elections and registrar	89,272	89,772	89,264	508
Total General Government	2,075,226	2,030,924	2,026,829	4,095
Judicial				
State and superior courts	173,477	173,477	195,916	(22,439)
District attorney	43,878	43,878	17,625	26,253
Juvenile court	7,000	7,000	6,383	617
Probate court	168,618	172,118	171,121	997
Total Judicial	392,973	396,473	391,045	5,428
Public Safety				
Sheriff	701,554	771,554	705,893	65,661
County jail	683,737	658,737	710,950	(52,213)
Office of emergency services	812,704	824,204	821,580	2,624
County fire departments	9,746	18,746	9,764	8,982
Coroner	12,688	11,188	10,100	1,088
Total Public Safety	2,220,429	2,284,429	2,258,287	26,142
Public Works				
Roads department	712,065	705,867	701,679	4,188
Shop	85,986	90,586	90,890	(304)
Total Public Works	798,051	796,453	792,569	3,884

(continued)

Lincoln County, Georgia
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance Over (Under)
EXPENDITURES				
Health and Welfare				
Health department	$ 47,074	$ 43,874	$ 38,800	$ 5,074
Transportation program	76,841	84,341	83,413	928
Senior citizens program	83,987	76,487	67,399	9,088
Lincoln center	14,786	16,986	13,748	3,238
Family and children services	3,600	3,600	3,523	77
Total Health and Welfare	226,288	225,288	206,883	18,405
Culture and Recreation				
Art and recreation	129,521	119,521	114,113	5,408
Library	148,053	149,053	148,572	481
Total Culture and Recreation	277,574	268,574	262,685	5,889
Conservation of Natural Resources				
Agriculture resources	69,639	64,639	64,337	302
Forestry resources	8,201	8,201	8,201	-
Total Conservation of Natural Resources	77,840	72,840	72,538	302
Housing and Development				
Planning and permits	46,848	47,848	47,945	(97)
Code enforcement	47,143	64,043	63,659	384
Economic development	66,546	67,046	66,837	209
Total Housing and Development	160,537	178,937	178,441	496
TOTAL EXPENDITURES	$ 6,228,918	$ 6,253,918	$ 6,189,277	$ 64,641

Lincoln County, Georgia
SPLOST Fund
Balance Sheet
June 30, 2018

Assets		
Cash and cash equivalents	$	449,112
Intergovernmental receivable		58,085
Total Assets	$	507,197
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$	2,484
Intergovernmental payable		17,920
Total Liabilities		20,404
Fund Balances		
Restricted for capital projects		486,793
Total Fund Balances		486,793
Total Liabilities and Fund Balances	$	507,197

Lincoln County, Georgia
SPLOST Fund
Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended June 30, 2018

Revenues		
Sales taxes	$	634,610
Investment earnings		264
Total Revenues		634,874
Expenditures		
Intergovernmental		100,935
Capital outlay		
Public works		236,881
Public safety		11,774
Culture and recreation		6,245
Debt service:		
Principal		40,874
Interest		4,763
Total Expenditures		401,472
Net Change in Fund Balance		233,402
Fund Balance, Beginning of Year		151,292
Prior Period Adjustment		102,099
Fund Balance, Beginning of Year, Restated		253,391
Fund Balance, End of Year	$	486,793

Lincoln County, Georgia
TSPLOST Fund
Balance Sheet
June 30, 2018

Assets		
Cash and cash equivalents	$	704,527
Intergovernmental receivable		62,697
Total Assets	$	767,224
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$	2,320
Total Liabilities		2,320
Fund Balances		
Restricted for public works		764,904
Total Liabilities and Fund Balances	$	767,224

Lincoln County, Georgia
TSPLOST Fund
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2018

Revenues		
Taxes - TSPLOST	$	586,947
Investment income		814
Total Revenues		587,761
Expenditures		
Capital outlay		
Public works		333,097
Debt Service:		
Principal retirement		20,974
Total Expenditures		354,071
Net Change in Fund Balances		233,690
Fund Balances, Beginning of Year		531,214
Fund Balances, End of Year	$	764,904

Lincoln County, Georgia
Workforce Development Grant Fund
Balance Sheet
June 30, 2018

Assets		
Cash and cash equivalents	$	260,853
Intergovernmental receivable		9,382
Total Assets	$	270,235
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$	204,466
Interfund payables		65,769
Total Liabilities		270,235
Fund Balances		
Restricted for program purposes		-
Total Liabilities and Fund Balances	$	270,235

Lincoln County, Georgia
Workforce Development Grant Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2018

Revenues	
Intergovernmental	$ 1,886,900
Total Revenues	1,886,900
Expenditures	
Health and welfare	1,886,900
Total Expenditures	1,886,900
Net Change in Fund Balance	-
Fund Balance, Beginning of Year	-
Fund Balance, End of Year	$ -

Lincoln County, Georgia
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2018

	Special Revenue Funds							
	Hotel/Motel Tax Fund	**E-911 Fund**	**Law Library**	**Family Connection Fund**	**Drug Education Fund**	**Jail Fund**	**Condemned Funds Fund**	**Total**
Assets								
Cash and cash equivalents	$ 8,343	$ 36,803	$ 5,183	$ 126,196	$ 25,306	$ 18,310	$ 6,071	$ 226,212
Receivables:								
Accounts, net	-	33,037	-	4,519	-	-	-	37,556
Intergovernmental	3,959	17,361	-	33,228	-	-	-	54,548
Interfund receivables	-	-	-	13,440	-	-	-	13,440
Other receivables	-	-	-	-	375	675	-	1,050
Total Assets	$ 12,302	$ 87,201	$ 5,183	$ 177,383	$ 25,681	$ 18,985	$ 6,071	$ 332,806
Liabilities								
Accounts payable	$ -	$ -	$ -	$ 13,549	$ -	$ -	$ -	$ 13,549
Accrued expenses	1,933	-	-	1,722	-	-	-	3,655
Interfund payables	-	-	-	155,555	-	-	-	155,555
Total Liabilities	1,933	-	-	170,826	-	-	-	172,759
Fund Balances								
Restricted for program purposes	10,369	87,201	5,183	6,557	25,681	18,985	6,071	160,047
Total Fund Balances	10,369	87,201	5,183	6,557	25,681	18,985	6,071	160,047
Total Liabilities and Fund Balances	$ 12,302	$ 87,201	$ 5,183	$ 177,383	$ 25,681	$ 18,985	$ 6,071	$ 332,806

Lincoln County, Georgia

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-major Governmental Funds

For the Year Ended June 30, 2018

	Special Revenue Funds							
	Hotel/Motel Tax Fund	E-911 Fund	Law Library	Family Connection Fund	Drug Education Fund	Jail Fund	Condemned Funds Fund	Total
Revenues								
Taxes	$ 23,016	$ -	$ -	$ -	$ -	$ -	$ -	$ 23,016
Intergovernmental	-	17,361	-	-	-	-	-	17,361
Charges for services	-	189,790	-	-	-	-	-	189,790
Fines, forfeitures and fees	-	-	3,166	226,103	3,969	6,972	4,125	244,335
Investment earnings	3	-	-	-	11	-	-	14
Total Revenues	23,019	207,151	3,166	226,103	3,980	6,972	4,125	474,516
Expenditures								
Current:								
Judicial	-	-	5,094	-	-	-	-	5,094
Public safety	-	232,183	-	-	-	-	2,182	234,365
Public works	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	184,513	-	-	-	184,513
Housing and development	16,446	-	-	-	-	-	-	16,446
Total Expenditures	16,446	232,183	5,094	184,513	-	-	2,182	440,418
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,573	(25,032)	(1,928)	41,590	3,980	6,972	1,943	34,098
Other Financing (Uses)								
Transfers in (out), net	-	45,551	-	-	-	-	-	45,551
Net Change in Fund Balances	6,573	20,519	(1,928)	41,590	3,980	6,972	1,943	79,649
Fund Balances, Beginning	3,796	(58,318)	7,111	(35,033)	21,701	12,013	4,128	(44,602)
Prior Period Adjustment	-	125,000	-	-	-	-	-	125,000
Fund Balances, Beginning, Restated	3,796	66,682	7,111	(35,033)	21,701	12,013	4,128	80,398
Fund Balances, Ending	$ 10,369	$ 87,201	$ 5,183	$ 6,557	$ 25,681	$ 18,985	$ 6,071	$ 160,047

Lincoln County, Georgia
Hotel/Motel Tax Fund
Balance Sheet
June 30, 2018

Assets		
Cash and cash equivalents	$	8,343
Intergovernmental receivable		3,959
Total Assets	$	12,302
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$	-
Accrued expenses		1,933
Total Liabilities		1,933
Fund Balances		
Restricted for program purposes		10,369
Total Liabilities and Fund Balances	$	12,302

Lincoln County, Georgia
Hotel/Motel Tax Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Taxes	$ 24,390	$ 24,390	$ 23,016	$ (1,374)
Investment income	1	1	3	2
Total Revenues	24,391	24,391	23,019	(1,372)
Expenditures				
Housing and development	24,391	24,391	16,446	7,945
Net Change in Fund Balances	$ -	$ -	6,573	$ 6,573
Fund Balances, Beginning of Year			3,796	
Fund Balances, End of Year			$ 10,369	

Lincoln County, Georgia
E-911 Fund
Balance Sheet
June 30, 2018

Assets		
Cash and cash equivalents	$	36,803
Accounts receivable		33,037
Intergovernmental receivable		17,361
Total Assets	$	87,201
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$	-
Total Liabilities		-
Fund Balances		
Restricted for program purposes		87,201
Total Liabilities and Fund Balances	$	87,201

Lincoln County, Georgia
E-911 Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Intergovernmental revenue	$ 16,000	$ 16,000	$ 17,361	$ 1,361
Charges for services	172,632	172,632	189,790	17,158
Total Revenues	188,632	188,632	207,151	18,519
Expenditures				
Current:				
Public safety	374,777	371,277	232,183	139,094
Total Expenditures	374,777	371,277	232,183	139,094
Excess (Deficiency) of Revenues Over (Under) Expenditures	(186,145)	(182,645)	(25,032)	157,613
Other Financing Sources (Uses)				
Transfers in	186,145	182,645	45,551	(137,094)
Net Change in Fund Balances	$ -	$ -	20,519	$ 20,519
Fund Balances, Beginning of Year			(58,318)	
Prior Period Adjustment			125,000	
Fund Balance, Beginning of Year, Restated			66,682	
Fund Balances, End of Year			$ 87,201	

Lincoln County, Georgia
Law Library Fund
Balance Sheet
June 30, 2018

Assets	
Cash and cash equivalents	$ 5,183
Fund Balance	
Restricted for program purposes	$ 5,183

Lincoln County, Georgia
Law Library Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Fines, forfeitures and fees	$ 3,300	$ 7,500	$ 3,166	$ (4,334)
Expenditures				
Current:				
Judicial	3,300	7,500	5,094	2,406
Net Change in Fund Balance	$ -	$ -	(1,928)	$ (1,928)
Fund Balance, Beginning of Year			7,111	
Fund Balance, End of Year			$ 5,183	

Lincoln County, Georgia
Family Connection Fund
Balance Sheet
June 30, 2018

Assets		
Cash and cash equivalents	$	126,196
Accounts receivable		4,519
Interfund receivable		13,440
Intergovernmental receivable		33,228
Total Assets	$	177,383
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$	13,549
Accrued expenses		1,722
Interfund payables		155,555
Total Liabilities		170,826
Fund Balances		
Restricted for program purposes		6,557
Total Liabilities and Fund Balances	$	177,383

Lincoln County, Georgia
Family Connection Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Intergovernmental revenue	$ 206,000	$ 206,000	$ 226,103	$ 20,103
Total Revenues	206,000	206,000	226,103	20,103
Expenditures				
Current:				
Health and welfare	206,000	206,000	184,513	21,487
Total Expenditures	206,000	206,000	184,513	21,487
Net Change in Fund Balances	$ -	$ -	41,590	$ 41,590
Fund Balances, Beginning of Year			(35,033)	
Fund Balances, End of Year			$ 6,557	

Lincoln County, Georgia
Drug Education Fund
Balance Sheet
June 30, 2018

Assets		
Cash and cash equivalents	$	25,306
Other receivables		375
Total Assets	$	25,681
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$	-
Total Liabilities		-
Fund Balances		
Restricted for program purposes		25,681
Total Fund Balances		25,681
Total Liabilities and Fund Balances	$	25,681

Lincoln County, Georgia
Drug Education Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Fines, forfeitures and fees	$ 3,200	$ 4,100	$ 3,969	$ (131)
Investment earnings	7	7	11	4
Total Revenues	3,207	4,107	3,980	(127)
Expenditures				
Current:				
Public safety	3,207	4,107	-	4,107
Net Change in Fund Balances	$ -	$ -	3,980	$ 3,980
Fund Balances, Beginning of Year			21,701	
Fund Balances, End of Year			$ 25,681	

Lincoln County, Georgia
Jail Fund
Balance Sheet
June 30, 2018

Assets		
Cash and cash equivalents	$	18,310
Other receivables		675
Total Assets	$	18,985
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$	-
Total liabilities		-
Fund Balances		
Restricted for program purposes		18,985
Total Liabilities and Fund Balances	$	18,985

Lincoln County, Georgia
Jail Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Fines, forfeitures and fees	$ 7,000	$ 8,000	$ 6,972	$ (1,028)
Total Revenues	7,000	8,000	6,972	(1,028)
Expenditures				
Current:				
Public safety	7,000	8,000	-	8,000
Net Change in Fund Balances	$ -	$ -	6,972	$ 6,972
Fund Balances, Beginning of Year			12,013	
Fund Balances, End of Year			$ 18,985	

Lincoln County, Georgia
Condemned Funds Fund
Balance Sheet
June 30, 2018

Assets	
Cash and cash equivalents	$ 6,071
Total Assets	$ 6,071
Liabilities and Fund Balances	
Liabilities	
Accounts payable	$ -
Total liabilities	-
Fund Balances	
Restricted for program purposes	6,071
Total Liabilities and Fund Balances	$ 6,071

Lincoln County, Georgia
Condemned Funds Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Fines, forfeitures and fees	$ 2,200	$ 2,200	$ 4,125	$ 1,925
Total Revenues	2,200	2,200	4,125	1,925
Expenditures				
Current:				
Public safety	2,200	2,200	2,182	18
Net Change in Fund Balances	$ -	$ -	1,943	$ 1,943
Fund Balances, Beginning of Year			4,128	
Fund Balances, End of Year			$ 6,071	

Lincoln County, Georgia
Water Fund
Statement of Net Position
June 30, 2018

ASSETS		
Current Assets:		
Cash and cash equivalents	$	51,305
Restricted assets - cash		115,324
Accounts receivable, net		105,989
Total Current Assets		272,618
Noncurrent Assets:		
Prepaid bond issuance		16,014
Capital Assets:		
Nondepreciable		17,034
Depreciable, net		15,213,225
Total Noncurrent Assets		15,246,273
TOTAL ASSETS		15,518,891
DEFERRED OUTFLOWS OF RESOURCES		
Related to pension plan		8,695
Total Deferred Outflows of Resources		8,695
LIABILITIES		
Current Liabilities:		
Accounts payable		86,630
Accrued liabilities		31,775
Interfund payable		83,452
Notes payable		83,295
Revenue bond payable		105,000
Total Current Liabilities		390,152
Long-Term Liabilities:		
Notes payable (net of current portion)		1,112,308
Compensated absences		1,935
Net pension liability		34,610
Revenue bond payable (net of current portion)		2,814,294
Total Long-Term Liabilities		3,963,147
TOTAL LIABILITIES		4,353,299
DEFERRED INFLOWS OF RESOURCES		
Related to pension plan		8,130
Total Deferred Inflows of Resources		8,130
Net Position		
Net investment in capital assets		11,115,362
Restricted for debt service		115,324
Unrestricted		(64,529)
TOTAL NET POSITION	$	11,166,157

Lincoln County, Georgia
Water Fund
Statement of Revenues,
Expenses and Changes in Net Position
For the Year Ended June 30, 2018

Operating Revenues		
Charges for services	$	915,202
Miscellaneous		12,020
Total Operating Revenues		927,222
Operating Expenses		
Cost of water		198,236
Salaries and benefits		186,001
Materials and supplies		39,272
Repairs and maintenance		61,042
Professional and contract services		48,795
Utilities		61,781
Other operating expenses		97,884
Depreciation		435,715
Total Operating Expenses		1,128,726
Operating Income (Loss)		(201,504)
Non-Operating Revenues (Expenses)		
Investment earnings		465
Interest and fiscal charges		(110,007)
Total Non-Operating Revenues (Expenses)		(109,542)
Change in Net Position		(311,046)
Net Position, Beginning of Year		11,477,203
Net Position, End of Year	$	11,166,157

Lincoln County, Georgia
Solid Waste Fund
Statement of Net Position
June 30, 2018

ASSETS		
Current Assets:		
Cash and cash equivalents	$	465,755
Accounts receivable, net of allowances		109,216
Total Current Assets		574,971
Noncurrent Assets:		
Capital Assets:		
Nondepreciable, net		-
Depreciable, net		32,908
Total Noncurrent Assets		32,908
TOTAL ASSETS		607,879
LIABILITIES		
Current Liabilities:		
Accounts payable		49,743
Accrued liabilities		603
Unearned revenues		414,405
Post-closure liability, current portion		9,850
Total Current Liabilities		474,601
Long-Term Liabilities:		
Post-closure liability, net of current portion		49,250
Total Long-Term Liabilities		49,250
TOTAL LIABILITIES		523,851
Net Position		
Net investment in capital assets		32,908
Unrestricted (deficit)		51,120
Total Net Position	$	84,028

Lincoln County, Georgia
Solid Waste Fund
Statement of Revenues,
Expenses and Changes in Net Position
For the Year Ended June 30, 2018

Operating Revenues	
Charges for services	$ 761,502
Total Operating Revenues	761,502
Operating Expenses	
Salaries and benefits	16,912
Repairs	222
Supplies	348
Utilities	2,424
Professional and contract services	640,027
Other	654
Depreciation	4,387
Total Operating Expenses	664,974
Operating Income (Loss)	96,528
Non-Operating Revenues (Expenses)	
Investment earnings	456
Total Non-Operating Revenues (Expenses)	456
Change in Net Position	96,984
Net Position, Beginning of Year	(12,956)
Net Position, End of Year	$ 84,028

Lincoln County, Georgia
Campgrounds and Parks Fund
Statement of Net Position
June 30, 2018

ASSETS	
Cash and cash equivalents	$ 39,001
TOTAL ASSETS	39,001
LIABILITIES	
Current Liabilities:	
Accounts payable	16,058
Interfund payable	35,514
Total Current Liabilities	51,572
TOTAL LIABILITIES	51,572
Net Position	
Unrestricted	(12,571)
TOTAL NET POSITION	$ (12,571)

Lincoln County, Georgia
Campgrounds and Parks Fund
Statement of Revenues,
Expenses and Changes in Net Position
For the Year Ended June 30, 2018

Operating Revenues		
Charges for services	$	69,588
Miscellaneous		1,206
Total Operating Revenues		70,794
Operating Expenses		
Salaries and benefits		21,995
Materials and supplies		3,854
Repairs and maintenance		4,300
Professional and contract services		20,464
Utilities		19,602
Other operating expenses		1,157
Total Operating Expenses		71,372
Change in Net Position		(578)
Net Position, Beginning of Year		(11,993)
Net Position, End of Year	$	(12,571)

Lincoln County, Georgia
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For The Year Ended June 30, 2018

Clerk of Court	Beginning Balance	Additions	Deductions	Eliminations	Ending Balance
Assets					
Cash	$ 70,540	$ 183,845	$ 157,794	$ 17,337	$ 79,254
Liabilities					
Interfund payable	$ -	$ 79,240	$ 61,903	$ 17,337	$ -
Due to others	70,540	104,605	95,891	-	79,254
Total Liabilities	$ 70,540	$ 183,845	$ 157,794	$ 17,337	$ 79,254

Probate and Magistrate Court	Beginning Balance	Additions	Deductions	Eliminations	Ending Balance
Assets					
Cash	$ 13,546	$ 122,118	$ 77,665	$ 22,747	$ 35,252
Liabilities					
Interfund payable	$ -	$ 81,979	$ 59,232	$ 22,747	$ -
Due to others	13,546	40,139	18,433	-	35,252
Total Liabilities	$ 13,546	$ 122,118	$ 77,665	$ 22,747	$ 35,252

Tax Commissioner	Beginning Balance (Restated)	Additions	Deductions	Eliminations	Ending Balance
Assets					
Cash	$ 319,808	$ 11,120,811	$ 10,975,809	$ 101,962	$ 362,848
Liabilities					
Interfund payable	$ -	$ 3,942,580	$ 3,840,618	$ 101,962	$ -
Due to others	319,808	7,178,231	7,135,191	-	362,848
Total Liabilities	$ 319,808	$ 11,120,811	$ 10,975,809	$ 101,962	$ 362,848

(Continued)

Lincoln County, Georgia
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For The Year Ended June 30, 2018

Sheriff	Beginning Balance (Restated)	Additions	Deductions	Eliminations	Ending Balance
Assets					
Cash	$ 69,441	$ 209,627	$ 232,261	$ 4,026	$ 42,781
Liabilities					
Interfund payable	$ -	$ 58,106	$ 54,080	$ 4,026	$ -
Due to others	69,441	151,521	178,181	-	42,781
Total Liabilities	$ 69,441	$ 209,627	$ 232,261	$ 4,026	$ 42,781

Total	Beginning Balance (Restated)	Additions	Deductions	Eliminations	Ending Balance
Assets					
Cash	$ 473,335	$ 11,636,401	$ 11,443,529	$ 146,072	$ 520,135
Liabilities					
Interfund payable	$ -	$ 4,161,905	$ 4,015,833	$ 146,072	$ -
Due to others	473,335	7,474,496	7,427,696	-	520,135
Total Liabilities	$ 473,335	$ 11,636,401	$ 11,443,529	$ 146,072	$ 520,135

Lincoln County, Georgia
SECTION 5311 TRANSPORTATION PROGRAM
STATEMENT OF REVENUES AND EXPENDITURES
For the Year Ended June 30, 2018

Contract Number T006177
Grant Number GA-18-X034

REVENUES

Reimbursements received from GA Department of Transportation	$	33,604
Participant contributions		2,171
TOTAL		35,775

EXPENDITURES

Salaries and Fringe Benefits	
Administrative	22,517
Operating	32,727
Operating Expenditures	
Fuel and operational supplies	13,557
Vehicle maintenance	2,321
General insurance	2,000
Training expense	542
Telephone	612
Office supplies	253
Other operating expenses	8,603
TOTAL	83,132

Revenues in Excess of (less than) Expenditures	$	(47,357)

* * The revenues and expenditures listed above are actual revenues and expenditures for the periods shown. In some instances, these amounts will exceed the amounts reported on the monthly reimbursement requests submitted. This occurs due to the fact that once an expenditure classification exceeds its budget, actual expenditures incurred are no longer included on the reimbursement request.

Lincoln County, Georgia
Schedule of Projects Funded
with Special Sales Tax Proceeds
For the Year Ended June 30, 2018

Special Sales Tax Imposed January 1, 2011	Original Estimated Cost	Revised Estimated Cost	Expenditures: Prior Years (Restated)	Expenditures: Current Year	Expenditures: Total	Estimated Percent Completed
Project Description						
Roads, streets and bridges	$ 1,472,960	$ 1,535,706	$ 1,535,706	$ -	$ 1,535,706	100.0%
Office of Emergency Services building	800,000	1,053,165	1,053,165	-	1,053,165	100.0%
Fire protection, rescue facilities and equipment	576,000	566,329	509,825	15,039	524,864	92.7%
Recreation facilities	164,480	73,368	66,085	1,960	68,045	92.7%
General government infrastructure	352,000	163,982	163,982	-	163,982	100.0%
	3,365,440	3,392,550	3,328,763	16,999	3,345,762	
Intergovernmental						
City of Lincolnton	634,560	632,046	632,046	-	632,046	100.0%
TOTAL	$ 4,000,000	$ 4,024,596	$ 3,960,809	$ 16,999	$ 3,977,808	
Special Sales Tax Imposed January 1, 2017						
Project Description						
Roads, streets and bridges	$ 888,365	$ 824,943	$ 39,033	$ 96,779	$ 135,812	16.5%
Courthouse and building renovations	636,000	590,595	-	112,498	112,498	19.0%
Fire protection	356,160	330,733	-	42,372	42,372	12.8%
General government infrastructure	432,480	401,605	-	27,604	27,604	6.9%
Recreation facilities	171,720	159,461	-	4,285	4,285	2.7%
Fleet vehicle replacement	111,427	103,472	30,604	-	30,604	29.6%
Rescue	79,373	73,706	1,714	-	1,714	2.3%
	2,675,525	2,484,515	71,351	283,538	354,889	
Intergovernmental						
City of Lincolnton	504,475	468,460	46,837	100,935	147,772	31.5%
TOTAL	$ 3,180,000	$ 2,952,975	$ 118,188	$ 384,473	$ 502,661	

** - For assets acquired through capital leases, capital acquisition costs are netted with obligations incurred and expenditures are recognized as debt service payments are made.

Lincoln County, Georgia
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2018

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Agency or Pass-through Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Labor				
Pass through Georgia Department of Economic Development				
Workforce Investment Act/Workforce Investment Opportunities Act Cluster				
Workforce Investment Opportunities Act Adult Program	17.258	11-16-17-07-013	$ 115,427	$ 115,427
Workforce Investment Opportunities Act Adult Program	17.258	WSG-16-16-07-013	5,447	5,447
Workforce Investment Opportunities Act Adult Program	17.258	11-17-17-07-013	62,536	62,536
Workforce Investment Opportunities Act Adult Program	17.258	11-17-18-07-013	247,609	247,609
Workforce Investment Opportunities Act Youth Activities Program	17.259	OSY-15-15-07-013	15,694	15,694
Workforce Investment Opportunities Act Youth Activities Program	17.259	15-17-17-07-013	335,064	335,064
Workforce Investment Opportunities Act Youth Activities Program	17.259	15-16-16-07-013	142,746	142,746
Workforce Investment Opportunities Act Adult Program	17.278	36-16-17-07-013	400,000	400,000
Workforce Investment Opportunities Act Dislocated Worker Program	17.278	HDCI-17-18-07-013	2,525	2,525
Workforce Investment Opportunities Act Dislocated Worker Program	17.278	31-16-16-07-013	84,288	84,288
Workforce Investment Opportunities Act Dislocated Worker Program	17.278	31-16-17-07-013	135,477	135,477
Workforce Investment Opportunities Act Dislocated Worker Program	17.278	31-17-17-07-013	102,836	102,836
Workforce Investment Opportunities Act Dislocated Worker Program	17.278	31-17-18-07-013	226,102	226,102
Workforce Investment Opportunities Act National Dislocated Worker Grant	17.277	NDWG-17-18-07-013	11,149	11,149
Total U.S. Department of Labor			1,886,900	1,886,900
U.S. Department of Defense				
Pass-through from Georgia Office of the State Treasurer				
Payments to States in Lieu of Real Estate Taxes	12.112	486Flood	10,868	-
Total U.S. Department of Defense			10,868	-
U.S. Department of Transportation				
Pass-through from Georgia Department of Transportation				
Formula Grants for Rural Areas	20.509	GA-18-X034	33,604	-
Total U.S. Department of Transportation			33,604	-
U. S. Department of Health and Human Services				
Pass-through CSRA RC				
Special Programs for the Aging Title III, Part C1, Nutrition Services	93.045	2010-14 20 8202.0545	21,241	-
Special Programs for the Aging Title III, Part C2, Nutrition Services	93.045	2010-16 20 8202.0545	7,301	-
Nutrition Services Incentive Program	93.053	2010-22 20 8202.0545	4,181	-
Pass-through Georgia Department of Human Services				
Temporary Assistance for Needy Families	93.558	42700-040-0000054030	95,594	-
	93.558	42700-040-0000065048	130,509	-
Total U.S. Department of Health and Human Services			258,826	-
U.S. Department of Homeland Security				
Pass-through from State of Georgia - Emergency Management Agency				
Disaster Grants-Public Assistance	97.036	FEMA-4388-DR-GA	12,123	-
Emergency Management Performance Grants	97.042	OEM17-092S01	18,967	-
Total U.S. Department of Homeland Security			31,090	-
Total Expenditures of Federal Awards			$ 2,221,288	$ 1,886,900

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2018

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Lincoln County, Georgia (the County) under programs of the federal government for the year ended June 30, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U. S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the County. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B – SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting for governmental fund types and the accrual basis of accounting for the proprietary fund types. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, where certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE C – MEASUREMENT FOCUS

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

NOTE D – PROGRAM TYPE DETERMINATION

Type A programs are defined as federal programs with federal expenditures exceeding $ 750,000 of total federal expenditures.

NOTE E – DE MINIMIS INDIRECT COST RATE

The County elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance for the fiscal year ended June 30, 2018.

NOTE F – NONCASH ASSISTANCE AND LOANS

There were no federal awards expended in the form of noncash assistance during the fiscal year. There were also no loans or loan guarantees outstanding at year end.

NOTE G – SUBRECIPIENTS

The County passes certain federal awards received from the U. S. Department of Labor to other governments or not-for-profit agencies (subrecipients). As Note B describes, the County reports expenditures of federal awards to subrecipients on the modified accrual basis of accounting.

As a subrecipient, the County has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that the subrecipients achieve the award's performance goals.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Chairman and Members of the
Board of Commissioners of Lincoln County
Lincolnton, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the 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, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 19, 2018.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent

or detect and correct misstatements on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses as item 2018-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as items 2018-02.

We noted certain additional matters that we reported to the management of Lincoln County, Georgia, in a separate letter dated December 19, 2018.

Lincoln County, Georgia's Responses to Findings

Lincoln County, Georgia's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the County's response and, accordingly, we express no opinion on it.

Purpose of this Report

This report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Jones, Jones, Davis & Associates

Louisville, Georgia
December 19, 2018

JONES, JONES, DAVIS & ASSOCIATES

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

Honorable Chairman and Members of the
Board of Commissioners of Lincoln County
Lincolnton, Georgia

Report on Compliance for Each Major Federal Program

We have audited Lincoln County, Georgia's (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2018. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Lincoln County, Georgia, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

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

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

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

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

Jenes, Jenes, Davis & Associates

Louisville, Georgia
December 19, 2018

Lincoln County, Georgia
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018

Section 1 – Summary of Audit Results

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Lincoln County, Georgia (the County) were prepared in accordance with GAAP.

2. One deficiency disclosed during the audit of the financial statements is reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. This deficiency is reported as a material weakness.

3. There was one instance of noncompliance material to the financial statements disclosed during the audit of the financial statements reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.

4. There were no deficiencies related to the audit of the major federal award programs reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.

5. The auditor's report on compliance for the major federal award programs for the County expresses an unmodified opinion on all major federal programs.

6. There were no audit findings relative to the major federal award programs for the County that are required to be reported in accordance with 2 CFR section 200.516(a).

7. The programs tested as major programs were:

   U. S. Department of Labor

   Workforce Investment Act/Workforce Investment Opportunities Act Cluster

Workforce Investment Opportunities Act Adult Program	17.258
Workforce Investment Opportunities Act Youth Activities Program	17.259
Workforce Investment Opportunities Act Dislocated Worker Program	17.278

8. The threshold for distinguishing between type A and type B programs was $ 750,000.

9. Lincoln County, Georgia did not qualify as a low-risk auditee for the fiscal year ended June 30, 2018.

Section 2 – Financial Statement Findings

Internal Control

Material Weakness

Finding 2018-001 Lack of Segregation of Duties (Repeat Finding of Prior Year 2017-01)

Condition: There is not adequate segregation of duties between the recording, processing, distribution and reconciliation of cash accounts and other operational functions in the various funds, departments and offices maintained by the County. This is especially prominent in the following offices: Water Department and Clerk of Superior Court.

Criteria: A properly designed and effective system of internal control requires that there are a sufficient number of properly trained, skilled personnel to be able to segregate duties and responsibilities among personnel so that individuals initiating, processing, verifying, reviewing, approving, recording or processing financial transactions are not performed by the same individual.

Effect: Errors, intentional or otherwise, and fraud could occur in the processing of financial transactions and the preparation of financial statements.

Recommendation: The County should require monthly bank reconciliations to be performed by someone independent of the cash receipting and check disbursement functions. All adjusting journal entries made to cash accounts should be made monthly and approved by management and indication of approval should be noted on the records. Additionally, the County should continue to monitor this situation and use alternative control measures where available to assist in safeguarding the County's assets.

Views of Responsible Officials and Planned Corrective Action: Management concurs with the finding. Due to the limited number of personnel, we have determined it is not cost effective to fully segregate duties. Management has implemented compensating controls to the extent practical to include management supervision and review of employees' duties.

Findings - Compliance

Finding 2018-2 Debt Service Reserve Fund Deficiency

Condition: The County did not adequately establish and maintain debt service funds to meet the requirements set forth in the respective debt agreements or bond indentures.

Criteria: Controls must be in place to ensure that debt service reserve funds are maintained in compliance with debt agreements or bond indentures.

Effect: Failure to properly establish and maintain debt service funds that meet the obligation requirements set forth in debt agreements or bond indentures can result in potential default on the debt, violation of debt-related covenants, as well as the reporting of incorrect financial information.

Recommendation: The County should review all debt agreements and bond indentures to ensure that it met all required obligations established in the debt agreements or bond indentures, including properly establishing and maintaining adequate debt service reserve funds.

Section 2 – Financial Statement Findings (Cont'd)

Findings – Compliance (Cont'd)

Finding 2018-2 Debt Service Reserve Fund Deficiency (Cont'd)

Management's Response: Management concurs with the finding. Management has identified the reserve requirements and will take steps to fund reserve accounts in accordance with debt requirements.

Section 3 – Federal Award Findings and Questioned Costs

No findings on questioned costs were noted for the year ended June 30, 2018 that are required to be reported in accordance with the Uniform Guidance.

Section 1 – Prior Year Financial Statement Findings and Questioned Costs

Internal Control

Material Weakness

Finding 2017-001 Lack of Segregation of Duties

Condition: There is not adequate segregation of duties between the recording, processing, distribution and reconciliation of cash accounts and other operational functions in the various funds, departments and offices maintained by the County. This is especially prominent in the following offices: Water Department and Clerk of Superior Court.

Criteria: A properly designed and effective system of internal control requires that there are a sufficient number of properly trained, skilled personnel to be able to segregate duties and responsibilities among personnel so that individuals initiating, processing, verifying, reviewing, approving, recording or processing financial transactions are not performed by the same individual.

Status: Unresolved. See current year finding at 2018-001

Section 2 – Prior Year Federal Award Findings and Questioned Costs

No findings on questioned costs were noted for the year ended June 30, 2017 that were required to be reported in accordance with the Uniform Guidance.