LINCOLN COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended

June 30, 2019

Lincoln County, Georgia
Annual Financial Report
For The Year Ended June 30, 2019

TABLE OF CONTENTS

Financial Section

Independent Auditor's Report 1-3

Basic Financial Statements

Government-wide Financial Statements:
Statement of Net Position 4
Statement of Activities 5

Fund Financial Statements:
Governmental Funds:
Balance Sheet 6
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position 7
Statement of Revenues, Expenditures and Changes in Fund Balances 8
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 9

Proprietary Funds:
Statement of Net Position 10
Statement of Revenues, Expenses, and Changes in Net Position 11
Statement of Cash Flows 12-13

Fiduciary Funds:
Comparative Statement of Fiduciary Assets and Liabilities 14

Component Units:
Combining Statement of Net Position 15
Combining Statement of Activities 16

Notes to the Basic Financial Statements 17-43

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – *General Fund* 44
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – *Workforce Development Fund* 45
Schedule of Changes in Net Pension Liability and Related Ratios 46
Schedule of Pension Contributions 47
Notes to the Required Supplementary Information 48

Lincoln County, Georgia
Annual Financial Report
For The Year Ended June 30, 2019

TABLE OF CONTENTS

Supplementary Information
Combining and Individual Fund Statements and Schedules:

Governmental Funds
***General Fund*:**
Comparative Balance Sheet 49
Schedule of Revenues - Budget and Actual 50-51
Schedule of Expenditures - Budget and Actual 52-53

Major Funds:
SPLOST Fund
Comparative Balance Sheet 54
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances 55
T-SPLOST Fund
Comparative Balance Sheet 56
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances 57
Workforce Development Grant Fund
Comparative Balance Sheet 58
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance 59

Non-Major Governmental Funds:
Combining Balance Sheet 60
Combining Statement of Revenues, Expenditures and Changes in Fund Balances 61
Hotel/Motel Tax Fund
Comparative Balance Sheet 62
Schedule of Revenues, Expenditures and Changes in Fund Balances 63
E-911 Fund
Comparative Balance Sheet 64
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual 65
Law Library Fund
Comparative Balance Sheet 66
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual 67

Lincoln County, Georgia
Annual Financial Report
For The Year Ended June 30, 2019

TABLE OF CONTENTS

Governmental Funds (Continued)
Family Connection Fund
Comparative Balance Sheet 68
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual 69
Drug Education Fund
Comparative Balance Sheet 70
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual 71
Jail Fund
Comparative Balance Sheet 72
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual 73
Condemned Funds Fund
Comparative Balance Sheet 74
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual 75
OneGeorgia Project Grant Fund
Balance Sheet 76
Statement of Revenues, Expenditures and Changes in Fund Balances 77

Proprietary Funds
Enterprise Funds
Major Enterprise Funds
Water Fund
Comparative Statement of Net Position 78
Comparative Statement of Revenues, Expenses and Changes in Net Position 79
Solid Waste Fund
Comparative Statement of Net Position 80
Comparative Statement of Revenues, Expenses and Changes in Net Position 81
Campgrounds and Parks Fund
Comparative Statement of Net Position 82
Comparative Statement of Revenues, Expenses and Changes in Net Position 83

Fiduciary Funds
Agency Funds
Combining Statement of Changes in Assets and Liabilities 84-85

Lincoln County, Georgia
Annual Financial Report
For The Year Ended June 30, 2019

TABLE OF CONTENTS

Special Reports Section

Section 5311 Transportation Program
Statement of Revenues and Expenditures 86

Special Purpose Local Option Sales Tax:
Schedule of Projects Funded 87

OneGeorgia Equity Fund Grant
Statement of Source and Application of Funds 88
Statement of Project Cost - Budget and Actual 89

Other Reports Section

Schedule of Expenditures of Federal Awards 90
Notes to the Schedule of Expenditures of Federal Awards 91

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* 92-93

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance 94-95

Schedule of Findings and Questioned Costs 96-98

Schedule of Prior Year Findings 99

JONES, JONES, DAVIS & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS, P.C.

THOMAS W. JONES, CPA/ABV, PFS, CFP, CVA
WALTER R. JONES, CPA
MARK D. DAVIS, CPA
WANDA P. MILLER, CPA
DOROTHY P. TIMMS, CPA
ELIZABETH P. BRIDGES, CPA
JASON A. WILLIFORD, CPA

220 FIFTH STREET
P.O. BOX 132
LOUISVILLE, GEORGIA 30434

TELEPHONE 478-625-7775
FACSIMILE 478-625-7142

MEMBERS
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
GEORGIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

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, 2019, 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 92.3% of the assets, 97.6% of the net position, and 55.1% of the revenues of the aggregate discretely presented component units for the year ended June 30, 2019. 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, 2019, 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 44-47 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-9 to the financial statements, the County adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 83 and Statement No. 88. 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, the OneGeorgia Equity Fund Statement of Source and Application of Funds and Statement of Project Cost, 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, the OneGeorgia Equity Fund Statement of Source and Application of Funds and Statement of Project Cost, 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, the OneGeorgia Equity Fund Statement of Source and Application of Funds and Statement of Project Cost, 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 10, 2019 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 10, 2019

Lincoln County, Georgia
Statement of Net Position
June 30, 2019

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Assets				
Current Assets				
Cash and cash equivalents	$ 4,975,825	$ 719,284	$ 5,695,109	$ 477,110
Investments	147,548	-	147,548	-
Receivables:				
Accounts	277,601	118,687	396,288	44,848
Property taxes	154,194	-	154,194	-
Intergovernmental	540,172	-	540,172	3,915
Interfund	165,473	(165,473)	-	-
Other	135,603	-	135,603	-
Inventory	27,631	-	27,631	-
Assets held for resale	-	-	-	244,546
Prepaid items	94,620	-	94,620	-
Restricted Assets	-	178,674	178,674	-
Noncurrent Assets				
Capital leases receivable	-	-	-	955,897
Note receiavable	-	-	-	350,000
Prepaid bond issuance	-	15,072	15,072	-
Proportionate share of collective net SEAD-OPEB asset	-	-	-	5,751
Capital Assets				
Nondepreciable capital assets	642,154	17,034	659,188	18,877
Depreciable capital assets, net	10,519,629	14,806,031	25,325,660	908,717
Total Assets	17,680,450	15,689,309	33,369,759	3,009,661
Deferred Outflows of Resources				
Deferred outflows of resources-				
State OPEB contributions	-	-	-	34,847
State SEAD-OPEB contributions	-	-	-	358
Retirement contributions	559,236	23,301	582,537	47,647
Total Deferred Outflows of Resources	559,236	23,301	582,537	82,852
Liabilities				
Current Liabilities				
Accounts payable	662,918	151,601	814,519	9,586
Accrued expenses	241,347	34,385	275,732	2,411
Intergovernmental payable	22,899	-	22,899	12,594
Due to others	44,233	-	44,233	-
Unearned revenues	-	341,281	341,281	-
Compensated absences payable	13,831	-	13,831	-
Notes payable	29,752	84,581	114,333	28,023
Revenue bonds payable	-	110,000	110,000	-
Landfill post-closure care costs payable	-	9,850	9,850	-
Long-Term Liabilities:				
Compensated absences payable (net of current portion)	41,493	3,686	45,179	2,800
Notes payable (net of current portion)	101,408	1,027,726	1,129,134	266,907
Landfill post-closure care costs payable (net of current portion)	-	49,250	49,250	-
Net state OPEB liability	-	-	-	88,695
Revenue bonds payable (net of current portion)	-	2,705,311	2,705,311	-
Net pension liability	1,404,722	58,530	1,463,252	113,259
Total Liabilities	2,562,603	4,576,201	7,138,804	524,275
Deferred Inflows of Resources				
Unavailable revenues	-	-	-	640,000
Related to state OPEB fund	-	-	-	42,310
Related to SEAD-OPEB fund	-	-	-	1,250
Related to pension plan	146,340	6,097	152,437	6,641
Total Deferred Inflows of Resources	146,340	6,097	152,437	690,201
Net Position				
Net investment in capital assets	11,030,623	10,895,447	21,926,070	632,664
Restricted for:				
Capital projects	674,247	-	674,247	-
Judicial	3,609	-	3,609	-
Public safety	202,235	-	202,235	-
Public works	961,506	-	961,506	-
Economic development	14,665	-	14,665	-
Health and welfare	-	-	-	127,810
Culture and recreation	147,548	-	147,548	4,047
Debt service	-	178,674	178,674	-
Unrestricted	2,496,310	56,191	2,552,501	1,113,516
Total Net Position	$ 15,530,743	$ 11,130,312	$26,661,055	$ 1,878,037

See accompanying notes to the basic financial statements.

Lincoln County, Georgia
Statement of Activities
For the Year Ended June 30, 2019

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	$ 1,979,734	$ 542,427	$ 15,480	$ -	$ (1,421,827)	$ -	$ (1,421,827)	$ -
Judicial	405,389	92,788	-	-	(312,601)	-	(312,601)	-
Public safety	2,809,439	713,012	305,937	-	(1,790,490)	-	(1,790,490)	-
Public works	1,260,204	559,849	353,878	1,287	(345,190)	-	(345,190)	-
Health and welfare	2,200,247	5,534	2,075,382	-	(119,331)	-	(119,331)	-
Culture and recreation	314,120	11,280	50,075	-	(252,765)	-	(252,765)	-
Conservation of natural resources	78,925	-	-	-	(78,925)	-	(78,925)	-
Housing and development	240,815	-	-	100,496	(140,319)	-	(140,319)	-
Interest	5,110	-	-	-	(5,110)	-	(5,110)	-
Total Governmental Activities	9,293,983	1,924,890	2,800,752	101,783	(4,466,558)	-	(4,466,558)	-
Business-Type Activities								
Water and sewer	1,254,725	995,959	-	-	-	(258,766)	(258,766)	-
Solid waste	669,812	826,682	-	-	-	156,870	156,870	-
Campgrounds and parks	16,572	9,822	-	-	-	(6,750)	(6,750)	-
Total Business-Type Activities	1,941,109	1,832,463	-	-	-	(108,646)	(108,646)	-
Total - Primary Government	$ 11,235,092	$ 3,757,353	$ 2,800,752	$ 101,783	(4,466,558)	(108,646)	(4,575,204)	-
Component Units								
Department of Health	$ 200,785	$ 65,471	$ 200,996	$ -	-	-	-	65,682
Development Authority	255,948	18,700	6,585	-	-	-	-	(230,663)
Recreation Authority	-	-	-	-	-	-	-	-
Total - Component Units	$ 456,733	$ 84,171	$ 207,581	$ -	-	-	-	(164,981)
		General Revenues						
		Property taxes			3,239,449	-	3,239,449	267,398
		Sales taxes			1,841,068	-	1,841,068	-
		Other taxes and revenues			499,407	-	499,407	-
		Investment earnings			3,710	1,344	5,054	33,755
		Miscellaneous			28,856	-	28,856	35
		Total General Revenues and Special Items			5,612,490	1,344	5,613,834	301,188
		Change in Net Position			1,145,932	(107,302)	1,038,630	136,207
		Net Position, Beginning of Year			14,384,811	11,237,614	25,622,425	1,742,052
		Prior Period Adjustment			-	-	-	(222)
		Net Position, Beginning of Year, Restated			14,384,811	11,237,614	25,622,425	1,741,830
		Net Position, End of Year			$ 15,530,743	$ 11,130,312	$ 26,661,055	$ 1,878,037

See accompanying notes to the basic financial statements.

Lincoln County, Georgia
Balance Sheet
Governmental Funds
For the Year Ended June 30, 2019

	General	SPLOST Fund	TSPLOST Fund	Workforce Development Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	$ 2,593,933	$ 745,827	$ 909,388	$ 393,394	$ 333,283	$ 4,975,825
Investments	147,548				-	147,548
Receivables:						
Accounts, net	264,844	-	-	-	12,757	277,601
Property taxes	154,194	-	-	-	-	154,194
Intergovernmental	265,730	63,026	63,321	11,123	136,972	540,172
Interfund	386,853	-	-	-	-	386,853
Other	129,216	4,542	-	-	1,845	135,603
Prepaid items	94,620	-	-	-	-	94,620
Inventory	27,631	-	-	-	-	27,631
Total Assets	$ 4,064,569	$ 813,395	$ 972,709	$ 404,517	$ 484,857	$ 6,740,047
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts payable	$ 108,760	$ 119,673	$ 11,203	$ 338,706	$ 84,576	$ 662,918
Accrued expenses	237,903	-	-	-	3,444	241,347
Intergovernmental payable	-	19,475	-	-	3,424	22,899
Interfund payable	-	-	-	65,811	155,569	221,380
Due to others	44,233	-	-	-	-	44,233
Total Liabilities	390,896	139,148	11,203	404,517	247,013	1,192,777
Deferred Inflows of Resources						
Unavailable revenue: property taxes	126,225	-	-	-	-	126,225
Total Liabilities and Deferred Inflows of Resources	517,121	139,148	11,203	404,517	247,013	1,319,002
Fund Balances						
Nonspendable	122,251	-	-	-	-	122,251
Restricted						
Judicial	-	-	-	-	3,609	3,609
Public safety	-	-	-	-	202,235	202,235
Public works	-	-	961,506	-	-	961,506
Health and welfare	-	-	-	-	14,665	14,665
Capital projects	-	674,247	-	-	-	674,247
Culture and recreation	147,548	-	-	-	-	147,548
Housing and development	-	-	-	-	17,335	17,335
Assigned						
Culture and recreation	9,545	-	-	-	-	9,545
Capital projects	320,067				-	320,067
Unassigned	2,948,037	-	-	-	-	2,948,037
Total Fund Balances (Deficits)	3,547,448	674,247	961,506	-	237,844	5,421,045
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 4,064,569	$ 813,395	$ 972,709	$ 404,517	$ 484,857	$ 6,740,047

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, 2019

Total Governmental Fund Balances		$ 5,421,045
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	$ 221,380	
Interfund payables	(221,380)	-
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	33,425,009	
Less accumulated depreciation	(22,263,226)	11,161,783
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		126,225
Liabilities associated with the County's pension plan are recognized for accrual reporting, but not reported in the fund financial statements.		(1,404,722)
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.		559,236
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.		(146,340)
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	(131,160)	
Compensated absences	(55,324)	(186,484)
Net Position of Governmental Activities		$ 15,530,743

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, 2019

Revenues	General	SPLOST Fund	TSPLOST Fund	Workforce Development Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
Taxes	$ 4,239,095	$ 667,447	$ 639,653	$ -	$ 24,628	$ 5,570,823
Licenses and permits	94,922	-	-	-	-	94,922
Intergovernmental	813,259	-	-	1,894,254	218,087	2,925,600
Charges for services	1,313,917	-	-	-	200,952	1,514,869
Fines, forfeitures and fees	233,808	-	-	-	14,565	248,373
Investment earnings	3,594	139	1,148	-	116	4,997
Miscellaneous	71,230	-	-	-	-	71,230
Total Revenues	6,769,825	667,586	640,801	1,894,254	458,348	10,430,814
Expenditures						
Current:						
General government	1,929,521	-	-	-	-	1,929,521
Judicial	402,543	-	-	-	4,068	406,611
Public safety	2,274,334	-	-	-	244,824	2,519,158
Public works	578,210	-	-	-	-	578,210
Health and welfare	220,862	-	-	1,894,254	85,131	2,200,247
Culture and recreation	243,048	-	-	-	-	243,048
Conservation of natural resources	78,925	-	-	-	-	78,925
Housing and development	211,273	-	-	-	17,669	228,942
Intergovernmental	-	105,884	-	-	-	105,884
Capital Outlay	-	421,575	444,199	-	119,306	985,080
Debt Service:						
Principal retirement	-	22,388	-	-	-	22,388
Interest and fiscal charges	-	5,110	-	-	-	5,110
Total Expenditures	5,938,716	554,957	444,199	1,894,254	470,998	9,303,124
Excess (Deficiency) of Revenues Over (Under) Expenditures	831,109	112,629	196,602	-	(12,650)	1,127,690
Other Financing Sources (Uses)						
Proceeds from installment obligation	-	74,825	-	-	-	74,825
Transfers in (out), net	(90,447)	-	-	-	90,447	-
Total Other Financing Sources (Uses)	(90,447)	74,825	-	-	90,447	74,825
Net Change in Fund Balances	740,662	187,454	196,602	-	77,797	1,202,515
Fund Balances, Beginning	2,806,786	486,793	764,904	-	160,047	4,218,530
Fund Balances, Ending	$ 3,547,448	$ 674,247	$ 961,506	$ -	$ 237,844	$ 5,421,045

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, 2019

Net Changes In Fund Balances - Total Governmental Funds		$ 1,202,515
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 capital outlay exceeded depreciation expense in the current period.		
Capital outlay	$ 914,380	
Depreciation expense	(802,414)	111,966
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	126,225	
Deferred, beginning of year	(117,124)	9,101
Elimination of transfers between governmental funds:		
Transfers in	90,447	
Transfers out	(90,447)	-
Proceeds from installment obligations are reported as an other financing source at the fund reporting level but are reported as a liability on the government-wide statement of net assets		(74,825)
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.		22,388
Net pension expense adjustments associated with changes in pension liability and net changes in deferred inflows and outflows.		(174,724)
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	(55,324)	
Liability, beginning of year	104,835	49,511
Change In Net Position of Governmental Activities		$ 1,145,932

See accompanying notes to the basic financial statements.

Lincoln County, Georgia
Statement of Net Position
Proprietary Funds
June 30, 2019

Assets	Water Fund	Solid Waste Fund	Campgrounds and Parks Fund	Total
Current Assets:				
Cash and cash equivalents	$ 37,004	$ 679,527	$ 2,753	$ 719,284
Restricted Assets:				
Cash and cash equivalents	178,674	-	-	178,674
Accounts receivable, net	100,673	18,014	-	118,687
Total Current Assets	316,351	697,541	2,753	1,016,645
Noncurrent Assets:				
Prepaid bond issuance	15,072	-	-	15,072
Capital Assets:				
Nondepreciable, net	17,034	-	-	17,034
Depreciable, net	14,777,511	28,520	-	14,806,031
Total Noncurrent Assets	14,809,617	28,520	-	14,838,137
Total Assets	15,125,968	726,061	2,753	15,854,782
Deferred Outflows of Resources				
Related to pension	23,301	-	-	23,301
Total Deferred Outflows of Resources	23,301	-	-	23,301
Liabilities				
Current Liabilities:				
Accounts payable	68,111	83,490	-	151,601
Accrued expenses	33,782	603	-	34,385
Unearned revenue	-	341,281	-	341,281
Interfund payable	143,399	-	22,074	165,473
Notes payable	84,581	-	-	84,581
Revenue bonds payable	110,000	-	-	110,000
Postclosure liability, current portion	-	9,850	-	9,850
Total Current Liabilities	439,873	435,224	22,074	897,171
Long-Term Liabilities:				
Notes payable (net of current portion)	1,027,726	-	-	1,027,726
Revenue bonds payable (net of current portion)	2,705,311	-	-	2,705,311
Net pension liability	58,530	-	-	58,530
Landfill closure/post-closure care costs	-	49,250	-	49,250
Compensated absences	3,686	-	-	3,686
Total Long-Term Liabilities	3,795,253	49,250	-	3,844,503
Total Liabilities	4,235,126	484,474	22,074	4,741,674
Deferred Inflows of Resources				
Related to pension	6,097	-	-	6,097
Total Deferred Inflows of Resources	6,097	-	-	6,097
Net Position				
Net investment in capital assets	10,866,927	28,520	-	10,895,447
Restricted for debt service	178,674	-	-	178,674
Unrestricted	(137,555)	213,067	(19,321)	56,191
Total Net Position	$ 10,908,046	$ 241,587	$ (19,321)	$ 11,130,312

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, 2019

	Water Fund	Solid Waste Fund	Campgrounds and Parks Fund	Total
Operating Revenues				
Charges for services	$ 991,776	$ 826,682	$ 9,822	$ 1,828,280
Miscellaneous	4,183	-	-	4,183
Total Operating Revenues	995,959	826,682	9,822	1,832,463
Operating Expenses				
Cost of water	175,062	-	-	175,062
Salaries and benefits	206,637	15,451	334	222,422
Repairs and maintenance	52,286	-	9,329	61,615
Materials and supplies	74,077	53	2,911	77,041
Utilities	63,729	2,570	2,951	69,250
Professional and contract services	64,285	644,321	1,047	709,653
Other operating expenses	76,558	3,030	-	79,588
Depreciation	435,715	4,387	-	440,102
Total Operating Expenses	1,148,349	669,812	16,572	1,834,733
Operating Income (Loss)	(152,390)	156,870	(6,750)	(2,270)
Non-Operating Revenues (Expenses)				
Investment earnings	655	689	-	1,344
Interest and fiscal charges	(106,376)	-	-	(106,376)
Total Non-Operating Revenues (Expenses)	(105,721)	689	-	(105,032)
Change in Net Position	(258,111)	157,559	(6,750)	(107,302)
Net Position, Beginning of Year	11,166,157	84,028	(12,571)	11,237,614
Net Position, End of Year	$ 10,908,046	$ 241,587	$ (19,321)	$ 11,130,312

See accompanying notes to the basic financial statements.

Lincoln County, Georgia
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2019

	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	$ 1,001,275	$ 844,761	$ 9,822	$1,855,858
Cash payments to employees for services & benefits	(195,598)	(15,451)	(334)	(211,383)
Cash payments for goods and services	(524,517)	(616,227)	(32,296)	(1,173,040)
Net Cash Provided by (Used in) Operating Activities	281,160	213,083	(22,808)	471,435
Cash Flows from Noncapital Financing Activities				
Cash payments from (to) other funds	59,947	-	(13,440)	46,507
Net Cash Provided by (Used in) Noncapital Financing Activities	59,947	-	(13,440)	46,507
Cash Flows from Capital and Related Financing Activities				
Principal paid on long term debt	(187,279)	-	-	(187,279)
Interest paid	(106,376)	-	-	(106,376)
Payments on bond issuance cost	942	-	-	942
Net Cash Provided by (Used in) Capital and Related Financing Activities	(292,713)	-	-	(292,713)
Cash Flows from Investing Activities				
Investment earnings	655	689	-	1,344
Net Increase (Decrease) in Cash and Cash Equivalents	49,049	213,772	(36,248)	226,573
Cash and Cash Equivalents, Beginning of Year	166,629	465,755	39,001	671,385
Cash and Cash Equivalents, End of Year	$ 215,678	$ 679,527	$ 2,753	$ 897,958

(Continued)

See accompanying notes to the basic financial statements.

Lincoln County, Georgia
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2019

	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)	$ (152,390)	$ 156,870	$ (6,750)	$ (2,270)
Adjustments:				
Depreciation	435,715	4,387	-	440,102
(Increase) Decrease in Assets:				
Accounts receivable	5,316	91,202	-	96,518
Deferred outflows of resources	(14,606)	-	-	(14,606)
Increase (Decrease) in Liabilities:				
Accounts payable	(18,519)	33,747	(16,058)	(830)
Other liabilities	2,006	-	-	2,006
Unearned revenues	-	(73,123)	-	(73,123)
Deferred inflows of resources	(2,033)	-	-	(2,033)
Net pension liability	23,920	-	-	23,920
Compensated absences payable	1,751	-	-	1,751
Net Cash Provided by (Used in) Operating Activities	$ 281,160	$ 213,083	$ (22,808)	$ 471,435

See accompanying notes to the basic financial statements.

Lincoln County, Georgia
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2019 and 2018

	2019	2018
Assets		
Cash and cash equivalents	$ 418,801	$ 520,135
Liabilities		
Due to others	$ 418,801	$ 520,135
Total Liabilities	$ 418,801	$ 520,135

See accompanying notes to the basic financial statements.

Lincoln County, Georgia
Combining Statement of Net Position
Component Units
June 30, 2019

	Lincoln County Department of Health	Development Authority of Lincoln County	Lincoln County Recreation Authority	Total
Assets				
Current:				
Cash and cash equivalents	$ 186,654	$ 286,409	$ 4,047	$ 477,110
Receivables:				
Accounts	34,848	10,000	-	44,848
Intergovernmental	-	3,915	-	3,915
Assets held for resale	-	244,546	-	244,546
Noncurrent:				
Capital leases receivable	-	955,897	-	955,897
Note receivable	-	350,000	-	350,000
Proportionate share of collective net SEAD-OPEB asset	5,751	-	-	5,751
Capital Assets:				
Nondepreciable capital assets	-	18,877	-	18,877
Depreciable capital assets, net	-	908,717	-	908,717
Total Assets	227,253	2,778,361	4,047	3,009,661
Deferred Outflows of Resources				
Deferred outflows of resources-				
State SEAD-OPEB contributions	358	-	-	358
State OPEB contributions	34,847	-	-	34,847
Retirement contributions	47,647	-	-	47,647
Total Deferred Outflows of Resources	82,852	-	-	82,852
Liabilities				
Current Liabilities:				
Accounts payable	732	8,854	-	9,586
Accrued liabilities	-	2,411	-	2,411
Intergovernment payable	12,594	-	-	12,594
Notes payable	-	28,023	-	28,023
Long-Term Liabilities: (net of current portion)				
Compensated absences payable	2,800	-	-	2,800
Notes payable	-	266,907	-	266,907
Net state OPEB liability	88,695	-	-	88,695
Net pension liability	113,259	-	-	113,259
Total Liabilities	218,080	306,195	-	524,275
Deferred Inflows of Resources				
Deferred inflows of resources -				
Unavailable revenues	-	640,000	-	640,000
Related to state OPEB fund	42,310	-	-	42,310
Related to SEAD-OPEB fund	1,250	-	-	1,250
Related to pension plan	6,641	-	-	6,641
Total Deferred Inflows of Resources	50,201	640,000	-	690,201
Net Position				
Net investment in capital assets	-	632,664	-	632,664
Restricted:				
Health and welfare	127,810	-	-	127,810
Culture and recreation	-	-	4,047	4,047
Unrestricted	(85,986)	1,199,502	-	1,113,516
Total Net Position	$ 41,824	$ 1,832,166	$ 4,047	$ 1,878,037

See accompanying notes to the basic financial statements.

Lincoln County, Georgia
Combining Statement of Activities
Component Units
For the Year Ended June 30, 2019

	Lincoln County Department of Health	Development Authority of Lincoln County	Lincoln County Recreation Authority	Total
Expenses				
Health and welfare	$ 200,785	$ -	$ -	$ 200,785
Economic development	-	237,989	-	237,989
Interest	-	17,959	-	17,959
Total Expenses	200,785	255,948	-	456,733
Revenues				
Program revenues:				
Charges for services	65,471	18,700	-	84,171
Operating grants and contributions	200,996	6,585	-	207,581
Total Program Revenues	266,467	25,285	-	291,752
Net Program (Expense)	65,682	(230,663)	-	(164,981)
General Revenues				
Property taxes	-	267,398	-	267,398
Investment earnings	2	33,752	1	33,755
Miscellaneous	-	35	-	35
Total General Revenues	2	301,185	1	301,188
Change in Net Position	65,684	70,522	1	136,207
Net Position, Beginning of Year	(23,638)	1,761,644	4,046	1,742,052
Prior Period Adjustment	(222)	-	-	(222)
Net Position, Beginning of Year, Restated	(23,860)	1,761,644	4,046	1,741,830
Net Position, End of Year	$ 41,824	$ 1,832,166	$ 4,047	$ 1,878,037

See accompanying notes to the basic financial statements.

Index

Summary of Significant Accounting Policies 1
Reporting Entity 1-A
Basis of Presentation 1-B
Measurement Focus 1-C
Basis of Accounting 1-D
Assets, Liabilities and Equity 1-E
Cash, Cash Equivalents and Investments 1-E-1
Receivables 1-E-2
Interfund Balances 1-E-3
Consumable Inventories 1-E-4
Prepaid Items 1-E-5
Restricted Assets 1-E-6
Capital Assets 1-E-7
Compensated Absences 1-E-8
Accrued Liabilities and Long-term Obligations 1-E-9
Deferred Outflows/Inflows of Resources 1-E-10
Pensions 1-E-11
Postemployment Benefits Other Than Pensions (OPEB) 1-E-12
Fund Balance 1-E-13
Operating Revenues and Expenses 1-E-14
Contributions of Capital 1-E-15
Interfund Activity 1-E-16
Estimates 1-E-17
Comparative Data 1-E-18
Tax Abatements 1-E-19

Stewardship, Compliance and Accountability 2
Budgetary Information 2-A
Deficit fund balances or net position 2-B

Detailed Notes on All Funds 3
Deposits and Investments 3-A
Receivables 3-B
Property Taxes 3-C
Capital Assets 3-D
Interfund Balances and Transfers 3-E
Compensated Absences 3-F
Long-Term Debt 3-G
Landfill Post-closure Care Costs 3-H
Pensions 3-I
Net Investment in Capital Assets 3-J
Fund Balances 3-K

Other Notes 4
Risk Management 4-A
Contingent Liabilities 4-B
Joint Ventures 4-C
Lodging Tax 4-D
Tax Abatements 4-E
Subsequent Events 4-F
Prior Period Adjustments 4-G

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 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 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 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 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, 2019.

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, 2019, 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, 2019.

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.

For the fiscal year ended June 30, 2019, the County implemented the provisions of GASB Statement No. 83, *Certain Asset Retirement Obligations*, and GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. GASB Statement No. 83 establishes standards for governments and requires disclosure of information related to the legal obligation by a government to perform future asset retirement activities related to its tangible capital assets. GASB Statement No. 88 establishes standards for government disclosure of debt information, including direct borrowings and direct placements. For the fiscal year ended June 30, 2019, the County did not have any items that were required to be disclosed to be in compliance with GASB Statement No. 83 or GASB Statement No. 88.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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, 2019, the County did not have any OPEB items that were required to be disclosed to be in compliance with GASB Statement No. 75.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

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. See Note 4-E for additional information.

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 ordinance and amended as required for all governmental funds. Budgets for capital project funds are adopted on a project basis, spanning more than one fiscal year. Proprietary budgets are prepared and utilized as a management tool to assess the operations of the enterprise funds. All budgets are adopted on a basis consistent with generally accepted accounting principles.

Note 2 – Stewardship, Compliance and Accountability (Continued)

2-A. Budgetary Information (Continued)

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.

The following function overspent the final fiscal year 2019 annual budget:

	Budget	Actual	Variance
Law Library Fund			
Judicial	$ 3,300	$ 4,068	$ (768)
Workforce Development Grant Fund			
Health and welfare	1,700,000	1,894,254	(194,254)

2-B. Deficit fund balances or net position

For the fiscal year ended June 30, 2019, the Campgrounds and Parks Fund had a deficit of $ 19,321. 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, 2019, the County's deposits and investments were exposed to custodial credit risk as follows:

Carrying amount of the County's deposits	$ 6,292,584
Bank balances of the County's deposits	6,525,898
Deposits covered by depository insurance	500,000
Deposits collateralized by securities	6,025,898

The County's investment assets measured at fair value on a recurring basis as of June 30, 2019 were as follows:

Certificates of deposit	$ 147,548

As of June 30, 2019, all of the deposits and investments of the County were properly insured and collateralized as required by OCGA Section 45-8-12(c) and as defined by GASB pronouncements. The County uses the pooled method to collateralize funds.

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.

Note 3 - Detailed Notes on All Funds (Continued)

3-A. Deposits and Investments (Continued)

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, 2019, 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, 2019, 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 2018. Property tax bills were mailed on October 19, 2018 and were due by January 10, 2019. 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.

(Continued on the following page)

Note 3 - Detailed Notes on All Funds (Continued)

3-D. Capital Assets

Capital asset activity for the year ended June 30, 2019, was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance
GOVERNMENTAL ACTIVITIES:				
Nondepreciable capital assets:				
Land	$ 475,508	$ -	$ -	$ 475,508
Construction in progress	-	166,646	-	166,646
Total capital assets not being depreciated	475,508	166,646	-	642,154
Depreciable capital assets:				
Land improvements	180,173	-	-	180,173
Infrastructure	23,110,784	439,280	-	23,550,064
Buildings	5,409,738	167,243	-	5,576,981
Vehicles	1,947,045	32,195	-	1,979,240
Furniture, fixtures and equipment	1,387,381	109,016	-	1,496,397
Total depreciable capital assets	32,035,121	747,734	-	32,782,855
Total capital assets	32,510,629	914,380	-	33,425,009
Accumulated depreciation:				
Land improvements	32,413	5,362	-	37,775
Infrastructure	15,567,733	419,949	-	15,987,682
Buildings	3,169,796	160,802	-	3,330,598
Vehicles	1,633,196	114,802	-	1,747,998
Furniture, fixtures and equipment	1,057,674	101,499	-	1,159,173
Total accumulated depreciation	21,460,812	802,414	-	22,263,226
Governmental activitivties capital assets, net	$ 11,049,817	$ 111,966	$ -	$ 11,161,783

Governmental activities depreciation expense:

General government	$ 12,376
Public safety	230,700
Public works	468,438
Culture and recreation	78,353
Housing and development	12,547
Total governmental activities depreciation expense	$ 802,414

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	204,507	-	-	204,507
Total depreciable capital assets	21,395,820	-	-	21,395,820
Total capital assets	21,412,854	-	-	21,412,854
Accumulated depreciation:				
Water system and lines	5,889,125	421,048	-	6,310,173
Land improvements	54,846	4,387	-	59,233
Vehicles	51,169	-	-	51,169
Furniture and equipment	154,547	14,667	-	169,214
Total accumulated depreciation	6,149,687	440,102	-	6,589,789
Business-type activities capital assets, net	$ 15,263,167	$ (440,102)	$ -	$ 14,823,065

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	$ 18,877	$ -	$ -	$ 18,877
Total non-depreciable capital assets	18,877	-	-	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	1,826,167	-	-	1,826,167
Accumulated depreciation:				
Buildings	565,815	25,578	-	591,393
Land improvements	248,126	24,853	-	272,979
Furniture, fixtures and equipment	34,201	-	-	34,201
Total accumulated depreciation	848,142	50,431	-	898,573
Component unit capital assets, net	$ 978,025	$ (50,431)	$ -	$ 927,594

3-E. Interfund Balances and Transfers

Interfund balances and transfers for the year ended June 30, 2019, consisted of the following:

Interfund Balances	Due From:	Due To:
General Fund	$ -0-	$ 386,853
Water Fund	143,399	-0-
Campgrounds and Parks Fund	22,074	-0-
Workforce Development Fund	65,811	-0-
Non-major Governmental Fund	155,569	-0-
Total Interfund Balances	$ 386,853	$ 386,853

The interfund balances from the General Fund to the Water Fund, the Campgrounds and Parks Fund, the Workforce Development Fund, and the Non-major Governmental Funds are for the reimbursement of expenses paid by the general fund on behalf of each fund.

Note 3 - Detailed Notes on All Funds (Continued)

3-E. Interfund Balances and Transfers (Continued)

Interfund Transfers	Transfers From:	
Transfers to:	General Fund	Total
Non-Major Governmental Funds	$ 90,447	$ 90,447
	$ 90,447	$ 90,447

The transfers from the General Fund to the Non-Major Governmental Funds are necessary because the costs associated with these funds are more than the operating revenues of these funds.

3-F. Compensated Absences

The following is a breakdown of compensated absences by department for the year ended June 30, 2019:

General administration	$ 18,724
Court system	5,835
Public safety	22,795
Public works	4,763
Housing and development	994
Culture and recreation	2,213
Total Governmental Activities	$ 55,324
Water Fund	$ 3,686
Total Business-type Activities	$ 3,686

(Continued on the following page)

Note 3 - Detailed Notes on All Funds (Continued)

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, 2019:

Governmental Activities	Outstanding 6/30/18	Additions	Reductions	Outstanding 6/30/19	Amounts Due in One Year
Notes payable	$ 78,723	$ 74,825	$ 22,388	$ 131,160	$ 29,752
Compensated Absences	104,835	71,350	120,861	55,324	13,831
Net pension liability	830,658	574,064	-	1,404,722	-
Total Governmental Activities	$ 1,014,216	$ 720,239	$ 143,249	$ 1,591,206	$ 43,583
Business-type Activities					
Revenue bonds	$ 2,930,000	$ -	$ 105,000	$ 2,825,000	$ 110,000
Unamortized discount	(10,706)	-	(1,017)	(9,689)	-
Total revenue bonds	2,919,294	-	103,983	2,815,311	110,000
Notes payable	1,195,603	-	83,296	1,112,307	84,581
Landfill postclosure	59,100	8,360	8,360	59,100	9,850
Compensated absences	1,935	4,423	2,672	3,686	-
Net pension liability	34,610	23,920	-	58,530	-
Total Business-type Activities	$ 4,210,542	$ 36,703	$ 198,311	$ 4,048,934	$ 204,431
Component Units					
Net pension liability	$ 118,510	$ -	$ 5,251	$ 113,259	$ -
Net state OPEB liability	142,027	-	53,332	88,695	-
Notes payable	318,460	-	23,530	294,930	28,023
Compensated Absences	6,021	3,911	7,132	2,800	-
Total Component Units	$ 585,018	$ 3,911	$ 89,245	$ 499,684	$ 28,023

All long-term obligations of the County's governmental funds will be financed through future general fund expendable and 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.

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 December 2016 and June 2019 to finance the purchase of equipment and the construction of public safety capital improvements. The original amount of $ 376,668 in notes payable were financed and are due in bi-monthly and annual installments with interest rates between 4.25% and 4.50%. Final payments are due in December 2022. The outstanding balance of the notes at June 30, 2019 was $ 131,160.

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
2020	$ 29,752	$ 3,880	$ 33,632
2021	63,245	3,727	66,972
2022	18,715	1,717	20,432
2023	19,448	875	20,323
Total	$ 131,160	$ 10,199	$ 141,359

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, 2019 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.	$ 2,825,000
Less: Unamortized discount	(9,689)
Total Revenue Bond	$ 2,815,311

Debt service requirements to maturity on the revenue bonds outstanding, as of June 30, 2019, are as follows:

YEAR	PRINCIPAL	INTEREST	TOTALS
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	120,000	70,912	190,912
2025-2029	770,000	307,986	1,077,986
2030-2034	1,220,000	162,368	1,382,368
2035	265,000	8,613	273,613
Total	$ 2,825,000	$ 860,679	$ 3,685,679

Notes Payable – 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, 2019 was $ 427,952.

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
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	9,247	7,985	17,232
2025-2029	49,279	36,881	86,160
2030-2034	54,592	31,568	86,160
2035-2039	60,480	25,680	86,160
2040-2044	66,994	19,166	86,160
2045-2049	74,233	11,927	86,160
2050-2054	77,915	3,926	81,841
Total	$ 427,952	$ 170,849	$ 598,801

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, 2019:

Interest Rate	Term	Due Date	Original Amount	Outstanding Amount
1.50%	20 years	2028	$ 1,449,967	$ 684,355

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, 2019, $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
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	80,456	5,352	85,808
2025-2027	292,680	7,615	300,295
Total	$ 684,355	$ 44,980	$ 729,335

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, 2019, 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, 2019. These estimated costs are based on what it would cost to perform all post-closure care in fiscal year 2019. 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, 2018 totaled $ 1,813,592. Total payroll for all employees totaled $ 3,348,630 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, 2019, the County was required to contribute $ 214,718, or 12.50% of the covered employee payroll.

Employees covered by benefit terms – At January 1, 2018, the following employees were covered by the benefit terms:

Retirees, Beneficiaries and Disables receiving benefits	33
Terminated plan participants entitled to, but not yet receiving benefits	63
Active employees participating in the Plan	58
Total number of Plan Participants	154
Covered compensation for active participants	$ 1,813,592

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2019, the County reported a liability for its net pension liability. The net pension liability was measured as of December 31, 2018. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of January 1, 2018. An expected total pension liability as of December 31, 2018 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, 2018.

Note 3 - Detailed Notes on All Funds (Continued)

3-I. Pensions (Continued)

Actuarial assumptions - The total pension liability as of December 31, 2018 was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Annul return on invested plan assets	7.00%
Projected annual salary increases	2.50%-4.50% based on age
Expected annual inflation	2.00%

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, 2018 valuation were based on the results of a February 2019 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%	1.89%
Barclay's Agg.	25.00%	0.95%
MSCI EAFE	15.00%	1.19%
Russell 2000	5.00%	0.39%
Barclay's Global Agg.	5.00%	0.21%
Russell 3000	5.00%	0.32%
NAREIT Equity	5.00%	0.42%
HFRX Global Hedge	5.00%	0.39%
S&P Mid 400	5.00%	0.38%
Total	100.00%	

Discount rate: The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that 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, 2019, the County recognized pension expense of $ 408,753. At June 30, 2019, 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	$ 54,728	$ -0-
Changes of assumptions	140,224	-0-
Net difference between projected and actual earnings on pension plan investments	387,585	152,437
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	$ 582,537	$ 152,437

County contributions subsequent to the measurement date of December 31, 2018 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, 2020. 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:	
2020	$ 180,618
2021	109,495
2022	54,217
2023	85,770
2024	-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 7.00 %, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 %) or 1- percentage-point higher (8.00 %) than the current rate:

	1% Decrease (6.00%)	Current discount rate (7.00%)	1% Increase (8.00%)
County's net pension liability	$ 2,116,052	$ 1,463,252	$ 923,717

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, 2017	$ 4,480,550	$ 3,615,282	$ 865,268
Changes for the year:			
Service Cost	105,452	-	105,452
Interest on Total Pension Liability	318,317	-	318,317
Differences between expected and actual experience	39,822	-	39,822
Assumption Change	171,997	-	171,997
Contributions - employer	-	226,748	(226,748)
Contributions - employee	-	-	-
Net investment income	-	(158,091)	158,091
Benefit payments (Adjusted for interest)	(179,936)	(179,936)	-
Administrative expenses	-	(14,029)	14,029
Other charges	-	(17,024)	17,024
Net Changes	455,652	(142,332)	597,984
Balances at December 31, 2018	$ 4,936,202	$ 3,472,950	$ 1,463,252

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

Deferred Compensation Plan

The County has adopted a deferred compensation plan, the Lincoln County Deferred Compensation Plan, in accordance with Section 457 of the Internal Revenue Code. All full-time county employees meeting eligibility requirements are eligible to participate in the plan. The plan, administered by GEB Corp., is open to all full-time employees with more than 90 days of service not including elected officials who may be eligible for state provided retirement benefits. The County does not contribute to the plan. The plan allows any employee participant to defer gross compensation in an amount not to exceed $18,500 per year. Any employee participant who reaches age 50 before the end of the calendar year is eligible to contribute an additional amount not to exceed $6,000 per year. All administration costs of the plan are deducted from the participants' accounts. Benefit payments are payable upon termination of employment, unforeseeable emergency, retirement or death. The Custodial Account Agreement requires the County set aside assets and income from the plan in trust for the exclusive benefit of the participants and their beneficiaries. The County is in compliance with the agreement.

The County believes that it has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. At June 30, 2019, 2.88% or 6 of the County's 208 employees were participants in the deferred compensation plan. The employees of the County contributed $ 3,020 to the deferred compensation plan during the year ended June 30, 2019. No other contributions are made into this plan.

Note 3 - Detailed Notes on All Funds (Continued)

3-I. Pensions (Continued)

The County has amended its plan to comply with the requirements of subsection (g) of Internal Revenue Code Section 457 and it has adopted GASB Statement No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. All assets and income of the plan described in subsection (b)(6) are held in trust for the exclusive benefit of the participants and their beneficiaries.

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

3-J. Net Investment in Capital Assets

Net investment of capital assets on the government-wide statement of net position as of June 30, 2019, is as follows:

	Governmental Activities	Business Type Activities	Component Units
Cost of capital assets	$ 33,425,009	$ 21,412,854	$ 1,826,167
Less accumulated depreciation	(22,263,226)	(6,589,789)	(898,573)
Book value	11,161,783	14,823,065	927,594
Less capital related debt	(131,160)	(3,927,618)	(294,930)
Net Investment in Capital Assets	$ 11,030,623	$ 10,895,447	$ 632,664

(Continued on the following page)

Note 3 - Detailed Notes on All Funds (Continued)

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	$ 122,251
Restricted –The following fund balances are restricted for:	
General Fund:	
Culture and recreation	147,548
Special Revenue Funds:	
Hotel/Motel Tax Fund	17,335
Jail Fund	7,775
Drug Education Fund	29,191
Family Connection Fund	14,665
Law Library Fund	3,609
E-911 Fund	160,956
Condemned Funds Fund	4,313
Capital Projects Funds:	
SPLOST Fund	674,247
TSPLOST Fund	961,506
Assigned - The following fund balances are assigned for:	
General Fund:	
Culture and recreation	9,545
Capital projects	320,067
Unassigned	
General Fund:	2,948,037
Total Fund Balances	$ 5,421,045

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.

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.

Note 4 - Other Notes (Continued)

4-A. Risk Management (Continued)

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

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, 2019, the County collected $ 24,628 of hotel/motel taxes. Management represents that 100% of the lodging tax received during the year ended June 30, 2019 was used for the promotion of tourism.

Note 4 - Other Notes (Continued)

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, 2019, 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 $ 12,000. 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 10, 2019. Management has not identified any items requiring recognition or disclosure.

4-G Prior Period Adjustments

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 was 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, 2018, as previously reported	$	175,148
Prior period adjustment		(222)
Fund balance, June 30, 2018, restated	$	174,926

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, 2018, as previously reported	$	(23,638)
Prior period adjustment		(222)
Net position, June 30, 2018, restated	$	(23,860)

Lincoln County, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Taxes	$ 4,241,036	$ 4,241,036	$ 4,239,095	$ (1,941)
Licenses and permits	70,383	70,383	94,922	24,539
Intergovernmental	799,043	799,043	813,259	14,216
Charges for services	1,059,241	1,059,241	1,313,917	254,676
Fines, forfeitures and fees	206,025	206,025	233,808	27,783
Investment earnings	2,600	2,600	3,594	994
Miscellaneous	53,580	53,580	71,230	17,650
Total Revenues	6,431,908	6,431,908	6,769,825	337,917
Expenditures				
Current:				
General government	2,093,156	2,028,655	1,929,521	99,134
Judicial	407,463	419,463	402,543	16,920
Public safety	2,336,054	2,371,055	2,274,334	96,721
Public works	826,300	838,300	578,210	260,090
Health and welfare	241,796	247,796	220,862	26,934
Culture and recreation	285,039	273,039	243,048	29,991
Conservation of natural resources	79,077	79,077	78,925	152
Housing and development	207,144	218,644	211,273	7,371
Total Expenditures	6,476,029	6,476,029	5,938,716	537,313
Excess (Deficiency) of Revenues Over (Under) Expenditures	(44,121)	(44,121)	831,109	875,230
Other Financing Sources (Uses)				
Transfers in (out)	44,121	44,121	(90,447)	(134,568)
Total Other Financing Sources (Uses)	44,121	44,121	(90,447)	(134,568)
Net Change in Fund Balances	$ -	$ -	740,662	$ 740,662
Fund Balance, Beginning of Year			2,806,786	
Fund Balances, End of Year			$ 3,547,448	

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, 2019

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Intergovernmental	$ 1,700,000	$ 1,700,000	$ 1,894,254	$ 194,254
Total Revenues	1,700,000	1,700,000	1,894,254	194,254
Expenditures				
Health and welfare	1,700,000	1,700,000	1,894,254	(194,254)
Total Expenditures	1,700,000	1,700,000	1,894,254	(194,254)
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, 2019

	2019	2018	2017	2016	2015
Total pension liability					
Service cost	$ 105,452	$ 102,656	$ 103,765	$ 116,094	$ 113,794
Interest on total pension liability	318,317	297,151	286,554	258,060	238,565
Differences between expected and actual experience	39,822	61,560	11,381	13,770	-
Assumption change	171,997	7,210	121,650	105,312	-
Benefit payments (Adjusted for interest)	(179,936)	(173,322)	(158,771)	(113,326)	(92,421)
Net change in total pension liability	455,652	295,255	364,579	379,910	259,938
Total pension liability, Beginning	4,480,550	4,185,295	3,820,716	3,440,806	3,180,868
Total pension liability, Ending	$ 4,936,202	$ 4,480,550	$ 4,185,295	$ 3,820,716	$ 3,440,806
Plan fiduciary net position					
Contributions - employer	$ 226,748	$ 242,457	$ 237,611	$ 240,241	$ 243,643
Net investment income	(158,091)	487,713	211,062	23,152	180,521
Benefit payments (Adjusted for interest)	(179,936)	(173,322)	(153,032)	(109,230)	(89,081)
Administrative expenses	(14,029)	(11,211)	(14,499)	(11,882)	(11,371)
Other charges	(17,024)	(49,249)	(24,908)	(37,989)	(36,718)
Net change in plan fiduciary net position	(142,332)	496,388	256,234	104,292	286,994
Plan fiduciary net position, Beginning	3,615,282	3,118,894	2,862,660	2,758,368	2,471,374
Plan fiduciary net position, Ending	$ 3,472,950	$ 3,615,282	$ 3,118,894	$ 2,862,660	$ 2,758,368
County's net pension liability	$ 1,463,252	$ 865,268	$ 1,066,401	$ 958,056	$ 682,438
Plan fiduciary net position as a percentage of the total pension liability	70.36%	80.69%	74.52%	74.92%	80.17%
Covered-employee payroll	$ 1,813,592	$ 1,644,501	$ 1,599,926	$ 1,725,201	$ 1,703,881
County's net pension liability as a percentage of covered-employee payroll	80.68%	52.62%	66.65%	55.53%	40.05%

Lincoln County, Georgia
Schedule of Pension Contributions
For the Year Ended June 30, 2019

	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 214,718	$ 238,914	$ 233,124	$ 235,060	$ 233,483	$ 236,710
Contributions in relation to the contractually required contribution	226,748	242,457	237,611	240,241	243,643	242,391
Contribution deficiency (excess)	$ (12,030)	$ (3,543)	$ (4,487)	$ (5,181)	$ (10,160)	$ (5,681)
County's covered-employee payroll	$ 1,813,592	$ 1,644,501	$ 1,599,926	$ 1,725,201	$ 1,703,881	$ 1,595,505
Contributions as a percentage of covered-employee payroll	12.50%	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 reflect expenditures in excess of budgeted amounts in several expenditure classifications. The expenditures in excess of budget are considered to be material to the financial statements, and have been cited as compliance violations in the accompanying report on compliance with standards contained in Government Auditing Standards.

The following functions overspent the final fiscal year 2019 annual budget:

	Budget	Actual	Variance
Workforce Development Grant Fund			
Health and welfare	$ 1,700,000	$ 1,894,254	$ (194,254)
Law Library Fund			
Judicial	$ 3,300	$ 4,068	$ (768)

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, 2019 reported in that schedule:

Valuation date	January 1, 2018
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll, open
Remaining amortization method	20 years
Asset valuation period	Five-year smoothed market
Inflation rate	2.00%
Salary increases	3.00%-5.00%
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

Lincoln County, Georgia
General Fund
Comparative Balance Sheet
June 30, 2019 and 2018

	2019	2018
Assets		
Cash and cash equivalents	$ 2,593,933	$ 2,149,401
Investments	147,548	147,240
Receivables:		
Accounts, net	264,844	144,647
Property taxes, net	154,194	130,003
Intergovernmental	265,730	133,793
Interfund	386,853	326,850
Other	129,216	146,072
Prepaid items	94,620	118,568
Inventory	27,631	31,013
Total Assets	$ 4,064,569	$ 3,327,587
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities		
Accounts payable	$ 108,760	$ 148,118
Accrued expenses	237,903	230,274
Due to others	44,233	25,285
Total Liabilities	390,896	403,677
Deferred Inflows of Resources		
Unavailable revenue: property taxes	126,225	117,124
Total Liabilities and Deferred Inflows of Resources	517,121	520,801
Fund Balances		
Nonspendable		
Inventory	27,631	31,013
Prepaid items	94,620	118,568
Restricted		
Culture and recreation	147,548	147,240
Assigned		
Culture and recreation	9,545	9,545
Capital projects	320,067	320,067
Unassigned	2,948,037	2,180,353
Total Fund Balances	3,547,448	2,806,786
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 4,064,569	$ 3,327,587

Lincoln County, Georgia
General Fund
Schedule of Revenues - Budget and Actual
For the Year Ended June 30, 2019
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	2019				
	Original Budget	Final Budget	Actual	Variance Over (Under)	2018 Actual
REVENUES					
Taxes					
General property tax	$ 2,952,898	$ 2,952,898	$ 2,810,674	$ (142,224)	$2,481,415
Vehicle property tax	81,494	81,494	65,842	(15,652)	62,631
Title ad valorem tax	199,000	199,000	265,971	66,971	287,329
Mobile home property tax	30,613	30,613	27,716	(2,897)	28,659
Recording intangible tax	29,204	29,204	32,760	3,556	25,494
Real estate transfer tax	7,779	7,779	14,765	6,986	10,645
Timber tax	24,948	24,948	12,557	(12,391)	17,037
Other taxes	-	-	63	63	138
Insurance premium tax	333,000	333,000	414,710	81,710	384,607
Local option sales tax	517,000	517,000	533,968	16,968	507,689
Bank licenses and taxes	7,400	7,400	9,249	1,849	8,807
Franchise taxes	26,000	26,000	23,640	(2,360)	25,682
Alcoholic beverage licenses/taxes	31,700	31,700	27,180	(4,520)	27,527
Total Taxes	4,241,036	4,241,036	4,239,095	(1,941)	3,867,660
Licenses and Permits	70,383	70,383	94,922	24,539	82,829
Intergovernmental					
Federal grant funds	3,500	3,500	-	(3,500)	22,990
Federal P.I.L.O.T.	145,000	145,000	145,936	936	142,771
Road paving contracts	329,528	329,528	332,318	2,790	329,528
Forest Land Protection Grant	9,903	9,903	11,578	1,675	20,758
Columbia County library supplement	50,749	50,749	50,075	(674)	50,750
Nutrition Program	47,000	47,000	35,553	(11,447)	33,210
DOT transit program revenues	35,000	35,000	52,336	17,336	46,852
State grant funds	18,000	18,000	21,560	3,560	22,190
Juvenile Offenders Program	-	-	3,902	3,902	3,889
Other local funds	160,363	160,363	160,001	(362)	150,495
Total Intergovernmental	799,043	799,043	813,259	14,216	823,433
Charges for Services					
Commissions on tax collections	196,000	196,000	178,841	(17,159)	187,574
Ambulance fees	315,000	315,000	332,123	17,123	343,860
Correction Institute-inmate cost rebate	313,577	313,577	558,849	245,272	318,605
Civil defense	1,800	1,800	1,000	(800)	1,050
Code enforcement	13,800	13,800	12,383	(1,417)	12,023
Rental income	59,530	59,530	98,425	38,895	110,428
Administrative fees	148,929	148,929	115,482	(33,447)	140,075
Library fees	3,205	3,205	4,096	891	3,641
Transportation program fares	2,500	2,500	5,534	3,034	5,272
Recreation fees and sponsorships	4,900	4,900	7,184	2,284	5,277
Total Charges for Services	1,059,241	1,059,241	1,313,917	254,676	1,127,805

(Continued)

Lincoln County, Georgia
General Fund
Schedule of Revenues - Budget and Actual
For the Year Ended June 30, 2019
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	2019				
	Original Budget	Final Budget	Actual	Variance Over (Under)	2018 Actual
REVENUES					
Fines, Forfeitures and Fees					
State and superior courts	$ 56,275	$ 56,275	$ 67,798	$ 11,523	$ 55,266
Sheriff's fees	58,150	58,150	73,222	15,072	38,736
Magistrate court	7,500	7,500	5,385	(2,115)	5,146
Probate court	84,100	84,100	87,403	3,303	69,332
Total Fines, Forfeitures and Fees	206,025	206,025	233,808	27,783	168,480
Investment Earnings	2,600	2,600	3,594	994	3,496
Miscellaneous					
Penalties & interest/costs	41,575	41,575	42,374	799	47,650
Sale of surplus property	5,500	5,500	13,970	8,470	17,988
Other	6,505	6,505	14,886	8,381	20,540
Total Miscellaneous	53,580	53,580	71,230	17,650	86,178
TOTAL REVENUES	$ 6,431,908	$ 6,431,908	$ 6,769,825	$ 337,917	$6,159,881

Lincoln County, Georgia
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended June 30, 2019
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	2019				
	Original Budget	Final Budget	Actual	Variance Over (Under)	2018 Actual
EXPENDITURES					
General Government					
Board of commissioners	$ 188,778	$ 202,277	$ 177,844	$ 24,433	$ 170,556
Tax commissioner	196,224	203,224	193,021	10,203	190,354
Tax assessor	199,580	199,580	183,236	16,344	220,190
General administration	1,140,706	1,078,706	1,042,369	36,337	1,102,616
Finance office	156,026	138,026	137,302	724	152,351
County attorney	33,890	28,890	28,120	770	32,354
Information technology	66,747	71,747	69,579	2,168	64,291
Board of equalization	7,654	7,654	5,578	2,076	4,853
Elections and registrar	103,551	98,551	92,472	6,079	89,264
Total General Government	2,093,156	2,028,655	1,929,521	99,134	2,026,829
Judicial					
State and superior courts	177,284	183,284	203,264	(19,980)	195,916
District attorney	43,878	43,878	17,695	26,183	17,625
Juvenile court	7,000	7,000	5,334	1,666	6,383
Probate court	179,301	185,301	176,250	9,051	171,121
Total Judicial	407,463	419,463	402,543	16,920	391,045
Public Safety					
Sheriff	735,414	760,415	696,951	63,464	705,893
County jail	719,287	719,287	717,783	1,504	710,950
Office of emergency services	839,141	849,141	838,060	11,081	821,580
County fire departments	29,492	29,492	12,018	17,474	9,764
Coroner	12,720	12,720	9,522	3,198	10,100
Total Public Safety	2,336,054	2,371,055	2,274,334	96,721	2,258,287
Public Works					
Roads department	734,280	734,280	479,610	254,670	701,679
Shop	92,020	104,020	98,600	5,420	90,890
Total Public Works	826,300	838,300	578,210	260,090	792,569

(Continued)

Lincoln County, Georgia
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended June 30, 2019
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	2019				
	Original Budget	Final Budget	Actual	Variance Over (Under)	2018 Actual
EXPENDITURES					
Health and Welfare					
Health department	$ 47,232	$ 47,232	$ 39,024	$ 8,208	$ 38,800
Transportation program	89,267	95,267	90,832	4,435	83,413
Senior citizens program	84,955	84,955	76,433	8,522	67,399
Lincoln center	16,742	16,742	12,003	4,739	13,748
Family and children services	3,600	3,600	2,570	1,030	3,523
Total Health and Welfare	241,796	247,796	220,862	26,934	206,883
Culture and Recreation					
Art and recreation	134,639	127,639	103,301	24,338	114,113
Library	150,400	145,400	139,747	5,653	148,572
Total Culture and Recreation	285,039	273,039	243,048	29,991	262,685
Conservation of Natural Resources					
Agriculture resources	70,877	70,877	70,767	110	64,337
Forestry resources	8,200	8,200	8,158	42	8,201
Total Conservation of Natural Resources	79,077	79,077	78,925	152	72,538
Housing and Development					
Planning and permits	48,510	50,510	50,010	500	47,945
Code enforcement	93,609	102,109	96,232	5,877	63,659
Economic development	65,025	66,025	65,031	994	66,837
Total Housing and Development	207,144	218,644	211,273	7,371	178,441
TOTAL EXPENDITURES	$ 6,476,029	$ 6,476,029	$ 5,938,716	$ 537,313	$ 6,189,277

Lincoln County, Georgia
SPLOST Fund
Comparative Balance Sheet
June 30, 2019 and 2018

	2019	2018
Assets		
Cash and cash equivalents	$ 745,827	$ 449,112
Other receivable	4,542	-
Intergovernmental receivable	63,026	58,085
Total Assets	$ 813,395	$ 507,197
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 119,673	$ 2,484
Intergovernmental payable	19,475	17,920
Total Liabilities	139,148	20,404
Fund Balances		
Restricted for capital projects	674,247	486,793
Total Fund Balances	674,247	486,793
Total Liabilities and Fund Balances	$ 813,395	$ 507,197

Lincoln County, Georgia
SPLOST Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended June 30, 2019
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	2019	2018
Revenues		
Sales taxes	$ 667,447	$ 634,610
Investment earnings	139	264
Total Revenues	667,586	634,874
Expenditures		
Intergovernmental	105,884	100,935
Capital outlay		
General government	298,063	-
Public works	99,875	236,881
Public safety	23,637	11,774
Culture and recreation	-	6,245
Debt service:		
Principal	22,388	40,874
Interest	5,110	4,763
Total Expenditures	554,957	401,472
(Deficiency) of Revenues (Under) Expenditures	112,629	233,402
Other Financing Sources		
Inception of capital lease obligations	74,825	-
Net Change in Fund Balance	187,454	233,402
Fund Balance, Beginning of Year	486,793	253,391
Fund Balance, End of Year	$ 674,247	$ 486,793

Lincoln County, Georgia
TSPLOST Fund
Comparative Balance Sheet
June 30, 2019 and 2018

	2019	2018
Assets		
Cash and cash equivalents	$ 909,388	$ 704,527
Intergovernmental receivable	63,321	62,697
Total Assets	$ 972,709	$ 767,224
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 11,203	$ 2,320
Total Liabilities	11,203	2,320
Fund Balances		
Restricted for public works	961,506	764,904
Total Liabilities and Fund Balances	$ 972,709	$ 767,224

Lincoln County, Georgia
TSPLOST Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2019
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	2019	2018
Revenues		
Taxes - TSPLOST	$ 639,653	$ 586,947
Investment income	1,148	814
Total Revenues	640,801	587,761
Expenditures		
Capital outlay		
Public works	444,199	333,097
Debt Service:		
Principal retirement	-	20,974
Total Expenditures	444,199	354,071
Net Change in Fund Balances	196,602	233,690
Fund Balances, Beginning of Year	764,904	531,214
Fund Balances, End of Year	$ 961,506	$ 764,904

Lincoln County, Georgia
Workforce Development Grant Fund
Comparative Balance Sheet
June 30, 2019 and 2018

	2019	2018
Assets		
Cash and cash equivalents	$ 393,394	$ 260,853
Intergovernmental receivable	11,123	9,382
Total Assets	$ 404,517	$ 270,235
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 338,706	$ 204,466
Interfund payables	65,811	65,769
Total Liabilities	404,517	270,235
Fund Balances		
Restricted for program purposes	-	-
Total Liabilities and Fund Balances	$ 404,517	$ 270,235

Lincoln County, Georgia
Workforce Development Grant Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2019
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	2019	2018
Revenues		
Intergovernmental	$ 1,894,254	$ 1,886,900
Total Revenues	1,894,254	1,886,900
Expenditures		
Health and welfare	1,894,254	1,886,900
Total Expenditures	1,894,254	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, 2019

	Special Revenue Funds							Capital Project Fund	
	Hotel/Motel Tax Fund	**E-911 Fund**	**Law Library**	**Family Connection Fund**	**Drug Education Fund**	**Jail Fund**	**Condemned Funds Fund**	**OneGeorgia Project Fund**	**Total**
Assets									
Cash and cash equivalents	$ 16,397	$ 115,093	$ 3,609	$ 158,159	$ 28,917	$ 6,795	$ 4,313	$ -	$ 333,283
Receivables:									
Accounts, net	-	12,584	-	173	-	-	-	-	12,757
Intergovernmental	3,771	33,279	-	15,346	-	-	-	84,576	136,972
Other receivables	591	-	-	-	274	980	-	-	1,845
Total Assets	$ 20,759	$ 160,956	$ 3,609	$ 173,678	$ 29,191	$ 7,775	$ 4,313	$ 84,576	$ 484,857
Liabilities									
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 84,576	$ 84,576
Accrued expenses	-	-	-	3,444	-	-	-	-	3,444
Intergovernmental payable	3,424	-	-	-	-	-	-	-	3,424
Interfund payables	-	-	-	155,569	-	-	-	-	155,569
Total Liabilities	3,424	-	-	159,013	-	-	-	84,576	247,013
Fund Balances									
Restricted for program purposes	17,335	160,956	3,609	14,665	29,191	7,775	4,313	-	237,844
Total Fund Balances	17,335	160,956	3,609	14,665	29,191	7,775	4,313	-	237,844
Total Liabilities and Fund Balances	$ 20,759	$ 160,956	$ 3,609	$ 173,678	$ 29,191	$ 7,775	$ 4,313	$ 84,576	$ 484,857

Lincoln County, Georgia

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-major Governmental Funds

For the Year Ended June 30, 2019

	Special Revenue Funds							Capital Project Fund	
	Hotel/Motel Tax Fund	**E-911 Fund**	**Law Library**	**Family Connection Fund**	**Drug Education Fund**	**Jail Fund**	**Condemned Funds Fund**	**OneGeorgia Project Fund**	**Total**
Revenues									
Taxes	$ 24,628	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 24,628
Intergovernmental	-	24,352	-	93,239	-	-	-	100,496	218,087
Charges for services	-	200,952	-	-	-	-	-	-	200,952
Fines, forfeitures and fees	-	-	2,494	-	3,486	8,585	-	-	14,565
Investment earnings	7	83	-	-	24	2	-	-	116
Total Revenues	24,635	225,387	2,494	93,239	3,510	8,587	-	100,496	458,348
Expenditures									
Current:									
Judicial	-	-	4,068	-	-	-	-	-	4,068
Public safety	-	242,079	-	-	-	987	1,758	-	244,824
Health and welfare	-	-	-	85,131	-	-	-	-	85,131
Housing and development	17,669	-	-	-	-	-	-	-	17,669
Capital Outlay	-	-	-	-	-	18,810	-	100,496	119,306
Total Expenditures	17,669	242,079	4,068	85,131	-	19,797	1,758	100,496	470,998
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,966	(16,692)	(1,574)	8,108	3,510	(11,210)	(1,758)	-	(12,650)
Other Financing (Uses)									
Transfers in (out), net	-	90,447	-	-	-	-	-	-	90,447
Net Change in Fund Balances	6,966	73,755	(1,574)	8,108	3,510	(11,210)	(1,758)	-	77,797
Fund Balances, Beginning	10,369	87,201	5,183	6,557	25,681	18,985	6,071	-	160,047
Fund Balances, Ending	$ 17,335	$ 160,956	$ 3,609	$ 14,665	$ 29,191	$ 7,775	$ 4,313	$ -	$ 237,844

Lincoln County, Georgia
Hotel/Motel Tax Fund
Comparative Balance Sheet
June 30, 2019 and 2018

	2019	2018
Assets		
Cash and cash equivalents	$ 16,397	$ 8,343
Intergovernmental receivable	3,771	3,959
Other receivable	591	-
Total Assets	$ 20,759	$ 12,302
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ -
Intergovernmental payable	3,424	1,933
Total Liabilities	3,424	1,933
Fund Balances		
Restricted for program purposes	17,335	10,369
Total Liabilities and Fund Balances	$ 20,759	$ 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, 2019
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Taxes	$ 24,390	$ 24,390	$ 24,628	$ 238	$ 23,016
Investment income	1	1	7	6	3
Total Revenues	24,391	24,391	24,635	244	23,019
Expenditures					
Housing and development	24,391	24,391	17,669	6,722	16,446
Net Change in Fund Balances	$ -	$ -	6,966	$ 6,966	6,573
Fund Balances, Beginning of Year			10,369		3,796
Fund Balances, End of Year			$ 17,335		$ 10,369

Lincoln County, Georgia
E-911 Fund
Comparative Balance Sheet
June 30, 2019 and 2018

	2019	2018
Assets		
Cash and cash equivalents	$ 115,093	$ 36,803
Accounts receivable	12,584	33,037
Intergovernmental receivable	33,279	17,361
Total Assets	$ 160,956	$ 87,201
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ -
Total Liabilities	-	-
Fund Balances		
Restricted for program purposes	160,956	87,201
Total Liabilities and Fund Balances	$ 160,956	$ 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, 2019
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Intergovernmental revenue	$ 43,632	$ 43,632	$ 24,352	$ (19,280)	$ 17,361
Charges for services	145,000	145,000	200,952	55,952	189,790
Investment earnings	-	-	83	83	-
Total Revenues	188,632	188,632	225,387	36,755	207,151
Expenditures					
Current:					
Public safety	242,511	242,511	242,079	432	232,183
Total Expenditures	242,511	242,511	242,079	432	232,183
Excess (Deficiency) of Revenues Over (Under) Expenditures	(53,879)	(53,879)	(16,692)	37,187	(25,032)
Other Financing Sources (Uses)					
Transfers in	53,879	53,879	90,447	36,568	45,551
Net Change in Fund Balances	$ -	$ -	73,755	$ 73,755	20,519
Fund Balances, Beginning of Year			87,201		66,682
Fund Balances, End of Year			$ 160,956		$ 87,201

Lincoln County, Georgia
Law Library Fund
Comparative Balance Sheet
June 30, 2019 and 2018

	2019	2018
Assets		
Cash and cash equivalents	$ 3,609	$ 5,183
Fund Balance		
Restricted for program purposes	$ 3,609	$ 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, 2019
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Fines, forfeitures and fees	$ 3,300	$ 3,300	$ 2,494	$ (806)	$ 3,166
Expenditures					
Current:					
Judicial	3,300	3,300	4,068	(768)	5,094
Net Change in Fund Balance	$ -	$ -	(1,574)	$ (1,574)	(1,928)
Fund Balance, Beginning of Year			5,183		7,111
Fund Balance, End of Year			$ 3,609		$ 5,183

Lincoln County, Georgia
Family Connection Fund
Comparative Balance Sheet
June 30, 2019 and 2018

	2019	2018
Assets		
Cash and cash equivalents	$ 158,159	$ 126,196
Accounts receivable	173	4,519
Interfund receivable	-	13,440
Intergovernmental receivable	15,346	33,228
Total Assets	$ 173,678	$ 177,383
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ 13,549
Accrued expenses	3,444	1,722
Interfund payables	155,569	155,555
Total Liabilities	159,013	170,826
Fund Balances		
Restricted for program purposes	14,665	6,557
Total Liabilities and Fund Balances	$ 173,678	$ 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, 2019
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Intergovernmental revenue	$ 197,000	$ 93,239	$ 93,239	$ -	$ 226,103
Total Revenues	197,000	93,239	93,239	-	226,103
Expenditures					
Current:					
Health and welfare	197,000	160,780	85,131	75,649	184,513
Total Expenditures	197,000	160,780	85,131	75,649	184,513
Net Change in Fund Balances	$ -	$ (67,541)	8,108	$ 75,649	41,590
Fund Balances, Beginning of Year			6,557		(35,033)
Fund Balances, End of Year			$ 14,665		$ 6,557

Lincoln County, Georgia
Drug Education Fund
Comparative Balance Sheet
June 30, 2019 and 2018

	2019	2018
Assets		
Cash and cash equivalents	$ 28,917	$ 25,306
Other receivables	274	375
Total Assets	$ 29,191	$ 25,681
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ -
Total Liabilities	-	-
Fund Balances		
Restricted for program purposes	29,191	25,681
Total Fund Balances	29,191	25,681
Total Liabilities and Fund Balances	$ 29,191	$ 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, 2019
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Fines, forfeitures and fees	$ 3,171	$ 3,171	$ 3,486	$ 315	$ 3,969
Investment earnings	-	-	24	24	11
Total Revenues	3,171	3,171	3,510	339	3,980
Expenditures					
Current:					
Public safety	3,171	3,171	-	3,171	-
Net Change in Fund Balances	$ -	$ -	3,510	$ 3,510	3,980
Fund Balances, Beginning of Year			25,681		21,701
Fund Balances, End of Year			$ 29,191		$ 25,681

Lincoln County, Georgia
Jail Fund
Comparative Balance Sheet
June 30, 2019 and 2018

	2019	2018
Assets		
Cash and cash equivalents	$ 6,795	$ 18,310
Other receivables	980	675
Total Assets	$ 7,775	$ 18,985
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ -
Total liabilities	-	-
Fund Balances		
Restricted for program purposes	7,775	18,985
Total Liabilities and Fund Balances	$ 7,775	$ 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, 2019
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Fines, forfeitures and fees	$ 8,000	$ 8,000	$ 8,585	$ 585	$ 6,972
Investment earnings	-	-	2	2	-
Total Revenues	8,000	8,000	8,587	587	6,972
Expenditures					
Current:					
Public safety	8,000	1,000	987	13	-
Capital Outlay					
Public safety	-	19,000	18,810	190	-
Total Expenditures	8,000	20,000	19,797	203	-
Net Change in Fund Balances	$ -	$ (12,000)	(11,210)	$ 384	6,972
Fund Balances, Beginning of Year			18,985		12,013
Fund Balances, End of Year			$ 7,775		$ 18,985

Lincoln County, Georgia
Condemned Funds Fund
Comparative Balance Sheet
June 30, 2019 and 2018

	2019	2018
Assets		
Cash and cash equivalents	$ 4,313	$ 6,071
Total Assets	$ 4,313	$ 6,071
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ -
Total liabilities	-	-
Fund Balances		
Restricted for program purposes	4,313	6,071
Total Liabilities and Fund Balances	$ 4,313	$ 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, 2019
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	2019				2018
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Fines, forfeitures and fees	$ 2,200	$ 2,200	$ -	$ (2,200)	$ 4,125
Total Revenues	2,200	2,200	-	(2,200)	4,125
Expenditures					
Current:					
Public safety	2,200	2,200	1,758	442	2,182
Net Change in Fund Balances	$ -	$ -	(1,758)	$ (1,758)	1,943
Fund Balances, Beginning of Year			6,071		4,128
Fund Balances, End of Year			$ 4,313		$ 6,071

Lincoln County, Georgia
OneGeorgia Project Fund
Balance Sheet
June 30, 2019

Assets	
Cash and cash equivalents	$ -
Intergovernmental receivable	84,576
Total Assets	$ 84,576
Liabilities and Fund Balances	
Liabilities	
Accounts payable	$ 84,576
Total Liabilities	84,576
Fund Balances	
Restricted for public works	-
Total Liabilities and Fund Balances	$ 84,576

Lincoln County, Georgia
OneGeorgia Project Fund
Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended June 30, 2019

Revenues	
Intergovernmental	$ 100,496
Total Revenues	100,496
Expenditures	
Capital outlay	
Housing and development	100,496
Total Expenditures	100,496
Net Change in Fund Balances	-
Fund Balances, Beginning of Year	-
Fund Balances, End of Year	$ -

Lincoln County, Georgia
Water Fund
Comparative Statement of Net Position
June 30, 2019 and 2018

	2019	2018
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 37,004	$ 51,305
Restricted assets - cash	178,674	115,324
Accounts receivable, net	100,673	105,989
Total Current Assets	316,351	272,618
Noncurrent Assets:		
Prepaid bond issuance	15,072	16,014
Capital Assets:		
Nondepreciable	17,034	17,034
Depreciable, net	14,777,511	15,213,225
Total Noncurrent Assets	14,809,617	15,246,273
TOTAL ASSETS	15,125,968	15,518,891
DEFERRED OUTFLOWS OF RESOURCES		
Related to pension plan	23,301	8,695
Total Deferred Outflows of Resources	23,301	8,695
LIABILITIES		
Current Liabilities:		
Accounts payable	68,111	86,630
Accrued liabilities	33,782	31,775
Interfund payable	143,399	83,452
Notes payable	84,581	83,295
Revenue bond payable	110,000	105,000
Total Current Liabilities	439,873	390,152
Long-Term Liabilities:		
Notes payable (net of current portion)	1,027,726	1,112,308
Compensated absences	3,686	1,935
Net pension liability	58,530	34,610
Revenue bond payable (net of current portion)	2,705,311	2,814,294
Total Long-Term Liabilities	3,795,253	3,963,147
TOTAL LIABILITIES	4,235,126	4,353,299
DEFERRED INFLOWS OF RESOURCES		
Related to pension plan	6,097	8,130
Total Deferred Inflows of Resources	6,097	8,130
Net Position		
Net investment in capital assets	10,866,927	11,115,362
Restricted for debt service	178,674	115,324
Unrestricted	(137,555)	(64,529)
TOTAL NET POSITION	$ 10,908,046	$ 11,166,157

Lincoln County, Georgia
Water Fund
Comparative Statement of Revenues,
Expenses and Changes in Net Position
For the Year Ended June 30, 2019 and 2018

	2019	2018
Operating Revenues		
Charges for services	$ 991,776	$ 915,202
Miscellaneous	4,183	12,020
Total Operating Revenues	995,959	927,222
Operating Expenses		
Cost of water	175,062	198,236
Salaries and benefits	206,637	186,001
Materials and supplies	74,077	39,272
Repairs and maintenance	52,286	61,042
Professional and contract services	64,285	48,795
Utilities	63,729	61,781
Other operating expenses	76,558	97,884
Depreciation	435,715	435,715
Total Operating Expenses	1,148,349	1,128,726
Operating Income (Loss)	(152,390)	(201,504)
Non-Operating Revenues (Expenses)		
Investment earnings	655	465
Interest and fiscal charges	(106,376)	(110,007)
Total Non-Operating Revenues (Expenses)	(105,721)	(109,542)
Change in Net Position	(258,111)	(311,046)
Net Position, Beginning of Year	11,166,157	11,477,203
Net Position, End of Year	$ 10,908,046	$ 11,166,157

Lincoln County, Georgia
Solid Waste Fund
Comparative Statement of Net Position
June 30, 2019 and 2018

	2019	2018
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 679,527	$ 465,755
Accounts receivable, net of allowances	18,014	109,216
Total Current Assets	697,541	574,971
Noncurrent Assets:		
Capital Assets:		
Nondepreciable, net	-	-
Depreciable, net	28,520	32,908
Total Noncurrent Assets	28,520	32,908
TOTAL ASSETS	726,061	607,879
LIABILITIES		
Current Liabilities:		
Accounts payable	83,490	49,743
Accrued liabilities	603	603
Unearned revenues	341,281	414,405
Post-closure liability, current portion	9,850	9,850
Total Current Liabilities	435,224	474,601
Long-Term Liabilities:		
Post-closure liability, net of current portion	49,250	49,250
Total Long-Term Liabilities	49,250	49,250
TOTAL LIABILITIES	484,474	523,851
Net Position		
Net investment in capital assets	28,520	32,908
Unrestricted (deficit)	213,067	51,120
Total Net Position	$ 241,587	$ 84,028

Lincoln County, Georgia
Solid Waste Fund
Comparative Statement of Revenues,
Expenses and Changes in Net Position
For the Year Ended June 30, 2019 and 2018

	2019	2018
Operating Revenues		
Charges for services	$ 826,682	$ 761,502
Total Operating Revenues	826,682	761,502
Operating Expenses		
Salaries and benefits	15,451	16,912
Repairs	-	222
Supplies	53	348
Utilities	2,570	2,424
Professional and contract services	644,321	640,027
Other	3,030	654
Depreciation	4,387	4,387
Total Operating Expenses	669,812	664,974
Operating Income (Loss)	156,870	96,528
Non-Operating Revenues (Expenses)		
Investment earnings	689	456
Total Non-Operating Revenues (Expenses)	689	456
Change in Net Position	157,559	96,984
Net Position, Beginning of Year	84,028	(12,956)
Net Position, End of Year	$ 241,587	$ 84,028

Lincoln County, Georgia
Campgrounds and Parks Fund
Comparative Statement of Net Position
June 30, 2019 and 2018

	2019	2018
ASSETS		
Cash and cash equivalents	$ 2,753	$ 39,001
TOTAL ASSETS	2,753	39,001
LIABILITIES		
Current Liabilities:		
Accounts payable	-	16,058
Interfund payable	22,074	35,514
Total Current Liabilities	22,074	51,572
TOTAL LIABILITIES	22,074	51,572
Net Position		
Unrestricted	(19,321)	(12,571)
TOTAL NET POSITION	$ (19,321)	$ (12,571)

Lincoln County, Georgia
Campgrounds and Parks Fund
Comparative Statement of Revenues,
Expenses and Changes in Net Position
For the Year Ended June 30, 2019 and 2018

	2019	2018
Operating Revenues		
Charges for services	$ 9,822	$ 69,588
Miscellaneous	-	1,206
Total Operating Revenues	9,822	70,794
Operating Expenses		
Salaries and benefits	334	21,995
Materials and supplies	2,911	3,854
Repairs and maintenance	9,329	4,300
Professional and contract services	1,047	20,464
Utilities	2,951	19,602
Other operating expenses	-	1,157
Total Operating Expenses	16,572	71,372
Change in Net Position	(6,750)	(578)
Net Position, Beginning of Year	(12,571)	(11,993)
Net Position, End of Year	$ (19,321)	$ (12,571)

Lincoln County, Georgia
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For The Year Ended June 30, 2019

Clerk of Court	Beginning Balance	Additions	Deductions	Eliminations	Ending Balance
Assets					
Cash	$ 79,254	$ 254,669	$ 210,450	$ 19,317	$ 104,156
Liabilities					
Interfund payable	$ -	$ 114,143	$ 94,826	$ 19,317	$ -
Due to others	79,254	140,526	115,624	-	104,156
Total Liabilities	$ 79,254	$ 254,669	$ 210,450	$ 19,317	$ 104,156

Probate and Magistrate Court	Beginning Balance	Additions	Deductions	Eliminations	Ending Balance
Assets					
Cash	$ 35,252	$ 150,333	$ 132,093	$ 13,851	$ 39,641
Liabilities					
Interfund payable	$ -	$ 89,958	$ 76,107	$ 13,851	$ -
Due to others	35,252	60,375	55,986	-	39,641
Total Liabilities	$ 35,252	$ 150,333	$ 132,093	$ 13,851	$ 39,641

Tax Commissioner	Beginning Balance (Restated)	Additions	Deductions	Eliminations	Ending Balance
Assets					
Cash	$ 362,848	$ 10,903,597	$ 10,974,179	$ 69,046	$ 223,220
Liabilities					
Interfund payable	$ -	$ 3,639,759	$ 3,570,713	$ 69,046	$ -
Due to others	362,848	7,263,838	7,403,466	-	223,220
Total Liabilities	$ 362,848	$ 10,903,597	$ 10,974,179	$ 69,046	$ 223,220

(Continued)

Lincoln County, Georgia
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For The Year Ended June 30, 2019

(Continued)

Sheriff	Beginning Balance	Additions	Deductions	Eliminations	Ending Balance
Assets					
Cash	$ 42,781	$ 250,247	$ 225,844	$ 15,400	$ 51,784
Liabilities					
Interfund payable	$ -	$ 74,853	$ 59,453	$ 15,400	$ -
Due to others	42,781	175,394	166,391	-	51,784
Total Liabilities	$ 42,781	$ 250,247	$ 225,844	$ 15,400	$ 51,784

Total	Beginning Balance	Additions	Deductions	Eliminations	Ending Balance
Assets					
Cash	$ 520,135	$ 11,558,846	$ 11,542,566	$ 117,614	$ 418,801
Liabilities					
Interfund payable	$ -	$ 3,918,713	$ 3,801,099	$ 117,614	$ -
Due to others	520,135	7,640,133	7,741,467	-	418,801
Total Liabilities	$ 520,135	$ 11,558,846	$ 11,542,566	$ 117,614	$ 418,801

Lincoln County, Georgia
SECTION 5311 TRANSPORTATION PROGRAM
STATEMENT OF REVENUES AND EXPENDITURES
For the Year Ended June 30, 2019

Contract Number T006268
Grant Number GA-18-X034

REVENUES		
Reimbursements received from GA Department of Transportation	$	33,396
Participant contributions		2,920
TOTAL		36,316
EXPENDITURES		
Salaries and Fringe Benefits		
Administrative		40,169
Operating		26,780
Operating Expenditures		
Fuel and operational supplies		16,334
Vehicle maintenance		710
Services		2,786
Utilities		573
Office supplies		1,466
Other operating expenses		603
TOTAL		89,421
Revenues in Excess of (less than) Expenditures	$	(53,105)

* * 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, 2019

	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percent Completed
			Prior Years	Current Year	Total	
Special Sales Tax Imposed January 1, 2011						
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	566,120	524,864	4,351	529,215	93.5%
Recreation facilities	164,480	73,378	68,045	-	68,045	92.7%
General government infrastructure	352,000	163,982	163,982	-	163,982	100.0%
	3,365,440	3,392,351	3,345,762	4,351	3,350,113	
Intergovernmental						
City of Lincolnton	634,560	632,046	632,046	-	632,046	100.0%
TOTAL	$ 4,000,000	$ 4,024,397	$ 3,977,808	$ 4,351	$ 3,982,159	
Special Sales Tax Imposed January 1, 2017						
Project Description						
Roads, streets and bridges	$ 888,365	$ 824,943	$ 135,812	$ 99,875	$ 235,687	28.6%
Courthouse and building renovations	636,000	590,595	112,498	66,150	178,648	30.2%
Fire protection	356,160	330,733	42,372	-	42,372	12.8%
General government infrastructure	432,480	401,605	27,604	171,007	198,611	49.5%
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	32,865	34,579	46.9%
	2,675,525	2,484,515	354,889	369,897	724,786	
Intergovernmental						
City of Lincolnton	504,475	468,460	147,772	105,884	253,656	54.1%
TOTAL	$ 3,180,000	$ 2,952,975	$ 502,661	$ 475,781	$ 978,442	

Reconciliation of Schedule of Projects Funded with SPLOST to financial statements

Total Expenditures - SPLOST Fund	$ 554,957
Inception of capital lease	(74,825)
Total SPLOST Expenditures per schedules above	$ 480,132

** - 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
ONEGEORGIA EQUITY FUND GRANT
Award No. 18si-090-5-4907
STATEMENT OF SOURCE AND APPLICATION OF FUNDS
For the Year Ended June 30, 2019

SOURCE OF FUNDS:		
OneGeorgia funds drawn down by recipient and accrued during fiscal year ended June 30, 2019	$	100,496
APPLICATION OF FUNDS:		
Construction/rehabilitation of buildings/other facilities		(100,496)
SOURCE OF FUNDS IN EXCESS OF (LESS THAN) APPLICATION	$	-

Lincoln County, Georgia
ONEGEORGIA EQUITY FUND GRANT
Award No. 18si-090-5-4907
STATEMENT OF PROJECT COST - BUDGET AND ACTUAL
For the Year Ended June 30, 2019

	TOTAL BUDGETED COSTS	PROJECT COSTS PRIOR TO FYE 6/30/2019	ACTUAL COSTS FYE 6/30/2019	TOTAL PROJECT COSTS TO DATE	(OVER) UNDER BUDGET
Sewer Improvement Project					
Construction/rehabilitation	200,000	-	100,496	100,496	99,504
Total	$ 200,000	$ -	$ 100,496	$ 100,496	$ 99,504

Lincoln County, Georgia
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2019

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	11-17-18-07-013	$ 153,312	$ 153,312
Workforce Investment Opportunities Act Adult Program	17.258	11-18-18-07-013	71,279	71,279
Workforce Investment Opportunities Act Adult Program	17.258	11-18-19-07-013	308,027	294,204
Subtotal CFDA 17.258			532,618	518,795
Workforce Investment Opportunities Act Youth Activities Program	17.259	15-17-17-07-013	189,976	189,976
Workforce Investment Opportunities Act Youth Activities Program	17.259	15-18-18-07-013	327,523	317,008
Subtotal CFDA 17.259			517,499	506,984
Workforce Investment Opportunities Act Adult Program	17.278	36-17-18-07-013	97,180	97,180
Workforce Investment Opportunities Act Dislocated Worker Program	17.278	HDCI-17-18-07-013	76,231	76,231
Workforce Investment Opportunities Act Dislocated Worker Program	17.278	31-17-18-07-013	94,348	94,348
Workforce Investment Opportunities Act Dislocated Worker Program	17.278	31-18-18-07-013	102,695	102,695
Workforce Investment Opportunities Act Dislocated Worker Program	17.278	31-18-19-07-013	265,222	254,763
Workforce Investment Opportunities Act Dislocated Worker Program	17.278	VET2-18-19-07-013	200,006	200,006
Workforce Investment Opportunities Act Rapid Response Program	17.278	44-17-18-07-013	8,455	8,455
Subtotal CFDA 17.278			844,137	833,678
Total U.S. Department of Labor			**1,894,254**	**1,859,457**
U.S. Department of Transportation				
Pass-through from Georgia Department of Transportation				
Formula Grants for Rural Areas	20.509	GA-18-X034	33,395	-
Total U.S. Department of Transportation			**33,395**	-
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	19,382	-
Special Programs for the Aging Title III, Part C2, Nutrition Services	93.045	2010-16 20 8202.0545	6,270	-
Subtotal CFDA 93.045			25,652	-
Nutrition Services Incentive Program	93.053	2010-22 20 8202.0545	3,801	-
Pass-through Georgia Department of Human Services				
Temporary Assistance for Needy Families	93.558	42700-040-0000065048	43,239	-
Total U.S. Department of Health and Human Services			**72,692**	-
U.S. Department of Homeland Security				
Pass-through from State of Georgia - Emergency Management Agency				
Emergency Management Performance Grants	97.042	N/A	18,967	-
Total U.S. Department of Homeland Security			**18,967**	-
Total Expenditures of Federal Awards			**$ 2,019,308**	**$ 1,859,457**

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2019

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, 2019. 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, 2019.

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.

JONES, JONES, DAVIS & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS, P.C.

THOMAS W. JONES, CPA/ABV, PFS, CFP, CVA
WALTER R. JONES, CPA
MARK D. DAVIS, CPA
WANDA P. MILLER, CPA
DOROTHY P. TIMMS, CPA
ELIZABETH P. BRIDGES, CPA
JASON A. WILLIFORD, CPA

220 FIFTH STREET
P.O. BOX 132
LOUISVILLE, GEORGIA 30434

TELEPHONE 478-625-7775
FACSIMILE 478-625-7142

MEMBERS
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
GEORGIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

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, 2019, 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 10, 2019. We did not audit the financial statements of the Development Authority of Lincoln County, which represents 92.3% of the assets, 97.6% of the net position, and 55.1% of the revenues of the aggregate discretely presented component units for the year ended June 30, 2019. 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.

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 2019-01 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 2019-02.

We noted certain additional matters that we reported to the management of Lincoln County, Georgia, in a separate letter dated December 10, 2019.

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 10, 2019

JONES, JONES, DAVIS & ASSOCIATES

CERTIFIED PUBLIC ACCOUNTANTS, P.C.

THOMAS W. JONES, CPA/ABV, PFS, CFP, CVA
WALTER R. JONES, CPA
MARK D. DAVIS, CPA
WANDA P. MILLER, CPA
DOROTHY P. TIMMS, CPA
ELIZABETH P. BRIDGES, CPA
JASON A. WILLIFORD, CPA

220 FIFTH STREET
P.O. BOX 132
LOUISVILLE, GEORGIA 30434

TELEPHONE 478-625-7775
FACSIMILE 478-625-7142

MEMBERS
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
GEORGIA SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

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, 2019. 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, 2019.

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.

Jones, Jones, Davis & Associates

Louisville, Georgia
December 10, 2019

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, 2019.

Section 2 – Financial Statement Findings

Internal Control

Material Weakness

Finding 2019-01 Lack of Segregation of Duties (Repeat Finding of Prior Year 2018-01)

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 2019-02 State Budgetary Requirements

Condition: The County violated state law by expending funds in excess of budgeted amounts at the legal level of authority. The County's legal level of authority is the department level. Expenditures exceeded budgeted amounts in the Law Library Fund and the Workforce Development Fund.

Criteria: State law mandates that actual expenditures should not exceed amounts appropriated through the budgeting process at the entity's legal level of control.

Effect: Failure to continually compare actual expenditures to budgeted amounts to ensure that budgeted expenditures are not exceeded can result in expenditures in excess of budgeted amounts.

Recommendations: Management should continually monitor actual expenditures to budgeted amounts to ensure that violations of this statue do not occur. Budgets should be amended as necessary to reflect changes in anticipated revenues and expenditures throughout the year.

Section 2 – Financial Statement Findings (Cont'd)

Findings – Compliance (Cont'd)

Management's Response: Management agrees with the finding and will take steps to adopt a budget for all required funds. Additionally, management will monitor budgets more closely and make budget amendments when necessary.

Section 3 – Federal Award Findings and Questioned Costs

No findings on questioned costs were noted for the year ended June 30, 2019 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 2018-01 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 2019-01

Finding 2018-02 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.

Status: Previously reported corrective action implemented. Finding resolved.

Section 2 – Prior Year Federal Award Findings and Questioned Costs

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