LINCOLN COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended

June 30, 2020

Lincoln County, Georgia
Annual Financial Report
For The Year Ended June 30, 2020

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lincoln County, Georgia (the County), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Development Authority of Lincoln County, which represents 91.5% of the assets, 95.8% of the net position, and 53.1% of the revenues of the aggregate discretely presented component units for the year ended June 30, 2020. 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, 2020, 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.

Other Information

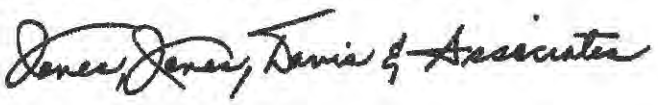
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining fund financial statements, the accompanying Section 5311 Transportation Program Statement of Revenues and Expenditures, the OneGeorgia 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 February 15, 2021 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.



Louisville, Georgia
February 15, 2021

Lincoln County, Georgia
Statement of Net Position
June 30, 2020

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Current Assets				
Cash and cash equivalents	$ 5,076,709	$ 1,067,594	$ 6,144,303	$ 727,533
Investments	130,717	-	130,717	-
Receivables:				
Accounts	238,438	187,078	425,516	22,900
Property taxes	116,347	-	116,347	-
Intergovernmental	779,682	-	779,682	8,113
Interfund	163,005	(163,005)	-	-
Other	199,998	-	199,998	-
Inventory	13,937	-	13,937	-
Assets held for resale	-	-	-	244,546
Prepaid items	73,890	-	73,890	-
Restricted Assets	-	194,889	194,889	-
Noncurrent Assets				
Capital leases receivable	-	-	-	927,933
Note receivable	-	-	-	343,798
Prepaid bond issuance	-	14,130	14,130	-
Proportionate share of collective net SEAD-OPEB asset	-	-	-	2,239
Capital Assets				
Nondepreciable capital assets	1,190,682	17,034	1,207,716	18,877
Depreciable capital assets, net	11,336,435	14,365,929	25,702,364	858,491
Total Assets	19,319,840	15,683,649	35,003,489	3,154,430
Deferred Outflows of Resources				
Deferred outflows of resources-				
State OPEB contributions	-	-	-	20,597
State SEAD-OPEB contributions	-	-	-	1,996
Retirement contributions	468,828	19,534	488,362	30,749
Total Deferred Outflows of Resources	468,828	19,534	488,362	53,342
Liabilities				
Current Liabilities				
Accounts payable	334,466	252,020	586,486	1,623
Accrued expenses	273,265	33,356	306,621	4,200
Intergovernmental payable	31,410	-	31,410	9,331
Due to others	5,985	-	5,985	-
Unearned revenues	-	342,461	342,461	-
Compensated absences payable	17,502	-	17,502	-
Notes payable	83,503	86,675	170,178	30,922
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)	53,505	1,895	55,400	4,290
Notes payable (net of current portion)	179,905	940,896	1,120,801	237,452
Landfill post-closure care costs payable (net of current portion)	-	49,250	49,250	-
Net state OPEB liability	-	-	-	44,042
Revenue bonds payable (net of current portion)	-	2,596,327	2,596,327	-
Net pension liability	1,160,468	48,353	1,208,821	113,521
Total Liabilities	2,140,009	4,471,083	6,611,092	445,381
Deferred Inflows of Resources				
Unavailable revenues	-	-	-	640,000
Related to state OPEB fund	-	-	-	58,610
Related to SEAD-OPEB fund	-	-	-	289
Related to pension plan	439,074	18,295	457,369	5,141
Total Deferred Inflows of Resources	439,074	18,295	457,369	704,040
Net Position				
Net investment in capital assets	12,263,709	10,649,065	22,912,774	608,994
Restricted for:				
Capital projects	704,725	-	704,725	-
Judicial	3,773	-	3,773	-
Public safety	226,956	-	226,956	-
Public works	727,232	-	727,232	-
Economic development	32,489	-	32,489	-
Health and welfare	3,094	-	3,094	165,196
Culture and recreation	130,717	-	130,717	-
Debt service	-	194,889	194,889	-
Unrestricted	3,116,890	369,851	3,486,741	1,284,161
Total Net Position	$ 17,209,585	$ 11,213,805	$28,423,390	$ 2,058,351

See accompanying notes to the basic financial statements.

Lincoln County, Georgia
Statement of Activities
For the Year Ended June 30, 2020

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	$ 1,995,940	$ 446,174	$ 14,251	$ -	$ (1,535,515)	$ -	$ (1,535,515)	$ -
Judicial	398,316	78,802	-	-	(319,514)	-	(319,514)	-
Public safety	2,839,604	715,921	291,753	-	(1,831,930)	-	(1,831,930)	-
Public works	1,171,028	640,422	388,664	1,765	(140,177)	-	(140,177)	-
Health and welfare	1,992,348	5,985	1,897,405	-	(88,958)	-	(88,958)	-
Culture and recreation	340,160	13,189	53,527	-	(273,444)	-	(273,444)	-
Conservation of natural resources	81,517	-	-	-	(81,517)	-	(81,517)	-
Housing and development	216,971	-	-	202,575	(14,396)	-	(14,396)	-
Interest	5,934	-	-	-	(5,934)	-	(5,934)	-
Total Governmental Activities	9,041,818	1,900,493	2,645,600	204,340	(4,291,385)	-	(4,291,385)	-
Business-Type Activities								
Water and sewer	1,246,316	1,100,392	-	-	-	(145,924)	(145,924)	-
Solid waste	674,062	900,850	-	-	-	226,788	226,788	-
Campgrounds and parks	-	-	-	-	-	-	-	-
Total Business-Type Activities	1,920,378	2,001,242	-	-	-	80,864	80,864	-
Total - Primary Government	$ 10,962,196	$ 3,901,735	$ 2,645,600	$ 204,340	(4,291,385)	80,864	(4,210,521)	-
Component Units								
Department of Health	$ 223,767	$ 53,496	$ 215,315	$ -	-	-	-	45,044
Development Authority	164,512	3,065	6,000	-	-	-	-	(155,447)
Recreation Authority	4,048	-	-	-	-	-	-	(4,048)
Total - Component Units	$ 392,327	$ 56,561	$ 221,315	$ -	-	-	-	(114,451)
		General Revenues						
		Property taxes			3,386,084	-	3,386,084	270,759
		Sales taxes			1,956,085	-	1,956,085	-
		Other taxes and revenues			540,311	-	540,311	-
		Investment earnings			5,895	2,629	8,524	24,001
		Miscellaneous			17,241	-	17,241	5
		Special item - gain on disposition of assets			64,611	-	64,611	-
		Total General Revenues and Special Items			5,970,227	2,629	5,972,856	294,765
		Change in Net Position			1,678,842	83,493	1,762,335	180,314
		Net Position, Beginning of Year			15,530,743	11,130,312	26,661,055	1,878,037
		Net Position, End of Year			$ 17,209,585	$ 11,213,805	$ 28,423,390	$ 2,058,351

See accompanying notes to the basic financial statements.

Lincoln County, Georgia
Balance Sheet
Governmental Funds
For the Year Ended June 30, 2020

	General	SPLOST Fund	TSPLOST Fund	Workforce Development Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	$ 3,220,949	$ 698,546	$ 714,024	$ 59,706	$ 383,484	$ 5,076,709
Investments	130,717	-	-	-	-	130,717
Receivables:						
Accounts, net	229,893	-	-	-	8,545	238,438
Property taxes	116,347	-	-	-	-	116,347
Intergovernmental	390,117	75,268	70,524	89,798	153,975	779,682
Interfund	481,353	-	-	-	-	481,353
Other	195,324	4,000	-	-	674	199,998
Prepaid items	73,890	-	-	-	-	73,890
Inventory	13,937	-	-	-	-	13,937
Total Assets	$ 4,852,527	$ 777,814	$ 784,548	$ 149,504	$ 546,678	$ 7,111,071
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts payable	$ 127,652	$ 48,777	$ 57,316	$ 89,798	$ 10,923	$ 334,466
Accrued expenses	269,562	-	-	-	3,703	273,265
Intergovernmental payable	-	24,312	-	-	7,098	31,410
Interfund payable	-	-	-	59,706	258,642	318,348
Due to others	5,985	-	-	-	-	5,985
Total Liabilities	403,199	73,089	57,316	149,504	280,366	963,474
Deferred Inflows of Resources						
Unavailable revenue: property taxes	84,409	-	-	-	-	84,409
Total Liabilities and Deferred Inflows of Resources	487,608	73,089	57,316	149,504	280,366	1,047,883
Fund Balances						
Nonspendable	87,827	-	-	-	-	87,827
Restricted						
Judicial	-	-	-	-	3,773	3,773
Public safety	-	-	-	-	226,956	226,956
Public works	-	-	727,232	-	-	727,232
Health and welfare	-	-	-	-	3,094	3,094
Capital projects	-	704,725	-	-	-	704,725
Culture and recreation	130,717	-	-	-	-	130,717
Economic development	-	-	-	-	32,489	32,489
Assigned						
Capital projects	329,612	-	-	-	-	329,612
Unassigned	3,816,763	-	-	-	-	3,816,763
Total Fund Balances (Deficits)	4,364,919	704,725	727,232	-	266,312	6,063,188
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 4,852,527	$ 777,814	$ 784,548	$ 149,504	$ 546,678	$ 7,111,071

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, 2020

Total Governmental Fund Balances		$ 6,063,188
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	$ 318,348	
Interfund payables	(318,348)	-
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	35,512,902	
Less accumulated depreciation	(22,985,785)	12,527,117
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		84,409
Liabilities associated with the County's pension plan are recognized for accrual reporting, but not reported in the fund financial statements.		(1,160,468)
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.		468,828
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.		(439,074)
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	(263,408)	
Compensated absences	(71,007)	(334,415)
Net Position of Governmental Activities		$ 17,209,585

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, 2020

Revenues	General	SPLOST Fund	TSPLOST Fund	Workforce Development Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
Taxes	$ 4,518,384	$ 729,151	$ 643,613	$ -	$ 33,148	$ 5,924,296
Licenses and permits	84,921	-	-	-	-	84,921
Intergovernmental	911,176	-	-	1,674,228	306,403	2,891,807
Charges for services	1,291,136	-	-	-	167,208	1,458,344
Fines, forfeitures and fees	250,241	-	-	-	30,912	281,153
Investment earnings	5,650	749	1,016	-	245	7,660
Miscellaneous	64,628	-	-	-	-	64,628
Total Revenues	7,126,136	729,900	644,629	1,674,228	537,916	10,712,809
Expenditures						
Current:						
General government	1,925,431	-	-	-	-	1,925,431
Judicial	393,030	-	-	-	3,218	396,248
Public safety	2,354,696	-	-	-	269,366	2,624,062
Public works	846,497	-	-	-	-	846,497
Health and welfare	246,353	-	-	1,674,228	71,767	1,992,348
Culture and recreation	276,542	-	-	-	-	276,542
Conservation of natural resources	81,517	-	-	-	-	81,517
Housing and development	185,971	-	-	-	18,006	203,977
Intergovernmental	-	115,672	-	-	-	115,672
Capital Outlay	-	710,064	878,903	-	210,330	1,799,297
Debt Service:						
Principal retirement	-	33,276	-	-	-	33,276
Interest and fiscal charges	-	5,934	-	-	-	5,934
Total Expenditures	6,310,037	864,946	878,903	1,674,228	572,687	10,300,801
Excess (Deficiency) of Revenues Over (Under) Expenditures	816,099	(135,046)	(234,274)	-	(34,771)	412,008
Other Financing Sources (Uses)						
Proceeds from installment obligation	-	165,524	-	-	-	165,524
Transfers in (out), net	(63,239)	-	-	-	63,239	-
Total Other Financing Sources (Uses)	(63,239)	165,524	-	-	63,239	165,524
Special Items						
Proceeds from dispostion of assets	64,611	-	-	-	-	64,611
Net Change in Fund Balances	817,471	30,478	(234,274)	-	28,468	642,143
Fund Balances, Beginning	3,547,448	674,247	961,506	-	237,841	5,421,045
Fund Balances, Ending	$ 4,364,919	$ 704,725	$ 727,232	$ -	$ 266,312	$ 6,063,188

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, 2020

Net Changes In Fund Balances - Total Governmental Funds		$ 642,143
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	$ 2,145,743	
Depreciation expense	(765,465)	1,380,278
The book value of disposed capital assets is reported on the government-wide statement of activities but not reported at the fund financial reporting level.		(14,944)
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	84,409	
Deferred, beginning of year	(126,225)	(41,816)
Elimination of transfers between governmental funds:		
Transfers in	63,239	
Transfers out	(63,239)	-
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.		(165,524)
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.		33,276
Net pension expense adjustments associated with changes in pension liability and net changes in deferred inflows and outflows.		(138,888)
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	(71,007)	
Liability, beginning of year	55,324	(15,683)
Change In Net Position of Governmental Activities		$ 1,678,842

See accompanying notes to the basic financial statements.

Lincoln County, Georgia
Statement of Net Position
Proprietary Funds
June 30, 2020

Assets	Water Fund	Solid Waste Fund	Campgrounds and Parks Fund	Total
Current Assets:				
Cash and cash equivalents	$ 164,899	$ 899,942	$ 2,753	$ 1,067,594
Restricted Assets:				
Cash and cash equivalents	194,889	-	-	194,889
Accounts receivable, net	122,260	64,818	-	187,078
Total Current Assets	482,048	964,760	2,753	1,449,561
Noncurrent Assets:				
Prepaid bond issuance	14,130	-	-	14,130
Capital Assets:				
Nondepreciable, net	17,034	-	-	17,034
Depreciable, net	14,341,797	24,132	-	14,365,929
Total Noncurrent Assets	14,372,961	24,132	-	14,397,093
Total Assets	14,855,009	988,892	2,753	15,846,654
Deferred Outflows of Resources				
Related to pension	19,534	-	-	19,534
Total Deferred Outflows of Resources	19,534	-	-	19,534
Liabilities				
Current Liabilities:				
Accounts payable	136,941	115,079	-	252,020
Accrued expenses	32,523	833	-	33,356
Unearned revenue	-	342,461	-	342,461
Interfund payable	138,807	2,124	22,074	163,005
Notes payable	86,675	-	-	86,675
Revenue bonds payable	110,000	-	-	110,000
Postclosure liability, current portion	-	9,850	-	9,850
Total Current Liabilities	504,946	470,347	22,074	997,367
Long-Term Liabilities:				
Notes payable (net of current portion)	940,896	-	-	940,896
Revenue bonds payable (net of current portion)	2,596,327	-	-	2,596,327
Net pension liability	48,353	-	-	48,353
Landfill closure/post-closure care costs	-	49,250	-	49,250
Compensated absences	1,895	-	-	1,895
Total Long-Term Liabilities	3,587,471	49,250	-	3,636,721
Total Liabilities	4,092,417	519,597	22,074	4,634,088
Deferred Inflows of Resources				
Related to pension	18,295	-	-	18,295
Total Deferred Inflows of Resources	18,295	-	-	18,295
Net Position				
Net investment in capital assets	10,624,933	24,132	-	10,649,065
Restricted for debt service	194,889	-	-	194,889
Unrestricted	(55,991)	445,163	(19,321)	369,851
Total Net Position	$ 10,763,831	$ 469,295	$ (19,321)	$ 11,213,805

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, 2020

	Water Fund	Solid Waste Fund	Campgrounds and Parks Fund	Total
Operating Revenues				
Charges for services	$ 1,094,677	$ 900,850	$ -	$ 1,995,527
Miscellaneous	5,715	-	-	5,715
Total Operating Revenues	1,100,392	900,850	-	2,001,242
Operating Expenses				
Cost of water	207,411	-	-	207,411
Salaries and benefits	191,763	19,853	-	211,616
Repairs and maintenance	61,637	306	-	61,943
Materials and supplies	58,812	991	-	59,803
Utilities	66,018	2,607	-	68,625
Professional and contract services	37,110	643,736	-	680,846
Other operating expenses	78,254	2,182	-	80,436
Depreciation	435,715	4,387	-	440,102
Total Operating Expenses	1,136,720	674,062	-	1,810,782
Operating Income (Loss)	(36,328)	226,788	-	190,460
Non-Operating Revenues (Expenses)				
Investment earnings	1,709	920	-	2,629
Interest and fiscal charges	(109,596)	-	-	(109,596)
Total Non-Operating Revenues (Expenses)	(107,887)	920	-	(106,967)
Change in Net Position	(144,215)	227,708	-	83,493
Net Position, Beginning of Year	10,908,046	241,587	(19,321)	11,130,312
Net Position, End of Year	$ 10,763,831	$ 469,295	$ (19,321)	$ 11,213,805

See accompanying notes to the basic financial statements.

Lincoln County, Georgia
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2020

	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	$ 1,078,805	$ 855,226	$ -	$ 1,934,031
Cash payments to employees for services & benefits	(188,107)	(19,623)	-	(207,730)
Cash payments for goods and services	(440,414)	(618,232)	-	(1,058,646)
Net Cash Provided by (Used in) Operating Activities	450,284	217,371	-	667,655
Cash Flows from Noncapital Financing Activities				
Cash payments from (to) other funds	(4,592)	2,124	-	(2,468)
Net Cash Provided by (Used in) Noncapital Financing Activities	(4,592)	2,124	-	(2,468)
Cash Flows from Capital and Related Financing Activities				
Principal paid on long term debt	(193,720)	-	-	(193,720)
Interest and fiscal charges paid	(110,513)	-	-	(110,513)
Payments on bond issuance cost	942	-	-	942
Net Cash Provided by (Used in) Capital and Related Financing Activities	(303,291)	-	-	(303,291)
Cash Flows from Investing Activities				
Investment earnings	1,709	920	-	2,629
Net Increase (Decrease) in Cash and Cash Equivalents	144,110	220,415	-	364,525
Cash and Cash Equivalents, Beginning of Year	215,678	679,527	2,753	897,958
Cash and Cash Equivalents, End of Year	$ 359,788	$ 899,942	$ 2,753	$ 1,262,483

(Continued)

See accompanying notes to the basic financial statements.

Lincoln County, Georgia
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2020

	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)	$ (36,328)	$ 226,788	$ -	$ 190,460
Adjustments:				
Depreciation	435,715	4,387	-	440,102
(Increase) Decrease in Assets:				
Accounts receivable	(21,587)	(46,804)	-	(68,391)
Deferred outflows of resources	3,767	-	-	3,767
Increase (Decrease) in Liabilities:				
Accounts payable	68,830	31,589	-	100,419
Other liabilities	(343)	230	-	(113)
Unearned revenues	-	1,181	-	1,181
Deferred inflows of resources	12,198	-	-	12,198
Net pension liability	(10,177)	-	-	(10,177)
Compensated absences payable	(1,791)	-	-	(1,791)
Net Cash Provided by (Used in) Operating Activities	$ 450,284	$ 217,371	$ -	$ 667,655

See accompanying notes to the basic financial statements.

Lincoln County, Georgia
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2020 and 2019

	2020	2019
Assets		
Cash and cash equivalents	$ 749,070	$ 418,801
Liabilities		
Due to others	$ 749,070	$ 418,801
Total Liabilities	$ 749,070	$ 418,801

See accompanying notes to the basic financial statements.

Lincoln County, Georgia
Combining Statement of Net Position
Component Units
June 30, 2020

	Lincoln County Department of Health	Development Authority of Lincoln County	Lincoln County Recreation Authority	Total
Assets				
Current:				
Cash and cash equivalents	$ 243,612	$ 483,921	$ -	$ 727,533
Receivables:				
Accounts	22,900	-	-	22,900
Intergovernmental	-	8,113	-	8,113
Assets held for resale	-	244,546	-	244,546
Noncurrent:				
Capital leases receivable	-	927,933	-	927,933
Note receivable	-	343,798	-	343,798
Proportionate share of collective net SEAD-OPEB asset	2,239	-	-	2,239
Capital Assets:				
Nondepreciable capital assets	-	18,877	-	18,877
Depreciable capital assets, net	-	858,491	-	858,491
Total Assets	268,751	2,885,679	-	3,154,430
Deferred Outflows of Resources				
Deferred outflows of resources-				
State SEAD-OPEB contributions	1,996	-	-	1,996
State OPEB contributions	20,597	-	-	20,597
Retirement contributions	30,749	-	-	30,749
Total Deferred Outflows of Resources	53,342	-	-	53,342
Liabilities				
Current Liabilities:				
Accounts payable	-	1,623	-	1,623
Accrued liabilities	-	4,200	-	4,200
Intergovernment payable	9,331	-	-	9,331
Notes payable	-	30,922	-	30,922
Long-Term Liabilities: (net of current portion)				
Compensated absences payable	4,290	-	-	4,290
Notes payable	-	237,452	-	237,452
Net state OPEB liability	44,042	-	-	44,042
Net pension liability	113,521	-	-	113,521
Total Liabilities	171,184	274,197	-	445,381
Deferred Inflows of Resources				
Deferred inflows of resources -				
Unavailable revenues	-	640,000	-	640,000
Related to state OPEB fund	58,610	-	-	58,610
Related to SEAD-OPEB fund	289	-	-	289
Related to pension plan	5,141	-	-	5,141
Total Deferred Inflows of Resources	64,040	640,000	-	704,040
Net Position				
Net investment in capital assets	-	608,994	-	608,994
Restricted:				
Health and welfare	165,196	-	-	165,196
Unrestricted	(78,327)	1,362,488	-	1,284,161
Total Net Position	$ 86,869	$ 1,971,482	$ -	$ 2,058,351

See accompanying notes to the basic financial statements.

Lincoln County, Georgia
Combining Statement of Activities
Component Units
For the Year Ended June 30, 2020

	Lincoln County Department of Health	Development Authority of Lincoln County	Lincoln County Recreation Authority	Total
Expenses				
Health and welfare	$ 223,767	$ -	$ -	$ 223,767
Economic development	-	148,708	4,048	152,756
Interest	-	15,804	-	15,804
Total Expenses	223,767	164,512	4,048	392,327
Revenues				
Program revenues:				
Charges for services	53,496	3,065	-	56,561
Operating grants and contributions	215,315	6,000	-	221,315
Total Program Revenues	268,811	9,065	-	277,876
Net Program (Expense)	45,044	(155,447)	(4,048)	(114,451)
General Revenues				
Property taxes	-	270,759	-	270,759
Investment earnings	1	23,999	1	24,001
Miscellaneous	-	5	-	5
Total General Revenues	1	294,763	1	294,765
Change in Net Position	45,045	139,316	(4,047)	180,314
Net Position, Beginning of Year	41,824	1,832,166	4,047	1,878,037
Net Position, End of Year	$ 86,869	$ 1,971,482	$ -	$ 2,058,351

See accompanying notes to the basic financial statements.

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

Note 1 - Summary of Significant Accounting Policies

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

1-A. Reporting Entity

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

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

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

Brief descriptions of the discretely presented component units follow:

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

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

Lincoln County Recreation Authority (the Recreation Authority) – The Board of Commissioners appoints members to the governing body of the Recreation Authority. The Recreation Authority's operational and capital budgets are not subject to approval or modification by any governmental entity, and it establishes various fees for sporting events and other recreational activities. The Recreation Authority can borrow money for any of its corporate purposes and issues other obligations that are not expressly prohibited by the Georgia Constitution, including bonded debt that does not have to be approved by the Board of Commissioners. The Recreation Authority does not prepare separate financial statements. The Recreation Authority completed its operations during the fiscal year and was dissolved as of October 11, 2019.

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, 2020.

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, 2020, 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. The County follows GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period.* No capitalized interest was recorded during the fiscal year ended June 30, 2020.

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.

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, 2020, 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, 2020, 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.

2-B. Deficit fund balances or net position

For the fiscal year ended June 30, 2020, 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, or by participation in the State of Georgia Secure Deposit Program. 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 or to be collateralized by participation in the State of Georgia Secure Deposit Program.

The County participates in the pooled method with its depositors to collateralize funds as allowed by law. At June 30, 2020, the County's deposits and investments were exposed to custodial credit risk as follows:

Carrying amount of the County's deposits	$ 7,088,262
Bank balances of the County's deposits	7,097,671
Deposits covered by depository insurance	500,000
Deposits collateralized by securities	6,597,671

The County's investment assets measured at fair value on a recurring basis as of June 30, 2020 were as follows:

Certificates of deposit	$ 130,717

As of June 30, 2020, 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.

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.

Note 3 - Detailed Notes on All Funds (Continued)

3-A. Deposits and Investments (Continued)

At June 30, 2020, 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, 2020, 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 2019. Property tax bills were mailed in October 2019 and were due by December 20, 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, 2020, was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance
GOVERNMENTAL ACTIVITIES:				
Nondepreciable capital assets:				
Land	$ 475,508	$ -	$ -	$ 475,508
Construction in progress	166,646	548,528	-	715,174
Total capital assets not being depreciated	642,154	548,528	-	1,190,682
Depreciable capital assets:				
Land improvements	180,173	-	-	180,173
Infrastructure	23,550,064	1,200,545	-	24,750,609
Buildings	5,576,981	23,832	-	5,600,813
Vehicles	1,979,240	271,105	34,850	2,215,495
Furniture, fixtures and equipment	1,496,397	101,733	23,000	1,575,130
Total depreciable capital assets	32,782,855	1,597,215	57,850	34,322,220
Total capital assets	33,425,009	2,145,743	57,850	35,512,902
Accumulated depreciation:				
Land improvements	37,775	5,362	-	43,137
Infrastructure	15,987,682	427,090	-	16,414,772
Buildings	3,330,598	169,450	-	3,500,048
Vehicles	1,747,998	58,112	23,192	1,782,918
Furniture, fixtures and equipment	1,159,173	105,451	19,714	1,244,910
Total accumulated depreciation	22,263,226	765,465	42,906	22,985,785
Governmental activitivties capital assets, net	$ 11,161,783	$ 1,380,278	$ 14,944	$ 12,527,117

Governmental activities depreciation expense:

General government	$ 31,428
Public safety	181,665
Public works	460,711
Culture and recreation	79,113
Housing and development	12,548
Total governmental activities depreciation expense	$ 765,465

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	6,310,173	421,048	-	6,731,221
Land improvements	59,233	4,387	-	63,620
Vehicles	51,169	-	-	51,169
Furniture and equipment	169,214	14,667	-	183,881
Total accumulated depreciation	6,589,789	440,102	-	7,029,891
Business-type activities capital assets, net	$ 14,823,065	$ (440,102)	$ -	$ 14,382,963

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	591,393	25,375	-	616,768
Land improvements	272,979	24,851	-	297,830
Furniture, fixtures and equipment	34,201	-	-	34,201
Total accumulated depreciation	898,573	50,226	-	948,799
Component unit capital assets, net	$ 927,594	$ (50,226)	$ -	$ 877,368

3-E. Interfund Balances and Transfers

Interfund balances and transfers for the year ended June 30, 2020, consisted of the following:

Interfund Balances	Due From:	Due To:
General Fund	$ -0-	$ 481,353
Water Fund	138,807	-0-
Solid Waste Fund	2,124	-0-
Campgrounds and Parks Fund	22,074	-0-
Workforce Development Fund	59,706	-0-
Non-major Governmental Fund	258,642	-0-
Total Interfund Balances	$ 481,353	$ 481,353

The interfund balances from the General Fund to the Water Fund, the Solid Waste 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	$ 63,239	$ 63,239
Total	$ 63,239	$ 63,239

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, 2020:

General administration	$ 20,674
Court system	7,903
Public safety	31,654
Public works	6,503
Housing and development	1,440
Culture and recreation	2,833
Total Governmental Activities	$ 71,007
Water Fund	$ 1,895
Total Business-type Activities	$ 1,895

(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, 2020:

Governmental Activities	Outstanding 6/30/19	Additions	Reductions	Outstanding 6/30/20	Amounts Due in One Year
Notes payable	$ 131,160	$ 165,524	$ 33,276	$ 263,408	$ 83,503
Compensated Absences	55,324	71,792	56,109	71,007	17,502
Net pension liability	1,404,722	-	244,254	1,160,468	-
Total Governmental Activities	$ 1,591,206	$ 237,316	$ 333,639	$ 1,494,883	$ 101,005
Business-type Activities					
Revenue bonds	$ 2,825,000	$ -	$ 110,000	$ 2,715,000	$ 110,000
Unamortized discount	(9,689)	-	(1,016)	(8,673)	-
Total revenue bonds	2,815,311	-	108,984	2,706,327	110,000
Notes payable	1,112,307	-	84,736	1,027,571	86,675
Landfill postclosure	59,100	9,850	9,850	59,100	9,850
Compensated absences	3,686	3,807	5,598	1,895	-
Net pension liability	58,530	-	10,177	48,353	-
Total Business-type Activities	$ 4,048,934	$ 13,657	$ 219,345	$ 3,843,246	$ 206,525
Component Units					
Net pension liability	$ 113,259	$ 262	$ -	$ 113,521	$ -
Net state OPEB liability	88,695	-	44,653	44,042	-
Notes payable	294,930	-	26,556	268,374	30,922
Compensated Absences	2,800	4,596	3,106	4,290	-
Total Component Units	$ 499,684	$ 4,858	$ 74,315	$ 430,227	$ 30,922

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, 2020 was $ 101,408.

During the fiscal year, the County entered into a note payable agreement with a local financial institution in February 2020 to finance the purchase of public safety equipment. The original amount of $100,524 was financed and is due in monthly installments with an interest rate of 5.00%. Final payment is due in January 2022. The outstanding balance of this note at June 30, 2020 was $ 97,000.

Note 3 - Detailed Notes on All Funds (Continued)

3-G. Long-term Debt (Continued)

During the fiscal year, the County also entered into a note payable agreement with the United States Department of Agriculture Rural Development in the amount of $65,000 to finance public safety equipment. The note is due in annual installments with an interest rate of 2.375%. Final payment is due on June 19, 2027. The outstanding balance of the note at June 30, 2020 was $ 65,000.

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

YEAR	PRINCIPAL	INTEREST	TOTALS
2021	$ 83,503	$ 9,858	$ 93,361
2022	112,952	5,458	118,410
2023	28,508	2,003	30,511
2024	9,275	914	10,189
2025	9,496	693	10,189
2026 - 2027	19,674	703	20,377
Total	$ 263,408	$ 19,629	$ 283,037

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, 2020 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.	$ 2,715,000
Less: Unamortized discount	(8,673)
Total Revenue Bond	$ 2,706,327

Debt service requirements to maturity on the revenue bonds outstanding, as of June 30, 2020, are as follows:

YEAR	PRINCIPAL	INTEREST	TOTALS
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	120,000	68,212	188,212
2026-2030	880,000	286,862	1,166,862
2031-2035	1,255,000	123,894	1,378,894
Total	$ 2,715,000	$ 778,280	$ 3,493,280

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, 2020 was $ 419,280.

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
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	9,460	7,772	17,232
2026-2030	50,298	35,862	86,160
2031-2035	55,722	30,438	86,160
2036-2040	61,719	24,441	86,160
2041-2045	68,392	17,768	86,160
2046-2050	75,769	10,391	86,160
2051-2054	61,978	2,475	64,453
Total	$ 419,280	$ 162,133	$ 581,413

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, 2020:

Interest Rate	Term	Due Date	Original Amount	Outstanding Amount
1.50%	20 years	2028	$ 1,449,967	$ 608,291

Additionally, the County has a construction line of credit agreement with a financial institution to be used as needed for the construction or expansion of the County's water and sewer infrastructure. As of June 30, 2020, $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
2021	$ 77,958	$ 7,850	$ 85,808
2022	78,390	7,418	85,808
2023	79,574	6,234	85,808
2024	80,776	5,032	85,808
2025	81,996	3,812	85,808
2026-2028	209,597	4,069	213,666
Total	$ 608,291	$ 34,415	$ 642,706

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, 2020, 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, 2020. These estimated costs are based on what it would cost to perform all post-closure care in fiscal year 2020. 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, 2019 totaled $ 1,791,168. Total payroll for all employees totaled $ 3,413,659 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, 2020, the County was required to contribute $ 236,419, or 13.19% of the covered employee payroll.

Employees covered by benefit terms – At January 1, 2019, the following employees were covered by the benefit terms:

Retirees, Beneficiaries and Disables receiving benefits	36
Terminated plan participants entitled to, but not yet receiving benefits	62
Active employees participating in the Plan	58
Total number of Plan Participants	156
Covered compensation for active participants	$ 1,791,168

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2020, the County reported a liability for its net pension liability. The net pension liability was measured as of December 31, 2019. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of January 1, 2019. An expected total pension liability as of December 31, 2019 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, 2019.

Note 3 - Detailed Notes on All Funds (Continued)

3-I. Pensions (Continued)

Actuarial assumptions - The total pension liability as of December 31, 2019 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%-5.50% 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, 2019 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, 2020, the County recognized pension expense of $ 398,861. At June 30, 2020, 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	$ 36,955	$ -0-
Changes of assumptions	191,835	-0-
Net difference between projected and actual earnings on pension plan investments	259,572	457,369
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	$ 488,362	$ 457,369

County contributions subsequent to the measurement date of December 31, 2019 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, 2021. 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:	
2021	$ 85,919
2022	30,641
2023	3,371
2024	(88,937)
2025	-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	$ 1,920,799	$ 1,208,821	$ 621,060

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, 2018	$ 4,936,202	$ 3,472,950	$ 1,463,252
Changes for the year:			
Service Cost	97,053	-	97,053
Interest on Total Pension Liability	338,805	-	338,805
Differences between expected and actual experience	20,704	-	20,704
Assumption Change	181,912	-	181,912
Contributions - employer	-	254,216	(254,216)
Contributions - employee	-	-	-
Net investment income	-	697,463	(697,463)
Benefit payments (Adjusted for interest)	(192,264)	(192,264)	-
Administrative expenses	-	(24,820)	24,820
Other charges	-	(33,954)	33,954
Net Changes	446,210	700,641	(254,431)
Balances at December 31, 2019	$ 5,382,412	$ 4,173,591	$ 1,208,821

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, 2020, 3.87% or 6 of the County's 155 employees were participants in the deferred compensation plan. The employees of the County contributed $ 5,430 to the deferred compensation plan during the year ended June 30, 2020. 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, 2020, is as follows:

	Governmental Activities	Business Type Activities	Component Units
Cost of capital assets	$ 35,512,902	$ 21,412,854	$ 1,826,167
Less accumulated depreciation	(22,985,785)	(7,029,891)	(948,799)
Book value	12,527,117	14,382,963	877,368
Less capital related debt	(263,408)	(3,733,898)	(268,374)
Net Investment in Capital Assets	$ 12,263,709	$ 10,649,065	$ 608,994

(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	$ 87,827
Restricted –The following fund balances are restricted for:	
General Fund:	
Culture and recreation	130,717
Special Revenue Funds:	
Hotel/Motel Tax Fund	32,489
Jail Fund	7,314
Drug Education Fund	31,618
Family Connection Fund	3,094
Law Library Fund	3,773
E-911 Fund	179,698
Condemned Funds Fund	8,326
Capital Projects Funds:	
SPLOST Fund	704,725
TSPLOST Fund	727,232
Assigned - The following fund balances are assigned for:	
General Fund:	
Capital projects	329,612
Unassigned	
General Fund:	3,816,763
Total Fund Balances	$ 6,063,188

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, 2020, the County collected $ 33,148 of hotel/motel taxes. Management represents that 100% of the lodging tax received during the year ended June 30, 2020 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, 2020, the County did not have any tax incentive agreements to disclose to be in compliance with GASB 77.

4-F Subsequent Events

In preparing the financial statements, the County has evaluated events and transactions for potential recognition or disclosure through February 15, 2021. Management has not identified any items requiring recognition or disclosure.

Events Occurring Subsequent to the Balance Sheet Date

In March 2020, the President of the United States of America declared that the spread of the coronavirus (COVID-19) had created a national emergency. The President and the Governor of the state of Georgia advised citizens to limit in-person meetings and other social interactions where COVID-19 could be transmitted. The outbreak and spread of this virus strain coupled with the shelter in place orders caused operational and economic disruptions to local, state, and national communities. The extent and impact of COVID-19 on the County's operational and financial performance is uncertain and cannot be predicted. At this time, the Board of Commissioners does not feel as though this pandemic will have a material financial impact on the County.

Lincoln County, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Taxes	$ 4,211,725	$ 4,211,725	$ 4,518,384	$ 306,659
Licenses and permits	74,200	74,200	84,921	10,721
Intergovernmental	828,493	828,493	911,176	82,683
Charges for services	1,138,918	1,138,918	1,291,136	152,218
Fines, forfeitures and fees	206,025	206,025	250,241	44,216
Investment earnings	2,600	2,600	5,650	3,050
Miscellaneous	62,777	62,777	64,628	1,851
Total Revenues	6,524,738	6,524,738	7,126,136	601,398
Expenditures				
Current:				
General government	2,163,853	2,094,553	1,925,431	169,122
Judicial	408,048	408,848	393,030	15,818
Public safety	2,495,269	2,521,269	2,354,696	166,573
Public works	818,731	868,731	846,497	22,234
Health and welfare	248,753	257,753	246,353	11,400
Culture and recreation	285,206	285,206	276,542	8,664
Conservation of natural resources	89,853	84,853	81,517	3,336
Housing and development	203,025	191,525	185,971	5,554
Total Expenditures	6,712,738	6,712,738	6,310,037	402,701
Excess (Deficiency) of Revenues Over (Under) Expenditures	(188,000)	(188,000)	816,099	1,004,099
Other Financing Sources (Uses)				
Transfers in (out)	188,000	188,000	(63,239)	(251,239)
Total Other Financing Sources (Uses)	188,000	188,000	(63,239)	(251,239)
Special Items				
Gain on disposition of assets	-	-	64,611	64,611
Net Change in Fund Balances	$ -	$ -	817,471	$ 817,471
Fund Balance, Beginning of Year			3,547,448	
Fund Balances, End of Year			$ 4,364,919	

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, 2020

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Intergovernmental	$ 1,700,000	$ 1,700,000	$ 1,674,228	$ (25,772)
Total Revenues	1,700,000	1,700,000	1,674,228	(25,772)
Expenditures				
Health and welfare	1,700,000	1,700,000	1,674,228	25,772
Total Expenditures	1,700,000	1,700,000	1,674,228	25,772
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, 2020

	2020	2019	2018	2017	2016	2015
Total pension liability						
Service cost	$ 97,053	$ 105,452	$ 102,656	$ 103,765	$ 116,094	$ 113,794
Interest on total pension liability	338,805	318,317	297,151	286,554	258,060	238,565
Differences between expected and actual experience	20,704	39,822	61,560	11,381	13,770	-
Assumption change	181,912	171,997	7,210	121,650	105,312	-
Benefit payments (Adjusted for interest)	(192,264)	(179,936)	(173,322)	(158,771)	(113,326)	(92,421)
Net change in total pension liability	446,210	455,652	295,255	364,579	379,910	259,938
Total pension liability, Beginning	4,936,202	4,480,550	4,185,295	3,820,716	3,440,806	3,180,868
Total pension liability, Ending	$ 5,382,412	$ 4,936,202	$ 4,480,550	$ 4,185,295	$ 3,820,716	$ 3,440,806
Plan fiduciary net position						
Contributions - employer	$ 254,216	$ 226,748	$ 242,457	$ 237,611	$ 240,241	$ 243,643
Net investment income	697,463	(158,091)	487,713	211,062	23,152	180,521
Benefit payments (Adjusted for interest)	(192,264)	(179,936)	(173,322)	(153,032)	(109,230)	(89,081)
Administrative expenses	(24,820)	(14,029)	(11,211)	(14,499)	(11,882)	(11,371)
Other charges	(33,954)	(17,024)	(49,249)	(24,908)	(37,989)	(36,718)
Net change in plan fiduciary net position	700,641	(142,332)	496,388	256,234	104,292	286,994
Plan fiduciary net position, Beginning	3,472,950	3,615,282	3,118,894	2,862,660	2,758,368	2,471,374
Plan fiduciary net position, Ending	$ 4,173,591	$ 3,472,950	$ 3,615,282	$ 3,118,894	$ 2,862,660	$ 2,758,368
County's net pension liability	$ 1,208,821	$ 1,463,252	$ 865,268	$ 1,066,401	$ 958,056	$ 682,438
Plan fiduciary net position as a percentage of the total pension liability	77.54%	70.36%	80.69%	74.52%	74.92%	80.17%
Covered-employee payroll	$ 1,791,168	$ 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	67.49%	80.68%	52.62%	66.65%	55.53%	40.05%

Lincoln County, Georgia
Schedule of Pension Contributions
For the Year Ended June 30, 2020

	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 236,419	$ 214,718	$ 238,914	$ 233,124	$ 235,060	$ 233,483	$ 236,710
Contributions in relation to the contractually required contribution	254,216	226,748	242,457	237,611	240,241	243,643	242,391
Contribution deficiency (excess)	$ (17,797)	$ (12,030)	$ (3,543)	$ (4,487)	$ (5,181)	$ (10,160)	$ (5,681)
County's covered-employee payroll	$ 1,791,168	$ 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	14.19%	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 did not reflect any expenditures in excess of budgeted amounts.

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

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

Note 3 - Schedule of Pension Contributions

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

Method and assumptions used in calculations of actuarially determined contributions: The following actuarial methods and assumptions were used to determine the contractually required contributions for year ended June 30, 2020 reported in that schedule:

Valuation date	January 1, 2019
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll, open
Remaining amortization method	18.20 years
Asset valuation period	Five-year smoothed market
Inflation rate	2.00%
Salary increases	2.50 - 5.50% per year, adjusted for age
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

Lincoln County, Georgia
General Fund
Comparative Balance Sheet
June 30, 2020 and 2019

	2020	2019
Assets		
Cash and cash equivalents	$ 3,220,949	$ 2,593,933
Investments	130,717	147,548
Receivables:		
Accounts, net	229,893	264,844
Property taxes, net	116,347	154,194
Intergovernmental	390,117	265,730
Interfund	481,353	386,853
Other	195,324	129,216
Prepaid items	73,890	94,620
Inventory	13,937	27,631
Total Assets	$ 4,852,527	$ 4,064,569
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities		
Accounts payable	$ 127,652	$ 108,760
Accrued expenses	269,562	237,903
Due to others	5,985	44,233
Total Liabilities	403,199	390,896
Deferred Inflows of Resources		
Unavailable revenue: property taxes	84,409	126,225
Total Liabilities and Deferred Inflows of Resources	487,608	517,121
Fund Balances		
Nonspendable		
Inventory	13,937	27,631
Prepaid items	73,890	94,620
Restricted		
Culture and recreation	130,717	147,548
Assigned		
Culture and recreation	-	9,545
Capital projects	329,612	320,067
Unassigned	3,816,763	2,948,037
Total Fund Balances	4,364,919	3,547,448
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 4,852,527	$ 4,064,569

Lincoln County, Georgia
General Fund
Schedule of Revenues - Budget and Actual
For the Year Ended June 30, 2020
(With Comparative Actual Amounts for the Year Ended June 30, 2019)

	2020				
	Original Budget	Final Budget	Actual	Variance Over (Under)	2019 Actual
REVENUES					
Taxes					
General property tax	$ 2,948,894	$ 2,948,894	$ 2,975,262	$ 26,368	$2,810,674
Vehicle property tax	60,000	60,000	40,429	(19,571)	65,842
Title ad valorem tax	200,000	200,000	313,292	113,292	265,971
Mobile home property tax	30,000	30,000	26,316	(3,684)	27,716
Recording intangible tax	29,204	29,204	44,538	15,334	32,760
Real estate transfer tax	7,779	7,779	11,437	3,658	14,765
Timber tax	24,948	24,948	16,570	(8,378)	12,557
Other taxes	-	-	56	56	63
Insurance premium tax	333,000	333,000	444,453	111,453	414,710
Local option sales tax	517,000	517,000	583,321	66,321	533,968
Bank licenses and taxes	7,400	7,400	9,890	2,490	9,249
Franchise taxes	26,000	26,000	23,026	(2,974)	23,640
Alcoholic beverage licenses/taxes	27,500	27,500	29,794	2,294	27,180
Total Taxes	4,211,725	4,211,725	4,518,384	306,659	4,239,095
Licenses and Permits	74,200	74,200	84,921	10,721	94,922
Intergovernmental					
Federal grant funds	21,500	21,500	49,929	28,429	-
Federal P.I.L.O.T.	145,000	145,000	152,740	7,740	145,936
Road paving contracts	335,000	335,000	364,929	29,929	332,318
Forest Land Protection Grant	9,903	9,903	10,452	549	11,578
Columbia County library supplement	50,749	50,749	53,527	2,778	50,075
Nutrition Program	47,000	47,000	54,867	7,867	35,553
DOT transit program revenues	56,466	56,466	58,185	1,719	52,336
State grant funds	-	-	23,735	23,735	21,560
Juvenile Offenders Program	250	250	3,799	3,549	3,902
Other local funds	162,625	162,625	139,013	(23,612)	160,001
Total Intergovernmental	828,493	828,493	911,176	82,683	813,259
Charges for Services					
Commissions on tax collections	196,000	196,000	160,910	(35,090)	178,841
Ambulance fees	315,000	315,000	302,730	(12,270)	332,123
Correction Institute-inmate cost rebate	413,576	413,576	639,822	226,246	558,849
Civil defense	1,800	1,800	600	(1,200)	1,000
Code enforcement	14,100	14,100	-	(14,100)	12,383
Rental income	90,851	90,851	99,311	8,460	98,425
Administrative fees	89,786	89,786	68,589	(21,197)	115,482
Library fees	10,405	10,405	2,603	(7,802)	4,096
Transportation program fares	2,500	2,500	5,985	3,485	5,534
Recreation fees and sponsorships	4,900	4,900	10,586	5,686	7,184
Total Charges for Services	1,138,918	1,138,918	1,291,136	152,218	1,313,917

(Continued)

Lincoln County, Georgia
General Fund
Schedule of Revenues - Budget and Actual
For the Year Ended June 30, 2020
(With Comparative Actual Amounts for the Year Ended June 30, 2019)

	2020				
	Original Budget	Final Budget	Actual	Variance Over (Under)	2019 Actual
REVENUES					
Fines, Forfeitures and Fees					
State and superior courts	$ 56,275	$ 56,275	$ 73,075	$ 16,800	$ 67,798
Sheriff's fees	58,150	58,150	98,364	40,214	73,222
Magistrate court	7,500	7,500	6,958	(542)	5,385
Probate court	84,100	84,100	71,844	(12,256)	87,403
Total Fines, Forfeitures and Fees	206,025	206,025	250,241	44,216	233,808
Investment Earnings	2,600	2,600	5,650	3,050	3,594
Miscellaneous					
Penalties & interest/costs	41,575	41,575	32,443	(9,132)	42,374
Sale of surplus property	15,400	15,400	528	(14,872)	13,970
Other	5,802	5,802	31,657	25,855	14,886
Total Miscellaneous	62,777	62,777	64,628	1,851	71,230
TOTAL REVENUES	$ 6,524,738	$ 6,524,738	$ 7,126,136	$ 601,398	$6,769,825

Lincoln County, Georgia
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended June 30, 2020
(With Comparative Actual Amounts for the Year Ended June 30, 2019)

	2020				
	Original Budget	Final Budget	Actual	Variance Over (Under)	2019 Actual
EXPENDITURES					
General Government					
Board of commissioners	$ 175,271	$ 165,271	$ 161,874	$ 3,397	$ 177,844
Tax commissioner	184,966	190,466	188,463	2,003	193,021
Tax assessor	189,448	189,448	181,424	8,024	183,236
General administration	1,231,890	1,154,890	991,221	163,669	1,042,369
Finance office	136,291	136,291	164,243	(27,952)	137,302
County attorney	34,890	37,390	36,763	627	28,120
Information technology	73,015	73,015	66,841	6,174	69,579
Record retention	23,174	16,874	11,841	5,033	-
Board of equalization	7,764	7,764	3,466	4,298	5,578
Elections and registrar	107,144	123,144	119,295	3,849	92,472
Total General Government	2,163,853	2,094,553	1,925,431	169,122	1,929,521
Judicial					
State and superior courts	178,241	178,241	188,832	(10,591)	203,264
District attorney	35,500	35,500	15,344	20,156	17,695
Juvenile court	10,000	10,000	5,451	4,549	5,334
Probate court	184,307	185,107	183,403	1,704	176,250
Total Judicial	408,048	408,848	393,030	15,818	402,543
Public Safety					
Sheriff	783,727	784,627	662,685	121,942	696,951
County jail	719,588	749,588	756,464	(6,876)	717,783
Office of emergency services	948,003	942,603	910,539	32,064	838,060
County fire departments	31,021	31,021	11,844	19,177	12,018
Coroner	12,930	13,430	13,164	266	9,522
Total Public Safety	2,495,269	2,521,269	2,354,696	166,573	2,274,334
Public Works					
Roads department	722,013	772,013	754,148	17,865	479,610
Shop	96,718	96,718	92,349	4,369	98,600
Total Public Works	818,731	868,731	846,497	22,234	578,210

(Continued)

Lincoln County, Georgia
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended June 30, 2020
(With Comparative Actual Amounts for the Year Ended June 30, 2019)

	2020				
	Original Budget	Final Budget	Actual	Variance Over (Under)	2019 Actual
EXPENDITURES					
Health and Welfare					
Health department	$ 39,024	$ 39,024	$ 38,968	$ 56	$ 39,024
Transportation program	96,379	108,379	99,377	9,002	90,832
Senior citizens program	80,965	80,965	86,401	(5,436)	76,433
Lincoln center	16,761	13,761	10,639	3,122	12,003
PAWS program	8,000	8,000	8,000	-	
Family and children services	7,624	7,624	2,968	4,656	2,570
Total Health and Welfare	248,753	257,753	246,353	11,400	220,862
Culture and Recreation					
Art and recreation	126,908	126,908	119,994	6,914	103,301
Library	158,298	158,298	156,548	1,750	139,747
Total Culture and Recreation	285,206	285,206	276,542	8,664	243,048
Conservation of Natural Resources					
Agriculture resources	81,695	76,695	73,359	3,336	70,767
Forestry resources	8,158	8,158	8,158	-	8,158
Total Conservation of Natural Resources	89,853	84,853	81,517	3,336	78,925
Housing and Development					
Planning and permits	48,472	48,972	47,635	1,337	50,010
Code enforcement	89,597	95,097	93,259	1,838	96,232
Economic development	64,956	47,456	45,077	2,379	65,031
Total Housing and Development	203,025	191,525	185,971	5,554	211,273
TOTAL EXPENDITURES	$ 6,712,738	$ 6,712,738	$ 6,310,037	$ 402,701	$ 5,938,716

Lincoln County, Georgia
SPLOST Fund
Comparative Balance Sheet
June 30, 2020 and 2019

	2020	2019
Assets		
Cash and cash equivalents	$ 698,546	$ 745,827
Other receivable	4,000	4,542
Intergovernmental receivable	75,268	63,026
Total Assets	$ 777,814	$ 813,395
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 48,777	$ 119,673
Intergovernmental payable	24,312	19,475
Total Liabilities	73,089	139,148
Fund Balances		
Restricted for capital projects	704,725	674,247
Total Fund Balances	704,725	674,247
Total Liabilities and Fund Balances	$ 777,814	$ 813,395

Lincoln County, Georgia
SPLOST Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended June 30, 2020
(With Comparative Actual Amounts for the Year Ended June 30, 2019)

	2020	2019
Revenues		
Sales taxes	$ 729,151	$ 667,447
Investment earnings	749	139
Total Revenues	729,900	667,586
Expenditures		
Intergovernmental	115,672	105,884
Capital outlay		
General government	260,599	298,063
Public works	138,145	99,875
Public safety	215,084	23,637
Culture and recreation	96,236	-
Debt service:		
Principal	33,276	22,388
Interest	5,934	5,110
Total Expenditures	864,946	554,957
(Deficiency) of Revenues (Under) Expenditures	(135,046)	112,629
Other Financing Sources		
Proceeds from installment obligation	165,524	74,825
Net Change in Fund Balance	30,478	187,454
Fund Balance, Beginning of Year	674,247	486,793
Fund Balance, End of Year	$ 704,725	$ 674,247

Lincoln County, Georgia
TSPLOST Fund
Comparative Balance Sheet
June 30, 2020 and 2019

	2020	2019
Assets		
Cash and cash equivalents	$ 714,024	$ 909,388
Intergovernmental receivable	70,524	63,321
Total Assets	$ 784,548	$ 972,709
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 57,316	$ 11,203
Total Liabilities	57,316	11,203
Fund Balances		
Restricted for public works	727,232	961,506
Total Liabilities and Fund Balances	$ 784,548	$ 972,709

Lincoln County, Georgia
TSPLOST Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2020
(With Comparative Actual Amounts for the Year Ended June 30, 2019)

	2020	2019
Revenues		
Taxes - TSPLOST	$ 643,613	$ 639,653
Investment income	1,016	1,148
Total Revenues	644,629	640,801
Expenditures		
Capital outlay		
Public works	878,903	444,199
Total Expenditures	878,903	444,199
Net Change in Fund Balances	(234,274)	196,602
Fund Balances, Beginning of Year	961,506	764,904
Fund Balances, End of Year	$ 727,232	$ 961,506

Lincoln County, Georgia
Workforce Development Grant Fund
Comparative Balance Sheet
June 30, 2020 and 2019

	2020	2019
Assets		
Cash and cash equivalents	$ 59,706	$ 393,394
Intergovernmental receivable	89,798	11,123
Total Assets	$ 149,504	$ 404,517
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 89,798	$ 338,706
Interfund payables	59,706	65,811
Total Liabilities	149,504	404,517
Fund Balances		
Restricted for program purposes	-	-
Total Liabilities and Fund Balances	$ 149,504	$ 404,517

Lincoln County, Georgia
Workforce Development Grant Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2020
(With Comparative Actual Amounts for the Year Ended June 30, 2019)

	2020	2019
Revenues		
Intergovernmental	$ 1,674,228	$ 1,894,254
Total Revenues	1,674,228	1,894,254
Expenditures		
Health and welfare	1,674,228	1,894,254
Total Expenditures	1,674,228	1,894,254
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, 2020

	Special Revenue Funds							Capital Project Funds		
	Hotel/Motel Tax Fund	E-911 Fund	Law Library	Family Connection Fund	Drug Education Fund	Jail Fund	Condemned Funds Fund	OneGeorgia Project Fund	Capital Project Fund	Total
Assets										
Cash and cash equivalents	$ 32,728	$ 146,654	$ 3,773	$ 153,071	$ 31,618	$ 7,314	$ 8,326	$ -	$ -	$ 383,484
Receivables:										
Accounts, net	-	8,372	-	173	-	-	-	-	-	8,545
Intergovernmental	6,185	29,504	-	15,215	-	-	-	-	103,071	153,975
Other	674	-	-	-	-	-	-	-	-	674
Total Assets	$ 39,587	$ 184,530	$ 3,773	$ 168,459	$ 31,618	$ 7,314	$ 8,326	$ -	$ 103,071	$ 546,678
Liabilities										
Accounts payable	$ -	$ 4,832	$ -	$ 6,091	$ -	$ -	$ -	$ -	$ -	$ 10,923
Accrued expenses	-	-	-	3,703	-	-	-	-	-	3,703
Intergovernmental payable	7,098	-	-	-	-	-	-	-	-	7,098
Interfund payables	-	-	-	155,571	-	-	-	-	103,071	258,642
Total Liabilities	7,098	4,832	-	165,365	-	-	-	-	103,071	280,366
Fund Balances										
Restricted for program purposes	32,489	179,698	3,773	3,094	31,618	7,314	8,326	-	-	266,312
Total Fund Balances	32,489	179,698	3,773	3,094	31,618	7,314	8,326	-	-	266,312
Total Liabilities and Fund Balances	$ 39,587	$ 184,530	$ 3,773	$ 168,459	$ 31,618	$ 7,314	$ 8,326	$ -	$ 103,071	$ 546,678

Lincoln County, Georgia

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-major Governmental Funds

For the Year Ended June 30, 2020

	Special Revenue Funds							Capital Project Funds		
	Hotel/Motel Tax Fund	E-911 Fund	Law Library	Family Connection Fund	Drug Education Fund	Jail Fund	Condemned Funds Fund	OneGeorgia Project Fund	Capital Projects Fund	Total
Revenues										
Taxes	$ 33,148	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 33,148
Intergovernmental	-	43,632	-	60,196	-	-	-	99,504	103,071	306,403
Charges for services	-	167,208	-	-	-	-	-	-	-	167,208
Fines, forfeitures and fees	-	-	3,382	-	2,399	7,291	17,840	-	-	30,912
Investment earnings	12	202	-	-	28	3	-	-	-	245
Total Revenues	33,160	211,042	3,382	60,196	2,427	7,294	17,840	99,504	103,071	537,916
Expenditures										
Current:										
Judicial	-	-	3,218	-	-	-	-	-	-	3,218
Public safety	-	255,539	-	-	-	-	13,827	-	-	269,366
Health and welfare	-	-	-	71,767	-	-	-	-	-	71,767
Housing and development	18,006	-	-	-	-	-	-	-	-	18,006
Capital Outlay	-	-	-	-	-	7,755	-	99,504	103,071	210,330
Total Expenditures	18,006	255,539	3,218	71,767	-	7,755	13,827	99,504	103,071	572,687
Excess (Deficiency) of Revenues Over (Under) Expenditures	15,154	(44,497)	164	(11,571)	2,427	(461)	4,013	-	-	(34,771)
Other Financing (Uses)										
Transfers in (out), net	-	63,239	-	-	-	-	-	-	-	63,239
Net Change in Fund Balances	15,154	18,742	164	(11,571)	2,427	(461)	4,013	-	-	28,468
Fund Balances, Beginning	17,335	160,956	3,609	14,665	29,191	7,775	4,313	-	-	237,844
Fund Balances, Ending	$ 32,489	$ 179,698	$ 3,773	$ 3,094	$ 31,618	$ 7,314	$ 8,326	$ -	$ -	$ 266,312

Lincoln County, Georgia
Hotel/Motel Tax Fund
Comparative Balance Sheet
June 30, 2020 and 2019

	2020	2019
Assets		
Cash and cash equivalents	$ 32,728	$ 16,397
Intergovernmental receivable	6,185	3,771
Other receivable	674	591
Total Assets	$ 39,587	$ 20,759
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ -
Intergovernmental payable	7,098	3,424
Total Liabilities	7,098	3,424
Fund Balances		
Restricted for program purposes	32,489	17,335
Total Liabilities and Fund Balances	$ 39,587	$ 20,759

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, 2020
(With Comparative Actual Amounts for the Year Ended June 30, 2019)

	2020				2019
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Taxes	$ 24,397	$ 24,397	$ 33,148	$ 8,751	$ 24,628
Investment income	1	1	12	11	7
Total Revenues	24,398	24,398	33,160	8,762	24,635
Expenditures					
Housing and development	24,398	24,398	18,006	6,392	17,669
Net Change in Fund Balances	$ -	$ -	15,154	$ 15,154	6,966
Fund Balances, Beginning of Year			17,335		10,369
Fund Balances, End of Year			$ 32,489		$ 17,335

Lincoln County, Georgia
E-911 Fund
Comparative Balance Sheet
June 30, 2020 and 2019

	2020	2019
Assets		
Cash and cash equivalents	$ 146,654	$ 115,093
Accounts receivable	8,372	12,584
Intergovernmental receivable	29,504	33,279
Total Assets	$ 184,530	$ 160,956
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 4,832	$ -
Total Liabilities	4,832	-
Fund Balances		
Restricted for program purposes	179,698	160,956
Total Liabilities and Fund Balances	$ 184,530	$ 160,956

Lincoln County, Georgia
E-911 Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2020
(With Comparative Actual Amounts for the Year Ended June 30, 2019)

	2020				2019
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Intergovernmental revenue	$ 43,632	$ 43,632	$ 43,632	$ -	$ 24,352
Charges for services	145,000	145,000	167,208	22,208	200,952
Investment earnings	-	-	202	202	83
Total Revenues	188,632	188,632	211,042	22,410	225,387
Expenditures					
Current:					
Public safety	264,160	264,160	255,539	8,621	242,079
Total Expenditures	264,160	264,160	255,539	8,621	242,079
Excess (Deficiency) of Revenues Over (Under) Expenditures	(75,528)	(75,528)	(44,497)	31,031	(16,692)
Other Financing Sources (Uses)					
Transfers in	75,528	75,528	63,239	(12,289)	90,447
Net Change in Fund Balances	$ -	$ -	18,742	$ 18,742	73,755
Fund Balances, Beginning of Year			160,956		87,201
Fund Balances, End of Year			$ 179,698		$ 160,956

Lincoln County, Georgia
Law Library Fund
Comparative Balance Sheet
June 30, 2020 and 2019

	2020	2019
Assets		
Cash and cash equivalents	$ 3,773	$ 3,609
Fund Balance		
Restricted for program purposes	$ 3,773	$ 3,609

Lincoln County, Georgia
Law Library Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2020
(With Comparative Actual Amounts for the Year Ended June 30, 2019)

	2020				2019
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Fines, forfeitures and fees	$ 3,300	$ 3,300	$ 3,382	$ 82	$ 2,494
Expenditures					
Current:					
Judicial	3,300	3,300	3,218	82	4,068
Net Change in Fund Balance	$ -	$ -	164	$ 164	(1,574)
Fund Balance, Beginning of Year			3,609		5,183
Fund Balance, End of Year			$ 3,773		$ 3,609

Lincoln County, Georgia
Family Connection Fund
Comparative Balance Sheet
June 30, 2020 and 2019

	2020	2019
Assets		
Cash and cash equivalents	$ 153,071	$ 158,159
Accounts receivable	173	173
Intergovernmental receivable	15,215	15,346
Total Assets	$ 168,459	$ 173,678
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 6,091	$ -
Accrued expenses	3,703	3,444
Interfund payables	155,571	155,569
Total Liabilities	165,365	159,013
Fund Balances		
Restricted for program purposes	3,094	14,665
Total Liabilities and Fund Balances	$ 168,459	$ 173,678

Lincoln County, Georgia
Family Connection Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2020
(With Comparative Actual Amounts for the Year Ended June 30, 2019)

	2020				2019
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Intergovernmental revenue	$ 82,500	$ 82,500	$ 60,196	$ (22,304)	$ 93,239
Total Revenues	82,500	82,500	60,196	(22,304)	93,239
Expenditures					
Current:					
Health and welfare	82,500	82,500	71,767	10,733	85,131
Total Expenditures	82,500	82,500	71,767	10,733	85,131
Net Change in Fund Balances	$ -	$ -	(11,571)	$ (11,571)	8,108
Fund Balances, Beginning of Year			14,665		6,557
Fund Balances, End of Year			$ 3,094		$ 14,665

Lincoln County, Georgia
Drug Education Fund
Comparative Balance Sheet
June 30, 2020 and 2019

	2020	2019
Assets		
Cash and cash equivalents	$ 31,618	$ 28,917
Other receivables	-	274
Total Assets	$ 31,618	$ 29,191
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ -
Total Liabilities	-	-
Fund Balances		
Restricted for program purposes	31,618	29,191
Total Fund Balances	31,618	29,191
Total Liabilities and Fund Balances	$ 31,618	$ 29,191

Lincoln County, Georgia
Drug Education Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2020
(With Comparative Actual Amounts for the Year Ended June 30, 2019)

	2020				2019
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Fines, forfeitures and fees	$ 3,171	$ 3,171	$ 2,399	$ (772)	$ 3,486
Investment earnings	-	-	28	28	24
Total Revenues	3,171	3,171	2,427	(744)	3,510
Expenditures					
Current:					
Public safety	3,171	3,171	-	3,171	-
Net Change in Fund Balances	$ -	$ -	2,427	$ 2,427	3,510
Fund Balances, Beginning of Year			29,191		25,681
Fund Balances, End of Year			$ 31,618		$ 29,191

Lincoln County, Georgia
Jail Fund
Comparative Balance Sheet
June 30, 2020 and 2019

	2020	2019
Assets		
Cash and cash equivalents	$ 7,314	$ 6,795
Other receivables	-	980
Total Assets	$ 7,314	$ 7,775
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ -
Total liabilities	-	-
Fund Balances		
Restricted for program purposes	7,314	7,775
Total Liabilities and Fund Balances	$ 7,314	$ 7,775

Lincoln County, Georgia
Jail Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2020
(With Comparative Actual Amounts for the Year Ended June 30, 2019)

	2020				2019
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Fines, forfeitures and fees	$ 8,000	$ 8,000	$ 7,291	$ (709)	$ 8,585
Investment earnings	-	-	3	3	2
Total Revenues	8,000	8,000	7,294	(706)	8,587
Expenditures					
Current:					
Public safety	-	-	-	-	987
Capital Outlay					
Public safety	8,000	8,000	7,755	245	18,810
Total Expenditures	8,000	8,000	7,755	245	19,797
Net Change in Fund Balances	$ -	$ -	(461)	$ (951)	(11,210)
Fund Balances, Beginning of Year			7,775		18,985
Fund Balances, End of Year			$ 7,314		$ 7,775

Lincoln County, Georgia
Condemned Funds Fund
Comparative Balance Sheet
June 30, 2020 and 2019

	2020	2019
Assets		
Cash and cash equivalents	$ 8,326	$ 4,313
Total Assets	$ 8,326	$ 4,313
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ -
Total liabilities	-	-
Fund Balances		
Restricted for program purposes	8,326	4,313
Total Liabilities and Fund Balances	$ 8,326	$ 4,313

Lincoln County, Georgia
Condemned Funds Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2020
(With Comparative Actual Amounts for the Year Ended June 30, 2019)

	2020				2019
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Fines, forfeitures and fees	$ 4,313	$ 13,872	$ 17,840	$ 3,968	$ -
Total Revenues	4,313	13,872	17,840	3,968	-
Expenditures					
Current:					
Public safety	4,313	13,872	13,827	45	1,758
Net Change in Fund Balances	$ -	$ -	4,013	$ 4,013	(1,758)
Fund Balances, Beginning of Year			4,313		6,071
Fund Balances, End of Year			$ 8,326		$ 4,313

Lincoln County, Georgia
OneGeorgia Project Fund
Comparative Balance Sheet
June 30, 2020 and 2019

	2020	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, 2020
(With Comparative Actual Amounts for the Year Ended June 30, 2019)

	2020	2019
Revenues		
Intergovernmental	$ 99,504	$ 100,496
Total Revenues	99,504	100,496
Expenditures		
Capital outlay		
Housing and development	99,504	100,496
Total Expenditures	99,504	100,496
Net Change in Fund Balances	-	-
Fund Balances, Beginning of Year	-	-
Fund Balances, End of Year	$ -	$ -

Lincoln County, Georgia
Capital Projects Fund
Balance Sheet
June 30, 2020

Assets		
Cash and cash equivalents	$	-
Intergovernmental receivable		103,071
Total Assets	$	103,071
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$	-
Interfund payables		103,071
Total Liabilities		103,071
Fund Balances		
Restricted for public works		-
Total Liabilities and Fund Balances	$	103,071

Lincoln County, Georgia
Capital Projects Fund
Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended June 30, 2020

Revenues	
Intergovernmental	$ 103,071
Total Revenues	103,071
Expenditures	
Capital outlay	
Housing and development	103,071
Total Expenditures	103,071
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, 2020 and 2019

	2020	2019
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 164,899	$ 37,004
Restricted assets - cash	194,889	178,674
Accounts receivable, net	122,260	100,673
Total Current Assets	482,048	316,351
Noncurrent Assets:		
Prepaid bond issuance	14,130	15,072
Capital Assets:		
Nondepreciable	17,034	17,034
Depreciable, net	14,341,797	14,777,511
Total Noncurrent Assets	14,372,961	14,809,617
TOTAL ASSETS	14,855,009	15,125,968
DEFERRED OUTFLOWS OF RESOURCES		
Related to pension plan	19,534	23,301
Total Deferred Outflows of Resources	19,534	23,301
LIABILITIES		
Current Liabilities:		
Accounts payable	136,941	68,111
Accrued liabilities	32,523	33,782
Interfund payable	138,807	143,399
Notes payable	86,675	84,581
Revenue bond payable	110,000	110,000
Total Current Liabilities	504,946	439,873
Long-Term Liabilities:		
Notes payable (net of current portion)	940,896	1,027,726
Compensated absences	1,895	3,686
Net pension liability	48,353	58,530
Revenue bond payable (net of current portion)	2,596,327	2,705,311
Total Long-Term Liabilities	3,587,471	3,795,253
TOTAL LIABILITIES	4,092,417	4,235,126
DEFERRED INFLOWS OF RESOURCES		
Related to pension plan	18,295	6,097
Total Deferred Inflows of Resources	18,295	6,097
Net Position		
Net investment in capital assets	10,624,933	10,866,927
Restricted for debt service	194,889	178,674
Unrestricted	(55,991)	(137,555)
TOTAL NET POSITION	$ 10,763,831	$ 10,908,046

Lincoln County, Georgia
Water Fund
Comparative Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2020 and 2019

	2020	2019
Operating Revenues		
Charges for services	$ 1,094,677	$ 991,776
Miscellaneous	5,715	4,183
Total Operating Revenues	1,100,392	995,959
Operating Expenses		
Cost of water	207,411	175,062
Salaries and benefits	191,763	206,637
Materials and supplies	58,812	74,077
Repairs and maintenance	61,637	52,286
Professional and contract services	37,110	64,285
Utilities	66,018	63,729
Other operating expenses	78,254	76,558
Depreciation	435,715	435,715
Total Operating Expenses	1,136,720	1,148,349
Operating Income (Loss)	(36,328)	(152,390)
Non-Operating Revenues (Expenses)		
Investment earnings	1,709	655
Interest and fiscal charges	(109,596)	(106,376)
Total Non-Operating Revenues (Expenses)	(107,887)	(105,721)
Change in Net Position	(144,215)	(258,111)
Net Position, Beginning of Year	10,908,046	11,166,157
Net Position, End of Year	$ 10,763,831	$ 10,908,046

Lincoln County, Georgia
Solid Waste Fund
Comparative Statement of Net Position
June 30, 2020 and 2019

	2020	2019
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 899,942	$ 679,527
Accounts receivable, net of allowances	64,818	18,014
Total Current Assets	964,760	697,541
Noncurrent Assets:		
Capital Assets:		
Nondepreciable, net	-	-
Depreciable, net	24,132	28,520
Total Noncurrent Assets	24,132	28,520
TOTAL ASSETS	988,892	726,061
LIABILITIES		
Current Liabilities:		
Accounts payable	115,079	83,490
Accrued liabilities	833	603
Unearned revenues	342,461	341,281
Interfund payable	2,124	-
Post-closure liability, current portion	9,850	9,850
Total Current Liabilities	470,347	435,224
Long-Term Liabilities:		
Post-closure liability, net of current portion	49,250	49,250
Total Long-Term Liabilities	49,250	49,250
TOTAL LIABILITIES	519,597	484,474
Net Position		
Net investment in capital assets	24,132	28,520
Unrestricted (deficit)	445,163	213,067
Total Net Position	$ 469,295	$ 241,587

Lincoln County, Georgia
Solid Waste Fund
Comparative Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2020 and 2019

	2020	2019
Operating Revenues		
Charges for services	$ 900,850	$ 826,682
Total Operating Revenues	900,850	826,682
Operating Expenses		
Salaries and benefits	19,853	15,451
Repairs	306	-
Supplies	991	53
Utilities	2,607	2,570
Professional and contract services	643,736	644,321
Other	2,182	3,030
Depreciation	4,387	4,387
Total Operating Expenses	674,062	669,812
Operating Income (Loss)	226,788	156,870
Non-Operating Revenues (Expenses)		
Investment earnings	920	689
Total Non-Operating Revenues (Expenses)	920	689
Change in Net Position	227,708	157,559
Net Position, Beginning of Year	241,587	84,028
Net Position, End of Year	$ 469,295	$ 241,587

Lincoln County, Georgia
Campgrounds and Parks Fund
Comparative Statement of Net Position
June 30, 2020 and 2019

	2020	2019
ASSETS		
Cash and cash equivalents	$ 2,753	$ 2,753
TOTAL ASSETS	2,753	2,753
LIABILITIES		
Current Liabilities:		
Accounts payable	-	-
Interfund payable	22,074	22,074
Total Current Liabilities	22,074	22,074
TOTAL LIABILITIES	22,074	22,074
Net Position		
Unrestricted	(19,321)	(19,321)
TOTAL NET POSITION	$ (19,321)	$ (19,321)

Lincoln County, Georgia
Campgrounds and Parks Fund
Comparative Statement of Revenues,
Expenses and Changes in Net Position
For the Year Ended June 30, 2020 and 2019

	2020	2019
Operating Revenues		
Charges for services	$ -	$ 9,822
Total Operating Revenues	-	9,822
Operating Expenses		
Salaries and benefits	-	334
Materials and supplies	-	2,911
Repairs and maintenance	-	9,329
Professional and contract services	-	1,047
Utilities	-	2,951
Total Operating Expenses	-	16,572
Change in Net Position	-	(6,750)
Net Position, Beginning of Year	(19,321)	(12,571)
Net Position, End of Year	$ (19,321)	$ (19,321)

Lincoln County, Georgia
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For The Year Ended June 30, 2020

Clerk of Court	Beginning Balance	Additions	Deductions	Eliminations	Ending Balance
Assets					
Cash	$ 104,156	$ 249,016	$ 195,310	$ 12,760	$ 145,102
Liabilities					
Interfund payable	$ -	$ 148,471	$ 135,711	$ 12,760	$ -
Due to others	104,156	100,545	59,599	-	145,102
Total Liabilities	$ 104,156	$ 249,016	$ 195,310	$ 12,760	$ 145,102

Probate and Magistrate Court	Beginning Balance	Additions	Deductions	Eliminations	Ending Balance
Assets					
Cash	$ 39,641	$ 128,637	$ 131,202	$ 5,763	$ 31,313
Liabilities					
Interfund payable	$ -	$ 94,032	$ 88,269	$ 5,763	$ -
Due to others	39,641	34,605	42,933	-	31,313
Total Liabilities	$ 39,641	$ 128,637	$ 131,202	$ 5,763	$ 31,313

Tax Commissioner	Beginning Balance (Restated)	Additions	Deductions	Eliminations	Ending Balance
Assets					
Cash	$ 223,220	$ 11,486,082	$ 11,044,115	$ 156,724	$ 508,463
Liabilities					
Interfund payable	$ -	$ 4,482,961	$ 4,326,237	$ 156,724	$ -
Due to others	223,220	7,003,121	6,717,878	-	508,463
Total Liabilities	$ 223,220	$ 11,486,082	$ 11,044,115	$ 156,724	$ 508,463

(Continued)

Lincoln County, Georgia
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For The Year Ended June 30, 2020

(Continued)

Sheriff	Beginning Balance	Additions	Deductions	Eliminations	Ending Balance
Assets					
Cash	$ 51,784	$ 398,713	$ 377,253	$ 9,052	$ 64,192
Liabilities					
Interfund payable	$ -	$ 93,838	$ 84,786	$ 9,052	$ -
Due to others	51,784	290,974	278,566	-	64,192
Total Liabilities	$ 51,784	$ 384,812	$ 363,352	$ 9,052	$ 64,192

Total	Beginning Balance	Additions	Deductions	Eliminations	Ending Balance
Assets					
Cash	$ 418,801	$ 12,262,448	$ 11,747,880	$ 184,299	$ 749,070
Liabilities					
Interfund payable	$ -	$ 4,819,302	$ 4,635,003	$ 184,299	$ -
Due to others	418,801	7,429,245	7,098,976	-	749,070
Total Liabilities	$ 418,801	$ 12,248,547	$ 11,733,979	$ 184,299	$ 749,070

Lincoln County, Georgia
SECTION 5311 TRANSPORTATION PROGRAM
STATEMENT OF REVENUES AND EXPENDITURES
For the Year Ended June 30, 2020

Contract Number T006268
Grant Number GA-18-X034

REVENUES

Reimbursements received from GA Department of Transportation	$	34,293
Participant contributions		3,350
TOTAL		37,643

EXPENDITURES

Salaries and Fringe Benefits	
Administrative	31,455
Operating	34,326
Operating Expenditures	
Fuel and operational supplies	18,811
Vehicle maintenance	3,514
Services	5,386
Utilities	2,205
Other operating expenses	828
TOTAL	96,525

Revenues in Excess of (less than) Expenditures	$	(58,882)

* * 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, 2020

Special Sales Tax Imposed January 1, 2011	Original Estimated Cost	Revised Estimated Cost	Expenditures Prior Years	Expenditures Current Year	Expenditures Total	Estimated Percent Completed
Project Description						
Roads, streets and bridges	$ 1,472,960	$ 1,535,706	$ 1,535,706	$ -	$ 1,535,706	100.0%
Office of Emergency Services building	800,000	1,053,165	1,053,165	-	1,053,165	100.0%
Fire protection, rescue facilities and equipment	576,000	566,120	529,215	4,045	533,260	94.2%
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	3,350,113	4,045	3,354,158	
Intergovernmental						
City of Lincolnton	634,560	632,046	632,046	-	632,046	100.0%
TOTAL	$ 4,000,000	$ 4,024,397	$ 3,982,159	$ 4,045	$ 3,986,204	
Special Sales Tax Imposed January 1, 2017						
Project Description						
Roads, streets and bridges	$ 888,365	$ 824,943	$ 235,687	$ 138,144	$ 373,831	45.3%
Courthouse and building renovations	636,000	590,595	178,648	255,116	433,764	73.4%
Fire protection	356,160	330,733	42,372	60,984	103,356	31.3%
General government infrastructure	432,480	401,605	198,611	25,916	224,527	55.9%
Recreation facilities	171,720	159,461	4,285	96,236	100,521	63.0%
Fleet vehicle replacement	111,427	103,472	30,604	-	30,604	29.6%
Rescue	79,373	73,706	34,579	3,309	37,888	51.4%
	2,675,525	2,484,515	724,786	579,705	1,304,491	
Intergovernmental						
City of Lincolnton	504,475	468,460	253,656	115,672	369,328	78.8%
TOTAL	$ 3,180,000	$ 2,952,975	$ 978,442	$ 695,377	$ 1,673,819	

Reconciliation of Schedule of Projects Funded with SPLOST to financial statements

Total Expenditures - SPLOST Fund	$ 864,946
Inception of capital lease	(165,524)
Total SPLOST Expenditures per schedules above	$ 699,422

** - 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, 2020

SOURCE OF FUNDS:		
OneGeorgia funds drawn down by recipient and accrued during fiscal year ended June 30, 2020	$	99,504
APPLICATION OF FUNDS:		
Construction/rehabilitation of buildings/other facilities		(99,504)
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, 2020

	TOTAL BUDGETED COSTS	PROJECT COSTS PRIOR TO FYE 6/30/2020	ACTUAL COSTS FYE 6/30/2020	TOTAL PROJECT COSTS TO DATE	(OVER) UNDER BUDGET
Agricultural Building Project					
Construction/rehabilitation	200,000	100,496	99,504	200,000	-
Total	$ 200,000	$ 100,496	$ 99,504	$ 200,000	$ -

Lincoln County, Georgia
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2020

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Agency or Pass-through Number	Expenditures	Passed Through to Subrecipients
Workforce Investment Act/Workforce Investment Opportunities Act Cluster				
U.S. Department of Labor				
Passed through Georgia Department of Economic Development				
Workforce Investment Opportunities Act Adult Program	17.258	11-18-19-07-013	$ 75,744	$ 75,744
Workforce Investment Opportunities Act Adult Program	17.258	11-19-19-07-013	64,490	64,490
Workforce Investment Opportunities Act Adult Program	17.258	11-19-20-07-013	216,183	216,183
Subtotal CFDA 17.258			356,417	356,417
Passed through Lincoln County Community Partnership, Inc.				
Workforce Investment Opportunities Act Youth Activities Program	17.259	15-19-19-07-013	10,196	-
Passed through Georgia Department of Economic Development				
Workforce Investment Opportunities Act Youth Activities Program	17.259	AFR15a-18-18-07-013	124,922	124,922
Workforce Investment Opportunities Act Youth Activities Program	17.259	15-18-18-07-013	119,478	119,478
Workforce Investment Opportunities Act Youth Activities Program	17.259	15-19-19-07-013	202,352	202,352
Subtotal CFDA 17.259			456,948	446,752
Passed through Georgia Department of Economic Development				
Workforce Investment Opportunities Act Adult Program	17.278	36-18-19-07-013	37,000	37,000
Workforce Investment Opportunities Act Dislocated Worker Program	17.278	HDCI-17-18-07-013	99,082	99,082
Workforce Investment Opportunities Act Dislocated Worker Program	17.278	HDCI-18-19-07-013	31,853	31,853
Workforce Investment Opportunities Act Dislocated Worker Program	17.278	31-18-19-07-013	122,261	122,261
Workforce Investment Opportunities Act Dislocated Worker Program	17.278	31-19-19-07-013	105,630	105,630
Workforce Investment Opportunities Act Dislocated Worker Program	17.278	31-19-20-07-013	159,813	159,813
Workforce Investment Opportunities Act Dislocated Worker Program	17.278	VET2-18-19-07-013	315,420	315,420
Subtotal CFDA 17.278			871,059	871,059
Total U.S. Department of Labor			1,684,424	1,674,228
Total Workforce Investment Act/Workforce Investment Opportunities Act Cluster			1,684,424	1,674,228
477 Cluster				
U. S. Department of Health and Human Services				
Passed through CSRA RC				
Temporary Assistance for Needy Families	93.558	2086-00 25 8202.0545	23,892	-
Total U. S. Department of Health and Human Services			23,892	-
Total 477 Cluster			23,892	-
Aging Cluster				
U. S. Department of Health and Human Services				
Passed through CSRA RC				
Special Programs for the Aging Title III, Part C1, Nutrition Services	93.045	2010-14 20 8202.0545	13,978	-
Special Programs for the Aging Title III, Part C2, Nutrition Services	93.045	2010-16 20 8202.0545	13,521	-
Special Programs for the Aging Title III, FFCRA-CONG, Nutrition Services	93.045	2010-14 20 8202.0545	14,013	-
Special Programs for the Aging Title III, FFCRA-HDM, Nutrition Services	93.045	2010-14 20 8202.0545	1,926	-
Subtotal CFDA 93.045			43,438	-
Nutrition Services Incentive Program	93.053	2010-16 20 8202.0545	9,767	
Nutrition Services Incentive Program	93.053	2010-22 20 8202.0545	661	-
Subtotal CFDA 93.053			10,428	-
Total U.S. Department of Health and Human Services			53,866	-
Total Aging Cluster			53,866	-
Community Facilities Loans and Grants Cluster				
U. S. Department of Agriculture				
Community Facilities Loans and Grants	10.766		100,000	-
Total U. S. Department of Agriculture			100,000	-
Total Community Facilities Loans and Grants Cluster			100,000	-

Lincoln County, Georgia
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2020

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Agency or Pass-through Number	Expenditures	Passed Through to Subrecipients
Other Programs				
U.S. Department of Defense				
Passed through from Georgia Office of the State Treasurer				
Payments to States in Lieu of Real Estate Taxes	12.112	486Flood	$ 829	$ -
Total U.S. Department of Defense			829	-
U.S. Department of the Interior				
Direct program				
Payment in Lieu of Real Estate Taxes	15.226		152,740	-
			152,740	-
U.S. Department of Transportation				
Passed through from Georgia Department of Transportation				
Formula Grants for Rural Areas	20.509	GA-18-X034	34,293	-
Total U.S. Department of Transportation			34,293	-
U. S. Election Assistance Commission				
Passed through Georgia Secretary of State				
2018 HAVA Election Security Grants	90.404	2212020	3,663	-
Total U. S. Election Assistance Commission			3,663	-
U. S. Department of Health and Human Services				
Passed through Thanks Mom & Dad Fund, Inc.				
Social Services Block Grant	93.667	N/A	2,000	-
Total U. S. Department of Health and Human Services			2,000	-
U.S. Department of Homeland Security				
Direct program				
Provider Relief Fund	93.498	N/A	8,437	-
Subtotal CFDA 93.498			8,437	-
Passed through State of Georgia - Emergency Management Agency				
Emergency Management Performance Grants	97.042	OEM-19-092	18,967	-
Subtotal CFDA 93.498			18,967	-
Total U.S. Department of Homeland Security			27,404	-
Total Expenditures of Federal Awards			$ 2,083,111	$ 1,674,228

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2020

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, 2020. 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, 2020.

NOTE F – NONCASH ASSISTANCE AND LOANS

There were no federal awards expended in the form of noncash assistance during the fiscal year. The County was approved by United States Department of Agriculture Rural Development to receive a Community Facilities grant of $ 35,000 and a loan for $ 65,000 to purchase public safety equipment. The County received the $ 35,000 grant and the $ 65,000 loan during the fiscal year ended. The amount listed for this loan includes the beginning of the period loan balance plus proceeds used during the year. The loan balance owed as of June 30, 2020 is $ 65,000. This loan balance is reported on the County's Statement of Net Position as of June 30, 2020. See Note 3-G Long-term Debt in the County's Notes to the Basic Financial Statements for further information on this loan.

NOTE G – SUBRECIPIENTS

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

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lincoln County, Georgia (the County), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated February 15, 2021. We did not audit the financial statements of the Development Authority of Lincoln County, which represents 91.5% of the assets, 95.8% of the net position, and 53.1% of the revenues of the aggregate discretely presented component units for the year ended June 30, 2020. 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 2020-01 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

We noted certain additional matters that we reported to the management of Lincoln County, Georgia, in a separate letter dated February 15, 2021.

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
February 15, 2021

JONES, JONES, DAVIS & ASSOCIATES

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

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

Report on Compliance for Each Major Federal Program

We have audited Lincoln County, Georgia's (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2020. 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, 2020.

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.

Denese, Jenney, Davis & Associates

Louisville, Georgia
February 15, 2021

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 were no instances 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, 2020.

Section 2 – Financial Statement Findings

Internal Control

Material Weakness

Finding 2020-01 Lack of Segregation of Duties (Repeat Finding of Prior Year 2019-01)

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.

Cause: The material weakness is the result of the County not having sufficient personnel to provide an optimum level of appropriate segregation of duties and responsibilities between recording, processing distribution and reconciliation of cash accounts and other operational functions in the various funds, departments, and offices maintained by the County.

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

There were no compliance findings noted for the year ended June 30, 2020 that are required to be reported in accordance with *Government Auditing Standards.*

Section 3 – Federal Award Findings and Questioned Costs

No findings on questioned costs were noted for the year ended June 30, 2020 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 2019-01 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 2020-01

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.

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, 2019 that were required to be reported in accordance with the Uniform Guidance.