LINCOLN COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended

June 30, 2021

Lincoln County, Georgia
Annual Financial Report
For The Year Ended June 30, 2021

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JONES, JONES, DAVIS & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS, P.C.
220 EAST FIFTH STREET
P.O. BOX 132
LOUISVILLE, GEORGIA 30434

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

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

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lincoln County, Georgia (the County), as of and for the year ended June 30, 2021, 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 89.5% of the assets, 93.2% of the net position, and 53.5% of the revenues of the aggregate discretely presented component units for the year ended June 30, 2021. 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, 2021, 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 43-47 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Emphasis of Matter

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

As discussed in Note 4-G to the financial statements, the County adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, as of July 1, 2020. This standard significantly changed the accounting for the County's activities previously reported as agency funds. Our opinion is not modified with respect to this matter.

Other Information

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

accompanying schedules of projects constructed with special purpose local option sales tax proceeds are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2022 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
April 28, 2022

Lincoln County, Georgia
Statement of Net Position
June 30, 2021

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Current Assets				
Cash and cash equivalents	$ 6,957,609	$ 1,135,647	$ 8,093,256	$ 738,551
Investments	128,270	-	128,270	-
Receivables:				
Accounts	333,780	148,108	481,888	17,438
Property taxes	78,898	-	78,898	-
Intergovernmental	708,851	-	708,851	3,668
Interfund	250,592	(250,592)	-	-
Other	131,263	-	131,263	-
Inventory	18,670	-	18,670	-
Assets held for resale	-	-	-	244,546
Prepaid items	219,547	-	219,547	-
Restricted Assets	-	213,651	213,651	-
Noncurrent Assets				
Capital leases receivable	-	-	-	898,523
Note receivable	-	-	-	338,444
Prepaid bond issuance	-	13,188	13,188	-
Capital Assets				
Nondepreciable capital assets	475,508	1,623,534	2,099,042	18,877
Depreciable capital assets, net	13,694,168	13,932,021	27,626,189	808,264
Total Assets	22,997,156	16,815,557	39,812,713	3,068,311
Deferred Outflows of Resources				
Deferred outflows of resources-				
State OPEB contributions	-	-	-	13,971
State SEAD-OPEB contributions	-	-	-	1,827
Retirement contributions	306,589	12,775	319,364	22,905
Total Deferred Outflows of Resources	306,589	12,775	319,364	38,703
Liabilities				
Current Liabilities				
Accounts payable	475,616	322,364	797,980	1,031
Accrued expenses	310,436	43,256	353,692	3,128
Intergovernmental payable	27,139	-	27,139	-
Due to others	22,889	-	22,889	-
Unearned revenues	536,524	352,755	889,279	-
Compensated absences payable	14,967	-	14,967	-
Notes payable	153,567	1,544,411	1,697,978	-
Revenue bonds payable	-	115,000	115,000	-
Landfill post-closure care costs payable	-	9,850	9,850	-
Long-Term Liabilities:				
Compensated absences payable (net of current portion)	44,902	3,345	48,247	10,997
Notes payable (net of current portion)	273,825	854,359	1,128,184	-
Landfill post-closure care costs payable (net of current portion)	-	49,250	49,250	-
Net state OPEB liability	-	-	-	39,479
Revenue bonds payable (net of current portion)	-	2,482,343	2,482,343	-
Net pension liability	961,188	40,050	1,001,238	116,881
Total Liabilities	2,821,053	5,816,983	8,638,036	171,516
Deferred Inflows of Resources				
Unavailable revenues	-	-	-	640,000
Related to state OPEB fund	-	-	-	41,337
Related to pension plan	492,680	20,528	513,208	35
Total Deferred Inflows of Resources	492,680	20,528	513,208	681,372
Net Position				
Net investment in capital assets	13,742,284	10,559,442	24,301,726	827,141
Restricted for:				
Capital projects	1,054,814	-	1,054,814	-
Judicial	6,566	-	6,566	-
Public safety	229,339	-	229,339	-
Public works	352,602	-	352,602	-
Economic development	40,268	-	40,268	-
Health and welfare	11,303	-	11,303	203,340
Culture and recreation	128,270	-	128,270	-
Debt service	-	213,651	213,651	-
Unrestricted	4,424,566	217,728	4,642,294	1,223,645
Total Net Position	$ 19,990,012	$ 10,990,821	$ 30,980,833	$ 2,254,126

See accompanying notes to the basic financial statements.

Lincoln County, Georgia
Statement of Activities
For the Year Ended June 30, 2021

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	$ 2,055,849	$ 571,958	$ 8,853	$ -	$ (1,475,038)	$ -	$ (1,475,038)	$ -
Judicial	386,101	97,324	-	-	(288,777)	-	(288,777)	-
Public safety	2,976,588	967,759	260,140	-	(1,748,689)	-	(1,748,689)	-
Public works	1,138,010	409,589	359,466	1,498	(367,457)	-	(367,457)	-
Health and welfare	2,183,512	2,784	2,591,597	-	410,869	-	410,869	-
Culture and recreation	344,258	12,010	55,168	-	(277,080)	-	(277,080)	-
Conservation of natural resources	58,978	-	-	-	(58,978)	-	(58,978)	-
Housing and development	192,940	-	-	40,000	(152,940)	-	(152,940)	-
Interest	10,873	-	-	-	(10,873)	-	(10,873)	-
Total Governmental Activities	9,347,109	2,061,424	3,275,224	41,498	(3,968,963)	-	(3,968,963)	-
Business-Type Activities								
Water and sewer	1,272,695	1,123,824	-	-	-	(148,871)	(148,871)	-
Solid waste	788,481	907,407	-	-	-	118,926	118,926	-
Total Business-Type Activities	2,061,176	2,031,231	-	-	-	(29,945)	(29,945)	-
Total - Primary Government	$ 11,408,285	$ 4,092,655	$ 3,275,224	$ 41,498	(3,968,963)	(29,945)	(3,998,908)	-
Component Units								
Department of Health	$ 195,987	$ 46,178	$ 215,377	$ -	-	-	-	65,568
Development Authority	170,955	463	-	-	-	-	-	(170,492)
Total - Component Units	$ 366,942	$ 46,641	$ 215,377	$ -	-	-	-	(104,924)
		General Revenues						
		Property taxes			3,679,681	-	3,679,681	285,674
		Sales taxes			2,273,542	-	2,273,542	-
		Other taxes and revenues			563,628	-	563,628	-
		Investment earnings			3,254	1,340	4,594	15,000
		Miscellaneous			34,906	-	34,906	25
		Transfers in (out)			194,379	(194,379)	-	-
		Total General Revenues and Transfers			6,749,390	(193,039)	6,556,351	300,699
		Change in Net Position			2,780,427	(222,984)	2,557,443	195,775
		Net Position, Beginning of Year			17,209,585	11,213,805	28,423,390	2,058,351
		Net Position, End of Year			$ 19,990,012	$ 10,990,821	$ 30,980,833	$ 2,254,126

See accompanying notes to the basic financial statements.

Lincoln County, Georgia
Balance Sheet
Governmental Funds
For the Year Ended June 30, 2021

	General	SPLOST Fund	TSPLOST Fund	Workforce Development Grant Fund	American Rescue Plan Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	$ 4,566,599	$ 1,018,994	$ 287,029	$ 55,189	$ 769,141	$ 260,657	$ 6,957,609
Investments	128,270	-	-	-	-	-	128,270
Receivables:							
Accounts, net	333,262	-	-	-	-	518	333,780
Property taxes	78,898	-	-	-	-	-	78,898
Intergovernmental	132,370	78,722	65,573	333,931	-	98,255	708,851
Interfund	757,696	-	-	-	-	41,041	798,737
Other	125,616	4,000	-	-	-	1,647	131,263
Prepaid items	219,547	-	-	-	-	-	219,547
Inventory	18,670	-	-	-	-	-	18,670
Total Assets	$ 6,360,928	$ 1,101,716	$ 352,602	$ 389,120	$ 769,141	$ 402,118	$ 9,375,625
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities							
Accounts payable	$ 126,633	$ 558	$ -	$ 347,949	$ -	$ 476	$ 475,616
Accrued expenses	297,626	-	-	-	-	12,810	310,436
Intergovernmental payable	-	25,176	-	-	-	1,963	27,139
Interfund payable	153,796	21,168	-	41,171	232,595	99,415	548,145
Due to others	22,889	-	-	-	-	-	22,889
Unearned revenues	-	-	-	-	536,524	-	536,524
Total Liabilities	600,944	46,902	-	389,120	769,119	114,664	1,920,749
Deferred Inflows of Resources							
Unavailable revenue: property taxes	62,614	-	-	-	-	-	62,614
Total Liabilities and Deferred Inflows of Resources	663,558	46,902	-	389,120	769,119	114,664	1,983,363
Fund Balances							
Nonspendable	238,217	-	-	-	-	-	238,217
Restricted							
Judicial	-	-	-	-	-	6,566	6,566
Public safety	-	-	-	-	22	229,317	229,339
Public works	-	-	352,602	-	-	-	352,602
Health and welfare	-	-	-	-	-	11,303	11,303
Capital projects	-	1,054,814	-	-	-	-	1,054,814
Culture and recreation	128,270	-	-	-	-	-	128,270
Economic development	-	-	-	-	-	40,268	40,268
Assigned							
Capital projects	307,752	-	-	-	-	-	307,752
Unassigned	5,023,131	-	-	-	-	-	5,023,131
Total Fund Balances (Deficits)	5,697,370	1,054,814	352,602	-	22	287,454	7,392,262
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 6,360,928	$ 1,101,716	$ 352,602	$ 389,120	$ 769,141	$ 402,118	$ 9,375,625

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, 2021

Total Governmental Fund Balances		$ 7,392,262
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	$ 548,145	
Interfund payables	(548,145)	-
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	38,073,352	
Less accumulated depreciation	(23,903,676)	14,169,676
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		62,614
Liabilities associated with the County's pension plan are recognized for accrual reporting, but not reported in the fund financial statements.		(961,188)
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.		306,589
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.		(492,680)
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	(427,392)	
Compensated absences	(59,869)	(487,261)
Net Position of Governmental Activities		$ 19,990,012

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, 2021

Revenues	General	SPLOST Fund	TSPLOST Fund	Workforce Development Grant Fund	American Rescue Plan Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
Taxes	$ 4,901,715	$ 836,700	$ 767,482	$ -	$ -	$ 32,749	$ 6,538,646
Licenses and permits	109,057	-	-	-	-	-	109,057
Intergovernmental	1,315,875	-	800	1,870,609	232,756	172,350	3,592,390
Charges for services	1,144,985	-	-	-	-	186,307	1,331,292
Fines, forfeitures and fees	280,586	-	-	-	-	29,232	309,818
Investment earnings	3,144	334	364	-	22	110	3,974
Miscellaneous	69,775	-	-	-	-	-	69,775
Total Revenues	7,825,137	837,034	768,646	1,870,609	232,778	420,748	11,954,952
Expenditures							
Current:							
General government	2,041,931	-	-	-	-	-	2,041,931
Judicial	389,300	-	-	-	-	1,360	390,660
Public safety	2,567,382	-	-	-	232,756	281,942	3,082,080
Public works	1,141,469	-	-	-	-	-	1,141,469
Health and welfare	232,394	-	-	1,870,609	-	80,509	2,183,512
Culture and recreation	266,440	-	-	-	-	-	266,440
Conservation of natural resources	58,978	-	-	-	-	-	58,978
Housing and development	156,179	-	-	-	-	24,989	181,168
Intergovernmental	-	132,734	-	-	-	-	132,734
Capital Outlay	-	304,310	1,143,276	-	-	46,810	1,494,396
Debt Service:							
Principal retirement	-	49,216	-	-	-	-	49,216
Interest and fiscal charges	-	10,873	-	-	-	-	10,873
Total Expenditures	6,854,073	497,133	1,143,276	1,870,609	232,756	435,610	11,033,457
Excess (Deficiency) of Revenues Over (Under) Expenditures	971,064	339,901	(374,630)	-	22	(14,862)	921,495
Other Financing Sources (Uses)							
Proceeds from installment obligation	213,200	-	-	-	-	-	213,200
Transfers in (out), net	148,187	10,188	-	-	-	36,004	194,379
Total Other Financing Sources (Uses)	361,387	10,188	-	-	-	36,004	407,579
Net Change in Fund Balances	1,332,451	350,089	(374,630)	-	22	21,142	1,329,074
Fund Balances, Beginning	4,364,919	704,725	727,232	-	-	266,312	6,063,188
Fund Balances, Ending	$ 5,697,370	$ 1,054,814	$ 352,602	$ -	$ 22	$ 287,454	$ 7,392,262

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, 2021

Net Changes In Fund Balances - Total Governmental Funds		$ 1,329,074
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	$ 2,560,450	
Depreciation expense	(917,891)	1,642,559
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	62,614	
Deferred, beginning of year	(84,409)	(21,795)
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.		(213,200)
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.		49,216
Net pension expense adjustments associated with changes in pension liability and net changes in deferred inflows and outflows.		(16,565)
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	(59,869)	
Liability, beginning of year	71,007	11,138
Change In Net Position of Governmental Activities		$ 2,780,427

See accompanying notes to the basic financial statements.

Lincoln County, Georgia
Statement of Net Position
Proprietary Funds
June 30, 2021

Assets	Water Fund	Solid Waste Fund	Campgrounds and Parks Fund	Total
Current Assets:				
Cash and cash equivalents	$ 146,897	$ 988,750	$ -	$ 1,135,647
Restricted Assets:				
Cash and cash equivalents	213,651	-	-	213,651
Accounts receivable, net	117,787	30,321	-	148,108
Interfund receivable	-	110,053	-	110,053
Total Current Assets	478,335	1,129,124	-	1,607,459
Noncurrent Assets:				
Prepaid bond issuance	13,188	-	-	13,188
Capital Assets:				
Nondepreciable, net	1,623,534	-	-	1,623,534
Depreciable, net	13,912,277	19,744	-	13,932,021
Total Noncurrent Assets	15,548,999	19,744	-	15,568,743
Total Assets	16,027,334	1,148,868	-	17,176,202
Deferred Outflows of Resources				
Related to pension	12,775	-	-	12,775
Total Deferred Outflows of Resources	12,775	-	-	12,775
Liabilities				
Current Liabilities:				
Accounts payable	167,955	154,409	-	322,364
Accrued expenses	35,669	7,587	-	43,256
Unearned revenue	-	352,755	-	352,755
Interfund payable	160,645	200,000	-	360,645
Notes payable	1,544,411	-	-	1,544,411
Revenue bonds payable	115,000	-	-	115,000
Postclosure liability, current portion	-	9,850	-	9,850
Total Current Liabilities	2,023,680	724,601	-	2,748,281
Long-Term Liabilities:				
Notes payable (net of current portion)	854,359	-	-	854,359
Revenue bonds payable (net of current portion)	2,482,343	-	-	2,482,343
Net pension liability	40,050	-	-	40,050
Landfill closure/post-closure care costs	-	49,250	-	49,250
Compensated absences	3,345	-	-	3,345
Total Long-Term Liabilities	3,380,097	49,250	-	3,429,347
Total Liabilities	5,403,777	773,851	-	6,177,628
Deferred Inflows of Resources				
Related to pension	20,528	-	-	20,528
Total Deferred Inflows of Resources	20,528	-	-	20,528
Net Position				
Net investment in capital assets	10,539,698	19,744	-	10,559,442
Restricted for debt service	213,651	-	-	213,651
Unrestricted	(137,545)	355,273	-	217,728
Total Net Position	$ 10,615,804	$ 375,017	$ -	$ 10,990,821

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, 2021

	Water Fund	Solid Waste Fund	Campgrounds and Parks Fund	Total
Operating Revenues				
Charges for services	$ 1,113,291	$ 907,407	$ -	$ 2,020,698
Miscellaneous	10,533	-	-	10,533
Total Operating Revenues	1,123,824	907,407	-	2,031,231
Operating Expenses				
Cost of water	171,201	-	-	171,201
Salaries and benefits	188,136	97,658	-	285,794
Repairs and maintenance	114,964	8,922	-	123,886
Materials and supplies	33,848	73	-	33,921
Utilities	58,144	2,738	-	60,882
Professional and contract services	82,778	672,768	-	755,546
Other operating expenses	94,580	1,935	-	96,515
Depreciation	429,521	4,387	-	433,908
Total Operating Expenses	1,173,172	788,481	-	1,961,653
Operating Income (Loss)	(49,348)	118,926	-	69,578
Non-Operating Revenues (Expenses)				
Investment earnings	844	496	-	1,340
Interest and fiscal charges	(99,523)	-	-	(99,523)
Total Non-Operating Revenues (Expenses)	(98,679)	496	-	(98,183)
Income (Loss) before Transfers and Capital	(148,027)	119,422	-	(28,605)
Transfers in (out)	-	(213,700)	19,321	(194,379)
Change in Net Position	(148,027)	(94,278)	19,321	(222,984)
Net Position, Beginning of Year	10,763,831	469,295	(19,321)	11,213,805
Net Position, End of Year	$ 10,615,804	$ 375,017	$ -	$ 10,990,821

See accompanying notes to the basic financial statements.

Lincoln County, Georgia
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2021

	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	$ 1,128,297	$ 842,145	$ -	$ 1,970,442
Cash payments to employees for services & benefits	(197,720)	(90,904)	-	(288,624)
Cash payments for goods and services	(509,632)	(647,105)	-	(1,156,737)
Net Cash Provided by (Used in) Operating Activities	420,945	104,136	-	525,081
Cash Flows from Noncapital Financing Activities				
Cash payments from (to) other funds	21,838	(15,824)	(2,753)	3,261
Net Cash Provided by (Used in) Noncapital Financing Activities	21,838	(15,824)	(2,753)	3,261
Cash Flows from Capital and Related Financing Activities				
Purchase/construction of capital assets	(1,607,852)	-	-	(1,607,852)
Principal paid on long term debt	(194,909)	-	-	(194,909)
Interest and fiscal charges paid	(98,172)	-	-	(98,172)
Payments on bond issuance cost	942	-	-	942
Proceeds from long-term debt	1,457,124	-	-	1,457,124
Net Cash Provided by (Used in) Capital and Related Financing Activities	(442,867)	-	-	(442,867)
Cash Flows from Investing Activities				
Investment earnings	844	496	-	1,340
Net Increase (Decrease) in Cash and Cash Equivalents	760	88,808	(2,753)	86,815
Cash and Cash Equivalents, Beginning of Year	359,788	899,942	2,753	1,262,483
Cash and Cash Equivalents, End of Year	$ 360,548	$ 988,750	$ -	$ 1,349,298

(Continued)

See accompanying notes to the basic financial statements.

Lincoln County, Georgia
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2021

	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)	$ (49,348)	$ 118,926	$ -	$ 69,578
Adjustments:				
Depreciation	429,521	4,387	-	433,908
(Increase) Decrease in Assets:				
Accounts receivable	4,473	34,497	-	38,970
Deferred outflows of resources	6,759	-	-	6,759
Interfund receivable	-	(110,053)	-	(110,053)
Increase (Decrease) in Liabilities:				
Accounts payable	31,014	39,331	-	70,345
Other liabilities	3,146	6,754	-	9,900
Unearned revenues	-	10,294	-	10,294
Deferred inflows of resources	2,233	-	-	2,233
Net pension liability	(8,303)	-	-	(8,303)
Compensated absences payable	1,450	-	-	1,450
Net Cash Provided by (Used in) Operating Activities	$ 420,945	$ 104,136	$ -	$ 525,081

See accompanying notes to the basic financial statements.

Lincoln County, Georgia
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021

Assets		
Cash and cash equivalents	$	536,452
Taxes receivable		252,970
Total Assets	$	789,422
Liabilities		
Funds due to others	$	417,674
Uncollected taxes		252,970
Total Liabilities		670,644
Net Position		
Restricted for individuals, organizations and other governments		118,778
Total Net Position	$	118,778

See accompanying notes to the basic financial statements.

Lincoln County, Georgia
Combining Statement of Net Position
Component Units
June 30, 2021

	Lincoln County Department of Health	Development Authority of Lincoln County	Total
Assets			
Current:			
Cash and cash equivalents	$ 305,025	$ 433,526	$ 738,551
Receivables:			
Accounts	17,438	-	17,438
Intergovernmental	-	3,668	3,668
Assets held for resale	-	244,546	244,546
Noncurrent:			
Capital leases receivable	-	898,523	898,523
Note receivable	-	338,444	338,444
Capital Assets:			
Nondepreciable capital assets	-	18,877	18,877
Depreciable capital assets, net	-	808,264	808,264
Total Assets	322,463	2,745,848	3,068,311
Deferred Outflows of Resources			
Deferred outflows of resources-			
State SEAD-OPEB contributions	1,827	-	1,827
State OPEB contributions	13,971	-	13,971
Retirement contributions	22,905	-	22,905
Total Deferred Outflows of Resources	38,703	-	38,703
Liabilities			
Current Liabilities:			
Accounts payable	-	1,031	1,031
Accrued liabilities	-	3,128	3,128
Long-Term Liabilities: (net of current portion)			
Compensated absences payable	10,997	-	10,997
Net state OPEB liability	39,479	-	39,479
Net pension liability	116,881	-	116,881
Total Liabilities	167,357	4,159	171,516
Deferred Inflows of Resources			
Deferred inflows of resources -			
Unavailable revenues	-	640,000	640,000
Related to state OPEB fund	41,337	-	41,337
Related to pension plan	35	-	35
Total Deferred Inflows of Resources	41,372	640,000	681,372
Net Position			
Net investment in capital assets	-	827,141	827,141
Restricted:			
Health and welfare	203,340	-	203,340
Unrestricted	(50,903)	1,274,548	1,223,645
Total Net Position	$ 152,437	$ 2,101,689	$ 2,254,126

See accompanying notes to the basic financial statements.

Lincoln County, Georgia
Combining Statement of Activities
Component Units
For the Year Ended June 30, 2021

	Lincoln County Department of Health	Development Authority of Lincoln County	Total
Expenses			
Health and welfare	$ 195,987	$ -	$ 195,987
Economic development	-	169,617	169,617
Interest	-	1,338	1,338
Total Expenses	195,987	170,955	366,942
Revenues			
Program revenues:			
Charges for services	46,178	463	46,641
Operating grants and contributions	215,377	-	215,377
Total Program Revenues	261,555	463	262,018
Net Program (Expense)	65,568	(170,492)	(104,924)
General Revenues			
Property taxes	-	285,674	285,674
Investment earnings	-	15,000	15,000
Miscellaneous	-	25	25
Total General Revenues	-	300,699	300,699
Change in Net Position	65,568	130,207	195,775
Net Position, Beginning of Year	86,869	1,971,482	2,058,351
Net Position, End of Year	$ 152,437	$ 2,101,689	$ 2,254,126

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.

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-B. Basis of Presentation (Continued)

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.

The American Rescue Plan Federal Grant Fund – This fund is a special revenue fund used to account for the local fiscal recovery funds received through the American Rescue Plan Act of 2021.

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 net position. The County's fiduciary funds include the custodial funds. The County's custodial funds are for use by the County's constitutional officers comprised of the Tax Commissioner, Clerk of Superior Court, Probate Court, Magistrate Court, Clerk of State Court, and the Sheriff.

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, 2021.

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, 2021, 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, 2021.

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, 2021, 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, 2021, 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.

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, 2021, the County's deposits and investments were exposed to custodial credit risk as follows:

Carrying amount of the County's deposits	$ 8,843,359
Bank balances of the County's deposits	9,132,129
Deposits covered by depository insurance	500,000
Deposits collateralized by securities	8,632,129

The County's investment assets measured at fair value on a recurring basis as of June 30, 2021 were as follows:

Certificates of deposit	$ 128,270

As of June 30, 2021, 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.

At June 30, 2021, 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.

Note 3 - Detailed Notes on All Funds (Continued)

3-B. Receivables

Receivables at June 30, 2021, 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 2020. Property tax bills were mailed in October 2020 and were due by December 20, 2020. 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.

3-D. Capital Assets

Capital asset activity for the year ended June 30, 2021, was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance
GOVERNMENTAL ACTIVITIES:				
Nondepreciable capital assets:				
Land	$ 475,508	$ -	$ -	$ 475,508
Construction in progress	715,174	-	715,174	-
Total capital assets not being depreciated	1,190,682	-	715,174	475,508
Depreciable capital assets:				
Land improvements	180,173	233,398	-	413,571
Infrastructure	24,750,609	1,826,024	-	26,576,633
Buildings	5,600,813	723,750	-	6,324,563
Vehicles	2,215,495	415,751	-	2,631,246
Furniture, fixtures and equipment	1,575,130	76,701	-	1,651,831
Total depreciable capital assets	34,322,220	3,275,624	-	37,597,844
Total capital assets	35,512,902	3,275,624	715,174	38,073,352
Accumulated depreciation:				
Land improvements	43,137	10,529	-	53,666
Infrastructure	16,414,772	482,114	-	16,896,886
Buildings	3,500,048	184,231	-	3,684,279
Vehicles	1,782,918	113,848	-	1,896,766
Furniture, fixtures and equipment	1,244,910	127,169	-	1,372,079
Total accumulated depreciation	22,985,785	917,891	-	23,903,676
Governmental activitivties capital assets, net	$ 12,527,117	$ 2,357,733	$ 715,174	$ 14,169,676

Note 3 - Detailed Notes on All Funds (Continued)

3-D. Capital Assets (Continued)

Governmental activities depreciation expense:

General government	$ 48,534
Public safety	239,314
Public works	530,101
Culture and recreation	87,394
Housing and development	12,548
Total governmental activities depreciation expense	$ 917,891

	Beginning Balance	Additions	Deductions	Ending Balance
BUSINESS-TYPE ACTIVITIES:				
Non-depreciable capital assets:				
Land	$ 17,034	$ 2,450	$ -	$ 19,484
Construction in progress	-	1,604,050		1,604,050
Total non-depreciable capital assets	17,034	1,606,500	-	1,623,534
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	1,606,500	-	23,019,354
Accumulated depreciation:				
Water system and lines	6,731,221	421,048	-	7,152,269
Land improvements	63,620	4,387	-	68,007
Vehicles	51,169	-	-	51,169
Furniture and equipment	183,881	8,473	-	192,354
Total accumulated depreciation	7,029,891	433,908	-	7,463,799
Business-type activities capital assets, net	$ 14,382,963	$ 1,172,592	$ -	$ 15,555,555

Business-type activities depreciation expense:

Water	$ 429,521
Solid Waste	4,387
Total governmental activities depreciation expense	$ 433,908

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	616,768	25,374	-	642,142
Land improvements	297,830	24,853	-	322,683
Furniture, fixtures and equipment	34,201	-	-	34,201
Total accumulated depreciation	948,799	50,227	-	999,026
Component unit capital assets, net	$ 877,368	$ (50,227)	$ -	$ 827,141

3-E. Interfund Balances and Transfers

Interfund balances and transfers for the year ended June 30, 2021, consisted of the following:

Interfund Balances	Due From:	Due To:
General Fund	$ 153,796	$ 757,696
Water Fund	160,645	-0-
Solid Waste Fund	200,000	110,053
American Rescue Plan Federal Grant Fund	232,595	-0-
Workforce Development Fund	41,171	-0-
SPLOST Fund	21,168	-0-
Non-major Governmental Funds	99,415	41,041
Total Interfund Balances	$ 908,790	$ 908,790

The interfund balances from the General Fund to the Solid Waste Fund and Non-major Governmental Funds are for reimbursement of expenses paid on behalf of the General Fund. The interfund balances to the General Fund from the Water Fund, the Solid Waste Fund, the American Rescue Plan Federal Grant 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. The interfund balance from the SPLOST Fund to the General Fund is for reimbursement of a SPLOST project that was approved by the SPLOST resolution and expedited by payment from the General Fund.

Note 3 - Detailed Notes on All Funds (Continued)

3-E. Interfund Balances and Transfers (Continued)

Interfund Transfers

	Transfers From:		
Transfers to:	General Fund	Solid Waste Fund	Total
General Fund	$ -0-	$ 213,700	$ 213,700
Campgrounds and Parks Fund	19,321	-0-	19,321
SPLOST Fund	10,188	-0-	10,188
Non-Major Governmental Funds	36,004	-0-	36,004
Total	$ 65,513	$ 213,700	$ 279,213

The transfers from the General Fund to the Campgrounds and Parks Fund and Non-Major Governmental Funds are necessary because the costs associated with these funds are more than the operating revenues of these funds. The transfers from the General Fund to the SPLOST Fund were to supplement capital project expense. The operating transfers from the Solid Waste Fund were to fund a portion of the General Fund budget.

3-F. Compensated Absences

The following is a breakdown of compensated absences by department for the year ended June 30, 2021:

General administration	$ 13,703
Court system	3,345
Public safety	31,827
Public works	9,161
Housing and development	663
Culture and recreation	1,170
Total Governmental Activities	$ 59,869
Water Fund	$ 3,345
Total Business-type Activities	$ 3,345

(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, 2021:

Governmental Activities	Outstanding 6/30/20	Additions	Reductions	Outstanding 6/30/21	Amounts Due in One Year
Notes payable	$ 263,408	$ 213,200	$ 49,216	$ 427,392	$ 153,567
Compensated Absences	71,007	83,114	94,252	59,869	14,967
Net pension liability	1,160,468	-	199,280	961,188	-
Total Governmental Activities	$ 1,494,883	$ 296,314	$ 342,748	$ 1,448,449	$ 168,534
Business-type Activities					
Revenue bonds	$ 2,715,000	$ -	$ 110,000	$ 2,605,000	$ 115,000
Unamortized discount	(8,673)	-	(1,016)	(7,657)	-
Total revenue bonds	2,706,327	-	108,984	2,597,343	115,000
Notes payable	1,027,571	1,457,124	85,925	2,398,770	1,544,411
Landfill postclosure	59,100	9,850	9,850	59,100	9,850
Compensated absences	1,895	4,932	3,482	3,345	-
Net pension liability	48,353	-	8,303	40,050	-
Total Business-type Activities	$ 3,843,246	$ 1,471,906	$ 216,544	$ 5,098,608	$ 1,669,261
Component Units					
Net pension liability	$ 113,521	$ 3,360	$ -	$ 116,881	$ -
Net state OPEB liability	44,042	-	4,563	39,479	-
Notes payable	268,374	-	268,374	-	-
Compensated Absences	4,290	7,440	733	10,997	-
Total Component Units	$ 430,227	$ 10,800	$ 273,670	$ 167,357	$ -

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, 2021 was $ 72,579.

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, 2021 was $ 85,258.

Note 3 - Detailed Notes on All Funds (Continued)

3-G. Long-term Debt (Continued)

The County also entered into a note payable agreement in June 2020 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, 2021 was $ 56,355.

During the fiscal year, the County entered into a note payable agreement in June 2021 with the United States Department of Agriculture Rural Development in the amount of $213,200 to finance public safety equipment. The note is due in annual installments with an interest rate of 2.125%. Final payment is due on June 19, 2028. The outstanding balance of the note at June 30, 2021 was $ 213,200.

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

YEAR	PRINCIPAL	INTEREST	TOTALS
2022	$ 153,567	$ 11,145	$ 164,712
2023	77,774	6,393	84,167
2024	39,072	4,218	43,290
2025	39,926	3,364	43,290
2026	40,798	2,492	43,290
2027 - 2028	76,255	2,289	78,544
Total	$ 427,392	$ 29,901	$ 457,293

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, 2021 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.	$ 2,605,000
Less: Unamortized discount	(7,657)
Total Revenue Bond	$ 2,597,343

Debt service requirements to maturity on the revenue bonds outstanding, as of June 30, 2021, are as follows:

YEAR	PRINCIPAL	INTEREST	TOTALS
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	125,000	65,512	190,512
2027-2031	990,000	261,537	1,251,537
2032-2035	1,020,000	83,706	1,103,706
Total	$ 2,605,000	$ 699,179	$ 3,304,179

Note 3 - Detailed Notes on All Funds (Continued)

3-G. Long-term Debt (Continued)

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, 2021 was $ 410,568.

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

YEAR	PRINCIPAL	INTEREST	TOTALS
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	9,656	7,576	17,232
2027-2031	51,338	34,822	86,160
2032-2036	56,860	29,300	86,160
2037-2041	63,011	23,149	86,160
2042-2046	69,807	16,353	86,160
2047-2051	77,337	8,823	86,160
2052-2054	45,874	1,347	47,221
Total	$ 410,568	$ 153,613	$ 564,181

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, 2021:

Interest Rate	Term	Due Date	Original Amount	Outstanding Amount
1.50%	20 years	2028	$ 1,449,967	$ 531,078

During the fiscal year ended, the County entered into a note payable agreement with a local financial institution in to finance construction and the expansion of the County's water and sewer infrastructure. The original approved amount of the note was $ 1,570,000. The County financed $ 1,457,124 and was financed with an interest rate of 3.25% with final payment of the note due in an annual installment in June 2022. The outstanding balance of this note at June 30, 2021 was $1,457,124.

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, 2021, $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
2022	$ 1,535,514	$ 28,856	$ 1,564,370
2023	79,574	6,234	85,808
2024	80,776	5,032	85,808
2025	81,996	3,812	85,808
2026	83,223	2,585	85,808
2027-2028	127,119	901	128,020
Total	$ 1,988,202	$ 47,420	$ 2,035,622

Note 3 - Detailed Notes on All Funds (Continued)

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, 2021, the County has 8 years of monitoring remaining. The liability for the landfill post-closure care costs is estimated to be $59,100 as of June 30, 2021. These estimated costs are based on what it would cost to perform all post-closure care in fiscal year 2021. 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.

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, 2020 totaled $ 1,993,977. Total payroll for all employees totaled $ 3,527,123 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, 2021, the County was required to contribute $ 299,407, or 15.02% of the covered employee payroll.

Employees covered by benefit terms – At January 1, 2020, 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	64
Active employees participating in the Plan	62
Total number of Plan Participants	162
Covered compensation for active participants	$ 1,993,977

Note 3 - Detailed Notes on All Funds (Continued)

3-I. Pensions (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2021, the County reported a liability for its net pension liability. The net pension liability was measured as of December 31, 2020. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of January 1, 2020. An expected total pension liability as of December 31, 2020 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, 2020.

Actuarial assumptions - The total pension liability as of December 31, 2020 was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the January 1, 2020 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, 2021, the County recognized pension expense of $ 316,662. At June 30, 2021, 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	$ 62,844	$ -0-
Changes of assumptions	84,979	-0-
Net difference between projected and actual earnings on pension plan investments	171,541	513,208
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	$ 319,364	$ 513,208

County contributions subsequent to the measurement date of December 31, 2020 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, 2022. 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:	
2022	$ 7,502
2023	(19,768)
2024	(132,681)
2025	(48,897)
2026	-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	$ 1,764,913	$ 1,001,238	$ 370,784

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, 2019	$ 5,382,412	$ 4,173,591	$ 1,208,821
Changes for the year:			
Service Cost	114,141	-	114,141
Interest on Total Pension Liability	369,474	-	369,474
Differences between expected and actual experience	75,457	-	75,457
Assumption Change	6,970	-	6,970
Contributions - employer	-	299,407	(299,407)
Contributions - employee	-	-	-
Net investment income	-	545,283	(545,283)
Benefit payments (Adjusted for interest)	(208,432)	(208,432)	-
Administrative expenses	-	(26,756)	26,756
Other charges	-	(44,309)	44,309
Net Changes	357,610	565,193	(207,583)
Balances at December 31, 2020	$ 5,740,022	$ 4,738,784	$ 1,001,238

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, 2021, 4.58% or 6 of the County's 131 employees were participants in the deferred compensation plan. The employees of the County contributed $ 5,565 to the deferred compensation plan during the year ended June 30, 2021. 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

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

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

Magistrates Retirement Fund
Post Office Box 56
Griffin, Georgia 30224

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

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, 2021, is as follows:

	Governmental Activities	Business Type Activities	Component Units
Cost of capital assets	$ 38,073,352	$ 23,019,354	$ 1,826,167
Less accumulated depreciation	(23,903,676)	(7,463,799)	(999,026)
Book value	14,169,676	15,555,555	827,141
Less capital related debt	(427,392)	(4,996,113)	-
Net Investment in Capital Assets	$ 13,742,284	$ 10,559,442	$ 827,141

(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	$ 219,547
Inventory	18,670

Restricted –The following fund balances are restricted for:

General Fund:	
Culture and recreation	128,270
Special Revenue Funds:	
Hotel/Motel Tax Fund	40,268
Jail Fund	11,071
Drug Education Fund	32,945
Family Connection Fund	11,303
Law Library Fund	6,566
E-911 Fund	165,789
Condemned Funds Fund	19,512
Capital Projects Funds:	
SPLOST Fund	1,054,814
TSPLOST Fund	352,602
American Rescue Plan Grant Fund	22

Assigned - The following fund balances are assigned for:

General Fund:	
Capital projects	307,752

Unassigned

General Fund:	5,023,131
Total Fund Balances	$ 7,392,262

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.

The County was a defendant in several lawsuits as of June 30, 2021. In the opinion of County management, the outcome of these contingencies will not have a material effect on the financial position of 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, 2021, the County collected $ 32,749 of hotel/motel taxes. Management represents that 100% of the lodging tax received during the year ended June 30, 2021 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, 2021, 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 April 28, 2022. Management has not identified any items requiring recognition or disclosure.

4-G. Change in Accounting Principle

In conjunction with the implementation of GASB Statement No. 84, Fiduciary Activities, the County is required to reevaluate the accounting treatment of fiduciary activities. The new standard requires the County to determine if the funds are still considered fiduciary, and if so, they are considered custodial funds under the new definitions of GASB Statement No. 84. Therefore, in conjunction with the implementation of GASB Statement No. 84, the following restatement was required to the beginning net position of Fiduciary Activities to properly report the custodial funds.

	Custodial Funds				
	Clerk of Superior Court	Probate/ Magistrate Court	Sheriff's Department	Tax Commissioner's Office	Total Fiduciary Funds
Net position, July 1, 2020 as previously reported	$ -	$ -	$ -	$ -	$ -
Prior period adjustment - Implementation of GASB No. 84 - Agency fund to custodial fund classification	12,760	5,763	9,052	156,724	184,299
Net position, July 1, 2020 as restated	$ 12,760	$ 5,763	$ 9,052	$ 156,724	$ 184,299

Lincoln County, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Taxes	$ 4,269,961	$ 4,269,961	$ 4,901,715	$ 631,754
Licenses and permits	76,200	76,200	109,057	32,857
Intergovernmental	860,867	1,002,083	1,315,875	313,792
Charges for services	1,226,640	1,176,518	1,144,985	(31,533)
Fines, forfeitures and fees	209,025	209,025	280,586	71,561
Investment earnings	3,000	3,000	3,144	144
Miscellaneous	55,275	55,275	69,775	14,500
Total Revenues	6,700,968	6,792,062	7,825,137	1,033,075
Expenditures				
Current:				
General government	2,255,278	2,136,618	2,041,931	94,687
Judicial	413,264	389,300	389,300	-
Public safety	2,565,268	2,831,912	2,567,382	264,530
Public works	796,789	1,146,909	1,141,469	5,440
Health and welfare	319,584	235,230	232,394	2,836
Culture and recreation	295,735	266,440	266,440	-
Conservation of natural resources	90,829	58,978	58,978	-
Housing and development	152,221	156,775	156,179	596
Total Expenditures	6,888,968	7,222,162	6,854,073	368,089
Excess (Deficiency) of Revenues Over (Under) Expenditures	(188,000)	(430,100)	971,064	1,401,164
Other Financing Sources (Uses)				
Transfers in (out)	188,000	216,900	148,187	(68,713)
Inception of capital lease obligation	-	213,200	213,200	-
Total Other Financing Sources (Uses)	188,000	430,100	361,387	(68,713)
Net Change in Fund Balances	$ -	$ -	1,332,451	$ 1,332,451
Fund Balance, Beginning of Year			4,364,919	
Fund Balances, End of Year			$ 5,697,370	

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, 2021

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Intergovernmental	$ 1,700,000	$ 1,870,609	$ 1,870,609	$ -
Total Revenues	1,700,000	1,870,609	1,870,609	-
Expenditures				
Health and welfare	1,700,000	1,870,609	1,870,609	-
Total Expenditures	1,700,000	1,870,609	1,870,609	-
Net Change in Fund Balance	$ -	$ -	-	$ -
Fund Balance, Beginning of Year			-	
Fund Balance, End of Year			$ -	

Lincoln County, Georgia
American Rescue Plan Federal Grant Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Intergovernmental	$ -	$ 232,756	$ 232,756	$ -
Investment earnings	-	-	22	22
Total Revenues	-	232,756	232,778	-
Expenditures				
Public safety	-	232,756	232,756	-
Total Expenditures	-	232,756	232,756	-
Net Change in Fund Balance	$ -	$ -	22	$ 22
Fund Balance, Beginning of Year			-	
Fund Balance, End of Year			$ 22	

Lincoln County, Georgia

Schedule of Changes in Net Pension Liability and Related Ratios

For the Year Ended June 30, 2021

	2021	2020	2019	2018	2017	2016	2015
Total pension liability							
Service cost	$ 114,141	$ 97,053	$ 105,452	$ 102,656	$ 103,765	$ 116,094	$ 113,794
Interest on total pension liability	369,474	338,805	318,317	297,151	286,554	258,060	238,565
Differences between expected and actual experience	75,457	20,704	39,822	61,560	11,381	13,770	-
Assumption change	6,970	181,912	171,997	7,210	121,650	105,312	-
Benefit payments (Adjusted for interest)	(208,432)	(192,264)	(179,936)	(173,322)	(158,771)	(113,326)	(92,421)
Net change in total pension liability	357,610	446,210	455,652	295,255	364,579	379,910	259,938
Total pension liability, Beginning	5,382,412	4,936,202	4,480,550	4,185,295	3,820,716	3,440,806	3,180,868
Total pension liability, Ending	$ 5,740,022	$ 5,382,412	$ 4,936,202	$ 4,480,550	$ 4,185,295	$ 3,820,716	$ 3,440,806
Plan fiduciary net position							
Contributions - employer	$ 299,407	$ 254,216	$ 226,748	$ 242,457	$ 237,611	$ 240,241	$ 243,643
Net investment income	545,283	697,463	(158,091)	487,713	211,062	23,152	180,521
Benefit payments (Adjusted for interest)	(208,432)	(192,264)	(179,936)	(173,322)	(153,032)	(109,230)	(89,081)
Administrative expenses	(26,756)	(24,820)	(14,029)	(11,211)	(14,499)	(11,882)	(11,371)
Other charges	(44,309)	(33,954)	(17,024)	(49,249)	(24,908)	(37,989)	(36,718)
Net change in plan fiduciary net position	565,193	700,641	(142,332)	496,388	256,234	104,292	286,994
Plan fiduciary net position, Beginning	4,173,591	3,472,950	3,615,282	3,118,894	2,862,660	2,758,368	2,471,374
Plan fiduciary net position, Ending	$ 4,738,784	$ 4,173,591	$ 3,472,950	$ 3,615,282	$ 3,118,894	$ 2,862,660	$ 2,758,368
County's net pension liability	$ 1,001,238	$ 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	82.56%	77.54%	70.36%	80.69%	74.52%	74.92%	80.17%
Covered-employee payroll	$ 1,993,977	$ 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	50.21%	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, 2021

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 299,407	$ 236,419	$ 214,718	$ 238,914	$ 233,124	$ 235,060	$ 233,483	$ 236,710
Contributions in relation to the contractually required contribution	299,407	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	$ 1,993,977	$ 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	15.02%	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, 2021 reported in that schedule:

Valuation date	January 1, 2020
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 - 4.50% 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, 2021 and 2020

	2021	2020
Assets		
Cash and cash equivalents	$ 4,566,599	$ 3,220,949
Investments	128,270	130,717
Receivables:		
Accounts, net	333,262	229,893
Property taxes, net	78,898	116,347
Intergovernmental	132,370	390,117
Interfund	757,696	481,353
Other	125,616	195,324
Prepaid items	219,547	73,890
Inventory	18,670	13,937
Total Assets	$ 6,360,928	$ 4,852,527
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities		
Accounts payable	$ 126,633	$ 127,652
Accrued expenses	297,626	269,562
Interfund payables	153,796	-
Due to others	22,889	5,985
Total Liabilities	600,944	403,199
Deferred Inflows of Resources		
Unavailable revenue: property taxes	62,614	84,409
Total Liabilities and Deferred Inflows of Resources	663,558	487,608
Fund Balances		
Nonspendable		
Inventory	18,670	13,937
Prepaid items	219,547	73,890
Restricted		
Culture and recreation	128,270	130,717
Assigned		
Capital projects	307,752	329,612
Unassigned	5,023,131	3,816,763
Total Fund Balances	5,697,370	4,364,919
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 6,360,928	$ 4,852,527

Lincoln County, Georgia
General Fund
Schedule of Revenues - Budget and Actual
For the Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021				
	Original Budget	Final Budget	Actual	Variance Over (Under)	2020 Actual
REVENUES					
Taxes					
General property tax	$ 2,910,215	$ 2,910,215	$ 2,950,429	$ 40,214	$ 2,975,262
Vehicle property tax	40,333	40,333	49,845	9,512	40,429
Title ad valorem tax	213,000	213,000	546,931	333,931	313,292
Mobile home property tax	27,278	27,278	27,751	473	26,316
Recording intangible tax	29,204	29,204	79,420	50,216	44,538
Real estate transfer tax	7,779	7,779	24,224	16,445	11,437
Timber tax	10,352	10,352	22,846	12,494	16,570
Other taxes	-	-	30	30	56
Insurance premium tax	440,000	440,000	472,391	32,391	444,453
Local option sales tax	525,000	525,000	669,360	144,360	583,321
Bank licenses and taxes	9,800	9,800	10,377	577	9,890
Franchise taxes	22,000	22,000	18,478	(3,522)	23,026
Alcoholic beverage licenses/taxes	35,000	35,000	29,633	(5,367)	29,794
Total Taxes	4,269,961	4,269,961	4,901,715	631,754	4,518,384
Licenses and Permits	76,200	76,200	109,057	32,857	84,921
Intergovernmental					
Federal grant funds	18,820	139,386	464,362	324,976	49,929
Federal P.I.L.O.T.	153,000	153,000	151,208	(1,792)	152,740
Road paving contracts	316,573	316,573	316,573	-	364,929
Forest Land Protection Grant	-	-	8,110	8,110	10,452
Columbia County library supplement	54,189	54,189	55,168	979	53,527
Nutrition Program	62,544	62,544	58,081	(4,463)	54,867
DOT transit program revenues	104,646	104,646	109,827	5,181	58,185
State grant funds	8,062	28,712	42,893	14,181	23,735
Juvenile Offenders Program	250	250	743	493	3,799
Other local funds	142,783	142,783	108,910	(33,873)	139,013
Total Intergovernmental	860,867	1,002,083	1,315,875	313,792	911,176
Charges for Services					
Commissions on tax collections	196,000	196,000	206,460	10,460	160,910
Ambulance fees	315,000	315,000	292,570	(22,430)	302,730
Correction Institute-inmate cost rebate	494,136	494,136	409,589	(84,547)	639,822
Civil defense	1,800	1,800	-	(1,800)	600
Rental income	103,978	103,978	97,262	(6,716)	99,311
Administrative fees	89,786	39,664	124,310	84,646	68,589
Library fees	14,490	14,490	2,082	(12,408)	2,603
Transportation program fares	2,000	2,000	2,784	784	5,985
Recreation fees and sponsorships	9,450	9,450	9,928	478	10,586
Total Charges for Services	1,226,640	1,176,518	1,144,985	(31,533)	1,291,136

(Continued)

Lincoln County, Georgia
General Fund
Schedule of Revenues - Budget and Actual
For the Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021				
	Original Budget	Final Budget	Actual	Variance Over (Under)	2020 Actual
REVENUES					
Fines, Forfeitures and Fees					
State and superior courts	$ 56,275	$ 56,275	$ 87,082	$ 30,807	$ 73,075
Sheriff's fees	72,050	72,050	96,180	24,130	98,364
Magistrate court	7,500	7,500	4,395	(3,105)	6,958
Probate court	73,200	73,200	92,929	19,729	71,844
Total Fines, Forfeitures and Fees	209,025	209,025	280,586	71,561	250,241
Investment Earnings	3,000	3,000	3,144	144	5,650
Miscellaneous					
Penalties & interest/costs	39,475	39,475	34,869	(4,606)	32,443
Sale of surplus property	10,000	10,000	18,369	8,369	528
Other	5,800	5,800	16,537	10,737	31,657
Total Miscellaneous	55,275	55,275	69,775	14,500	64,628
TOTAL REVENUES	$ 6,700,968	$ 6,792,062	$ 7,825,137	$ 1,033,075	$ 7,126,136

Lincoln County, Georgia
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021				
	Original Budget	Final Budget	Actual	Variance Over (Under)	2020 Actual
EXPENDITURES					
General Government					
Board of commissioners	$ 173,999	$ 164,725	$ 164,441	$ 284	$ 161,874
Tax commissioner	196,095	195,858	195,858	-	188,463
Tax assessor	188,704	154,686	154,184	502	181,424
General administration	1,310,109	1,253,872	1,159,971	93,901	991,221
Finance office	140,381	128,429	128,429	-	164,243
County attorney	34,320	28,738	28,738	-	36,763
Information technology	70,560	66,766	66,766	-	66,841
Record retention	12,196	9,768	9,768	-	11,841
Board of equalization	7,807	2,151	2,151	-	3,466
Elections and registrar	121,107	131,625	131,625	-	119,295
Total General Government	2,255,278	2,136,618	2,041,931	94,687	1,925,431
Judicial					
State and superior courts	197,950	189,624	189,624	-	188,832
District attorney	17,100	16,095	16,095	-	15,344
Juvenile court	10,000	3,649	3,649	-	5,451
Probate court	188,214	179,932	179,932	-	183,403
Total Judicial	413,264	389,300	389,300	-	393,030
Public Safety					
Sheriff	828,568	831,688	831,646	42	662,685
County jail	758,526	762,595	762,562	33	756,464
Office of emergency services	935,424	1,197,868	947,516	250,352	910,539
County fire departments	29,917	22,516	10,846	11,670	11,844
Coroner	12,833	17,245	14,812	2,433	13,164
Total Public Safety	2,565,268	2,831,912	2,567,382	264,530	2,354,696
Public Works					
Roads department	703,724	1,054,200	1,049,175	5,025	754,148
Shop	93,065	92,709	92,294	415	92,349
Total Public Works	796,789	1,146,909	1,141,469	5,440	846,497

(Continued)

Lincoln County, Georgia
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021				
	Original Budget	Final Budget	Actual	Variance Over (Under)	2020 Actual
EXPENDITURES					
Health and Welfare					
Health department	$ 39,024	$ 39,713	$ 39,713	$ -	$ 38,968
Transportation program	119,246	99,683	96,847	2,836	99,377
Senior citizens program	129,124	74,631	74,631	-	86,401
Lincoln center	16,566	8,681	8,681	-	10,639
PAWS program	8,000	8,000	8,000	-	8,000
Family and children services	7,624	4,522	4,522	-	2,968
Total Health and Welfare	319,584	235,230	232,394	2,836	246,353
Culture and Recreation					
Art and recreation	128,404	126,996	126,996	-	119,994
Library	167,331	139,444	139,444	-	156,548
Total Culture and Recreation	295,735	266,440	266,440	-	276,542
Conservation of Natural Resources					
Agriculture resources	82,671	50,820	50,820	-	73,359
Forestry resources	8,158	8,158	8,158	-	8,158
Total Conservation of Natural Resources	90,829	58,978	58,978	-	81,517
Housing and Development					
Planning and permits	24,032	25,681	25,676	5	47,635
Code enforcement	83,580	81,953	81,362	591	93,259
Economic development	44,609	49,141	49,141	-	45,077
Total Housing and Development	152,221	156,775	156,179	596	185,971
TOTAL EXPENDITURES	$ 6,888,968	$ 7,222,162	$ 6,854,073	$ 368,089	$ 6,310,037

Lincoln County, Georgia
SPLOST Fund
Comparative Balance Sheet
June 30, 2021 and 2020

	2021	2020
Assets		
Cash and cash equivalents	$ 1,018,994	$ 698,546
Other receivable	4,000	4,000
Intergovernmental receivable	78,722	75,268
Total Assets	$ 1,101,716	$ 777,814
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 558	$ 48,777
Intergovernmental payable	25,176	24,312
Interfund payable	21,168	-
Total Liabilities	46,902	73,089
Fund Balances		
Restricted for capital projects	1,054,814	704,725
Total Fund Balances	1,054,814	704,725
Total Liabilities and Fund Balances	$ 1,101,716	$ 777,814

Lincoln County, Georgia
SPLOST Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021	2020
Revenues		
Sales taxes	$ 836,700	$ 729,151
Investment earnings	334	749
Total Revenues	837,034	729,900
Expenditures		
Intergovernmental	132,734	115,672
Capital outlay		
General government	25,395	260,599
Public works	157,055	138,145
Public safety	72,961	215,084
Culture and recreation	48,899	96,236
Debt service:		
Principal	49,216	33,276
Interest	10,873	5,934
Total Expenditures	497,133	864,946
(Deficiency) of Revenues (Under) Expenditures	339,901	(135,046)
Other Financing Sources		
Transfers in (out)	10,188	-
Proceeds from installment obligation	-	165,524
Net Change in Fund Balance	350,089	30,478
Fund Balance, Beginning of Year	704,725	674,247
Fund Balance, End of Year	$ 1,054,814	$ 704,725

Lincoln County, Georgia
TSPLOST Fund
Comparative Balance Sheet
June 30, 2021 and 2020

	2021	2020
Assets		
Cash and cash equivalents	$ 287,029	$ 714,024
Intergovernmental receivable	65,573	70,524
Total Assets	$ 352,602	$ 784,548
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ 57,316
Total Liabilities	-	57,316
Fund Balances		
Restricted for public works	352,602	727,232
Total Liabilities and Fund Balances	$ 352,602	$ 784,548

Lincoln County, Georgia
TSPLOST Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021	2020
Revenues		
Taxes - TSPLOST	$ 767,482	$ 643,613
Investment income	364	1,016
Miscellaneous	800	-
Total Revenues	768,646	644,629
Expenditures		
Capital outlay		
Public works	1,143,276	878,903
Total Expenditures	1,143,276	878,903
Net Change in Fund Balances	(374,630)	(234,274)
Fund Balances, Beginning of Year	727,232	961,506
Fund Balances, End of Year	$ 352,602	$ 727,232

Lincoln County, Georgia
Workforce Development Grant Fund
Comparative Balance Sheet
June 30, 2021 and 2020

	2021	2020
Assets		
Cash and cash equivalents	$ 55,189	$ 59,706
Intergovernmental receivable	333,931	89,798
Total Assets	$ 389,120	$ 149,504
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 347,949	$ 89,798
Interfund payables	41,171	59,706
Total Liabilities	389,120	149,504
Fund Balances		
Restricted for program purposes	-	-
Total Liabilities and Fund Balances	$ 389,120	$ 149,504

Lincoln County, Georgia
Workforce Development Grant Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021	2020
Revenues		
Intergovernmental	$ 1,870,609	$ 1,674,228
Total Revenues	1,870,609	1,674,228
Expenditures		
Health and welfare	1,870,609	1,674,228
Total Expenditures	1,870,609	1,674,228
Net Change in Fund Balance	-	-
Fund Balance, Beginning of Year	-	-
Fund Balance, End of Year	$ -	$ -

Lincoln County, Georgia
American Rescue Plan Federal Grant Fund
Balance Sheet
June 30, 2021

Assets		
Cash and cash equivalents	$	769,141
Total Assets	$	769,141
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$	-
Interfund payables		232,595
Unearned revenues		536,524
Total Liabilities		769,119
Fund Balances		
Restricted for program purposes		22
Total Liabilities and Fund Balances	$	769,141

Lincoln County, Georgia
American Rescue Plan Federal Grant Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2021

Revenues		
Intergovernmental	$	232,756
Investment earnings		22
Total Revenues		232,778
Expenditures		
Public safety		232,756
Total Expenditures		232,756
Net Change in Fund Balance		22
Fund Balance, Beginning of Year		-
Fund Balance, End of Year	$	22

Lincoln County, Georgia
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2021

	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**	**Capital Project Fund**	**Total**
Assets									
Cash and cash equivalents	$ 39,390	$ 102,657	$ 6,221	$ 50,508	$ 32,799	$ 9,570	$ 19,512	$ -	$ 260,657
Receivables:									
Accounts, net	-	-	345	173	-	-	-	-	518
Intergovernmental	2,841	32,626	-	22,788	-	-	-	40,000	98,255
Interfund receivables	-	41,041	-	-	-	-	-	-	41,041
Other	-	-	-	-	146	1,501	-	-	1,647
Total Assets	$ 42,231	$ 176,324	$ 6,566	$ 73,469	$ 32,945	$ 11,071	$ 19,512	$ 40,000	$ 402,118
Liabilities									
Accounts payable	$ -	$ 476	$ -	$ -	$ -	$ -	$ -	$ -	$ 476
Accrued expenses	-	10,059	-	2,751	-	-	-	-	12,810
Intergovernmental payable	1,963	-	-	-	-	-	-	-	1,963
Interfund payables	-	-	-	59,415	-	-	-	40,000	99,415
Total Liabilities	1,963	10,535	-	62,166	-	-	-	40,000	114,664
Fund Balances									
Restricted for program purposes	40,268	165,789	6,566	11,303	32,945	11,071	19,512	-	287,454
Total Fund Balances	40,268	165,789	6,566	11,303	32,945	11,071	19,512	-	287,454
Total Liabilities and Fund Balances	$ 42,231	$ 176,324	$ 6,566	$ 73,469	$ 32,945	$ 11,071	$ 19,512	$ 40,000	$ 402,118

Lincoln County, Georgia

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-major Governmental Funds

For the Year Ended June 30, 2021

	Special Revenue Funds							Capital Project Fund	
	Hotel/Motel Tax Fund	**E-911 Fund**	**Law Library**	**Family Connection Fund**	**Drug Education Fund**	**Jail Fund**	**Condemned Funds Fund**	**Capital Projects Fund**	**Total**
Revenues									
Taxes	$ 32,749	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 32,749
Intergovernmental	-	43,632	-	88,718	-	-	-	40,000	172,350
Charges for services	-	186,307	-	-	-	-	-	-	186,307
Fines, forfeitures and fees	-	-	4,153	-	1,310	8,220	15,549	-	29,232
Investment earnings	19	74	-	-	17	-	-	-	110
Total Revenues	32,768	230,013	4,153	88,718	1,327	8,220	15,549	40,000	420,748
Expenditures									
Current:									
Judicial	-	-	1,360	-	-	-	-	-	1,360
Public safety	-	273,116	-	-	-	4,463	4,363	-	281,942
Health and welfare	-	-	-	80,509	-	-	-	-	80,509
Housing and development	24,989	-	-	-	-	-	-	-	24,989
Capital Outlay	-	6,810	-	-	-	-	-	40,000	46,810
Total Expenditures	24,989	279,926	1,360	80,509	-	4,463	4,363	40,000	435,610
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,779	(49,913)	2,793	8,209	1,327	3,757	11,186	-	(14,862)
Other Financing (Uses)									
Transfers in (out), net	-	36,004	-	-	-	-	-	-	36,004
Net Change in Fund Balances	7,779	(13,909)	2,793	8,209	1,327	3,757	11,186	-	21,142
Fund Balances, Beginning	32,489	179,698	3,773	3,094	31,618	7,314	8,326	-	266,312
Fund Balances, Ending	$ 40,268	$ 165,789	$ 6,566	$ 11,303	$ 32,945	$ 11,071	$ 19,512	$ -	$ 287,454

Lincoln County, Georgia
Hotel/Motel Tax Fund
Comparative Balance Sheet
June 30, 2021 and 2020

	2021	2020
Assets		
Cash and cash equivalents	$ 39,390	$ 32,728
Intergovernmental receivable	2,841	6,185
Other receivable	-	674
Total Assets	$ 42,231	$ 39,587
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ -
Intergovernmental payable	1,963	7,098
Total Liabilities	1,963	7,098
Fund Balances		
Restricted for program purposes	40,268	32,489
Total Liabilities and Fund Balances	$ 42,231	$ 39,587

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, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021				2020
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Taxes	$ 24,396	$ 24,988	$ 32,749	$ 7,761	$ 33,148
Investment income	2	1	19	18	12
Total Revenues	24,398	24,989	32,768	7,779	33,160
Expenditures					
Housing and development	24,398	24,989	24,989	-	18,006
Net Change in Fund Balances	$ -	$ -	7,779	$ 7,779	15,154
Fund Balances, Beginning of Year			32,489		17,335
Fund Balances, End of Year			$ 40,268		$ 32,489

Lincoln County, Georgia
E-911 Fund
Comparative Balance Sheet
June 30, 2021 and 2020

	2021	2020
Assets		
Cash and cash equivalents	$ 102,657	$ 146,654
Accounts receivable	-	8,372
Intergovernmental receivable	32,626	29,504
Interfund receivable	41,041	-
Total Assets	$ 176,324	$ 184,530
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 476	$ 4,832
Accrued expenses	10,059	-
Total Liabilities	10,535	4,832
Fund Balances		
Restricted for program purposes	165,789	179,698
Total Liabilities and Fund Balances	$ 176,324	$ 184,530

Lincoln County, Georgia
E-911 Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021				2020
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Intergovernmental revenue	$ 43,632	$ 43,632	$ 43,632	$ -	$ 43,632
Charges for services	139,000	156,563	186,307	29,744	167,208
Investment earnings	-	-	74	74	202
Total Revenues	182,632	200,195	230,013	29,818	211,042
Expenditures					
Current:					
Public safety	268,541	279,294	273,116	6,178	255,539
Capital Outlay	-	6,810	6,810	-	-
Total Expenditures	268,541	286,104	279,926	6,178	255,539
Excess (Deficiency) of Revenues Over (Under) Expenditures	(85,909)	(85,909)	(49,913)	35,996	(44,497)
Other Financing Sources (Uses)					
Transfers in	85,909	85,909	36,004	(49,905)	63,239
Net Change in Fund Balances	$ -	$ -	(13,909)	$ (13,909)	18,742
Fund Balances, Beginning of Year			179,698		160,956
Fund Balances, End of Year			$ 165,789		$ 179,698

Lincoln County, Georgia
Law Library Fund
Comparative Balance Sheet
June 30, 2021 and 2020

	2021	2020
Assets		
Cash and cash equivalents	$ 6,221	$ 3,773
Accounts receivable	345	-
Total Assets	$ 6,566	$ 3,773
Fund Balance		
Restricted for program purposes	$ 6,566	$ 3,773

Lincoln County, Georgia
Law Library Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021				2020
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Fines, forfeitures and fees	$ 3,300	$ 1,360	$ 4,153	$ 2,793	$ 3,382
Expenditures					
Current:					
Judicial	3,300	1,360	1,360	-	3,218
Net Change in Fund Balance	$ -	$ -	2,793	$ 2,793	164
Fund Balance, Beginning of Year			3,773		3,609
Fund Balance, End of Year			$ 6,566		$ 3,773

Lincoln County, Georgia
Family Connection Fund
Comparative Balance Sheet
June 30, 2021 and 2020

	2021	2020
Assets		
Cash and cash equivalents	$ 50,508	$ 153,071
Accounts receivable	173	173
Intergovernmental receivable	22,788	15,215
Total Assets	$ 73,469	$ 168,459
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ 6,091
Accrued expenses	2,751	3,703
Interfund payables	59,415	155,571
Total Liabilities	62,166	165,365
Fund Balances		
Restricted for program purposes	11,303	3,094
Total Liabilities and Fund Balances	$ 73,469	$ 168,459

Lincoln County, Georgia
Family Connection Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021				2020
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Intergovernmental revenue	$ 79,500	$ 80,509	$ 88,718	$ 8,209	$ 60,196
Total Revenues	79,500	80,509	88,718	8,209	60,196
Expenditures					
Current:					
Health and welfare	79,500	80,509	80,509	-	71,767
Total Expenditures	79,500	80,509	80,509	-	71,767
Net Change in Fund Balances	$ -	$ -	8,209	$ 8,209	(11,571)
Fund Balances, Beginning of Year			3,094		14,665
Fund Balances, End of Year			$ 11,303		$ 3,094

Lincoln County, Georgia
Drug Education Fund
Comparative Balance Sheet
June 30, 2021 and 2020

	2021	2020
Assets		
Cash and cash equivalents	$ 32,799	$ 31,618
Other receivables	146	-
Total Assets	$ 32,945	$ 31,618
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ -
Total Liabilities	-	-
Fund Balances		
Restricted for program purposes	32,945	31,618
Total Fund Balances	32,945	31,618
Total Liabilities and Fund Balances	$ 32,945	$ 31,618

Lincoln County, Georgia
Drug Education Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021				2020
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Fines, forfeitures and fees	$ 3,171	$ 1,328	$ 1,310	$ (18)	$ 2,399
Investment earnings	-	-	17	17	28
Total Revenues	3,171	1,328	1,327	(1)	2,427
Expenditures					
Current:					
Public safety	3,171	1,328	-	1,328	-
Net Change in Fund Balances	$ -	$ -	1,327	$ 1,327	2,427
Fund Balances, Beginning of Year			31,618		29,191
Fund Balances, End of Year			$ 32,945		$ 31,618

Lincoln County, Georgia
Jail Fund
Comparative Balance Sheet
June 30, 2021 and 2020

	2021	2020
Assets		
Cash and cash equivalents	$ 9,570	$ 7,314
Other receivables	1,501	-
Total Assets	$ 11,071	$ 7,314
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ -
Total liabilities	-	-
Fund Balances		
Restricted for program purposes	11,071	7,314
Total Liabilities and Fund Balances	$ 11,071	$ 7,314

Lincoln County, Georgia
Jail Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021				2020
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Fines, forfeitures and fees	$ 8,000	$ 4,464	$ 8,220	$ 3,756	$ 7,291
Investment earnings	-	-	-	-	3
Total Revenues	8,000	4,464	8,220	3,756	7,294
Expenditures					
Current:					
Public safety	8,000	4,464	4,463	1	-
Capital Outlay					
Public safety	-	-	-	-	7,755
Total Expenditures	8,000	4,464	4,463	1	7,755
Net Change in Fund Balances	$ -	$ -	3,757	$ 3,755	(461)
Fund Balances, Beginning of Year			7,314		7,775
Fund Balances, End of Year			$ 11,071		$ 7,314

Lincoln County, Georgia
Condemned Funds Fund
Comparative Balance Sheet
June 30, 2021 and 2020

	2021	2020
Assets		
Cash and cash equivalents	$ 19,512	$ 8,326
Total Assets	$ 19,512	$ 8,326
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ -
Total liabilities	-	-
Fund Balances		
Restricted for program purposes	19,512	8,326
Total Liabilities and Fund Balances	$ 19,512	$ 8,326

Lincoln County, Georgia
Condemned Funds Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021				2020
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Fines, forfeitures and fees	$ 5,000	$ 4,363	$ 15,549	$ 11,186	$ 17,840
Total Revenues	5,000	4,363	15,549	11,186	17,840
Expenditures					
Current:					
Public safety	5,000	4,363	4,363	-	13,827
Net Change in Fund Balances	$ -	$ -	11,186	$ 11,186	4,013
Fund Balances, Beginning of Year			8,326		4,313
Fund Balances, End of Year			$ 19,512		$ 8,326

Lincoln County, Georgia
Capital Projects Fund
Comparative Balance Sheet
June 30, 2021 and 2020

	2021	2020
Assets		
Cash and cash equivalents	$ -	$ -
Intergovernmental receivable	40,000	103,071
Total Assets	$ 40,000	$ 103,071
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ -
Interfund payables	40,000	103,071
Total Liabilities	40,000	103,071
Fund Balances		
Restricted for public works	-	-
Total Liabilities and Fund Balances	$ 40,000	$ 103,071

Lincoln County, Georgia
Capital Projects Fund
Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended June 30, 2021
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	2021	2020
Revenues		
Intergovernmental	$ 40,000	$ 103,071
Total Revenues	40,000	103,071
Expenditures		
Capital outlay		
Housing and development	40,000	103,071
Total Expenditures	40,000	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, 2021 and 2020

	2021	2020
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 146,897	$ 164,899
Restricted assets - cash	213,651	194,889
Accounts receivable, net	117,787	122,260
Total Current Assets	478,335	482,048
Noncurrent Assets:		
Prepaid bond issuance	13,188	14,130
Capital Assets:		
Nondepreciable	1,623,534	17,034
Depreciable, net	13,912,277	14,341,797
Total Noncurrent Assets	15,548,999	14,372,961
TOTAL ASSETS	16,027,334	14,855,009
DEFERRED OUTFLOWS OF RESOURCES		
Related to pension plan	12,775	19,534
Total Deferred Outflows of Resources	12,775	19,534
LIABILITIES		
Current Liabilities:		
Accounts payable	167,955	136,941
Accrued liabilities	35,669	32,523
Interfund payable	160,645	138,807
Notes payable	1,544,411	86,675
Revenue bond payable	115,000	110,000
Total Current Liabilities	2,023,680	504,946
Long-Term Liabilities:		
Notes payable (net of current portion)	854,359	940,896
Compensated absences	3,345	1,895
Net pension liability	40,050	48,353
Revenue bond payable (net of current portion)	2,482,343	2,596,327
Total Long-Term Liabilities	3,380,097	3,587,471
TOTAL LIABILITIES	5,403,777	4,092,417
DEFERRED INFLOWS OF RESOURCES		
Related to pension plan	20,528	18,295
Total Deferred Inflows of Resources	20,528	18,295
Net Position		
Net investment in capital assets	10,539,698	10,624,933
Restricted for debt service	213,651	194,889
Unrestricted	(137,545)	(55,991)
TOTAL NET POSITION	$ 10,615,804	$ 10,763,831

Lincoln County, Georgia
Water Fund
Comparative Statement of Revenues,
Expenses and Changes in Net Position
For the Year Ended June 30, 2021 and 2020

	2021	2020
Operating Revenues		
Charges for services	$ 1,113,291	$ 1,094,677
Miscellaneous	10,533	5,715
Total Operating Revenues	1,123,824	1,100,392
Operating Expenses		
Cost of water	171,201	207,411
Salaries and benefits	188,136	191,763
Materials and supplies	33,848	58,812
Repairs and maintenance	114,964	61,637
Professional and contract services	82,778	37,110
Utilities	58,144	66,018
Other operating expenses	94,580	78,254
Depreciation	429,521	435,715
Total Operating Expenses	1,173,172	1,136,720
Operating Income (Loss)	(49,348)	(36,328)
Non-Operating Revenues (Expenses)		
Investment earnings	844	1,709
Interest and fiscal charges	(99,523)	(109,596)
Total Non-Operating Revenues (Expenses)	(98,679)	(107,887)
Change in Net Position	(148,027)	(144,215)
Net Position, Beginning of Year	10,763,831	10,908,046
Net Position, End of Year	$ 10,615,804	$ 10,763,831

Lincoln County, Georgia
Solid Waste Fund
Comparative Statement of Net Position
June 30, 2021 and 2020

	2021	2020
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 988,750	$ 899,942
Accounts receivable, net of allowances	30,321	64,818
Interfund receivable	110,053	-
Total Current Assets	1,129,124	964,760
Noncurrent Assets:		
Capital Assets:		
Nondepreciable, net	-	-
Depreciable, net	19,744	24,132
Total Noncurrent Assets	19,744	24,132
TOTAL ASSETS	1,148,868	988,892
LIABILITIES		
Current Liabilities:		
Accounts payable	154,409	115,079
Accrued liabilities	7,587	833
Unearned revenues	352,755	342,461
Interfund payable	200,000	2,124
Post-closure liability, current portion	9,850	9,850
Total Current Liabilities	724,601	470,347
Long-Term Liabilities:		
Post-closure liability, net of current portion	49,250	49,250
Total Long-Term Liabilities	49,250	49,250
TOTAL LIABILITIES	773,851	519,597
Net Position		
Net investment in capital assets	19,744	24,132
Unrestricted (deficit)	355,273	445,163
Total Net Position	$ 375,017	$ 469,295

Lincoln County, Georgia
Solid Waste Fund
Comparative Statement of Revenues,
Expenses and Changes in Net Position
For the Year Ended June 30, 2021 and 2020

	2021	2020
Operating Revenues		
Charges for services	$ 907,407	$ 900,850
Total Operating Revenues	907,407	900,850
Operating Expenses		
Salaries and benefits	97,658	19,853
Repairs	8,922	306
Supplies	73	991
Utilities	2,738	2,607
Professional and contract services	672,768	643,736
Other	1,935	2,182
Depreciation	4,387	4,387
Total Operating Expenses	788,481	674,062
Operating Income (Loss)	118,926	226,788
Non-Operating Revenues (Expenses)		
Investment earnings	496	920
Total Non-Operating Revenues (Expenses)	496	920
Income (Loss) Before Transfers	119,422	227,708
Transfers in (out)	(213,700)	-
Change in Net Position	(94,278)	227,708
Net Position, Beginning of Year	469,295	241,587
Net Position, End of Year	$ 375,017	$ 469,295

Lincoln County, Georgia
Campgrounds and Parks Fund
Comparative Statement of Net Position
June 30, 2021 and 2020

	2021	2020
ASSETS		
Cash and cash equivalents	$ -	$ 2,753
TOTAL ASSETS	-	2,753
LIABILITIES		
Current Liabilities:		
Accounts payable	-	-
Interfund payable	-	22,074
Total Current Liabilities	-	22,074
TOTAL LIABILITIES	-	22,074
Net Position		
Unrestricted	-	(19,321)
TOTAL NET POSITION	$ -	$ (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, 2021 and 2020

	2021	2020
Operating Revenues		
Charges for services	$ -	$ -
Total Operating Revenues	-	-
Operating Expenses		
Salaries and benefits	-	-
Materials and supplies	-	-
Repairs and maintenance	-	-
Professional and contract services	-	-
Utilities	-	-
Total Operating Expenses	-	-
Income (Loss) Before Transfers and Capital Contributions	-	-
Transfers in (out)	19,321	-
Change in Net Position	19,321	-
Net Position, Beginning of Year	(19,321)	(19,321)
Net Position, End of Year	$ -	$ (19,321)

Lincoln County, Georgia
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2021

	Clerk of Superior Court	Probate/ Magistrate Court	Sheriff's Department	Tax Commissioner's Office	Total
Assets					
Cash and cash equivalents	$ 165,267	$ 41,435	$ 61,830	$ 267,920	$ 536,452
Taxes receivable for other governments	-	-	-	252,970	252,970
Total Assets	165,267	41,435	61,830	520,890	789,422
Liabilities					
Funds due to others	145,421	22,787	50,914	198,552	417,674
Uncollected taxes	-	-	-	252,970	252,970
Total Liabilities	145,421	22,787	50,914	451,522	670,644
Net Position					
Restricted for individuals, organizations, and other governments	19,846	18,648	10,916	69,368	118,778
Total Net Position	$ 19,846	$ 18,648	$ 10,916	$ 69,368	$ 118,778

Lincoln County, Georgia
Combining Statement of Changes in FiduciaryNet Position
Custodial Funds
June 30, 2021

	Clerk of Superior Court	Probate/ Magistrate Court	Sheriff's Department	Tax Commissioner's Office	Total
Additions					
Taxes collected for other governments	$ -	$ -	$ -	$ 11,976,499	$ 11,976,499
Fines and fees collected	476,008	217,891	307,311	-	1,001,210
Total Additions	476,008	217,891	307,311	11,976,499	12,977,709
Deductions					
Taxes distributed to other governments	-	-	-	12,063,855	12,063,855
Fines and fees disbursed	468,922	205,006	305,447	-	979,375
Total Deductions	468,922	205,006	305,447	12,063,855	13,043,230
Changes in Net Position	7,086	12,885	1,864	(87,356)	(65,521)
Net Position - Beginning of Year	-	-	-	-	-
Prior Period Adjustment	12,760	5,763	9,052	156,724	184,299
Net Position - Beginning of Year, restated	12,760	5,763	9,052	156,724	184,299
Net Position - End of Year	$ 19,846	$ 18,648	$ 10,916	$ 69,368	$ 118,778

Lincoln County, Georgia
SECTION 5311 TRANSPORTATION PROGRAM
STATEMENT OF REVENUES AND EXPENDITURES
For the Year Ended June 30, 2021

Contract Number T006268
Grant Number GA-18-X034

REVENUES		
Reimbursements received from GA Department of Transportation	$	102,115
Participant contributions		1,850
TOTAL		103,965
EXPENDITURES		
Salaries and Fringe Benefits		
Administrative and operating		65,488
Operating Expenditures		
Fuel and operational supplies		19,588
Vehicle maintenance		4,117
Services		12,226
Utilities		2,196
Other operating expenses		350
TOTAL		103,965
Revenues in Excess of (less than) Expenditures	$	-

* * 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, 2021

Special Sales Tax Imposed January 1, 2011	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percent Completed
			Prior Years	Current Year	Total	
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	533,260	32,860	566,120	100.0%
Recreation facilities	164,480	71,862	68,045	3,817	71,862	100.0%
General government infrastructure	352,000	163,982	163,982	-	163,982	100.0%
	3,365,440	3,390,835	3,354,158	36,677	3,390,835	
Intergovernmental						
City of Lincolnton	634,560	632,046	632,046	-	632,046	100.0%
TOTAL	$ 4,000,000	$ 4,022,881	$ 3,986,204	$ 36,677	$ 4,022,881	
Special Sales Tax Imposed January 1, 2017						
Project Description						
Roads, streets and bridges	$ 888,365	$ 824,943	$ 373,831	$ 157,055	$ 530,886	64.4%
Courthouse and building renovations	636,000	590,595	433,764	21,168	454,932	77.0%
Fire protection	356,160	330,733	103,356	79,757	183,113	55.4%
General government infrastructure	432,480	401,605	224,527	24,659	249,186	62.0%
Recreation facilities	171,720	159,461	100,521	45,083	145,604	91.3%
Fleet vehicle replacement	111,427	103,472	30,604	-	30,604	29.6%
Rescue	79,373	73,706	37,888	-	37,888	51.4%
	2,675,525	2,484,515	1,304,491	327,722	1,632,213	
Intergovernmental						
City of Lincolnton	504,475	575,014	369,328	132,734	502,062	87.3%
TOTAL	$ 3,180,000	$ 3,059,529	$ 1,673,819	$ 460,456	$ 2,134,275	

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

Lincoln County, Georgia
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2021

Federal Grantor/Pass-through Grantor/ Program Title	Assistance Listing (AL) 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	11-19-20-07-013	$ 136,219	$ 130,320
Workforce Investment Opportunities Act Adult Program	17.258	11-20-20-07-013	73,738	66,453
Workforce Investment Opportunities Act Adult Program	17.258	11-20-21-07-013	99,604	99,604
Subtotal AL 17.258			309,561	296,377
Passed through Lincoln County Community Partnership, Inc.				
Workforce Investment Opportunities Act Youth Activities Program	17.259	15-20-20-07-013	40,387	-
Passed through Georgia Department of Economic Development				
Workforce Investment Opportunities Act Youth Activities Program	17.259	AFR15a-18-18-07-013	79,472	79,472
Workforce Investment Opportunities Act Youth Activities Program	17.259	AFR15a-20-20-07-013	28,973	28,973
Workforce Investment Opportunities Act Youth Activities Program	17.259	15-19-19-07-013	339,094	336,435
Workforce Investment Opportunities Act Youth Activities Program	17.259	15-20-20-07-013	137,238	137,238
Subtotal AL 17.259			625,164	582,118
Passed through Georgia Department of Economic Development				
Workforce Investment Opportunities Act Adult Program	17.278	36-19-20-07-013	117,793	117,793
Workforce Investment Opportunities Act Dislocated Worker Program	17.278	HDCI-18-19-07-013	279,788	279,437
Workforce Investment Opportunities Act Dislocated Worker Program	17.278	31-19-20-07-013	221,362	218,465
Workforce Investment Opportunities Act Dislocated Worker Program	17.278	31-20-20-07-013	42,042	33,618
Workforce Investment Opportunities Act Dislocated Worker Program	17.278	31-20-21-07-013	76,808	76,808
Workforce Investment Opportunities Act Dislocated Worker Program	17.278	VET2-18-19-07-013	34,173	34,173
Subtotal AL 17.278			771,966	760,294
Total Workforce Investment Act/Workforce Investment Opportunities Act Cluster			**1,706,691**	**1,638,789**
Aging Cluster				
U. S. Department of Health and Human Services				
Passed through CSRA RC				
Special Programs for the Aging Title III, COVID-19, Nutrition Services	93.045	2014-16 20 8202.0545	26,128	-
Special Programs for the Aging Title III, Part C1, Nutrition Services	93.045	2010-14 20 8202.0545	7,623	-
Special Programs for the Aging Title III, Part C2, Nutrition Services	93.045	2010-16 20 8202.0545	4,870	-
Special Programs for the Aging Title III, FFCRA-HDM, Nutrition Services	93.045	2010-14 20 8202.0545	3,487	-
Subtotal AL 93.045			42,108	-
Nutrition Services Incentive Program	93.053	2010-16 20 8202.0545	3,769	-
Total Aging Cluster			**45,877**	**-**
Community Facilities Loans and Grants Cluster				
U. S. Department of Agriculture				
Direct program				
Community Facilities Loans and Grants	10.766	RHS Loan	213,200	-
Community Facilities Loans and Grants	10.766	RHS Grant	100,000	-
Total Community Facilities Loans and Grants Cluster			**313,200**	**-**
Other Programs				
U. S. Department of Agriculture				
Direct program				
Rural Business Development Grant	10.351	N/A	40,000	-
Total U. S. Department of Agriculture			**40,000**	**-**
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	$ 1,119	$ -
Total U.S. Department of Defense			**1,119**	**-**

Lincoln County, Georgia
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2021

Federal Grantor/Pass-through Grantor/ Program Title	Assistance Listing (AL) Number	Agency or Pass-through Number	Expenditures	Passed Through to Subrecipients
Other Programs (Continued)				
U.S. Department of the Interior				
Direct program				
Payment in Lieu of Real Estate Taxes	15.226	N/A	151,208	-
Total U.S. Department of the Interior			**151,208**	**-**
U.S. Department of Labor				
Passed through Georgia Department of Economic Development				
Workforce Investment Opportunities Act Adult Program/NEG	17.277	COVID-19-20-07-013	204,305	204,305
Total U.S. Department of Labor			**204,305**	**204,305**
U.S. Department of Transportation				
Passed through from Georgia Department of Transportation				
COVID-19 - Formula Grants for Rural Areas	20.509	GA-18-X034	102,115	-
COVID-19 - Formula Grants for Rural Areas	20.509	N/A	3,200	-
Total U.S. Department of Transportation			**105,315**	**-**
U.S. Department of Treasury				
Passed through Georgia Office of Planning and Budget				
COVID-19 - Coronavirus Relief Fund	21.019	14621-CRF	335,967	-
Direct Award				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	232,756	-
Total U.S. Department of Treasury			**568,723**	**-**
U.S. Department of Homeland Security				
Direct program				
Provider Relief Fund	93.498	N/A	8,437	-
Passed through State of Georgia - Emergency Management Agency				
Emergency Management Performance Grants	97.042	OEM-19-092	18,967	-
BRIC: Building Resilient Infrastructure and Communities	97.047	N/A	21,426	-
Total U.S. Department of Homeland Security			**48,830**	-
Total Expenditures of Federal Awards			**$ 3,185,268**	**$ 1,843,094**

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, 2021. 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, 2021.

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 $ 100,000 and a loan for $ 213,200 to purchase public safety equipment. The County received the $ 100,000 grant and the $ 213,200 loan during the fiscal year ended June 30, 2021. 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, 2021 is $ 213,200. This loan balance is reported on the County's Statement of Net Position as of June 30, 2021. 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.

JONES, JONES, DAVIS & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS, P.C.
220 EAST FIFTH STREET
P.O. BOX 132
LOUISVILLE, GEORGIA 30434

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

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

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lincoln County, Georgia (the County), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated April 28, 2022. We did not audit the financial statements of the Development Authority of Lincoln County, which represents 89.5% of the assets, 93.2% of the net position, and 53.5% of the revenues of the aggregate discretely presented component units for the year ended June 30, 2021. 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 2021-01 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 April 28, 2022.

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
April 28, 2022

JONES, JONES, DAVIS & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS, P.C.
220 EAST FIFTH STREET
P.O. BOX 132
LOUISVILLE, GEORGIA 30434

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DOROTHY P. TIMMS, CPA
ELIZABETH P. BRIDGES, CPA
JASON A. WILLIFORD, CPA

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

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

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

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

Report on Compliance for Each Major Federal Program

We have audited Lincoln County, Georgia's (the County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2021. 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, 2021.

Report on Internal Control Over Compliance

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

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

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

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

Jones, Jones, Davis & Associates

Louisville, Georgia
April 28, 2022

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, 2021.

Section 2 – Financial Statement Findings

Internal Control

Material Weakness

Finding 2021-01 Lack of Segregation of Duties (Repeat Finding of Prior Year 2020-01)

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.

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, 2021 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, 2021 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 2020-01 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 2021-01

Section 2 – Prior Year Federal Award Findings and Questioned Costs

No findings on questioned costs were noted for the year ended June 30, 2020 that were required to be reported in accordance with the Uniform Guidance.