LINCOLN COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended

June 30, 2023

Lincoln County, Georgia
Annual Financial Report
For The Year Ended June 30, 2023

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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 the Lincoln County, Georgia, as of June 30, 2023, 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.

Basis for Opinions

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 of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Lincoln County, Georgia and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

We did not audit the financial statements of the Development Authority of Lincoln County, which represents 90.3% of the assets, 93.4% of the net position, and 0.05% of the revenues of the aggregate discretely presented component units for the year ended June 30, 2023. 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.

Responsibilities of Management 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; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Lincoln County, Georgia's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Lincoln County, Georgia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Lincoln County, Georgia's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 50-54 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

As discussed in Note 1-E-21 to the financial statements, the County adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 96, Subscription-Based Information Technology Arrangements, as of July 1, 2022. These standards changed the accounting for the County's subscription-based information technology arrangement activities and impacted disclosure requirements related to the County's subscription-based information technology arrangement obligations. Our opinion is not modified with respect to these matters.

As part of our audit of the financial statements referred to above that collectively comprise the County's basic financial statements as of and for the year ended June 30, 2023, we also audited the adjustments described in Note 4-H to the financial statements that were applied to restate the financial statements of the County for the year ended June 30, 2022. In our opinion, such adjustments are appropriate and have been properly applied to the financial statements. Our opinion is not modified with respect to this matter.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Lincoln County, Georgia's basic financial statements. The combining fund financial statements, the accompanying Section 5311 Transportation Program Statement of Revenues and Expenditures, the OneGeorgia Equity Fund Statement of Source and Application of Funds and Statement of Project Cost, and the accompanying schedules of projects constructed with special purpose local option sales tax proceeds are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of

additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 and individual nonmajor fund financial statements, the accompanying Section 5311 Transportation Program Statement of Revenues and Expenditures, the OneGeorgia Equity Fund Statement of Source and Application of Funds and Statement of Project Cost, and the accompanying schedules of projects constructed with special purpose local option sales tax proceeds, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2023, on our consideration of Lincoln County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely 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 Lincoln County, Georgia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Jones, Jones, Davis & Associates

Louisville, Georgia
December 20, 2023

Lincoln County, Georgia
Statement of Net Position
June 30, 2023

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Current Assets				
Cash and cash equivalents	$ 6,770,872	$ 1,071,165	$ 7,842,037	$ 961,159
Investments	2,126,508	-	2,126,508	-
Receivables:				
Accounts	230,448	125,489	355,937	43,430
Property taxes	84,620	-	84,620	-
Intergovernmental	801,272	-	801,272	2,122
Interfund	423,268	(423,268)	-	-
Other	142,860	-	142,860	-
Capital leases	67,571	-	67,571	-
Notes receivable	-	-	-	69,271
Inventory	21,298	28,835	50,133	-
Prepaid items	300,606	-	300,606	-
Restricted Assets	-	300,472	300,472	-
Noncurrent Assets				
Capital leases receivable	135,294	-	135,294	-
Note receivable (net of current portion)	-	-	-	720,398
Prepaid bond issuance	-	11,304	11,304	-
Land held for investment	-	-	-	213,256
Capital Assets				
Nondepreciable capital assets	1,056,000	163,623	1,219,623	18,877
Depreciable capital assets, net	15,470,709	15,358,619	30,829,328	726,145
Total Assets	27,631,326	16,636,239	44,267,565	2,754,658
Deferred Outflows of Resources				
Deferred outflows of resources-				
State OPEB contributions	-	-	-	38,572
Retirement contributions	948,313	39,513	987,826	173,931
Total Deferred Outflows of Resources	948,313	39,513	987,826	212,503
Liabilities				
Current Liabilities				
Accounts payable	460,441	220,012	680,453	2,865
Accrued expenses	222,467	42,340	264,807	3,203
Intergovernmental payable	18,732	-	18,732	-
Due to others	4,373	-	4,373	-
Unearned revenues	1,030,768	363,262	1,394,030	-
Compensated absences payable	32,890	-	32,890	-
Capital leases payable	-	1,384	1,384	-
Subscription-based information technology arrangements	37,863	10,421	48,284	
Notes payable	63,575	89,043	152,618	-
Revenue bonds payable	-	151,039	151,039	-
Landfill post-closure care costs payable	-	9,850	9,850	-
Long-Term Liabilities:				
Compensated absences payable (net of current portion)	98,671	7,352	106,023	19,515
Capital leases payable (net of current portion)	-	33,115	33,115	-
Subscription-based information technology arrangements (net of current portion)	24,798	-	24,798	-
Notes payable (net of current portion)	370,525	676,616	1,047,141	-
Landfill post-closure care costs payable (net of current portion)	-	49,250	49,250	-
Net state OPEB liability	-	-	-	21,666
Revenue bonds payable (net of current portion)	-	3,739,850	3,739,850	-
Net pension liability	1,445,432	60,226	1,505,658	262,063
Total Liabilities	3,810,535	5,453,760	9,264,295	309,312
Deferred Inflows of Resources				
Unavailable revenues	-	-	-	593,546
Capital leases	199,464	-	199,464	-
Related to state OPEB fund	-	-	-	31,421
Related to pension plan	530,157	22,090	552,247	8,102
Total Deferred Inflows of Resources	729,621	22,090	751,711	633,069
Net Position				
Net investment in capital assets	16,029,948	10,820,774	26,850,722	745,022
Restricted for:				
Capital projects	1,342,456	-	1,342,456	-
Judicial	12,175	-	12,175	-
Public safety	483,369	-	483,369	-
Public works	389,377	-	389,377	-
Economic development	66,442	-	66,442	-
Health and welfare	9,005	-	9,005	144,189
Debt service	-	300,472	300,472	-
Unrestricted	5,706,711	78,656	5,785,367	1,135,569
Total Net Position	$ 24,039,483	$ 11,199,902	$ 35,239,385	$ 2,024,780

See accompanying notes to the basic financial statements.

Lincoln County, Georgia
Statement of Activities
For the Year Ended June 30, 2023

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	$ 2,400,145	$ 499,410	$ 22,927	$ -	$ (1,877,808)	$ -	$ (1,877,808)	$ -
Judicial	458,829	157,842	-	-	(300,987)	-	(300,987)	-
Public safety	3,488,947	1,314,519	405,537	100,000	(1,668,891)	-	(1,668,891)	-
Public works	1,137,994	359,869	23,030	360,239	(394,856)	-	(394,856)	-
Health and welfare	2,441,244	5,118	2,162,322	-	(273,804)	-	(273,804)	-
Culture and recreation	425,211	14,262	60,199	-	(350,750)	-	(350,750)	-
Conservation of natural resources	85,501	-	-	-	(85,501)	-	(85,501)	-
Housing and development	251,779	-	-	253,946	2,167	-	2,167	-
Interest	13,128	-	-	-	(13,128)	-	(13,128)	-
Total Governmental Activities	10,702,778	2,351,020	2,674,015	714,185	(4,963,558)	-	(4,963,558)	-
Business-Type Activities								
Water and sewer	1,544,299	1,265,376	-	-	-	(278,923)	(278,923)	-
Solid waste	860,983	946,813	-	-	-	85,830	85,830	-
Total Business-Type Activities	2,405,282	2,212,189	-	-	-	(193,093)	(193,093)	-
Total - Primary Government	$ 13,108,060	$ 4,563,209	$ 2,674,015	$ 714,185	(4,963,558)	(193,093)	(5,156,651)	-
Component Units								
Department of Health	$ 374,474	$ 91,850	$ 225,755	$ -	-	-	-	(56,869)
Development Authority	313,942	27,164	-	-	-	-	-	(286,778)
Total - Component Units	$ 688,416	$ 119,014	$ 225,755	$ -	-	-	-	(343,647)
		General Revenues						
		Property taxes			3,599,623	-	3,599,623	286,182
		Sales taxes			2,795,308	-	2,795,308	-
		Other taxes and revenues			599,816	-	599,816	-
		Investment earnings			66,161	1,852	68,013	40,840
		Miscellaneous			16,801	-	16,801	-
		Loss on uncollectible note receivable			-	-	-	(338,444)
		Special item - local donation of capital assets			-	34,990	34,990	-
		Transfers in (out)			63,985	(63,985)	-	-
		Capital Contributions			-	210,258	210,258	-
		Total General Revenues, Transfers, Special Items, and Capital Contributions			7,141,694	183,115	7,324,809	(11,422)
		Change in Net Position			2,178,136	(9,978)	2,168,158	(355,069)
		Net Position, Beginning of Year			21,834,150	11,201,283	33,035,433	2,379,849
		Prior Period Adjustment			27,197	8,597	35,794	-
		Net Position, Beginning of Year, Restated			21,861,347	11,209,880	33,071,227	2,379,849
		Net Position, End of Year			$ 24,039,483	$ 11,199,902	$ 35,239,385	$ 2,024,780

See accompanying notes to the basic financial statements.

Lincoln County, Georgia
Balance Sheet
Governmental Funds
For the Year Ended June 30, 2023

	General	SPLOST VII Fund	TSPLOST Fund	Workforce Development Grant Fund	American Rescue Plan Federal Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	$ 3,171,546	$ 1,241,953	$ 529,331	$ 111,638	$ 1,153,261	$ 563,143	$ 6,770,872
Investments	2,126,508	-	-	-	-	-	2,126,508
Receivables:							
Accounts, net	230,018	-	-	-	-	430	230,448
Property taxes	84,620	-	-	-	-	-	84,620
Intergovernmental	160,909	100,503	71,161	260,328	-	208,371	801,272
Interfund	1,156,673	-	-	-	-	161,161	1,317,834
Other	136,190	-	-	-	-	6,670	142,860
Leases	202,865	-	-	-	-	-	202,865
Prepaid items	300,606	-	-	-	-	-	300,606
Inventory	21,298	-	-	-	-	-	21,298
Total Assets	$ 7,591,233	$ 1,342,456	$ 600,492	$ 371,966	$ 1,153,261	$ 939,775	$ 11,999,183
Liabilities, Deferred Inflows of Resources and Fund Balances							
Liabilities							
Accounts payable	$ 126,497	$ -	$ 9,869	$ 316,731	$ -	$ 7,344	$ 460,441
Accrued expenses	217,385	-	-	-	-	5,082	222,467
Intergovernmental payable	10,747	-	-	-	-	7,985	18,732
Interfund payable	167,219	-	201,246	55,235	114,396	356,470	894,566
Due to others	4,373	-	-	-	-	-	4,373
Unearned revenues	-	-	-	-	1,030,768	-	1,030,768
Total Liabilities	526,221	-	211,115	371,966	1,145,164	376,881	2,631,347
Deferred Inflows of Resources							
Leases	199,464	-	-	-	-	-	199,464
Unavailable revenue: property taxes	74,508	-	-	-	-	-	74,508
Total Liabilities and Deferred Inflows of Resources	800,193	-	211,115	371,966	1,145,164	376,881	2,905,319
Fund Balances							
Nonspendable	321,904	-	-	-	-	-	321,904
Restricted							
Judicial	-	-	-	-	-	12,175	12,175
Public safety	-	-	-	-	8,097	475,272	483,369
Public works	-	-	389,377	-	-	-	389,377
Health and welfare	-	-	-	-	-	9,005	9,005
Capital projects	-	1,342,456	-	-	-	-	1,342,456
Economic development	-	-	-	-	-	66,442	66,442
Assigned							
Capital projects	307,752	-	-	-	-	-	307,752
Unassigned	6,161,384	-	-	-	-	-	6,161,384
Total Fund Balances (Deficits)	6,791,040	1,342,456	389,377	-	8,097	562,894	9,093,864
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 7,591,233	$ 1,342,456	$ 600,492	$ 371,966	$ 1,153,261	$ 939,775	$ 11,999,183

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, 2023

Total Governmental Fund Balances		$ 9,093,864
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	$ 888,508	
Interfund payables	(888,508)	-
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	42,715,760	
Less accumulated depreciation	(26,189,051)	16,526,709
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds.		74,508
Liabilities associated with the County's pension plan are recognized for accrual reporting, but not reported in the fund financial statements.		(1,445,432)
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.		948,313
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.		(530,157)
Liabilities, including capital leases, compensated absences, notes payable and subscriptions payable are not due and payable in the current period and therefore are not reported in the funds:		
Notes payable	(434,100)	
Compensated absences	(131,561)	
Subscriptions payable	(62,661)	(628,322)
Net Position of Governmental Activities		$ 24,039,483

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, 2023

Revenues	General	SPLOST VII Fund	TSPLOST Fund	Workforce Development Grant Fund	American Rescue Plan Federal Grant Fund	Nonmajor Governmental Funds	Total Governmental Funds
Taxes	$ 5,003,073	$ 1,082,370	$ 847,067	$ -	$ -	$ 57,802	$ 6,990,312
Licenses and permits	134,022	-	-	-	-	-	134,022
Intergovernmental	940,647	-	-	2,110,317	434,790	390,948	3,876,702
Charges for services	1,133,421	-	-	-	-	171,596	1,305,017
Fines, forfeitures and fees	326,999	-	-	-	-	57,201	384,200
Investment earnings	66,099	4,384	43	-	7,762	62	78,350
Miscellaneous	43,891	-	-	-	-	-	43,891
Total Revenues	7,648,152	1,086,754	847,110	2,110,317	442,552	677,609	12,812,494
Expenditures							
Current:							
General government	2,331,336	-	-	-	-	253,946	2,585,282
Judicial	460,889	-	-	-	-	1,908	462,797
Public safety	2,730,878	-	-	-	-	394,169	3,125,047
Public works	896,256	-	58,257	-	-	-	954,513
Health and welfare	261,905	-	-	2,110,317	-	69,022	2,441,244
Culture and recreation	332,226	-	-	-	-	-	332,226
Conservation of natural resources	85,501	-	-	-	-	-	85,501
Housing and development	197,877	-	-	-	-	44,774	242,651
Intergovernmental	-	172,303	-	-	-	-	172,303
Capital Outlay	-	-	1,105,804	-	434,790	494,005	2,034,599
Debt Service:							
Principal retirement	62,036	-	-	-	-	-	62,036
Interest and fiscal charges	10,862	-	-	-	-	-	10,862
Total Expenditures	7,369,766	172,303	1,164,061	2,110,317	434,790	1,257,824	12,509,061
Excess (Deficiency) of Revenues Over (Under) Expenditures	278,386	914,451	(316,951)	-	7,762	(580,215)	303,433
Other Financing Sources (Uses)							
Transfers in (out), net	(75,854)	-	-	-	-	139,839	63,985
Total Other Financing Sources (Uses)	(75,854)	-	-	-	-	139,839	63,985
Net Change in Fund Balances	202,532	914,451	(316,951)	-	7,762	(440,376)	367,418
Fund Balances, Beginning	6,585,864	428,005	706,328	-	335	1,003,270	8,723,802
Prior Period Adjustment	2,644	-	-	-	-	-	2,644
Fund Balances, Beginning, Restated	6,588,508	428,005	706,328	-	335	1,003,270	8,726,446
Fund Balances, Ending	$ 6,791,040	$ 1,342,456	$ 389,377	$ -	$ 8,097	$ 562,894	$ 9,093,864

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, 2023

Net Changes In Fund Balances - Total Governmental Funds		$ 367,418
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	$ 2,918,837	
Depreciation expense	(1,197,527)	1,721,310
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes:		
Deferred, end of year	74,508	
Deferred, beginning of year	(70,073)	4,435
Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		62,036
Repayment of principal on subscription-based information technology arrangements is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		37,031
Net pension expense adjustments associated with changes in pension liability and net changes in deferred inflows and outflows of resources.		(15,340)
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	(131,561)	
Liability, beginning of year	132,807	1,246
Change In Net Position of Governmental Activities		$ 2,178,136

See accompanying notes to the basic financial statements.

Lincoln County, Georgia
Statement of Net Position
Proprietary Funds
June 30, 2023

Assets	Water Fund	Solid Waste Fund	Total
Current Assets:			
Cash and cash equivalents	$ 225,534	$ 845,631	$ 1,071,165
Restricted Assets:			
Cash and cash equivalents	300,472	-	300,472
Accounts receivable, net	95,945	29,544	125,489
Interfund receivable	6,058	-	6,058
Inventory	28,835	-	28,835
Total Current Assets	656,844	875,175	1,532,019
Noncurrent Assets:			
Prepaid bond issuance	11,304	-	11,304
Capital Assets:			
Nondepreciable, net	101,623	62,000	163,623
Depreciable, net	15,293,267	65,352	15,358,619
Total Noncurrent Assets	15,406,194	127,352	15,533,546
Total Assets	16,063,038	1,002,527	17,065,565
Deferred Outflows of Resources			
Related to pension	39,513	-	39,513
Total Deferred Outflows of Resources	39,513	-	39,513
Liabilities			
Current Liabilities:			
Accounts payable	165,922	54,090	220,012
Accrued expenses	39,503	2,837	42,340
Unearned revenue	-	363,262	363,262
Interfund payable	327,629	101,697	429,326
Lease payable	1,384	-	1,384
Subscription-based information technology arrangements	8,838	1,583	10,421
Notes payable	89,043	-	89,043
Revenue bonds payable	151,039	-	151,039
Postclosure liability, current portion	-	9,850	9,850
Total Current Liabilities	783,358	533,319	1,316,677
Long-Term Liabilities:			
Lease payable (net of current portion)	33,115	-	33,115
Notes payable (net of current portion)	676,616	-	676,616
Revenue bonds payable (net of current portion)	3,739,850	-	3,739,850
Net pension liability	60,226	-	60,226
Landfill closure/post-closure care costs	-	49,250	49,250
Compensated absences	7,352	-	7,352
Total Long-Term Liabilities	4,517,159	49,250	4,566,409
Total Liabilities	5,300,517	582,569	5,883,086
Deferred Inflows of Resources			
Related to pension	22,090	-	22,090
Total Deferred Inflows of Resources	22,090	-	22,090
Net Position			
Net investment in capital assets	10,695,005	125,769	10,820,774
Restricted for debt service	300,472	-	300,472
Unrestricted	(215,533)	294,189	78,656
Total Net Position	$ 10,779,944	$ 419,958	$ 11,199,902

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, 2023

	Water Fund	Solid Waste Fund	Total
Operating Revenues			
Charges for services	$ 1,257,949	$ 946,813	$ 2,204,762
Miscellaneous	7,427	-	7,427
Total Operating Revenues	1,265,376	946,813	2,212,189
Operating Expenses			
Cost of water	184,456	-	184,456
Salaries and benefits	331,701	166,964	498,665
Repairs and maintenance	67,459	161	67,620
Materials and supplies	186,776	11,413	198,189
Utilities	100,412	5,031	105,443
Professional and contract services	67,944	660,432	728,376
Other operating expenses	53,950	212	54,162
Depreciation	431,284	15,139	446,423
Amortization	10,548	1,566	12,114
Total Operating Expenses	1,434,530	860,918	2,295,448
Operating Income (Loss)	(169,154)	85,895	(83,259)
Non-Operating Revenues (Expenses)			
Investment earnings	1,771	81	1,852
Interest and fiscal charges	(109,769)	(65)	(109,834)
Total Non-Operating Revenues (Expenses)	(107,998)	16	(107,982)
Income (Loss) before Transfers and Capital	(277,152)	85,911	(191,241)
Transfers in (out)	-	(63,985)	(63,985)
Capital contributions	210,258	-	210,258
Local donation of capital assets	34,990	-	34,990
Change in Net Position	(31,904)	21,926	(9,978)
Net Position, Beginning of Year	10,804,557	396,726	11,201,283
Prior Period Adjustment	7,291	1,306	8,597
Net Position, Beginning of Year, Restated	10,811,848	398,032	11,209,880
Net Position, End of Year	$ 10,779,944	$ 419,958	$ 11,199,902

See accompanying notes to the basic financial statements.

Lincoln County, Georgia
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2023

	Water Fund	Solid Waste Fund	Total
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities			
Cash received from customers	$ 1,258,438	$ 961,573	$ 2,220,011
Cash payments to employees for services & benefits	(320,290)	(165,659)	(485,949)
Cash payments for goods and services	(711,089)	(676,797)	(1,387,886)
Net Cash Provided by (Used in) Operating Activities	227,059	119,117	346,176
Cash Flows from Noncapital Financing Activities			
Cash payments from (to) other funds	191,329	22,717	214,046
Net Cash Provided by (Used in) Noncapital Financing Activities	191,329	22,717	214,046
Cash Flows from Capital and Related Financing Activities			
Purchase/construction of capital assets	(233,873)	(30,860)	(264,733)
Principal paid on long term debt	(243,342)	(1,549)	(244,891)
Interest and fiscal charges paid	(109,562)	(65)	(109,627)
Proceeds from capital contributions	210,258	-	210,258
Net Cash Provided by (Used in) Capital and Related Financing Activities	(376,519)	(32,474)	(408,993)
Cash Flows from Investing Activities			
Investment earnings	1,771	81	1,852
Net Increase (Decrease) in Cash and Cash Equivalents	43,640	109,441	153,081
Cash and Cash Equivalents, Beginning of Year	482,366	736,190	1,218,556
Cash and Cash Equivalents, End of Year	$ 526,006	$ 845,631	$ 1,371,637
Non-Cash Transactions:			(Continued)
Costs of water system improvements paid for by a local donation considered a capital contribution	$ 34,990		

See accompanying notes to the basic financial statements.

Lincoln County, Georgia
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2023

	Water Fund	Solid Waste Fund	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities			
Operating Income (Loss)	$ (169,154)	$ 85,895	$ (83,259)
Adjustments:			
Depreciation	431,284	15,139	446,423
Amortization	10,548	1,566	12,114
(Increase) Decrease in Assets:			
Accounts receivable	(6,938)	7,358	420
Deferred outflows of resources	(31,612)	-	(31,612)
Inventory	(28,835)	-	(28,835)
Increase (Decrease) in Liabilities:			
Accounts payable	(21,257)	452	(20,805)
Other liabilities	12,068	8,707	20,775
Deferred inflows of resources	(2,781)	-	(2,781)
Net pension liability	35,033	-	35,033
Compensated absences payable	(1,297)	-	(1,297)
Net Cash Provided by (Used in) Operating Activities	$ 227,059	$ 119,117	$ 346,176

See accompanying notes to the basic financial statements.

Lincoln County, Georgia
Comparative Statement of Fiduciary Net Position
Custodial Funds
June 30, 2023 and 2022

	2023	2022
Assets		
Cash and cash equivalents	$ 650,934	$ 625,279
Taxes receivable	187,405	262,268
Total Assets	$ 838,339	$ 887,547
Liabilities		
Funds due to others	$ 442,607	$ 399,853
Uncollected taxes	187,405	262,268
Total Liabilities	630,012	662,121
Net Position		
Restricted for individuals, organizations and other governments	208,327	225,426
Total Net Position	$ 208,327	$ 225,426

See accompanying notes to the basic financial statements.

Lincoln County, Georgia

Comparative Statement of Changes in Fiduciary Net Position

Custodial Funds

June 30, 2023 and 2022

	2023	2022
Additions		
Taxes collected	$ 12,171,876	$ 11,547,363
Fines and fees collected	845,617	1,137,746
Total Additions	13,017,493	12,685,109
Deductions		
Taxes disbursed	12,176,058	11,443,179
Fines and fees disbursed	858,534	1,135,282
Total Deductions	13,034,592	12,578,461
Change in net position	(17,099)	106,648
Net Position, beginning of year, as restated	225,426	118,778
Net Position, end of year	208,327	225,426

See accompanying notes to the basic financial statements.

Lincoln County, Georgia
Combining Statement of Net Position
Component Units
June 30, 2023

	Lincoln County Department of Health	Development Authority of Lincoln County	Total
Assets			
Current:			
Cash and cash equivalents	$ 249,654	$ 711,505	$ 961,159
Receivables:			
Accounts	15,988	27,442	43,430
Intergovernmental	-	2,122	2,122
Notes receivable	-	69,271	69,271
Noncurrent:			
Note receivable (net of current portion)	-	720,398	720,398
Land held for investment	-	213,256	213,256
Capital Assets:			
Nondepreciable capital assets	-	18,877	18,877
Depreciable capital assets, net	-	726,145	726,145
Total Assets	265,642	2,489,016	2,754,658
Deferred Outflows of Resources			
Deferred outflows of resources-			
State OPEB contributions	38,572	-	38,572
Retirement contributions	173,931	-	173,931
Total Deferred Outflows of Resources	212,503	-	212,503
Liabilities			
Current Liabilities:			
Accounts payable	2,195	670	2,865
Accrued liabilities	-	3,203	3,203
Long-Term Liabilities: (net of current portion)			
Compensated absences payable	19,515	-	19,515
Net state OPEB liability	21,666	-	21,666
Net pension liability	262,063	-	262,063
Total Liabilities	305,439	3,873	309,312
Deferred Inflows of Resources			
Deferred inflows of resources -			
Unavailable revenues	-	593,546	593,546
Related to state OPEB fund	31,421	-	31,421
Related to pension plan	8,102	-	8,102
Total Deferred Inflows of Resources	39,523	593,546	633,069
Net Position			
Net investment in capital assets	-	745,022	745,022
Restricted:			
Health and welfare	144,189	-	144,189
Unrestricted	(11,006)	1,146,575	1,135,569
Total Net Position	$ 133,183	$ 1,891,597	$ 2,024,780

See accompanying notes to the basic financial statements.

Lincoln County, Georgia
Combining Statement of Activities
Component Units
For the Year Ended June 30, 2023

	Lincoln County Department of Health	Development Authority of Lincoln County	Total
Expenses			
Health and welfare	$ 374,474	$ -	$ 374,474
Economic development	-	313,942	313,942
Total Expenses	374,474	313,942	688,416
Revenues			
Program revenues:			
Charges for services	91,850	27,164	119,014
Operating grants and contributions	225,755	-	225,755
Total Program Revenues	317,605	27,164	344,769
Net Program (Expense)	(56,869)	(286,778)	(343,647)
General Revenues			
Property taxes	-	286,182	286,182
Loss on uncollectible note receivable	-	(338,444)	(338,444)
Investment earnings	-	40,840	40,840
Total General Revenues	-	(11,422)	(11,422)
Change in Net Position	(56,869)	(298,200)	(355,069)
Net Position, Beginning of Year	190,052	2,189,797	2,379,849
Net Position, End of Year	$ 133,183	$ 1,891,597	$ 2,024,780

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) VII 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.

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, 2023.

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, 2023, 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, 2023.

The County adopted GASB Statement No. 87, Leases ("GASB 87"). GASB 87 establishes that the determination of whether an arrangement is a lease is made at the lease's inception. Under GASB Statement No. 87, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed. Right to use lease assets and the related lease liabilities are recorded on the statement of financial position.

The County recognizes a right to use lease asset and a related lease liability at the commencement of the lease term, unless the lease is a short-term lease or it transfers ownership of the underlying asset. The lease liability is measured at the present value of payments expected to be made during the lease term (less any lease incentives). The right to use lease asset is measured at the amount of the initial measurement of the related lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. The County reduces the lease liability as payments are made and recognize interest on the lease liability. The County amortizes the right to use lease asset over the shorter of the lease term or the useful life of the underlying asset.

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
Right to use lease assets	3 - 20 Years
Subscription-based information technology arrangements	Contract term

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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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.*"

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, 2023, 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 Subscription-Based Information Technology Arrangements

The County has executed contracts that qualify as noncancellable subscription-based information technology arrangements (SBITAs). The County recognizes a subscription liability and an intangible right-to-use subscription asset in the government-wide financial statements. The County recognizes subscription assets resulting from SBITAs with an initial, individual value of $25,000 or more. At the commencement of a SBITA, the County initially measures the subscription liability at the present value of payments expected to be made during the SBITA term. Subsequently, the subscription liability is reduced by the principal portion of payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for payments made at or before the SBITA commencement date, plus certain implementation and other costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life – which is the shorter of the SBITA term or the useful life of the underlying asset.

Key estimates and judgments related to SBITA include how the County determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) SBITA term, and (3) SBITA payments:

- The County uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-10 Subscription-Based Information Technology Arrangements

- The SBITA term includes the noncancellable period of the SBITA. SBITA payments included in the measurement of the SBITA liability are composed of fixed payments and purchase option prices that the SBITA is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure the SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the SBITA liability.

SBITA assets are reported with depreciable capital assets and SBITA liabilities are reported with subscription payable on the Statement of Net Position.

1-E-11 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 three 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 and right to use capital asset leases. 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. The government-wide financial statements report deferred inflows related to right to use capital asset leases at the inception of leases in which the County is the lessor. The deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

1-E-12 Pensions and Retirement Plans

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 Pensions and Retirement Plans (Continued)

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.

The County also adopted GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32 (GASB 97). The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

1-E-13 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, 2023, 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-14 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-14 Fund Balance (Continued)

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

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

- Committed
- Assigned
- Unassigned

Net Position - Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. This net position amount also is adjusted by any bond issuance deferral amounts. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted. The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

1-E-15 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-16 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-17 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-18 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-19 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-20 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.

1-E-21 Recently Adopted Accounting Pronouncements

The County implemented GASB Statement No. 91, *Conduit Debt*, effective for the County's current fiscal year. The requirements of this statement are effective for periods beginning after December 15, 2021. The implementation of this new standard had no impact on the County's net position.

The County implemented GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for the County's current fiscal year. The requirements of this statement are effective for periods beginning after June 15, 2022. The implementation of this new standard had no impact on the County's net position.

The County implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for the County's current fiscal year. The requirements of this statement are effective for periods beginning after June 15, 2022. The statement establishes new requirements for calculating and reporting the County's subscription-based information technology arrangement (SBITA) activities. The adoption of GASB 96 has been reflected as of July 1, 2022, resulting in an increase in capital assets of $156,462, and an increase in SBITA obligations of $120,310. These balances were calculated using the facts and circumstances that existed as of July 1, 2022 as prescribed by GASB 96. See Note 4-G regarding any impact to beginning net position as of July 1, 2022.

The County implemented GASB Statement No. 99, *Omnibus 2022*, effective for the County's current fiscal year. The requirements of this statement are effective for periods beginning after June 15, 2022. The implementation of this new standard had no impact on the County's net position.

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. 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, 2023, the County's deposits and investments were exposed to custodial credit risk as follows:

Carrying amount of the County's deposits	$ 8,793,443
Bank balances of the County's deposits	9,053,814
Deposits covered by depository insurance	500,000
Deposits collateralized by securities	8,553,814

The County's investment assets measured at fair value on a recurring basis as of June 30, 2023 were as follows:

Certificates of deposit	$ 2,126,508

As of June 30, 2023, 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, 2023, the County's component units' bank balances were properly insured and collateralized as required by OCGA Section 45-8-12(c) and as defined by GASB pronouncements.

3-B. Receivables

Receivables at June 30, 2023, consisted of taxes, interest, accounts (billings for user charges, including unbilled utility receivables), right to use capital assets, 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 on September 20, 2022. Property tax bills were mailed in October 2022 and were due by December 20, 2022. Property taxes attach as an enforceable lien on property as of January 1. The County bills and collects its own property taxes and also collects property taxes for the County Board of Education and the State of Georgia. Any taxes not paid by due date are considered delinquent and are subject to a 10% penalty and an interest charge. If taxes remain delinquent by July of the following year, a fifa is issued against the property, and the county can advertise and sell the property at a tax sale.

Note 3 – Detailed Notes on All Funds (Continued)

3-D. Capital Leases Receivable

The County, as a lessor, has entered into lease arrangements for the use of communications infrastructure to multiple entities with agreements ranging from three to five years with interest rates of 3.00%. The total amount of inflows of resources, including lease revenue, interest revenue, and other lease-related inflows, recognized during the fiscal year ended was $ 47,795.

As of June 30, 2023, in accordance with GASB Statement No. 87 – Leases, the County had the following right-to-use capital leases outstanding:

$ 101,262 capital lease receivable, beginning February 1, 2021, interest at 3.00%, due in monthly principal and interest payments to January 1, 2026	$ 54,075
$137,573 capital lease receivable, beginning February 1, 2023, Interest at 3.00%, due in monthly principal and interest payments to February 1, 2028	129,029
$74,978 capital lease receivable, beginning October 1, 2019, interest at 3.00%, due in monthly principal and interest payments to September 1, 2024	19,761
Total expected future minimum lease payments receivable	202,865
Less amount due within one year	(67,571)
Total expected future minimum lease payments receivable, net	$ 135,294

(Continued on the following page)

Note 3 - Detailed Notes on All Funds (Continued)

3-E. Capital Assets

Capital asset activity for the year ended June 30, 2023, was as follows:

	Beginning Balance (Restated)	Additions	Deductions	Ending Balance
GOVERNMENTAL ACTIVITIES:				
Nondepreciable capital assets:				
Land	$ 431,598	$ 9,430	$ -	$ 441,028
Construction in progress	-	614,972	-	614,972
Total nondepreciable capital assets:	431,598	624,402	-	1,056,000
Capital assets being depreciated and amortized:				
Land improvements	451,900	-	-	451,900
Infrastructure	27,415,596	1,522,182	-	28,937,778
Buildings	6,476,903	388,917	-	6,865,820
Vehicles	3,008,915	218,336	-	3,227,251
Furniture, fixtures and equipment	1,848,236	165,000	-	2,013,236
Right to use subscription assets	163,775	-	-	163,775
Total capital assets depreciated and amortized:	39,365,325	2,294,435	-	41,659,760
Total capital assets	39,796,923	2,918,837	-	42,715,760
Accumulated depreciation and amortization:				
Land improvements	65,521	12,155	-	77,676
Infrastructure	17,394,281	527,642	-	17,921,923
Buildings	3,893,299	214,291	-	4,107,590
Vehicles	2,138,436	275,605	-	2,414,041
Furniture, fixtures and equipment	1,463,459	129,955	-	1,593,414
Right to use subscription assets	36,528	37,879		74,407
Total accumulated depreciation and amortization	24,991,524	1,197,527	-	26,189,051
Governmental activitivties capital assets, net	$ 14,805,399	$ 1,721,310	$ -	$ 16,526,709

Governmental activities depreciation and amortization expense:

General government	$ 118,881
Public safety	406,051
Public works	567,478
Culture and recreation	92,569
Housing and development	12,548
Total governmental activities depreciation and amortization expense	$ 1,197,527

Note 3 - Detailed Notes on All Funds (Continued)

3-E. Capital Assets (Continued)

	Beginning Balance (Restated)	Additions	Deductions	Ending Balance
BUSINESS-TYPE ACTIVITIES:				
Non-depreciable capital assets:				
Land	$ 161,123	$ 2,500	$ -	$ 163,623
Construction in progress	1,898,930	201,211	2,100,141	-
Total non-depreciable capital assets	2,060,053	203,711	2,100,141	163,623
Capital assets depreciated and amortized:				
Water system and lines	21,052,391	2,147,383	-	23,199,774
Land improvements	87,753	-	-	87,753
Vehicles	86,846	35,820	-	122,666
Furniture and equipment	224,307	12,950	-	237,257
Right to use subscription assets	41,245	-	-	41,245
Right to use leased assets	36,062	-	-	36,062
Total capital assets depreciated and amortized	21,528,604	2,196,153	-	23,724,757
Total capital assets	23,588,657	2,399,864	2,100,141	23,888,380
Accumulated depreciation and amortization:				
Water system and lines	7,573,317	428,747	-	8,002,064
Land improvements	72,394	4,387	-	76,781
Vehicles	55,444	12,210	-	67,654
Furniture and equipment	194,116	1,079	-	195,195
Right to use subscription assets	12,030	10,311	-	22,341
Right to use leased assets	300	1,803	-	2,103
Total accumulated depreciation and amortizaton	7,907,601	458,537	-	8,366,138
Business-type activities capital assets, net	$ 15,681,056	$ 1,941,327	$ 2,100,141	$ 15,522,242

Business-type activities depreciation and amortization expense:

Water	$ 441,832
Solid Waste	16,705
Total business-type activities depreciation and amortization expense	$ 458,537

Note 3 - Detailed Notes on All Funds (Continued)

3-E. 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	667,516	25,374	-	692,890
Land improvements	342,143	11,911	-	354,054
Furniture, fixtures and equipment	34,201	-	-	34,201
Total accumulated depreciation	1,043,860	37,285	-	1,081,145
Component unit capital assets, net	$ 782,307	$ (37,285)	$ -	$ 745,022

3-F. Interfund Balances and Transfers

Interfund balances and transfers for the year ended June 30, 2023, consisted of the following:

Interfund Balances	Due From:	Due To:
General Fund	$ 167,219	$ 1,156,673
Water Fund	327,629	6,058
Solid Waste Fund	101,697	-0-
Workforce Development Fund	55,235	-0-
TSPLOST Fund	201,246	-0-
American Rescue Plan Federal Grant Fund	114,396	-0-
Non-major Governmental Funds	356,470	161,161
Total Interfund Balances	$ 1,323,923	$ 1,323,923

The interfund balances between the General Fund to the E-911 Fund are to supplement operations because the costs associated with this fund are more than the operating revenues of this fund. The interfund balances between the General Fund and the other Non-major Governmental Funds are for funds held by the General Fund on behalf of the Non-major Governmental Fund by resolution and will be transferred for utilization subsequent to year end. The interfund balances between the General Fund and the Water Fund, the Solid Waste Fund, the Workforce Development Fund, the TSPLOST Fund, American Rescue Plan Federal Grant Fund and the other Non-major Governmental Funds are for the reimbursement of expenses paid by the General fund on behalf of each fund.

Note 3 - Detailed Notes on All Funds (Continued)

3-F. Interfund Balances and Transfers (Continued)

Interfund Transfers

	Transfers From:		
Transfers to:	General Fund	Solid Waste Fund	Total
General Fund	$ -0-	$ 63,985	$ 63,985
Non-Major Governmental Funds	139,839	-0-	139,839
Total	$ 139,839	$ 63,985	$ 203,824

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

3-G. Compensated Absences

The following is a breakdown of compensated absences by department for the year ended June 30, 2023:

General administration	$ 25,008
Court system	17,133
Public safety	67,323
Public works	17,475
Housing and development	1,543
Culture and recreation	3,079
Total Governmental Activities	$ 131,561
Water Fund	$ 7,352
Total Business-type Activities	$ 7,352

(Continued on the following page)

Note 3 - Detailed Notes on All Funds (Continued)

3-H. 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, 2023:

Governmental Activities	Outstanding 6/30/22 (Restated)	Additions	Reductions	Outstanding 6/30/23	Amounts Due in One Year
Notes payable	$ 496,136	$ -	$ 62,036	$ 434,100	$ 63,575
Subscriptions payable	99,692	-	37,031	62,661	37,863
Compensated Absences	132,807	139,839	141,085	131,561	32,890
Net pension liability	604,642	840,790	-	1,445,432	-
Total Governmental Activities	$ 1,333,277	$ 980,629	$ 240,152	$ 2,073,754	$ 134,328
Business-type Activities					
Revenue bonds	$ 4,042,216	$ -	$ 145,702	$ 3,896,514	$ 151,039
Unamortized discount	(6,641)	-	(1,016)	(5,625)	-
Total revenue bonds	4,035,575	-	144,686	3,890,889	151,039
Leases payable	35,842	-	1,343	34,499	1,384
Notes payable	854,324	-	88,665	765,659	89,043
Landfill postclosure	59,100	9,850	9,850	59,100	9,850
Subscriptions payable	20,618	-	10,197	10,421	10,421
Compensated absences	8,649	7,294	8,591	7,352	-
Net pension liability	25,193	35,033	-	60,226	-
Total Business-type Activities	$ 1,003,726	$ 52,177	$ 263,332	$ 4,828,146	$ 261,737
Component Units					
Net pension liability	$ 45,281	$ 216,782	$ -	$ 262,063	$ -
Net state OPEB liability	7,853	13,813	-	21,666	-
Compensated Absences	14,151	12,136	6,772	19,515	-
Total Component Units	$ 67,285	$ 242,731	$ 6,772	$ 303,244	$ -

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

Notes Payable

The County 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, 2023 was $ 38,443.

Note 3 - Detailed Notes on All Funds (Continued)

3-H. Long-term Debt (Continued)

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, 2023 was $ 155,450.

The County entered into a note payable agreement in October 2021 with the United States Department of Agriculture Rural Development in the amount of $264,200 to finance public safety equipment. The note is due in annual installments with an interest rate of 2.125%. Final payment is due on October 8, 2031. The outstanding balance of the note at June 30, 2023 was $ 240,207.

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

YEAR	PRINCIPAL	INTEREST	TOTALS
2024	$ 63,575	$ 9,323	$ 72,898
2025	64,941	7,957	72,898
2026	66,347	6,551	72,898
2027	67,857	5,041	72,898
2028	59,065	13,833	72,898
2029 - 2032	112,315	6,093	118,408
Total	$ 434,100	$ 48,798	$ 482,898

Subscription-based Information Technology Arrangements

In May 2021, the County executed a contract for enterprise resource planning software. This contract qualifies for reporting under the provisions of GASB Statement No. 96, Subscription-based Information Technology Arrangements. The contract calls for the County to make annual payments of $ 26,549 for four years ending in May 2024. As the contract with the vendor did not include a stated interest rate, the County estimated its incremental borrowing rate related to this arrangement to be 2.20% at the time of the execution of the contract.

In December 2021, the County executed a contract for emergency management software. This contract qualifies for reporting under the provisions of GASB Statement No. 96, Subscription-based Information Technology Arrangements. The contract calls for the County to make annual payments of $ 12,838 for five years ending in December 2025. As the contract with the vendor did not include a stated interest rate, the County estimated its incremental borrowing rate related to this arrangement to be 2.35% at the time of the execution of the contract.

In accordance with GASB Statement No. 96, the County measured its subscription payables under these contracts as the present value of the fixed payments required. These contracts with the vendors did not include any other items that would factor into the measurement of the liabilities, such as contract incentives, variable payments fixed in substance, or other payments that are reasonably certain of being required.

The County's subscription assets under these arrangements were equal to the subscription liabilities as no payments were made to the vendors at the commencement of the terms and there were no capitalizable implementation costs.

The debt service to maturity on the County's outstanding subscription payables is as follows:

YEAR	PRINCIPAL	INTEREST	TOTALS
2024	$ 37,863	$ 1,524	$ 39,387
2025	12,255	583	12,838
2026	12,543	295	12,838
Total	$ 62,661	$ 2,402	$ 65,063

Note 3 - Detailed Notes on All Funds (Continued)

3-H. Long-term Debt (Continued)

Business-type Activities Long-Term Debt

Capital Lease Arrangements – The County entered into a lease arrangement for the right to use of water system infrastructure. The total of the County's right to use lease assets are included in the business-type activities capital assets in the amount of $ 33,959 (cost of $ 36,062 less accumulated amortization of $ 2,103). As of June 30, 2023 in accordance with GASB Statement No. 87 – Leases, the Right-To-Use Lease asset estimated future liabilities are as follows:

YEAR	PRINCIPAL	INTEREST	TOTALS
2024	$ 1,384	$ 1,016	$ 2,400
2025	1,426	974	2,400
2026	1,469	931	2,400
2027	1,514	886	2,400
2028	1,560	840	2,400
2029-2033	8,543	3,457	12,000
2034-2038	9,922	2,078	12,000
2039-2042	8,681	519	9,200
Total	$ 34,499	$ 10,701	$ 45,200

Revenue Bonds – The County's Water Revenue Bonds constitute special obligations of the County secured by the revenue from the operation of the water system. The proceeds of the Water and Sewerage System Revenue Refunding Bonds, Series 2015, were used for the purpose of expansion of the water and sewer system and infrastructure. The County issued the $1,570,000 Water and Sewerage Revenue Bonds, Series 2021, with an interest rate of 1.25%. These bonds were issued to finance the costs of expansion of the County's water and sewer infrastructure. Interest and principal is to be paid monthly. Revenue bonds outstanding as of June 30, 2023 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.	$ 2,375,000
Less: Unamortized discount	(5,625)
Series 2021 $ 1,570,000 Water and Sewerage System Revenue Bonds, principal and interest due in monthly installments Beginning on December 24th at 1.25%. Final payment is due November 24, 2061.	1,521,514
Total Revenue Bonds	$ 3,890,889

Note 3 - Detailed Notes on All Funds (Continued)

3-H. Long-term Debt (Continued)

Debt service requirements to maturity on the revenue bonds outstanding, as of June 30, 2023, are as follows:

YEAR	PRINCIPAL	INTEREST	TOTALS
2024	$ 151,039	$ 89,806	$ 240,845
2025	151,480	86,664	238,144
2026	156,876	83,568	240,444
2027	162,277	79,730	242,007
2028	207,636	75,796	283,432
2029-2033	1,349,636	279,018	1,628,654
2034-2038	705,575	94,760	800,335
2039-2043	192,219	57,441	249,660
2044-2048	204,593	45,067	249,660
2049-2053	217,816	31,844	249,660
2054-2058	231,862	17,798	249,660
2059-2061	159,880	3,617	163,497
Total	$ 3,890,889	$ 945,109	$ 4,835,998

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, 2023 was $ 392,523.

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

YEAR	PRINCIPAL	INTEREST	TOTALS
2024	$ 9,247	$ 7,985	$ 17,232
2025	9,460	7,772	17,232
2026	9,656	7,576	17,232
2027	9,856	7,376	17,232
2028	10,040	7,192	17,232
2029-2033	53,486	32,674	86,160
2034-2038	59,254	26,906	86,160
2039-2043	65,645	20,515	86,160
2044-2048	72,720	13,440	86,160
2049-2053	80,575	5,585	86,160
2054	12,584	340	12,924
Total	$ 392,523	$ 137,361	$ 529,884

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, 2023:

Interest Rate	Term	Due Date	Original Amount	Outstanding Amount
1.50%	20 years	2028	$ 1,449,967	$ 373,136

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, 2023, $0 had been drawn on the line of credit.

Note 3 - Detailed Notes on All Funds (Continued)

3-H. Long-term Debt (Continued)

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

YEAR	PRINCIPAL	INTEREST	TOTALS
2024	$ 79,796	$ 6,012	$ 85,808
2025	81,996	3,812	85,808
2026	83,223	2,585	85,808
2027	84,667	1,141	85,808
2028	43,454	187	43,641
Total	$ 373,136	$ 13,737	$ 386,873

Subscription-based Information Technology Arrangements

In May 2021, the County executed a contract for enterprise resource planning software. This contract qualifies for reporting under the provisions of GASB Statement No. 96, Subscription-based Information Technology Arrangements. The contract calls for the County to make annual payments of $ 11,220 for four years ending in May 2024. As the contract with the vendor did not include a stated interest rate, the County estimated its incremental borrowing rate related to this arrangement to be 2.20% at the time of the execution of the contract.

In accordance with GASB Statement No. 96, the County measured its subscription payable under this contract as the present value of the fixed payments required. This contract with the vendor did not include any other items that would factor into the measurement of the liability, such as contract incentives, variable payments fixed in substance, or other payments that are reasonably certain of being required.

The County's subscription asset under this arrangement was equal to the subscription liability as no payments were made to the vendor at the commencement of the terms and there were no capitalizable implementation costs.

The debt service to maturity on the County's outstanding subscription payable is as follows:

YEAR	PRINCIPAL	INTEREST	TOTALS
2024	$ 10,421	$ 799	$ 11,220
Total	$ 10,421	$ 799	$ 11,220

3-I. 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, 2023, the County has 4 years of monitoring remaining. The liability for the landfill post-closure care costs is estimated to be $59,100 as of June 30, 2023. These estimated costs are based on what it would cost to perform all post-closure care in fiscal year 2023. 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-J. Pensions and Retirement Plans

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.

Note 3 - Detailed Notes on All Funds (Continued)

3-J. Pensions and Retirement Plans (Continued)

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, 2022 totaled $ 1,830,434. Total payroll for all employees totaled $ 4,034,654 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, 2023, the County was required to contribute $ 286,819, or 15.67% of the covered employee payroll.

Employees covered by benefit terms – At January 1, 2022, the following employees were covered by the benefit terms:

Retirees, Beneficiaries and Disables receiving benefits	43
Terminated plan participants entitled to, but not yet receiving benefits	69
Active employees participating in the Plan	50
Total number of Plan Participants	162
Covered compensation for active participants	$ 1,830,434

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2023, the County reported a liability for its net pension liability. The net pension liability was measured as of December 31, 2022. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of January 1, 2022. An expected total pension liability as of December 31, 2022 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, 2022.

Actuarial assumptions - The total pension liability as of December 31, 2022 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%

Note 3 - Detailed Notes on All Funds (Continued)

3-J. Pensions and Retirement Plans (Continued)

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, 2022 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
U. S. Fixed Income	30.00%	1.08%
U. S. Equity Large Core	30.00%	2.46%
International Core	15.00%	1.34%
SMid Cap Core	10.00%	0.91%
Private Real Estate	5.00%	0.43%
Global Care	5.00%	0.43%
U. S. Equity Core	5.00%	0.42%
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.

For the year ended June 30, 2023, the County recognized pension expense of $ 302,798. At June 30, 2023, 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	$ 37,785	$ 142,593
Changes of assumptions	7,205	-0-
Net difference between projected and actual earnings on pension plan investments	942,836	409,654
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	$ 987,826	$ 552,247

Note 3 - Detailed Notes on All Funds (Continued)

3-J. Pensions and Retirement Plans (Continued)

County contributions subsequent to the measurement date of December 31, 2022 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, 2024. 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:	
2024	$ (28,051)
2025	66,519
2026	161,402
2027	235,709
2028	-0-
Thereafter	-0-

Sensitivity of the County's net pension liability to changes in the discount rate: The following presents the County's net pension liability calculated using the discount rate of 7.00 %, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 %) or 1- percentage-point higher (8.00 %) than the current rate:

	1% Decrease (6.00%)	Current discount rate (7.00%)	1% Increase (8.00%)
County's net pension liability	$ 2,312,462	$ 1,505,658	$ 838,755

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at December 31, 2021	$ 6,140,659	$ 5,510,824	$ 629,835
Changes for the year:			
Service Cost	105,487	-	105,487
Interest on Total Pension Liability	421,433	-	421,433
Differences between expected and actual experience	(237,655)	-	(237,655)
Assumption Change	7,726	-	7,726
Contributions - employer	-	286,819	(286,819)
Contributions - employee	-	-	-
Net investment income	-	(783,064)	783,064
Benefit payments (Adjusted for interest)	(240,380)	(240,380)	-
Administrative expenses	-	(31,351)	31,351
Other charges	-	(51,236)	51,236
Net Changes	56,611	(819,212)	875,823
Balances at December 31, 2022	$ 6,197,270	$ 4,691,612	$ 1,505,658

Note 3 - Detailed Notes on All Funds (Continued)

3-J. Pensions and Retirement Plans (Continued)

Pension plan fiduciary net position:

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

Association Count Commissioners of Georgia Retirement Services
191 Peachtree Street Northeast, Suite 700
Atlanta, Georgia 30303

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 $22,500 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 $7,500 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, 2023, 5.92% or 9 of the County's 152 employees were participants in the deferred compensation plan. The employees of the County contributed $ 7,820 to the deferred compensation plan during the year ended June 30, 2023. No other contributions are made into this plan.

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. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32 (GASB 97). 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. Pursuant to GASB Statement No. 97, the County does not have a fiduciary relationship with the Plan. Accordingly, the balances and transactions of the County's plan are not reported in the County's financial statements.

Other State of Georgia Pension Plans:

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

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

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

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

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

Magistrates Retirement Fund
Post Office Box 56
Griffin, Georgia 30224

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

Note 3 - Detailed Notes on All Funds (Continued)

3-K. Net Investment in Capital Assets

Net investment of capital assets on the government-wide statement of net position as of June 30, 2023, is as follows:

	Governmental Activities	Business Type Activities	Component Units
Cost of capital assets	$ 42,715,760	$ 23,888,380	$ 1,826,167
Less accumulated depreciation and amortization	(26,189,051)	(8,366,138)	(1,081,145)
Book value	16,526,709	15,522,242	745,022
Less capital related debt	(496,761)	(4,701,468)	-
Net Investment in Capital Assets	$ 16,029,948	$ 10,820,774	$ 745,022

3-L. 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	$ 300,606
Inventory	21,298

Restricted –The following fund balances are restricted for:

Special Revenue Funds:	
Hotel/Motel Tax Fund	66,442
Jail Fund	20,337
Drug Education Fund	40,920
Family Connection Fund	9,005
Law Library Fund	12,175
E-911 Fund	145,567
Condemned Funds Fund	12,842
Local Government's Share of Opioid Settlement Payment Fund	28,857
American Rescue Plan Grant Fund	8,097
Capital Projects Funds:	
SPLOST VI Fund	226,749
SPLOST VII Fund	1,342,456
TSPLOST Fund	389,377

Assigned - The following fund balances are assigned for:

General Fund:	
Capital projects	307,752

Unassigned

General Fund:	6,161,384
Total Fund Balances	$ 9,093,864

Note 4 - Other Notes

4-A. Risk Management

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

Note 4 - Other Notes (Continued)

4-A. Risk Management (Continued)

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

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

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

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

4-B. Contingent Liabilities

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

The County was a defendant in several lawsuits as of June 30, 2023. 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

Note 4 - Other Notes (Continued)

4-D Lodging Tax

The County has levied a 5.00% lodging tax. The Official Code of Georgia Annotated 48-13-50 requires that all lodging taxes levied of 5.00% or more be expended or obligated contractually for the promotion of tourism, conventions, or trade shows. For the fiscal year ended June 30, 2023, the County collected $ 57,802 of hotel/motel taxes. Management represents that 100% of the lodging tax received during the year ended June 30, 2023 was used for the promotion of tourism.

4-E Tax Abatements

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

Tax incentives provided by the County include a reduction of property taxes based on the percentage negotiated and have the stated purpose of increasing employment and business investment in the County. Each of the incentive agreements contain a recapture provision that requires repayment of a portion of the abatement if the business fails to meet its job and/or investment thresholds. For the fiscal year ended June 30, 2023, 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 December 20, 2023. Management has not identified any items requiring recognition or disclosure.

4-G. Deficit Equity Balances

As of June 30, 2023, the Water Fund Enterprise Fund had a deficit net position of $ 215,533. This is due to the increase of the net pension liability in the current fiscal year and due to increases in other operating expenditures. The County plans to liquidate this deficit net position through future revenue recognition.

4-H. Prior Period Adjustments

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

Fund balance, June 30, 2022, as previously reported	$	6,585,864
Prior period adjustments		2,644
Fund balance, June 30, 2022, restated	$	6,588,508

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

Net position, June 30, 2022, as previously reported	$	21,834,150
Prior period adjustments:		
Implementation of GASB Statement No. 96		27,197
Net position, June 30, 2022, restated	$	21,861,347

Note 4 - Other Notes (Continued)

4-H. Prior Period Adjustments (Continued)

Business-Type Activities: The County has determined that a restatement of beginning net position of the business-type activities is necessary as a result of the adjustments to the County's net position. Adjustments were made to restate the beginning net position of the business-type activities, as indicated on the Statement of Activities. The beginning net position of the business-type activities has been restated from the prior year as follows:

Net position, June 30, 2022, as previously reported	$ 11,201,283
Prior period adjustments:	
Implementation of GASB Statement No. 96 - Water Fund	7,291
Implementation of GASB Statement No. 96 - Solid Waste Fund	1,306
Net position, June 30, 2022, restated	$ 11,209,880

Lincoln County, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Taxes	$ 4,815,999	$ 4,815,999	$ 5,003,073	$ 187,074
Licenses and permits	130,300	130,300	134,022	3,722
Intergovernmental	961,304	961,304	940,647	(20,657)
Charges for services	1,074,522	1,074,522	1,133,421	58,899
Fines, forfeitures and fees	247,400	247,400	326,999	79,599
Investment earnings	2,000	2,000	66,099	64,099
Miscellaneous	34,950	34,950	43,891	8,941
Total Revenues	7,266,475	7,266,475	7,648,152	381,677
Expenditures				
Current:				
General government	3,383,481	3,172,481	2,331,336	841,145
Judicial	463,433	468,933	460,889	8,044
Public safety	2,653,724	2,745,724	2,730,878	14,846
Public works	835,866	896,366	896,256	110
Health and welfare	292,629	306,176	261,905	44,271
Culture and recreation	310,690	336,190	332,226	3,964
Conservation of natural resources	79,063	85,516	85,501	15
Housing and development	219,272	226,772	197,877	28,895
Debt Service:				
Principal retirement	62,036	62,036	62,036	-
Interest and fiscal charges	10,862	10,862	10,862	-
Total Expenditures	8,311,056	8,311,056	7,369,766	941,290
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,044,581)	(1,044,581)	278,386	1,322,967
Other Financing Sources (Uses)				
Transfers in (out)	1,044,581	1,044,581	(75,854)	(1,120,435)
Total Other Financing Sources (Uses)	1,044,581	1,044,581	(75,854)	(1,120,435)
Net Change in Fund Balances	$ -	$ -	202,532	$ 202,532
Fund Balance, Beginning of Year			6,585,864	
Prior Period Adjustment			2,644	
Fund Balances, Beginning of Year, Restated			6,588,508	
Fund Balances, End of Year			$ 6,791,040	

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, 2023

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Intergovernmental	$ 1,500,000	$ 2,111,000	$ 2,110,317	$ (683)
Total Revenues	1,500,000	2,111,000	2,110,317	(683)
Expenditures				
Health and welfare	1,500,000	2,111,000	2,110,317	683
Total Expenditures	1,500,000	2,111,000	2,110,317	683
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, 2023

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Intergovernmental	$ -	$ 435,000	$ 434,790	$ (210)
Investment earnings	-	-	7,762	7,762
Total Revenues	-	435,000	442,552	(210)
Expenditures				
Public safety	-	435,000	-	435,000
Capital Outlay:				
Public safety	-	397,000	396,790	210
Judicial	-	38,000	38,000	-
Total Expenditures	-	435,000	434,790	210
Net Change in Fund Balance	$ -	$ -	7,762	$ 7,762
Fund Balance, Beginning of Year			335	
Fund Balance, End of Year			$ 8,097	

Lincoln County, Georgia

Schedule of Changes in Net Pension Liability and Related Ratios

For the Year Ended June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability									
Service cost	$ 105,487	$ 119,023	$ 114,141	$ 97,053	$ 105,452	$ 102,656	$ 103,765	$ 116,094	$ 113,794
Interest on total pension liability	421,433	393,902	369,474	338,805	318,317	297,151	286,554	258,060	238,565
Differences between expected and actual experience	(237,655)	106,550	75,457	20,704	39,822	61,560	11,381	13,770	-
Assumption change	7,726	6,873	6,970	181,912	171,997	7,210	121,650	105,312	-
Benefit payments (Adjusted for interest)	(240,380)	(225,711)	(208,432)	(192,264)	(179,936)	(173,322)	(158,771)	(113,326)	(92,421)
Net change in total pension liability	56,611	400,637	357,610	446,210	455,652	295,255	364,579	379,910	259,938
Total pension liability, Beginning	6,140,659	5,740,022	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	$ 6,197,270	$ 6,140,659	$ 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	$ 286,819	$ 332,400	$ 299,407	$ 254,216	$ 226,748	$ 242,457	$ 237,611	$ 240,241	$ 243,643
Net investment income	(783,064)	715,571	545,283	697,463	(158,091)	487,713	211,062	23,152	180,521
Benefit payments (Adjusted for interest)	(240,380)	(225,711)	(208,432)	(192,264)	(179,936)	(173,322)	(153,032)	(109,230)	(89,081)
Administrative expenses	(31,351)	(27,372)	(26,756)	(24,820)	(14,029)	(11,211)	(14,499)	(11,882)	(11,371)
Other charges	(51,236)	(22,848)	(44,309)	(33,954)	(17,024)	(49,249)	(24,908)	(37,989)	(36,718)
Net change in plan fiduciary net position	(819,212)	772,040	565,193	700,641	(142,332)	496,388	256,234	104,292	286,994
Plan fiduciary net position, Beginning	5,510,824	4,738,784	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	$ 4,691,612	$ 5,510,824	$ 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	$ 1,505,658	$ 629,835	$ 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	75.70%	89.74%	82.56%	77.54%	70.36%	80.69%	74.52%	74.92%	80.17%
Covered-employee payroll	$ 1,830,434	$ 2,041,456	$ 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	82.26%	30.85%	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, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 286,819	$ 332,400	$ 299,407	$ 236,419	$ 214,718	$ 238,914	$ 233,124	$ 235,060	$ 233,483	$ 236,710
Contributions in relation to the contractually required contribution	286,819	332,400	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	$ 1,830,434	$ 2,041,456	$ 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	15.67%	16.28%	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, 2023 reported in that schedule:

Valuation date	January 1, 2022
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, 2023 and 2022

	2023	2022
Assets		
Cash and cash equivalents	$ 3,171,546	$ 5,795,976
Investments	2,126,508	128,751
Receivables:		
Accounts, net	230,018	234,516
Property taxes, net	84,620	83,951
Intergovernmental	160,909	192,632
Interfund	1,156,673	258,738
Other	136,190	136,434
Leases	202,865	125,864
Prepaid items	300,606	226,788
Inventory	21,298	14,035
Total Assets	$ 7,591,233	$ 7,197,685
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities		
Accounts payable	$ 126,497	$ 125,305
Accrued expenses	217,385	186,286
Intergovernmental payable	10,747	-
Interfund payables	167,219	99,685
Due to others	4,373	4,608
Total Liabilities	526,221	415,884
Deferred Inflows of Resources		
Leases	199,464	123,220
Unavailable revenue: property taxes	74,508	70,073
Total Liabilities and Deferred Inflows of Resources	800,193	609,177
Fund Balances		
Nonspendable		
Inventory	21,298	14,035
Prepaid items	300,606	226,788
Restricted		
Culture and recreation	-	128,751
Assigned		
Capital projects	307,752	307,752
Unassigned	6,161,384	5,911,182
Total Fund Balances	6,791,040	6,588,508
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 7,591,233	$ 7,197,685

Lincoln County, Georgia
General Fund
Schedule of Revenues - Budget and Actual
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023				
	Original Budget	Final Budget	Actual	Variance Over (Under)	2022 Actual
REVENUES					
Taxes					
General property tax	$ 2,950,499	$ 2,950,499	$ 2,856,455	$ (94,044)	$ 2,898,796
Vehicle property tax	-	-	44,274	44,274	39,013
Title ad valorem tax	460,000	460,000	559,259	99,259	488,549
Mobile home property tax	-	-	27,795	27,795	14,108
Recording intangible tax	50,000	50,000	51,615	1,615	77,190
Real estate transfer tax	22,000	22,000	21,986	(14)	27,788
Timber tax	-	-	33,804	33,804	27,920
Other taxes	-	-	-	-	274
Insurance premium tax	475,000	475,000	475,570	570	491,358
Local option sales tax	800,000	800,000	865,871	65,871	772,689
Bank licenses and taxes	10,500	10,500	11,798	1,298	10,686
Franchise taxes	20,000	20,000	21,100	1,100	25,670
Alcoholic beverage licenses/taxes	28,000	28,000	33,546	5,546	35,863
Total Taxes	4,815,999	4,815,999	5,003,073	187,074	4,909,904
Licenses and Permits	130,300	130,300	134,022	3,722	145,267
Intergovernmental					
Federal grant funds	89,467	89,467	52,139	(37,328)	200,265
Federal P.I.L.O.T.	151,000	151,000	165,971	14,971	154,901
Road paving contracts	355,712	355,712	355,812	100	423,236
Forest Land Protection Grant	10,000	10,000	19,379	9,379	14,653
Columbia County library supplement	56,659	56,659	56,308	(351)	55,834
Nutrition Program	49,000	49,000	47,083	(1,917)	32,760
DOT transit program revenues	60,694	60,694	44,463	(16,231)	48,861
State grant funds	-	-	21,808	21,808	20,533
Juvenile Offenders Program	1,000	1,000	3,548	2,548	2,310
Other local funds	187,772	187,772	174,136	(13,636)	144,699
Total Intergovernmental	961,304	961,304	940,647	(20,657)	1,098,052
Charges for Services					
Commissions on tax collections	165,000	165,000	188,875	23,875	171,115
Ambulance fees	350,000	350,000	415,874	65,874	381,431
Correction Institute-inmate cost rebate	350,000	350,000	356,169	6,169	312,603
Civil defense	2,692	2,692	3,700	1,008	8,500
Rental income	98,605	98,605	109,022	10,417	102,312
Administrative fees	93,985	93,985	40,401	(53,584)	70,000
Library fees	2,990	2,990	2,668	(322)	5,878
Transportation program fares	2,500	2,500	5,118	2,618	3,248
Recreation fees and sponsorships	8,750	8,750	11,594	2,844	9,349
Total Charges for Services	1,074,522	1,074,522	1,133,421	58,899	1,064,436

(Continued)

Lincoln County, Georgia
General Fund
Schedule of Revenues - Budget and Actual
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023				
	Original Budget	Final Budget	Actual	Variance Over (Under)	2022 Actual
REVENUES					
Fines, Forfeitures and Fees					
State and superior courts	$ 99,550	$ 99,550	$ 90,197	$ (9,353)	$ 106,514
Sheriff's fees	24,050	24,050	78,960	54,910	70,203
Magistrate court	6,000	6,000	6,128	128	4,684
Probate court	117,800	117,800	151,714	33,914	144,106
Total Fines, Forfeitures and Fees	247,400	247,400	326,999	79,599	325,507
Investment Earnings	2,000	2,000	66,099	64,099	2,870
Miscellaneous					
Penalties & interest/costs	25,500	25,500	27,090	1,590	20,984
Sale of surplus property	5,000	5,000	7,101	2,101	5,732
Other	4,450	4,450	9,700	5,250	30,047
Total Miscellaneous	34,950	34,950	43,891	8,941	56,763
TOTAL REVENUES	$ 7,266,475	$ 7,266,475	$ 7,648,152	$ 381,677	$ 7,852,556

Lincoln County, Georgia
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023				
	Original Budget	Final Budget	Actual	Variance Over (Under)	2022 Actual
EXPENDITURES					
General Government					
Board of commissioners	$ 205,606	$ 205,606	$ 200,239	$ 5,367	$ 187,519
Tax commissioner	211,339	211,339	209,122	2,217	206,172
Tax assessor	206,132	219,632	219,507	125	189,183
County buildings	1,162,725	1,162,725	393,936	768,789	-
General administration	1,173,106	942,106	900,300	41,806	978,090
Finance office	167,095	167,095	157,882	9,213	167,997
County attorney	34,320	34,320	29,200	5,120	29,987
Information technology	93,449	93,449	91,218	2,231	83,277
Record retention	-	-	-	-	9,513
Board of equalization	8,146	8,146	1,985	6,161	2,598
Elections and registrar	121,563	128,063	127,947	116	146,515
Total General Government	3,383,481	3,172,481	2,331,336	841,145	2,000,851
Judicial					
State and superior courts	193,549	212,549	212,320	229	214,789
District attorney	62,095	37,595	29,965	7,630	23,917
Juvenile court	-	5,500	5,320	180	3,887
Probate court	207,789	213,289	213,284	5	201,960
Total Judicial	463,433	468,933	460,889	8,044	444,553
Public Safety					
Sheriff	856,756	925,756	919,285	6,471	885,142
County jail	717,658	728,658	728,356	302	705,562
Office of emergency services	1,030,533	1,035,533	1,035,448	85	1,340,311
County fire departments	30,273	30,273	22,672	7,601	24,291
Coroner	18,504	25,504	25,117	387	13,245
Total Public Safety	2,653,724	2,745,724	2,730,878	14,846	2,968,551
Public Works					
Roads department	769,860	825,360	825,285	75	515,370
Shop	66,006	71,006	70,971	35	99,508
Total Public Works	835,866	896,366	896,256	110	614,878

(Continued)

Lincoln County, Georgia
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023				
	Original Budget	Final Budget	Actual	Variance Over (Under)	2022 Actual
EXPENDITURES					
Health and Welfare					
Health department	$ 38,800	$ 39,300	$ 39,157	$ 143	$ 40,497
Transportation program	126,170	126,170	88,873	37,297	113,838
Senior citizens program	97,249	109,249	108,998	251	74,768
Lincoln center	8,877	8,877	8,705	172	9,883
PAWS program	8,000	8,000	8,000	-	8,000
Family and children services	7,400	7,400	992	6,408	1,592
Other programs	6,133	7,180	7,180	-	7,667
Total Health and Welfare	292,629	306,176	261,905	44,271	248,578
Culture and Recreation					
Art and recreation	150,601	176,101	175,665	436	144,658
Library	160,089	160,089	156,561	3,528	161,923
Total Culture and Recreation	310,690	336,190	332,226	3,964	306,581
Conservation of Natural Resources					
Agriculture resources	70,905	77,358	77,343	15	60,925
Forestry resources	8,158	8,158	8,158	-	8,158
Total Conservation of Natural Resources	79,063	85,516	85,501	15	76,750
Housing and Development					
Planning and permits	29,327	36,827	36,466	361	44,389
Code enforcement	80,897	80,897	78,628	2,269	101,244
Economic development	109,048	109,048	82,783	26,265	93,168
Total Housing and Development	219,272	226,772	197,877	28,895	238,801
Debt Service					
Principal	62,036	62,036	62,036	-	37,619
Interest	10,862	10,862	10,862	-	5,672
Total Debt Service	72,898	72,898	72,898	-	43,291
TOTAL EXPENDITURES	$ 8,311,056	$ 8,311,056	$ 7,369,766	$ 941,290	$ 6,939,249

Lincoln County, Georgia
SPLOST VII Fund
Comparative Balance Sheet
June 30, 2023 and 2022

	2023	2022
Assets		
Cash and cash equivalents	$ 1,241,953	$ 346,514
Intergovernmental receivable	100,503	95,752
Total Assets	$ 1,342,456	$ 442,266
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ -
Intergovernmental payable	-	14,261
Total Liabilities	-	14,261
Fund Balances		
Restricted for capital projects	1,342,456	428,005
Total Fund Balances	1,342,456	428,005
Total Liabilities and Fund Balances	$ 1,342,456	$ 442,266

Lincoln County, Georgia
SPLOST VII Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023	2022
Revenues		
Sales taxes	$ 1,082,370	$ 506,000
Investment earnings	4,384	14
Total Revenues	1,086,754	506,014
Expenditures		
Intergovernmental	172,303	78,009
Total Expenditures	172,303	78,009
Net Change in Fund Balance	914,451	428,005
Fund Balance, Beginning of Year	428,005	-
Fund Balance, End of Year	$ 1,342,456	$ 428,005

Lincoln County, Georgia
TSPLOST Fund
Comparative Balance Sheet
June 30, 2023 and 2022

	2023	2022
Assets		
Cash and cash equivalents	$ 529,331	$ 640,630
Intergovernmental receivable	71,161	71,706
Total Assets	$ 600,492	$ 712,336
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 9,869	$ -
Interfund payables	201,246	6,008
Total Liabilities	211,115	6,008
Fund Balances		
Restricted for public works	389,377	706,328
Total Liabilities and Fund Balances	$ 600,492	$ 712,336

Lincoln County, Georgia
TSPLOST Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023	2022
Revenues		
Taxes - TSPLOST	$ 847,067	$ 831,336
Investment income	43	200
Total Revenues	847,110	831,536
Expenditures		
Current:		
Public works	58,257	9,271
Capital outlay		
Public works	1,105,804	468,539
Total Expenditures	1,164,061	477,810
Net Change in Fund Balances	(316,951)	353,726
Fund Balances, Beginning of Year	706,328	352,602
Fund Balances, End of Year	$ 389,377	$ 706,328

Lincoln County, Georgia
Workforce Development Grant Fund
Comparative Balance Sheet
June 30, 2023 and 2022

	2023	2022
Assets		
Cash and cash equivalents	$ 111,638	$ 55,229
Intergovernmental receivable	260,328	132,374
Total Assets	$ 371,966	$ 187,603
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 316,731	$ 142,769
Interfund payables	55,235	44,834
Total Liabilities	371,966	187,603
Fund Balances		
Restricted for program purposes	-	-
Total Liabilities and Fund Balances	$ 371,966	$ 187,603

Lincoln County, Georgia
Workforce Development Grant Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023	2022
Revenues		
Intergovernmental	$ 2,110,317	$ 2,139,151
Total Revenues	2,110,317	2,139,151
Expenditures		
Health and welfare	2,110,317	2,139,151
Total Expenditures	2,110,317	2,139,151
Net Change in Fund Balance	-	-
Fund Balance, Beginning of Year	-	-
Fund Balance, End of Year	$ -	$ -

Lincoln County, Georgia
American Rescue Plan Federal Grant Fund
Comparative Balance Sheet
June 30, 2023 and 2022

	2023	2022
Assets		
Cash and cash equivalents	$ 1,153,261	$ 1,297,315
Total Assets	$ 1,153,261	$ 1,297,315
Liabilities and Fund Balances		
Liabilities		
Interfund payables	$ 114,396	$ -
Unearned revenues	1,030,768	1,296,980
Total Liabilities	1,145,164	1,296,980
Fund Balances		
Restricted for program purposes	8,097	335
Total Liabilities and Fund Balances	$ 1,153,261	$ 1,297,315

Lincoln County, Georgia
American Rescue Plan Federal Grant Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023	2022
Revenues		
Intergovernmental	$ 434,790	$ 8,825
Investment earnings	7,762	313
Total Revenues	442,552	9,138
Expenditures		
Public safety	-	8,825
Capital Outlay:		
Public safety	396,790	-
Judicial	38,000	-
Total Expenditures	434,790	8,825
Net Change in Fund Balance	7,762	313
Fund Balance, Beginning of Year	335	22
Fund Balance, End of Year	$ 8,097	$ 335

Lincoln County, Georgia
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2023

	Special Revenue Funds								Capital Project Funds		
	Hotel/Motel Tax Fund	E-911 Fund	Law Library	Family Connection Fund	Drug Education Fund	Jail Fund	Local Government's Share of Opioid Settlement Payment Fund	Condemned Funds Fund	SPLOST VI Fund	OneGeorgia Equity Capital Project Fund	Total
Assets											
Cash and cash equivalents	$ 64,067	$ 132,537	$ 11,745	$ 54,885	$ 40,208	$ 18,705	$ -	$ 12,842	$ 228,154	$ -	$ 563,143
Receivables:											
Accounts, net	-	-	430	-	-	-	-	-	-	-	430
Intergovernmental	7,985	28,704	-	20,763	-	-	-	-	2,700	148,219	208,371
Interfund receivables	-	132,304	-	-	-	-	28,857	-	-	-	161,161
Other	4,326	-	-	-	712	1,632	-	-	-	-	6,670
Total Assets	$ 76,378	$ 293,545	$ 12,175	$ 75,648	$ 40,920	$ 20,337	$ 28,857	$ 12,842	$ 230,854	$ 148,219	$ 939,775
Liabilities											
Accounts payable	$ 1,951	$ 1,288	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,105	$ -	$ 7,344
Accrued expenses	-	5,082	-	-	-	-	-	-	-	-	5,082
Intergovernmental payable	7,985	-	-	-	-	-	-	-	-	-	7,985
Interfund payables	-	141,608	-	66,643	-	-	-	-	-	148,219	356,470
Total Liabilities	9,936	147,978	-	66,643	-	-	-	-	4,105	148,219	376,881
Fund Balances											
Restricted for program purposes	66,442	145,567	12,175	9,005	40,920	20,337	28,857	12,842	226,749	-	562,894
Total Fund Balances	66,442	145,567	12,175	9,005	40,920	20,337	28,857	12,842	226,749	-	562,894
Total Liabilities and Fund Balances	$ 76,378	$ 293,545	$ 12,175	$ 75,648	$ 40,920	$ 20,337	$ 28,857	$ 12,842	$ 230,854	$ 148,219	$ 939,775

Lincoln County, Georgia

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-major Governmental Funds

For the Year Ended June 30, 2023

	Special Revenue Funds								Capital Project Fund		
	Hotel/Motel Tax Fund	E-911 Fund	Law Library	Family Connection Fund	Drug Education Fund	Jail Fund	Local Government's Share of Opioid Settlement Payments Fund	Condemned Funds Fund	SPLOST VI Fund	OneGeorgia Equity Capital Project Fund	Total
Revenues											
Taxes	$ 57,802	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 57,802
Intergovernmental	-	65,901	-	71,101	-	-	-	-	-	253,946	390,948
Charges for services	-	171,596	-	-	-	-	-	-	-	-	171,596
Fines, forfeitures and fees	-	-	5,703	-	5,612	16,496	28,857	533	-	-	57,201
Investment earnings	4	10	-	-	2	1	-	-	45	-	62
Total Revenues	57,806	237,507	5,703	71,101	5,614	16,497	28,857	533	45	253,946	677,609
Expenditures											
Current:											
General government	-	-	-	-	-	-		-	-	253,946	253,946
Judicial	-	-	1,908	-	-	-	-	-	-	-	1,908
Public safety	-	389,553	-	-	72	72	-	4,472	-	-	394,169
Health and welfare	-	-	-	69,022	-	-	-	-	-	-	69,022
Housing and development	44,774	-	-	-	-	-	-	-	-	-	44,774
Capital Outlay	-	-	-	-	-	12,900	-	-	481,105	-	494,005
Total Expenditures	44,774	389,553	1,908	69,022	72	12,972	-	4,472	481,105	253,946	1,257,824
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,032	(152,046)	3,795	2,079	5,542	3,525	28,857	(3,939)	(481,060)	-	(580,215)
Other Financing (Uses)											
Transfers in (out), net	-	139,839	-	-	-	-	-	-	-	-	139,839
Net Change in Fund Balances	13,032	(12,207)	3,795	2,079	5,542	3,525	28,857	(3,939)	(481,060)	-	(440,376)
Fund Balances, Beginning	53,410	157,774	8,380	6,926	35,378	16,812	-	16,781	707,809	-	1,003,270
Fund Balances, Ending	$ 66,442	$ 145,567	$ 12,175	$ 9,005	$ 40,920	$ 20,337	$ 28,857	$ 12,842	$ 226,749	$ -	$ 562,894

Lincoln County, Georgia
Hotel/Motel Tax Fund
Comparative Balance Sheet
June 30, 2023 and 2022

	2023	2022
Assets		
Cash and cash equivalents	$ 64,067	$ 56,734
Intergovernmental receivable	7,985	4,209
Other receivable	4,326	3,139
Total Assets	$ 76,378	$ 64,082
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 1,951	$ 4,209
Intergovernmental payable	7,985	6,463
Total Liabilities	9,936	10,672
Fund Balances		
Restricted for program purposes	66,442	53,410
Total Liabilities and Fund Balances	$ 76,378	$ 64,082

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, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023				2022
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Taxes	$ 33,500	$ 44,982	$ 57,802	$ 12,820	$ 55,845
Investment income	18	18	4	(14)	21
Total Revenues	33,518	45,000	57,806	12,806	55,866
Expenditures					
Housing and development	33,518	45,000	44,774	226	42,724
Net Change in Fund Balances	$ -	$ -	13,032	$ 13,032	13,142
Fund Balances, Beginning of Year			53,410		40,268
Fund Balances, End of Year			$ 66,442		$ 53,410

Lincoln County, Georgia
E-911 Fund
Comparative Balance Sheet
June 30, 2023 and 2022

	2023	2022
Assets		
Cash and cash equivalents	$ 132,537	$ 41,170
Intergovernmental receivable	28,704	29,824
Interfund receivable	132,304	99,685
Total Assets	$ 293,545	$ 170,679
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 1,288	$ 10,197
Accrued expenses	5,082	2,708
Interfund payables	141,608	-
Total Liabilities	147,978	12,905
Fund Balances		
Restricted for program purposes	145,567	157,774
Total Liabilities and Fund Balances	$ 293,545	$ 170,679

Lincoln County, Georgia
E-911 Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023				2022
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Intergovernmental revenue	$ 58,236	$ 58,236	$ 65,901	$ 7,665	$ 50,934
Charges for services	174,000	174,000	171,596	(2,404)	175,238
Investment earnings	-	-	10	10	39
Total Revenues	232,236	232,236	237,507	5,271	226,211
Expenditures					
Current:					
Public safety	419,539	419,539	389,553	29,986	351,088
Total Expenditures	419,539	419,539	389,553	29,986	351,088
Excess (Deficiency) of Revenues Over (Under) Expenditures	(187,303)	(187,303)	(152,046)	35,257	(124,877)
Other Financing Sources (Uses)					
Transfers in	187,303	187,303	139,839	(47,464)	116,862
Net Change in Fund Balances	$ -	$ -	(12,207)	$ (12,207)	(8,015)
Fund Balances, Beginning of Year			157,774		165,789
Fund Balances, End of Year			$ 145,567		$ 157,774

Lincoln County, Georgia
Law Library Fund
Comparative Balance Sheet
June 30, 2023 and 2022

	2023	2022
Assets		
Cash and cash equivalents	$ 11,745	$ 7,535
Accounts receivable	430	845
Total Assets	$ 12,175	$ 8,380
Fund Balance		
Restricted for program purposes	$ 12,175	$ 8,380

Lincoln County, Georgia
Law Library Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023				2022
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Fines, forfeitures and fees	$ 2,800	$ 2,800	$ 5,703	$ 2,903	$ 5,414
Expenditures					
Current:					
Judicial	2,800	2,800	1,908	892	3,600
Net Change in Fund Balance	$ -	$ -	3,795	$ 3,795	1,814
Fund Balance, Beginning of Year			8,380		6,566
Fund Balance, End of Year			$ 12,175		$ 8,380

Lincoln County, Georgia
Family Connection Fund
Comparative Balance Sheet
June 30, 2023 and 2022

	2023	2022
Assets		
Cash and cash equivalents	$ 54,885	$ 44,040
Accounts receivable	-	173
Intergovernmental receivable	20,763	26,007
Total Assets	$ 75,648	$ 70,220
Liabilities and Fund Balances		
Liabilities		
Accrued expenses	$ -	$ 635
Interfund payables	66,643	62,659
Total Liabilities	66,643	63,294
Fund Balances		
Restricted for program purposes	9,005	6,926
Total Liabilities and Fund Balances	$ 75,648	$ 70,220

Lincoln County, Georgia
Family Connection Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023				2022
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Intergovernmental revenue	$ 82,600	$ 82,600	$ 71,101	$ (11,499)	$ 81,689
Total Revenues	82,600	82,600	71,101	(11,499)	81,689
Expenditures					
Current:					
Health and welfare	82,600	82,600	69,022	13,578	86,066
Total Expenditures	82,600	82,600	69,022	13,578	86,066
Net Change in Fund Balances	$ -	$ -	2,079	$ 2,079	(4,377)
Fund Balances, Beginning of Year			6,926		11,303
Fund Balances, End of Year			$ 9,005		$ 6,926

Lincoln County, Georgia
Drug Education Fund
Comparative Balance Sheet
June 30, 2023 and 2022

	2023	2022
Assets		
Cash and cash equivalents	$ 40,208	$ 35,152
Other receivables	712	226
Total Assets	$ 40,920	$ 35,378
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ -
Total Liabilities	-	-
Fund Balances		
Restricted for program purposes	40,920	35,378
Total Fund Balances	40,920	35,378
Total Liabilities and Fund Balances	$ 40,920	$ 35,378

Lincoln County, Georgia
Drug Education Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023				2022
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Fines, forfeitures and fees	$ 1,480	$ 1,480	$ 5,612	$ 4,132	$ 2,418
Investment earnings	20	20	2	(18)	15
Total Revenues	1,500	1,500	5,614	4,114	2,433
Expenditures					
Current:					
Public safety	1,500	1,500	72	1,428	-
Net Change in Fund Balances	$ -	$ -	5,542	$ 5,542	2,433
Fund Balances, Beginning of Year			35,378		32,945
Fund Balances, End of Year			$ 40,920		$ 35,378

Lincoln County, Georgia
Jail Fund
Comparative Balance Sheet
June 30, 2023 and 2022

	2023	2022
Assets		
Cash and cash equivalents	$ 18,705	$ 24,606
Other receivables	1,632	2,206
Total Assets	$ 20,337	$ 26,812
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ 10,000
Total liabilities	-	10,000
Fund Balances		
Restricted for program purposes	20,337	16,812
Total Liabilities and Fund Balances	$ 20,337	$ 26,812

Lincoln County, Georgia
Jail Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023				2022
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Fines, forfeitures and fees	$ 6,700	$ 13,000	$ 16,496	$ 3,496	$ 15,730
Investment earnings	-	-	1	1	11
Total Revenues	6,700	13,000	16,497	3,497	15,741
Expenditures					
Current:					
Public safety	-	75	72	3	-
Capital Outlay					
Public safety	6,700	12,925	12,900	25	10,000
Total Expenditures	6,700	13,000	12,972	28	10,000
Net Change in Fund Balances	$ -	$ -	3,525	$ 3,469	5,741
Fund Balances, Beginning of Year			16,812		11,071
Fund Balances, End of Year			$ 20,337		$ 16,812

Lincoln County, Georgia
Local Government's Share of Opioid Settlement Payments Fund
Balance Sheet
June 30, 2023

Assets	
Cash and cash equivalents	$ -
Interfund receivables	28,857
Total Assets	$ 28,857
Liabilities and Fund Balances	
Liabilities	
Accounts payable	$ -
Total liabilities	-
Fund Balances	
Restricted for program purposes	28,857
Total Liabilities and Fund Balances	$ 28,857

Lincoln County, Georgia
Local Government's Share of Opioid Settlement Payments Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues				
Fines, forfeitures and fees	$ -	$ -	$ 28,857	$ 28,857
Investment earnings	-	-	-	-
Total Revenues	-	-	28,857	28,857
Expenditures				
Current:				
Public safety	-	-	-	-
Total Expenditures	-	-	-	-
Net Change in Fund Balances	$ -	$ -	28,857	$ 28,857
Fund Balances, Beginning of Year			-	
Fund Balances, End of Year			$ 28,857	

Lincoln County, Georgia
Condemned Funds Fund
Comparative Balance Sheet
June 30, 2023 and 2022

	2023	2022
Assets		
Cash and cash equivalents	$ 12,842	$ 16,781
Total Assets	$ 12,842	$ 16,781
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ -
Total liabilities	-	-
Fund Balances		
Restricted for program purposes	12,842	16,781
Total Liabilities and Fund Balances	$ 12,842	$ 16,781

Lincoln County, Georgia
Condemned Funds Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023				2022
	Original Budget	Final Budget	Actual	Variance Over (Under)	Actual
Revenues					
Fines, forfeitures and fees	$ 5,000	$ 5,000	$ 533	$ (4,467)	$ 2,104
Total Revenues	5,000	5,000	533	(4,467)	2,104
Expenditures					
Current:					
Public safety	5,000	5,000	4,472	528	4,835
Net Change in Fund Balances	$ -	$ -	(3,939)	$ (3,939)	(2,731)
Fund Balances, Beginning of Year			16,781		19,512
Fund Balances, End of Year			$ 12,842		$ 16,781

Lincoln County, Georgia
SPLOST VI Fund
Comparative Balance Sheet
June 30, 2023 and 2022

	2023	2022
Assets		
Cash and cash equivalents	$ 228,154	$ 712,779
Other receivable	2,700	-
Total Assets	$ 230,854	$ 712,779
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 4,105	$ 4,970
Total Liabilities	4,105	4,970
Fund Balances		
Restricted for capital projects	226,749	707,809
Total Fund Balances	226,749	707,809
Total Liabilities and Fund Balances	$ 230,854	$ 712,779

Lincoln County, Georgia
SPLOST VI Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2023
(With Comparative Actual Amounts for the Year Ended June 30, 2022)

	2023	2022
Revenues		
Sales taxes	$ -	$ 459,859
Investment earnings	45	377
Total Revenues	45	460,236
Expenditures		
Intergovernmental	-	72,952
Capital outlay		
General government	293,287	304,467
Public works	900	217,191
Public safety	186,918	16,184
Culture and recreation	-	29,574
Debt service:		
Principal	-	157,837
Interest	-	9,036
Total Expenditures	481,105	807,241
Net Change in Fund Balance	(481,060)	(347,005)
Fund Balance, Beginning of Year	707,809	1,054,814
Fund Balance, End of Year	$ 226,749	$ 707,809

Lincoln County, Georgia
OneGeorgia Equity Capital Project Fund
Balance Sheet
June 30, 2023

Assets		
Cash and cash equivalents	$	-
Intergovernmental receivable		148,219
Total Assets	$	148,219
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$	-
Interfund payables		148,219
Total Liabilities		148,219
Fund Balances		
Restricted for public works		-
Total Liabilities and Fund Balances	$	148,219

Lincoln County, Georgia
OneGeorgia Equity Capital Project Fund
Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended June 30, 2023

Revenues	
Intergovernmental	$ 253,946
Total Revenues	253,946
Expenditures	
Capital outlay	
General government	253,946
Total Expenditures	253,946
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, 2023 and 2022

	2023	2022
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 225,534	$ 222,167
Restricted assets - cash	300,472	260,199
Accounts receivable, net	95,945	89,007
Interfund receivable	6,058	-
Inventory	28,835	-
Total Current Assets	656,844	571,373
Noncurrent Assets:		
Prepaid bond issuance	11,304	12,246
Capital Assets:		
Nondepreciable	101,623	1,998,053
Depreciable, net	15,293,267	13,545,029
Total Noncurrent Assets	15,406,194	15,555,328
TOTAL ASSETS	16,063,038	16,126,701
DEFERRED OUTFLOWS OF RESOURCES		
Related to pension plan	39,513	7,901
Total Deferred Outflows of Resources	39,513	7,901
LIABILITIES		
Current Liabilities:		
Accounts payable	165,922	187,179
Accrued liabilities	39,503	28,170
Interfund payable	327,629	130,242
Lease payable	1,384	1,343
Subscription-based information technology arrangements	8,838	-
Notes payable	89,043	88,644
Revenue bond payable	151,039	145,704
Total Current Liabilities	783,358	581,282
Long-Term Liabilities:		
Lease payable (net of current portion)	33,115	34,499
Notes payable (net of current portion)	676,616	765,680
Compensated absences	7,352	8,649
Net pension liability	60,226	25,193
Revenue bond payable (net of current portion)	3,739,850	3,889,871
Total Long-Term Liabilities	4,517,159	4,723,892
TOTAL LIABILITIES	5,300,517	5,305,174
DEFERRED INFLOWS OF RESOURCES		
Related to pension plan	22,090	24,871
Total Deferred Inflows of Resources	22,090	24,871
Net Position		
Net investment in capital assets	10,695,005	10,617,341
Restricted for debt service	300,472	260,199
Unrestricted	(215,533)	(72,983)
TOTAL NET POSITION	$ 10,779,944	$ 10,804,557

Lincoln County, Georgia
Water Fund
Comparative Statement of Revenues,
Expenses and Changes in Net Position
For the Year Ended June 30, 2023 and 2022

	2023	2022
Operating Revenues		
Charges for services	$ 1,257,949	$ 1,145,185
Miscellaneous	7,427	8,339
Total Operating Revenues	1,265,376	1,153,524
Operating Expenses		
Cost of water	184,456	219,219
Salaries and benefits	331,701	230,373
Materials and supplies	186,776	64,533
Repairs and maintenance	67,459	98,225
Professional and contract services	67,944	60,929
Utilities	100,412	62,006
Other operating expenses	53,950	50,413
Depreciation	431,284	422,809
Amortization	10,548	300
Total Operating Expenses	1,434,530	1,208,807
Operating Income (Loss)	(169,154)	(55,283)
Non-Operating Revenues (Expenses)		
Investment earnings	1,771	1,218
Interest and fiscal charges	(109,769)	(123,563)
Total Non-Operating Revenues (Expenses)	(107,998)	(122,345)
Income (Loss) Before Transfers and Capital Contributions	(277,152)	(177,628)
Capital Contributions:		
Intergovernmental	210,258	-
Local donation of capital assets	34,990	286,742
Change in Net Position	(31,904)	109,114
Net Position, Beginning of Year	10,804,557	10,695,443
Prior Period Adjustment	7,291	-
Net Position, Beginning of Year, Restated	10,811,848	10,695,443
Net Position, End of Year	$ 10,779,944	$ 10,804,557

Lincoln County, Georgia
Solid Waste Fund
Comparative Statement of Net Position
June 30, 2023 and 2022

	2023	2022
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 845,631	$ 736,190
Accounts receivable, net of allowances	29,544	36,902
Total Current Assets	875,175	773,092
Noncurrent Assets:		
Capital Assets:		
Nondepreciable, net	62,000	62,000
Depreciable, net	65,352	46,759
Total Noncurrent Assets	127,352	108,759
TOTAL ASSETS	1,002,527	881,851
LIABILITIES		
Current Liabilities:		
Accounts payable	54,090	53,638
Accrued liabilities	2,837	1,532
Unearned revenues	363,262	355,860
Interfund payable	101,697	14,995
Subscription-based information technology arrangements	1,583	-
Post-closure liability, current portion	9,850	9,850
Total Current Liabilities	533,319	435,875
Long-Term Liabilities:		
Post-closure liability, net of current portion	49,250	49,250
Total Long-Term Liabilities	49,250	49,250
TOTAL LIABILITIES	582,569	485,125
Net Position		
Net investment in capital assets	125,769	108,759
Unrestricted (deficit)	294,189	287,967
Total Net Position	$ 419,958	$ 396,726

Lincoln County, Georgia
Solid Waste Fund
Comparative Statement of Revenues,
Expenses and Changes in Net Position
For the Year Ended June 30, 2023 and 2022

	2023	2022
Operating Revenues		
Charges for services	$ 946,813	$ 839,281
Total Operating Revenues	946,813	839,281
Operating Expenses		
Salaries and benefits	166,964	136,738
Repairs	161	1,204
Supplies	11,413	1,417
Utilities	5,031	5,281
Professional and contract services	660,432	668,631
Other	212	539
Depreciation	15,139	8,663
Amortization	1,566	-
Total Operating Expenses	860,918	822,473
Operating Income (Loss)	85,895	16,808
Non-Operating Revenues (Expenses)		
Interest expense and fiscal charges	(65)	-
Investment earnings	81	323
Total Non-Operating Revenues (Expenses)	16	323
Income (Loss) Before Transfers	85,911	17,131
Transfers in (out)	(63,985)	(57,422)
Change in Net Position	21,926	(40,291)
Net Position, Beginning of Year	396,726	437,017
Prior Period Adjustment	1,306	-
Net Position, Beginning of Year, Restated	398,032	437,017
Net Position, End of Year	$ 419,958	$ 396,726

Lincoln County, Georgia

Combining Statement of Fiduciary Net Position

Custodial Funds

June 30, 2023

	Clerk of Superior Court	Probate/ Magistrate Court	Sheriff's Department	Tax Commissioner's Office	Total
Assets					
Cash and cash equivalents	$ 128,178	$ 48,001	$ 40,572	$ 434,183	$ 650,934
Taxes receivable for other governments	-	-	-	187,405	187,405
Total Assets	128,178	48,001	40,572	621,588	838,339
Liabilities					
Funds due to others	115,123	28,793	33,878	264,813	442,607
Uncollected taxes	-	-	-	187,405	187,405
Total Liabilities	115,123	28,793	33,878	452,218	630,012
Net Position					
Restricted for individuals, organizations, and other governments	13,055	19,208	6,694	169,370	208,327
Total Net Position	$ 13,055	$ 19,208	$ 6,694	$ 169,370	$ 208,327

Lincoln County, Georgia

Combining Statement of Changes in Fiduciary Net Position

Custodial Funds

June 30, 2023

	Clerk of Superior Court	Probate/ Magistrate Court	Sheriff's Department	Tax Commissioner's Office	Total
Additions					
Taxes collected	$ -	$ -	$ -	$ 12,171,876	$ 12,171,876
Fines and fees collected	317,228	259,675	268,714	-	845,617
Total Additions	317,228	259,675	268,714	12,171,876	13,017,493
Deductions					
Taxes distributed	-	-	-	12,176,058	12,176,058
Fines and fees disbursed	322,280	262,808	273,446	-	858,534
Total Deductions	322,280	262,808	273,446	12,176,058	13,034,592
Changes in Net Position	(5,052)	(3,133)	(4,732)	(4,182)	(17,099)
Net Position - Beginning of Year	18,107	22,341	11,426	173,552	225,426
Net Position - End of Year	$ 13,055	$ 19,208	$ 6,694	$ 169,370	$ 208,327

Lincoln County, Georgia
SECTION 5311 TRANSPORTATION PROGRAM
STATEMENT OF REVENUES AND EXPENDITURES
For the Year Ended June 30, 2023

Contract Number T007243
Grant Number GA-2022-010-00

REVENUES

Reimbursements received from GA Department of Transportation	$	44,463
Participant contributions		3,221
TOTAL		47,684

EXPENDITURES

Salaries and Fringe Benefits	
Administrative and operating	67,533
Operating Expenditures	
Fuel and operational supplies	20,057
Vehicle maintenance	1,247
Services	1,116
Utilities	1,900
Other operating expenses	301
TOTAL	92,154

Revenues in Excess of (less than) Expenditures	$	(44,470)

* * 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, 2023

Special Sales Tax VI Imposed January 1, 2017	Original Estimated Cost	Revised Estimated Cost	Expenditures Prior Years	Expenditures Current Year	Expenditures Total	Estimated Percent Completed
Project Description						
Roads, streets and bridges	$ 888,365	$ 824,943	$ 748,077	$ 900	$ 748,977	90.8%
Courthouse and building renovations	636,000	786,156	503,090	234,981	738,071	93.9%
Fire protection	356,160	450,442	320,120	108,470	428,590	95.1%
General government infrastructure	432,480	645,596	545,464	58,306	603,770	93.5%
Recreation facilities	171,720	175,178	175,178	-	175,178	100.0%
Fleet vehicle replacement	111,427	112,668	34,220	78,448	112,668	100.0%
Rescue	79,373	79,373	40,353	-	40,353	50.8%
	2,675,525	3,074,356	2,366,502	481,105	2,847,607	
Intergovernmental						
City of Lincolnton	504,475	575,014	575,014	-	575,014	100.0%
TOTAL	$ 3,180,000	$ 3,649,370	$ 2,941,516	$ 481,105	$ 3,422,621	

Special Sales Tax VII Imposed January 1, 2022	Original Estimated Cost	Revised Estimated Cost	Expenditures Prior Years	Expenditures Current Year	Expenditures Total	Estimated Percent Completed
Project Description						
County-wide projects (undesignated)	$ 1,174,358	$ -	$ -	$ -	$ -	0.0%
Capital improvements for transportation, government buildings, community and recreation, public safety, public works, and general government	3,757,947	-	-	-	-	0.0%
	4,932,305	-	-	-	-	
Intergovernmental						
City of Lincolnton	939,487	-	78,009	172,303	250,312	26.6%
TOTAL	$ 5,871,792	$ -	$ 78,009	$ 172,303	$ 250,312	

Lincoln County, Georgia
ONEGEORGIA EQUITY FUND GRANT
Award No. 22si-090-5-5094
STATEMENT OF SOURCE AND APPLICATION OF FUNDS
For the Year Ended June 30, 2023

SOURCE OF FUNDS:		
OneGeorgia funds drawn down by recipient and accrued during fiscal year ended June 30, 2023	$	253,946
APPLICATION OF FUNDS:		
Construction/rehabilitation of buildings/other facilities		(253,946)
SOURCE OF FUNDS IN EXCESS OF (LESS THAN) APPLICATION	$	-

Lincoln County, Georgia
ONEGEORGIA EQUITY FUND GRANT
Award No. 22si-090-5-5094
STATEMENT OF PROJECT COST - BUDGET AND ACTUAL
For the Year Ended June 30, 2023

	TOTAL BUDGETED COSTS	TOTAL REVISED BUDGETED COSTS	PROJECT COSTS PRIOR TO FYE 6/30/2023	ACTUAL COSTS FYE 6/30/2023	TOTAL PROJECT COSTS TO DATE	(OVER) UNDER BUDGET
Special Purpose Building Project						
Construction/rehabilitation	$ 210,000	$ 300,000	$ -	$ 253,946	$ 253,946	$ 46,054
Purchase or lease of machinery and equipment	90,000	-	-	-	-	-
Total	$ 300,000	$ 300,000	$ -	$ 253,946	$ 253,946	$ 46,054

Lincoln County, Georgia
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2023

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	11-20-21-07-013	$ 12,500	$ 12,500
Workforce Investment Opportunities Act Adult Program	17.258	11-21-21-07-013	10,892	9,863
Workforce Investment Opportunities Act Adult Program	17.258	11-21-22-07-013	195,295	187,495
Workforce Investment Opportunities Act Adult Program	17.258	11-22-22-07-013	64,470	63,495
Workforce Investment Opportunities Act Adult Program	17.258	11-22-23-07-013	218,195	218,195
Subtotal AL 17.258			501,352	491,548
Passed through Lincoln County Community Partnership, Inc.				
Workforce Investment Opportunities Act Youth Activities Program	17.259	15-21-21-07-013	6,672	-
Passed through Georgia Department of Economic Development				
Workforce Investment Opportunities Act Youth Activities Program	17.259	15-20-20-07-013	70,000	70,000
Workforce Investment Opportunities Act Youth Activities Program	17.259	15-21-21-07-013	111,371	105,971
Workforce Investment Opportunities Act Youth Activities Program	17.259	15-22-22-07-013	389,689	384,364
Subtotal AL 17.259			577,732	560,335
Passed through Georgia Department of Economic Development				
Workforce Investment Opportunities Act Dislocated Worker Program	17.278	HDCI-20-21-07-013	66,511	66,511
Workforce Investment Opportunities Act Dislocated Worker Program	17.278	31-20-21-07-013	15,164	15,164
Workforce Investment Opportunities Act Dislocated Worker Program	17.278	31-21-21-07-013	11,812	10,741
Workforce Investment Opportunities Act Dislocated Worker Program	17.278	31-21-22-07-013	289,205	282,005
Workforce Investment Opportunities Act Dislocated Worker Program	17.278	31-22-22-07-013	41,760	40,560
Workforce Investment Opportunities Act Dislocated Worker Program	17.278	31-22-23-07-013	168,397	168,397
Workforce Investment Opportunities Act Dislocated Worker Program	17.278	RR31-22-23-07-013	1,103	1,103
Subtotal AL 17.278			593,952	584,481
Total Workforce Investment Act/Workforce Investment Opportunities Act Cluster			1,673,036	1,636,364
477 Cluster				
U. S. Department of Health and Human Services				
Passed through CSRA Economic Opportunity Authority, Inc.				
Community Services Block Grant	93.569	2023	6,059	-
Total 477 Cluster			6,059	-
Aging Cluster				
U. S. Department of Health and Human Services				
Passed through CSRA RC				
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	2010-12 20 8202.0545	3,556	-
Subtotal AL 93.044			3,556	-
Special Programs for the Aging HCD5 HDM Nutrition Services	93.045	2010-23 20 8202.0545	2,692	-
Special Programs for the Aging Title III, Part C1, Nutrition Services	93.045	2010-16 20 8202.0545	18,163	-
Special Programs for the Aging Title III, Part C2, Nutrition Services	93.045	2010-16 20 8202.0545	9,103	-
Subtotal AL 93.045			29,958	-
Nutrition Services Incentive Program	93.053	2010-16 20 8202.0545	11,282	-
Subtotal AL 93.053			11,282	-
Total Aging Cluster			44,796	-
Community Facilities Loans and Grants Cluster				
U. S. Department of Agriculture				
Direct program				
Community Facilities Loans and Grants - Beginning Balance	10.766	2020 Loan 91-13	47,505	-
Community Facilities Loans and Grants - Beginning Balance	10.766	2021 Loan 97-15	184,431	-
Community Facilities Loans and Grants - Beginning Balance	10.766	2022 Loan 97-17	264,200	
Community Facilities Loans and Grants - Issued in 2023	10.766	2023	-	-
Total Community Facilities Loans and Grants Cluster			496,136	-
Transit Services Programs Cluster				
U.S. Department of Transportation				
Passed through Georgia Department of Human Services				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	2023	35,068	-
Total Transit Services Programs Cluster			35,068	-

Lincoln County, Georgia
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2023

Federal Grantor/Pass-through Grantor/ Program Title	Assistance Listing (AL) Number	Agency or Pass-through Number	Expenditures	Passed Through to Subrecipients
Other Programs				
U. S. Department of Agriculture				
Direct program				
Water and Waste Disposal Systems for Rural Communities	10.760	RUS Grant	$ 210,258	$ -
Total U. S. Department of Agriculture			210,258	-
U.S. Department of the Interior				
Direct program				
Payment in Lieu of Real Estate Taxes	15.226	2023	165,971	-
Total U.S. Department of the Interior			165,971	-
U.S. Department of Labor				
Passed through Georgia Department of Economic Development				
Workforce Investment Opportunities Act National Dislocated Worker Grants/National Emergency Grants	17.277	COVID-19-20-07-013	99,165	99,165
Workforce Investment Opportunities Act National Dislocated Worker Grants/National Emergency Grants	17.277	COVID2-19-19-07-013	288,514	288,514
Workforce Investment Opportunities Act National Dislocated Worker Grants/National Emergency Grants	17.277	QST-22-23-07-013	56,273	56,273
Total U.S. Department of Labor			443,952	443,952
U.S. Department of Transportation				
Passed through from Georgia Department of Transportation				
COVID-19 - Formula Grants for Rural Areas	20.509	GA-2022-010-00	44,463	-
Total U.S. Department of Transportation			44,463	-
U.S. Department of Treasury				
Direct Award				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	2023	434,790	-
Total U.S. Department of Treasury			434,790	-
U. S. Department of Education				
Passed through Lincoln County Community Partnership, Inc.				
Education Stabilitzation Fund (ESF)	84.425	S425U210012	12,568	-
Total U. S. Department of Education			12,568	-
U.S. Department of Homeland Security				
Passed through State of Georgia - Emergency Management Agency				
Emergency Management Performance Grants	97.042	OEM-22-092	17,071	-
Total U.S. Department of Homeland Security			17,071	-
Total Other Programs			1,329,073	443,952
Total Expenditures of Federal Awards			$ 3,584,168	$ 2,080,316

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, 2023. 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, 2023.

NOTE F – NONCASH ASSISTANCE AND LOANS

There were no federal awards expended in the form of noncash assistance, and the County did not receive any federal loans during the fiscal year ended June 30, 2023. The County was approved by the United States Department of Agriculture Rural Development to receive Community Facilities loans for $ 65,000, for $ 213,200, and for $ 264,000 to purchase public safety equipment and received these loans during the fiscal years ended June 30, 2020, 2021, and 2022, respectively. Federal Community Facilities loan balances outstanding at June 30, 2023, for which the County continues to have federal compliance requirements, are included in the County's financial statements and as federal expenditures in the Schedule. The amounts listed for these loans in the Schedule include the beginning of the period loan balances plus any proceeds used during the year. The loan balances owed as of June 30, 2023 were $ 38,443, $ 155,450, and $ 240,207, respectively. These loan balances are reported on the County's Statement of Net Position as of June 30, 2023. See Note 3-H Long-term Debt in the County's Notes to the Basic Financial Statements for further information on these loans.

NOTE G – SUBRECIPIENTS

The County passes certain federal awards received from the U. S. Department of Labor to other governments or not-for-profit agencies (subrecipients). As Note B describes, the County reports expenditures of federal awards to subrecipients on the modified accrual basis of accounting. As a subrecipient, the County has certain compliance responsibilities, such as monitoring its subrecipients to help assure they use these subawards as authorized by laws, regulations, and the provisions of contracts or grant agreements, and that the subrecipients achieve the award's performance goals.

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lincoln County, Georgia (the County), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 20, 2023. We did not audit the financial statements of the Development Authority of Lincoln County, which represents 90.3% of the assets, 93.4% of the net position, and 0.05% of the revenues of the aggregate discretely presented component units for the year ended June 30, 2023. 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.

Report on 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) as a basis for designing 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.

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 *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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-01. that we consider to be a material weakness.

Report on 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 December 20, 2023.

Lincoln County, Georgia's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Lincoln County, Georgia's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. Lincoln County, Georgia's response was not subjected to the other auditing procedures applied in the audit of the financial statements 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.

Jenes, Jenes, Davis & Associates

Louisville, Georgia
December 20, 2023

JONES, JONES, DAVIS & ASSOCIATES

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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

Opinion on Each Major Federal Program

We have audited Lincoln County, Georgia's 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, 2023. Lincoln County, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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, 2023.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Lincoln County, Georgia and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Lincoln County, Georgia's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Lincoln County, Georgia's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Lincoln County, Georgia's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Lincoln County, Georgia's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Lincoln County, Georgia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Lincoln County, Georgia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Lincoln County, Georgia's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Jones, Jones, Davis & Associates

Louisville, Georgia
December 20, 2023

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, 2023.

Section 2 – Financial Statement Findings

Internal Control

Material Weakness

Finding 2023-01 Lack of Segregation of Duties (Repeat Finding of Prior Year 2022-01)

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, 2023 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, 2023 that are required to be reported in accordance with the Uniform Guidance.

Lincoln County, Georgia
Schedule of Prior Year Findings
For the Year Ended June 30, 2023

Section 1 – Prior Year Financial Statement Findings and Questioned Costs

Internal Control

Material Weakness

Finding 2022-01 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 2023-01

Section 2 – Prior Year Federal Award Findings and Questioned Costs

No findings on questioned costs were noted for the year ended June 30, 2022 that were required to be reported in accordance with the Uniform Guidance.