

HANCOCK COUNTY, GEORGIA

FINANCIAL STATEMENTS

DECEMBER 31, 2023

Issued by: Sistie Hudson, Chairman
under Authority of the Board of Commissioners

HANCOCK COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2023

	<u>Exhibit</u>	<u>Page</u>
INDEPENDENT AUDITORS' REPORT		1
BASIC FINANCIAL STATEMENTS:		
Government-wide Financial Statements:		
Statement of Net Position.....	1	4
Statement of Activities	2	5
Fund Financial Statements:		
Governmental Fund Financial Statements:		
Balance Sheet – Governmental Funds	3	6
Reconciliation of Net Position – Governmental Funds in the Statement of Net Position to Total Fund Balance – Governmental Funds on the Balance Sheet	4	7
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	5	8
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	6	9
Proprietary Fund Financial Statements:		
Statement of Net Position – Proprietary Fund	7	10
Statement of Changes in Net Position – Proprietary Fund.....	8	11
Statement of Cash Flows – Proprietary Fund.....	9	12
Fiduciary Funds Financial Statements:		
Statement of Net Position	10	13
Statement of Changes in Fiduciary Net Position	11	14
Notes to the Financial Statements		15
REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MANAGEMENT'S DISCUSSION AND ANALYSIS:		
Schedule of Changes in the County's Net Pension Liability and Related Ratios	12	39
Schedule of Pension Contributions.....	13	40
Budgetary Comparison Schedule – General Fund	14	41
Budgetary Comparison Schedule – TSPLOST Special Revenue Fund	15	42
OTHER SUPPLEMENTARY INFORMATION:		
Combining Balance Sheet – Nonmajor Governmental Funds	16	44
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	17	45

HANCOCK COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2023

Budgetary Comparison

E911 Fund	18	46
Law Library	19	47
Public Facilities Authority Fund	20	48
Sheriff's Confiscation	21	49
Drug Abuse Education Fund	22	50
ARPA Fund	23	51
LMIG Fund	24	52
Special Purpose Local Option Sales Tax	25	53
CDBG – Rec Department	26	54
CDBG – Health Department	27	55
 CDBG – Health Department Schedule of Project Cost – Budget and Actual...	 28	 56
CDBG – Health Department Schedule of Source and Applications of Funds...	29	57
CDBG – Rec Department Schedule of Project Cost – Budget and Actual.....	30	58
CDBG – Rec Department Schedule of Source and Applications of Funds.....	31	59
Combining Schedule of Fiduciary Net Position.....	32	60
Combining Schedule of Changes in Fiduciary Net Position	33	61
 OTHER INFORMATION:		
Schedule of Expenditures of Special Purpose Local Option Sales Tax	34	62
 COMPLIANCE SECTION:		
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 <u>Government Auditing Standards</u>		64
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required By the Uniform Guidance		66
Schedule of Federal Awards.....		68
Notes to the Schedule of Federal Awards		69
Schedule of Findings and Questioned Costs		70

WRIGHT & WRIGHT, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
130 NORTH HARRIS STREET • POST OFFICE BOX 1014
SANDERSVILLE, GEORGIA 31082

CLYDE K. WRIGHT, CPA

Telephone (478) 552-6146

BRIAN K. WRIGHT, CPA

Facsimile (478) 552-6158

INDEPENDENT AUDITOR'S REPORT

To the County Commissioners
Hancock County, 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 discretely presented component units, each major fund and the aggregate remaining fund information of Hancock County, Georgia, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Hancock County, Georgia'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 discretely presented component units, each major fund and the aggregate remaining fund information of Hancock County, Georgia, as of December 31, 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.

We did not audit the financial statements of the Hancock County Board of Health which represents 44 percent, 31 percent, and 96 percent of the assets, net position, and revenues, respectively, of the discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Hancock County Board of Health, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 Hancock 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Hancock 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 opinions. 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 GAAS 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 for 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment 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 Hancock 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 Hancock 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 the budgetary comparison for the General and TSPLOST Funds, the Schedule of Changes in the County's Net Pension Liability and Related Ratios, Schedule of Pension Contributions (on pages 39- 42) 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.

Management has omitted management's discussion and analysis that governmental 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 financials 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 opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Hancock County, Georgia's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules, the Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, the schedule of projects constructed with special sales tax proceeds and the other schedules included in other supplementary information as described in the accompanying table of contents, are presented for the purpose of additional analysis and are 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 and schedules, the Schedule of Expenditures of Federal Awards, the schedule of projects constructed with special sales tax proceeds and the other schedules included in other supplementary information as described in the accompanying table of contents 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 issued our report dated July 19, 2024 on our consideration of Hancock 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 Hancock 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 Hancock County, Georgia's internal control over financial reporting and compliance.

Wright & Wright, P.C.

Sandersville, Georgia
July 19, 2024

BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by the Governmental Accounting Standards Board ("GASB"). The sets of statements include:

- Government-wide financial statements
- Fund financial statements:
 - Governmental funds
 - Proprietary funds
 - Fiduciary funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

HANCOCK COUNTY, GEORGIA
STATEMENT OF NET POSITION
DECEMBER 31, 2023

EXHIBIT 1

	Primary Government			Component Units		
	Governmental	Business-type		Health	Development	
	Activities	Activity	Total	Department	Authority	Total
ASSETS						
Current Assets:						
Cash and cash equivalents	\$ 794,134	\$ 69,126	\$ 863,260	\$ 720,147	\$ 54,908	\$ 1,638,315
Receivables, net:						
Taxes	1,367,919	-	1,367,919	-	-	1,367,919
Accounts	284,319	-	284,319	20,175	-	304,494
Intergovernmental	389,757	17,223	406,980	-	-	406,980
Notes receivable	-	-	-	-	6,000	6,000
Prepaid expenses	116,185	-	116,185	-	-	116,185
Capital assets:						
Land and other non-depreciable assets	2,029,265	20,413	2,049,678	-	-	2,049,678
Other capital assets, net of depreciation	13,347,188	770,641	14,117,829	33,684	887,462	15,038,975
Total assets	<u>18,328,767</u>	<u>877,403</u>	<u>19,206,170</u>	<u>774,006</u>	<u>948,370</u>	<u>20,928,546</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>1,248,351</u>	<u>-</u>	<u>1,248,351</u>	<u>303,824</u>	<u>-</u>	<u>1,297,897</u>
Total assets and deferred outflow s of resources	<u>19,577,118</u>	<u>877,403</u>	<u>20,454,521</u>	<u>1,077,830</u>	<u>948,370</u>	<u>22,480,721</u>
LIABILITIES						
Accounts payable	1,639,065	463	1,639,528	8,562	-	1,648,090
Accrued expenses	192,592	3,828	196,420	5,738	-	202,158
Accrued interest payable	-	-	-	-	1,830	1,830
Compensated absences payable - current	61,494	4,183	65,677	-	-	65,677
Deferred revenue	269	-	269	-	-	269
Warrants payable	2,556,310	-	2,556,310	-	-	2,556,310
Long-term obligations:						
Compensated absences payable - noncurrent	61,493	-	61,493	25,485	-	86,978
Proportionate share of collective net pension liability	2,011,118	-	2,011,118	589,174	-	2,600,292
Net OPEB liability	-	-	-	(15,805)	-	(15,805)
Due within one year	479,451	25,868	505,319	-	50,000	555,319
Due in more than one year	<u>1,900,740</u>	<u>307,221</u>	<u>2,207,961</u>	<u>-</u>	<u>-</u>	<u>2,207,961</u>
Total liabilities	<u>8,902,531</u>	<u>341,563</u>	<u>9,244,094</u>	<u>613,154</u>	<u>51,830</u>	<u>9,909,078</u>
DEFERRED INFLOWS OF RESOURCES	<u>704,005</u>	<u>-</u>	<u>704,005</u>	<u>68,480</u>	<u>-</u>	<u>772,485</u>
Total liabilities and deferred inflow s of resources	<u>9,606,536</u>	<u>341,563</u>	<u>9,948,099</u>	<u>681,634</u>	<u>51,830</u>	<u>10,681,563</u>
NET POSITION						
Net investment in capital assets	12,996,262	457,965	13,454,227	33,684	837,462	14,325,373
Restricted for:						
Public w orks	-	-	-	-	-	-
Public safety	679,776	-	679,776	-	-	679,776
Unrestricted	<u>(3,705,456)</u>	<u>77,875</u>	<u>(3,627,581)</u>	<u>362,512</u>	<u>59,078</u>	<u>(3,205,991)</u>
Total net position	<u>\$ 9,970,582</u>	<u>\$ 535,840</u>	<u>\$ 10,506,422</u>	<u>\$ 396,196</u>	<u>\$ 896,540</u>	<u>\$ 11,799,158</u>

The Accompanying Notes to the Financial Statements are an integral part of this statement

HANCOCK COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
DECEMBER 31, 2023

EXHIBIT 2

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
					Governmental Activities	Business-type Activities	Total	Hancock County Health Department	Hancock County Development Authority
Primary Government									
Governmental Activities									
General government	\$ 6,312,825	\$ 180,429	\$ -	\$ -	\$ (6,132,396)	\$ -	\$ (6,132,396)	\$ -	\$ -
Public works	4,406,152	17,618	607,609	-	(3,780,925)	-	(3,780,925)	-	-
Public safety	2,481,916	171,820	10,813	-	(2,299,283)	-	(2,299,283)	-	-
Judicial	798,853	247,038	-	378	(551,437)	-	(551,437)	-	-
Housing and development	150,971	-	329,899	-	178,928	-	178,928	-	-
Culture and recreation	360,351	-	-	69,165	(291,186)	-	(291,186)	-	-
Health and welfare	1,174,405	899,405	2,232	762,270	489,502	-	489,502	-	-
Interest on long-term debt	86,962	-	-	-	(86,962)	-	(86,962)	-	-
Total governmental activities	<u>15,772,435</u>	<u>1,516,310</u>	<u>950,553</u>	<u>831,813</u>	<u>(12,473,759)</u>	<u>-</u>	<u>(12,473,759)</u>	<u>-</u>	<u>-</u>
Business-type activities									
Water and sewer	<u>763,169</u>	<u>253,864</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(509,305)</u>	<u>(509,305)</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>\$ 16,535,604</u>	<u>\$ 1,770,174</u>	<u>\$ 950,553</u>	<u>\$ 831,813</u>	<u>(12,473,759)</u>	<u>(509,305)</u>	<u>(12,983,064)</u>	<u>-</u>	<u>-</u>
Component Units									
Hancock County Health Department	562,886	160,762	459,812	-	-	-	-	57,688	-
Hancock County Development Authority	179,089	17,100	12,008	-	-	-	-	-	(149,981)
Total component units	<u>\$ 741,975</u>	<u>\$ 177,862</u>	<u>\$ 471,820</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,688</u>	<u>(149,981)</u>
General Revenues:									
Property taxes					6,688,925	-	6,688,925	-	-
General sales and use tax					476,281	-	476,281	-	-
Special purpose local option sales tax					2,262,115	-	2,262,115	-	-
Insurance premium tax					605,953	-	605,953	-	-
Other taxes					53,873	-	53,873	-	-
Unrestricted investment earnings					1,111	95	1,206	1,468	118
Intra/inter agency					-	-	-	-	-
Intergovernmental					-	-	-	-	-
Rental income					-	-	-	-	-
Transfer in					-	278,053	278,053	-	-
Transfer out					(278,053)	-	(278,053)	-	-
Miscellaneous					189,634	-	189,634	-	-
Proceeds from insurance recoveries					22,704	-	22,704	-	-
Total general revenues and transfers					<u>10,022,543</u>	<u>278,148</u>	<u>10,300,691</u>	<u>1,468</u>	<u>118</u>
Change in net position					<u>(2,451,216)</u>	<u>(231,157)</u>	<u>(2,682,373)</u>	<u>59,156</u>	<u>(149,863)</u>
Net position-beginning					<u>12,421,798</u>	<u>766,997</u>	<u>13,188,795</u>	<u>337,040</u>	<u>1,046,403</u>
Net position-ending					<u>\$ 9,970,582</u>	<u>\$ 535,840</u>	<u>\$10,506,422</u>	<u>\$ 396,196</u>	<u>\$ 896,540</u>

The Accompanying Notes to the Financial Statements are an integral part of this statement

HANCOCK COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023

EXHIBIT 3

	General	TSPLOST	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 533,756	\$ 696	\$ 259,682	\$ 794,134
Receivables, net of allowances for uncollectibles:				
Taxes	1,367,919	-	-	1,367,919
Accounts	273,395	-	10,924	284,319
Intergovernmental	35,071	255,247	99,439	389,757
Interfund balance	38,492	-	426,948	465,440
Prepaid expenditures	116,185	-	-	116,185
Total assets	<u>2,364,818</u>	<u>255,943</u>	<u>796,993</u>	<u>3,417,754</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	1,104,878	465,012	69,175	1,639,065
Accrued expenses	179,396	1,785	11,411	192,592
Due to other funds	426,948	-	38,492	465,440
Deferred revenue	-	-	269	269
Warrants payable	2,556,310	-	-	2,556,310
Total liabilities	<u>4,267,532</u>	<u>466,797</u>	<u>119,347</u>	<u>4,853,676</u>
Deferred Inflows of Resources				
Unavailable property taxes and ambulance fees	434,984	-	-	434,984
Total deferred inflows of resources	<u>434,984</u>	<u>-</u>	<u>-</u>	<u>434,984</u>
Total liabilities and deferred inflows of resources	<u>4,702,516</u>	<u>466,797</u>	<u>119,347</u>	<u>5,288,660</u>
Fund Balances:				
Nonspendable for prepaid expenditures	116,185	-	-	116,185
Restricted for:				
Public safety	-	-	679,776	679,776
Public works	-	-	-	-
Unassigned	<u>(2,453,883)</u>	<u>(210,854)</u>	<u>(2,130)</u>	<u>(2,666,867)</u>
Total fund balances	<u>(2,337,698)</u>	<u>(210,854)</u>	<u>677,646</u>	<u>(1,870,906)</u>
Total liabilities and fund balances	<u>\$ 2,364,818</u>	<u>\$ 255,943</u>	<u>\$ 796,993</u>	<u>\$ 3,417,754</u>

HANCOCK COUNTY, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2023

EXHIBIT 4

Fund balance - total governmental funds	\$ (1,870,906)
---	----------------

Amounts reported for governmental activities in the statement of net position
are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	15,376,453
--	------------

Some liabilities, including net pension liability, are not due and payable in the current
period and, therefore are not reported in the funds:

Net pension liability	(2,011,118)
Net deferred (inflows) outflows - pension	544,346
Long-term debt	(2,210,734)
Lease liability	(169,457)
Compensated absences	(122,986)

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds	<u>434,984</u>
--	----------------

Net position of governmental activities	<u><u>\$ 9,970,582</u></u>
---	----------------------------

HANCOCK COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

EXHIBIT 5

	General	TSPLOST	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 8,301,838	\$ 1,543,803	\$ 718,312	\$ 10,563,953
Fines and forfeitures	276,881	-	10,405	287,286
Intergovernmental revenues	340,712	-	1,439,044	1,779,756
Charges for services	886,725	-	131,572	1,018,297
Interest	-	-	399	399
Licenses and permits	123,025	-	-	123,025
Other revenues	190,723	-	-	190,723
Total revenues	<u>10,119,904</u>	<u>1,543,803</u>	<u>2,299,732</u>	<u>13,963,439</u>
EXPENDITURES				
Current:				
General government	5,068,268	-	-	5,068,268
Public safety	2,526,501	-	614,627	3,141,128
Judicial	767,789	-	3,056	770,845
Public works	2,756,345	1,452,048	1,034,593	5,242,986
Housing and development	133,751	-	-	133,751
Health and welfare	1,147,606	-	-	1,147,606
Culture and recreation	464,572	-	-	464,572
Capital outlays	-	296,964	831,435	1,128,399
Debt Service:				
Principal payments	149,480	88,336	128,000	365,816
Interest payments	57,433	2,173	27,356	86,962
Total expenditures	<u>13,071,745</u>	<u>1,839,521</u>	<u>2,639,067</u>	<u>17,550,333</u>
EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES				
	<u>(2,951,841)</u>	<u>(295,718)</u>	<u>(339,335)</u>	<u>(3,586,894)</u>
OTHER FINANCING SOURCES (USES)				
Debt issuance proceeds	1,173,795	85,119	-	1,258,914
Proceeds from insurance recoveries	22,704	-	-	22,704
Transfers in	108,000	-	1,066,143	1,174,143
Transfers out	(1,158,458)	(138,000)	(155,738)	(1,452,196)
Total other financing source (use)	<u>146,041</u>	<u>(52,881)</u>	<u>910,405</u>	<u>1,003,565</u>
NET CHANGES IN FUND BALANCES	<u>(2,805,800)</u>	<u>(348,599)</u>	<u>571,070</u>	<u>(2,583,329)</u>
FUND BALANCES, BEGINNING	<u>468,102</u>	<u>137,745</u>	<u>106,576</u>	<u>712,423</u>
FUND BALANCES, ENDING	<u>\$ (2,337,698)</u>	<u>\$ (210,854)</u>	<u>\$ 677,646</u>	<u>\$ (1,870,906)</u>

The Accompanying Notes to the Financial Statements are an integral part of this statement

HANCOCK COUNTY, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES DECEMBER 31, 2023

EXHIBIT 6

Net change in fund balances - total governmental funds			\$(2,583,329)
Amounts reported for governmental activities in the Statement of Activities are different because:			
Capital outlays, reported as expenditures in governmental funds, are shown as capital assets in the Statement of Net Position.		2,315,487	
Depreciation expenses on governmental capital assets are included in the governmental activities column in the Statement of Net Position but are not shown in the governmental funds.		(950,838)	
Some expenses reported in the statement of activities do not require the use of current financial resources			
Compensated absences		45,280	
Pension expenditures represent contributions to the pension plan made during the fiscal year and are reported in the funds. Pension expense represents the change in the net pension liability and any amortization of differences in projects and actual earnings, changes in assumptions, and changes in benefits or differences between expected and actual experience. The statement of activities reports pension expense. These figures differ by:			
Current year contributions	520,353		
Pension (expense) benefit	(518,199)		
		2,154	
Repayment of long-term debt is reported as an expenditure in the governmental funds, but as a reduction of long-term liabilities in the Statement of Net Position		365,816	
Proceeds of long-term debt is reported as an other financing source in the governmental funds, but as an increase of long-term liabilities in the Statement of Net Position.		(1,258,914)	
Revenues in the statement of activities that do not provide financial resources are not reported as revenues in the funds. The amount of deferred revenues recognized as revenue in the statement of activities is as follows:			
Ambulance Fees	89,934		
Property taxes	(476,806)		
		(386,872)	
Change in net position of governmental activities			<u><u>\$(2,451,216)</u></u>

HANCOCK COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2023

EXHIBIT 7

	Water and Sewer Fund
ASSETS	
CURRENT ASSETS:	
Cash	\$ 69,126
Accounts receivable, net allowance of \$85,004	17,223
Total current assets	86,349
NONCURRENT ASSETS:	
Capital assets:	
Land	20,413
Equipment	299,162
Distribution Center	6,271,837
	6,591,412
Less accumulated depreciation	(5,800,358)
Total capital assets	791,054
Total assets	877,403
 LIABILITIES	
CURRENT LIABILITIES:	
Accounts payable	463
Current portion of notes payable	25,868
Compensated absences	4,183
Other accrued liabilities	3,828
Total current liabilities	34,342
NONCURRENT LIABILITIES:	
Notes payable, net of current portion	307,221
Total liabilities	341,563
 NET POSITION	
NET INVESTMENT IN CAPITAL ASSETS	457,965
UNRESTRICTED	77,875
Total net position	\$ 535,840

The Accompanying Notes to the Financial Statements are an integral part of this statement

HANCOCK COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

EXHIBIT 8

	Water and Sewer Fund
OPERATING REVENUE:	
Charges for services	\$ 253,864
Total operating revenue	<u>253,864</u>
OPERATING EXPENSES:	
Administrative fees and other	17,373
Payroll and related benefits	212,759
Repairs and maintenance	15,607
Supplies	31,672
Travel, meals, and entertainment	2,191
Utilities	202,382
Bad debt	(2,595)
Depreciation	270,335
Total operating expenses	<u>749,724</u>
OPERATING LOSS	(495,860)
NON-OPERATING REVENUE (EXPENSES):	
Interest expense	(13,445)
Interest income	95
Total non-operating revenues	<u>(13,350)</u>
OTHER FINANCING SOURCES (USES):	
Transfers in	<u>278,053</u>
Change in net position	(231,157)
NET POSITION, BEGINNING	<u>766,997</u>
NET POSITION, ENDING	<u><u>\$ 535,840</u></u>

The Accompanying Notes to the Financial Statements are an integral part of this statement

HANCOCK COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

EXHIBIT 9

	<u>Water and Sewer Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	\$ 248,219
Cash paid to suppliers for goods and services	(269,568)
Cash paid to employees	<u>(212,356)</u>
Net cash used in operating activities	<u>(233,705)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest income	<u>95</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Principal paid on capital debt	(25,288)
Interest paid on capital debt	(13,445)
Purchase of new equipment	<u>(1,417)</u>
Net cash used in capital and related financing activities	<u>(40,150)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Transfer from other funds	<u>278,053</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,293
CASH BALANCE, BEGINNING OF YEAR	<u>64,833</u>
CASH BALANCE, END OF YEAR	<u><u>\$ 69,126</u></u>
RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Net operating loss	\$ (495,860)
Adjustments to reconcile net operating loss to net cash used in operating activities	
Depreciation expense	270,335
Changes in assets and liabilities:	
Accounts receivable	(8,240)
Accounts payable	(343)
Compensated absences	203
Other accrued liabilities	<u>200</u>
Net cash used in operating activities	<u><u>\$ (233,705)</u></u>

The Accompanying Notes to the Financial Statements are an integral part of this statement

HANCOCK COUNTY, GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2023

EXHIBIT 10

	Custodial Funds
	<u> </u>
ASSETS	
Cash	<u>\$ 969,462</u>
Total assets	<u>969,462</u>
LIABILITIES	
Due to others	<u>482,070</u>
Total liabilities	<u>482,070</u>
NET POSITION	
Restricted for individuals, organizations, and other governments	<u><u>\$ 487,392</u></u>

The Accompanying Notes to the Financial Statements are an integral part of this statement

HANCOCK COUNTY, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

EXHIBIT 11

	Custodial Funds
ADDITIONS	
Taxes collected	\$ 14,477,153
Fines and fee collected	515,087
Interest income	3,521
Total additions	<u>14,995,761</u>
DEDUCTIONS	
Taxes disbursed	14,501,202
Fines and fees disbursed	524,130
Total deductions	<u>15,025,332</u>
NET INCREASE IN FIDUCIARY NET POSITION	(29,571)
Net position - beginning	516,963
Net position - ending	<u>\$ 487,392</u>

The Accompanying Notes to the Financial Statements are an integral part of this statement

HANCOCK COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The financial statements of Hancock County (the "County") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to government units. As required by GAAP, these financial statements present the County and its component units, entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the County's operations and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize they are legally separate from the County.

Included as blended component units because they are, in substance, part of the County's operation:

Sparta-Hancock Public Facilities Authority – The Sparta-Hancock Public Facilities Authority's (the Public Facilities Authority) purpose is to promote the public good and general welfare of the citizens of Hancock County and of the State of Georgia and finance and provide facilities, equipment, and services within the County, for sale to, lease or sublease to, or operation by any public body or any private person. In 2018, the Public Facilities Authority issued bonds in the amount of \$1,257,000, the proceeds of which were used to pay in full the outstanding balance of the County's Certificates of Participation, Series 1999. As part of the issuance, the County entered into an intergovernmental agreement with the Authority, whereby the County will make annual principal and semiannual interest payments sufficient to meet debt service requirements through 2028. The County's commitment to making the payments meets the criteria for inclusion as financial burden. Accordingly, the financial statements of the Public Facilities Authority have been included as a blended component unit in these financial statements.

Included as discretely presented component units in separate columns in the government-wide financial statements to emphasize that each is legally separate from the County:

Hancock County Health Department – The Hancock County Health Department (the Department) provides various health services for citizens in Hancock County. The County Commission's Chairperson holds a permanent seat on the board of directors. The County appoints three of the six remaining seats and funds a portion of the Department's budget. Another auditor, whose report was unmodified, audited the Health Department's financial statements which have a fiscal year end of June 30, 2023. Complete financial statements may be obtained at 451A Boland Street, Sparta, Georgia 31087.

Hancock County Development Authority – The Hancock County Development Authority is charged with promoting and expanding industry and trade within Hancock County. The County appoints the seven board members of the Authority and funds a significant portion of the Authority's budget. The Authority has a December 31 fiscal year. Separate statements are not prepared for the Hancock County Development Authority.

Excluded from the reporting entity:

Because they are operated as agencies controlled and/or funded by other government agencies, the Hancock County Board of Education and the Hancock County Hospital Authority are not included in the County's reporting entity.

HANCOCK COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Government-wide and Fund 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. The primary government and the component units are presented separately within these financial statements with the focus on the primary government. Fiduciary activities are not included at the government-wide reporting level. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the County is reported separately from certain legally separate component units for which the County is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The County has elected not to allocate indirect costs among the programs, functions and segments. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, including accrued interest on general long-term debt, is recognized when due, and certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Those revenues susceptible to accrual are property taxes, interest, and charges for services. Other receipts and taxes become measurable and available when cash is received by the County and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The County reports the following major governmental funds:

The General Fund is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The TSPLOST Fund accounts for capital outlay and other transportation improvements related to the additional one-percent local option sales tax.

HANCOCK COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Measurement Focus, Basis of Accounting and Basis of Presentation, continued

The County reports the following major proprietary fund:

The Water and Sewer Fund is used to account for the provision of water and sewer services to businesses and residents of the County. All activities necessary to provide such services are accounted for in the fund, including, but not limited to, administration, operation, financing and related debt services, and billing and collections.

Additionally, the County reports the following fund type:

Fiduciary funds - The County's fiduciary funds are custodial funds. Constitutional officers use these funds to temporarily hold assets.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Assets, Liabilities and Net Position or Fund Balance

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

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 government or governmental agency
- Obligations of any corporation of the 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

Any investment or deposit in excess of the Federal Deposit Insurance Corporation (FDIC) insured amount must be secured by 110% of an equivalent amount of State or U.S. obligations.

2. Inventory - Inventory is valued at cost, which approximates market, using the first-in/first-out method. The cost of governmental fund-type inventory is recorded as an expenditure when consumed rather than when purchased.

Materials purchased in the proprietary fund are expensed as purchased and are not inventoried at year end due to lack of materiality.

HANCOCK COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

3. Prepaid Items - Prepaid balances, if any, are for payments made by the County in the current year to provide services occurring in the subsequent fiscal year, and a reserve for prepaid items is recognized to signify that a portion of fund balance is not available for other subsequent expenditures.
4. Capital Assets and Depreciation - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an estimated useful life in excess of two years and an original cost of \$1,000 or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. General infrastructure assets acquired prior to January 1, 2004 are not reported in the basic financial statements.

The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend assets lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows

Assets	Years
Buildings	20-40
Depreciable land improvements	8-20
Equipment	5-25
Infrastructure	20-50

5. Compensated Absences - It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Full time employees of the Hancock County Health Department (the "Department") earn 10, 12, or 14 hours of annual leave time per month depending on length of service. The maximum accumulation is 360 hours for any one employee. In accordance with the provisions of Financial Accounting Standards No. 43, "Accounting for Compensated Absences", no liability is recorded for nonvesting accumulated rights to receive sick pay benefits.

6. Long-Term Obligations - In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as an outflow of resources in the reporting period in which they occurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

HANCOCK COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

7. Deferred Outflows/Inflows of Resources - 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 until then.

In addition to liabilities, the statement of financial position and the balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

8. Equity Classifications - Fund equity at the governmental fund financial reporting level is classified as "fund balance". Fund equity for all other reporting is classified as "net position".

Fund Balance

Generally, fund balance represents the difference between the assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance 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:

Nonspendable – Fund balances are reported as nonspendable 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 Commissioners through the adoption of a resolution. Only the County Commissioners may modify or rescind the 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. Through resolution, the County Commissioners have authorized the County Clerk to assign fund balances.

Unassigned – Fund balances are reported as unassigned 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 balances may be reported in all funds.

The County uses restricted amounts to be spent first when both restricted and unrestricted fund balances are available, unless there are legal documents/contracts that prohibit the use of restricted fund balances, such as grant agreements that require a dollar match. Additionally, the County would then use committed, assigned and lastly unassigned amounts from the unrestricted fund balance when expending funds.

The County does not have a formal minimum fund balance policy; however, the County Commissioners address various target reserve positions which are reviewed periodically.

HANCOCK COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Net Position

Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets”.

9. Leases - The County is a lessee for a noncancellable lease for public works equipment. The County recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of the lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise.

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term obligations in the statement of net position.

10. Interfund Transactions - Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly chargeable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

11. Subscription-Based IT Arrangements – In fiscal year 2023, the County implemented GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs). This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments) and established that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability. The County's contracts and agreements were reviewed and evaluated for eligibility of this standard. It was concluded that this statement has no material impact on the net position of the County and thus lease liabilities and right-to-use subscription assets are not presented in the County's financial statements. County subscriptions and contracts will be reviewed annually for GASB 96 eligibility.

HANCOCK COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Basis

GAAP is the budgetary basis used in the preparation of these statements.

Budget Requirements, Accounting and Reporting

The County follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to year-end the County Administrator submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. The Board of Commissioners holds a public hearing on the budget, giving notice thereof at least ten days in advance by publication in the official organ of Hancock County.
3. The budget is then revised and adopted or amended by the Board of Commissioners at a regular meeting early in the year to which it applies.
4. The budget so adopted may be revised during the year only by formal action of the Board of Commissioners in a regular meeting and no increase shall be made therein without provision also being made for financing same.
5. The legal level of budgetary control is the department level within the General Fund. Increases in the total appropriations of a department, whether accomplished through an increase in estimated revenues or through a transfer of appropriations among departments, require the approval of the Board of Commissioners.
6. Formal budgetary integration is employed as a management control device during the year for the General Fund. The budgets for the General Fund and Special Revenue Funds are adopted on a basis consistent with GAAP.
7. Budgeted amounts are as originally adopted, or as amended by the Board of Commissioners. Individual amendments were not material in relation to the original appropriations which were amended.

Excesses of Expenditures over Appropriations in Individual Funds

The General Fund, PFA, E911, SPLOST, TSPLOST, CDBG – Health Department, CDBG – Rec Department, and LMIG had expenditures in excess of budgeted appropriations for the year ended December 31, 2023.

NOTE 3. DEPOSITS AND INVESTMENTS

Deposits – Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County limits its exposure to custodial credit risk by requiring deposits to be collateralized in accordance with State law. Neither the County nor its component units, have a deposit policy for custodial credit risk. As of December 31, 2023, Superior Court had \$170,733 uninsured cash.

Investments – The County had no investments at December 31, 2023. As of December 31, 2023, the County did not have a formal investment policy.

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 increased interest rates.

Credit Risk – Statutes authorize the County to invest in obligations of the State of Georgia, other states, or the United States Government; obligations fully insured or guaranteed by the United States Government or an agency or corporation of the United States Government; and/or repurchase agreements and certificates of deposit which are secured by direct obligations of Georgia or the investments in US Agencies (Federal Home Loan Bank) are rated AAA by Standard and Poor's and AAA by Moody's Investors Service.

HANCOCK COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3. DEPOSITS AND INVESTMENTS, continued

Fair Value Measurements

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County had no policy on custodial credit risk. As of December 31, 2023, the County had no investments.

Concentration of Credit Risk – The County places no limit on the amount that the County may invest in any one issuer.

NOTE 4. PROPERTY TAXES

The value of all real and business personal property located in the County is assessed (appraised) as of each January 1. Taxable assessed value represents the appraisal value less applicable exemptions authorized by the County Commissioners. Appraised values are established by the Hancock County Tax Assessors at 40% of estimated fair market value. Property taxes are usually levied on or around July 15 of each year. Real and personal property taxes are usually due by November 15 and considered delinquent by November 16. Property taxes are attached as an enforceable lien on the day the taxes become delinquent. The total real and personal property tax levy is recorded as revenue in the fiscal year in which such amounts will be available (collected within 60 days of year-end) as net current assets.

Property taxes receivable at December 31, 2023, is comprised of the following:

Year of Levy:	
2023	\$ 1,519,910
2022	171,558
2021	73,457
2020	33,142
2019	34,241
Prior to 2019	147,668
Total	1,979,976
Less - allowance for uncollectible	612,057
Net receivable	<u>\$ 1,367,919</u>

The County has implemented Governmental Accounting Standards Board (GASB) Statement No. 77, Tax Abatement Disclosures. This statement requires the County to disclose information for any tax abatement agreements either entered into by the County, or agreements entered into by other governments that reduce the County's tax revenues.

For the year ended December 31, 2023, the County had no property tax abatements.

HANCOCK COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5. RECEIVABLES

Primary Government

Receivables at December 31, 2023 for the County's individual major funds and non-major funds, including applicable allowances for uncollectible accounts, are as follows:

At December 31, 2023, receivables consisted of the following:

	General	TSPLOST Discretionary	Other Governmental Funds	Total
Receivables:				
Taxes	\$ 1,979,976	\$ -	\$ -	\$ 1,979,976
Accounts	273,395	-	10,924	284,319
Intergovernmental	<u>35,071</u>	<u>255,247</u>	<u>99,256</u>	<u>389,574</u>
Gross receivables	2,288,442	255,247	110,180	2,653,869
Less: allowance for Uncollectibles	<u>612,057</u>	<u>-</u>	<u>-</u>	<u>612,057</u>
Net total receivables	<u>\$ 1,676,385</u>	<u>\$ 255,247</u>	<u>\$ 110,180</u>	<u>\$ 2,041,812</u>

Business - Type Activities:	Water Fund
Receivables -	
Other	<u>\$ 102,227</u>
Gross receivables	102,227
Less: allowance for Uncollectibles	<u>(85,004)</u>
Net total receivables	<u>\$ 17,223</u>

Receivables from the Sparta-Hancock County Development Authority and Hancock County Health Department as of December 31, 2023, are as follows:

	Sparta-Hancock County Development Authority	Sparta-Hancock Health Department	Total
Receivables:			
Accounts	\$ -	\$ 20,175	\$ 20,175
Other	<u>-</u>	<u>-</u>	<u>-</u>
Gross receivables	-	20,175	20,175
Less - allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>
Net total receivables	<u>\$ -</u>	<u>\$ 20,175</u>	<u>\$ 20,175</u>

HANCOCK COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 6. CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended December 31, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental activities</u>				
Capital assets not being depreciated -				
Land	\$ 936,580	\$ 5,652	\$ -	\$ 942,232
Construction in progress	62,154	1,024,879	-	1,087,033
Total capital assets not being depreciated	<u>998,734</u>	<u>1,030,531</u>	<u>-</u>	<u>2,029,265</u>
Other capital assets:				
Infrastructure	1,917,889	191,145	-	2,109,034
Buildings and other improvements	15,972,008	43,648	-	16,015,656
Right-to-use leased equipment	220,512	-	-	220,512
Equipment	<u>9,577,777</u>	<u>1,050,163</u>	<u>-</u>	<u>10,627,940</u>
Total other capital assets	<u>27,688,186</u>	<u>1,284,956</u>	<u>-</u>	<u>28,973,142</u>
Less accumulated depreciation for:				
Infrastructure	957,357	68,285	-	1,025,642
Buildings and other improvements	5,426,561	456,761	-	5,883,322
Right-to-use leased equipment	74,309	22,051	-	96,360
Equipment	<u>8,216,889</u>	<u>403,741</u>	<u>-</u>	<u>8,620,630</u>
Total accumulated depreciation	<u>14,675,116</u>	<u>950,838</u>	<u>-</u>	<u>15,625,954</u>
Other capital assets, net	<u>13,013,070</u>	<u>334,118</u>	<u>-</u>	<u>13,347,188</u>
Governmental activities capital assets, net	<u>\$ 14,011,804</u>	<u>\$1,364,649</u>	<u>\$ -</u>	<u>\$ 15,376,453</u>

Depreciation was charged to functions as follows:

Governmental activities:	
General government	\$ 308,640
Judicial	29,923
Public safety	310,913
Public works	238,828
Health and Welfare	29,218
Housing and Developmet	19,955
Culture and recreation	<u>13,361</u>
Total governmental activities depreciation expense	<u>\$ 950,838</u>
Business-type activities:	
Water and sewer	<u>\$ 270,335</u>

The Accompanying Notes to the Financial Statements are an integral part of this statement

HANCOCK COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 6. CAPITAL ASSETS AND DEPRECIATION, continued

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Business-type activities</u>				
Capital assets not being depreciated:				
Land	\$ 20,413	\$ -	\$ -	\$ 20,413
Total capital assets not being depreciated	<u>20,413</u>	<u>-</u>	<u>-</u>	<u>20,413</u>
Other capital assets:				
Equipment	297,745	1,417	-	299,162
Infrastructure	<u>6,271,837</u>	<u>-</u>	<u>-</u>	<u>6,271,837</u>
Total other capital assets	<u>6,569,582</u>	<u>1,417</u>	<u>-</u>	<u>6,570,999</u>
Less accumulated depreciation for:				
Equipment	297,650	189	-	297,839
Infrastructure	<u>5,232,373</u>	<u>270,146</u>	<u>-</u>	<u>5,502,519</u>
Total accumulated depreciation	<u>5,530,023</u>	<u>270,335</u>	<u>-</u>	<u>5,800,358</u>
Other capital assets, net	<u>1,039,559</u>	<u>(268,918)</u>	<u>-</u>	<u>770,641</u>
Business-type activities capital assets, net	<u>\$ 1,059,972</u>	<u>\$ (268,918)</u>	<u>\$ -</u>	<u>\$ 791,054</u>

NOTE 7. CHANGES IN GENERAL CAPITAL ASSETS – DISCRETELY PRESENTED COMPONENT UNIT

Capital asset activity for the Hancock County Health Department for the year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Hancock County Health Department</u>				
Other capital assets -				
Equipment	\$ 54,248	\$ 37,038	\$ -	\$ 91,286
Less accumulated depreciation	<u>51,989</u>	<u>5,613</u>	<u>-</u>	<u>57,602</u>
Capital assets, net	<u>\$ 2,259</u>	<u>\$ 31,425</u>	<u>\$ -</u>	<u>\$ 33,684</u>

HANCOCK COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 7. CHANGES IN GENERAL CAPITAL ASSETS – DISCRETELY PRESENTED COMPONENT UNIT, continued

Capital asset activity for the Hancock County Development Authority for the year ended December 31, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Hancock County Development Authority</u>				
Other capital assets -				
Building and land improvements	\$ 3,990,876	\$ -	\$ -	\$ 3,990,876
Equipment	979,329	-	-	979,329
Total other capital assets	4,970,205	-	-	4,970,205
Less Accumulated depreciation for:				
Building and land improvements	2,952,798	150,616	-	3,103,414
Equipment	979,329	-	-	979,329
Total accumulated depreciation	3,932,127	150,616	-	4,082,743
Capital assets, net	\$ 1,038,078	\$ 150,616	\$ -	\$ 887,462

NOTE 8. INTERFUND TRANSACTIONS AND BALANCES

Balances due to / from other funds at December 31, 2023, consist of the following -

	Due From CDBG Health Department	Due From E911	Due To General Fund	Due From General Fund	Due To SPLOST
Major Funds:					
General Fund	\$ 24,834	\$ 13,658	\$ -	\$ -	\$ 426,948
Nonmajor Funds:					
CDBG - Health Department	-	-	24,834	-	-
E911	-	-	13,658	-	-
SPLOST	-	-	-	426,948	-
	\$ 24,834	\$ 13,658	\$ 38,492	\$ 426,948	\$ 426,948

Generally, outstanding balances between funds reported as due to/due from other funds include outstanding charges by one fund to another for services or goods, subsidy commitments outstanding, and other miscellaneous receivables and payables between funds. Balances to which a fiduciary fund is a party are treated as external receivables and payables.

The General Fund owed the SPLOST fund \$426,948 at December 31, 2023. This constitutes a violation of state law. This balance due will be repaid in 2024.

Transfers and payments within the reporting entity are substantially for the purposes of subsidizing operating functions, funding capital projects and asset acquisitions, or maintaining debt service. Resources are accumulated in a fund or component unit to support and simplify the administration of various projects or programs.

HANCOCK COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8. INTERFUND TRANSACTIONS AND BALANCES, continued

A reconciliation of transfers in and transfers out is as follows:

	Transfer To:	Transfer From:		
		TSPLOST	SPLOST	
	General Fund	Fund	Fund	Total
General Fund	\$ -	\$ 108,000	\$ -	\$ 108,000
E911 Fund	480,405	-	-	480,405
LMIG Fund	400,000	30,000	-	430,000
Public Facilities	-	-	155,738	155,738
Water Fund	278,053	-	-	278,053
Total	<u>\$ 1,158,458</u>	<u>\$ 138,000</u>	<u>\$ 155,738</u>	<u>\$ 1,452,196</u>

NOTE 9. SHORT TERM NOTES PAYABLE

The County uses warrants payable to provide operating funds on a short-term basis throughout the year. Short-term notes payable activity for the year ended December 31, 2023 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental Activities	<u>\$ -</u>	<u>\$ 5,675,000</u>	<u>\$ 3,118,690</u>	<u>\$ 2,556,310</u>

Property tax bills were not mailed on time which resulted in collections during 2023 not being sufficient to repay outstanding warrants at December 31 as required by state law.

In addition, the Sparta-Hancock County Development Authority has a short-term note payable with the Bank of Hancock County with an interest rate of 4.0% for the purpose of acquiring real estate for community development. The note is secured by real estate and has an outstanding balance of \$50,000 at December 31, 2023. Short-term notes payable activity for the year ended December 31, 2023 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Sparta - Hancock Development Authority	<u>\$ 60,000</u>	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 50,000</u>

HANCOCK COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 10. LONG-TERM OBLIGATIONS

At December 31, 2023, long-term obligations consisted of the following:

	Governmental Activities	Water and Sewer Fund Debt
Bonds Payable:		
Series 2018 bonds in the original amount of \$1,257,000; issued to pay off the balance of the Series 1999 Certificates of Participation which were used for the construction of Hancock County Jail Facility, Fire and Rescue Buildings, and development of Devereaux Water and Sewer System; due in annual installments ranging from \$83,375 to \$158,477; interest rate at 3.58%	\$ 714,000	\$ -
Truist bond payable in the original amount of \$1,000,000; issued to help start the EMS service that Hancock started in the year 2023; due in annual installments of \$229,188 through April 2028; interest rate at 4.65%	966,040	-
Notes Payable:		
\$336,400 to USDA Rural Development for building and equipment purchase; due in annual installments of \$17,315 through April 2054; interest at 4.125%	297,674	-
\$375,250 USDA note payable; interest at 4.5%; due in monthly principle and interest payments of \$1,689 to June 2044	-	271,334
\$119,795 GEFA note payable; interest at 3.0%; due in monthly principle and interest payments of \$690 to June 2027	-	31,171
\$198,800 GEFA note payable; interest at 0%; due in quarterly principle and interest payments of \$2,549 to April 2026	-	30,584
Financed Purchases from Direct Borrowings:		
\$130,600 to Caterpillar Financial for 2 pieces of equipment; interest at 3.2%; due in 3 annual installments of \$46,374 to July 2024	44,776	-
\$106,496 to Truist for 3 Sheriff vehicles; interest at 2.7%; due in 3 annual installments of \$37,404 to March 2024	36,435	-
\$173,795 to Ford Motor Company for 3 Sheriff vehicles; interest at 7.99%; due in 3 annual installments of \$62,437 to June 2025	111,358	-
\$85,119 to GM Financial for 1 vehicle; interest at 10.43%; due in 2 annual installments of \$44,669 to September 2024	40,450	-
	<u>\$ 2,210,733</u>	<u>\$ 333,089</u>

The Accompanying Notes to the Financial Statements are an integral part of this statement

HANCOCK COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 10 LONG-TERM OBLIGATIONS, continued

Annual Requirements to Retire Debt Obligations:

The annual maturities for the years subsequent to December 31, 2023 are as follows:

Governmental-Type Activities:

Year Ending December 31	Series 2018 Bonds		Notes Payables		EMA Bond	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 133,000	\$ 23,180	\$ 4,947	\$ 12,368	\$ 206,354	\$ 22,835
2025	138,000	18,330	5,151	12,164	193,373	35,816
2026	142,000	13,318	5,364	11,951	202,490	26,699
2027	148,000	8,127	5,585	11,730	212,036	17,153
2028	153,000	2,739	5,815	11,500	151,787	7,176
2029 - 2033	-	-	32,880	53,695	-	-
2034 - 2038	-	-	40,244	46,331	-	-
2039 - 2043	-	-	49,258	37,317	-	-
2044 - 2048	-	-	60,291	26,284	-	-
2049 - 2054	-	-	88,139	13,460	-	-
	\$ 714,000	\$ 65,694	\$ 297,674	\$ 236,800	\$ 966,040	\$ 109,679

Business-Type Activities:

Year Ending December 31	Notes Payables	
	Principal	Interest
2024	\$ 25,868	\$ 12,874
2025	26,473	12,269
2026	27,100	11,641
2027	17,560	10,987
2028	9,846	10,422
2029 - 2033	56,448	34,923
2034 - 2038	70,660	30,680
2039 - 2043	99,134	13,035
	\$ 333,089	\$ 136,831

Financed Purchases from Direct Borrowings

In July 2022, the County entered into a financed purchase agreement with Caterpillar Financial in the amount of \$130,600 to finance the purchase of public works equipment. The original cost of the County's assets under the purchase arrangements at December 31, 2023 is \$130,600 and there has been \$65,407 of accumulated depreciation as of year-end. Annual principal and interest payments are required until maturity on July 8, 2024 at an interest rate of 3.2%. Future minimum lease payments are as follows:

Year	Principal	Interest	Total
2024	\$ 44,776	\$ 1,598	\$ 46,374

HANCOCK COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 10. LONG-TERM OBLIGATIONS, continued

In March 2022, the County entered into a financed purchase agreement with Truist Bank in the amount of \$106,496 to finance the purchase of three Sheriff's vehicles. The original cost of the County's assets under the purchase arrangements at December 31, 2023 is \$135,858 and there has been \$53,271 of accumulated depreciation as of year-end. Annual principal and interest payments are required until maturity on March 8, 2024 at an interest rate of 2.7%. Future minimum lease payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 36,435	\$ 969	\$ 37,404

In June 2023, the County entered into a financed purchase agreement with Ford Motor Company in the amount of \$173,795 to finance the purchase of three Sheriff's vehicles. The original cost of the County's assets under the purchase arrangements at December 31, 2023 is \$173,795 and there has been \$12,414 of accumulated depreciation as of year-end. Annual principal and interest payments are required until maturity on June 30, 2025 at an interest rate of 7.99%. Future minimum lease payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 53,540	\$ 8,897	\$ 62,437
2025	57,818	4,619	62,437
	<u>\$ 111,358</u>	<u>\$ 13,516</u>	<u>\$ 124,874</u>

In September 2023, the County entered into a financed purchase agreement with GM Financial in the amount of \$85,119 to finance the purchase of 1 vehicle. The original cost of the County's assets under the purchase arrangements at December 31, 2023 is \$85,119 and there has been \$4,053 of accumulated depreciation as of year-end. Annual principal and interest payments are required until maturity on September 30, 2024 at an interest rate of 10.43%. Future minimum lease payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 40,450	\$ 4,219	\$ 44,669

Leases

In August 2019, the County entered into an 84 month lease as lessee for the use of public works equipment. An initial lease was recorded in the amount of \$220,512. At December 31, 2023, the value of the lease liability was \$182,299. The County is required to make monthly payments of \$1,631. The lease has a purchase option of \$134,351 which the County plans to exercise. The lease has an interest rate of 3.8%. The value of the right-to-use asset as of December 31, 2023 was \$220,512 with accumulated amortization of \$96,361. The future principal and interest lease payments as of December 31, 2023 were as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 13,341	\$ 6,233	\$ 19,574
2025	13,859	5,715	19,574
2026	142,257	3,513	145,770
	<u>\$ 169,457</u>	<u>\$ 15,461</u>	<u>\$ 184,918</u>

HANCOCK COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 10. LONG-TERM OBLIGATIONS, continued

Long-term obligations activity for the year ended December 31, 2023 were as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year	Amounts Due Within More Than One Year
<u>Long-term liabilities:</u>						
<u>Governmental Activities</u>						
Financed purchases from direct borrowings	\$ 160,368	\$ 258,914	\$ 186,263	\$ 233,019	\$ 121,809	\$ 111,210
EMA Equipment Bond	-	1,000,000	33,960	966,040	206,354	759,686
Notes Payable	302,425	-	4,751	297,674	4,947	292,727
Series 2018 Bonds	842,000	-	128,000	714,000	133,000	581,000
Leases	182,299	-	12,842	169,457	13,341	156,116
Compensated absences payable	168,267	-	45,280	122,987	61,494	61,493
Total Governmental Activities	<u>\$ 1,655,359</u>	<u>\$ 1,258,914</u>	<u>\$ 411,096</u>	<u>\$ 2,503,177</u>	<u>\$ 540,945</u>	<u>\$ 1,962,232</u>
<u>Business-Type Activities</u>						
Notes Payable	\$ 358,377	\$ -	\$ 25,288	\$ 333,089	\$ 25,868	\$ 307,221
Compensated absences	4,386	-	203	4,183	4,183	-
Total business-type activities	<u>\$ 362,763</u>	<u>\$ -</u>	<u>\$ 25,491</u>	<u>\$ 337,272</u>	<u>\$ 4,183</u>	<u>\$ 307,221</u>
<u>Discretely presented component unit:</u>						
Health Department						
Net Pension Liability	\$ 220,138	\$ 369,036	\$ -	\$ 589,174	\$ -	\$ 589,174
Net OPEB Liability	(51,003)	35,198	-	(15,805)	-	(15,805)
Compensated absences payable	45,671	17,511	37,697	25,485	-	25,485
Total long-term liabilities	<u>\$ 214,806</u>	<u>\$ 421,745</u>	<u>\$ 37,697</u>	<u>\$ 598,854</u>	<u>\$ -</u>	<u>\$ 25,485</u>

Long-term obligations and compensated absences are general liquidated by the General Fund and are therefore included in the above schedule.

Bonds payable include the Series 2018 Bonds in the original amount of \$1,257,000 which were issued to pay off the Series 1999 Certificates of Participation. The Sparta-Hancock Public Facilities Authority's source of revenues to pay for the principal and interest of the bonds is an intergovernmental agreement between the Public Facilities Authority and the County, whereby the County will make annual principal and semiannual interest payments sufficient to meet debt service requirements.

NOTE 11. FUND DEFICITS

As of December 31, 2023, the General Fund, Public Facilities Fund, and TSPLOST had a deficit balance of \$1,910,750, \$2,130, and \$210,854, respectively.

HANCOCK COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 12. CONTINGENT LIABILITIES

Amounts expended or payable from federal grantor agencies are subject to audit and adjustment. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

Various claims and lawsuits are pending against the County. In the opinion of County management, after consultation with legal counsel, the potential loss on all claims and lawsuits will not materially affect the County's financial position.

NOTE 13. RETIREMENT BENEFITS

The following pension and retirement plans are in effect but are not under the direct control of the County:

Probate Judge's Retirement Fund of Georgia

The Probate Judge is covered under a pension plan which requires that certain sums from marriage licenses and fines or bond forfeitures be remitted to the pension plan before the payment of any costs or other claims.

Clerk of Superior Court Retirement Fund

The Clerk of Superior Court is covered under a pension plan which requires that certain sums from fees and fines or bond forfeitures be remitted to the pension plan before the payment of any costs or other claims.

Sheriff's Retirement Fund/Peace Officer's Annuity and Benefit Fund

The Sheriff and sheriff deputies are covered under separate pension plans which require that certain sums from fines or bond forfeitures be remitted by the Probate Judge or Clerk of Superior Court to the pension plan before the payment of any costs or other claims.

These plans provide for certain sums from marriage license, fees, fines and forfeitures to be remitted directly to the pension plans before payment of any costs or other claims. The County does not make contributions to the plans, qualifying the plans as special funding situations under the requirements of GASB guidance. Management has determined the related impact on the financial statements to be immaterial. Further information and valuation reports and schedules can be found on their respective websites.

Deferred Compensation Plan

The County has adopted a deferred compensation plan, the Hancock County Deferred Compensation Plan, in accordance with Section 457 of the Internal Revenue Code. The plan allows any employee participant to defer gross compensation in an amount not to exceed \$19,500 per year. Any employee participant who reaches age 50 before the end of the calendar year is eligible to contribute an additional amount not to exceed \$6,500 per year. All administration costs of the plan are deducted from the participants account

Benefit payments are payable upon termination of employment, unforeseeable emergency, retirement or death. The Custodial Account Agreement requires the County to set aside assets and income from the plan in trust for 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. Investments are managed by the Plan Administrator, ACCG Retirement Services. ACCG Retirement Services provides at least 19 investment options covering a variety of asset classes ranging from aggressive growth equity mutual funds to bond mutual funds to stable value and money market funds. Employees can invest in one or all of the funds.

For the year ended December 31, 2023, employer contributed \$520,353 to the deferred compensation plan. No other contributions are made to the plan.

HANCOCK COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 13. RETIREMENT BENEFITS, continued

Defined Benefit Pension Plan

The following information is as of January 1, 2023, the most recent year end of the described benefit pension plan.

a. Plan Description

The County contributes to the Association County Commissioners of Georgia (ACCG) Defined Benefit Plan (Plan), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agency for participating counties in Georgia.

The specific benefit provisions of the County's plan were established by an adoption agreement executed by the County Board of Commissioners. The plan provides for benefits upon retirement, death, disablement, and termination of employment, if certain eligibility conditions are met.

The County's payroll for employees participating in the Plan as of January 1, 2023, the date of the latest actuarial valuation study, was \$3,542,052 (based on W-2 earnings for the preceding year). All full-time County employees are eligible to participate in the Plan after completing three years of service. Benefits are fully vested after five years of service. Participants become eligible to retire at age 65 with three years of participation in the Plan. Upon eligibility to retire, participants are entitled to an annual benefit in the amount of 1.0% of average annual compensation multiplied by years of service payable as a life annuity. Compensation is calculated as the highest average of the participant's compensation over five consecutive plan years during the ten plan years preceding retirement or termination. The Plan also provides benefits in the event of death or disability. These benefit provisions were established by an adoption agreement executed by the County Board of Commissioners.

ACCG issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by writing to GEBCorp, 400 Galleria Parkway, Suite 1250, Atlanta, Georgia 30339 or by calling (800) 736-7166.

Plan membership data related to the current plan membership at January 1, 2023, was as follows:

Retirees and beneficiaries currently receiving benefits	66
Terminated plan members entitled to but not yet receiving benefits	20
Active employees participating in the Plan	79
Total	<u>165</u>

Summary of Significant Accounting Policies

The Plan's financial statements are prepared on an accrual basis, modified to include unrealized gains or losses on marketable securities owned by the Plan.

Plan member contributions are recognized in the period in which contributions are due. County contributions are recognized when due and the County has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable.

Investments in securities are valued at current market prices. The trust fund is invested, approximately, in 70% equities and 30% fixed income securities on a cost basis. The trustees shall rebalance the portfolio at least annually for asset allocation purposes.

Plan assets do not include any loans, notes, bonds, or other instruments or securities of the County or related parties.

HANCOCK COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 13. RETIREMENT BENEFITS, continued

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.

County employees are not required to contribute to the Plan. The annual County contribution to the Plan 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 Statute 47-20. The required contribution for the 2023 plan year was \$457,360. This amount represents 12.91% of covered payroll.

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.

Actuarial Methods and Assumptions

Valuation date	January 1, 2023
Mortality rates	RP-2000 projected with Scale AA to 2023
Actuarial cost method	Entry age method
Asset valuation method	Five-year smoothed market
Investment rate of return	7.0% per annum
Projected salary increases	4.5% - 6.5% per annum
Inflation	3.00%
Cost of Living Adjustment	N/A

The actuarial assumptions used in the January 1, 2023 valuation were based on the results of a February 2019 actuarial experience study.

Changes in the Net Pension Liability

		Increase (Decrease)	
	<u>Total Pension Liability</u>	<u>Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balance at December 31, 2022	\$ 8,535,353	\$ 6,337,315	\$ 2,198,038
Changes for the year:			
Service Cost	181,187	-	181,187
Interest	582,320	-	582,320
Liability experience (gain)/loss	294,301	-	294,301
Assumption Change	(11,007)	-	(11,007)
Employer Contributions	-	520,353	(520,353)
Employee Contributions	-	-	-
Net Investment Income	-	925,951	(925,951)
Benefit Payments	(433,010)	(433,010)	-
Administrative Expense	-	(37,279)	37,279
Other Changes *	-	(175,304)	175,304
Net Changes	<u>613,791</u>	<u>800,711</u>	<u>(186,920)</u>
Balance at December 31, 2023	<u>\$ 9,149,144</u>	<u>\$ 7,138,026</u>	<u>\$ 2,011,118</u>

HANCOCK COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 13. RETIREMENT BENEFITS, continued

Equity Classifications

The discount rate used to measure the total pension liability was 7.0%. 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 County 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 of the projected benefit payments to determine the total pension liability.

Sensitivity Analysis for the Measurement Period Ended December 31, 2023

The following presents the County's net pension liability calculated using the discount rate of 7.0%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.0%) and 1-percentage point higher (8.0%) than the current rate:

	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Total Pension Liability	\$ 10,142,570	\$ 9,149,144	\$ 8,308,354
Fiduciary Net Position	<u>7,138,026</u>	<u>7,138,026</u>	<u>7,138,026</u>
Net Pension Liability	<u>\$ 3,004,544</u>	<u>\$ 2,011,118</u>	<u>\$ 1,170,328</u>

Summary of Net Deferred Outflows and Inflows of Resources

At December 31, 2023 the County reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between expected and actual earnings on pension plan investments	\$ 978,794	\$ (683,903)
Differences in expected and actual experience	263,858	(12,430)
(Gain) / Loss due to Assumption change	5,699	(7,672)
Total	<u>\$ 1,248,351</u>	<u>\$ (704,005)</u>

The net amount of the County's balances of deferred outflows and inflows that will be recognized in the County's pension expense is as follows:

	Year ending December 31,
2024	\$ 161,850
2025	206,707
2026	271,039
2027	(95,250)
	<u>\$ 544,346</u>

HANCOCK COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 13. RETIREMENT BENEFITS, continued

Pension Expense for the Measurement Period Ended December 31, 2023

Service cost	\$ 181,187
Interest on TPL	582,320
Amortization of:	
Liability experience (gain) / loss	75,974
Change in assumption	5,639
Asset (gain) / loss	(89,800)
Projected earnings on plan investments	(421,987)
Administration expense	37,279
Other change in FNP	147,587
Pension expense	<u>\$ 518,199</u>

Asset Allocation Policy

The Trustees rebalance the portfolio at least annually for asset allocation purposes. The guidelines for allocations are: equities shall not exceed 70% of total Plan assets, valued at cost. Fixed Income shall be targeted at 30% of total Plan assets, valued at cost.

The long-term expected rate of return on pension plan investments was determined through a blend of using a building blocks approach based on 20-year benchmarks (33.33%) and thirty-year benchmarks (33.33%), as well as the forward-looking capital market assumptions for a moderate asset allocation (33.33%), as determined by UBS. Expected future rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2023, are summarized as follows:

	Target Allocation	Range
Fixed Income	30%	25% - 35%
Large Cap	30%	25% - 35%
International equity	15%	10% - 20%
Other equity	20%	2.5% - 10%
Real estate	5%	2.5% - 10%
	<u>100%</u>	

HANCOCK COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 14. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, and natural disasters for which the County carries commercial insurance. The County is partially self-insured for medical claims. The County pays for such claims as they become due. There are no unpaid claims as of December 31, 2023.

The County has joined together with other governments in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Association of County Commissioners of Georgia (ACCG) Workers Compensation Self Insurance Fund, public entity risk pools currently operating as common risk management and insurance programs for member local governments. As a 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 judgement, and all expenses incurred for investigation, negotiation or defense.

There were no significant reductions in insurance coverage from the prior year, and there have been no settlements that exceed the County's insurance coverage during the past three years.

NOTE 15. JOINT VENTURE

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 and is required to pay annual dues thereto. Membership in a Regional Commission is required by the OCGA Section 50-8-34 which provides for the organizational structure of the Regional Commission in Georgia. The Regional Commission 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 a Regional Commission. Separate financial statements may be obtained from:

Central Savannah River Area Regional Commission
3023 Riverwatch Parkway, Suite A
Augusta, Georgia 30908-2016

NOTE 16. RELATED PARTY TRANSACTIONS

The County purchased various parts and supplies from two entities owned by a related party. This related party also served as a County Commissioner during the year ended December 31, 2023. Payments to these entities totaled \$17,216 during the year.

**REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule of Changes in Net Pension Liability and Related Ratios
- Schedule of County Contributions
- Budgetary Comparison Schedules
 - General Fund
 - TSPLOST Special Revenue Fund

HANCOCK COUNTY, GEORGIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS FOR THE
YEARS ENDED DECEMBER 31, **EXHIBIT 12**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
CHANGES IN TOTAL PENSION LIABILITY									
Total Pension Liability - beginning of year	\$ 8,535,353	\$ 8,079,117	\$ 7,991,666	\$ 7,645,564	\$ 7,080,637	\$ 6,460,282	\$ 6,200,518	\$ 5,620,958	\$ 5,177,596
Service cost	181,187	175,592	167,633	171,374	140,459	100,051	87,985	75,692	64,334
Interest	582,320	550,185	543,965	521,420	483,246	454,990	436,541	408,958	376,919
Assumption change	(11,007)	12,491	16,227	11,561	283,882	439,462	12,194	155,665	144,765
Benefit payments	(433,010)	(438,669)	(441,473)	(393,392)	(354,251)	(369,109)	(358,525)	(336,360)	(304,025)
Liability experience gain/loss	294,301	156,637	(198,901)	35,139	11,591	(5,039)	81,569	275,605	161,369
Total Pension Liability - end of year	<u>\$ 9,149,144</u>	<u>\$ 8,535,353</u>	<u>\$ 8,079,117</u>	<u>\$ 7,991,666</u>	<u>\$ 7,645,564</u>	<u>\$ 7,080,637</u>	<u>\$ 6,460,282</u>	<u>\$ 6,200,518</u>	<u>\$ 5,620,958</u>
CHANGES IN FIDUCIARY NET POSITION									
Fiduciary Net Position - beginning of year	\$ 6,337,315	\$ 7,440,293	\$ 6,517,238	\$ 5,711,136	\$ 4,939,090	\$ 5,409,001	\$ 4,706,640	\$ 4,427,196	\$ 4,453,855
Employer contributions	520,353	479,347	422,324	409,491	409,491	190,379	398,669	367,141	308,152
Employee contributions	-	-	-	-	-	-	-	-	-
Net investment income	925,951	(1,066,449)	1,044,576	862,325	1,005,367	(230,786)	714,415	301,275	30,690
Benefit payments	(433,010)	(438,669)	(441,473)	(393,392)	(354,251)	(369,109)	(358,525)	(336,360)	(304,025)
Administrative expense	(37,279)	(34,619)	(31,923)	(31,168)	(28,636)	(16,980)	(14,603)	(17,703)	(12,333)
Other	(175,304)	(42,588)	(70,449)	(41,154)	149,566	(43,415)	(37,595)	(34,909)	(49,143)
Fiduciary Net Position - end of year	<u>\$ 7,138,026</u>	<u>\$ 6,337,315</u>	<u>\$ 7,440,293</u>	<u>\$ 6,517,238</u>	<u>\$ 6,120,627</u>	<u>\$ 4,939,090</u>	<u>\$ 5,409,001</u>	<u>\$ 4,706,640</u>	<u>\$ 4,427,196</u>
Net Pension Liability	\$ 2,011,118	\$ 2,198,038	\$ 638,824	\$ 1,474,428	\$ 1,524,937	\$ 2,141,547	\$ 1,051,281	\$ 1,493,878	\$ 1,193,762
Plan Fiduciary Net Position as a % of Total Pension Liability	78%	74%	92%	82%	80%	70%	84%	76%	79%
Covered payroll	\$ 3,542,052	\$ 3,193,066	\$ 3,028,280	\$ 2,946,140	\$ 2,559,418	\$ 2,397,795	\$ 2,302,496	\$ 2,200,545	\$ 1,766,404
Net Pension Liability as a % of Covered Payroll	57%	69%	21%	50%	60%	89%	46%	68%	68%

This schedule will present 10 years of information once accumulated.

HANCOCK COUNTY, GEORGIA
SCHEDULE OF COUNTY CONTRIBUTIONS
FOR THE YEARS ENDED DECEMBER 31,

EXHIBIT 13

	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2023	\$ 457,360	\$ -	\$ 457,360	\$ 3,542,052	0.00%
2022	434,002	520,353	(86,351)	3,193,066	16.30%
2021	425,733	479,347	(53,614)	3,028,280	15.83%
2020	393,938	422,324	(28,386)	2,946,140	14.33%
2019	370,411	409,491	(39,080)	2,559,418	16.00%
2018	324,695	190,271	134,424	2,397,795	7.94%
2017	398,669	398,669	-	2,302,496	17.31%
2016	367,141	367,141	-	2,200,545	16.68%
2015	308,152	308,152	-	1,766,404	17.45%

Notes to the Schedule

Valuation Date	January 1, 2023
Cost Method	Entry Age Normal
Actuarial Asset Valuation Method	Smoothed market with a 5-year smoothing period
Assumed Rate of Return on investments	7.00%
Projected Salary Increases	4.50% - 6.50% per annum
Inflation	3%
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	None Remaining

This schedule will present 10 years of information once accumulated

HANCOCK COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP)
BASIS AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023

EXHIBIT 14

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Amounts	
REVENUES				
Taxes revenues	\$ 8,173,145	\$ 8,173,145	\$ 8,301,838	\$ 128,693
Fines and forfeitures	308,000	308,000	276,881	(31,119)
Intergovernmental revenues	240,000	240,000	340,712	100,712
Charges for services	181,000	181,000	886,725	705,725
Other income	<u>50,754</u>	<u>50,754</u>	<u>190,723</u>	<u>139,969</u>
Total revenues	<u>9,180,899</u>	<u>9,180,899</u>	<u>10,119,904</u>	<u>939,005</u>
EXPENDITURES				
General government	3,625,140	3,625,140	5,068,268	(1,443,128)
Public safety	1,931,417	1,931,417	2,526,501	(595,084)
Judicial	674,402	674,402	767,789	(93,387)
Public works	2,545,740	2,545,740	2,756,345	(210,605)
Housing and development	117,139	117,139	133,751	(16,612)
Health and welfare	1,091,400	1,091,400	1,147,606	(56,206)
Culture and recreation	482,913	482,913	464,572	18,341
Debt service:				
Principal payments	-	-	149,480	(149,480)
Interest expenditures	<u>-</u>	<u>-</u>	<u>57,433</u>	<u>(57,433)</u>
Total expenditures	<u>10,468,151</u>	<u>10,468,151</u>	<u>13,071,745</u>	<u>(2,603,594)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,287,252)</u>	<u>(1,287,252)</u>	<u>(2,951,841)</u>	<u>(1,664,589)</u>
OTHER FINANCING SOURCES (USES)				
Debt issuance proceeds	-	-	1,173,795	1,173,795
Proceeds from insurance recoveries	-	-	22,704	22,704
Transfer in	1,934,042	1,934,042	108,000	(1,826,042)
Transfer out	<u>(646,790)</u>	<u>(646,790)</u>	<u>(1,158,458)</u>	<u>(511,668)</u>
Total other financing sources (uses)	<u>1,287,252</u>	<u>1,287,252</u>	<u>146,041</u>	<u>(1,141,211)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	-	-	(2,805,800)	(2,805,800)
FUND BALANCE (DEFICIT), BEGINNING	<u>468,102</u>	<u>468,102</u>	<u>468,102</u>	<u>-</u>
FUND BALANCE (DEFICIT), ENDING	<u>\$ 468,102</u>	<u>\$ 468,102</u>	<u>\$ (2,337,698)</u>	<u>\$ (2,805,800)</u>

The Accompanying Notes to the Financial Statements are an integral part of this statement

HANCOCK COUNTY, GEORGIA
TSPLOST SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (GAAP)
BASIS AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023

EXHIBIT 15

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental revenue	\$ 1,030,000	\$ 1,543,803	\$ 513,803
Total revenues	<u>1,030,000</u>	<u>1,543,803</u>	<u>513,803</u>
EXPENDITURES			
Transportation	630,000	1,413,672	(783,672)
Supplies	-	38,376	(38,376)
Capital outlays	-	296,964	(296,964)
Debt services:			
Principal	-	88,336	(88,336)
Interest	-	2,173	(2,173)
Total expenditures	<u>630,000</u>	<u>1,839,521</u>	<u>(1,209,521)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>400,000</u>	<u>(295,718)</u>	<u>(695,718)</u>
OTHER FINANCING SOURCES (USES)			
Debt issuance proceeds	-	85,119	85,119
Transfers out	<u>(400,000)</u>	<u>(138,000)</u>	<u>262,000</u>
Total other financing source (use)	<u>(400,000)</u>	<u>(52,881)</u>	<u>347,119</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(348,599)</u>	<u>(348,599)</u>
FUND BALANCE (DEFICIT), BEGINNING	<u>137,745</u>	<u>137,745</u>	<u>-</u>
FUND BALANCE (DEFICIT), ENDING	<u>\$ 137,745</u>	<u>\$ (210,854)</u>	<u>\$ (348,599)</u>

The Accompanying Notes to the Financial Statements are an integral part of this statement

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements not required by the GASB, nor is a part of the basic financial statements, but is presented for purposes of additional analysis. Such information includes:

- Combining Balance Sheet – Nonmajor Funds
- Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Funds
- Nonmajor Special Revenue Funds – Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP) Basis to Actual
 - Emergency 911
 - Law Library
 - Public Facilities
 - Sheriff's Confiscation
 - Drug Abuse Education
 - ARPA
 - LMIG
- Nonmajor Capital Project Funds – Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP) Basis to Actual
 - Special Purpose Local Option Sales Tax
 - CDBG – Rec Department
 - CDBG – Health Department
- CDBG – Health Department Schedule of Project Costs – Budget and Actual
- CDBG – Health Department Schedule of Source and Application of Funds
- CDBG – Rec Department Schedule of Project Costs – Budget and Actual
- CDBG – Rec Department Schedule of Source and Application of Funds
- Combining Statement of Fiduciary Net Position – Custodial Funds
- Combining Statement of Changes in Fiduciary Net Position – Custodial Funds
- Schedule of Projects Constructed with Special Sales Tax Proceeds

HANCOCK COUNTY, GEORGIA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2023

EXHIBIT 16

	Special Revenue							Capital Project			Total
	Emergency	Law	Public	Sheriff's	Drug			2019	CDGB	CDBG	Nonmajor
	911 Fund	Library	Facilities	Confiscation	Abuse	ARPA	LMIG	SPLOST	Recreation	Health	Governmental
			Authority		Education				Department	Department	Funds
ASSETS											
Cash and cash equivalents	\$ 12,015	\$ 32,711	\$ -	\$ 11,465	\$ 80,011	\$ 269	\$ 3,555	\$ 119,656	\$ -	\$ -	\$ 259,682
Accounts receivable, net	10,924	-	-	-	-	-	-	-	-	-	10,924
Intergovernmental receivable	-	183	-	-	-	-	-	5,257	69,165	24,834	99,439
Interfund receivable	-	-	-	-	-	-	-	426,948	-	-	426,948
Total assets	<u>22,939</u>	<u>32,894</u>	<u>-</u>	<u>11,465</u>	<u>80,011</u>	<u>269</u>	<u>3,555</u>	<u>551,861</u>	<u>69,165</u>	<u>24,834</u>	<u>796,993</u>
LIABILITIES AND FUND BALANCE											
Liabilities:											
Accounts payable	-	-	-	10	-	-	-	-	69,165	-	69,175
Accrued expenses	9,281	-	2,130	-	-	-	-	-	-	-	11,411
Deferred revenue	-	-	-	-	-	269	-	-	-	-	269
Interfund payable	<u>13,658</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,834</u>	<u>38,492</u>
Total liabilities	<u>22,939</u>	<u>-</u>	<u>2,130</u>	<u>10</u>	<u>-</u>	<u>269</u>	<u>-</u>	<u>-</u>	<u>69,165</u>	<u>24,834</u>	<u>119,347</u>
Fund Balances:											
Restricted for special programs	-	32,894	-	11,455	80,011	-	3,555	551,861	-	-	679,776
Unassigned	<u>-</u>	<u>-</u>	<u>(2,130)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,130)</u>
Total fund balance	<u>-</u>	<u>32,894</u>	<u>(2,130)</u>	<u>11,455</u>	<u>80,011</u>	<u>-</u>	<u>3,555</u>	<u>551,861</u>	<u>-</u>	<u>-</u>	<u>677,646</u>
Total liabilities and fund balance	<u>\$ 22,939</u>	<u>\$ 32,894</u>	<u>\$ -</u>	<u>\$ 11,465</u>	<u>\$ 80,011</u>	<u>\$ 269</u>	<u>\$ 3,555</u>	<u>\$ 551,861</u>	<u>\$ 69,165</u>	<u>\$ 24,834</u>	<u>\$ 796,993</u>

HANCOCK COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2023

EXHIBIT 17

	Special Revenue							Capital Project			Total
	E911	Law	Public	Sheriff's	Drug			2019	CDGB	CDBG	Nonmajor
	Fund	Library	Facilities	Confiscation	Abuse	ARPA	LMIG	SPLOST	Recreation	Health	Governmental
			Authority		Education				Department	Department	Funds
REVENUES											
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$718,312	\$ -	\$ -	\$ 718,312
Charges for services	131,572	-	-	-	-	-	-	-	-	-	131,572
Fines and forfeitures	-	2,229	-	4,300	3,876	-	-	-	-	-	10,405
Intergovernmental revenue	-	-	-	-	-	-	607,609	-	69,165	762,270	1,439,044
Interest income	-	-	-	21	-	-	-	378	-	-	399
Total revenues	131,572	2,229	-	4,321	3,876	-	607,609	718,690	69,165	762,270	2,299,732
EXPENDITURES											
Public Safety	611,977	-	-	2,650	-	-	-	-	-	-	614,627
Public Works	-	-	-	-	-	-	1,034,553	40			1,034,593
Judicial	-	3,056	-	-	-	-	-	-	-	-	3,056
Total operating expenditures	611,977	3,056	-	2,650	-	-	1,034,553	40	-	-	1,652,276
Capital outlays	-	-	-	-	-	-	-	-	69,165	762,270	831,435
DEBT SERVICE:											
Principal payments	-	-	128,000	-	-	-	-	-	-	-	128,000
Interest payments	-	-	27,356	-	-	-	-	-	-	-	27,356
TOTAL DEBT SERVICE	-	-	155,356	-	-	-	-	-	-	-	155,356
Total expenditures	611,977	3,056	155,356	2,650	-	-	1,034,553	40	69,165	762,270	2,639,067
EXCESS (DEFICIENCY) OF REVENUES											
OVER (UNDER) EXPENDITURES	(480,405)	(827)	(155,356)	1,671	3,876	-	(426,944)	718,650	-	-	(339,335)
OTHER FINANCING SOURCES (USES)											
Transfers in	480,405	-	155,738	-	-	-	430,000	-	-	-	1,066,143
Transfers out	-	-	-	-	-	-	-	(155,738)	-	-	(155,738)
Total other financing sources (uses)	480,405	-	155,738	-	-	-	430,000	(155,738)	-	-	910,405
NET CHANGE IN FUND BALANCES	-	(827)	382	1,671	3,876	-	3,056	562,912	-	-	571,070
FUND BALANCE (DEFICIT), BEGINNING	-	33,721	(2,512)	9,784	76,135	-	499	(11,051)	-	-	106,576
FUND BALANCE (DEFICIT), ENDING	\$ -	\$ 32,894	\$ (2,130)	\$ 11,455	\$ 80,011	\$ -	\$ 3,555	\$ 551,861	\$ -	\$ -	\$ 677,646

HANCOCK COUNTY, GEORGIA
EMERGENCY 911 TELEPHONE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET
(GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023

EXHIBIT 18

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Charges for services	\$ -	\$ 131,572	\$ 131,572
Total revenues	-	131,572	131,572
EXPENDITURES			
Public safety	482,183	611,977	(129,794)
Total expenditures	482,183	611,977	(129,794)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(482,183)	(480,405)	1,778
OTHER FINANCING SOURCES (USES)			
Transfer in	-	480,405	480,405
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	(482,183)	-	482,183
FUND BALANCE, BEGINNING	-	-	-
FUND BALANCE, ENDING	\$ (482,183)	\$ -	\$ 482,183

HANCOCK COUNTY, GEORGIA
LAW LIBRARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET (GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023

EXHIBIT 19

	Original and Final Budgeted Amount	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Fines and forfeitures	\$ 4,000	\$ 2,229	\$ (1,771)
Total revenues	<u>4,000</u>	<u>2,229</u>	<u>(1,771)</u>
EXPENDITURES			
Office expenses	<u>4,000</u>	<u>3,056</u>	<u>944</u>
Total expenditures	<u>4,000</u>	<u>3,056</u>	<u>944</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(827)	(827)
FUND BALANCE, BEGINNING	<u>33,721</u>	<u>33,721</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 33,721</u>	<u>\$ 32,894</u>	<u>\$ (827)</u>

HANCOCK COUNTY, GEORGIA
PUBLIC FACILITIES AUTHORITY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET (GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023

EXHIBIT 20

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental revenue	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Principal	57,000	128,000	(71,000)
Interest	48,000	27,356	20,644
Total expenditures	<u>105,000</u>	<u>155,356</u>	<u>(50,356)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	105,000	155,356	(50,356)
OTHER FINANCING SOURCES (USES)			
Transfer in	<u>105,000</u>	<u>155,738</u>	<u>50,738</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	-	382	382
FUND BALANCE, BEGINNING	<u>(2,512)</u>	<u>(2,512)</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ (2,512)</u>	<u>\$ (2,130)</u>	<u>\$ 382</u>

HANCOCK COUNTY, GEORGIA
SHERIFF'S CONFISCATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET (GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023

EXHIBIT 21

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Fines and forfeitures	\$ 4,000	\$ 4,300	\$ 300
Interest income	-	21	21
Total revenues	<u>4,000</u>	<u>4,321</u>	<u>321</u>
EXPENDITURES			
Public safety	<u>4,000</u>	<u>2,650</u>	<u>1,350</u>
Total expenditures	<u>4,000</u>	<u>2,650</u>	<u>1,350</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>1,671</u>	<u>1,671</u>
FUND BALANCE, BEGINNING	<u>9,784</u>	<u>9,784</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 9,784</u>	<u>\$ 11,455</u>	<u>\$ 1,671</u>

HANCOCK COUNTY, GEORGIA
 DRUG ABUSE EDUCATION SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
 BUDGET (GAAP) BASIS AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2023

EXHIBIT 22

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Fines and forfeitures	\$ 7,000	\$ 3,876	\$ (3,124)
Interest income	-	-	-
Total revenues	<u>7,000</u>	<u>3,876</u>	<u>(3,124)</u>
EXPENDITURES			
Purchased/contracted services	4,000	-	4,000
Supplies	<u>3,000</u>	-	<u>3,000</u>
Total expenditures	<u>7,000</u>	<u>-</u>	<u>7,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	3,876	3,876
FUND BALANCE, BEGINNING	<u>76,135</u>	<u>76,135</u>	<u>-</u>
FUND BALANCE, ENDING	<u><u>\$ 76,135</u></u>	<u><u>\$ 80,011</u></u>	<u><u>\$ 3,876</u></u>

HANCOCK COUNTY, GEORGIA
 ARPA SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
 BUDGET (GAAP) BASIS AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2023

EXHIBIT 23

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
ARPA grant	\$ -	\$ -	\$ -
Total revenues	-	-	-
EXPENDITURES			
Capital outlays	-	-	-
Total expenditures	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-
FUND BALANCE, BEGINNING	-	-	-
FUND BALANCE, ENDING	\$ -	\$ -	\$ -

HANCOCK COUNTY, GEORGIA
 LMIG SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
 BUDGET (GAAP) BASIS AND ACTUAL
 FOR THE YEAR ENDED DECEMBER 31, 2023

EXHIBIT 24

	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Intergovernmental revenues	\$ 567,000	\$ 607,609	\$ (40,609)
Total revenues	<u>567,000</u>	<u>607,609</u>	<u>(40,609)</u>
EXPENDITURES			
Road expenditures	<u>567,000</u>	<u>1,034,553</u>	<u>(467,553)</u>
Total expenditures	<u>567,000</u>	<u>1,034,553</u>	<u>(467,553)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(426,944)</u>	<u>426,944</u>
OTHER FINANCING SOURCES (USES)			
Transfer in	<u>-</u>	<u>430,000</u>	<u>430,000</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	<u>-</u>	<u>3,056</u>	<u>856,944</u>
FUND BALANCE, BEGINNING	<u>499</u>	<u>499</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 499</u>	<u>\$ 3,555</u>	<u>\$ 856,944</u>

HANCOCK COUNTY, GEORGIA
SPECIAL PURPOSE LOCAL OPTION SALES TAX
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET (GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023

EXHIBIT 25

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES			
Sales tax revenue	\$ 525,000	\$ 718,312	\$ 193,312
Interest income	500	378	(122)
Total revenues	<u>525,500</u>	<u>718,690</u>	<u>193,190</u>
EXPENDITURES			
Purchased/contracted services	<u>1,000</u>	<u>40</u>	<u>960</u>
Total expenditures	<u>1,000</u>	<u>40</u>	<u>960</u>
NET CHANGE IN FUND BALANCE	524,500	718,650	194,150
OTHER FINANCING SOURCES (USES)			
Transfer to General Fund	(419,500)	-	419,500
Transfer to PFA	<u>(105,000)</u>	<u>(155,738)</u>	<u>(50,738)</u>
Total other financing sources (uses)	<u>(524,500)</u>	<u>(155,738)</u>	<u>368,762</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES (USES) OVER (UNDER) EXPENDITURES	<u>-</u>	<u>562,912</u>	<u>562,912</u>
FUND BALANCE (DEFICIT), BEGINNING	<u>(11,051)</u>	<u>(11,051)</u>	<u>(11,051)</u>
FUND BALANCE (DEFICIT), ENDING	<u>\$ (11,051)</u>	<u>\$ 551,861</u>	<u>\$ 551,861</u>

HANCOCK COUNTY, GEORGIA
CDBG – RECREATION DEPARTMENT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET (GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023

EXHIBIT 26

	Original and Final Budgeted Amount		Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Intergovernmental revenue	\$	-	\$ 69,165	\$ 69,165
Total revenues		-	69,165	69,165
EXPENDITURES				
Capital outlays		-	69,165	(69,165)
Total expenditures		-	69,165	(69,165)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES		-	-	-
FUND BALANCE, BEGINNING		-	-	-
FUND BALANCE, ENDING	\$	-	\$ -	\$ -

HANCOCK COUNTY, GEORGIA
CDBG – HEALTH DEPARTMENT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –
BUDGET (GAAP) BASIS AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023

EXHIBIT 27

	Orignial and Final Budgeted Amount		Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Intergovernmental revenue	\$	-	\$ 762,270	\$ 762,270
Total revenues		-	762,270	762,270
EXPENDITURES				
Capital outlays		-	762,270	(762,270)
Total expenditures		-	762,270	(762,270)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES		-	-	-
FUND BALANCE, BEGINNING		-	-	-
FUND BALANCE, ENDING	\$	-	\$ -	\$ -

HANCOCK COUNTY, GEORGIA
CDBG HEALTH DEPARTMENT CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT COST - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023 (CUMULATIVE)

EXHIBIT 28

Recipient Name: Hancock County, Georgia
Grant Award Number: 21cv-y-070-1-6255
For the Period Ending: December 31, 2023

Program Activity	CDBG Activity Number	Latest Approved Budget	Accumulated CDBG Expenditures to Date	Accumulated Expenditures to Date (Other Funds)	Grant Total of Expenditures to Date	Questioned Costs (if applicable)
Public Health Facilities	P-03P-03	731,860	731,860	102,965	834,825	-
Administration	A-21A-00	42,264	21,132	-	21,132	-
Engineering	S-03P-03	62,123	62,123	-	62,123	-

HANCOCK COUNTY, GEORGIA
CDBG HEALTH DEPARTMENT CAPITAL PROJECTS FUND
SCHEDULE OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023 (CUMULATIVE)

EXHIBIT 29

Hancock County, Georgia
Recipient Name

21cv-y-070-1-6255
Grant Number

For the Period Ending: December 31, 2023

(Cumulative)

- I. Total Fiscal Year 23 CDBG Funds Awarded to Recipient: \$815,115
- II. Total Amount Drawdown by Recipient from DCA: \$815,115
- III. Less CDBG Funds Expended by Recipient: \$815,115
- IV. Amount of Fiscal Year 23 CDBG Funds held by Recipient: \$0

HANCOCK COUNTY, GEORGIA
CDBG REC DEPARTMENT CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT COST - BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2023 (CUMULATIVE)

EXHIBIT 30

Recipient Name: Hancock County, Georgia
Grant Award Number: 21p-y-070-1-6202
For the Period Ending: December 31, 2023

Program Activity	CDBG Activity Number	Latest Approved Budget	Accumulated CDBG Expenditures to Date	Accumulated Expenditures to Date (Other Funds)	Grant Total of Expenditures to Date	Questioned Costs (if applicable)
Rec Department Facilities	P-03E-01	705,000	46,665	46,543	93,208	-
Administration	A-21A-00	45,000	22,500	-	22,500	-

HANCOCK COUNTY, GEORGIA
CDBG REC DEPARTMENT CAPITAL PROJECTS FUND
SCHEDULE OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023 (CUMULATIVE)

EXHIBIT 31

Hancock County, Georgia

Recipient Name

21p-y-070-1-6202

Grant Number

For the Period Ending: December 31, 2023

(Cumulative)

I. Total Fiscal Year 23 CDBG Funds Awarded to Recipient: \$750,000

II. Total Amount Drawdown by Recipient from DCA: \$69,165

III. Less CDBG Funds Expended by Recipient: \$69,165

IV. Amount of Fiscal Year 23 CDBG Funds held by Recipient: \$0

HANCOCK COUNTY, GEORGIA
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 DECEMBER 31, 2023

EXHIBIT 32

	Tax Commissioner	Clerk of Superior Court	Probate Court	Magistrate Court	Sheriff's Office	Total
ASSETS						
Cash	\$ 471,163	\$ 379,258	\$ 88,087	\$ 12,944	\$ 18,010	\$ 969,462
Total assets	<u>471,163</u>	<u>379,258</u>	<u>88,087</u>	<u>12,944</u>	<u>18,010</u>	<u>969,462</u>
LIABILITIES						
Due to others	1,604	379,258	88,087	12,861	260	482,070
Total liabilities	<u>1,604</u>	<u>379,258</u>	<u>88,087</u>	<u>12,861</u>	<u>260</u>	<u>482,070</u>
NET POSITION						
Restricted for individuals, organizations, and other governments	<u>\$ 469,559</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83</u>	<u>\$ 17,750</u>	<u>\$ 487,392</u>

HANCOCK COUNTY, GEORGIA
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023

EXHIBIT 33

	Tax Commissioner's Office	Clerk of Superior Court	Probate Court	Magistrate Court	Sheriff's Office	Total
ADDITIONS						
Taxes collected	\$ 14,477,153	\$ -	\$ -	\$ -	\$ -	\$ 14,477,153
Fines and fee collected	-	271,549	153,480	51,228	38,830	515,087
Interest Income	2,897	599	-	25	-	3,521
Total additions	<u>14,480,050</u>	<u>272,148</u>	<u>153,480</u>	<u>51,253</u>	<u>38,830</u>	<u>14,995,761</u>
DEDUCTIONS						
Taxes disbursed	14,501,202	-	-	-	-	14,501,202
Fines and fees disbursed	-	276,874	159,713	53,364	34,179	524,130
Total deductions	<u>14,501,202</u>	<u>276,874</u>	<u>159,713</u>	<u>53,364</u>	<u>34,179</u>	<u>15,025,332</u>
CHANGE IN FIDUCIARY NET POSITION	(21,152)	(4,726)	(6,233)	(2,111)	4,651	(29,571)
Net position - beginning	<u>490,711</u>	<u>4,726</u>	<u>6,233</u>	<u>2,194</u>	<u>13,099</u>	<u>516,963</u>
Net position - ending	<u>\$ 469,559</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83</u>	<u>\$ 17,750</u>	<u>\$ 487,392</u>

HANCOCK COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF SPECIAL
PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE YEAR ENDED DECEMBER 31, 2023

EXHIBIT 34

Project Description Per SPLOST Referendum	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
Jail Renovation Project	\$3,700,000	\$6,400,000	\$10,820,580	\$ 155,778	\$10,976,358
	<u>\$3,700,000</u>	<u>\$6,400,000</u>	<u>\$10,820,580</u>	<u>\$ 155,778</u>	<u>\$10,976,358</u>

COMPLIANCE SECTION

WRIGHT & WRIGHT, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
130 NORTH HARRIS STREET • POST OFFICE BOX 1014
SANDERSVILLE, GEORGIA 31082

CLYDE K. WRIGHT, CPA

Telephone (478) 552-6146

BRIAN K. WRIGHT, CPA

Facsimile (478) 552-6158

**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**

To the County Commissioners
Hancock County, 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 discretely presented component units, each major fund and the aggregate remaining fund information of Hancock County, Georgia, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Hancock County, Georgia's basic financial statements and have issued our report thereon dated July 19, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Hancock County, Georgia'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 Hancock County, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of Hancock County, Georgia'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 23-1 through 23-3 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hancock County, Georgia's financial statements are free from 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 financial statements. 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 one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* described in the accompanying schedule of findings and questioned costs as items 23-4.

Hancock County, Georgia's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Hancock County, Georgia's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Hancock 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 the response.

Purpose of This Report

The purpose of 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.

Wright & Wright, P.C.

Sandersville, Georgia
July 19, 2024

WRIGHT & WRIGHT, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
130 NORTH HARRIS STREET • POST OFFICE BOX 1014
SANDERSVILLE, GEORGIA 31082

CLYDE K. WRIGHT, CPA

Telephone (478) 552-6146

BRIAN K. WRIGHT, CPA

Facsimile (478) 552-6158

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

To the County Commissioners
Hancock County, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Hancock County, Georgia's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Hancock County, Georgia's major federal programs for the year ended December 31, 2023. Hancock 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, Hancock 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 December 31, 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 Hancock 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 Hancock 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 Hancock 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 Hancock 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 Hancock 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 Hancock 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 Hancock 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 Hancock 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.

Wright & Wright, P.C.

Sandersville, Georgia
July 19, 2024

HANCOCK COUNTY, GEORGIA
SCHEDULE OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

<u>Federal Grant/Pass-Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
Department of Housing and Urban Development -			
Passed through Georgia Department of Community Affairs: Community Development Block Grant - Health Department	14.228	21cv-y-070-1-6255	\$ 762,270
Passed through Georgia Department of Community Affairs: Community Development Block Grant - Recreation Department	14.228	21p-y-070-1-6202	<u>69,165</u>
Total Department of Housing and Urban Development			<u>\$ 831,435</u>
Department of Transportation -			
Passed through Georgia Department of Transportation: Formula Grants for Rural Areas	20.509	T007233	<u>\$ 171,221</u>
Total Department of Transportation			
Total Expenditures of Federal Awards			<u><u>\$ 1,002,656</u></u>

HANCOCK COUNTY, GEORGIA
NOTES TO THE SCHEDULE OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

Note 1 – Basis of Presentation

The Schedule of expenditures of federal awards includes the federal grant activity of Hancock County, Georgia (the "County") and is presented on the accrual basis of accounting.

The information in this schedule is presented in accordance with the requirements of 2 CFR Part 200, OMB's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from the amounts presented in, or used in the preparation of the financial statements.

Note 2 – Measurement Focus

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

Note 3 – De Minimis Indirect Cost Rate

The County chose not to use the 10% de minimis cost rate for the year ended December 31, 2023.

Note 4 – Payments to Subrecipients

For the current year, the County did not pass federal funds through to subrecipients.

HANCOCK COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2023

1. Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether
the financial statements audited were prepared
in accordance with GAAP

Unmodified

Internal control over financial reporting:
Material Weakness Identified?

☐ Yes ☒ No

Significant deficiencies identified

☒ Yes ☐ None Reported

Noncompliance material to financial statements noted?

☒ Yes ☐ No

Federal Awards

Internal controls over major programs:
Material weaknesses identified?

☐ Yes ☒ No

Significant deficiencies identified

☐ Yes ☒ None Reported

Type of auditor's report issued on
compliance for major federal programs

Unmodified

Any audit findings disclosed that are to be reported in
accordance with the 2 CFR 200.516(a)?

☐ Yes ☒ No

Identification of major programs:

66.458 Capitalization Grant for Clean Water State Revolving Fund

Dollar threshold used to distinguish between
Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee

☐ Yes ☒ No

HANCOCK COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2023

2. Financial Statement Findings and Questioned Costs

Current Year Audit Findings

23-1 Segregation of Duties

Condition: There is not appropriate segregation of duties between the recording, processing, distributions and reconciliation of cash accounts and other operational functions in the various funds, departments and offices maintained by the County.

Criteria: Internal controls should be in place that provides reasonable assurance that an individual cannot misappropriate funds without being detected during the normal course of business.

Effect: Failure to properly segregate duties between recording, processing and reconciliation of accounts can lead to misappropriation of funds that are not detected during the normal course of business.

Recommendations : The duties of recording, processing and reconciliation of accounts should be segregated between employees.

Response/Corrective Action Plan : We are aware of the situation and will continue to evaluate the costs and related benefits of adding personnel in certain departments. We will continue to use alternative measures where available to assist in safeguarding assets.

23-2 Short-term debt Not Repaid by December 31

Condition: The County had short-term debt with a local bank which was not repaid by December 31,

Criteria: State Law requires all short-term debt to be repaid by December 31.

Effect: Failure to repay debt by December 31 constitutes a violation of State law.

Recommendations : Management should change the terms of the debt so that it is fully paid by December 31.

Management Response : In the future, the County will comply with this requirement.

23-3 The General Fund Had Funds Owed to the SPLOST Fund

Condition: SPLOST funds were used to pay General Fund expenses.

Criteria: State Law prohibits SPLOST funds being used for expenses other than those in the approved referendum.

Effect: Improper use of SPLOST funds constitutes a violation of State law.

Recommendations : Management should repay funds improperly spent, and in the future only spend SPLOST funds for expenses that were in the SPLOST referendum.

Management Response : Improperly spent SPLOST funds will be repaid, and in the future, the County will comply with this requirement.

HANCOCK COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2023

23-4 Budgetary

Condition: In several of the County's funds, actual expenditures exceeded budget appropriations. This is a violation of state law.

Criteria: State law requires actual expenditures to not exceed budgeted appropriations.

Effect: Fiscal control and accountability over departmental expenditures may be jeopardized.

Recommendations : The County should monitor the budget and amend it when appropriate.

Management Response : Our County Commissioners will analyze budgetary financial data periodically and amend the budget when appropriate.

3. Federal Award Findings and Questioned Costs

The audit of our basic financial statements and schedule of expenditures of federal awards disclosed no audit findings or questioned costs which are required to be reported under Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

4. Status of Prior Year Findings

Finding 22-1 Segregation of Duties

Condition: During the course of our test work, we noted several areas in which the segregation of duties could be improved.

Auditee's Response/Status: The finding was repeated as finding 23-1.