

LEE COUNTY, GEORGIA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2024

LEE COUNTY, GEORGIA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

TABLE OF CONTENTS

Page

Table of Contents i – ii

FINANCIAL SECTION

Independent Auditor’s Report 1 – 4

Basic Financial Statements:

Government-wide Financial Statements:

Statement of Net Position 5
Statement of Activities 6 and 7

Fund Financial Statements:

Balance Sheet – Governmental Funds 8 and 9
Reconciliation of the Balance Sheet to the Statement of Net Position..... 10
Statement of Revenues, Expenditures and Changes in Fund
Balances – Governmental Funds 11 and 12
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities 13
Statement of Revenues, Expenditures and Changes in
Fund Balance – Budget (GAAP Basis) and Actual – General Fund 14 – 16
Statement of Revenues, Expenditures and Changes in Fund Balance –
Budget (GAAP Basis) and Actual – ARPA Fund..... 17
Statement of Net Position – Proprietary Funds..... 18
Statement of Revenues, Expenses and Changes in Fund Net
Position – Proprietary Funds 19
Statement of Cash Flows – Proprietary Funds 20 and 21
Statement of Fiduciary Net Position – Fiduciary Funds 22
Statement of Changes in Fiduciary Net Position – Fiduciary Funds 23
Notes to Financial Statements 24 – 55

Required Supplementary Information:

Defined Benefit Retirement Plan

Schedule of Changes in the County’s Net Pension Liability and Related Ratios 56 and 57
Schedule of County Contributions 58 and 59

LEE COUNTY, GEORGIA
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

TABLE OF CONTENTS (CONTINUED)

Page

FINANCIAL SECTION (CONTINUED)

Supplementary Information:

Combining and Individual Fund Statements and Schedules:

Combining Balance Sheet – Nonmajor Governmental Funds 60 and 61

Combining Statement of Revenues, Expenditures and Changes in Fund

Balances – Nonmajor Governmental Funds 62 and 63

Schedule of Expenditures of Special Purpose Local Option Sales Tax

Proceeds 64 and 65

Schedule of Expenditures of Transportation Special Purpose Local Option Sales Tax

Proceeds 66

Project Cost Schedule – Community Development Block Grant Program..... 67

Custodial Funds:

Combining Statement of Fiduciary Net Position – Custodial Funds 68

Combining Statement of Changes in Fiduciary Net Position – Custodial Funds..... 69

Statement of Cash Flows – Discretely Presented Component Unit – Utility Authority 70 and 71

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 *Government Auditing Standards* 72 and 73

Independent Auditor’s Report on Compliance for Each Major Federal Program;

**Report on Internal Control over Compliance; and Report on Schedule of Expenditures
of Federal Awards Required by the Uniform Guidance 74 – 76**

Schedule of Expenditures of Federal Awards 77

Notes to Schedule of Expenditures of Federal Awards 78

Schedule of Findings and Questioned Costs 79 and 80

Schedule of Prior Year Findings 81

Management’s Corrective Action Plan 82

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
of Lee County, Georgia
Leesburg, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Lee County, Georgia** (the "County"), as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Lee County, Georgia's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Lee County, Georgia as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and the American Rescue Plan Act ("ARPA") Fund 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 Lee County Health Department and the Lee County Development Authority which represent 17%, 50%, and 23%, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2024. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Lee County Health Department and the Lee County Development Authority, 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 the County 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 the County'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 judgement 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 the County'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 the County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Changes in the County's Net Pension Liability and Related Ratios, and the Schedule of County Contributions, as noted in the table of contents, 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 GAAS, 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 the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lee County, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, the Community Development Block Grant Program - Project Cost Schedule, the Schedules of Expenditures of Special Purpose Local Option Sales Tax Proceeds, as required by the Official Code of Georgia Annotated ("O.C.G.A.") §48-8-121, and the Schedule of Expenditures of Transportation Special Purpose Local Option Sales Tax Proceeds, as required by the O.C.G.A. §48-8-260 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements of the County.

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 GAAS. In our opinion, based on our audit, the combining and individual nonmajor fund financial statements and schedules, the Community Development Block Grant Program - Project Cost Schedule, the Schedules of Expenditures of Special Purpose Local Option Sales Tax Proceeds, the Schedule of Expenditures of Transportation Special Purpose Local Option Sales Tax Proceeds, and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we will also issue our report dated December 23, 2024 on our consideration of Lee 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 the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lee County, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
December 23, 2024

BASIC FINANCIAL STATEMENTS

LEE COUNTY, GEORGIA

**STATEMENT OF NET POSITION
JUNE 30, 2024**

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Health Department	Development Authority	Utilities Authority
ASSETS						
Cash and cash equivalents	\$ 12,117,974	\$ 13,097	\$ 12,131,071	\$ 958,064	\$ 197,794	\$ 2,381,843
Investments	37,366,155	-	37,366,155	-	548,704	-
Accounts receivable, net	1,245,894	18,256	1,264,150	-	-	113,225
Property tax receivable	154,400	-	154,400	-	-	-
Interfund balances	10	(10)	-	-	-	-
Due from component unit	4,382	-	4,382	-	-	-
Due from other governments	795,274	-	795,274	13,121	-	-
Restricted assets:						
Cash and cash equivalents	-	-	-	-	-	6,850,773
OPEB asset - SEAD	-	-	-	109,391	-	-
Capital assets:						
Right-to-use lease, net of accumulated amortization	596,508	-	596,508	-	-	16,859
Nondepreciable	4,046,970	163,000	4,209,970	-	3,219,719	6,222,117
Depreciable	77,326,507	-	77,326,507	25,751	374,885	13,568,402
Total assets	<u>133,654,074</u>	<u>194,343</u>	<u>133,848,417</u>	<u>1,106,327</u>	<u>4,341,102</u>	<u>29,153,219</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred loss on refunding	-	-	-	-	-	77,273
Pension items	2,149,123	-	2,149,123	327,111	-	125,924
OPEB items	-	-	-	127,609	-	-
Total deferred outflows of resources	<u>2,149,123</u>	<u>-</u>	<u>2,149,123</u>	<u>454,720</u>	<u>-</u>	<u>203,197</u>
LIABILITIES						
Accounts payable	1,315,840	13,734	1,329,574	-	-	76,473
Due to other governments	52,009	-	52,009	23,855	-	-
Accrued liabilities	279,111	1,512	280,623	-	-	332,825
Due to primary government	-	-	-	-	-	4,382
Unearned revenue	3,100,044	-	3,100,044	-	-	63,360
Customer deposits	-	-	-	-	-	608,132
Claims payable	282,459	-	282,459	-	-	-
Notes payable, due within one year	-	-	-	-	-	94,166
Notes payable, due in more than one year	-	-	-	-	-	1,411,715
Financed purchase, due within one year	-	-	-	-	-	-
Lease liabilities, due within one year	526,075	-	526,075	-	-	10,011
Lease liabilities, due in more than one year	578,780	-	578,780	-	-	8,064
Bonds payable, due within one year	-	-	-	-	-	1,283,413
Bonds payable, due in more than one year	-	-	-	-	-	20,550,862
Compensated absences, due within one year	381,426	1,586	383,012	18,597	-	26,165
Compensated absences, due in more than one year	708,363	3,079	711,442	74,387	-	49,676
Net pension liability	4,955,716	-	4,955,716	1,177,190	-	290,370
Net OPEB liability - SHBP	-	-	-	50,909	-	-
Post-closure care, due within one year	-	36,897	36,897	-	-	-
Post-closure care, due in more than one year	-	66,673	66,673	-	-	-
Total liabilities	<u>12,179,823</u>	<u>123,481</u>	<u>12,303,304</u>	<u>1,344,938</u>	<u>-</u>	<u>24,809,614</u>
DEFERRED INFLOWS OF RESOURCES						
Pension items	182,121	-	182,121	6,098	-	10,671
OPEB items	-	-	-	65,228	-	-
Total deferred inflows of resources	<u>182,121</u>	<u>-</u>	<u>182,121</u>	<u>71,326</u>	<u>-</u>	<u>10,671</u>
NET POSITION						
Net investment in capital assets	80,865,130	163,000	81,028,130	25,751	3,594,604	(3,473,580)
Restricted for:						
Capital projects	17,986,626	-	17,986,626	-	-	-
Other uses	1,290,026	-	1,290,026	196,994	746,498	-
Unrestricted (deficit)	23,299,471	(92,138)	23,207,333	(77,962)	-	8,009,711
Total net position	<u>\$ 123,441,253</u>	<u>\$ 70,862</u>	<u>\$ 123,512,115</u>	<u>\$ 144,783</u>	<u>\$ 4,341,102</u>	<u>\$ 4,536,131</u>

The accompanying notes are an integral part of these financial statements.

LEE COUNTY, GEORGIA

STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government				
Governmental activities:				
General government	\$ 11,303,478	\$ 6,235,026	\$ 2,025,104	\$ 17,532
Court system	1,947,355	8,805	-	780
Public safety	14,802,031	701,032	74,056	7,519
Public works	11,516,154	531,346	1,546,598	882,357
Health and welfare	438,449	-	-	-
Culture and recreation	1,538,687	-	-	-
Housing and development	1,314,055	-	-	-
Interest on long-term debt	66,751	-	-	-
Total governmental activities	42,926,960	7,476,209	3,645,758	908,188
Business-type activities:				
Solid waste	303,550	178,083	-	-
Total business-type activities	303,550	178,083	-	-
Total primary government	\$ 43,230,510	\$ 7,654,292	\$ 3,645,758	\$ 908,188
Component units				
Health Department	\$ 1,277,473	\$ 426,509	\$ 847,641	\$ -
Development Authority	250,848	15,000	230,377	-
Utilities Authority	4,740,876	4,678,506	-	-
Total component units	\$ 6,269,197	\$ 5,120,015	\$ 1,078,018	\$ -
General revenues:				
Property taxes				
Sales taxes				
Other taxes				
Unrestricted investment earnings				
Gain on sale of capital assets				
Transfers				
Total general revenues, special item and transfers				
Change in net position				
Net position, beginning of year, as previously reported				
Change in financial reporting entity (development authority blended component unit to discretely presented component unit)				
Net position, beginning of year, as restated				
Net position, end of year				

The accompanying notes are an integral part of these financial statements.

**Net (Expense) Revenue and
Changes in Net Position**

Governmental Activities	Business-type Activities	Total	Component Units		
			Health Department	Development Authority	Utilities Authority
\$ (3,025,816)	\$ -	\$ (3,025,816)	\$ -	\$ -	\$ -
(1,937,770)	-	(1,937,770)	-	-	-
(14,019,424)	-	(14,019,424)	-	-	-
(8,555,853)	-	(8,555,853)	-	-	-
(438,449)	-	(438,449)	-	-	-
(1,538,687)	-	(1,538,687)	-	-	-
(1,314,055)	-	(1,314,055)	-	-	-
(66,751)	-	(66,751)	-	-	-
<u>(30,896,805)</u>	<u>-</u>	<u>(30,896,805)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	(125,467)	(125,467)	-	-	-
-	(125,467)	(125,467)	-	-	-
<u>\$ (30,896,805)</u>	<u>\$ (125,467)</u>	<u>\$ (31,022,272)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
-	-	-	(3,323)	-	-
-	-	-	-	(5,471)	-
-	-	-	-	-	(62,370)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,323)</u>	<u>\$ (5,471)</u>	<u>\$ (62,370)</u>
\$ 17,937,903	\$ -	\$ 17,937,903	\$ -	\$ -	\$ -
14,088,371	-	14,088,371	-	-	-
2,878,827	-	2,878,827	-	-	-
1,103,562	468	1,104,030	-	5,231	540,034
75,194	-	75,194	-	-	-
(154,451)	154,451	-	-	-	-
<u>35,929,406</u>	<u>154,919</u>	<u>36,084,325</u>	<u>-</u>	<u>5,231</u>	<u>540,034</u>
5,032,601	29,452	5,062,053	(3,323)	(240)	477,664
122,749,994	41,410	122,791,404	148,106	-	4,058,467
(4,341,342)	-	(4,341,342)	-	4,341,342	-
<u>118,408,652</u>	<u>41,410</u>	<u>118,450,062</u>	<u>148,106</u>	<u>4,341,342</u>	<u>4,058,467</u>
<u>\$ 123,441,253</u>	<u>\$ 70,862</u>	<u>\$ 123,512,115</u>	<u>\$ 144,783</u>	<u>\$ 4,341,102</u>	<u>\$ 4,536,131</u>

LEE COUNTY, GEORGIA

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2024

	General Fund	1% SPLOST VII Fund	TSPLOST Fund
ASSETS			
Cash and cash equivalents	\$ 5,172,695	\$ 25,057	\$ 1,644
Investments	20,254,770	8,828,924	7,619,258
Accounts receivable, net	753,060	-	-
Property tax receivable	154,400	-	-
Due from component unit	4,382	-	-
Due from other funds	110	-	-
Due from other governments	369,703	424,219	-
Total assets	\$ 26,709,120	\$ 9,278,200	\$ 7,620,902
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts payable	\$ 586,103	\$ 137,914	\$ 556,807
Accrued liabilities	266,194	-	-
Due to other funds	32,520	-	-
Unearned revenue	25,000	-	-
Due to other governments	-	52,009	-
Total liabilities	909,817	189,923	556,807
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	113,398	-	-
Total deferred inflows of resources	113,398	-	-
FUND BALANCES			
Restricted for:			
Judicial	-	-	-
Public safety	-	-	-
Culture and recreation	-	-	-
Economic development	-	-	-
Capital projects	-	9,088,277	7,064,095
Unassigned	25,685,905	-	-
Total fund balances	25,685,905	9,088,277	7,064,095
Total liabilities, deferred inflows of resources and fund balances	\$ 26,709,120	\$ 9,278,200	\$ 7,620,902

The accompanying notes are an integral part of these financial statements.

ARPA Fund	Nonmajor Governmental Funds	Total
\$ 3,444,932	\$ 2,048,688	\$ 10,693,016
-	663,203	37,366,155
68,520	424,314	1,245,894
-	-	154,400
-	-	4,382
-	-	110
-	1,352	795,274
<u>\$ 3,513,452</u>	<u>\$ 3,137,557</u>	<u>\$ 50,259,231</u>

\$ 34,756	\$ 260	\$ 1,315,840
-	12,917	279,111
-	100	32,620
3,075,044	-	3,100,044
-	-	52,009
<u>3,109,800</u>	<u>13,277</u>	<u>4,779,624</u>

-	-	113,398
-	-	113,398

-	32,800	32,800
-	508,490	508,490
-	693,856	693,856
403,652	54,880	458,532
-	1,834,254	17,986,626
-	-	25,685,905
<u>403,652</u>	<u>3,124,280</u>	<u>45,366,209</u>

<u>\$ 3,513,452</u>	<u>\$ 3,137,557</u>	<u>\$ 50,259,231</u>
---------------------	---------------------	----------------------

LEE COUNTY, GEORGIA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

JUNE 30, 2024

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances - governmental funds	\$ 45,366,209
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	81,969,985
Other assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.	113,398
Deferred outflows of resources related to pensions are not available to pay for period expenditures and, therefore, are not reported in the governmental funds.	2,149,123
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Lease liabilities	(1,104,855)
Compensated absences	(1,089,789)
Internal Service Funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the Internal Service Funds are included in governmental activities.	1,175,019
The net pension liability is not due and payable in the current period and, therefore, is not reported in governmental funds.	(4,955,716)
Deferred inflows of resources related to pensions are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(182,121)
Net position of governmental activities	<u>\$ 123,441,253</u>

The accompanying notes are an integral part of these financial statements.

LEE COUNTY, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	General Fund	1% SPLOST VII Fund	TSPLOST Fund
Revenues			
Property taxes	\$ 18,003,076	\$ -	\$ -
Sales taxes	4,473,300	5,388,750	3,288,719
Other taxes	2,858,256	-	-
Licenses and permits	334,652	-	-
Charges for services	5,090,025	-	-
Fines and forfeitures	618,779	-	-
Investment income	1,103,557	479,702	400,937
Intergovernmental	752,515	-	690,908
Other revenues	416,871	-	-
Total revenues	<u>33,651,031</u>	<u>5,868,452</u>	<u>4,380,564</u>
Expenditures			
Current:			
General government	8,537,681	-	-
Judicial	1,879,311	-	-
Public safety	13,439,308	-	-
Public works	2,353,788	-	-
Health and welfare	431,814	-	-
Culture and recreation	1,370,784	-	-
Economic development	1,314,055	-	-
Intergovernmental	-	660,661	-
Capital outlay	-	3,919,367	3,380,372
Debt service:			
Principal	149,058	1,375,738	-
Interest	-	66,751	-
Total expenditures	<u>29,475,799</u>	<u>6,022,517</u>	<u>3,380,372</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,175,232</u>	<u>(154,065)</u>	<u>1,000,192</u>
Other financing sources (uses)			
Transfers in	179,058	-	-
Transfers out	(636,599)	-	-
Sale of capital assets	75,194	-	-
Total other financing sources (uses)	<u>(382,347)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	3,792,885	(154,065)	1,000,192
Fund balances, beginning of year, as previously presented	21,893,020	9,242,342	6,063,903
Change in financial reporting entity (blended to discretely presented component unit)	-	-	-
Fund balances, beginning of year, as restated	<u>21,893,020</u>	<u>9,242,342</u>	<u>6,063,903</u>
Fund balances, end of year	<u>\$ 25,685,905</u>	<u>\$ 9,088,277</u>	<u>\$ 7,064,095</u>

The accompanying notes are an integral part of these financial statements.

ARPA Fund	Nonmajor Governmental Funds	Total
\$ -	\$ -	\$ 18,003,076
-	976,810	14,127,579
-	20,571	2,878,827
-	-	334,652
-	755,035	5,845,060
-	51,640	670,419
84,071	27,554	2,095,821
1,188,518	929,746	3,561,687
-	95,809	512,680
<u>1,272,589</u>	<u>2,857,165</u>	<u>48,029,801</u>
1,057,227	9,950	9,604,858
-	11,987	1,891,298
-	1,284,993	14,724,301
-	-	2,353,788
-	-	431,814
-	-	1,370,784
-	-	1,314,055
-	-	660,661
-	-	7,299,739
-	-	1,524,796
-	-	66,751
<u>1,057,227</u>	<u>1,306,930</u>	<u>41,242,845</u>
<u>215,362</u>	<u>1,550,235</u>	<u>6,786,956</u>
-	482,148	661,206
(149,058)	(30,000)	(815,657)
-	-	75,194
<u>(149,058)</u>	<u>452,148</u>	<u>(79,257)</u>
66,304	2,002,383	6,707,699
337,348	1,845,967	39,382,580
-	(724,070)	(724,070)
<u>337,348</u>	<u>1,121,897</u>	<u>38,658,510</u>
<u>\$ 403,652</u>	<u>\$ 3,124,280</u>	<u>\$ 45,366,209</u>

LEE COUNTY, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - total governmental funds	\$ 6,707,699
--	--------------

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the difference between depreciation and amortization expense and capital outlay in the current period.

Total capital outlay	2,227,839
Total amortization expense	(408,792)
Total depreciation expense	(4,430,992)

The issuance of long-term debt provides current financial resources to governmental funds, and thus contributes to the change in fund balance. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability in the Statement of Net Position. The items that make up these differences in the treatment of long-term debt and related items are as follows:

Principal repayments - financed purchases	1,340,448
Principal repayments - leases	184,348

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. Unearned revenues increased by this amount during the year.	9,017
--	-------

The Internal Service Fund is used by management to charge the cost of workers' compensation insurance and health insurance to individual funds. The net revenue of the Internal Service Fund is reported with governmental activities.	(175,487)
--	-----------

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in compensated absences	1,451
Change in net pension liability and related deferred inflows/outflows	(422,930)

Change in net position of governmental activities	\$ <u>5,032,601</u>
---	---------------------

The accompanying notes are an integral part of these financial statements.

LEE COUNTY, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET (GAAP BASIS) AND – ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 17,315,760	\$ 17,916,625	\$ 18,003,076	\$ 86,451
Sales taxes	4,390,000	4,390,000	4,473,300	83,300
Other taxes	2,781,241	2,873,306	2,858,256	(15,050)
Licenses and permits	252,400	319,312	334,652	15,340
Intergovernmental	7,640	317,105	752,515	435,410
Charges for services	4,996,819	5,013,896	5,090,025	76,129
Fines and forfeitures	721,975	725,522	618,779	(106,743)
Interest income	519,000	1,002,450	1,103,557	101,107
Other revenues	380,733	409,158	416,871	7,713
Total revenues	<u>31,365,568</u>	<u>32,967,374</u>	<u>33,651,031</u>	<u>683,657</u>
Expenditures				
Current:				
General government:				
County commissioners	2,013,632	2,727,983	2,027,788	700,195
County manager	699,606	701,648	651,025	50,623
Elections	422,367	437,277	417,907	19,370
Information technology	448,971	463,064	448,925	14,139
Tax commissioner	484,433	497,163	479,835	17,328
Tax assessor	509,829	521,985	446,229	75,756
Building and grounds	1,106,286	1,268,186	725,699	542,487
Utility billing	3,312,945	3,348,230	3,340,273	7,957
Total general government	<u>8,998,069</u>	<u>9,965,536</u>	<u>8,537,681</u>	<u>1,427,855</u>
Judicial:				
Superior court	674,187	679,503	639,457	40,046
District attorney	141,386	142,666	142,662	4
Magistrate court	432,475	452,080	440,296	11,784
Probate court	324,627	332,075	327,668	4,407
Juvenile court	104,137	104,137	98,735	5,402
Public defender	248,607	261,483	230,493	30,990
Total judicial	<u>1,925,419</u>	<u>1,971,944</u>	<u>1,879,311</u>	<u>92,633</u>

(Continued)

LEE COUNTY, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL –
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures (Continued)				
Current (Continued):				
Public safety:				
Public safety	\$ 5,892,620	\$ 5,963,897	\$ 5,748,782	\$ 215,115
Sheriff's department	4,966,774	5,101,948	4,565,326	536,622
Jail	2,670,936	2,883,548	2,768,163	115,385
Coroner	49,405	62,420	56,207	6,213
Animal control	300,350	301,550	300,830	720
Total public safety	<u>13,880,085</u>	<u>14,313,363</u>	<u>13,439,308</u>	<u>874,055</u>
Public works:				
Public works	<u>2,471,946</u>	<u>2,608,130</u>	<u>2,353,788</u>	<u>254,342</u>
Health and welfare:				
Department of Family and Children Services	16,000	16,000	16,000	-
Extension service	101,005	93,388	88,401	4,987
Health services	324,295	327,914	327,413	501
Total health and welfare	<u>441,300</u>	<u>437,302</u>	<u>431,814</u>	<u>5,488</u>
Culture and recreation:				
Recreation	613,348	643,473	647,120	(3,647)
Library	723,664	723,664	723,664	-
Total culture and recreation	<u>1,337,012</u>	<u>1,367,137</u>	<u>1,370,784</u>	<u>(3,647)</u>
Housing and development:				
Code enforcement	335,979	351,997	274,786	77,211
Economic development	233,413	233,413	233,393	20
Planning and engineering	514,780	513,681	355,948	157,733
Building inspections	513,873	513,873	449,928	63,945
Total housing and development	<u>1,598,045</u>	<u>1,612,964</u>	<u>1,314,055</u>	<u>298,909</u>
Debt service:				
Principal	1,119,058	1,119,058	149,058	970,000
Total debt service	<u>1,119,058</u>	<u>1,119,058</u>	<u>149,058</u>	<u>970,000</u>
Total expenditures	<u>31,770,934</u>	<u>33,395,434</u>	<u>29,475,799</u>	<u>3,919,635</u>
Excess (deficiency) of revenues over expenditures	<u>(405,366)</u>	<u>(428,060)</u>	<u>4,175,232</u>	<u>4,603,292</u>

LEE COUNTY, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL –
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Other financing sources (uses)				
Sale of capital assets	\$ 50,000	\$ 69,554	\$ 75,194	\$ 5,640
Transfers in	1,149,058	1,149,058	179,058	(970,000)
Transfers out	(793,692)	(794,398)	(636,599)	157,799
Total other financing sources (uses)	<u>405,366</u>	<u>424,214</u>	<u>(382,347)</u>	<u>(806,561)</u>
Net change in fund balances	-	(3,846)	3,792,885	3,796,731
Fund balance, beginning of year	<u>21,893,020</u>	<u>21,893,020</u>	<u>21,893,020</u>	-
Fund balance, end of year	<u>\$ 21,893,020</u>	<u>\$ 21,889,174</u>	<u>\$ 25,685,905</u>	<u>\$ 3,796,731</u>

The accompanying notes are an integral part of these financial statements.

LEE COUNTY, GEORGIA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
ARPA FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 1,188,518	\$ 1,188,518	\$ 1,188,518	\$ -
Interest income	84,071	84,071	84,071	-
Total revenues	<u>1,272,589</u>	<u>1,272,589</u>	<u>1,272,589</u>	<u>-</u>
Expenditures				
Current:				
General government	<u>1,057,227</u>	<u>1,057,227</u>	<u>1,057,227</u>	<u>-</u>
Total expenditures	<u>1,057,227</u>	<u>1,057,227</u>	<u>1,057,227</u>	<u>-</u>
Excess of revenues over expenditures	<u>215,362</u>	<u>215,362</u>	<u>215,362</u>	<u>-</u>
Other financing uses				
Transfers out	<u>(149,058)</u>	<u>(149,058)</u>	<u>(149,058)</u>	<u>-</u>
Total other financing uses	<u>(149,058)</u>	<u>(149,058)</u>	<u>(149,058)</u>	<u>-</u>
Net change in fund balances	66,304	66,304	66,304	-
Fund balance, beginning of year	<u>337,348</u>	<u>337,348</u>	<u>337,348</u>	<u>-</u>
Fund balance, end of year	<u>\$ 403,652</u>	<u>\$ 403,652</u>	<u>\$ 403,652</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

LEE COUNTY, GEORGIA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024**

	Business-type Activities - Enterprise Funds			Governmental Activities
	Parks and Recreation Authority	Solid Waste Fund	Total	Internal Service Fund
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ -	\$ 13,097	\$ 13,097	\$ 1,424,958
Accounts receivable, net of allowances	18,091	165	18,256	-
Due from other funds	-	-	-	32,520
Total current assets	<u>18,091</u>	<u>13,262</u>	<u>31,353</u>	<u>1,457,478</u>
NON-CURRENT ASSETS				
Capital assets:				
Nondepreciable	-	163,000	163,000	-
Total non-current assets	<u>-</u>	<u>163,000</u>	<u>163,000</u>	<u>-</u>
Total assets	<u>18,091</u>	<u>176,262</u>	<u>194,353</u>	<u>1,457,478</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	-	13,734	13,734	-
Accrued expenses	-	1,512	1,512	-
Due to other funds	-	10	10	-
Claims payable	-	-	-	282,459
Current portion - compensated absences	-	1,586	1,586	-
Current portion - accrued landfill post-closure care costs	-	36,897	36,897	-
Total current liabilities	<u>-</u>	<u>53,739</u>	<u>53,739</u>	<u>282,459</u>
LONG-TERM LIABILITIES				
Compensated absences, net of current portion	-	3,079	3,079	-
Accrued landfill post-closure care costs	-	66,673	66,673	-
Total long-term liabilities	<u>-</u>	<u>69,752</u>	<u>69,752</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>123,491</u>	<u>123,491</u>	<u>282,459</u>
NET POSITION				
Net investment in capital assets	-	163,000	163,000	-
Unrestricted (deficit)	18,091	(110,229)	(92,138)	1,175,019
Total net position	<u>\$ 18,091</u>	<u>\$ 52,771</u>	<u>\$ 70,862</u>	<u>\$ 1,175,019</u>

The accompanying notes are an integral part of these financial statements.

LEE COUNTY, GEORGIA

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Business-type Activities - Enterprise Funds			Governmental Activities
	Parks and Recreation Authority	Solid Waste Fund	Total	Internal Service Fund
OPERATING REVENUES				
Charges for services	\$ -	\$ 178,083	\$ 178,083	\$ 3,829,819
Miscellaneous	-	-	-	768,440
Total operating revenues	<u>-</u>	<u>178,083</u>	<u>178,083</u>	<u>4,598,259</u>
OPERATING EXPENSES				
Salaries and benefits	-	92,571	92,571	-
Cost of sales and services	-	168,205	168,205	-
Claims	-	-	-	3,580,266
Administration	-	-	-	1,226,405
Closure/post-closure care costs	-	42,774	42,774	-
Total operating expenses	<u>-</u>	<u>303,550</u>	<u>303,550</u>	<u>4,806,671</u>
Operating loss	<u>-</u>	<u>(125,467)</u>	<u>(125,467)</u>	<u>(208,412)</u>
NON-OPERATING INCOME				
Investment income	-	468	468	32,925
Total non-operating income	<u>-</u>	<u>468</u>	<u>468</u>	<u>32,925</u>
Loss before transfers	<u>-</u>	<u>(124,999)</u>	<u>(124,999)</u>	<u>(175,487)</u>
TRANSFERS				
Transfers in	-	154,451	154,451	-
Total transfers	<u>-</u>	<u>154,451</u>	<u>154,451</u>	<u>-</u>
Change in net position	<u>-</u>	<u>29,452</u>	<u>29,452</u>	<u>(175,487)</u>
NET POSITION, beginning of year	<u>18,091</u>	<u>23,319</u>	<u>41,410</u>	<u>1,350,506</u>
NET POSITION, end of year	<u>\$ 18,091</u>	<u>\$ 52,771</u>	<u>\$ 70,862</u>	<u>\$ 1,175,019</u>

The accompanying notes are an integral part of these financial statements.

LEE COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities</u>
	<u>Parks and Recreation Authority</u>	<u>Solid Waste Fund</u>	<u>Total</u>	<u>Internal Service Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ -	\$ 177,038	\$ 177,038	\$ 4,584,804
Payments to suppliers	-	(248,426)	(248,426)	-
Payments for insurance claims	-	-	-	(4,684,115)
Payments to employees	-	(92,056)	(92,056)	-
Net cash used in operating activities	-	(163,444)	(163,444)	(99,311)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers from other funds	-	154,451	154,451	-
Net cash provided by non-capital financing activities	-	154,451	154,451	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	-	468	468	32,925
Net cash provided by investing activities	-	468	468	32,925
equivalents	-	(8,525)	(8,525)	(66,386)
Cash and cash equivalents				
Beginning of year	-	21,622	21,622	1,491,344
End of year	\$ -	\$ 13,097	\$ 13,097	\$ 1,424,958

(Continued)

LEE COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Business-type Activities - Enterprise Funds			Governmental Activities
	Parks and Recreation Authority	Solid Waste Fund	Total	Internal Service Fund
Reconciliation of operating loss to net cash used in operating activities				
Operating loss	\$ -	\$ (125,467)	\$ (125,467)	\$ (208,412)
(Increase) decrease in liabilities:				
Accounts receivable	-	1,448	1,448	2,986
Due from other funds	-	-	-	(16,441)
Increase (decrease) in liabilities:				
Accounts payable	-	(2,307)	(2,307)	-
Accrued expenses	-	515	515	-
Due to other funds	-	(2,493)	(2,493)	-
Claims payable	-	-	-	122,556
Accrued post-closure care	-	(35,140)	(35,140)	-
Net cash used in operating activities	<u>\$ -</u>	<u>\$ (163,444)</u>	<u>\$ (163,444)</u>	<u>\$ (99,311)</u>

The accompanying notes are an integral part of these financial statements.

LEE COUNTY, GEORGIA

**STATEMENT FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2024**

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	\$ 982,574
Property taxes receivable	<u>123,312</u>
Total assets	<u>1,105,886</u>
LIABILITIES	
Due to others	546,551
Uncollected taxes	<u>123,312</u>
Total liabilities	<u>669,863</u>
NET POSITION	
Restricted for individuals, organizations and other governments	<u>\$ 436,023</u>

The accompanying notes are an integral part of these financial statements

LEE COUNTY, GEORGIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	<u>Custodial Funds</u>
ADDITIONS	
Fines and forfeitures	\$ 2,010,784
Taxes collected	<u>30,265,451</u>
Total additions	<u>32,276,235</u>
DEDUCTIONS	
Fines and fees disbursed	1,985,505
Taxes disbursed	<u>30,260,717</u>
Total deductions	<u>32,246,222</u>
Change in net position	30,013
Net position, beginning of year	<u>406,010</u>
Net position, end of year	<u><u>\$ 436,023</u></u>

The accompanying notes are an integral part of these financial statements

NOTES TO FINANCIAL STATEMENTS

LEE COUNTY, GEORGIA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Lee County, Georgia (the “County”) have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

A. Reporting Entity

Lee County was incorporated in 1826 under the laws of the State of Georgia. The County operates under a five-member Board of Commissioners, who each serve staggered terms of four years. The Board elects its own chairman.

As required by GAAP, the financial statements of the reporting entity include those of Lee County, Georgia (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationship with the County.

Blended Component Unit

The Lee County Parks and Recreation Authority (the “Parks and Recreation Authority”) is governed by a five-member board appointed by the County Commissioners. The Parks and Recreation Authority has a June 30th year-end. The Parks and Recreation Authority is responsible for the operations of the former Grand Island Golf Complex. Because the County is currently responsible for the repayment of the Parks and Recreation Authority's outstanding note payable, the Parks and Recreation Authority is considered a blended component unit and reported as the Parks and Recreation Authority enterprise fund. Separate financial statements are not prepared for the Parks and Recreation Authority.

Discretely Presented Component Units

The Lee County Health Department (the “Health Department”) is governed by a seven-member board consisting of four members appointed by the County Commissioners. The Health Department is responsible for providing healthcare services for the citizens of Lee County. The County has the authority to modify and approve the Health Department's budget. The Health Department has a June 30th year-end. The Health Department's financial statements can be obtained by writing to:

Lee County Health Department
P.O. Box 303
Albany, Georgia 31763

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Discretely Presented Component Units (Continued)

The Lee County Utilities Authority (the “Utilities Authority”) is governed by a seven-member board with all members appointed by the County Commissioners. The Utilities Authority is responsible for the day-to-day operations of the County’s water and wastewater systems, in addition to billing and processing payments for the County’s solid waste bills. The Utilities Authority has a June 30th year-end. Separate financial statements are not prepared for the Utilities Authority.

The Lee County Development Authority (the “Development Authority”) is governed by a seven-member board appointed by the County Commissioners. The Authority is responsible for promoting trade, commerce, industry, and employment in Lee County. The Development Authority has a June 30th year-end. The Development Authority does not provide services almost entirely to the benefit of the County and is considered a discretely presented component unit. Separate financial statements can be obtained at:

Development Authority’s Administrative Office
106 Walnut Ave., N
Leesburg, Georgia 31763

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Changes in Net Position) report information on all of the non-fiduciary activities of the primary government and its component units. 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 *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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 instead as *general revenues*.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. 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 the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the 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 County 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, as well as expenditures related to compensated absences, claims and judgments and leases, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, intergovernmental income, licenses, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

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 **1% Special Purpose Local Option Sales Tax ("SPLOST") VII Fund** is a capital projects fund used to account for the receipt and expenditure of the SPLOST which was approved by the voters for a six-year period effective October 1, 2019 through September 30, 2025.

The **Transportation Special Purpose Local Option Sales Tax ("TSPLOST") Fund** is a capital projects fund that accounts for specific revenues provided from TSPLOST for the purpose of funding the building of parks, schools, roads, and other public facilities.

The **American Rescue Plan Act ("ARPA") Fund** accounts for the financial resources provided and subsequently expended from the ARPA grant received from the federal government.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

The County reports the following major proprietary funds:

The ***Parks and Recreation Authority Fund*** is used to account for the activity of the former Grand Island Golf Club.

The ***Solid Waste Fund*** is used to account for the operation, maintenance, and development of the County's inert landfill.

Additionally, the County reports the following fund types:

The ***special revenue funds*** account for specific revenues that are legally restricted or committed to expenditure for particular purposes.

The ***capital projects funds*** account for specific revenues provided for acquisition, construction, or renovation of major capital facilities.

The ***internal service fund*** accounts for the costs of the County's medical benefit plan provided to other departments and agencies of the County.

The ***custodial funds*** are used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals, such as cash bonds, traffic fines, support payments and ad valorem, and property taxes.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the County's solid waste function and various other functions of the County. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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. 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. The principal operating revenues of the enterprise funds are charges to customers for sales and services provided.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Operating expenses for the enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The local government investment pool, ("Georgia Fund 1"), created by the Official Code of Georgia Annotated ("O.C.G.A.") §36-83-8, is a stable asset value investment pool, which follows Standard and Poor's criteria for AAAf rated money market funds and is regulated by the Georgia Office of the State Treasurer. The pool is not registered with the Securities and Exchange Commission ("SEC") as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1 per share value). The asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participants' shares sold and redeemed based on \$1 per share. The pool also adjusts the value of its investments to fair market value as of year-end and the County's investment in the Georgia Fund 1 is reported at fair value.

D. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. For the most part, the effect of interfund activity has been removed from the government-wide Statement of Net Position.

Any residual balances outstanding between the governmental and business-type activities are reported in the government-wide Statement of Net Position as "internal balances." These receivables and payables are classified as "due from other funds" and "due to other funds."

E. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items are recorded as expenditures/expenses when consumed rather than when purchased.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Capital Assets

Capital assets, which include property, intangible assets, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and right-to-use lease assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County and Utility Authority as assets with an initial, individual cost which exceeds certain capitalization thresholds and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities), the County and the Utility Authority chose to include all such items regardless of their acquisition date or amount. Donated capital assets are recorded at the acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend useful lives are expensed as incurred. Major outlays for capital improvements are capitalized as projects are constructed.

Capital assets are depreciated and amortized using the straight-line method over the following useful lives:

<u>Asset Category</u>	<u>Years</u>
<u>Primary government</u>	
Buildings	25 – 50
Infrastructure	15 – 50
Improvements other than buildings	10 – 20
Machinery and equipment	5 – 15
Right-to-use lease assets	5 – 15
<u>Utilities Authority</u>	
Infrastructure	15 – 50
Machinery and equipment	5 – 15

G. Leases

Lessee. The County and the Utility Authority are a lessee for noncancellable leases of equipment. The County and the Utility Authority recognize a lease liability and an intangible right-to-use lease asset in its financial statements. The County and the Utility Authority recognizes all noncancellable lease liabilities.

At the commencement of a lease, the County and the Utility Authority 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Leases (Continued)

Lessee (Continued). Key estimates and judgments related to leases include how the County and the Utility Authority determine: 1) the discount rate it uses to discount the expected lease payments to present value, 2) lease term, and 3) lease payments:

- The County and the Utility Authority use the implicit interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided or cannot be imputed, the County and the Utility Authority generally use 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 prices that the County and the Utility Authority are reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the 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 current and non-current liabilities on the Statement of Net Position.

H. Compensated Absences

It is the County and the Utility Authority's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All compensated absences are 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 or retirements.

I. Long-Term Obligations

In the government-wide financial statements and proprietary 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 effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses in the year the debt is issued.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Long-Term Obligations (Continued)

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 issued and premiums on the issue 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.

J. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Balance Sheet and Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has one item, other than those relating to the County's pension plan, which arise only under the modified accrual basis of accounting that qualify for reporting in this category. The governmental funds report *unavailable revenues* from property taxes, and this amount is deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

The Utilities Authority has one item, other than those relating to the pension plan, which is reported in the government-wide Statement of Net Position. The deferred loss on refunding results from the difference in the carrying value of the refunded debt and its reacquisition price and is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Deferred Outflows/Inflows of Resources (Continued)

The County also has deferred inflows and outflows related to the recording of changes in its net pension liability. Certain changes in the net pension liability are recognized as pension expense over time instead of all being recognized in the year of occurrence. Changes in actuarial assumptions which adjust the net pension liability are also recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining lives of plan members. Experience gains or losses result from periodic studies by the County's actuary which adjust the net pension liability for actual experience for certain trend information that was previously assumed, for example the assumed dates of retirement of plan members. These experience gains or losses are recorded as deferred outflows of resources or deferred inflows of resources and are amortized into pension expense over the expected remaining service lives of plan members. The difference between projected investment return on pension investments and actual return on those investments as well as assumption changes are also deferred and amortized against pension expense over a five-year period.

K. Fund Equity

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 deferred inflows of resources 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 Commission through the adoption of a resolution. Only the County Commission may modify or rescind the commitment.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Fund Equity (Continued)

Fund Balance (Continued) –

- **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. Intent can be expressed by the County Commission or by any official or body to which the County Commission delegates the authority. The County Commission has not designated this authority.
- **Unassigned** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The County reports positive unassigned fund balance only in the General Fund. Negative unassigned fund balances may be reported in all funds.

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

- Committed
- Assigned
- Unassigned

Net Position – Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the County has spent) for the acquisition, construction, or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

The County and the Utility Authority apply restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

L. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows and inflows of resources, and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from these estimates.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Association County Commissioners of Georgia Lee County Defined Benefit Plan (the "Plan"), and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2. BUDGETS AND BUDGETARY ACCOUNTING

Budget Process

The annual budget document is the financial plan for the operation of the County. The budget process exists for the purpose of providing a professional management approach to the establishment of priorities and the implementation of work programs while providing an orderly means for control and evaluation of the County's financial position. An annual operating budget is prepared for the General Fund and Special Revenue Funds.

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

1. Prior to June 30, the County Managers submit to the Board of Commissioners a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public notice of budget and tax proposals is provided in conformance with Georgia law.
3. Public hearings are conducted to obtain taxpayer comments.
4. Prior to June 30, the budget is formally adopted.
5. Budgets for the General Fund and Special Revenue Funds are adopted on a basis consistent with GAAP.

The appropriate budgets are prepared by fund, function and department. Transfers of appropriations between departments require the approval of the County Commissioners. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is at the department level.

The County does not employ the use of encumbrance accounting in governmental funds and no material purchase orders, contracts, or other commitments existed at the end of the fiscal year which should have been encumbered.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)

Capital Projects Budget

The construction of certain major capital facilities and improvements, which are accounted for by the County in capital projects funds, are subject to budgetary control on a project basis. The budgets are approved by the Board of Commissioners and are generally subject to specific provisions of voter referendums, State statutes, and/or grant agreements. Appropriations for a specific project do not lapse until completion of the project.

Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2024, expenditures in the following department fund exceeded budget.

<u>Department</u>	<u>Excess</u>
General Fund:	
Recreation	\$ 3,647

The over expenditures in the above funds were funded by under expenditures in other departments and future transfers and revenues.

NOTE 3. DEPOSITS AND INVESTMENTS

Credit risk. State statutes authorize the County and the Utility Authority to invest in U.S. Government obligations; U.S. Government agency (or other corporation of the U.S. Government) obligations; obligations fully insured or guaranteed by the U.S. Government or a U.S. Government agency; obligations of the State of Georgia or other states; obligations of other counties, municipal corporations, and political subdivisions of the State of Georgia; negotiable certificates of deposit issued by any bank or trust company organized under the laws of any state of the United States of America; prime bankers' acceptances; repurchase agreements; and pooled investment programs sponsored by the State of Georgia for the investment of local government funds.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Interest Rate Risk. Interest rate risk is the risk that changes in the interest rate will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

At June 30, 2024, the County held the following investments:

Investments	Maturities	Rating	Fair Value
Georgia Fund 1	33-day weighted average	AAAf	\$ 37,366,155

Fair Value Measurements. The County categorizes its fair value measurements within the fair value hierarchy established by GAAP. 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.

Georgia Fund 1 is an investment pool which does not meet the criteria of GASB Statement No. 79 and is thus valued at fair value in accordance with GASB Statement No. 31. As a result, the County does not disclose the investment in Georgia Fund 1 within the fair value hierarchy.

Custodial Credit Risk – Deposits and Investments. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the County and the Utility Authority will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2024, the deposits of the County and its component units were properly insured and collateralized as defined by GASB pronouncements and the Official Code of the State of Georgia.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. RECEIVABLES

Property taxes were levied on August 25, 2023. Bills are payable on or before December 20, 2023. The lien date for unpaid taxes is April 20, 2024. After that date, an interest penalty of 18% applies. The County bills and collects its own property taxes. Property taxes levied for 2023 are recorded as receivables, net of estimated uncollectibles. The net receivables collected during the year ended June 30, 2024, and collected by August 31, 2024, are recognized as revenues in the year ended June 30, 2023.

Receivables, including the applicable allowances for uncollectible accounts at June 30, 2024, for the County's individual major and nonmajor funds in the aggregate are as follows:

	<u>General</u>	<u>ARPA</u>	<u>Nonmajor Governmental Funds</u>	<u>Parks and Recreation Authority</u>	<u>Solid Waste Fund</u>	<u>Total</u>
Receivables:						
Taxes	\$ 154,400	\$ -	\$ -	\$ -	\$ -	\$ 154,400
Accounts	2,402,430	68,520	424,314	194,781	165	3,090,210
Gross receivables	2,556,830	68,520	424,314	194,781	165	3,244,610
Less allowance for uncollectibles	(1,649,370)	-	-	(176,690)	-	(1,826,060)
Net receivables	<u>\$ 907,460</u>	<u>\$ 68,520</u>	<u>\$ 424,314</u>	<u>\$ 18,091</u>	<u>\$ 165</u>	<u>\$ 1,418,550</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the fiscal year ended June 30, 2024 was as follows:

	(As restated) Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land and improvements	\$ 3,645,839	\$ 18,552	\$ -	\$ -	\$ 3,664,391
Construction in progress	382,579	-	-	-	382,579
Total capital assets, not being depreciated	<u>4,028,418</u>	<u>18,552</u>	<u>-</u>	<u>-</u>	<u>4,046,970</u>
Capital assets, being depreciated:					
Buildings	23,131,302	-	-	-	23,131,302
Infrastructure	123,996,135	-	-	-	123,996,135
Improvements other than buildings	4,554,822	93,750	-	-	4,648,572
Right-to-use lease assets - equipment	2,196,538	-	-	-	2,196,538
Machinery and equipment	19,670,887	2,115,537	(252,210)	-	21,534,214
Total capital assets, being depreciated	<u>173,549,684</u>	<u>2,209,287</u>	<u>(252,210)</u>	<u>-</u>	<u>175,506,761</u>
Less accumulated depreciation for:					
Buildings	(11,671,079)	(505,203)	-	-	(12,176,282)
Infrastructure	(67,408,665)	(1,775,550)	-	-	(69,184,215)
Improvements other than buildings	(2,793,368)	(489,525)	-	-	(3,282,893)
Right-to-use lease assets - equipment	(1,191,238)	(408,792)	-	-	(1,600,030)
Machinery and equipment	(9,931,822)	(1,660,714)	252,210	-	(11,340,326)
Total accumulated depreciation	<u>(92,996,172)</u>	<u>(4,839,784)</u>	<u>252,210</u>	<u>-</u>	<u>(97,583,746)</u>
Total capital assets, being depreciated, net	<u>80,553,512</u>	<u>(2,630,497)</u>	<u>-</u>	<u>-</u>	<u>77,923,015</u>
Governmental activities capital assets, net	<u>\$ 84,581,930</u>	<u>\$ (2,611,945)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 81,969,985</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

Depreciation/amortization expense was charged to functions of the primary government as follows:

Governmental activities:	
General government	\$ 290,824
Judicial	149,858
Public safety	1,144,538
Public works	3,060,069
Health and welfare	6,740
Culture and recreation	<u>187,755</u>
Total depreciation/amortization expense - governmental activities	<u>\$ 4,839,784</u>

Business-type capital asset activity for the fiscal year ended June 30, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type Activities:					
Capital assets, not being depreciated:					
Land	\$ 163,000	\$ -	\$ -	\$ -	\$ 163,000
Total capital assets, not being depreciated	<u>163,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>163,000</u>
Business-type activities capital assets	<u>\$ 163,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 163,000</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

B. Discretely Presented Component Unit – Utilities Authority

Capital asset activity for the Utilities Authority, a discretely presented component unit, for the fiscal year ended June 30, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Utilities Authority					
Capital assets, not being depreciated:					
Land	\$ 638,467	\$ -	\$ -	\$ -	\$ 638,467
Construction in progress	1,355,556	4,228,094	-	-	5,583,650
Total capital assets, not being depreciated	<u>1,994,023</u>	<u>4,228,094</u>	<u>-</u>	<u>-</u>	<u>6,222,117</u>
Capital assets, being depreciated:					
Infrastructure	37,378,345	-	-	-	37,378,345
Right-to-use lease assets - equipment	63,195	-	-	-	63,195
Machinery and equipment	1,156,117	58,000	-	-	1,214,117
Total	<u>38,597,657</u>	<u>58,000</u>	<u>-</u>	<u>-</u>	<u>38,655,657</u>
Less accumulated depreciation for:					
Infrastructure	(22,790,062)	(1,138,247)	-	-	(23,928,309)
Right-to-use lease assets - equipment	(34,661)	(11,675)	-	-	(46,336)
Machinery and equipment	(1,071,434)	(24,317)	-	-	(1,095,751)
Total	<u>(23,896,157)</u>	<u>(1,174,239)</u>	<u>-</u>	<u>-</u>	<u>(25,070,396)</u>
Total capital assets, being depreciated, net	<u>14,701,500</u>	<u>(1,116,239)</u>	<u>-</u>	<u>-</u>	<u>13,585,261</u>
Utilities Authority capital assets, net	<u>\$ 16,695,523</u>	<u>\$ 3,111,855</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,807,378</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT

A. Primary Government

The following is a summary of long-term debt activity for the County for the fiscal year ended June 30, 2024:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Financed purchase from direct borrowing	\$ 1,340,448	\$ -	\$ (1,340,448)	\$ -	\$ -
Lease liability	1,289,203	-	(184,348)	1,104,855	526,075
Net pension liability	4,254,446	2,793,995	(2,092,725)	4,955,716	-
Compensated absences	1,091,240	-	(1,451)	1,089,789	381,426
Governmental activities long-term liabilities	<u>\$ 7,975,337</u>	<u>\$ 2,793,995</u>	<u>\$ (3,618,972)</u>	<u>\$ 7,150,360</u>	<u>\$ 907,501</u>
Business-type activities:					
Landfill post-closure liability	\$ 138,710	\$ -	\$ (35,140)	\$ 103,570	\$ 36,897
Compensated absences	4,665	-	-	4,665	1,586
Business-type activities long-term liabilities	<u>\$ 143,375</u>	<u>\$ -</u>	<u>\$ (35,140)</u>	<u>\$ 108,235</u>	<u>\$ 38,483</u>

For governmental funds, compensated absences, leases and the net pension liability are liquidated by the General Fund and E-911 Fund. For business-type activities, compensated absences are liquidated by the Solid Waste Fund.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

A. Primary Government (Continued)

Lease Liabilities

The County entered into lease agreements for periods between one and five years as lessee for the use of certain equipment. The leases have an imputed interest rate of 2.41%.

Principal and interest requirements to maturity for the lease liabilities as of June 30, 2024 are as follows:

<u>Fiscal year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 526,075	\$ 37,664	\$ 563,739
2026	85,493	27,324	112,817
2027	89,901	22,916	112,817
2027	403,386	16,443	419,829
	<u>\$ 1,104,855</u>	<u>\$ 104,347</u>	<u>\$ 1,209,202</u>

Landfill post-closure care costs

State and federal laws and regulations require that the County place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for five years after closure of landfills prior to April 1994 and 30 years for all other landfills. For the County's landfill, which was closed prior to April 1994, the estimated liability for post-closure care costs is \$103,570, which is based on 100% of landfill capacity used to date. Actual costs may be higher due to inflation, deflation, revisions to laws or regulations, or changes in technology.

B. Discretely Presented Component Unit – Utilities Authority

The following is a summary of long-term debt activity for the Utilities Authority (component unit) for the fiscal year ended June 30, 2024:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Utilities Authority					
Revenue bonds	\$ 17,880,000	\$ -	\$ (845,000)	\$ 17,035,000	\$ 775,000
Direct placement bonds	5,247,856	-	(448,581)	4,799,275	508,413
Lease liability	30,334	-	(12,259)	18,075	10,011
Note payable from direct borrowing	1,598,875	-	(92,994)	1,505,881	94,166
Net pension liability	245,880	178,340	(133,850)	290,370	-
Compensated absences	74,758	1,083	-	75,841	26,165
Utilities Authority long-term liabilities	<u>\$ 25,077,703</u>	<u>\$ 179,423</u>	<u>\$ (1,532,684)</u>	<u>\$ 23,724,442</u>	<u>\$ 1,413,755</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

B. Discretely Presented Component Unit – Utilities Authority (Continued)

Revenue Bonds – Series 2015 Bonds

In April 2015, the Lee County Utilities Authority issued \$9,595,000 in revenue bonds, which consisted of the 2015A Bonds (\$8,805,000) and its Taxable Revenue Bonds, Series 2015B (\$1,180,000) for the purpose of: 1) financing the acquisition, construction, installation, and equipping of certain improvements to the County (the “Series 2015 Project”), 2) refunding a portion of the Utilities Authority’s outstanding Series 2010 Bonds maturing on August 1, 2022 through August 1, 2032, (the “Refunded Bonds”), 3) prepaying a promissory note executed by the Utilities Authority in favor of the Georgia Environmental Finance Authority (“GEFA”) note, and 4) paying a portion of the costs of issuing the Series 2015A Bonds. Interest is payable semi-annually on February 1 and August 1 of each year, commencing August 1, 2015. Principal payments are due August 1 beginning August 1, 2023 for the 2015A Bonds and beginning August 1, 2015 for the 2015B Bonds.

Revenue Bonds – Series 2022 Bonds

In December 2022, the Lee County Utilities Authority issued \$9,335,000 in revenue bonds for the purpose of: 1) financing certain improvements to the System, and 2) paying the cost of issuing the bonds. Interest is payable semi-annually on February 1 and August 1 of each year, commencing February 1, 2023. The interest rate on the bonds is 3.61%. Principal payments are due August 1 beginning August 1, 2024. The bond will mature on August 1, 2037.

The Utilities Authority’s debt service requirements to maturity on the 2015 and 2022 revenue bonds payable are as follows:

<u>Fiscal year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 775,000	\$ 602,244	\$ 1,377,244
2026	785,000	582,673	1,367,673
2027	795,000	560,825	1,355,825
2028	825,000	532,464	1,357,464
2029	855,000	501,301	1,356,301
2030 – 2034	6,360,000	1,931,086	8,291,086
2035 – 2038	6,640,000	488,072	7,128,072
	<u>\$ 17,035,000</u>	<u>\$ 5,198,665</u>	<u>\$ 22,233,665</u>

Direct Placement Bonds – Series 2018 Bonds

In July 2018, the Utilities Authority issued the Lee County Utilities Authority Refunding Revenue Bond, Series 2018 in the amount of \$9,100,000 for the purpose of: 1) refunding the Series 2010 Bonds maturing in 2019 and thereafter, and 2) paying the costs of issuing the Series 2018 Bonds. Principal and interest at 2.86% are payable semi-annually on February 1 and August 1 of each year, commencing February 1, 2019. Final payment of principal and interest is due August 1, 2032.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

B. Discretely Presented Component Unit - Utilities Authority (Continued)

Direct Placement Bonds – Series 2018 Bonds (Continued)

The Utilities Authority's debt service requirements to maturity on the direct placement bonds payable are as follows:

<u>Fiscal year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 508,413	\$ 133,614	\$ 642,027
2026	521,723	119,026	640,749
2027	538,589	103,964	642,553
2028	553,592	88,453	642,045
2029	566,217	72,526	638,743
2030 – 2033	2,110,741	122,386	2,233,127
	<u>\$ 4,799,275</u>	<u>\$ 639,969</u>	<u>\$ 5,439,244</u>

Note Payable from Direct Borrowing

In fiscal year 2018, the Lee County Utilities Authority entered into an agreement with GEFA to finance the installation of a 350 kW solar photovoltaic system in the amount of up to \$998,000. The project was completed in fiscal year 2020. The original amount of the loan was \$945,190 for which \$236,179 was forgiven. Principal and interest at 0.65% are payable monthly, commencing October 1, 2019. Final payment of principal and interest is due September 1, 2024. The outstanding principal balance at June 30, 2024 was \$515,090.

The Utilities Authority entered into a second agreement with GEFA in fiscal year 2022 to finance the cost of acquiring, constructing, and installing additions, extension, or improvements to the Utilities Authority's environmental facilities. The original amount of the loan was \$1,064,723. Principal and interest at 1.39% are payable monthly, commencing November 1, 2022. Final payment of principal and interest is due October 1, 2042. The outstanding principal balance at June 30, 2024 was \$990,791.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

B. Discretely Presented Component Unit - Utilities Authority (Continued)

Note Payable from Direct Borrowing (Continued)

Debt service requirements to maturity are as follows:

<u>Fiscal year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 94,166	\$ 16,465	\$ 110,631
2026	95,135	15,496	110,631
2027	96,115	14,516	110,631
2028	97,076	13,555	110,631
2029	98,110	12,521	110,631
2030 – 2034	505,990	47,165	553,155
2034 – 2038	293,585	23,865	317,450
2039 – 2043	225,704	4,756	230,460
	<u>\$ 1,505,881</u>	<u>\$ 148,339</u>	<u>\$ 1,654,220</u>

Lease Liabilities

The Authority entered into lease agreements for periods between one and five years as lessee for the use of certain equipment. The leases have an imputed interest rate of 2.41%.

Principal and interest requirements to maturity for the lease liabilities as of June 30, 2024 are as follows:

<u>Fiscal year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 10,011	\$ 218	\$ 10,229
2026	8,064	61	8,125
	<u>\$ 18,075</u>	<u>\$ 279</u>	<u>\$ 18,354</u>

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2024 is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
	Nonmajor	
General Fund	Governmental	\$ 100
General Fund	Solid Waste Fund	10
Internal Service Fund	General Fund	32,520
		<u>\$ 32,630</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

These balances resulted from the time lag between the dates that: 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

Due to/from primary government and component unit:

Receivable	Payable	Amount
General Fund	Utilities Authority	\$ 4,382

Interfund transfers:

Transfers Out	Transfers In			Total
	General Fund	Nonmajor Governmental Funds	Solid Waste Fund	
General Fund	\$ -	\$ 482,148	\$ 154,451	\$ 636,599
ARPA Fund	149,058	-	-	149,058
Nonmajor:				
Governmental Funds	30,000	-	-	30,000
	\$ 179,058	\$ 482,148	\$ 154,451	\$ 815,657

Transfers are used to: 1) move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them, and 2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. DEFINED BENEFIT PENSION PLAN

Plan Description

The County, as authorized by the County Commission, has established a non-contributory defined benefit pension plan, the Lee County Defined Benefit Plan (the "Plan"), covering substantially all of the County's employees. The Utility Authority participates in this plan. The County's pension plan is administered through the Association County Commissioners of Georgia Third Restated Defined Benefit Plan (the "ACCG Plan"), an agent multiple-employer pension plan administered by with the Association of County Commissioners of Georgia ("ACCG"). The ACCG Plan provides retirement, disability and death benefits to plan members and beneficiaries. The ACCG, in its role as the Plan sponsor, has the sole authority to establish and amend the benefit provisions and the contribution rates of the County related to the ACCG Plan, as provided in Section 19.03 of the ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of the ACCG Plan, as provided in Section 19.02 of the ACCG Plan document. The County Commission retains this authority. The ACCG Plan issues a publicly available financial report that includes financial statements and required supplementary information for the pension trust. That report may be obtained at www.gebcorp.com or by writing to:

Association County Commissioners of Georgia, Retirement Services
191 Peachtree Street, NE
Atlanta, Georgia 30303
or by calling (800) 736-7166

Plan Membership

At January 1, 2023, the date of the most recent actuarial valuation, there were 395 participants as follows:

Inactive plan members (or beneficiaries) currently receiving benefits	49
Inactive plan members entitled to but not yet receiving benefits	111
Active plan members	<u>235</u>
Total	<u><u>395</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contributions

The ACCG Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of ACCG has adopted a recommended actuarial funding policy for the ACCG Plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the ACCG Plan. The funding policy for the ACCG Plan, as adopted by the County Board of Commissioners, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The County is required to contribute the actuarially determined rate. For the fiscal year ended June 30, 2024, the County's contribution was 5.85% of annual payroll. County contributions to the ACCG Plan were \$645,219 for the fiscal year ended June 30, 2024.

Net Pension Liability of the County

The County's net pension liability was measured as of December 31, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as January 1, 2023, with update procedures performed by the actuary to roll forward to the total pension liability measured as of December 31, 2023.

Net Pension Liability

Actuarial assumptions. The net pension liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Salary increases	4.00% - 6.50% per year with an age based scale, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the Pub-2010 amount weighted mortality table with a blend of 50% of the general employees and 50% of the public safety employees with a scale AA to 2021.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability (Continued)

Actuarial assumptions (Continued). The long-term expected rate of return on pension plan investments was determined through a blend of using a building-block method based on 20-year benchmarks (25%) and 30-year benchmarks (25%), as well as forward-looking capital market assumptions for a moderate asset allocation (50%), 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 weighting 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 in the following table:

Asset Class	Target Allocation	Range*
Fixed Income	30 %	25 – 35 %
Large Cap	30	25 – 35
Mid Cap	5	2.5 – 10
Small Cap	5	2.5 – 10
REIT	5	2.5 – 10
International	15	10 – 20
Multi Cap	5	2.5 – 10
Global Allocation	5	2.5 – 10
	100 %	

* Rates shown are net of the 3.00% assumed rate of inflation.

Discount Rate: The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability (Continued)

Changes in the Net Pension Liability of the County. The changes in the components of the net pension liability of the County for the fiscal year ended June 30, 2024 were as follows:

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Beginning balance	\$ 14,950,111	\$ 10,449,785	\$ 4,500,326
Changes for the year:			
Service Cost	439,453	-	439,453
Interest	1,032,271	-	1,032,271
Differences between expected and actual experience	209,413	-	209,413
Assumption changes	1,125,742	-	1,125,742
Contributions - employer	-	645,219	(645,219)
Net investment income	-	1,581,356	(1,581,356)
Benefit payments, including refunds of employee contributions	(406,777)	(406,777)	-
Service credit transfer	-	-	-
Administrative expense	-	(73,190)	73,190
Other changes	-	(92,266)	92,266
Net changes	2,400,102	1,654,342	745,760
Ending balance	\$ 17,350,213	\$ 12,104,127	\$ 5,246,086
County's portion			\$ 4,955,716
Utilities Authority's portion			290,370
			\$ 5,246,086

The required Schedule of Changes in the County's Net Pension Liability and Related Ratios immediately following the notes to the financial statements presents multi-year trend information about whether the value of plan assets are increasing or decreasing over time relative to the total pension liability.

The net pension liability of \$5,246,086 is allocated to governmental activities of the County and the Utilities Authority based on their respective share of the liability.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability (Continued)

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's Net Pension Liability	\$ 7,524,482	\$ 4,955,716	\$ 2,909,181
Utilities Authority's Net Pension Liability	396,025	290,370	153,115
Total Net Pension Liability	\$ 7,920,507	\$ 5,246,086	\$ 3,062,296

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of December 31, 2023, and the current sharing pattern of costs between employer and employee.

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2024, the County and Utility Authority recognized pension expense of \$1,094,980. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 459,284	\$ -
Assumption changes	1,240,383	41,776
Differences between expected and actual experience of economic/demographic (gains)/losses	575,380	151,016
Total	\$ 2,275,047	\$ 192,792
County's portion	\$ 2,149,123	\$ 182,121
Utilities Authority's portion	125,924	10,671
Total	\$ 2,275,047	\$ 192,792

NOTES TO FINANCIAL STATEMENTS

NOTE 8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions (Continued)

Amounts reported as deferred inflows and deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal year ending June 30,</u>	<u>County</u>	<u>Utilities Authority</u>	<u>Total</u>
2025	\$ 472,417	\$ 24,864	\$ 497,281
2026	516,866	27,203	544,069
2027	616,138	32,428	648,566
2028	94,861	4,993	99,854
2029	207,934	10,944	218,878
Thereafter	58,786	14,821	73,607
Total	<u>\$ 1,967,002</u>	<u>\$ 115,253</u>	<u>\$ 2,082,255</u>

NOTE 9. 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, except as described in the following paragraph, the County carries commercial insurance in amounts deemed prudent by County management.

The County participates in the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Association of County Commissioners of Georgia Group Self-Insurance Workers' Compensation Fund, which are public entity risk pools currently operating as common risk management and insurance programs for member local governments.

As part of these risk pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pools' 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 pools' agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds.

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

NOTES TO FINANCIAL STATEMENTS

NOTE 9. RISK MANAGEMENT (CONTINUED)

There have been no significant reductions of insurance coverage from coverage in the prior year, and settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

The County has an employee benefit plan designed to protect employees covered against catastrophic health expenses. The plan is a self-funded welfare plan consisting of an insured part and a self-funded part. Under the plan, the self-funded part provides medical coverage for employees and their dependents up to a maximum of \$80,000 per participant per plan year. The insured part provides insurance coverage for claims in excess of the coverage provided by the self-funded part, providing the County with protection from risk of loss. The total amount of the County's liability for a contract year, which begins February 1 and ends January 31, is the premium for each employee per month plus the maximum claim liability of \$80,000 per employee per year not to exceed an estimated annual maximum cost of \$3,077,136.

The liability for claims payable is reported in the County's internal service fund. Changes in the balances of claims liabilities for the past two years are as follows:

	2024	2023
Unpaid claims, beginning of year	\$ 159,903	\$ 301,953
Incurred claims and changes in estimates	3,580,265	2,826,806
Claim payments	(3,457,709)	(2,968,856)
Unpaid claims, end of year	\$ 282,459	\$ 159,903

NOTE 10. COMMITMENTS AND CONTINGENCIES

Litigation

The County and Utility Authority are defendants in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the County's counsel that resolution of these matters will not have a material adverse effect on the financial position of the County.

Grant Contingencies

The County and the Utility Authority have received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to the disallowance of certain expenditures previously reimbursed by those agencies. Based upon prior experience, the County and Utility Authority management believe such disallowances, if any, will not be significant.

NOTES TO FINANCIAL STATEMENTS

NOTE 11. JOINT VENTURES

Under Georgia law, the County, in conjunction with other cities and counties in the Southwest Georgia area, is a member of the Southwest Georgia Regional Commission (“RC”) and is required to pay annual dues thereto. During the year ended June 30, 2024, the County paid \$31,999 in such dues. Membership in the RC is required by the O.C.G.A. §50-8-34 which provides for the organizational structure of regional development commissions in Georgia.

The RC Board membership includes the chief elected official of each county and municipality of the area. O.C.G.A. §50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

Southwest Georgia Regional Commission
30 West Broad Street
Camilla, Georgia 31730

NOTE 12. RELATED ORGANIZATIONS

The County Commission is responsible for all of the Board appointments of the Lee County Housing Authority. However, the County has no further accountability for this organization.

NOTE 13. HOTEL/MOTEL TAX

The County imposes a 5% hotel/motel tax on lodging facilities within the County. Revenues collected during the fiscal year ended June 30, 2024 were \$21,653. No expenditures or transfers out were incurred during the fiscal year ended June 30, 2024.

NOTES TO FINANCIAL STATEMENTS

NOTE 14. ACCOUNTING CHANGES

Changes to or within the Financial Reporting Entity

Change in Component Unit Presentation

The Development Authority was previously reported as a blended component unit; however, the Development Authority no longer meets the requirements for presentation as a blended component unit and is discretely presented for the fiscal year ended June 30, 2024. The change in presentation was due the Development Authority no longer providing services entirely to Lee County (the “primary government”), or otherwise exclusively or almost exclusively to the benefit of the primary government even though the Development Authority does not provide services directly to it. The effects of that change to or within the financial reporting entity are shown in the table below.

Reporting Units Affected by Adjustments to and Restatements of Beginning Balances

	<u>Fund Level</u>	<u>Government-wide Level</u>	<u>Component Unit</u>
	<u>Nonmajor Funds</u>	<u>Governmental Activities</u>	<u>Development Authority</u>
6/30/23, as previously reported	\$ 1,845,967	\$ 122,749,994	\$ -
Change from blended component unit to discretely presented component unit - development authority	(724,070)	(4,341,342)	4,341,342
6/30/23, as restated	<u>\$ 1,121,897</u>	<u>\$ 118,408,652</u>	<u>\$ 4,341,342</u>

**REQUIRED SUPPLEMENTARY
INFORMATION**

LEE COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY AND RELATED RATIOS FOR THE FISCAL YEAR ENDED JUNE 30,

	2024	2023	2022	2021
Total Pension Liability - Beginning of Year	\$ 14,950,111	\$ 13,646,125	\$ 12,459,639	\$ 11,149,310
Service Cost	439,453	437,313	433,868	417,182
Interest on the Total Pension Liability	1,032,271	943,172	863,141	773,251
Liability Experience (Gain)/Loss	209,413	242,716	124,763	303,954
Changes of Assumptions	1,125,742	25,267	22,823	21,692
Benefit Payments	(406,777)	(344,482)	(251,449)	(205,750)
Service Credit Transfer	-	-	(6,660)	-
Net Change in Total Pension Liability	<u>2,400,102</u>	<u>1,303,986</u>	<u>1,186,486</u>	<u>1,310,329</u>
Total Pension Liability - End of Year (a)	<u>17,350,213</u>	<u>14,950,111</u>	<u>13,646,125</u>	<u>12,459,639</u>
Plan Fiduciary Net Position - Beginning of Year	<u>10,449,785</u>	<u>12,039,676</u>	<u>10,156,639</u>	<u>8,761,932</u>
Contributions - Employer	645,219	602,675	678,831	523,000
Net Investment Income	1,581,356	(1,727,966)	1,591,002	1,193,755
Benefit Payments	(406,777)	(344,482)	(251,449)	(205,750)
Service Credit Transfer	-	-	(6,660)	-
Administrative Expenses	(73,190)	(68,767)	(66,351)	(62,947)
Other Receipts	(92,266)	(51,351)	(62,336)	(53,351)
Net Change in Plan Fiduciary Net Position	<u>1,654,342</u>	<u>(1,589,891)</u>	<u>1,883,037</u>	<u>1,394,707</u>
Plan Fiduciary Net Position - End of Year (b)	<u>12,104,127</u>	<u>10,449,785</u>	<u>12,039,676</u>	<u>10,156,639</u>
County's Net Pension Liability (a) - (b)	<u>\$ 5,246,086</u>	<u>\$ 4,500,326</u>	<u>\$ 1,606,449</u>	<u>\$ 2,303,000</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.76%	69.90%	88.23%	81.52%
Covered Payroll	\$ 11,038,280	\$ 10,730,898	\$ 10,322,602	\$ 9,970,545
Net Pension Liability as a Percentage of the Covered Payroll	47.5%	41.9%	15.6%	23.1%

2020	2019	2018	2017	2016	2015
\$ 9,753,229	\$ 8,915,388	\$ 8,644,381	\$ 7,816,878	\$ 6,465,814	\$ 5,646,475
380,411	426,394	477,903	446,272	447,004	444,815
682,726	642,257	621,871	584,588	482,064	421,716
(7,544)	202,821	(715,688)	(506,941)	160,036	-
520,084	(320,266)	20,644	348,342	338,535	-
(179,596)	(113,365)	(133,723)	(44,758)	(76,575)	(47,192)
-	-	-	-	-	-
1,396,081	837,841	271,007	827,503	1,351,064	819,339
11,149,310	9,753,229	8,915,388	8,644,381	7,816,878	6,465,814
7,054,491	7,031,179	5,698,869	4,848,328	4,325,599	3,687,107
499,653	551,592	657,635	638,935	657,405	503,835
1,489,761	(335,226)	912,232	354,482	38,236	273,820
(173,523)	(113,365)	(133,723)	(44,758)	(76,575)	(47,192)
-	-	-	-	-	-
(59,944)	(47,679)	(49,348)	(49,420)	(48,186)	(47,622)
(48,506)	(32,010)	(54,486)	(48,698)	(48,151)	(44,349)
1,707,441	23,312	1,332,310	850,541	522,729	638,492
8,761,932	7,054,491	7,031,179	5,698,869	4,848,328	4,325,599
\$ 2,387,378	\$ 2,698,738	\$ 1,884,209	\$ 2,945,512	\$ 2,968,550	\$ 2,140,215
78.59%	72.33%	78.87%	65.93%	62.02%	66.90%
\$ 9,459,231	\$ 9,186,873	\$ 10,006,196	\$ 9,238,642	\$ 9,675,437	\$ 9,693,809
25.2%	29.4%	18.8%	31.9%	30.7%	22.1%

LEE COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF COUNTY CONTRIBUTIONS FOR THE FISCAL YEAR ENDED JUNE 30,

	2024	2023	2022	2021
Actuarially Determined Contribution	\$ 640,845	\$ 600,551	\$ 605,503	\$ 590,284
Actual Contributions During the Year	<u>645,219</u>	<u>640,845</u>	678,831	523,000
Contribution Deficiency/(Excess)	<u>\$ (4,374)</u>	<u>\$ (40,294)</u>	<u>\$ (73,328)</u>	<u>\$ 67,284</u>
Covered Payroll	\$ 11,038,280	\$ 10,730,898	\$ 10,322,602	\$ 9,970,545
Contributions as a Percentage of Covered Payroll	5.85%	5.97%	6.58%	5.25%

Notes to the Schedule:

Valuation Date	January 1, 2023
Actuarial Cost Method	Entry age normal
Actuarial Asset Valuation Method	Smoothed market value with a five-year smoothing period
Amortization Method	Closed level dollar for unfunded liability
Remaining Amortization Period	None remaining
Projected Salary Increases	4.00% – 6.50%
Assumed Rate of Return on Investments	7.00%

2020	2019	2018	2017	2016	2015
\$ 498,895	\$ 550,496	\$ 638,157	\$ 605,393	\$ 601,121	\$ 611,182
499,653	551,592	657,635	638,935	657,405	503,835
<u>\$ (758)</u>	<u>\$ (1,096)</u>	<u>\$ (19,478)</u>	<u>\$ (33,542)</u>	<u>\$ (56,284)</u>	<u>\$ 107,347</u>
\$ 9,459,231	\$ 9,186,873	\$ 10,006,196	\$ 9,238,642	\$ 9,675,437	\$ 9,693,809
5.28%	6.00%	6.57%	6.92%	6.79%	5.20%

SUPPLEMENTARY INFORMATION

**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND
SCHEDULES**

LEE COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2024

	Special Revenue Funds				
	Drug Abuse Treatment and Education Fund	Jail Fund	District Attorney Forfeiture Fund	Law Library Fund	E-911 Fund
ASSETS					
Cash and cash equivalents	\$ 70,358	\$ 75,070	\$ 26,504	\$ 6,296	\$ 9,408
Investments	9,409	-	-	-	-
Accounts receivable	-	-	-	-	99,602
Due from other governments	291	1,061	-	-	-
Total assets	<u>\$ 80,058</u>	<u>\$ 76,131</u>	<u>\$ 26,504</u>	<u>\$ 6,296</u>	<u>\$ 109,010</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 260
Accrued liabilities	-	-	-	-	12,917
Due to other funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,177</u>
FUND BALANCES					
Restricted for:					
Public safety	80,058	76,131	-	-	95,833
Judicial	-	-	26,504	6,296	-
Capital projects	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Economic development	-	-	-	-	-
Total fund balances	<u>80,058</u>	<u>76,131</u>	<u>26,504</u>	<u>6,296</u>	<u>95,833</u>
Total liabilities and fund balances	<u>\$ 80,058</u>	<u>\$ 76,131</u>	<u>\$ 26,504</u>	<u>\$ 6,296</u>	<u>\$ 109,010</u>

Special Revenue Funds				Capital Projects Funds		
Special Assessment Fund	Hotel/Motel Tax Fund	National Opioid Fund	Community Development Fund	1% SPLOST VI BONY Advance Capital Projects Fund	TSPLOST II Capital Projects Fund	Total
\$ 693,856	\$ 54,880	\$ 134,805	\$ 121,663	\$ 31	\$ 855,817	\$ 2,048,688
-	-	-	-	-	653,794	663,203
-	-	-	-	-	324,712	424,314
-	-	-	-	-	-	1,352
<u>\$ 693,856</u>	<u>\$ 54,880</u>	<u>\$ 134,805</u>	<u>\$ 121,663</u>	<u>\$ 31</u>	<u>\$ 1,834,323</u>	<u>\$ 3,137,557</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 260
-	-	-	-	-	-	12,917
-	-	-	-	-	100	100
-	-	-	-	-	100	13,277
-	-	134,805	121,663	-	-	508,490
-	-	-	-	-	-	32,800
-	-	-	-	31	1,834,223	1,834,254
693,856	-	-	-	-	-	693,856
-	54,880	-	-	-	-	54,880
<u>693,856</u>	<u>54,880</u>	<u>134,805</u>	<u>121,663</u>	<u>31</u>	<u>1,834,223</u>	<u>3,124,280</u>
<u>\$ 693,856</u>	<u>\$ 54,880</u>	<u>\$ 134,805</u>	<u>\$ 121,663</u>	<u>\$ 31</u>	<u>\$ 1,834,323</u>	<u>\$ 3,137,557</u>

LEE COUNTY, GEORGIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Special Revenue Funds				
	Drug Abuse Treatment and Education Fund	Jail Fund	District Attorney Forfeiture Fund	Law Library Fund	E-911 Fund
Revenues:					
Sales taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-
Charges for services	-	-	-	-	657,971
Fines and forfeitures	4,724	33,978	4,133	8,805	-
Investment income	2,357	2,061	610	170	1,015
Intergovernmental	-	-	-	-	-
Other revenue	-	-	6,437	-	38,179
Total revenues	<u>7,081</u>	<u>36,039</u>	<u>11,180</u>	<u>8,975</u>	<u>697,165</u>
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	28,576	-	-	-	1,194,666
Judicial	-	-	1,221	10,766	-
Economic development	-	-	-	-	-
Total expenditures	<u>28,576</u>	<u>-</u>	<u>1,221</u>	<u>10,766</u>	<u>1,194,666</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(21,495)</u>	<u>36,039</u>	<u>9,959</u>	<u>(1,791)</u>	<u>(497,501)</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	482,148
Transfers out	-	(30,000)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(30,000)</u>	<u>-</u>	<u>-</u>	<u>482,148</u>
Net change in fund balances	<u>(21,495)</u>	<u>6,039</u>	<u>9,959</u>	<u>(1,791)</u>	<u>(15,353)</u>
Fund balances, beginning of year, as previously presented	101,553	70,092	16,545	8,087	111,186
Change in financial reporting entity (blended to discretely presented component unit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year, as adjusted	<u>101,553</u>	<u>70,092</u>	<u>16,545</u>	<u>8,087</u>	<u>111,186</u>
Fund balances, end of year	<u>\$ 80,058</u>	<u>\$ 76,131</u>	<u>\$ 26,504</u>	<u>\$ 6,296</u>	<u>\$ 95,833</u>

Special Revenue Funds					Capital Projects Funds		
Special Assessment Fund	Hotel/Motel Tax Fund	National Opioid Fund	<i>(Formerly non-major)</i>		1% SPLOST VI BONY Advance Capital Projects Fund	TSPLOST II Capital Projects Fund	Total
			Development Authority Fund	Community Development Fund			
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 976,810	\$ 976,810
-	20,571	-	-	-	-	-	20,571
97,064	-	-	-	-	-	-	755,035
-	-	-	-	-	-	-	51,640
16,449	1,083	2,086	-	-	-	1,723	27,554
-	-	74,056	-	-	-	855,690	929,746
-	-	-	-	51,193	-	-	95,809
<u>113,513</u>	<u>21,654</u>	<u>76,142</u>	<u>-</u>	<u>51,193</u>	<u>-</u>	<u>1,834,223</u>	<u>2,857,165</u>
-	-	-	-	9,950	-	-	9,950
60,000	-	1,751	-	-	-	-	1,284,993
-	-	-	-	-	-	-	11,987
-	-	-	-	-	-	-	-
<u>60,000</u>	<u>-</u>	<u>1,751</u>	<u>-</u>	<u>9,950</u>	<u>-</u>	<u>-</u>	<u>1,306,930</u>
<u>53,513</u>	<u>21,654</u>	<u>74,391</u>	<u>-</u>	<u>41,243</u>	<u>-</u>	<u>1,834,223</u>	<u>1,550,235</u>
-	-	-	-	-	-	-	482,148
-	-	-	-	-	-	-	(30,000)
-	-	-	-	-	-	-	452,148
53,513	21,654	74,391	-	41,243	-	1,834,223	2,002,383
640,343	33,226	60,414	724,070	80,420	31	-	1,845,967
-	-	-	(724,070)	-	-	-	(724,070)
<u>640,343</u>	<u>33,226</u>	<u>60,414</u>	<u>-</u>	<u>80,420</u>	<u>31</u>	<u>-</u>	<u>1,121,897</u>
<u>\$ 693,856</u>	<u>\$ 54,880</u>	<u>\$ 134,805</u>	<u>\$ -</u>	<u>\$ 121,663</u>	<u>\$ 31</u>	<u>\$ 1,834,223</u>	<u>\$ 3,124,280</u>

LEE COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Project Description	Original Estimated Costs	Current Estimated Costs	Expenditures			Estimated Percentage of Completion
			Prior	Current	Total	
<i>Sales Tax SPLOST VII</i>						
Public safety capital projects and equipment	\$ 5,230,447	\$ 5,230,447	\$ 4,648,034	\$ 173,333	\$ 4,821,367	92%
Courthouse - security, renovations and records	250,000	250,000	-	-	-	0%
Water and sewer system projects	750,000	750,000	196,133	588,389	784,522	100%
Roads, streets and bridges	4,535,053	4,535,053	563,072	2,672,635	3,235,707	71%
Library projects	250,000	250,000	45,289	-	45,289	18%
911 back-up center	500,000	500,000	-	-	-	0%
Stormwater projects	500,000	500,000	220,560	162,833	383,393	77%
Public works - renovations and equipment	1,070,884	1,070,884	-	-	-	0%
Public facilities - renovations and GIS	1,000,000	1,000,000	1,473,389	14,410	1,487,799	100%
Recreation projects	3,186,000	3,186,000	459,420	307,768	767,188	24%
Information technology projects	1,000,000	1,000,000	-	-	-	0%
City of Leesburg	2,130,459	2,130,459	1,815,685	551,269	2,366,954	100%
City of Smithville	422,760	422,760	360,297	109,392	469,689	100%
Repayment of issuance of debt	-	-	498,906	1,442,488	1,941,394	
Total expenditures	<u>\$ 20,825,603</u>	<u>\$ 20,825,603</u>	<u>\$ 10,280,785</u>	<u>\$ 6,022,517</u>	<u>\$ 16,303,302</u>	

(Continued)

*** Estimated costs are not budgeted by project or in total. Projects are approved according to need at least annually.

LEE COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Project Description	Original Estimated Costs	Current Estimated Costs	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
<i>Sales Tax SPLOST VI</i>						
Public safety capital projects and equipment	\$ 3,570,000	\$ 6,035,569	\$ 6,035,569	\$ -	\$ 6,035,569	100%
Courthouse - security, renovations and records	500,000	668,623	668,623	-	668,623	100%
Water and sewer system projects	2,250,000	1,203,409	1,203,409	-	1,203,409	53%
Roads, streets and bridges	10,738,760	9,715,089	9,715,089	-	9,715,089	90%
Oakland Library project	1,200,000	1,165,891	1,165,891	-	1,165,891	97%
Leesburg/Smithville library projects	465,000	74,134	74,134	-	74,134	16%
Stormwater projects	500,000	703,195	703,195	-	703,195	100%
Public works - renovations and equipment	250,000	336,767	336,767	-	336,767	100%
Public facilities - renovations and GIS	250,000	1,050,613	1,050,613	-	1,050,613	100%
Recreation projects	1,750,000	230,358	230,358	-	230,358	13%
City of Leesburg	2,650,000	2,081,566	2,081,566	-	2,081,566	79%
City of Smithville	779,370	616,035	616,035	-	616,035	79%
Repayment of issuance of debt	3,350,000	4,629,849	4,629,849	-	4,629,849	100%
 Total expenditures	 <u>\$ 28,253,130</u>	 <u>\$ 28,511,098</u>	 <u>\$ 28,511,098</u>	 <u>\$ -</u>	 <u>\$ 28,511,098</u>	

LEE COUNTY, GEORGIA

**SCHEDULE OF EXPENDITURES OF
TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Project Description	Original Estimated Costs	Current Estimated Costs	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
Roads, streets and bridges	\$ 16,995,017	\$ 16,995,017	\$ 11,298,221	\$ 3,380,372	\$ 14,678,593	86%
Total expenditures	<u>\$ 16,995,017</u>	<u>\$ 16,995,017</u>	<u>\$ 11,298,221</u>	<u>\$ 3,380,372</u>	<u>\$ 14,678,593</u>	

LEE COUNTY, GEORGIA

**COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
PROJECT COST SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

CDBG Grant 21p-y-088-1-6221

<u>Program Activity</u>	<u>CDBG Activity Number</u>	<u>Latest Approved Budget</u>	<u>Accumulated CDBG Expenditures to Date</u>	<u>Accumulated Expenditures to Date Other Funds</u>	<u>Grand Total of Expenditures To Date</u>	<u>Questioned Cost (if applicable)</u>
Water Facilities	P-03J-01	\$ 441,139	\$ 438,868	\$ 24,416	\$ 463,284	\$ -
Administration	A-21A-00	28,145	6,000	-	6,000	-
		<u>\$ 469,284</u>	<u>\$ 444,868</u>	<u>\$ 24,416</u>	<u>\$ 469,284</u>	<u>\$ -</u>

LEE COUNTY, GEORGIA
CUSTODIAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Tax Commissioner – This fund is used to account for all personal property and real property taxes collected and forwarded to the County and other government units.

The following agency funds are used to account for fines, fees and other monies collected by the courts and remitted to other parties in accordance with court orders and state law:

Clerk of Superior Court
Probate Court
Magistrate Court

Sheriff – This fund is used to account for collection of fees, proceeds from judicial sales and cash bonds, which are disbursed to other agencies, the County and individuals.

LEE COUNTY, GEORGIA

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2024**

	<u>Clerk of Superior Court</u>	<u>Probate Court</u>	<u>Tax Commissioner</u>	<u>Magistrate Court</u>	<u>Sheriff</u>	<u>Total Custodial Funds</u>
ASSETS						
Cash and cash equivalents	\$ 132,845	\$ 36,280	\$ 592,048	\$ 14,411	\$ 206,990	\$ 982,574
Property taxes receivable	-	-	123,312	-	-	123,312
Total assets	<u>\$ 132,845</u>	<u>\$ 36,280</u>	<u>\$ 715,360</u>	<u>\$ 14,411</u>	<u>\$ 206,990</u>	<u>\$ 1,105,886</u>
LIABILITIES						
Due to others	\$ 55,529	\$ 12,769	\$ 465,664	\$ 2,429	\$ 10,160	\$ 546,551
Uncollected taxes	-	-	123,312	-	-	123,312
Total liabilities	<u>\$ 55,529</u>	<u>\$ 12,769</u>	<u>\$ 588,976</u>	<u>\$ 2,429</u>	<u>\$ 10,160</u>	<u>\$ 669,863</u>
NET POSITION						
Restricted for individuals, organizations and other governments	<u>\$ 77,316</u>	<u>\$ 23,511</u>	<u>\$ 126,384</u>	<u>\$ 11,982</u>	<u>\$ 196,830</u>	<u>\$ 436,023</u>

LEE COUNTY, GEORGIA

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Clerk of Superior Court</u>	<u>Probate Court</u>	<u>Tax Commissioner</u>	<u>Magistrate Court</u>	<u>Sheriff</u>	<u>Total Custodial Funds</u>
ADDITIONS						
Fines and forfeitures	\$ 1,119,727	\$ 434,894	\$ -	\$ 117,505	\$ 338,658	\$ 2,010,784
Taxes collected	-	-	30,265,451	-	-	30,265,451
Total additions	<u>1,119,727</u>	<u>434,894</u>	<u>30,265,451</u>	<u>117,505</u>	<u>338,658</u>	<u>32,276,235</u>
DEDUCTIONS						
Fines and fees disbursed	1,093,832	442,021	-	121,562	328,090	1,985,505
Taxes disbursed	-	-	30,260,717	-	-	30,260,717
Total deductions	<u>1,093,832</u>	<u>442,021</u>	<u>30,260,717</u>	<u>121,562</u>	<u>328,090</u>	<u>32,246,222</u>
Change in net position	25,895	(7,127)	4,734	(4,057)	10,568	30,013
Net position, beginning of year	<u>51,421</u>	<u>30,638</u>	<u>121,650</u>	<u>16,039</u>	<u>186,262</u>	<u>406,010</u>
Net position, end of year	<u>\$ 77,316</u>	<u>\$ 23,511</u>	<u>\$ 126,384</u>	<u>\$ 11,982</u>	<u>\$ 196,830</u>	<u>\$ 436,023</u>

LEE COUNTY, GEORGIA

**STATEMENT OF CASH FLOWS
DISCRETELY PRESENTED COMPONENT UNITS -
UTILITY AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Utility Authority
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 5,213,973
Payments to suppliers and service providers	(1,906,828)
Payments to employees	(879,721)
Net cash provided by operating activities	2,427,424
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of property and equipment	(4,286,094)
Principal paid on notes	(92,994)
Principal paid on bonds	(1,293,581)
Principal paid on leases	(12,259)
Interest paid	(773,109)
Net cash used in capital and related financing activities	(6,458,037)
Cash and cash equivalents:	
Beginning of year	13,263,229
End of year	\$ 9,232,616
Classified as:	
Cash and cash equivalents	\$ 2,381,843
Restricted assets, cash and cash equivalents	6,850,773
	\$ 9,232,616

(Continued)

LEE COUNTY, GEORGIA

**STATEMENT OF CASH FLOWS
DISCRETELY PRESENTED COMPONENT UNITS -
UTILITY AUTHORITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Utility Authority
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 477,664
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation/amortization	1,174,239
Decrease in assets and deferred outflows of resources:	
Accounts receivable	2,643
Deferred outflows of resources - pensions	2,445
Increase (decrease) in liabilities and deferred inflows of resources:	
Accounts payable	(37,861)
Accrued liabilities	762,738
Compensated absences	1,083
Due to other funds	(27,825)
Customer deposits payable	(7,210)
Net pension liability	44,490
Deferred inflows of resources - pensions	35,018
	35,018
Net cash provided by operating activities	\$ 2,427,424

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 GOVERNMENT AUDITING STANDARDS**

**To the Board of Commissioners
of Lee County, Georgia
Leesburg, Georgia**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Lee County, Georgia (the "County") as of and for the fiscal year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 23, 2024. Our report includes a reference to other auditors who audited the financial statements of the Lee County Health Department and the Lee County Development Authority, as described in our report on Lee County, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting ("internal control") as a basis of designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Lee County, Georgia's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on Lee County, Georgia's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The County'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 result of that testing, and not to provide an opinion on the effectiveness of the County'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.

Mauldin & Jenkins, LLC

Macon, Georgia
December 23, 2024



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER
COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

**To the Board of Commissioners
of Lee County, Georgia
Leesburg, Georgia**

Report on Compliance For Each Major Federal Program

Opinion on the Major Federal Program

We have audited Lee County, Georgia's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the County's major federal program for the fiscal year ended June 30, 2024. The County's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the fiscal year ended June 30, 2024.

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 ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* is issued by the Comptroller General of the United States ("*Government Auditing Standards*"); 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 the County 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 the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with 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 the County's federal programs.

Auditor's Responsibility 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 the County'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 GAAS, *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 the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 the County'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 the County'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 the County'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 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.

Mauldin & Jenkins, LLC

Macon, Georgia
December 23, 2024

LEE COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Federal Agency/ Pass-through Entity/Program Title	Federal AL Number	Agency or Pass-through Grantor's Number	Federal Expenditures	Passed through to Subrecipients
U.S. Department of the Treasury				
Passed through Georgia Office of Planning and Budget:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	\$ 242,374	\$ -
Rescue Plan Act	21.027	2023_ARPA_3Y023	199,655	-
COVID-19 - American Rescue Plan Act State Fiscal Recovery Fund Broadband Infrastructure Award	21.027	N/A	746,489	746,489
Total U.S. Department of the Treasury			1,188,518	746,489
U.S. Department of Housing and Urban Development				
Passed through Georgia Department of Community Affairs:				
CDBG - Entitlement/Special Purpose Grants Cluster Community Development Block Grant	14.218	21p-y-088-1-6221	31,266	-
Total CDBG - Entitlement/Special Purpose Grants Cluster			31,266	-
Total U.S. Department of Housing and Urban Development			31,266	-
Total Expenditures of Federal Awards			\$ 1,219,784	\$ 746,489

LEE COUNTY, GEORGIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2024

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Lee County, Georgia (the "County"), and is presented on the modified accrual basis of accounting.

The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2. DE MINIMIS INDIRECT COST RATE

The County chose not to use the 10% de minimis cost rate for the year ended June 30, 2024.

NOTE 3. NON-CASH AWARDS

The County did not receive non-cash federal awards during the year ended June 30, 2024.

LEE COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

SECTION I
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 weaknesses identified?

Yes No

Significant deficiencies identified?

Yes None Reported

Noncompliance material to financial statements noted?

Yes No

Federal Awards

Internal control over financial reporting:
Material weaknesses identified?

Yes No

Significant deficiencies identified not considered
to be material weaknesses?

Yes None reported

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

Unmodified

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

Yes No

Identification of major program:

AL Number

Name of Federal Program or Cluster
U.S Department of the Treasury:

21.027

COVID-19—Coronavirus State and
Local Fiscal Recovery Funds

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

\$750,000

Auditee qualified as low risk auditee?

Yes No

LEE COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE FISCAL YEAR ENDED JUNE 30, 2024

SECTION II FINANCIAL STATEMENT FINDINGS AND RESPONSES

2024 – 001. Segregation of Duties

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

Condition: For the fiscal year ended June 30, 2024, we noted a lack of proper segregation of duties within several areas of Lee County, Georgia's operations, including the County Finance Department, Clerk of Court, Probate Court, and Sheriff's Office.

Context: Several instances of overlapping duties were noted during interviews regarding internal control procedures.

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

Recommendation: The duties of recording, distribution, and reconciliation of accounts should be segregated among employees.

Views of Responsible Officials and Planned Corrective Action: We concur. We will do the best we can to comply with the number of employees that we have.

SECTION III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

LEE COUNTY, GEORGIA

SCHEDULE OF PRIOR YEAR FINDINGS FOR THE FISCAL YEAR ENDED JUNE 30, 2024

2023 – 001. Segregation of Duties

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

Condition: For the fiscal year ended June 30, 2023, we noted a lack of proper segregation of duties within several areas of Lee County, Georgia's operations, including the County Finance Department, Clerk of Court, Probate Court, and Sheriff's Office.

Auditee Response/Status: Unresolved – see current year finding 2024 – 001.



LEE COUNTY
Board of Commissioners

One of Georgia's original counties ~ Established in 1825

**MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2024**

2024-001 Segregation of Duties

Name of the Contact Person Responsible for the Corrective Action Plan: Heather Jones, Finance Director.

Corrective Action Plan: We concur. We will do the best we can to comply with the number of employees that we have.

Anticipated Completion Date: June 30, 2024

Lee County is a thriving, vibrant community celebrated for its value of tradition encompassing a safe family oriented community, schools of excellence, and life long opportunities for prosperity and happiness without sacrificing the rural agricultural tapestry.

Chairman Luke Singletary District 2	Vice-Chairman Chris Guarnieri District 4	Commissioner Dennis Roland District 1	Commissioner Billy Mathis District 3	Commissioner George Walls District 5	County Manager Christi Dockery	County Attorney Jimmy Skipper
---	--	---	--	--	-----------------------------------	----------------------------------

102 Starksville Avenue North
Leesburg, Georgia 31763

ice: (229) 759-6000
x: (229) 759-6050

www.lee.ga.us