

FANNIN COUNTY, GEORGIA

Annual Financial Report

For the year ended December 31, 2025

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FANNIN COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
For the year ended December 31, 2025

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Independent Auditor's Report

Honorable Chairman and
Members of the Board Commissioners
Fannin County, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Fannin County, Georgia, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise Fannin County, Georgia's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Fannin County, Georgia, as of December 31, 2025, and the respective changes in the financial position and the budgetary comparisons of the General Fund, Excise Tax Lodging Special Revenue Fund, Opioid Settlement Special Revenue Fund, and Fiscal Recovery Fund Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Fannin County Department of Public Health, a discretely presented component unit of Fannin County, Georgia. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Fannin County Department of Public Health, is based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Fannin County, Georgia and to meet our 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 opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional 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 Fannin County, Georgia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Fannin County, Georgia's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information on pages 4 through 13 and 74 through 77, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Fannin County, Georgia’s basic financial statements. The combining and individual fund financial statements and schedules, the schedule of projects financed with special purpose local option sales tax, the schedule of completed state awards expended, and the schedule of supplemental official income are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules, the schedule of projects financed with special purpose local option sales tax, the schedule of completed state awards expended, the schedule of expenditures of federal awards, and the schedule of supplemental official income are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 8, 2026, on our consideration of Fannin County, Georgia’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and results of that testing, and not to provide an opinion on the 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 Fannin County, Georgia’s internal control over financial reporting and compliance.

Rushton, LLC

Gainesville, Georgia
May 8, 2026

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Fannin County Board of Commissioners

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Fannin County management is proud to present this narrative discussion and analysis of Fannin County's financial performance, making available an overview of the activities for the year ended December 31, 2025. This report is drafted annually to provide readers of financial statements with information that will help them make timely and meaningful financial decisions or draw conclusions about Fannin County. As required by the Governmental Accounting Standards Board (GASB) Statement No. 34, this discussion and analysis affords comparisons with the previous year.

Financial Highlights

- Fannin County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at December 31, 2025 by \$132,939,976 (*net position*). Of this amount, \$40,758,457 is reported as unrestricted net position. This is an increase of \$950,133 from the previous year for unrestricted. Total net position increased by \$15,453,397 from the previous year as a result of operations.
- As of December 31, 2025, Fannin County's governmental funds reported combined ending fund balances of \$72,867,604. Approximately 46% of this total amount, or \$33,526,147, is reported as unassigned and available for spending at the County's discretion. Approximately 41%, or \$29,578,545, is restricted for capital outlay. Information about Fannin County's policy on fund balance can be found in Note 2S in the *Notes to the Financial Statements* beginning on page 43.

More detailed information regarding these activities and funds begins on page 8.

Overview of the Financial Statements

This discussion and analysis narrative is intended to serve as an introduction to Fannin County's basic financial statements. Fannin County's basic financial statements are composed of three elements: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains required supplementary information in addition to our basic financial statements.

Government-wide Financial Statements (Reporting the County as a Whole)

The focus of the government-wide financial statements is on the overall financial position and activities of Fannin County and is designed to provide a broad overview of the County's financial activities in a manner similar to a private business enterprise.

The County's government-wide financial statements include the Statement of Net Position and the Statement of Activities. These two statements report information about Fannin County using the accrual basis of accounting, which is similar to the accounting used by non-public businesses. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The purpose of the **Statement of Net Position** (pages 14-15) is to report all of the assets held and liabilities owed by the County. The County reports all of its assets when it acquires ownership over the assets and reports all of its liabilities when they are incurred. The difference between the total assets and total liabilities is labeled *net position*. While the purpose of County Government is not to accumulate net position, as this amount increases it can indicate the strength of the County's financial position as a whole. When this amount decreases it can indicate a weakening of the County's financial position.

The **Statement of Activities** (page 16) presents the revenues and expenses of the County. Under the accrual basis of accounting, revenues are recognized when earned and expenses when incurred in this statement. Thus, revenues are reported even when they may not be collected for several weeks after the end of the accounting period and expenses are recorded even though they may not have used cash during the current period. The difference is described as *change in net position*. The Statement of Activities primary focus is on the *net cost* of various activities provided by the County and identifies the extent to which each function of the County draws from general revenues or is self-financing through user fees, special revenues, grants, or other sources.

In the Statement of Net Position and the Statement of Activities, we divide Fannin County into two types of activities:

- **Governmental activities** – Most of the County's basic services are reported under this category which includes: judicial, public safety, public works, and general administration. Taxes such as: real property, sales, insurance premium and intangible finance most of these services.
- **Discretely Presented Component Units** – A component unit is a legally separate organization for which the elected officials of the County are financially accountable. The Fannin County Department of Public Health, Fannin County Development Authority, and Fannin County Water Authority, although legally separate, function for all practical purposes as departments of Fannin County, and therefore have been included as an integral part of the primary government.

The County's government-wide financial statements are presented on pages 14-16.

Fund Financial Statements (Reporting the County's Major Funds)

The focus of fund financial statements is directed at specific activities of the County and its most significant funds, not the County as a whole. A fund is an entity with a self-balancing set of accounts that the County uses to track specific resources and expenditures, either for management purposes or because of legal mandates. In addition to the major funds, individual fund data for the County's non-major funds can be found beginning on page 78. The County's funds are divided into two broad categories: governmental and fiduciary. They use different prescribed accounting methodologies.

- **Governmental Funds** – These funds account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on the short-term view of the County's general government operations and the basic services it provides. Governmental funds are reported using an accounting method called modified accrual, which measures cash and all other financial assets that can readily be converted to cash.

Because the focus of the governmental fund financial statements is narrower than that of the government-wide financial statements and because of the different accounting methods used to prepare them, there are often significant differences between the totals presented in these financial statements. It is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By so doing, readers may better understand the long-term impact of the government's near-term financing decisions. An analysis of the balance sheet and the statement of revenues, expenditures, and changes in fund balances that reconciles the two statements are provided following each statement.

Fannin County maintains nineteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Excise Tax Lodging Special Revenue Fund, Opioid Settlement Special Revenue Fund, Fiscal Recovery Fund Special Revenue Fund, 2017 SPLOST Capital Projects Fund, and 2023 SPLOST Capital Projects Fund, which are considered major governmental funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 78-81 of this report.

Fannin County adopts an annual appropriated budget for its General Fund and special revenue funds. A budgetary comparison statement has been included for the General Fund, Excise Tax Lodging Special Revenue Fund, Opioid Settlement Special Revenue Fund, and Fiscal Recovery Fund Special Revenue Fund to show the final result of actual revenues and expenditures as compared to the initial projections.

The County's basic governmental fund financial statements are presented on pages 17-27 of this report.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs and services. The accounting used for fiduciary funds is similar to that used for proprietary funds. Fiduciary funds are presented in the fund financial statements but are not reported in the government-wide financial statements. The fiduciary fund financial statements are presented on pages 28-29 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30-73 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the County's defined benefit pension plan. The required supplementary information can be found on pages 74-77 of this report.

Other Supplementary Information

Other supplementary information includes combining financial statements for non-major governmental funds. These funds are added together by fund type and presented in single columns in the basic financial statements but are not reported individually, as with major funds, on the government-wide financial statements.

This report includes two schedules (pages 19 and 22) which reconcile the amounts reported on the governmental fund financial statements (modified accrual basis of accounting) with the governmental activities reported on the government-wide financial statements (accrual basis of accounting). The following summarizes the impact of transitioning from modified accrual to accrual accounting:

- Capital assets used in governmental activities on the government-wide statements are not reported on fund financial statements.
- Certain tax revenues that are earned, but not available, are reported as revenue on the government-wide statements but as deferred inflows of resources on the fund statements.
- Unless due and payable, long-term liabilities, such as lease obligations, compensated absences, bonds and notes payable, and others only appear as liabilities in the government-wide statements.
- Capital outlay spending results in capital assets on the government-wide statements but is reported as expenditures on the governmental fund financial statements.
- Certain other outflows represent either increases or decreases in liabilities on the government-wide statements but are reported as expenditures on the governmental fund financial statements.

Overview of the County's Financial Position and Operations

The County's overall financial position and operations for the current year is summarized as follows based on the information included in the government-wide financial statements (see pages 14-16):

Fannin County Net Position December 31, 2025 and 2024

	Governmental Activities	
	2025	2024
Current assets	\$ 78,101,446	\$ 73,282,734
Capital assets	60,967,923	51,364,276
Other noncurrent assets	221,062	251,610
Total assets	<u>139,290,431</u>	<u>124,898,620</u>
Deferred outflows of resources	<u>1,546,160</u>	<u>2,615,874</u>
Current liabilities	3,221,930	4,019,692
Noncurrent liabilities	4,434,263	5,835,662
Total liabilities	<u>7,656,193</u>	<u>9,855,354</u>
Deferred inflows of resources	<u>240,422</u>	<u>172,561</u>
Net position:		
Net investment in capital assets	59,342,304	48,592,867
Restricted	32,839,215	29,085,118
Unrestricted	<u>40,758,457</u>	<u>39,808,594</u>
Total net position	<u>\$ 132,939,976</u>	<u>\$ 117,486,579</u>

Net position may serve over time as a useful indicator of a government's financial position. Assets and deferred outflows of resources for Fannin County exceeded liabilities and deferred inflows of resources by \$132,939,976 at the close of the current year. Approximately 44.7% of Fannin County's net position is reflected in its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure), less any related debt outstanding that was needed to construct or acquire them. This percentage increased 3.7% compared to the end of the previous year due to various additions during the year. The County uses capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Restricted net position comprises 24.7%. This amount represents resources that are subject to external restrictions or enabling legislation on how they may be used. Unrestricted net position comprises the remaining 30.6% of net position.

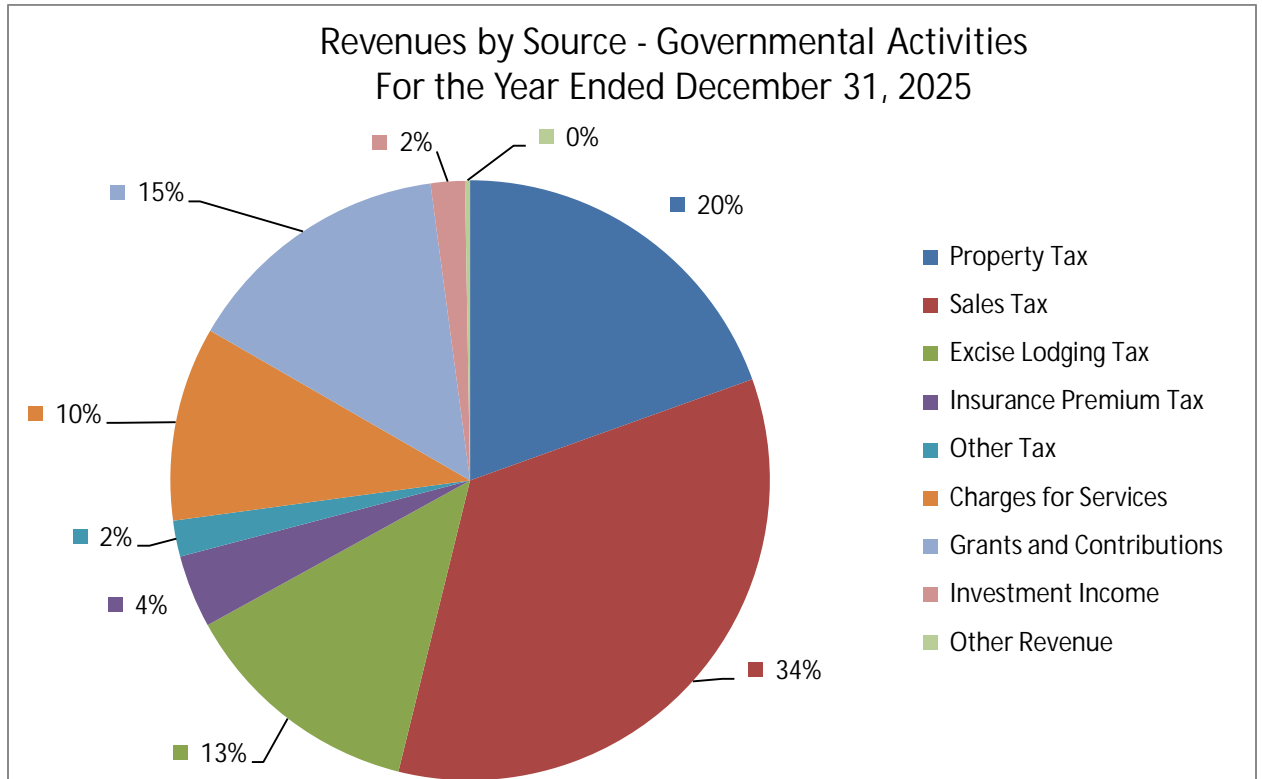
The following condensed financial information was derived from the government-wide Statement of Activities and reflects how Fannin County's net position changed during the current year.

**Fannin County
Changes in Net Position
For the Years Ended December 31, 2025 and 2024**

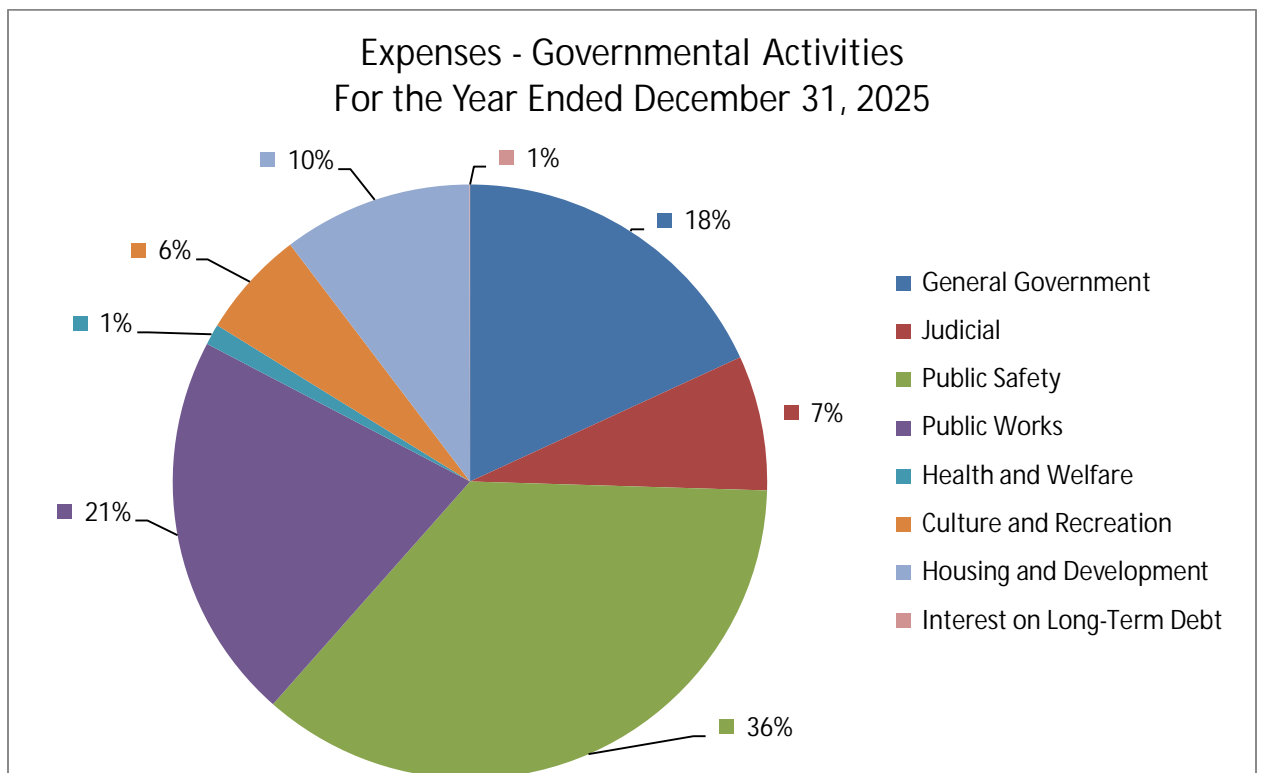
	Governmental Activities	
	2025	2024
Revenues		
Program revenues:		
Charges for services	\$ 5,886,861	\$ 6,824,823
Operating grants and contributions	3,574,253	4,139,550
Capital grants and contributions	4,593,595	2,675,932
General revenues:		
Property tax	10,965,362	11,122,017
Sales tax	19,269,315	18,761,695
Excise lodging tax	7,368,332	7,065,277
Insurance premium tax	2,218,729	1,978,350
Franchise tax	166,782	175,070
Other taxes	919,392	841,716
Interest and investment earnings	1,041,041	1,277,163
Gain on sale of capital assets	29,593	0
Gain on SBITA termination	26,081	0
Other revenues	91,858	192,858
	<u>56,151,194</u>	<u>55,054,451</u>
Total revenues		
Expenses		
General government	7,383,290	7,279,538
Judicial	2,983,603	2,704,559
Public Safety	14,669,641	13,448,835
Public Works	8,613,335	6,264,810
Health and Welfare	459,473	477,173
Culture and Recreation	2,377,955	2,011,897
Housing and Development	4,201,121	4,048,420
Interest on long-term debt	9,379	0
	<u>40,697,797</u>	<u>36,235,232</u>
Total expenses		
Increase (decrease) in net position	<u>15,453,397</u>	<u>18,819,219</u>
Net position - beginning, as previously presented	117,486,579	99,874,564
Error correction	0	(1,089,448)
Change in accounting principle	<u>0</u>	<u>(117,756)</u>
Net position - beginning, as restated	<u>117,486,579</u>	<u>98,667,360</u>
Net position - ending	<u><u>\$ 132,939,976</u></u>	<u><u>\$ 117,486,579</u></u>

Governmental Activities –

The following chart illustrates revenues of the governmental activities for the current year:



The following chart illustrates the expenses of the governmental activities for the current year:



Financial Analysis of the County's Funds

Fannin County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The main focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of unrestricted resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the current year.

- 1) As the County completed the current year, its governmental funds reported a combined ending fund balance of \$72,867,604. Of this amount, \$33,526,147 (46%) constitutes unassigned fund balance, which is available for appropriation for the general purposes of the funds in accordance with the Fannin County policy on fund balance.

The General Fund is the chief operating fund of the County. At the end of the current year, unassigned fund balance of the General Fund was \$33,526,147, while total fund balance reached \$38,038,661. Unassigned fund balance represents approximately 88% of total fund balance in the General Fund. As a measure of the General Fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 94% of total General Fund expenditures, while total fund balance represents approximately 107% of that same amount. The County ended the current year realizing change in the overall fund balance in the General Fund of \$(847,050), or approximately (2.2)%. The County decreased unassigned fund balance in the General Fund by \$1,622,203, or 4.6%, due to increased spending in Public Safety, Culture and Recreation, debt service.

At the end of the current year, the Excise Tax Lodging Special Revenue Fund had total fund balance of \$780,345, all of which is assigned for trade and tourism. Fund balance of the Excise Tax Lodging Special Revenue Fund increased by \$463,927 during 2025 due mostly to the County earning more excise tax revenue.

At the end of the current year, the Opioid Settlement Special Revenue Fund had total fund balance of \$370,334, all of which is restricted for Opioid remediation efforts. This fund accounts for the County's share of opioid settlement payment funds that are restricted for opioid remediation efforts. The County expended \$72,000 toward these efforts during the current year.

At the end of the current year, the Fiscal Recovery Fund Special Revenue Fund reported fund balance of \$0. The County recognized grant revenue and expenditures for capital outlay purchases in public safety and culture and recreation.

At the end of the current year, the 2017 SPLOST Capital Projects Fund had total fund balance of \$11,413,458, almost all of which is restricted for capital outlay. Fund balance of the 2017 SPLOST Capital Projects Fund decreased \$3,348,527

during the current year due to continued spending on capital projects approved in the referendum.

At the end of the current year, the 2023 SPLOST Capital Projects Fund had total fund balance of \$18,169,568, all of which is restricted for capital outlay. Fund balance of the 2023 SPLOST Capital Projects Fund increased \$7,557,319 during the current year due to receipts of SPLOST revenues at a faster pace than spending on capital projects approved in the referendum.

General Fund Budget Highlights

The original budget for the General Fund was amended reflecting grant awards, reimbursements, insurance claims, as well as unanticipated revenues and expenditures. The Board of Commissioners also approved interdepartmental transfers. Overall, General Fund revenues were above the final amended budget projections by \$483,368, or 1.6%. General Fund expenditures were below the final amended budget projections by \$2,702,605, or 7.1%.

The County budgeted to use \$3,489,230 of fund balance in the General Fund for use in the year 2025 and \$4,216,042 for use in the year 2026. Current General Fund revenues are meeting estimates for the year 2026 and the General Fund fund balance is expected to decrease by the budgeted use.

Capital Assets and Debt Administration

Capital Assets. Fannin County has invested \$60,967,923 in capital assets (net of accumulated depreciation) compared to \$51,364,276 in the previous year. This represents an increase of 18.7%. Capital assets held by the County at the end of the current and previous year are summarized as follows:

Fannin County		
Capital Assets (net of accumulated depreciation/amortization)		
December 31, 2025 and 2024		
	Governmental Activities	
	2025	2024
Land	\$ 5,499,544	\$ 4,202,039
Construction in progress	6,856,441	697,833
Infrastructure	42,527,914	40,798,954
Buildings and improvements	30,395,695	29,637,772
Machinery and equipment	23,684,364	21,972,131
Intangible right-to-use assets		
Buildings	341,486	0
Software	589,719	967,120
Total	<u>109,895,163</u>	<u>98,275,849</u>
Accumulated depreciation/amortization	<u>(48,927,240)</u>	<u>(46,911,573)</u>
Net Capital Assets	<u><u>\$ 60,967,923</u></u>	<u><u>\$ 51,364,276</u></u>

Major capital asset expenditures during the current year for governmental activities included the following:

- Resurfacing / paving various County roads
- Library project
- Ladder truck project
- Fire Station 2 project
- Land purchases
- Public works and fire department equipment

Additional information on Fannin County's capital assets can be found in Note 11 on pages 52-54 of this report.

Debt. On December 31, 2025, Fannin County had a total debt balance outstanding for the governmental activities in the amount of \$976,433, as compared to \$2,099,777 at the end of the previous year. Fannin County's outstanding debt for governmental activities decreased by \$1,123,344 during the course of the year due to the termination of a subscription-based information technology arrangements and continued principal payments.

Additional information on the County's long-term debt can be found in Note 12 on pages 55-60 of this report.

Economic Condition and Outlook

Fannin County continues to provide excellent service to our citizens at a low tax rate, while maintaining a strong financial position. Our local economy is growing with tourism and the home building industry. Fannin County's unemployment rate is below the State of Georgia's unemployment rate. With continued business and revenue growth, Fannin County's future is optimistic. An outstanding credit rating, increased property values, and significant revenue from SPLOST offer a secure path to meet future budgets and challenges.

Contacting the County

This financial report is designed to provide County citizens, taxpayers, customers, and creditors with a general overview of Fannin County's finances and to demonstrate the County's high level of accountability for the revenue it receives and the services it provides. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Fannin County Finance Department
400 West Main Street, Suite 100
Blue Ridge, Georgia 30513
Telephone: 706-632-2203

BASIC FINANCIAL STATEMENTS

FANNIN COUNTY, GEORGIA
STATEMENT OF NET POSITION
December 31, 2025

	Primary	Component Units		
	Government Governmental Activities	Fannin County Department of Public Health	Fannin County Development Authority	Fannin County Water Authority
ASSETS				
Current assets				
Cash and cash equivalents	\$ 66,124,195	\$ 1,051,919	\$ 439,324	\$ 119,094
Certificates of deposit	5,250,909	0	166,623	0
Restricted cash and cash equivalents	0	0	0	1,218,434
Receivables (net)				
Accounts	1,498,697	5,666	0	59,807
Intergovernmental	1,249,773	43,988	0	0
Taxes	3,643,715	0	0	0
Notes	25,000	0	200,403	0
Leases	5,548	0	105,637	0
Receivable from primary government	0	0	7,988	126,424
Inventories	17,235	380	0	252,819
Prepaid items	286,374	0	2,750	8,288
Total current assets	<u>78,101,446</u>	<u>1,101,953</u>	<u>922,725</u>	<u>1,784,866</u>
Noncurrent assets				
Notes receivable	50,000	0	2,639,597	0
Leases receivable	171,062	0	214,451	0
Net OPEB asset	0	79,831	0	0
Property held for resale	0	0	1,188,380	3,300
Capital assets				
Non-depreciable	12,355,985	0	142,371	1,499,119
Depreciable/amortizable (net)	48,611,938	86,917	446,288	7,368,452
Total noncurrent assets	<u>61,188,985</u>	<u>166,748</u>	<u>4,631,087</u>	<u>8,870,871</u>
Total assets	<u>139,290,431</u>	<u>1,268,701</u>	<u>5,553,812</u>	<u>10,655,737</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources - pension	1,546,160	171,175	0	0
Deferred outflows of resources - OPEB	0	47,183	0	0
Total deferred outflows of resources	<u>1,546,160</u>	<u>218,358</u>	<u>0</u>	<u>0</u>
LIABILITIES				
Current liabilities				
Payables				
Accounts	1,943,235	6,466	7,211	294,919
Retainages	197,576	0	0	16,764
Customer deposits	0	0	0	24,720
Interest	0	0	0	4,707
Accrued liabilities	544,304	0	3,500	12,868
Compensated absences	206,749	34,929	0	0
Unearned revenue	0	0	0	7,706
Leases payable	63,059	0	0	0
Subscriptions payable	67,007	0	0	0
Notes payable	200,000	0	37,458	0
Bonds payable	0	0	0	129,931
Total current liabilities	<u>3,221,930</u>	<u>41,395</u>	<u>48,169</u>	<u>491,615</u>

See accompanying notes to the financial statements.

FANNIN COUNTY, GEORGIA
STATEMENT OF NET POSITION
December 31, 2025

	Primary	Component Units		
	Government Governmental Activities	Fannin County Department of Public Health	Fannin County Development Authority	Fannin County Water Authority
Noncurrent liabilities				
Compensated absences	\$ 0	\$ 23,286	\$ 0	\$ 0
Net pension liability	3,787,896	504,839	0	0
Leases payable	233,468	0	0	0
Subscriptions payable	212,899	0	0	0
Notes payable	200,000	0	298,532	0
Bonds payable	0	0	0	2,559,548
Total noncurrent liabilities	4,434,263	528,125	298,532	2,559,548
Total liabilities	7,656,193	569,520	346,701	3,051,163
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - leases	157,669	0	240,026	0
Deferred inflows of resources - pension	82,753	59,847	0	0
Deferred inflows of resources - OPEB	0	40,714	0	0
Total deferred inflows of resources	240,422	100,561	240,026	0
NET POSITION				
Net investment in capital assets	59,342,304	86,917	252,669	6,698,185
Restricted for:				
Law library operations	39,277	0	0	0
Judicial activities	320,357	0	0	0
Public safety activities	90,558	0	0	0
Opioid remediation efforts	1,516,890	0	0	0
Grant specifications	760,879	0	0	0
Economic development	81,099	0	0	0
OPEB benefits	0	79,831	0	0
Prior year program income	0	281,061	0	0
Capital outlay	30,030,155	0	0	531,361
Unrestricted	40,758,457	369,169	4,714,416	375,028
Total net position	\$ 132,939,976	\$ 816,978	\$ 4,967,085	\$ 7,604,574

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FANNIN COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2025

	General	Excise Tax Lodging
ASSETS		
Cash and cash equivalents	\$ 31,100,218	\$ 1,592,520
Certificates of deposit	5,222,700	0
Receivables (net)		
Accounts	224,122	0
Intergovernmental	1,247,883	0
Taxes	1,927,239	695,471
Notes	75,000	0
Leases	176,610	0
Due from other funds	753,598	0
Inventories	11,111	0
Prepaid items	266,420	0
	\$ 41,004,901	\$ 2,287,991
LIABILITIES		
Accounts payable	\$ 601,127	\$ 754,048
Retainages payable	197,576	0
Accrued liabilities	544,304	0
Due to other funds	0	753,598
	1,343,007	1,507,646
DEFERRED INFLOWS OF RESOURCES		
Unavailable property taxes	480,259	0
Unavailable fines, fees, and forfeitures	0	0
Unavailable ambulance charges	97,578	0
Unavailable intergovernmental revenues	887,727	0
Leases	157,669	0
	1,623,233	0
FUND BALANCES		
Nonspendable:		
Leases receivable	18,941	0
Inventories	11,111	0
Prepaid items	266,420	0
Restricted for:		
Law library operations	0	0
Judicial activities	0	0
Public safety activities	0	0
Opioid remediation efforts	0	0
Grant specifications	0	0
Economic development	0	0
Capital outlay	0	0
Assigned for:		
Emergency 911 system operations	0	0
Trade and tourism	0	780,345
Subsequent budget	4,216,042	0
Unassigned	33,526,147	0
	38,038,661	780,345
Total liabilities, deferred inflows of resources, and fund balances	\$ 41,004,901	\$ 2,287,991

See accompanying notes to the financial statements.

Opioid Settlement	Fiscal Recovery Fund	2017 SPLOST	2023 SPLOST	Nonmajor Governmental Funds	Totals
\$ 370,334	\$ 0	\$ 11,461,484	\$ 17,639,870	\$ 3,959,769	\$ 66,124,195
0	0	0	0	28,209	5,250,909
1,146,556	0	26,000	0	102,019	1,498,697
0	0	0	0	1,890	1,249,773
0	0	0	1,021,005	0	3,643,715
0	0	0	0	0	75,000
0	0	0	0	0	176,610
0	0	0	0	0	753,598
0	0	6,124	0	0	17,235
0	0	0	0	19,954	286,374
<u>\$ 1,516,890</u>	<u>\$ 0</u>	<u>\$ 11,493,608</u>	<u>18,660,875</u>	<u>\$ 4,111,841</u>	<u>\$ 79,076,106</u>
\$ 0	\$ 0	\$ 80,150	491,307	\$ 16,603	\$ 1,943,235
0	0	0	0	0	197,576
0	0	0	0	0	544,304
0	0	0	0	0	753,598
<u>0</u>	<u>0</u>	<u>80,150</u>	<u>491,307</u>	<u>16,603</u>	<u>3,438,713</u>
0	0	0	0	0	480,259
1,146,556	0	0	0	0	1,146,556
0	0	0	0	0	97,578
0	0	0	0	0	887,727
0	0	0	0	0	157,669
<u>1,146,556</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,769,789</u>
0	0	0	0	0	18,941
0	0	6,124	0	0	17,235
0	0	0	0	19,954	286,374
0	0	0	0	39,277	39,277
0	0	0	0	320,357	320,357
0	0	0	0	90,558	90,558
370,334	0	0	0	0	370,334
0	0	0	0	760,879	760,879
0	0	0	0	81,099	81,099
0	0	11,407,334	18,169,568	1,643	29,578,545
0	0	0	0	2,781,471	2,781,471
0	0	0	0	0	780,345
0	0	0	0	0	4,216,042
0	0	0	0	0	33,526,147
<u>370,334</u>	<u>0</u>	<u>11,413,458</u>	<u>18,169,568</u>	<u>4,095,238</u>	<u>72,867,604</u>
<u>\$ 1,516,890</u>	<u>\$ 0</u>	<u>\$ 11,493,608</u>	<u>\$ 18,660,875</u>	<u>\$ 4,111,841</u>	<u>\$ 79,076,106</u>

See accompanying notes to the financial statements.

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FANNIN COUNTY, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
December 31, 2025

Total fund balance - total governmental funds \$ 72,867,604

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

Some assets are not financial resources and therefore are not reported in the funds.
 These are:

Capital assets, net of accumulated depreciation/amortization	60,967,923
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Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows of resources in the funds. These are:

Unavailable property taxes	\$ 480,259	
Unavailable fines, fees, and forfeitures	1,146,556	
Unavailable ambulance charges	97,578	
Unavailable intergovernmental revenues	887,727	2,612,120

Deferred outflows and inflows of resources are applicable to future periods and, therefore, are not reported in the funds. These are:

Deferred outflows of resources - pension	\$ 1,546,160	
Deferred inflows of resources - pension	(82,753)	1,463,407

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These are:

Compensated absences	\$ (206,749)	
Net pension liability	(3,787,896)	
Leases payable	(296,527)	
Subscriptions payable	(279,906)	
Notes payable	(400,000)	(4,971,078)

Net position of governmental activities	\$ 132,939,976
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FANNIN COUNTY, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended December 31, 2025

	General	Excise Tax Lodging
REVENUES		
Taxes	\$ 22,616,215	\$ 7,368,332
Licenses and permits	454,405	0
Fines, fees and forfeitures	574,067	0
Charges for services	2,676,298	0
Intergovernmental	4,416,506	0
Interest	907,895	10,621
Contributions	90,989	0
Other	80,416	0
	31,816,791	7,378,953
EXPENDITURES		
Current		
General Government	7,162,241	0
Judicial	3,125,465	0
Public Safety	14,634,564	0
Public Works	2,388,575	0
Health and Welfare	357,545	0
Culture and Recreation	6,569,700	0
Housing and Development	698,108	3,450,199
Capital outlay	0	0
Debt service	654,338	0
Intergovernmental	0	0
	35,590,536	3,450,199
Excess (deficiency) of revenues over (under) expenditures	(3,773,745)	3,928,754
Other financing sources (uses)		
Transfers in	3,465,488	0
Transfers out	(912,032)	(3,464,827)
Sale of capital assets	31,753	0
Issuance of subscriptions	341,486	0
	2,926,695	(3,464,827)
Net change in fund balance	(847,050)	463,927
Fund balances, January 1	38,885,711	316,418
Fund balances, December 31	\$ 38,038,661	\$ 780,345

Opioid Settlement	Fiscal Recovery Fund	2017 SPLOST	2023 SPLOST	Nonmajor Governmental Funds	Totals
\$ 0	\$ 0	\$ 0	\$ 10,963,811	\$ 0	\$ 40,948,358
0	0	0	0	0	454,405
93,610	0	0	0	80,668	748,345
0	0	0	0	651,154	3,327,452
0	294,280	2,646,160	0	237,666	7,594,612
9,684	11,248	388,035	412,270	101,593	1,841,346
0	0	0	0	0	90,989
0	0	2,802	0	8,640	91,858
<u>103,294</u>	<u>305,528</u>	<u>3,036,997</u>	<u>11,376,081</u>	<u>1,079,721</u>	<u>55,097,365</u>
0	0	0	0	0	7,162,241
0	0	0	0	93,360	3,218,825
72,000	319,254	0	0	1,299,243	16,325,061
0	0	0	0	0	2,388,575
0	0	0	0	42,188	399,733
0	130,000	0	0	179,934	6,879,634
0	0	0	0	44,432	4,192,739
0	0	6,411,524	1,840,123	0	8,251,647
0	0	0	125,000	0	779,338
0	0	0	2,258,545	0	2,258,545
<u>72,000</u>	<u>449,254</u>	<u>6,411,524</u>	<u>4,223,668</u>	<u>1,659,157</u>	<u>51,856,338</u>
<u>31,294</u>	<u>(143,726)</u>	<u>(3,374,527)</u>	<u>7,152,413</u>	<u>(579,436)</u>	<u>3,241,027</u>
0	46,860	0	0	865,172	4,377,520
0	0	0	0	(661)	(4,377,520)
0	0	26,000	0	0	57,753
0	0	0	404,906	0	746,392
<u>0</u>	<u>46,860</u>	<u>26,000</u>	<u>404,906</u>	<u>864,511</u>	<u>804,145</u>
31,294	(96,866)	(3,348,527)	7,557,319	285,075	4,045,172
<u>339,040</u>	<u>96,866</u>	<u>14,761,985</u>	<u>10,612,249</u>	<u>3,810,163</u>	<u>68,822,432</u>
<u>\$ 370,334</u>	<u>\$ 0</u>	<u>\$ 11,413,458</u>	<u>\$ 18,169,568</u>	<u>\$ 4,095,238</u>	<u>\$ 72,867,604</u>

See accompanying notes to the financial statements.

FANNIN COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the year ended December 31, 2025

Net change in fund balances - total governmental funds \$ 4,045,172

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense.

Capital outlays	\$	12,754,913	
Depreciation/amortization		<u>(2,524,410)</u>	10,230,503

In the statement of activities, the gain/loss on the disposal of assets is reported, whereas in the governmental funds, the proceeds from the sale of capital assets increases financial resources.

Cost of assets disposed	\$	(1,310,599)	
Related accumulated depreciation/amortization		<u>508,743</u>	(801,856)

Contributions of capital assets increase net position in the statement of activities but do not appear in the governmental funds because they are not financial sources.

Cost of assets	\$	175,000	
Related accumulated depreciation		<u>0</u>	175,000

Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

Pension contributions	\$	1,128,743	
Cost of benefits earned net of employee contributions		<u>(1,262,757)</u>	(134,014)

The proceeds of debt issuance, net of premiums, discounts and issuance costs provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In addition, interest on long-term debt is not recognized in the governmental funds until due, but is recognized in the statement of activities as it accrues.

Debt principal payments	\$	1,069,959	
Debt proceeds		(746,392)	
Subscription termination		<u>799,777</u>	1,123,344

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These include recognition of unavailable revenue. 854,481

Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.

Compensated absences			<u>(39,233)</u>
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Change in net position of governmental activities			<u>\$ 15,453,397</u>
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FANNIN COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the year ended December 31, 2025

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 20,408,592	\$ 20,894,505	\$ 22,616,215	\$ 1,721,710
Licenses and permits	600,348	600,348	454,405	(145,943)
Fines, fees and forfeitures	457,000	457,000	574,067	117,067
Charges for services	1,925,350	1,925,350	2,676,298	750,948
Intergovernmental	6,507,559	6,745,020	4,416,506	(2,328,514)
Interest	400,000	400,000	907,895	507,895
Contributions	27,000	27,000	90,989	63,989
Other	284,200	284,200	80,416	(203,784)
Total revenues	30,610,049	31,333,423	31,816,791	483,368
EXPENDITURES				
Current				
General Government				
Governing Body	708,273	708,273	723,390	(15,117)
Elections	438,295	438,295	288,167	150,128
Purchasing	14,000	14,909	14,909	0
Tax Commissioner	431,347	431,347	431,838	(491)
Tax Assessor	819,633	795,680	706,017	89,663
Board of Equalization	36,766	36,766	4,104	32,662
Risk Management	3,524,000	4,157,918	4,157,918	0
Building Maintenance	923,075	908,498	812,307	96,191
General Administration	23,400	23,400	23,591	(191)
Judicial				
Superior Court	381,188	673,448	673,448	0
Clerk of Superior Court	695,073	695,073	635,388	59,685
District Attorney	640,124	640,124	473,069	167,055
Magistrate Court	411,829	332,072	330,445	1,627
Probate Court	360,946	386,741	386,741	0
Juvenile Court	366,201	366,201	319,839	46,362
Public Defender	295,310	306,535	306,535	0
Public Safety				
Sheriff	2,984,107	3,168,104	3,168,104	0
Jail Operation	2,053,962	2,121,794	2,121,794	0
Court Services	167,380	167,380	161,981	5,399
Fire	1,754,251	3,463,730	3,426,351	37,379
Emergency 911	903,484	903,484	0	903,484
Emergency Medical Services	3,361,949	4,184,504	4,184,504	0
Coroner / Medical Examiner	126,934	513,099	513,099	0
Animal Control	299,648	847,634	847,634	0
Emergency Management Agency	194,246	211,097	211,097	0
Public Works				
Highways and Streets	2,365,695	2,365,695	2,258,522	107,173
Water Authority	94,184	111,918	111,918	0
Other Public Works	16,500	18,135	18,135	0
Health and Welfare				
Health Department	66,945	66,945	67,846	(901)
Children and Family Services	50,558	50,558	47,079	3,479
Senior Citizens Center	296,408	296,408	178,870	117,538
Agencies	33,804	63,750	63,750	0

See accompanying notes to the financial statements.

FANNIN COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the year ended December 31, 2025

	Budget		Actual	Variance with Final Budget
	Original	Final		
EXPENDITURES (continued)				
Current				
Culture and Recreation				
Parks and Recreation	\$ 2,611,783	\$ 2,611,783	\$ 1,945,637	\$ 666,146
Arts	146,688	146,688	145,332	1,356
Library	3,990,000	4,478,731	4,478,731	0
Housing and Development				
Building Inspection	471,131	426,627	364,302	62,325
Conservation	7,000	7,000	0	7,000
County Extension	50,149	50,149	50,212	(63)
Tourism	306,937	306,937	142,221	164,716
Development Authority	133,638	141,373	141,373	0
Debt service	0	654,338	654,338	0
Total expenditures	32,556,841	38,293,141	35,590,536	2,702,605
Excess (deficiency) of revenues over (under) expenditures	<u>(1,946,792)</u>	<u>(6,959,718)</u>	<u>(3,773,745)</u>	<u>(3,185,973)</u>
Other financing sources (uses)				
Transfers in	0	3,465,488	3,465,488	0
Transfers out	0	0	(912,032)	(912,032)
Sale of capital assets	5,000	5,000	31,753	26,753
Issuance of subscriptions	0	0	341,486	341,486
Total other financing sources (uses)	5,000	3,470,488	2,926,695	(543,793)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(1,941,792)</u>	<u>(3,489,230)</u>	<u>(847,050)</u>	<u>2,642,180</u>
Fund balances, January 1,	<u>1,941,792</u>	<u>3,489,230</u>	<u>38,885,711</u>	<u>35,396,481</u>
Fund balances, December 31	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 38,038,661</u>	<u>\$ 38,038,661</u>

FANNIN COUNTY, GEORGIA
EXCISE TAX LODGING SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the year ended December 31, 2025

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 5,300,000	\$ 11,396,199	\$ 7,368,332	\$ (4,027,867)
Interest	8,000	16,000	10,621	(5,379)
Total revenues	<u>5,308,000</u>	<u>11,412,199</u>	<u>7,378,953</u>	<u>(4,033,246)</u>
EXPENDITURES				
Current				
Housing and Development	2,654,000	6,104,199	3,450,199	2,654,000
Total expenditures	<u>2,654,000</u>	<u>6,104,199</u>	<u>3,450,199</u>	<u>2,654,000</u>
Excess (deficiency) of revenues over expenditures	2,654,000	5,308,000	3,928,754	(1,379,246)
Other financing sources (uses)				
Transfers out	(2,654,000)	(5,308,000)	(3,464,827)	1,843,173
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	463,927	463,927
Fund balances, January 1	0	0	316,418	316,418
Fund balances, December 31	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 780,345</u>	<u>\$ 780,345</u>

FANNIN COUNTY, GEORGIA
OPIOID SETTLEMENT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the year ended December 31, 2025

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Fines, fees, and forfeitures	\$ 80,000	\$ 160,000	\$ 93,610	\$ (66,390)
Interest	2,000	4,000	9,684	5,684
Total revenues	<u>82,000</u>	<u>164,000</u>	<u>103,294</u>	<u>(60,706)</u>
EXPENDITURES				
Current				
Public Safety	82,000	164,000	72,000	92,000
Total expenditures	<u>82,000</u>	<u>164,000</u>	<u>72,000</u>	<u>92,000</u>
Excess (deficiency) of revenues over expenditures	0	0	31,294	31,294
Fund balances, January 1	<u>0</u>	<u>0</u>	<u>339,040</u>	<u>339,040</u>
Fund balances, December 31	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 370,334</u></u>	<u><u>\$ 370,334</u></u>

FANNIN COUNTY, GEORGIA
FISCAL RECOVERY FUND SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the year ended December 31, 2025

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 0	\$ 294,280	\$ 294,280	\$ 0
Interest	0	11,248	11,248	0
Total revenues	0	305,528	305,528	0
EXPENDITURES				
Current				
Public Safety	0	319,254	319,254	0
Culture and Recreation		130,000	130,000	0
Total expenditures	0	449,254	449,254	0
Excess (deficiency) of revenues over expenditures	0	(143,726)	(143,726)	0
Other financing sources (uses)				
Transfers in	0	46,860	46,860	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(96,866)	(96,866)	0
Fund balances, January 1	0	96,866	96,866	0
Fund balances, December 31	\$ 0	\$ 0	\$ 0	\$ 0

FANNIN COUNTY, GEORGIA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
December 31, 2025

	Custodial Funds
ASSETS	
Cash and cash equivalents	\$ 7,532,137
Taxes receivable	3,248,115
Total assets	10,780,252
 LIABILITIES	
Due to others	7,497,131
 NET POSITION	
Restricted for individuals, organizations, and other governments	\$ 3,283,121

FANNIN COUNTY, GEORGIA
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the year ended December 31, 2025

	Custodial Funds
ADDITIONS	
Taxes collected for other agencies	\$ 29,748,670
Court fees collected for other agencies	937,272
Court individual cases	2,912,520
Sheriff inmate account deposits	277,454
Total additions	33,875,916
DEDUCTIONS	
Taxes distributed to other agencies	29,748,616
Court fees distributed to other agencies	2,958,474
Payments to others	287,297
Payments from inmates to others	266,688
Total deductions	33,261,075
Change in net position	614,841
Net position, January 1	2,668,280
Net position, December 31	\$ 3,283,121

FANNIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

1. Description of Government Unit

Fannin County operates under a County Commission form of government and is governed by a chairman and two post commissioners, elected at large. The County provides the following services: public safety, judicial, public works, health and welfare, culture and recreation, housing and development, and general administrative services.

2. Summary of Significant Accounting Policies

A. Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. The primary government includes governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

B. Reporting Entity

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of Fannin County (the primary government) and material component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational and financial relationship with the County.

In conformity with generally accepted accounting principles, as set forth in Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, as amended by Statement No. 61, the financial statements of component units have been included either as blended or discretely presented component units.

FANNIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

Blended Component Units – Blended component units, although legally separate entities, are, in substance, part of the Government's operations.

Fannin County Building Authority – The Building Authority is governed by a board appointed by the County Commissioners who have the ability to impose their will on the Building Authority. Although it is legally separate from the County, the Building Authority is reported as if it is a part of the primary government, as a blended component unit, because its primary purpose is to acquire, construct, and maintain capital projects for use by the County. Separate financial statements for the Building Authority are not prepared. Financial information related to the Fannin County Building Authority may be obtained from the Office of the County Clerk of Fannin County, Georgia.

Discretely Presented Component Units – Discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize they are legally separate from the government.

Fannin County Department of Public Health – The Health Department is governed by a seven member board comprised of a Fannin County Commission representative, the Fannin County school superintendent, a licensed physician practicing in Fannin County, a City of Blue Ridge Council representative, two members appointed by the Fannin County Commission, and one member appointed by the City of Blue Ridge Council. The Health Department is reported as a component unit of the County because it is fiscally accountable. The Health Department provides health related services to residents of Fannin County. The County provides the Health Department with its building space, liability insurance, maintenance on the building, and janitorial services. The presentation of the Health Department's financial information was taken from its audited financial report as of June 30, 2025. Separate financial statements for the Health Department can be obtained from their administrative offices at Georgia Department of Health Resources, Northwest Health District, 111 Bryant Crossing, Suite AA, Dalton, Georgia 30720.

FANNIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

Fannin County Development Authority – The Development Authority provides a means to develop and promote trade, commerce, industry, and employment opportunities within the County. The Development Authority is used as a flow through for grant monies and expenditures for real estate development projects. All nine board members are appointed by the County and the County has a significant financial relationship with the Development Authority. Separate financial statements for the Development Authority are not prepared. Financial information for the Fannin County Development Authority may be obtained from the Office of the County Clerk of Fannin County, Georgia.

Fannin County Water Authority – The Water Authority acquires, constructs, equips, maintains, and operates adequate water supply, treatment, and distribution facilities and sewerage collection, treatment, and distribution facilities, making such facilities and services available to public and private consumers and users located in the County. The Water Authority receives SPLOST allocated for water purposes from the County. All seven board members are appointed by the County and the County has a significant financial relationship with the Water Authority. The presentation of the Water Authority's financial information was taken from its audited financial report as of June 30, 2025. Separate financial statements for the Water Authority may be obtained from their administrative offices at 400 West Main Street, Suite 101 B, Blue Ridge, Georgia 30513.

FANNIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

2. Summary of Significant Accounting Policies (continued)

C. Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As discussed earlier, the government has three discretely presented component units. While they are not considered to be major component units, they are shown in separate columns in the government-wide financial statements.

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

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental and fiduciary—are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The County reports the following major governmental funds:

General Fund - The general operating fund of the County is used to account for all financial resources except those required to be accounted for in another fund.

Excise Tax Lodging Special Revenue Fund - This fund is used to account for collection of special sales tax to be used for tourism promotion within the County.

Opioid Settlement Special Revenue Fund - This fund is used to account for the County's share of opioid settlement payment funds that are restricted for opioid remediation efforts.

FANNIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

Fiscal Recovery Fund Special Revenue Fund - This fund is used to account for the revenues and expenditures of the American Rescue Plan Act Coronavirus State and Local Fiscal Recovery Fund.

2017 Special Purpose Local Option Sales Tax Capital Projects Fund - This fund is used to account for the financial resources provided from the Special Purpose Local Option Sales Tax in which such resources are to be used for capital improvements and purchase of capital assets.

2023 Special Purpose Local Option Sales Tax Capital Projects Fund - This fund is used to account for the financial resources provided from the Special Purpose Local Option Sales Tax in which such resources are to be used for capital improvements and purchase of capital assets.

Additionally, the County reports the following fund types:

Governmental Fund Types

Special Revenue Funds - account for the proceeds of specific revenue sources that are legally or donor restricted to be expended for specified purposes.

Capital Projects Funds - account for financial resources to be used for the acquisition or construction of specifically planned projects (other than those financed by proprietary funds).

Fiduciary Fund Types

Custodial Funds - Custodial Funds are fiduciary in nature and are accounted for using the accrual basis of accounting. These funds are used to account for assets that are held for others.

FANNIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

FANNIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

2. Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting, continued

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, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest 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. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

F. Revenues and Expenditures/Expenses

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. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

FANNIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

2. Summary of Significant Accounting Policies (continued)

G. Budgetary Information

Applicable statutes of the State of Georgia require the County to operate under an annual balanced budget adopted by resolution. A budget is defined as being balanced when the sum of estimated revenues and appropriated fund balance is equal to appropriations. The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The County's annual budgets are prepared on anticipated revenues and appropriated expenditures. Revenue anticipation, generally conservative, is designed to help ensure fiscal responsibility and maintain a balanced budget. The operating budget includes proposed expenditures and the means of financing them are based on prior year results and estimated current needs.
2. Public hearings are conducted by the Board of Commissioners to obtain taxpayer comments.
3. On or before August 15th of the preceding year, all agencies of the government submit requests for appropriations to the Chairman of the Board of Commissioners. Before September 1st, the proposed budget is presented to the Board of Commissioners for review. The final budget must be prepared and adopted no later than the first County meeting in December.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each legally adopted annual operating budget is at the department level. The Chairman of the Board of Commissioners is authorized to transfer amounts between accounts within any department. All supplemental appropriations or transfers of appropriations between departments must be approved by the Board of Commissioners.

FANNIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

2. Summary of Significant Accounting Policies (continued)

G. Budgetary Information, continued

Annual appropriated budgets are adopted on a modified accrual basis which is consistent with generally accepted accounting principles for governmental funds. Budgets are adopted for the General Fund and each special revenue fund. Capital projects funds have project length budgets. Budget amounts are as originally adopted, or as amended by the Board of Commissioners. Supplementary appropriations made by the Board of Commissioners to original budget amounts were primarily to reflect the need for additional operating and capital expenditures in certain departments. All annual appropriations lapse at year-end.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is not employed by the County.

H. Cash and Investments

Amounts reported as cash and equivalents by the County in the accompanying financial statements include cash on hand and on deposit with financial institutions.

State of Georgia statutes require all financial institution deposits and investments in excess of federal depository insured amounts to be fully collateralized by an equivalent amount of state or U.S. obligations. State of Georgia statutes authorize the County to invest in U.S. Government obligations; obligations fully insured or guaranteed by the U. S. Government or by a government agency of the United States; obligations of any Corporation of the U. S. Government; State of Georgia obligations and other States; obligations of other counties, municipal corporations and political subdivisions of the State of Georgia; repurchase agreements when collateralized by U.S. Government or agency obligations; prime banker's acceptances; certificates of deposit or time deposit of any national state bank or savings and loan which have deposits insured by the FDIC or FSLIC; and pooled investment programs sponsored by the State of Georgia for the investment of local government funds.

FANNIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

2. Summary of Significant Accounting Policies (continued)

H. Cash and Investments, continued

The County measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets
- Level 2: Observable inputs other than quoted market prices
- Level 3: Unobservable inputs

The County reports investments using net asset value (NAV) when NAV is calculated in a manner consistent with fair value measurement guidelines, fair value is not readily determinable, and it is not probable for the investment to be sold at an amount other than NAV.

I. Intergovernmental Receivables

Receivables from state, federal, and local governments are recorded as revenue for the period of the allocation or as earned based on expenditures made for which reimbursement is due.

J. Leases Receivable

Leases receivable are measured at the present value of lease payments expected to be received during the lease terms. Under the lease agreements, the County may receive variable lease payments that are dependent upon the lessees' revenue. The variable payments are recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded for each of the leases. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the respective lease.

FANNIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

2. Summary of Significant Accounting Policies (continued)

K. Inventories

Inventories for the governmental funds are valued at cost on the first-in, first-out method and recorded as expenditures when consumed.

L. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the end of the current year are recorded as prepaid items. The costs of governmental fund-type prepaid items are recorded as expenditures when consumed rather than when purchased.

M. Capital Assets

Capital assets of governmental activities, which include land, buildings and improvements, machinery and equipment, and infrastructure (such as roads, bridges, sidewalks, and similar items) are reported in the government-wide financial statements. Capital assets, not including infrastructure, are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of two or more years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. General infrastructure assets acquired prior to July 1, 2001, consist of road network assets that were acquired or that received substantial improvements subsequent to January 1, 1980, and are reported at estimated historical cost using deflated replacement cost. The capitalization threshold for infrastructure is \$50,000. Donated capital assets are recorded at their acquisition value.

The County has recorded intangible right-to-use assets as a result of implementing GASB Statement No. 87, *Leases*, and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The right-to-use assets are initially measured at an amount equal to the initial measurement of the related liability plus any lease/subscription payments made prior to the lease/subscription term, less lease/subscription incentives, and plus ancillary charges necessary to place the lease/subscription into service. The right-to-use assets are amortized on a straight-line basis over the shorter of the estimated useful life of the asset or life of the related lease/subscription.

FANNIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

2. Summary of Significant Accounting Policies (continued)

M. Capital Assets, continued

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' useful lives are expensed as incurred. Land and construction in progress are not depreciated. Other capital assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

	<u>Useful Life in Years</u>
Infrastructure	30
Buildings and improvements	20-50
Machinery and equipment	2-15
Intangible right-to-use assets	
Buildings	6
Software	5

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County reports deferred outflows of resources related to their defined benefit pension plan.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of 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 type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the Governmental Funds Balance Sheet. The governmental funds report unavailable revenues from three sources: property taxes, fines, fees and forfeitures, and ambulance charges. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The County also reports deferred inflows of resources related to their leases receivable and defined benefit pension plan.

FANNIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

2. Summary of Significant Accounting Policies (continued)

O. Compensated Absences

The County offers full-time employees compensated time off for vacation and sickness. Vacation leave is determined by the years of service and sick leave is accrued at one-half day per month, or six days per year. Vacation leave is forfeited if not taken by December 31st of each calendar year, and, therefore, it is expensed as incurred. In accordance with GASB Statement No. 101, *Compensated Absences*, the County's compensated absences liability only includes sick time and is a product of each employees' average of sick time taken over the last five years and their payrate at year end.

P. Net Position Flow Assumption

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Q. Fund Balance Flow Assumption

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

FANNIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

2. Summary of Significant Accounting Policies (continued)

R. Restricted Assets and Restricted Net Position

Restricted assets represent certain resources restricted by funding source or required to be set aside for the repayment of debt. They are maintained in a separate bank account and their use is limited.

Restricted net position is equal to the excess of the restricted assets funded from operations over the liabilities to be paid with restricted assets which are due in one year or less. Restricted assets exclude bond proceeds for calculation of restricted net position.

S. Fund Balances – Governmental Funds

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, deferred outflows of resources, liabilities, and deferred inflows of resources under the current financial resources management 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 purpose for which amounts in those funds can be spent.

In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. All amounts reported as nonspendable at the end of the year by the County are nonspendable in form. The County has not reported any amounts that are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

FANNIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

2. Summary of Significant Accounting Policies (continued)

S. Fund Balances – Governmental Funds, continued

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Commissioners, the County's highest level of decision making authority, which include the language "committed for the purpose of". Commitments may be modified or rescinded only through adoption of a subsequent resolution, which shall refer to the original resolution by its number.

Assigned – includes amounts that are intended to be used by the County for a specific purpose, but do not meet the definition of restricted or committed fund balance. Intent can only be expressed by the Board of Commissioners or their designee. Assigned Fund Balance differs from Committed Fund Balance in that assignments do not require a resolution.

Unassigned – includes amounts that do not fall into one of the above four categories. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. In addition, any remaining deficits in the County's governmental funds which remain after all other fund balances have been exhausted are classified as unassigned.

T. Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources 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.

FANNIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

2. Summary of Significant Accounting Policies (continued)

U. 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 Restated Pension Plan for Fannin County employees (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

V. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities under governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Prepaid bond insurance is amortized over the term of the debt. Issuance costs are recognized during the current period.

In the fund financial statements, governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. The face amount of debt issued is reported as any other financing source. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

W. Capital Contributions

Federal, state and local government assistance in the form of grants that are permanent in nature and restricted for the construction or acquisition of specific property and equipment is recorded as an asset and as program revenue.

FANNIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

2. Summary of Significant Accounting Policies (continued)

X. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

3. Deposit and Investment Risk

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the County's deposits may not be returned. The County has no formal policy, but follows the State of Georgia requirement that all deposits be federally insured or fully collateralized.

Interest Rate Risk

The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

State of Georgia law limits investments to include certificates of deposit, prime bankers' acceptances, repurchase agreements, direct and agency obligations of the United States, obligations of any corporation of the United States government, obligations of the State of Georgia or other states, obligations of other political subdivisions of the State of Georgia, and pooled investment programs of the State of Georgia. The County has no investment policy that would further limit its investment choices.

Concentration of Credit Risk

The County has no formal policy on the amount the County may invest in any one issuer.

Foreign Currency Risk

The County has no investments denominated in a foreign currency.

FANNIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

3. Deposit and Investment Risk (continued)

The County participates in the State of Georgia Local Government Investment Pool (Georgia Fund 1). Assets in this pool are invested in the Georgia Fund 1, created by OCGA 36-83-8, which is a stable net asset investment pool that follows Fitch's criteria for AAAf/S1 rated money market funds. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal (\$1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on \$1.00 per share. Georgia Fund 1 is managed by the Georgia Office of the State Treasurer. The investment policies of Georgia Fund 1 are established by the Georgia State Depository Board.

The Georgia Fund 1 is rated AAAf/S1 by Fitch. The weighted average maturity at the end of the current year was 27 days. At the end of the current year, the County's balance in Georgia Fund 1 was \$3,443.

4. Accounts Receivable

Net accounts receivable at the end of the current year consist of the following:

Primary Government:

Major Funds

General Fund	\$ 1,615,902	
Less: Allowance for Uncollectible Accounts	<u>(1,391,780)</u>	\$ 224,122
Opioid Settlement Special Revenue Fund		1,146,556
2017 SPLOST Capital Projects Fund		26,000

Nonmajor Funds

Emergency 911 Special Revenue Fund		<u>102,019</u>
Total primary government		<u><u>\$ 1,498,697</u></u>

Component Units:

Fannin County Water Authority	\$ 72,055	
Less: Allowance for Uncollectible Accounts	<u>(12,248)</u>	\$ 59,807
Fannin County Department of Public Health		<u>5,666</u>
Total component units		<u><u>\$ 65,473</u></u>

FANNIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

5. Intergovernmental Receivables

Intergovernmental receivables at the end of the current year consist of the following:

Primary Government:

Major Funds

General Fund	\$ 1,247,883
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Nonmajor Funds

Crime Victims Assistance Special Revenue Fund	535
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Drug Special Revenue Fund	929
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Jail Special Revenue Fund	426
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Total primary government	\$ 1,249,773
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Component Units:

Fannin County Department of Public Health	\$ 43,988
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6. Notes Receivable

Governmental Activities

During 2024, the County entered into a \$100,000 note agreement with Fannin County Volunteer Fire and Rescue, Inc. (“the Non-profit”), for the Non-profit to purchase equipment. Annual principal payments totaling \$25,000, bearing no interest, are due beginning July 1, 2025 and the note will mature in 2028. At the end of the current year, the principal balance was \$75,000.

Year Ending December 31,	Total Principal
2026	\$ 25,000
2027	25,000
2028	25,000
Total	\$ 75,000

FANNIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

6. Notes Receivable (continued)

Fannin County Development Authority Component Unit

During 2025, the Fannin County Development Authority entered into a \$2,840,000 note agreement with a corporation for the purchase of a building and land. Monthly payments of \$30,821, with interest at 5.5%, are due beginning February 2026 and the note will mature in 2036. At the end of the current year, the principal balance was \$2,840,000.

Year Ending December 31,	Principal	Interest	Total
2026	\$ 200,403	\$ 138,633	\$ 339,036
2027	230,431	139,427	369,858
2028	243,429	126,429	369,858
2029	257,160	112,698	369,858
2030	271,667	98,191	369,858
2031-2035	1,606,229	243,059	1,849,288
2036	30,681	140	30,821
Totals	<u>\$ 2,840,000</u>	<u>\$ 858,577</u>	<u>\$ 3,698,577</u>

7. Leases Receivable

Governmental Activities

In 2020, the County entered into a five-year lease agreement with a cell phone service provider to provide the tenant the right to a portion of real property, together with the right to use the tower located thereon. The lease provides for four additional, five-year terms. Under the lease, the tenant is required to pay the County a monthly payment of \$750 per month for the first five years of the lease. For each of the subsequent five-year terms, the monthly rent amount is increased by ten percent of the rent paid in the previous five-year term.

Leases receivable are measured as the present value of the future minimum rent payments expected to be received during the lease term at an imputed discount rate of 2.50%. At the end of the current year, leases receivable total \$176,610 with related deferred inflows of resources totaling \$157,669. During the current year, the County recognized \$7,983 of lease revenue (reported as other revenue) and \$4,482 of interest revenue under the lease.

FANNIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

7. Leases Receivable (continued)

Fannin County Development Authority Component Unit

In 2018, the Development Authority entered into a ten-year lease agreement with a company for the lease of a building. Under the lease, the tenant is required to pay the Development Authority monthly lease payments varying between \$5,000 and \$7,000 through March of 2028. There are no additional renewal options included with the lease agreement.

In 2023, the Development Authority entered into a five-year lease agreement with a company for the lease of a building. Under the lease, the tenant is required to pay the Development Authority monthly lease payments of \$2,000 through June of 2028. There are no additional renewal options included with the lease agreement.

In 2024, the Development Authority entered into a three-year lease agreement with a company for the lease of equipment. Under the lease, the lessee is required to pay the Development Authority monthly lease payments of \$7,000 through June of 2027. This lease was terminated in 2025 resulting in a \$122,989 reduction in the lease receivable and a \$120,533 reduction the deferred inflow of resources.

Leases receivable are measured as the present value of the future minimum rent payments expected to be received during the lease terms at discount rates ranging between 2.61% and 6.00%. At the end of the current year, leases receivable total \$320,088 with related deferred inflows of resources totaling \$240,026. During the current year, the Development Authority recognized \$184,535 of lease revenue (reported as charges for services revenue) and \$8,456 of interest revenue under the leases.

FANNIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

8. Property Taxes

Property tax rates are set by the County Board of Commissioners each year and are limited by statutory or constitutional provision. Property values are assessed as of January 1st each year. Property taxes for digest year 2025, based upon the assessments as of January 1, 2025, were levied on August 26, 2025, billed on August 28, 2025, and due on December 20, 2025. Tax liens may be issued within three years after the due date.

9. Interfund Receivables and Payables

A summary of interfund receivables and payables at the end of the current year is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Excise Tax Lodging	<u>\$ 753,598</u>

The balances reported as Due from/Due to other funds resulted from the time lag between the dates that transactions are recorded in the accounting system and payments between the funds are made.

10. Interfund Transfers

A summary of interfund transfers for the current year is as follows:

<u>Transfer In Fund</u>	<u>Transfer Out Fund</u>	<u>Amount</u>
General	Excise Tax Lodging	\$ 3,464,827
General	Nonmajor Governmental	661
Fiscal Recovery Fund	General	46,860
Nonmajor Governmental	General	<u>865,172</u>
		<u>\$ 4,377,520</u>

Interfund transfers are used to 1) move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them and 2) use unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations.

FANNIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

11. Capital Assets

Capital asset activity for the primary government for the current year was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Non-depreciable assets				
Land	\$ 4,202,039	\$ 1,297,505	\$ 0	\$ 5,499,544
Construction in progress	697,833	6,607,067	(448,459)	6,856,441
Total non-depreciable assets	<u>4,899,872</u>	<u>7,904,572</u>	<u>(448,459)</u>	<u>12,355,985</u>
Depreciable/amortizable assets				
Infrastructure	40,798,954	1,728,960	0	42,527,914
Buildings and improvements	29,637,772	757,923	0	30,395,695
Machinery and equipment	21,972,131	2,055,712	(343,479)	23,684,364
Intangible right-to-use assets				
Buildings	0	341,486	0	341,486
Software	967,120	589,719	(967,120)	589,719
Total depreciable/amortizable assets	<u>93,375,977</u>	<u>5,473,800</u>	<u>(1,310,599)</u>	<u>97,539,178</u>
Less accumulated depreciation/amortization				
Infrastructure	(23,036,492)	(889,551)	0	(23,926,043)
Buildings and improvements	(9,699,148)	(694,170)	0	(10,393,318)
Machinery and equipment	(13,982,509)	(826,826)	315,319	(14,494,016)
Intangible right-to-use assets				
Buildings	0	(51,223)	0	(51,223)
Software	(193,424)	(62,640)	193,424	(62,640)
Total accumulated depreciation/amortization	<u>(46,911,573)</u>	<u>(2,524,410)</u>	<u>508,743</u>	<u>(48,927,240)</u>
Total depreciable/amortizable assets, net	<u>46,464,404</u>	<u>2,949,390</u>	<u>(801,856)</u>	<u>48,611,938</u>
Governmental activities capital assets, net	<u>\$ 51,364,276</u>	<u>\$ 10,853,962</u>	<u>\$ (1,250,315)</u>	<u>\$ 60,967,923</u>

Decreases in construction in progress for governmental activities consist of projects placed in service in the amount of \$448,459.

FANNIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

11. Capital Assets (continued)

Capital asset activity for the discretely presented component units for the respective year ends was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Fannin County Department of Public Health				
Depreciable assets				
Computer equipment	\$ 5,391	\$ 0	\$ (5,391)	\$ 0
Office equipment	33,792	2,216	(8,791)	27,217
Vehicles	60,187	39,499	0	99,686
Leasehold improvements	25,080	4,140	0	29,220
Total depreciable assets	<u>124,450</u>	<u>45,855</u>	<u>(14,182)</u>	<u>156,123</u>
Less accumulated depreciation				
Computer equipment	(5,391)	0	5,391	0
Office equipment	(33,791)	(37)	8,791	(25,037)
Vehicles	(16,946)	(16,426)	0	(33,372)
Leasehold improvements	(8,567)	(2,230)	0	(10,797)
Total accumulated depreciation	<u>(64,695)</u>	<u>(18,693)</u>	<u>14,182</u>	<u>(69,206)</u>
Total depreciable assets, net	<u>59,755</u>	<u>27,162</u>	<u>0</u>	<u>86,917</u>
Fannin County Department of Public Health capital assets, net	<u>\$ 59,755</u>	<u>\$ 27,162</u>	<u>\$ 0</u>	<u>\$ 86,917</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Fannin County Development Authority				
Non-depreciable assets				
Land	\$ 142,371	\$ 0	\$ 0	\$ 142,371
Depreciable assets				
Land improvements	5,000	0	0	5,000
Buildings and improvements	2,893,897	78,141	(1,616,653)	1,355,385
Equipment	11,191	0	0	11,191
Total depreciable assets	<u>2,910,088</u>	<u>78,141</u>	<u>(1,616,653)</u>	<u>1,371,576</u>
Less accumulated depreciation				
Land improvements	(5,000)	0	0	(5,000)
Buildings and improvements	(909,120)	(61,569)	61,592	(909,097)
Equipment	(11,191)	0	0	(11,191)
Total accumulated depreciation	<u>(925,311)</u>	<u>(61,569)</u>	<u>61,592</u>	<u>(925,288)</u>
Total depreciable assets, net	<u>1,984,777</u>	<u>16,572</u>	<u>(1,555,061)</u>	<u>446,288</u>
Fannin County Development Authority capital assets, net	<u>\$ 2,127,148</u>	<u>\$ 16,572</u>	<u>\$ (1,555,061)</u>	<u>\$ 588,659</u>

FANNIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

11. Capital Assets (continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Fannin County Water Authority				
Non-depreciable assets				
Land and easements	\$ 80,517	\$ 0	\$ 0	\$ 80,517
Construction in progress	853,486	1,154,248	(589,132)	1,418,602
Total non-depreciable assets	<u>934,003</u>	<u>1,154,248</u>	<u>(589,132)</u>	<u>1,499,119</u>
Depreciable assets				
Buildings	70,042	0	0	70,042
Land Improvements	86,822	0	0	86,822
Infrastructure	8,069,924	589,132	0	8,659,056
Machinery and equipment	333,856	0	0	333,856
Intangibles	16,120	0	0	16,120
Total depreciable assets	<u>8,576,764</u>	<u>589,132</u>	<u>0</u>	<u>9,165,896</u>
Less accumulated depreciation				
Buildings	(19,317)	(4,052)	0	(23,369)
Land Improvements	(40,491)	(4,491)	0	(44,982)
Infrastructure	(1,218,323)	(202,963)	0	(1,421,286)
Machinery and equipment	(270,288)	(21,399)	0	(291,687)
Intangibles	(14,239)	(1,881)	0	(16,120)
Total accumulated depreciation	<u>(1,562,658)</u>	<u>(234,786)</u>	<u>0</u>	<u>(1,797,444)</u>
Total depreciable assets, net	<u>7,014,106</u>	<u>354,346</u>	<u>0</u>	<u>7,368,452</u>
Fannin County Water Authority capital assets, net	<u>\$ 7,948,109</u>	<u>\$ 1,508,594</u>	<u>\$ (589,132)</u>	<u>\$ 8,867,571</u>

Depreciation/amortization expense was charged to functions/programs as follows:

Primary Government:

Governmental activities

General Government	\$ 175,440
Judicial	19,269
Public Safety	878,826
Public Works	1,105,285
Health and Welfare	59,739
Culture and Recreation	285,113
Housing and Development	738
Total depreciation/amortization expense for governmental activities	<u>\$ 2,524,410</u>

Component units:

Fannin County Department of Public Health	\$ 18,693
Fannin County Development Authority	61,569
Fannin County Water Authority	234,786
Total depreciation expense for component units	<u>\$ 315,048</u>

FANNIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

12. Long-Term Liabilities

Governmental Activities

Notes from Direct Borrowings

The County has entered into an agreement with an individual to finance the acquisition of land. The note is secured by the land. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable. The note bears interest at 0.00% and requires a \$200,000 payment in April 2024 and a \$600,000 payment in December 2024. The terms of this note were adjusted in 2024, all principal payments are now due in 2025. The remaining principal balance was paid in its entirety in 2025.

The County has entered into an agreement with an individual to finance the acquisition of land. The \$1,000,000 note is secured by the land. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable. The note bears interest at 0.00% and requires annual payments ranging from \$200,000 to \$300,000. This note will mature in 2027 and the principal balance of the note at the end of the current year is \$400,000.

The debt service requirements to maturity for notes from direct borrowings are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 200,000	\$ 0	\$ 200,000
2027	200,000	0	200,000
Totals	<u>\$ 400,000</u>	<u>\$ 0</u>	<u>\$ 400,000</u>

FANNIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

12. Long-Term Liabilities (continued)

Governmental Activities (continued)

Leases Payable

The County has entered into an agreement to lease a building. The lease agreement qualifies as an other than short-term lease under GASB Statement No. 87, *Leases*, and therefore, has been recorded at the present value of the future minimum lease payments as of the date of its inception. The lease liability is comprised of the following individual lease:

- \$341,486 building lease due in monthly installments varying from \$6,038 - \$6,535 through March 2030, interest at 3.91%, \$296,527 outstanding.

Annual debt service requirements to maturity for lease liabilities are as follows:

Year Ending December 31,	Principal	Interest	Total
2026	\$ 63,059	\$ 10,477	\$ 73,536
2027	67,067	7,941	75,008
2028	71,264	5,244	76,508
2029	75,659	2,379	78,038
2030	19,478	127	19,605
Totals	<u>\$ 296,527</u>	<u>\$ 26,168</u>	<u>\$ 322,695</u>

FANNIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

12. Long-Term Liabilities (continued)

Governmental Activities (continued)

Subscriptions Payable

In 2024, the County entered into a subscription-based information technology arrangement (SBITA) with a vendor for software. The subscription requires 5 annual payments varying from \$167,343 to \$245,000 and was measured with a discount rate of 2.566%. In 2025, this agreement was terminated and the related right-to-use asset was disposed.

In 2025, the County entered into a subscription-based information technology arrangement (SBITA) with a vendor for software. The \$404,906 software subscription is due in annual installments varying from \$75,119 to \$125,000 through May 2029, with a discount rate of 2.898%, \$279,906 outstanding.

Annual debt service requirements to maturity for subscription liabilities are as follows:

Year Ending December 31,	Principal	Interest	Total
2026	\$ 67,007	\$ 8,112	\$ 75,119
2027	68,949	6,170	75,119
2028	70,947	4,172	75,119
2029	73,003	2,116	75,119
Totals	<u>\$ 279,906</u>	<u>\$ 20,570</u>	<u>\$ 300,476</u>

FANNIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

12. Long-Term Liabilities (continued)

Fannin County Development Authority Component Unit

Notes from Direct Borrowings

During 2011, the Fannin County Development Authority entered into a \$500,000 note agreement with the OneGeorgia Authority for the purpose of renovating a building purchased by the Authority. The agreement was awarded in two parts. Part One payments are due in quarterly installments with annual payments totaling \$17,632 and interest at 0.00%. Part Two payments are due in quarterly installments with annual payments totaling \$9,880 and interest at 3.00%. These notes from direct borrowings will mature from October 2031 to October 2036. At the end of the current year, the principal balances of Part One and Part Two were \$82,590 and \$50,373, respectively.

During 2016, the Fannin County Development Authority entered into a \$229,500 note agreement with the OneGeorgia Authority for the purpose of renovating a building purchased by the Authority. Debt service payments are due in quarterly installments with annual payments totaling \$11,475 and interest at 0.00%. This note from direct borrowing will mature in April 2038. At the end of the current year, the principal balance was \$203,027.

The Authority's debt service requirements to maturity for notes from direct borrowings are as follows:

Year Ending December 31,	Principal	Interest	Total
2026	\$ 37,458	\$ 1,528	\$ 38,986
2027	37,711	1,275	38,986
2028	37,972	1,014	38,986
2029	38,241	745	38,986
2030	38,518	468	38,986
2031-2035	123,502	183	123,685
2036-2038	22,588	0	22,588
Totals	<u>\$ 335,990</u>	<u>\$ 5,213</u>	<u>\$ 341,203</u>

FANNIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

12. Long-Term Liabilities (continued)

Fannin County Water Authority Component Unit

Bonds from Direct Placements

On April 5, 2022, the Fannin County Water Authority issued Refunding and Improvement Revenue Bonds, Series 2022 in the amount of \$3,080,000, due in monthly installments ending April 5, 2042, with a yield of 2.52%. The proceeds from this refunding were to pay off previously issued Series A Revenue Bonds and a previously issued GEFA loan. The Series 2022 Bonds are secured by a pledge of the Authority's full faith and credit and will not expire as long as the Series 2022 Bonds remain outstanding and unpaid. Upon an event of default, the entire principal and interest on this bond may be declared due and payable. The outstanding balance at the end of the current fiscal year is \$2,689,479.

Annual debt service requirements for bonds from direct placements are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	\$ 129,931	\$ 66,281	\$ 196,212
2027	133,244	62,968	196,212
2028	136,641	59,572	196,213
2029	140,124	56,088	196,212
20230	143,696	52,516	196,212
2031-2035	775,334	205,729	981,063
2036-2040	879,331	101,731	981,062
2041-2042	351,178	8,545	359,723
Totals	<u>\$ 2,689,479</u>	<u>\$ 613,430</u>	<u>\$ 3,302,909</u>

FANNIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

12. Long-Term Liabilities (continued)

Changes in Long-Term Liabilities

The following is a summary of changes in long-term liabilities of the County and discretely presented component units for the respective year ends:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities					
Notes from direct borrowings	\$ 1,300,000	\$ 0	\$ 900,000	\$ 400,000	\$ 200,000
Leases payable	0	341,486	44,959	296,527	63,059
Subscriptions payable	799,777	404,906	924,777	279,906	67,007
Compensated absences	167,516	39,233	0	206,749	206,749
	<u>\$ 2,267,293</u>	<u>\$ 785,625</u>	<u>\$ 1,869,736</u>	<u>\$ 1,183,182</u>	<u>\$ 536,815</u>
Fannin County Department of Public Health					
Compensated absences	<u>\$ 95,797</u>	<u>\$ 0</u>	<u>\$ 37,582</u>	<u>\$ 58,215</u>	<u>\$ 34,929</u>
Fannin County Development Authority					
Notes from direct borrowings	<u>\$ 392,317</u>	<u>\$ 0</u>	<u>\$ 56,327</u>	<u>\$ 335,990</u>	<u>\$ 37,458</u>
Fannin County Water Authority					
Bonds from direct placements	<u>\$ 2,816,180</u>	<u>\$ 0</u>	<u>\$ 126,701</u>	<u>\$ 2,689,479</u>	<u>\$ 129,931</u>

Subscriptions payable deductions in the governmental activities includes \$799,777 for a subscription termination.

The total interest incurred and charged to expense for the current year was \$9,379 for the governmental activities, \$1,661 for the Fannin County Development Authority Component Unit, and \$69,290 for the Fannin County Water Authority Component Unit. In accordance with GASB Statement No. 101, *Compensated Absences*, the additions and deductions noted for compensated absences reflect the net change for the period.

Beginning balances of compensated absences were restated. See Note 23 for additional details.

FANNIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

13. Landfill Post-Closure Care Costs

State and Federal regulations required the County to close its solid waste landfill once its capacity was reached December 31, 1996, and to monitor and maintain the site after closure. The County elected an early closure date of April 10, 1994 when capacity was at eighty percent. During 1994, engineering studies estimated post closure costs of approximately \$66,121 to complete the closure of its landfill. These costs were based on the amount that would be paid if all equipment, facilities, and services required to monitor and maintain the landfill were acquired as of the expected date of closure. Amounts were expensed as closure of the landfill was completed. On February 1, 2000, the County received its closure certificate; therefore, no significant future expenditures are expected. At the end of the current year, no liability remains for post closure care costs.

14. Net Investment in Capital Assets

The net investment in capital assets reported on the government-wide statement of net position of the County and discretely presented component units is calculated as follows at the respective year ends:

	Governmental Activities	Fannin County Department of Public Health	Fannin County Development Authority	Fannin County Water Authority
Cost of capital assets	\$109,895,163	\$ 156,123	\$ 1,513,947	\$ 10,665,015
Accumulated depreciation	(48,927,240)	(69,206)	(925,288)	(1,797,444)
Book value	60,967,923	86,917	588,659	8,867,571
Capital-related accounts payable	(451,610)	0	0	(235,155)
Retainages payable	(197,576)	0	0	(16,764)
Notes payable	(400,000)	0	(335,990)	0
Subscriptions payable	(279,906)	0	0	0
Leases payable	(296,527)	0	0	0
Bonds payable	0	0	0	(2,689,479)
Unspent debt proceeds	0	0	0	772,012
Net investment in capital assets	<u>\$ 59,342,304</u>	<u>\$ 86,917</u>	<u>\$ 252,669</u>	<u>\$ 6,698,185</u>

FANNIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

15. Retirement Plans

Defined Benefit Pension Plan

Plan Description. The County sponsors the Association of the County Commissioners of Georgia Restated Pension Plan for Fannin County Employees (The Plan), a defined benefit pension plan, an agent multiple-employer public employee retirement system. The Plan issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by writing to Government Employees Benefits Corporation of Georgia, 400 Galleria Parkway, Suite 1250, Atlanta, Georgia 30339. The Plan provides retirement, disability and death benefits to plan participants and beneficiaries. The Plan, through execution of an adoption agreement, is affiliated with the Association County Commissioners of Georgia Third Restated Defined Benefit Plan (The ACCG Plan), an agent multiple-employer pension plan administered by the Government Employee's Benefit Corporation (GEBCorp). The ACCG, in its role as Plan Sponsor, has the sole authority to amend the provisions of the ACCG Plan, as provided in Section 17.01 of the ACCG Plan document. The County has the authority by resolution to amend the adoption agreement, which defines the specific benefit provisions of the Plan, as provided in section 17.02 of the ACCG Plan document.

During plan enrollment, all full-time County employees meeting the provisions as set out in the adoption agreement are eligible to participate in the Plan after completing three years of service. The plan is closed to employees with a commencement date on or after July 1, 2018. Benefits vested at 100% after five years of service. Participants become eligible to retire at the earlier of: a) age 65 or b) the anniversary date of the required years of service under which the Plan specifies.

Current membership is as follows:

Retirees, beneficiaries, and disablees	
currently receiving benefits	106
Terminated plan participants entitled to but	
not yet receiving benefits	99
Active employees participating in the plan	118
Total number of plan participants	323

FANNIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

15. Retirement Plans (continued)

Defined Benefit Pension Plan, continued

Benefits Provided. Upon eligibility to retire, participants are entitled to an annual benefit in the amount of 1.0% of average annual compensation up to \$10,000 plus 1.5% of average annual compensation in excess of \$10,000 plus \$50 multiplied by years of service. Compensation is averaged over a five year period prior to retirement or termination. The Plan also provides benefits in the event of death before retirement and early retirement subject to certain early retirement reduction factors.

Contributions. County employees are not required to contribute to the Plan. The County contributes the entire cost of the Plan, using the actuarial basis described in the annual valuation report. The County's actual contributions for the current year totaled \$1,128,743, or 16.82% of covered payroll. The County Board of Commissioners provides for the benefits and funding policy through County ordinance and maintains the authority to change the policy. The administrative expenses set by contract between the ACCG and GEBCorp are in addition to the state-required annual funding requirement.

The Georgia Constitution enables the governing authority of the County, the County Board of Commissioners, to establish, and amend from time-to-time contribution rates for the County and its Plan participants.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At the end of the current year, the County reported a net pension liability of \$3,787,896. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2024. For governmental activities, the net pension liability is liquidated by the General Fund. For the current year, the County recognized pension expense of \$1,255,578.

FANNIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

15. Retirement Plans (continued)

Defined Benefit Pension Plan, continued

The components of the net pension liability are as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at December 31, 2023	<u>\$ 23,020,634</u>	<u>\$ 18,221,194</u>	<u>\$ 4,799,440</u>
Changes for the year:			
Service cost	376,765	0	376,765
Interest	1,580,626	0	1,580,626
Liability experience (gain) / loss	(118,733)	0	(118,733)
Assumption change	43,121	0	43,121
Employer contributions	0	1,065,835	(1,065,835)
Net investment income	0	1,958,646	(1,958,646)
Benefit payments	(880,518)	(880,518)	0
Administrative expense	0	(54,037)	54,037
Other changes	0	(77,121)	77,121
Net changes	<u>1,001,261</u>	<u>2,012,805</u>	<u>(1,011,544)</u>
Balances at December 31, 2024	<u><u>\$ 24,021,895</u></u>	<u><u>\$ 20,233,999</u></u>	<u><u>\$ 3,787,896</u></u>

Plan fiduciary net position as a percentage of the total pension liability	84.23%
Covered payroll	\$ 6,524,390
Net pension liability as a percentage of covered payroll	58.06%

At the end of the current year, the County reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 1,121,564	\$ 0
Net difference between projected and actual earnings on pension plan investments	2,260	0
Changes of assumptions	267,918	0
Differences between expected and actual experience	154,418	(82,753)
	<u><u>\$ 1,546,160</u></u>	<u><u>\$ (82,753)</u></u>

FANNIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

15. Retirement Plans (continued)

Defined Benefit Pension Plan, continued

The \$1,121,564 of deferred outflows of resources resulting from the County’s contributions subsequent to measurement date will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>		
2026	\$	421,792
2027		443,021
2028		(397,755)
2029		(125,215)
Totals	<u>\$</u>	<u>341,843</u>

Actuarial Assumptions. The total pension liability in the January 1, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Future salary increases	5.00% per year with an age based scale
Cost of living adjustments	N/A
Net investment rate of return	7.00%

Healthy mortality rates were based on the Pub-2010 Amount Weighted Mortality Table with a blend of 50% of the General Employees Table and 50% of the Public Safety Employees Table with Scale AA to 2024. Disabled rates were based on results from a February, 2024 experience study.

FANNIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

15. Retirement Plans (continued)

Defined Benefit Pension Plan, continued

The pension plan's target asset allocation as of December 31, 2024 is summarized in the following table:

	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%

Discount Rate. The discount rate used to measure the total pension liability was 7.00 percent. The discount rate is determined using the estimated 50th percentile return based on UBS Capital Market Assumptions (6.71%) and fifteen year performance in excess of benchmarks (1.00%). The projection of cash flows used to determine the discount rate assumed that contributions from employer will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

FANNIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

15. Retirement Plans (continued)

Defined Benefit Pension Plan, continued

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

	<u>Discount Rate</u>	<u>Net Pension Liability</u>
1% decrease	6.00%	\$ 6,954,563
Current discount rate	7.00%	3,787,896
1% increase	8.00%	1,139,336

Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued Association County Commissioners of Georgia GEBCorp financial report.

Defined Contribution Plan

The County maintains two (2) deferred compensation plans, which were created in accordance with Internal Revenue Code, Section 457. The plans are administered by independent plan administrators through an administrative agreement. The two administrators are Nationwide Retirement Solutions and GEBCorp. The County will provide a match up to 4% of the employee's salary. The County's match is deposited into the 401(a). Member employees may elect to defer a portion of their salary until future years. Such deferred compensation is not available to the employees until termination, retirement, death, or financial hardship. All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts are solely the property and rights of the participants in the plans.

FANNIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

15. Retirement Plans (continued)

Defined Contribution Plan, continued

Additionally, effective July 1, 2018, new enrollment in the County defined benefit pension plan ceased. Any employees hired subsequent to July 1, 2018 can enroll in the County's 401(a) defined contribution plan. Employees are not required to contribute to the Plan. Employees are eligible after six months of employment and are fully vested after five years. Plan provisions and contribution requirements are established and may be amended by resolution of the County Commissioner. Separate financial statements are not issued for the Plan.

For the current year, the County's contributions to the 401(a) Plan were \$0 and the employees contributed \$186,989 to the 457 Plans.

Deferred Compensation Plan

The County offers its employees an optional deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is available to all County employees and permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the participant or other beneficiary) solely the property and rights of a Trust created by the County for the benefit of the participants. The County has adopted the provisions of GASB Statement No. 32 which required the removal of plan assets and liabilities from the financial statements of the County.

Other County Plans

In addition to the plan above, various County employees are covered under the following plans: Georgia Firefighters' Pension Fund, Georgia State Employees' Retirement System (ERS), Magistrates' Retirement Fund of Georgia, Peace Officers' Annuity and Benefit Fund of Georgia, Probate Judges' Retirement Fund of Georgia, Sheriffs' Retirement Fund of Georgia, and Superior Court Clerks' Retirement Fund of Georgia. Further information regarding these plans can be obtained from the plans' annual reports. These plans are immaterial to the financial statements.

FANNIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

15. Retirement Plans (continued)

Fannin County Department of Public Health Retirement Plan

Eligible employees of the Fannin County Department of Public Health participate in the Georgia State Employees' Retirement System (ERS), a statewide multiple-employer public employee retirement system. During the fiscal year ended June 30, 2025, the Department contributed \$111,705. As of June 30, 2025, the Department reported a liability in the amount of \$504,839 for its proportionate share (0.011214%) of the net pension liability. The Department recognized pension expense of \$32,696 for the fiscal year ended June 30, 2025. Further information regarding the plan can be obtained from Department's annual audit report by contacting Fannin County Department of Public Health, 95 Ouida Street, Blue Ridge, Georgia 30513.

16. Other Post-Employment Benefits

Fannin County Department of Public Health OPEB Plan

Eligible employees of the Fannin County Department of Public Health are provided OPEB through the State of Georgia OPEB Fund, a cost-sharing multiple-employer defined benefit post-employment healthcare plan and life insurance through the SEAD-OPEB Fund, a cost-sharing multiple-employer defined benefit other post-employment benefit plan. During the fiscal year ended June 30, 2025, the Department contributed \$19,769. As of June 30, 2025, the Department reported a net OPEB asset in the amount of \$27,252 and a net OPEB asset in the amount of \$52,579 for its proportionate share (0.010811% for the State of Georgia OPEB Fund and 0.009368% for the SEAD-OPEB Fund) of the net OPEB asset, respectively. The Department recognized OPEB expense of (\$4,412) for the fiscal year ended June 30, 2025. Further information regarding both of these plans can be obtained from Department's annual audit report by contacting Fannin County Department of Public Health, 95 Ouida Street, Blue Ridge, Georgia 30513.

FANNIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

17. Hotel/Motel Lodging Tax

The County has levied a 6% lodging tax in accordance with OCGA 48-13-51. A summary of the transactions for the current year follows:

Lodging tax receipts	\$ 7,368,332	
Disbursements for trade and tourism	\$ 3,450,199	46.82% of tax receipts
Transfers to the General Fund	\$ 3,464,827	47.02% of tax receipts

18. Joint Ventures

Under Georgia law, the County, in conjunction with other counties and cities in the area, is a member of the Northwest Georgia Regional Commission (RC) and is required to pay annual dues thereto. During the current year, the County paid \$23,591 in such dues. Membership in the RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official in each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from Northwest Georgia Regional Commission, One Jackson Hill Drive, Rome, Georgia 30162.

19. Related Parties

The County entered into a license agreement on June 25, 1986 with the Tennessee Valley Authority (TVA) whereby the County has use of four TVA houses and land adjoining the Lake Blue Ridge dam site. The County is responsible for the maintenance, upkeep, and security of these properties. During the current year, the County has discussed with the TVA a possible restructure of the license agreement under which the County would be able to use the property as a park for County residents.

FANNIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

20. 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. The County carries commercial insurance to cover the risks of loss in amounts deemed prudent by County management. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

The County provides healthcare benefits to its active employees and their dependents through a fully-insured policy plan administered by United Healthcare Insurance Company.

The County participates in the Association of County Commissioners of Georgia (ACCG) Group Self-Insurance Workers Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

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

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

The County's commercial insurance coverage is also with ACCG. Insurance coverage and deductible options for property, casualty, and crime under the policy are selected by the County's management based on anticipated needs. The County is required to pay all premiums, applicable deductibles, and assessments billed by ACCG, as well as follow loss reduction and prevention procedures established by ACCG.

FANNIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

20. Risk Management (continued)

ACCG's responsibility includes paying claims and representing the County in defense and settlement of claims. ACCG's basis for establishing the liabilities for unpaid claims is established by an actuary. The County is unaware of any claims for which the County is liable (up to the applicable deductible) which were outstanding and unpaid at the end of the current year.

21. Commitments and Contingencies

Commitments

At the end of the current year, contractual commitments on uncompleted contracts totaled \$478,825.

Contingencies

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

The County is involved in several pending lawsuits. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the County.

The Development Authority is a defendant in a pending lawsuit. Management intends to contest this open case vigorously. The Authority's legal counsel has stated that the outcome of this lawsuit is not presently determinable.

FANNIN COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2025

22. New Accounting Pronouncements

The County implemented GASB Statement No. 102, *Certain Risk Disclosures*, effective for the County's current fiscal year. The requirements of this statement are effective for periods beginning after June 15, 2024. This statement had no effect on net position of the County.

23. Changes in Beginning Balances

Change in Accounting Principle

Fannin County Department of Public Health

A restatement was made to implement GASB Statement No. 101, *Compensated Absences*. The net effect of this adjustment decreased beginning net position in the amount of \$62,330.

Error Correction

Fannin County Water Authority

A restatement was made to correct the balance of accounts receivable. The net effect of this adjustment decreased beginning net position in the amount of \$33,963.

A summary of the changes in beginning balances is presented below:

	<u>Beginning As Previously Presented</u>	<u>Error Correction</u>	<u>Change in Accounting Principle</u>	<u>Beginning As Restated</u>
Fannin County Department of Public Health	\$ 643,379	\$ 0	\$ (62,330)	\$ 581,049
Fannin County Water Authority	\$ 7,003,259	\$ (33,963)	\$ 0	\$ 6,969,296

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REQUIRED SUPPLEMENTARY INFORMATION

FANNIN COUNTY, GEORGIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
LAST TEN YEARS
December 31, 2025
(Unaudited)

	Year End									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability										
Service cost	\$ 376,765	\$ 340,992	\$ 360,813	\$ 1,233,754	\$ 365,134	\$ 321,233	\$ 339,715	\$ 331,449	\$ 324,246	\$ 256,095
Interest	1,580,626	1,474,210	1,382,784	1,293,032	1,176,796	1,073,954	1,015,466	1,023,224	904,345	883,219
Liability experience (gain)/loss	(118,733)	19,073	366,908	0	(62,169)	16,367	646,438	(618,270)	591,718	(641,226)
Assumption change	43,121	530,757	37,809	35,097	31,129	687,357	(73,057)	30,702	458,590	476,169
Plan change	0	0	0	382,880	0	0	0	0	0	0
Benefit payments, including refunds of employee contributions	(880,518)	(809,085)	(875,377)	(756,126)	(638,286)	(621,203)	(564,362)	(591,945)	(446,789)	(469,179)
Net change in total pension liability	1,001,261	1,555,947	1,272,937	2,188,637	872,604	1,477,708	1,364,200	175,160	1,832,110	505,078
Total pension liability - beginning	23,020,634	21,464,687	20,191,750	18,003,113	17,130,509	15,652,801	14,288,601	14,113,441	12,281,331	11,776,253
Total pension liability - ending (a)	\$ 24,021,895	\$ 23,020,634	\$ 21,464,687	\$ 20,191,750	\$ 18,003,113	\$ 17,130,509	\$ 15,652,801	\$ 14,288,601	\$ 14,113,441	\$ 12,281,331
Plan fiduciary net position										
Contributions - employer	\$ 1,065,835	\$ 1,024,893	\$ 1,013,367	\$ 1,031,919	\$ 860,656	\$ 772,930	\$ 805,768	\$ 784,291	\$ 816,970	\$ 635,829
Net investment income	1,958,646	2,480,009	(2,565,766)	2,431,101	1,918,856	2,386,516	(550,260)	1,612,721	670,044	72,954
Benefit payments, including refunds of employee contributions	(880,518)	(809,085)	(875,377)	(756,126)	(638,286)	(621,203)	(564,362)	(571,238)	(446,789)	(452,221)
Administrative expense	(54,037)	(54,170)	(51,682)	(49,255)	(47,593)	(46,050)	(34,313)	(30,864)	(34,924)	(27,920)
Other	(77,121)	(145,554)	(106,306)	(132,345)	(60,219)	(91,707)	(98,055)	(105,406)	(134,219)	(87,329)
Net change in plan fiduciary net position	2,012,805	2,496,093	(2,585,764)	2,525,294	2,033,414	2,400,486	(441,222)	1,689,504	871,082	141,313
Plan fiduciary net position - beginning	18,221,194	15,725,101	18,310,865	15,785,571	13,752,157	11,351,671	11,792,893	10,103,389	9,232,307	9,090,994
Plan fiduciary net position - ending (b)	\$ 20,233,999	\$ 18,221,194	\$ 15,725,101	\$ 18,310,865	\$ 15,785,571	\$ 13,752,157	\$ 11,351,671	\$ 11,792,893	\$ 10,103,389	\$ 9,232,307
Net pension liability (asset) - ending : (a) - (b)	\$ 3,787,896	\$ 4,799,440	\$ 5,739,586	\$ 1,880,885	\$ 2,217,542	\$ 3,378,352	\$ 4,301,130	\$ 2,495,708	\$ 4,010,052	\$ 3,049,024
Plan's fiduciary net position as a percentage of the total pension liability	84.23%	79.15%	73.26%	90.68%	87.68%	80.28%	72.52%	82.53%	71.59%	75.17%
Covered payroll	\$ 6,524,390	\$ 6,638,444	\$ 7,050,040	\$ 6,953,110	\$ 6,492,529	\$ 6,269,273	\$ 6,134,828	\$ 5,847,302	\$ 5,950,065	\$ 5,024,137
Net pension liability as a percentage of covered payroll	58.06%	72.30%	81.41%	27.05%	34.16%	53.89%	70.11%	42.68%	67.40%	60.69%

See accompanying notes to the required supplementary information.

FANNIN COUNTY, GEORGIA
SCHEDULE OF CONTRIBUTIONS
LAST TEN YEARS
December 31, 2025
(Unaudited)

	Year End									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 1,019,906	\$ 971,368	\$ 928,257	\$ 923,403	\$ 950,537	\$ 860,656	\$ 772,930	\$ 805,768	\$ 784,291	\$ 816,970
Contributions in relation to the actuarially determined contribution	<u>(1,128,743)</u>	<u>(1,065,835)</u>	<u>(1,024,893)</u>	<u>(1,013,367)</u>	<u>(1,031,919)</u>	<u>(860,656)</u>	<u>(772,930)</u>	<u>(805,768)</u>	<u>(784,291)</u>	<u>(816,970)</u>
Contribution deficiency (excess)	<u>\$ (108,837)</u>	<u>\$ (94,467)</u>	<u>\$ (96,636)</u>	<u>\$ (89,964)</u>	<u>\$ (81,382)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered payroll	\$ 6,710,531	\$ 6,681,002	\$ 6,609,800	\$ 7,050,040	\$ 6,953,110	\$ 6,492,529	\$ 6,269,273	\$ 6,134,828	\$ 5,847,302	\$ 5,950,065
Contributions as a percentage of covered payroll	16.82%	15.95%	15.51%	14.37%	14.84%	13.26%	12.33%	13.13%	13.41%	13.73%

FANNIN COUNTY, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2025

1. Valuation Date

The actuarially determined contribution rate was determined as of January 1, 2024, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ended December 31, 2026.

2. Methods and Assumptions Used to Determine Contribution Rates

Actuarial cost method = Entry Age Normal

Amortization method = Closed level dollar for remaining unfunded liability

Remaining amortization period = Remaining amortization period varies for the bases, with a net effective amortization period of 15 years

Asset valuation method = Smoothed market value with a 5-year smoothing period.

Net investment rate of return = 7.00%

Future salary increases = 5.00% per year with an age based scale

Cost of living adjustments = N/A

Normal retirement age = 65

Mortality = Healthy mortality rates were based on the Pub-2010 Amount Weighted Mortality Table with a blend of 50% of the General Employees Table and 50% of the Public Safety Employees Table with Scale AA to 2024. Disabled rates were derived from a February, 2024 experience study.

FANNIN COUNTY, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2025

3. Changes in Benefits

There have been no substantive changes since the last actuarial valuation.

4. Changes of Assumptions

The mortality improvements for the Pub-2010 Amount Weighted Mortality Table with a blend of 50% of the General Employees Table and 50% of the Public Safety Employees Table is projected to 2024 with Scale AA instead of 2023 with Scale AA.

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COMBINING STATEMENTS

Nonmajor Governmental Funds

**FANNIN COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2025**

	<u>Special Revenue</u>						
	<u>Law Library</u>	<u>Confiscated Assets</u>	<u>Multiple Grants</u>	<u>Crime Victims Assistance</u>	<u>Drug</u>	<u>Jail</u>	<u>Juvenile</u>
ASSETS							
Cash and cash equivalents	\$ 11,068	\$ 3,868	\$ 760,879	\$ 976	\$ 31,416	\$ 47,288	\$ 56,526
Certificates of deposit	28,209	0	0	0	0	0	0
Receivables							
Accounts	0	0	0	0	0	0	0
Intergovernmental	0	0	0	535	929	426	0
Prepaid items	0	0	0	0	0	0	0
Total assets	<u>\$ 39,277</u>	<u>\$ 3,868</u>	<u>\$ 760,879</u>	<u>\$ 1,511</u>	<u>\$ 32,345</u>	<u>\$ 47,714</u>	<u>\$ 56,526</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 110	\$ 286	\$ 500
Fund balances							
Nonspendable:							
Prepaid items	0	0	0	0	0	0	0
Restricted for:							
Law library operations	39,277	0	0	0	0	0	0
Judicial activities	0	0	0	1,511	0	0	56,026
Public safety activities	0	3,868	0	0	32,235	47,428	0
Grant specifications	0	0	760,879	0	0	0	0
Economic development	0	0	0	0	0	0	0
Capital outlay	0	0	0	0	0	0	0
Assigned for:							
Emergency 911 system operations	0	0	0	0	0	0	0
Total fund balances	<u>39,277</u>	<u>3,868</u>	<u>760,879</u>	<u>1,511</u>	<u>32,235</u>	<u>47,428</u>	<u>56,026</u>
Total liabilities and fund balances	<u>\$ 39,277</u>	<u>\$ 3,868</u>	<u>\$ 760,879</u>	<u>\$ 1,511</u>	<u>\$ 32,345</u>	<u>\$ 47,714</u>	<u>\$ 56,526</u>

Special Revenue					Capital Projects	Total Nonmajor Governmental Funds
Clerks Technology	Revolving Loan	Donations / Special Projects	Emergency 911	Inmate Welfare	Capital Improvements	
\$ 262,820 0	\$ 81,099 0	\$ 210 0	\$ 2,695,159 0	\$ 7,027 0	\$ 1,433 0	\$ 3,959,769 28,209
0	0	0	102,019	0	0	102,019
0	0	0	0	0	0	1,890
0	0	0	19,954	0	0	19,954
<u>\$ 262,820</u>	<u>\$ 81,099</u>	<u>\$ 210</u>	<u>\$ 2,817,132</u>	<u>\$ 7,027</u>	<u>\$ 1,433</u>	<u>\$ 4,111,841</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 15,707</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 16,603</u>
0	0	0	19,954	0	0	19,954
0	0	0	0	0	0	39,277
262,820	0	0	0	0	0	320,357
0	0	0	0	7,027	0	90,558
0	0	0	0	0	0	760,879
0	81,099	0	0	0	0	81,099
0	0	210	0	0	1,433	1,643
0	0	0	2,781,471	0	0	2,781,471
<u>262,820</u>	<u>81,099</u>	<u>210</u>	<u>2,801,425</u>	<u>7,027</u>	<u>1,433</u>	<u>4,095,238</u>
<u>\$ 262,820</u>	<u>\$ 81,099</u>	<u>\$ 210</u>	<u>\$ 2,817,132</u>	<u>\$ 7,027</u>	<u>\$ 1,433</u>	<u>\$ 4,111,841</u>

FANNIN COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the year ended December 31, 2025

	Special Revenue						
	Law Library	Confiscated Assets	Multiple Grants	Crime Victims Assistance	Drug	Jail	Juvenile
REVENUES							
Fines, fees, and forfeitures	\$ 13,365	\$ 16,395	\$ 0	\$ 16,551	\$ 12,208	\$ 22,049	\$ 100
Charges for services	0	0	0	0	0	0	0
Intergovernmental	0	0	190,057	0	0	0	0
Interest	969	372	24,240	0	792	1,019	1,549
Other	0	0	2,640	0	0	0	0
Total revenues	<u>14,334</u>	<u>16,767</u>	<u>216,937</u>	<u>16,551</u>	<u>13,000</u>	<u>23,068</u>	<u>1,649</u>
EXPENDITURES							
Current							
Judicial	14,987	0	0	19,905	0	0	500
Public Safety	0	28,639	127,245	0	10,490	5,620	0
Health and Welfare	0	0	42,188	0	0	0	0
Culture and Recreation	0	0	179,934	0	0	0	0
Housing and Development	0	0	27,080	0	0	0	0
Total expenditures	<u>14,987</u>	<u>28,639</u>	<u>376,447</u>	<u>19,905</u>	<u>10,490</u>	<u>5,620</u>	<u>500</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(653)</u>	<u>(11,872)</u>	<u>(159,510)</u>	<u>(3,354)</u>	<u>2,510</u>	<u>17,448</u>	<u>1,149</u>
Other financing sources (uses)							
Transfers in	0	0	165	457	0	0	0
Transfers out	0	0	0	0	0	0	(661)
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>165</u>	<u>457</u>	<u>0</u>	<u>0</u>	<u>(661)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(653)</u>	<u>(11,872)</u>	<u>(159,345)</u>	<u>(2,897)</u>	<u>2,510</u>	<u>17,448</u>	<u>488</u>
Fund balances, January 1	<u>39,930</u>	<u>15,740</u>	<u>920,224</u>	<u>4,408</u>	<u>29,725</u>	<u>29,980</u>	<u>55,538</u>
Fund balances, December 31	<u>\$ 39,277</u>	<u>\$ 3,868</u>	<u>\$ 760,879</u>	<u>\$ 1,511</u>	<u>\$ 32,235</u>	<u>\$ 47,428</u>	<u>\$ 56,026</u>

Special Revenue					Capital Projects	Total Nonmajor Governmental Funds
Clerks Technology	Revolving Loan	Donations / Special Projects	Emergency 911	Inmate Welfare	Capital Improvements	
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 80,668
0	0	0	610,907	40,247	0	651,154
47,609	0	0	0	0	0	237,666
1,281	2,620	0	68,691	0	60	101,593
0	0	0	6,000	0	0	8,640
<u>48,890</u>	<u>2,620</u>	<u>0</u>	<u>685,598</u>	<u>40,247</u>	<u>60</u>	<u>1,079,721</u>
57,968	0	0	0	0	0	93,360
0	0	0	1,088,623	38,626	0	1,299,243
0	0	0	0	0	0	42,188
0	0	0	0	0	0	179,934
0	17,352	0	0	0	0	44,432
<u>57,968</u>	<u>17,352</u>	<u>0</u>	<u>1,088,623</u>	<u>38,626</u>	<u>0</u>	<u>1,659,157</u>
<u>(9,078)</u>	<u>(14,732)</u>	<u>0</u>	<u>(403,025)</u>	<u>1,621</u>	<u>60</u>	<u>(579,436)</u>
0	0	0	864,550	0	0	865,172
0	0	0	0	0	0	(661)
<u>0</u>	<u>0</u>	<u>0</u>	<u>864,550</u>	<u>0</u>	<u>0</u>	<u>864,511</u>
<u>(9,078)</u>	<u>(14,732)</u>	<u>0</u>	<u>461,525</u>	<u>1,621</u>	<u>60</u>	<u>285,075</u>
<u>271,898</u>	<u>95,831</u>	<u>210</u>	<u>2,339,900</u>	<u>5,406</u>	<u>1,373</u>	<u>3,810,163</u>
<u>\$ 262,820</u>	<u>\$ 81,099</u>	<u>\$ 210</u>	<u>\$ 2,801,425</u>	<u>\$ 7,027</u>	<u>\$ 1,433</u>	<u>\$ 4,095,238</u>

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally or donor restricted or committed to expenditure for particular purposes.

Law Library Fund – This fund is used to account for revenues generated through special filing charges in the County court system which are used to acquire and maintain law library materials.

Confiscated Assets Fund – This fund is used to account for confiscated seizures by Fannin County law enforcement from drug related crimes. Funds may be used for any public safety purpose except salaries of law enforcement personnel.

Multiple Grants Fund – This fund is used to account for grant monies received from various Federal and State agencies and the expenditure of these monies for the purposes intended.

Crime Victims Assistance Fund – This fund is used to account for the 4% fee added to Court fines to benefit the victims of crime and their families.

Drug Fund – This fund is used to account for the collection of penalty assessments in certain court cases. Proceeds may be expended only for drug abuse treatment and education programs.

Jail Fund – This fund is used to account for collection of penalty assessments in certain court cases. Proceeds are restricted for construction, operation, and staffing of the County's correction and detention center.

Juvenile Fund – This fund is used to account for collection of penalty assessments in juvenile related cases. Proceeds may be expended for operations, staffing, and juvenile related programs.

Clerks Technology Fund – This fund is used to account for monies received from the Georgia Superior Court Clerks Cooperative Association for technology upgrades in the Clerk of Court's Office.

Revolving Loan Fund – This fund is used to account for activities connected with a note receivable for a loan made with monies received from the USDA. As funds are accumulated, loans will be made for the economic development of the County.

Donations / Special Projects Fund – This fund is used to account for capital projects for use by the County and to account for donations or other revenues received for these purposes.

Emergency 911 Fund – This fund is used to account for receipt of fees imposed on land and wireless telephone lines in the County used to offset the operation and personnel costs of providing emergency services.

Inmate Welfare Fund – This fund is used to account for receipt of commissions for commissary sales restricted for use of the benefit of inmates in the County Jail.

FANNIN COUNTY, GEORGIA
LAW LIBRARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines and forfeitures	\$ 28,365	\$ 13,365	\$ (15,000)
Interest	<u>290</u>	<u>969</u>	<u>679</u>
Total revenues	<u>28,655</u>	<u>14,334</u>	<u>(14,321)</u>
EXPENDITURES			
Current			
Judicial	<u>50,132</u>	<u>14,987</u>	<u>35,145</u>
Total expenditures	<u>50,132</u>	<u>14,987</u>	<u>35,145</u>
Excess (deficiency) of revenues over (under) expenditures	(21,477)	(653)	20,824
Fund balance, January 1	<u>21,477</u>	<u>39,930</u>	<u>18,453</u>
Fund balance, December 31	<u><u>\$ 0</u></u>	<u><u>\$ 39,277</u></u>	<u><u>\$ 39,277</u></u>

FANNIN COUNTY, GEORGIA
CONFISCATED ASSETS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines and forfeitures	\$ 27,359	\$ 16,395	\$ (10,964)
Interest	100	372	272
Total revenues	<u>27,459</u>	<u>16,767</u>	<u>(10,692)</u>
EXPENDITURES			
Current			
Public Safety	39,689	28,639	11,050
Total expenditures	<u>39,689</u>	<u>28,639</u>	<u>11,050</u>
Excess (deficiency) of revenues over (under) expenditures	(12,230)	(11,872)	358
Fund balance, January 1	<u>12,230</u>	<u>15,740</u>	<u>3,510</u>
Fund balance, December 31	<u><u>\$ 0</u></u>	<u><u>\$ 3,868</u></u>	<u><u>\$ 3,868</u></u>

FANNIN COUNTY, GEORGIA
MULTIPLE GRANTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 444,947	\$ 190,057	\$ (254,890)
Interest	24,000	24,240	240
Other	0	2,640	2,640
	<u>468,947</u>	<u>216,937</u>	<u>(252,010)</u>
EXPENDITURES			
Current			
Public Safety	167,245	127,245	40,000
Health and Welfare	94,688	42,188	52,500
Culture and Recreation	179,934	179,934	0
Housing and Development	27,080	27,080	0
	<u>468,947</u>	<u>376,447</u>	<u>92,500</u>
Excess (deficiency) of revenues over (under) expenditures	0	(159,510)	(159,510)
Other financing sources (uses)			
Transfers in	0	165	165
	<u>0</u>	<u>165</u>	<u>165</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(159,345)	(159,345)
Fund balance, January 1	<u>0</u>	<u>920,224</u>	<u>920,224</u>
Fund balance, December 31	<u><u>\$ 0</u></u>	<u><u>\$ 760,879</u></u>	<u><u>\$ 760,879</u></u>

FANNIN COUNTY, GEORGIA
CRIME VICTIMS ASSISTANCE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2025

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	\$ 29,551	\$ 16,551	\$ (13,000)
Interest	200	0	(200)
Total revenues	29,751	16,551	(13,200)
EXPENDITURES			
Current			
Judicial	33,005	19,905	13,100
Total expenditures	33,005	19,905	13,100
Excess (deficiency) of revenues over (under) expenditures	(3,254)	(3,354)	(100)
Other financing sources (uses)			
Transfers in	0	457	457
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(3,254)	(2,897)	357
Fund balance, January 1	3,254	4,408	1,154
Fund balance, December 31	\$ 0	\$ 1,511	\$ 1,511

**FANNIN COUNTY, GEORGIA
DRUG SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2025**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines and forfeitures	\$ 36,000	\$ 12,208	\$ (23,792)
Interest	<u>3,000</u>	<u>792</u>	<u>(2,208)</u>
Total revenues	<u>39,000</u>	<u>13,000</u>	<u>(26,000)</u>
EXPENDITURES			
Current			
Public Safety	<u>39,000</u>	<u>10,490</u>	<u>28,510</u>
Total expenditures	<u>39,000</u>	<u>10,490</u>	<u>28,510</u>
Excess (deficiency) of revenues over (under) expenditures	0	2,510	2,510
Fund balance, January 1	<u>0</u>	<u>29,725</u>	<u>29,725</u>
Fund balances, December 31	<u><u>\$ 0</u></u>	<u><u>\$ 32,235</u></u>	<u><u>\$ 32,235</u></u>

FANNIN COUNTY, GEORGIA
JAIL SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines and forfeitures	\$ 36,000	\$ 22,049	\$ (13,951)
Interest	<u>2,000</u>	<u>1,019</u>	<u>(981)</u>
Total revenues	<u>38,000</u>	<u>23,068</u>	<u>(14,932)</u>
EXPENDITURES			
Current			
Public Safety	<u>38,000</u>	<u>5,620</u>	<u>32,380</u>
Total expenditures	<u>38,000</u>	<u>5,620</u>	<u>32,380</u>
Excess (deficiency) of revenues over (under) expenditures	0	17,448	17,448
Fund balance, January 1	<u>0</u>	<u>29,980</u>	<u>29,980</u>
Fund balance, December 31	<u><u>\$ 0</u></u>	<u><u>\$ 47,428</u></u>	<u><u>\$ 47,428</u></u>

FANNIN COUNTY, GEORGIA
JUVENILE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines and forfeitures	\$ 2,000	\$ 100	\$ (1,900)
Interest	<u>1,600</u>	<u>1,549</u>	<u>(51)</u>
Total revenues	<u>3,600</u>	<u>1,649</u>	<u>(1,951)</u>
EXPENDITURES			
Current			
Judicial	<u>3,600</u>	<u>500</u>	<u>3,100</u>
Total expenditures	<u>3,600</u>	<u>500</u>	<u>3,100</u>
Excess (deficiency) of revenues over (under) expenditures	0	1,149	1,149
Other financing sources (uses)			
Transfers out	<u>0</u>	<u>(661)</u>	<u>661</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	488	488
Fund balance, January 1	<u>0</u>	<u>55,538</u>	<u>55,538</u>
Fund balance, December 31	<u><u>\$ 0</u></u>	<u><u>\$ 56,026</u></u>	<u><u>\$ 56,026</u></u>

FANNIN COUNTY, GEORGIA
CLERKS TECHNOLOGY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 120,000	\$ 47,609	\$ (72,391)
Interest	1,800	1,281	(519)
Total revenues	<u>121,800</u>	<u>48,890</u>	<u>(72,910)</u>
EXPENDITURES			
Current			
Judicial	<u>121,800</u>	<u>57,968</u>	<u>63,832</u>
Total expenditures	<u>121,800</u>	<u>57,968</u>	<u>63,832</u>
Excess (deficiency) of revenues over (under) expenditures	0	(9,078)	(9,078)
Fund balance, January 1	<u>0</u>	<u>271,898</u>	<u>271,898</u>
Fund balance, December 31	<u><u>\$ 0</u></u>	<u><u>\$ 262,820</u></u>	<u><u>\$ 262,820</u></u>

FANNIN COUNTY, GEORGIA
REVOLVING LOAN SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Interest	\$ 3,460	\$ 2,620	\$ (840)
Total revenues	<u>3,460</u>	<u>2,620</u>	<u>(840)</u>
EXPENDITURES			
Current			
Housing and Development	18,192	17,352	840
Total expenditures	<u>18,192</u>	<u>17,352</u>	<u>840</u>
Excess (deficiency) of revenues over (under) expenditures	(14,732)	(14,732)	0
Fund balance, January 1	<u>14,732</u>	<u>95,831</u>	<u>81,099</u>
Fund balance, December 31	<u><u>\$ 0</u></u>	<u><u>\$ 81,099</u></u>	<u><u>\$ 81,099</u></u>

FANNIN COUNTY, GEORGIA
DONATIONS / SPECIAL PROJECTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Interest	\$ 200	\$ 0	\$ (200)
Contributions	<u>2,000</u>	<u>0</u>	<u>(2,000)</u>
Total revenues	<u>2,200</u>	<u>0</u>	<u>(2,200)</u>
EXPENDITURES			
Current			
Public Safety	<u>2,200</u>	<u>0</u>	<u>2,200</u>
Total expenditures	<u>2,200</u>	<u>0</u>	<u>2,200</u>
Excess (deficiency) of revenues over (under) expenditures	0	0	0
Fund balance, January 1	<u>0</u>	<u>210</u>	<u>210</u>
Fund balance, December 31	<u><u>\$ 0</u></u>	<u><u>\$ 210</u></u>	<u><u>\$ 210</u></u>

FANNIN COUNTY, GEORGIA
EMERGENCY 911 SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 1,127,223	\$ 610,907	\$ (516,316)
Interest	40,000	68,691	28,691
Other	0	6,000	6,000
	<u>1,167,223</u>	<u>685,598</u>	<u>(481,625)</u>
EXPENDITURES			
Current			
Public Safety	1,231,373	1,088,623	142,750
	<u>1,231,373</u>	<u>1,088,623</u>	<u>142,750</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(64,150)</u>	<u>(403,025)</u>	<u>(338,875)</u>
Other financing sources (uses)			
Transfers in	882,450	864,550	(17,900)
Transfers out	(818,300)	0	818,300
	<u>64,150</u>	<u>864,550</u>	<u>800,400</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	461,525	461,525
Fund balance, January 1	<u>0</u>	<u>2,339,900</u>	<u>2,339,900</u>
Fund balance, December 31	<u><u>\$ 0</u></u>	<u><u>\$ 2,801,425</u></u>	<u><u>\$ 2,801,425</u></u>

FANNIN COUNTY, GEORGIA
INMATE WELFARE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2025

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 48,626	\$ 40,247	\$ (8,379)
Total revenues	<u>48,626</u>	<u>40,247</u>	<u>(8,379)</u>
EXPENDITURES			
Current			
Public Safety	<u>48,626</u>	<u>38,626</u>	<u>10,000</u>
Total expenditures	<u>48,626</u>	<u>38,626</u>	<u>10,000</u>
Excess (deficiency) of revenues over (under) expenditures	0	1,621	1,621
Fund balance, January 1	<u>0</u>	<u>5,406</u>	<u>5,406</u>
Fund balance, December 31	<u><u>\$ 0</u></u>	<u><u>\$ 7,027</u></u>	<u><u>\$ 7,027</u></u>

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CUSTODIAL FUNDS

These funds are used to account for assets held by the County as an agent to be expended in accordance with the conditions of its custodial capacity.

Tax Commissioner - This fund accounts for assets and related liabilities for the collection of taxes and tag and title fees.

Clerk of Superior Court, Probate Court, and Magistrate Court - These funds account for assets and related liabilities for the collection of court related fees.

Sheriff Inmate Fund - This fund accounts for deposits held for incarcerated inmates.

FANNIN COUNTY, GEORGIA
CUSTODIAL FUNDS
STATEMENT OF FIDUCIARY NET POSITION
December 31, 2025

	<u>Tax Commissioner</u>	<u>Clerk of Superior Court</u>	<u>Probate Court</u>	<u>Magistrate Court</u>	<u>Sheriff Inmate Fund</u>	<u>Total Custodial Funds</u>
ASSETS						
Cash and cash equivalents	\$ 4,102,473	\$ 3,331,824	\$ 49,416	\$ 5,144	\$ 43,280	\$ 7,532,137
Taxes receivable	<u>3,248,115</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,248,115</u>
Total assets	<u>7,350,588</u>	<u>3,331,824</u>	<u>49,416</u>	<u>5,144</u>	<u>43,280</u>	<u>10,780,252</u>
LIABILITIES						
Due to others	<u>7,347,960</u>	<u>116,987</u>	<u>7,879</u>	<u>1,273</u>	<u>23,032</u>	<u>7,497,131</u>
NET POSITION						
Restricted for individuals, organizations, and other governments	<u>\$ 2,628</u>	<u>\$ 3,214,837</u>	<u>\$ 41,537</u>	<u>\$ 3,871</u>	<u>\$ 20,248</u>	<u>\$ 3,283,121</u>

FANNIN COUNTY, GEORGIA
CUSTODIAL FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the year ended December 31, 2025

	<u>Tax Commissioner</u>	<u>Clerk of Superior Court</u>	<u>Probate Court</u>	<u>Magistrate Court</u>	<u>Sheriff Inmate Fund</u>	<u>Total Custodial Funds</u>
ADDITIONS						
Taxes collected for other agencies	\$ 29,748,670	\$ 0	\$ 0	\$ 0	\$ 0	\$ 29,748,670
Court fees collected for other agencies	0	504,260	325,458	107,554	0	937,272
Court individual cases	0	2,833,586	78,934	0	0	2,912,520
Sheriff inmate account deposits	0	0	0	0	277,454	277,454
Total additions	<u>29,748,670</u>	<u>3,337,846</u>	<u>404,392</u>	<u>107,554</u>	<u>277,454</u>	<u>33,875,916</u>
DEDUCTIONS						
Taxes distributed to other agencies	29,748,616	0	0	0	0	29,748,616
Court fees distributed to other agencies	0	2,523,999	325,458	109,017	0	2,958,474
Payments to others	0	213,492	73,805	0	0	287,297
Payments from inmates to others	0	0	0	0	266,688	266,688
Total deductions	<u>29,748,616</u>	<u>2,737,491</u>	<u>399,263</u>	<u>109,017</u>	<u>266,688</u>	<u>33,261,075</u>
Change in net position	54	600,355	5,129	(1,463)	10,766	614,841
Net position, January 1	<u>2,574</u>	<u>2,614,482</u>	<u>36,408</u>	<u>5,334</u>	<u>9,482</u>	<u>2,668,280</u>
Net position, December 31	<u>\$ 2,628</u>	<u>\$ 3,214,837</u>	<u>\$ 41,537</u>	<u>\$ 3,871</u>	<u>\$ 20,248</u>	<u>\$ 3,283,121</u>

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OTHER REPORTING SECTION

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SINGLE AUDIT SECTION

This section contains reports required by the Uniform Guidance and grantor agencies.

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**Independent Auditor’s Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed In Accordance with *Government Auditing Standards***

Honorable Chairman and
Members of the Board Commissioners
Fannin County, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Fannin County, Georgia, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise Fannin County, Georgia’s basic financial statements and have issued our report thereon dated May 8, 2026. Our report includes a reference to other auditors who audited the financial statements of Fannin County Department of Public Health, as described in our report on Fannin 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 were 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 Fannin County, Georgia’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Fannin County, Georgia’s internal control. Accordingly, we do not express an opinion on the effectiveness of Fannin County, Georgia’s internal control.

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, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2025-001 to be a material weakness.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2025-002 through 2025-008 to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Fannin County, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Fannin County, Georgia's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Fannin County, Georgia's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Fannin County, Georgia's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Fannin County, Georgia'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.

Rushton, LLC

Gainesville, Georgia
May 8, 2026

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

Honorable Chairman and
Members of the Board Commissioners
Fannin County, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Fannin County, Georgia's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Fannin County, Georgia's major federal programs for the year ended December 31, 2025. Fannin County, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Fannin County, Georgia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Fannin County, Georgia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Fannin County, Georgia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Fannin County, Georgia's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Rushton, LLC

Gainesville, Georgia
May 8, 2026

FANNIN COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended December 31, 2025

Federal Grant/Pass-Through Grantor/Program/Cluster Title	Federal Assistance Listing Number	Pass- Through Number	Expenditures
Department of Agriculture			
<u>Forest Service Schools and Roads Cluster</u>			
Passed through the Georgia Office of the State Treasurer: Schools and Roads - Grants to States	10.665	486Forest	\$ <u>7,250</u>
Department of the Interior			
Payments in Lieu of Taxes	15.226	N/A	<u>298,575</u>
Department of the Treasury			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	294,280
Passed through the Georgia Governor's Office of Planning and Budget: COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	GA-0005441	344,020
Passed through Pickens County, Georgia: COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	2023_ARPA_3Y003 2024-25_ARPA_3Y003	143,126 <u>253,727</u>
Total COVID-19 Coronavirus State and Local Fiscal Recovery Funds			<u>1,035,153</u>
Local Assistance and Tribal Consistency Fund	21.032	N/A	<u>179,934</u>
Total Department of the Treasury			<u>1,215,087</u>
Department of Homeland Security			
Passed through the Georgia Emergency Management Agency:			
Emergency Management Performance Grants	97.042	OEM24	<u>11,275</u>
Assistance to Firefighters Grant	97.044	EMW-2023-FG-00334 EMW-2023-FG-00339	887,727 <u>49,848</u>
Total Assistance to Firefighters Grant			<u>937,575</u>
Homeland Security Grant Program	97.067	EMW-2024-SS-05208	<u>34,555</u>
Total Department of Homeland Security			<u>983,405</u>
Total Federal Awards			<u>\$ 2,504,317</u>

See accompanying notes to the schedule of expenditures of federal awards and the schedule of findings and questioned costs.

FANNIN COUNTY, GEORGIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended December 31, 2025

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Fannin County, Georgia, under programs for the federal government for the year ended December 31, 2025. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because this schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. De Minimis Indirect Cost Rate

Fannin County, Georgia has elected not to use the 15-percent *de minimis* indirect cost rate allowed under the Uniform Guidance.

4. Payments to Subrecipients

For the current year, Fannin County, Georgia passed \$344,020 of federal funds through to Ellijay Telephone Company as a subrecipient for broadband improvements under the federal program 21.027 - COVID-19 Coronavirus State and Local Fiscal Recovery Funds.

FANNIN COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended December 31, 2025

1. Summary of the Auditor's Results

A. Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiencies identified not considered material weaknesses?	Yes
Noncompliance material to financial statements noted?	None reported

B. Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	None reported
Significant deficiencies identified not considered material weaknesses?	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 the Uniform Guidance?	None reported
Identification of major programs:	
21.027 COVID-19 Coronavirus State and Local Fiscal Recovery Funds	
Dollar threshold used to distinguish Between Type A and Type B programs:	\$1,000,000
Auditee qualified as low-risk auditee?	No

FANNIN COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended December 31, 2025

2. Financial Statement Findings and Responses

2025-001

Condition: Appropriate segregation of duties does not exist among recording, distribution, and reconciliation of cash accounts and other operational functions in the various funds maintained by the County. This is especially prominent in the offices of the EMS Billing Department, Probate Court and Development Authority.

Criteria: Segregation of employees' duties is a common practice in an effective internal control structure. Segregation of duties is when specific employee functions related to important accounting areas (such as cash receipting and cash disbursements) are separated among different individuals to significantly reduce the risk that any one individual could intentionally or unintentionally misappropriate assets.

Effect: Failure to maintain adequate segregation of duties exposes the assets of the County to greater risk of misappropriation.

Cause: There are several departments and constitutional offices of the County in which the segregation of duties could be improved.

Recommendation: We recommend that each County office review its policies and procedures to determine where it can adequately segregate duties to alleviate the segregation of duties issues.

Management Response: Management has provided a copy of this finding to the appropriate Elected Officials and Department Heads and they concur with this finding. Action was taken immediately upon receipt of this comment from our auditors.

2025-002

Condition: County personnel may require additional training in the application of generally accepted accounting principles and the preparation of financial statements. Currently, the County relies on the external auditors for technical assistance in applying generally accepted accounting principles and the preparation of the financial statements. This is common for governments of similar size and structure to the County. Under current auditing standards, providing technical assistance does not impair the independence of the external auditor. However, future changes to auditing standards by standards setting boards could state that providing technical assistance would impair the independence of the external auditor. This does not indicate that the Finance Director is not trained to perform the daily accounting functions, but that the County has elected as a cost benefit to outsource this expertise to their auditors.

Criteria: Effective internal control requires that the County accept responsibility and understanding of the audited financial report.

Effect: Failure to understand the financial statements may lead to material misstatements.

Cause: County personnel do not have the necessary training in the application of generally accepted accounting principles and the preparation of financial statements.

Recommendation: County personnel should continue to receive training in the identification and application of generally accepted accounting principles and the preparation of the County's financial statements.

FANNIN COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended December 31, 2025

2. Financial Statement Findings and Responses (continued)

2025-002, continued

Management Response: Management concurs with this finding. Finance staff will continue classes to obtain/renew certifications. Additional educational classes are recommended by the County Manager on GASB Statement No. 34, the preparation of the government-wide financial statements, and the reconciling items for full accrual statements.

2025-003

Condition: While performing audit procedures on receipts, we noted instances where deposits were not made timely. Receipts were held for more than seven days before depositing in 5 of 40 (12.5%) building permits receipts tested.

Criteria: Proper internal controls require that cash receipts be deposited and transactions recorded in a timely manner.

Effect: Failure to deposit cash receipts in a timely manner exposes the County's assets to a greater risk of loss due to fraud.

Cause: Employees are not depositing receipts on a weekly basis.

Recommendation: At a minimum, deposits should be made weekly.

Management Response: Management has provided a copy of this finding to the appropriate Department Head and they concur with this finding. This action was taken immediately upon receipt of the comment from our auditors.

2025-004

Condition: While performing audit procedures at the Clerk of Court's office, we noted instances where deposits were not made timely. All receipts tested were held for more than seven days before depositing.

Criteria: Proper internal controls require that cash receipts be deposited and transactions recorded in a timely manner.

Effect: Failure to deposit cash receipts in a timely manner exposes the County's assets to a greater risk of loss due to fraud.

Cause: Employees at the Clerk of Court's office are not depositing receipts on a weekly basis.

Recommendation: At a minimum, deposits should be made weekly.

Management Response: Management has provided a copy of this finding to the appropriate Elected Official and they concur with

FANNIN COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended December 31, 2025

2. Financial Statement Findings and Responses (continued)

2025-005

Condition: While performing audit procedures at the Clerk of Court's office, we noted that voided receipts had no evidence of timely approval.

Criteria: Proper internal controls require that all transactions be properly approved.

Effect: Failure to maintain an appropriate approval process for voided transactions subjects the assets of the County to greater risk of misappropriation.

Cause: Employees at the Clerk of Court's office are not approving voids in a timely manner.

Recommendation: All voided receipts should have evidence of timely approval by management.

Management Response: Management has provided a copy of this finding to the appropriate Elected Official and they concur with this finding. This action was taken immediately upon receipt of the comment from our auditors.

2025-006

Condition: While performing audit procedures at the Tax Commissioner's Office, we noted that voided receipts had no evidence of timely approval.

Criteria: Proper internal controls require that all transactions be properly approved.

Effect: Failure to maintain an appropriate approval process for voided transactions subjects the assets of the County to greater risk of misappropriation.

Cause: Employees at the Tax Commissioner's Office are not approving voids in a timely manner.

Recommendation: All voided receipts should have evidence of timely approval by management.

Management Response: Management has provided a copy of this finding to the appropriate Elected Official and they concur with this finding. This action was taken immediately upon receipt of the comment from our auditors.

2025-007

Condition: While performing audit procedures at the Clerk of Court's Office, we noted that the ending cash balance was not reconciled to the amounts paid out in January.

Criteria: Proper internal controls require that ending cash balances be reconciled to the amounts paid out in the subsequent month.

Effect: Failure to reconcile ending cash balances to the amounts paid out in the subsequent month exposes the County to a greater risk of loss due to fraud.

Cause: Ending cash balances are not being reconciled to the amount paid out in the subsequent month.

Recommendation: Ending cash balances should be reconciled to the amounts paid out in the subsequent month on a monthly basis.

FANNIN COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended December 31, 2025

2. Financial Statement Findings and Responses (continued)

2025-007, continued

Management Response: Management concurs with this finding. Management will advise the appropriate Elected Officials to implement the recommendation. This action was taken immediately upon receipt of the comment from our auditors.

2025-008

Condition: While performing audit procedures at the Tax Commissioner's Office, we noted that the ending cash balance was not reconciled to the amounts paid out in January.

Criteria: Proper internal controls require that ending cash balances be reconciled to the amounts paid out in the subsequent month.

Effect: Failure to reconcile ending cash balances to the amounts paid out in the subsequent month exposes the County to a greater risk of loss due to fraud.

Cause: Ending cash balances are not being reconciled to the amount paid out in the subsequent month.

Recommendation: Ending cash balances should be reconciled to the amounts paid out in the subsequent month on a monthly basis.

Management Response: Management concurs with this finding. Management will advise the appropriate Elected Officials to implement the recommendation. This action was taken immediately upon receipt of the comment from our auditors.

3. Prior Year Audit Findings Follow-Ups

2024-001

Condition: Appropriate segregation of duties does not exist among recording, distribution, and reconciliation of cash accounts and other operational functions in the various funds maintained by the County. This is especially prominent in the offices of the EMS Billing Department, Probate Court and Development Authority.

Not Corrected

2024-002

Condition: The 2023 financial statements were restated for errors and incorrectly reported amounts in the Governmental Activities, General Fund, 2017 SPLOST Capital Projects Fund, and the Fannin County Development Authority Component Unit.

Corrected

FANNIN COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended December 31, 2025

3. Prior Year Audit Findings Follow-Ups (continued)

2024-003

Condition: County personnel may require additional training in the application of generally accepted accounting principles and the preparation of financial statements. Currently, the County relies on the external auditors for technical assistance in applying generally accepted accounting principles and the preparation of the financial statements. This is common for governments of similar size and structure to the County. Under current auditing standards, providing technical assistance does not impair the independence of the external auditor. However, future changes to auditing standards by standards setting boards could state that providing technical assistance would impair the independence of the external auditor. This does not indicate that the Finance Director is not trained to perform the daily accounting functions, but that the County has elected as a cost benefit to outsource this expertise to their auditors.

Not Corrected

2024-004

Condition: While performing audit procedures on receipts, we noted instances where deposits were not made timely.

Not Corrected

2024-005

Condition: While performing audit procedures at the Clerk of Court's office, we noted instances where deposits were not made timely.

Not Corrected

2024-006

Condition: While performing audit procedures at the Clerk of Court's office, we noted that voided receipts had no evidence of timely approval.

Not Corrected

2024-007

Condition: While performing audit procedures at the Probate Court, we noted instances where deposits were not made timely.

Corrected

2024-008

Condition: While performing audit procedures at the Tax Commissioner's Office, we noted that voided receipts had no evidence of timely approval.

Not Corrected

FANNIN COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended December 31, 2025

4. Federal Award Findings and Questioned Costs

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

STATE REPORTING SECTION

This section contains additional reports required by the State of Georgia.

FANNIN COUNTY, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX
For the year ended December 31, 2025

Project	Estimated Cost **		Expenditures		
	Original	Current	Prior Years*	Current Year	Total
2017 Projects					
Roads and Bridges Improvements	\$ 17,370,000	\$ 17,370,000	\$ 11,635,360	\$ 4,465,912	\$ 16,101,272
Capital Improvements:					
Water	2,100,000	2,100,000	1,233,347	0	1,233,347
Administrative Building and Parking Deck	3,150,000	3,150,000	279,064	199,322	478,386
Recreation	1,500,000	1,500,000	1,445,103	0	1,445,103
Public Safety	2,100,000	2,100,000	2,304,827	659,055	2,963,882
Contractual Payments:					
City of Blue Ridge	2,100,000	2,100,000	1,233,348	0	1,233,348
City of McCaysville	1,680,000	1,680,000	986,668	0	986,668
Total	\$ 30,000,000	\$ 30,000,000	\$ 19,117,717	\$ 5,324,289	\$ 24,442,006

Roads and Bridges Improvements and Public Safety Capital Improvements expenditures financed by other revenues and other financing sources 1,087,235

Total Expenditures and Transfers Out of the 2017 SPLOST Fund \$ 6,411,524

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
2023 Projects					
Roads and Bridges Improvements and Public Works Equipment	\$ 30,800,000	\$ 30,800,000	\$ 0	\$ 0	\$ 0
Capital Improvements:					
Water Projects	3,920,000	3,920,000	947,833	767,467	1,715,300
Capital Outlay and Parking	5,040,000	5,040,000	0	0	0
Recreation Facilities and Equipment	3,864,000	3,864,000	326,984	638,943	965,927
Public Safety Facilities and Equipment	4,760,000	5,164,906	0	1,326,180	1,326,180
Contractual Payments:					
City of Blue Ridge	4,200,000	4,200,000	1,015,537	822,286	1,837,823
City of McCaysville	3,416,000	3,416,000	825,969	668,792	1,494,761
Total	\$ 56,000,000	\$ 56,404,906	\$ 3,116,323	\$ 4,223,668	\$ 7,339,991

** Estimated cost represents the portion of these projects to be financed with Special Purpose Local Option Sales Tax. Actual costs that are in excess of these amounts have been financed through alternative funds.

FANNIN COUNTY, GEORGIA
SCHEDULE OF COMPLETED STATE AWARDS EXPENDED
GEORGIA DEPARTMENT OF HUMAN SERVICES
For the year ended December 31, 2025

<u>State Program Name</u>	<u>Grant Period</u>	<u>Contract Number</u>	<u>Amount Awarded</u>	<u>State Revenues</u>	<u>State Expenditures</u>	<u>Amount Due from State</u>
Family Connections	07/01/24 to 06/30/25	42700-93-25-116810	\$ 56,250	\$ 42,188	\$ 42,188	\$ 0

FANNIN COUNTY, GEORGIA
SCHEDULE OF SUPPLEMENTAL OFFICIAL INCOME
For the year ended December 31, 2025

County Constitutional Officer	Supplemental Income Type	Amount Collected	Amount Disbursed	Amount Retained by County Officer
Probate Court Judge	Fee for processing vital records.	\$ 39,265	\$ 0	\$ 39,265
Clerk of Court	Fee for processing passports.	41,615	0	41,615