FANNIN COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT
(WITH INDEPENDENT AUDITOR'S REPORT)

Year Ended December 31, 2021

FANNIN COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
For The Year Ended December 31, 2021

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INDEPENDENT AUDITOR'S REPORT

June 27, 2022

Board of Commissioners
FANNIN COUNTY, GEORGIA
Blue Ridge, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the aggregate 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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of FANNIN COUNTY, GEORGIA, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the FANNIN COUNTY WATER AUTHORITY, a component unit of the County, as of June 30, 2021, which represent 67.13%, 68.17%, and 41.45%, respectively, of the assets, net position, and revenues of the discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the FANNIN COUNTY WATER AUTHORITY, is based solely on the report of the other auditors. We did not audit the financial statements of the FANNIN COUNTY HEALTH DEPARTMENT, a component unit of the County, as of June 30, 2021, which represent 8.42%, 2.84%, and 47.50%, respectively, of the assets, net position, and revenues of the discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the FANNIN COUNTY HEALTH DEPARTMENT, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Audit 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 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 opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted audit 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 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, Schedule of the Net Pension Liability - Fannin County Defined Benefit Plan, Schedule of Contributions - Fannin County Defined Benefit Plan, Schedule of Notes to Required Supplementary Information - Fannin County Defined Benefit Plan, Budgetary Comparison Schedule - General Fund, Budgetary Comparison Schedule - Excise Lodging Tax and Budgetary Comparison Schedule - Fiscal Recovery Fund, listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors 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 the FANNIN COUNTY, GEORGIA's basic financial statements. The combining and individual nonmajor fund financial statements, and Schedule of Projects Constructed with Special Sales Tax Proceeds which is presented for purposes of additional analysis as required by Official Code of Georgia 48-8-121 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* (CRT) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, Schedule of Projects Constructed with Special Sales Tax Proceeds, Schedule of State Contractrual Assistance, and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit and the report of the other auditors, the supplementary information identified above is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2022, on our consideration of the FANNIN COUNTY, GEORGIA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the FANNIN COUNTY, GEORGIA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering FANNIN COUNTY, GEORGIA's internal control over financial reporting and compliance.

Bates, Carter & Co., LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Fannin County, Georgia (the "County"), we provide this narrative overview and analysis of the financial activities of the County for the year ended December 31, 2021. The County's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

FINANCIAL HIGHLIGHTS

The County's assets exceeded its liabilities by $69,705,790 (net position) for the year reported. This represents an increase of $13,936,334 from the previous year.

Total net position is comprised of the following:

1. Net investment in capital assets equaled $33,652,655.
2. Net position of $16,589,680 is restricted for debt service, capital outlay, or by other constraints imposed by law or regulations.
3. At the end of 2021, unrestricted net position balance increased by $6,592,744 from $12,870,711 to $19,463,455.

The County's governmental funds reported total ending fund balance of $41,397,237. This compares to the prior year ending fund balance of $28,013,404 showing an increase of $13,383,833 during the current year.

At the end of 2021, unassigned fund balance for the County's governmental funds was $19,499,839.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Management's Discussion and Analysis introduces the County's basic financial statements. The basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the County through the use of government – wide statements and fund financial statements. This report contains other supplemental information that will enhance the reader's understanding of the financial condition of the County.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the County's finances and are more comparable to the financial statements of private-sector businesses. The government-wide statements provide both short and long-term information about the County's financial status as a whole. Government-wide statements report the County's net position and how it has changed. Net position is the difference between the County's total assets and total liabilities. Changes in net position indicate the improvement (an increase) or deterioration (a decrease) in the County's financial condition.

The first of these government-wide statements is the *Statement of Net Position*. This statement presents information that includes all of the County's assets and liabilities, with the difference reported as total net position.

The second government-wide statement is the *Statement of Activities* which indicates how the County's net position changed during the current fiscal year. This report is designed to show the financial reliance of the County's activities and functions on revenues provided by County taxpayers.

The government-wide statements are divided into governmental activities and component units.

Governmental activities include most of the County's basic services such as general administration, public safety, public works, court systems, culture and recreation, health and welfare, and housing and development. Property taxes, sales taxes, and state and federal grants finance most of these activities.

Component Units for the County include the Development Authority, the Water Authority, and the Fannin County Department of Public Health. Separate financial statements are issued for all component units other than the Development Authority. See page 10 of the financial statements for more information.

Fund Financial Statements

Fannin County, like all other governmental entities in Georgia, uses fund accounting to ensure compliance with finance-related laws and regulations. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the County can be classified as governmental funds, proprietary funds, or fiduciary funds.

Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. These funds focus on how assets can readily be converted into cash and the amount of funds left at year-end that will be available for spending in the next fiscal year. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps determine if there are financial resources available to finance the County's programs. Most of the County's basic services are accounted for in governmental funds.

Fiduciary Funds are used to account for resources held for the benefit of parties outside the Government. Fannin County's fiduciary funds are considered custodial funds.

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data presented in both the government-wide and fund financial statements. The notes to the financial statements begin on page 12 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The table below presents the County's condensed *Statement of Net Position.* Comparison analysis is made from the year ended December 31, 2021 to the year ended December 31, 2020 as required by GASB Statement No. 34.

Comparative Schedule of Net Position
December 31, 2021 and 2020

	Governmental Activities	
	2021	**2020**
Capital assets (net of depreciation)	$ 34,041,225	$ 32,968,036
Current and other assets	40,568,417	27,683,706
Total Assets	74,609,642	60,651,742
Total deferred outflows of resources	1,548,939	1,639,969
Long-term liabilities	2,458,291	3,794,369
Other liabilities	2,938,837	2,276,755
Total liabilities	5,397,128	6,071,124
Total deferred inflows of resources	1,055,663	451,131
Net Position:		
Net investment in capital assets	33,652,655	31,295,077
Restricted	16,589,680	11,603,668
Unrestricted	19,463,455	12,870,711
Total net position	$ 69,705,790	$ 55,769,456

Over time, net position serves as a useful indicator of a government's financial position. The County's net position totaled $69,705,790 at December 31, 2021 compared to $55,769,456 at December 31, 2020. The total increase was $13,936,334.

The largest portion of net position, $33,652,655 (48%), reflects the County's investment in capital assets (land, buildings, machinery and equipment) less accumulated depreciation and any related debt still outstanding that was issued to acquire those assets. The County uses these capital assets to provide services to citizens; therefore, these assets are not available for future spending. Although the County's investments in capital assets are reported net of outstanding debt, the resources needed to repay the debt must be provided by other sources as the capital assets cannot be liquidated to pay the liabilities. The County has $16,589,680 (24%) of restricted net position that is subject to external restrictions, constitutional provisions, or enabling legislation on how they can be used. The remaining portion of net position represents $19,463,455 (28%) of unrestricted net position.

The table below presents the County's condensed *Statement of Activities* for the year ended December 31, 2021 with comparative amounts for the year ended December 31, 2020.

Comparative Schedule of Changes in Net Position
December 31, 2021 and 2020

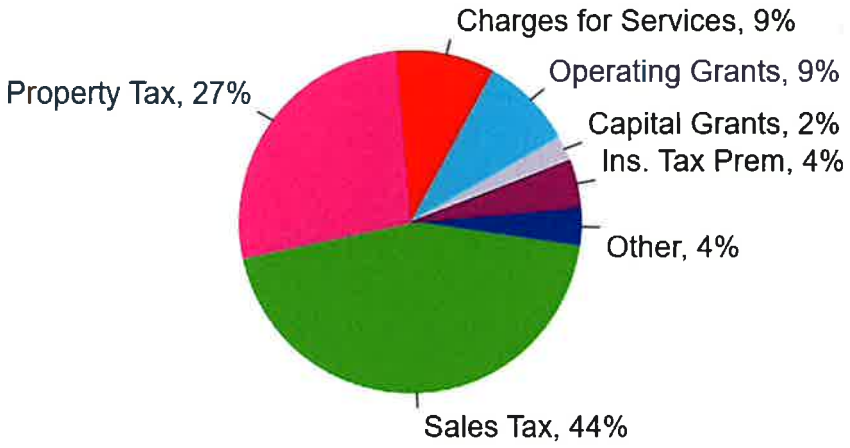
	Governmental Activities	
	2021	2020
REVENUES		
Program revenues		
Charges for services	$ 3,362,965	$ 3,091,715
Operating grants and contributions	3,178,407	3,053,307
Capital grants and contributions	859,477	12,208
Subtotal for program revenues	7,400,849	6,157,230
General revenues		
Property taxes	9,659,613	8,749,071
Sales taxes	15,939,881	13,244,832
Insurance premium tax	1,598,801	1,538,759
Other taxes	1,316,706	898,012
Interest and investment earnings	15,008	14,899
Other revenue	5,962,148	3,252,636
Gain on sale of capital assets	188,833	68,598
Subtotal for general revenues	34,680,990	27,766,807
Total revenues	42,081,839	33,924,037
EXPENSES		
Program expenses		
General government	5,634,044	5,420,634
Judicial	2,324,326	2,384,710
Public safety	9,209,437	8,654,911
Public works	5,557,483	5,637,817
Health & welfare	317,989	261,678
Recreation & culture	1,665,458	1,310,266
Housing and development	3,418,107	2,003,528
Interest and paying agent fees	18,661	54,970
Total expenses	28,145,505	25,728,514
Change in net position	13,936,334	8,195,523
Net position, beginning of year	55,769,456	42,624,691
Net position, end of year	$ 69,705,790	$ 55,769,456

Governmental Activities Revenues such as property taxes, insurance premium tax and other taxes, continue as the main source of revenue for governmental activities which totaled $34,680,990 in 2021 compared to $27,766,807 in 2020. This change is an increase of 25%.

Governmental Activities Expenses by function as reflected in the table above show that during 2021, the County expended 33% for Public Safety, 8% for Judicial, 20% for Public Works, 20% for General Government, 6% for Culture and Recreation, 12% for Housing and Development, 1% for Health and Welfare, and 1% for Interest on Long-term debt.

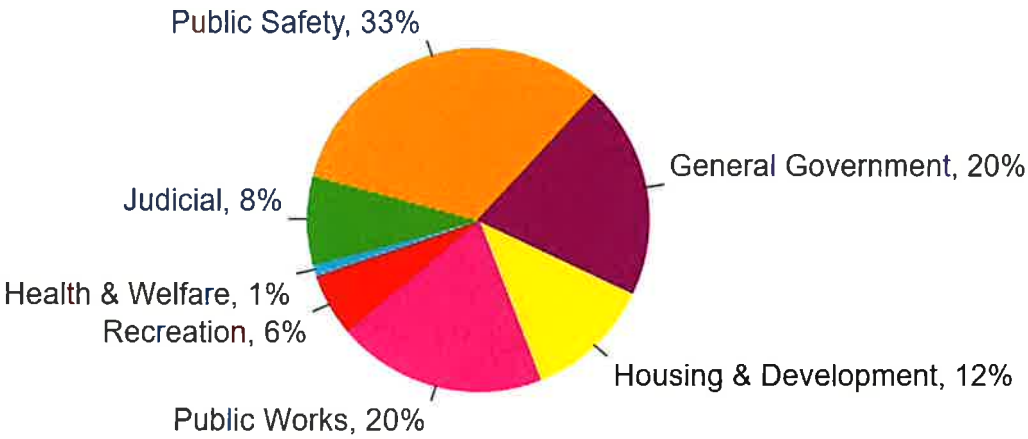
As a comparative, during fiscal year 2020, the County expended 34% for Public Safety, 9% for Judicial, 22% for Public Works, 21% for General Government, 5% for Culture and Recreation, 8% for Housing and Development, 1% for Health and Welfare, and 1% for Interest on Long-term debt.

Revenues by Source
Government-Wide Activities



*Due to rounding, charts may not always equal 100%

Expenses by Function
Government-Wide Activities



*Due to rounding, charts may not always equal 100%

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds: The focus of the County's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. This information is useful in assessing the Government's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The major governmental funds are the General Fund and SPLOST Fund. The General Fund is the chief operating fund of the County. It is used to account for all governmental financial resources not restricted by state or federal laws, local ordinances, or other imposed requirements. The County's General Fund reported ending fund balance of $20,798,823. This compares to the prior year ending fund balance of $14,637,252, showing an increase of $6,161,571 during the current year. At the end of fiscal year 2021, unassigned fund balance for the County's General Fund was $19,499,839.

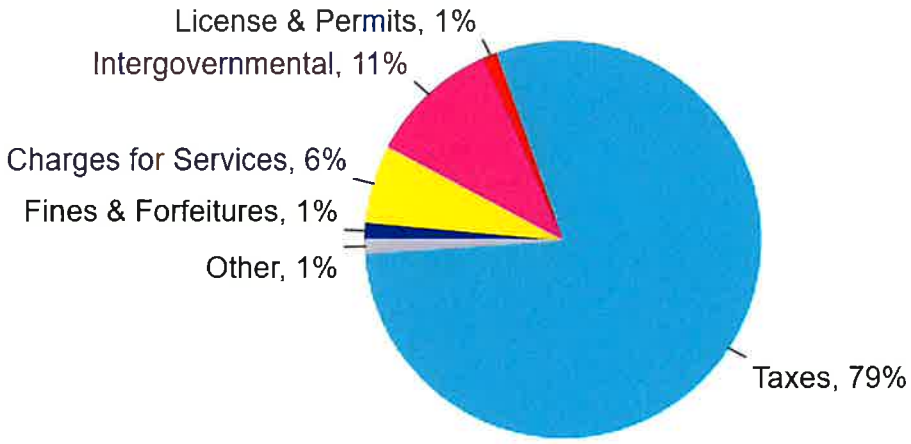
The County's Excise Tax Lodging Fund balance increased $10,800 from 2020. The Excise Tax Lodging Fund has an ending fund balance of $466,219 which is restricted for Housing and Deveopment Programs.

The County's Fiscal Recovery Fund balance increased $262 from 2020. The Fiscal Recovery Fund has an ending fund balance of $262 which is restricted for General Government Programs.

The County's other major governmental fund is the SPLOST Fund. The fund balance of the SPLOST Fund increased by $4,574,438 during the current fiscal year. Collections for 2014 SPLOST began on July 1, 2014. Based on the approved 2014 SPLOST referendum, the majority of the 2014 SPLOST revenues are allocated for capital road projects and public safety. The SPLOST Fund has an ending fund balance of $14,234,282 which is restricted for capital projects as outlined in the 2014 SPLOST referendum.

In 2021, governmental revenues increased $8,066,353 from 2020. This increase is primarily due to activity in the General Fund related to an increase in revenues from taxes, licenses and permits, and intergovernmental funding. The County recognized $55,769,456 as revenue and $1,492,856 as unearned revenue from the American Rescue Plan Act Funding which contributed to the large increase in governmental revenues.

Revenues by Source
Fund Level - Governmental



*Due to rounding, charts may not always equal 100%

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The County's capital assets for governmental activities as of December 31, 2021 total $34,041,225 (net of accumulated depreciation). These assets include land, land improvements, infrastructure, buildings, machinery and equipment, furniture and fixtures, vehicles and construction in progress.

Fannin County's Capital Assets
(Net of depreciation)

	Governmental Activities	
	2021	2020
Land and improvements	$ 2,832,704	$ 2,253,633
Construction in progress	1,398,079	1,389,329
Buildings	16,590,621	16,789,513
Machinery & equipment	3,252,547	3,136,032
Furniture & fixtures	-	-
Vehicles	-	-
Infrastructure	9,967,274	9,399,529
Total Assets	$ 34,041,225	$ 32,968,036

Detailed information on the County's capital assets can be found in Note 6 of the basic financial statements.

Long-term Debt. During 2021, the long-term debt of Fannin County's governmental activities decreased by $(2,462,514). The net pension liability decreased by $(1,160,810), and the net OPEB obligation decreased by $(17,315).

Fannin County's Outstanding Debt
Bonds Payable, Capital Leases, Notes Payable, Claims, and Other Debts

	Governmental Activities	
	2021	2020
Installment Sale Agreement	$ -	$ 1,109,121
Capital leases	388,571	563,839
Net pension liability	2,217,542	3,378,352
Net OPEB liability	118,448	135,763
Totals	$ 2,724,561	$ 5,187,075

Additional information regarding Fannin County's long-term debt can be found in Note 7 of the basic financial statements

ECONOMIC FACTORS AND THE 2022 BUDGET

- The 2021 millage rate equalled the 2020 millage rate at 3.862 per $1,000 of valuation. The 2021 net tax digest reflected an increase in overall valuation. The 2021 total County taxes levied increased $111,612 as compared to 2020. The County property tax digest is assessed and recorded as revenue in the same fiscal period. The budget for fiscal year 2022 is created using historical trends and future projections.

- The 2022 budget was approved and adopted by the Board of Commissioners on December 14, 2021. The 2022 operating budget increased in the amount of $7,822,947 from $29,444,533 to $37,218,695. The majority of the revenue increase is in tax revenues, title ad valorem tax, license and permit fees. The majority of expenditure increase is in purchased services and salaries and benefits.

- Monthly budgetary reports are provided to all department heads, elected officials and the Board of Commissioners.

- As referred to in Note 18 of the Financial Statements, fiscal year 2022 may have some unexpected differences in the upcoming financials due to the spread of a strain of coronavirus. This outbreak may negatively impact operating results in the future due to operational disruptions caused by the pandemic.

Fannin County management continues to monitor revenue collection rates and control budgetary spending in an effort to provide services at or above current levels without further burdening the county taxpayers.

REQUESTS FOR INFORMATION

This report is designed to provide the reader a general overview of the County's finances and demonstrate Management's commitment to public accountability. Questions concerning any of the information found in this report or requests for additional information should be directed to Sherri Walker, Finance Director for Fannin County Board of Commissioners, 400 West Main Street, Suite 100, Blue Ridge, Georgia 30513.

FANNIN COUNTY, GEORGIA
STATEMENT OF NET POSITION
December 31, 2021

	PRIMARY GOVERNMENT	
	GOVERNMENTAL ACTIVITIES	COMPONENT UNITS
ASSETS		
Cash	$ 36,522,577	$ 1,272,931
Receivables (net of allowance for uncollectibles)	3,810,523	244,563
Inventories	43,046	1,223,324
Prepaid items	192,271	10,225
Restricted assets:		
Cash	-	678,817
Non-current assets:		
Property held for resale	-	3,300
Net pension asset	-	49,206
Capital assets:		
Capital assets not being depreciated	4,230,783	655,077
Capital assets being depreciated	71,181,033	7,610,561
Less: accumulated depreciation	(41,370,591)	(1,781,943)
Capital assets, net of depreciation	34,041,225	6,483,695
TOTAL ASSETS	74,609,642	9,966,061
DEFERRED OUTFLOWS OF RESOURCES		
Pension expense	1,548,939	79,841
OPEB expense	-	57,675
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,548,939	137,516
TOTAL ASSETS & DEFERRED OUTFLOWS	76,158,581	10,103,577
LIABILITIES		
Accounts payable	1,106,137	83,471
Accrued interest payable	-	2,172
Other accrued items	184,426	4,789
Due to other governments	6,260	28,641
Unearned revenue	1,492,856	5,001
Amounts held in trust	-	18,150
Noncurrent liabilities:		
Due within one year		
Compensated absences payable	-	14,434
Estimated claims payable	1,337	-
Notes from direct borrowings	-	54,141
Capital leases payable	147,821	-
Revenue bonds payable	-	30,269
Due in more than one year		
Compensated absences payable	-	14,433
Net pension liability	2,217,542	118,448
Net OPEB liability	-	487,165
Notes from direct borrowings	-	790,534
Capital leases payable	240,749	-
Revenue bonds payable	-	1,719,860
TOTAL LIABILITIES	5,397,128	3,371,508

CONTINUED...

The accompanying notes are an integral part of this statement.

FANNIN COUNTY, GEORGIA
STATEMENT OF NET POSITION
December 31, 2021

...CONTINUED	GOVERNMENTAL ACTIVITIES	COMPONENT UNITS
DEFERRED INFLOWS OF RESOURCES		
Pension expense	1,055,663	22,838
OPEB expense	-	129,502
TOTAL DEFERRED INFLOWS OF RESOURCES	1,055,663	152,340
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	6,452,791	3,523,848
NET POSITION		
Net investment in capital assets	33,652,655	3,852,012
Restricted for:		
Debt service	-	124,154
Capital outlay projects	14,235,609	645,237
Judicial programs	436,579	-
Public safety programs	1,341,973	-
Health and welfare programs	-	377,885
Housing and development programs	575,519	-
Unrestricted	19,463,455	1,580,441
TOTAL NET POSITION	$ 69,705,790	$ 6,579,729

The accompanying notes are an integral part of this statement.

FANNIN COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) AND CHANGES IN NET POSITION: PRIMARY GOVERNMENT: GOVERNMENTAL ACTIVITIES	COMPONENT UNITS
PRIMARY GOVERNMENT						
GOVERNMENTAL ACTIVITIES						
General government	$ 5,634,044	$ 184,556	$ 1,580,885	$ -	$ (3,868,603)	$ -
Judicial	2,324,326	574,319	180,857	-	(1,569,150)	-
Public safety	9,209,437	1,835,545	1,310,128	-	(6,063,764)	-
Public works	5,557,483	87,031	85,780	653,700	(4,730,972)	-
Public health and welfare	317,989	-	20,757	-	(297,232)	-
Recreation and culture	1,665,458	300,236	-	205,777	(1,159,445)	-
Housing and development	3,418,107	381,278	-	-	(3,036,829)	-
Interest	18,661	-	-	-	(18,661)	-
Total Governmental Activities	28,145,505	3,362,965	3,178,407	859,477	(20,744,656)	-
TOTAL PRIMARY GOVERNMENT	$ 28,145,505	$ 3,362,965	$ 3,178,407	$ 859,477	(20,744,656)	-
COMPONENT UNITS						
Health Department	$ 641,969	$ 545,619	$ 479,009	$ -	-	382,659
Water Authority	512,155	253,349	-	640,133	-	381,327
Development Authority	154,481	102,483	135,860	-	-	83,862
TOTAL COMPONENT UNITS	$ 1,308,605	$ 901,451	$ 614,869	$ 640,133	-	847,848
GENERAL REVENUES						
Property taxes					9,659,613	-
Sales taxes					15,939,881	-
Insurance premium taxes					1,598,801	-
Real estate recording taxes					1,316,706	-
Other taxes					5,962,148	-
Total taxes					34,477,149	-
Unrestricted investment earnings					15,008	1,137
Gain on sale of capital assets					188,833	-
TOTAL GENERAL REVENUES AND TRANSFERS					34,680,990	1,137
CHANGES IN NET POSITION					13,936,334	848,985
NET POSITION, Beginning					55,769,456	5,730,744
NET POSITION, Ending					$ 69,705,790	$ 6,579,729

The accompanying notes are an integral part of this statement.

FANNIN COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2021

	GENERAL	EXCISE TAX LODGING	SPLOST	FISCAL RECOVERY FUND	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS						
Cash	$ 19,521,537	$ 465,650	$ 13,320,217	$ 1,493,118	$ 1,722,055	$ 36,522,577
Receivables (net of allowance for uncollectibles)	2,014,837	758,205	847,564	-	189,917	3,810,523
Interfund receivables	478,820	-	350,000	-	-	828,820
Prepaid items	177,993	-	-	-	14,278	192,271
Inventories	21,261	-	21,785	-	-	43,046
TOTAL ASSETS	22,214,448	1,223,855	14,539,566	1,493,118	1,926,250	41,397,237
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 22,214,448	$ 1,223,855	$ 14,539,566	$ 1,493,118	$ 1,926,250	$ 41,397,237
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities						
Accounts payable	$ 490,962	$ 379,117	$ 205,268	$ -	$ 30,788	$ 1,106,135
Other accrued items	184,426	-	-	-	-	184,426
Due to other governments	-	-	-	-	6,260	6,260
Interfund payables	350,000	378,519	100,016	-	285	828,820
Unearned revenue	-	-	-	1,492,856	-	1,492,856
Estimated claims payable	1,337	-	-	-	-	1,337
TOTAL LIABILITIES	1,026,725	757,636	305,284	1,492,856	37,333	3,619,834
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	388,900	-	-	-	-	388,900
TOTAL DEFERRED INFLOWS OF RESOURCES	388,900	-	-	-	-	388,900
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	1,415,625	757,636	305,284	1,492,856	37,333	4,008,734
FUND BALANCES						
Nonspendable:						
Prepaid expenditure	177,993	-	-	-	14,278	192,271
Inventories	21,261	-	21,785	-	-	43,046
Restricted:						
Capital outlay projects	-	-	14,212,497	-	1,327	14,213,824
Judicial programs	-	-	-	-	436,579	436,579
Public safety programs	-	-	-	262	1,327,433	1,327,695
Housing and development programs	-	466,219	-	-	109,300	575,519
Assigned:						
Next year's budget	1,099,730	-	-	-	-	1,099,730
Unassigned	19,499,839	-	-	-	-	19,499,839
TOTAL FUND BALANCES	20,798,823	466,219	14,234,282	262	1,888,917	37,388,503
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 22,214,448	$ 1,223,855	$ 14,539,566	$ 1,493,118	$ 1,926,250	$ 41,397,237

The accompanying notes are an integral part of this statement.

FANNIN COUNTY, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
December 31, 2021

Total Fund Balances for Governmental Funds (page 4)		$ 37,388,503
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in the governmental activities are not financial resources and therefore are not reported in the funds.		34,041,225
Revenues in the statement of activities that do not provide current financial resources are reported as unavailable revenues in the funds.		
Property Taxes	388,900	
		388,900
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Net pension liability	(2,217,542)	
Net deferred inflows (outflows) - pension expense	493,276	
Capital leases	(388,570)	
		(2,112,836)
Rounding		(2)
Total net position of governmental activities (page 2)		$ 69,705,790

The accompanying notes are an integral part of this statement.

FANNIN COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2021

	GENERAL	EXCISE TAX LODGING	SPLOST	FISCAL RECOVERY FUND	OTHER NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES						
Taxes	$ 19,654,576	$ 5,746,460	$ 9,070,449	$ -	$ -	$ 34,471,485
Licenses and permits	422,266	-	-	-	-	422,266
Intergovernmental	1,965,496	-	642,084	1,050,500	157,377	3,815,457
Fines and forfeitures	465,414	-	-	-	55,448	520,862
Charges for services	1,673,893	-	-	-	638,693	2,312,586
Contributions and donations	5,052	-	-	-	205,759	210,811
Investment income	12,687	619	11,616	262	1,440	26,624
Miscellaneous	130,308	-	-	-	23,302	153,610
TOTAL REVENUES	24,329,692	5,747,079	9,724,149	1,050,762	1,082,019	41,933,701
EXPENDITURES						
Current Expenditures						
General government	5,504,100	-	15,580	205	-	5,519,885
Judicial	2,315,263	-	-	-	51,859	2,367,122
Public safety	7,783,243	-	-	-	926,421	8,709,664
Public works	1,891,575	-	2,729,858	-	-	4,621,433
Public health and welfare	192,906	-	-	-	-	192,906
Recreation and culture	1,402,308	-	120,825	-	-	1,523,133
Housing and development	546,978	2,868,722	-	-	-	3,415,700
Intergovernmental	34,768	-	-	-	48,833	83,601
Capital outlay	247,900	199,137	2,638,171	27,322	119,304	3,231,834
Debt service						
Principal	1,284,389	-	-	-	-	1,284,389
Interest	25,284	-	-	-	-	25,284
TOTAL EXPENDITURES	21,228,714	3,067,859	5,504,434	27,527	1,146,417	30,974,951
EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES	3,100,978	2,679,220	4,219,715	1,023,235	(64,398)	10,958,750
OTHER FINANCING SOURCES (USES)						
Sale of county property	188,833	-	-	-	-	188,833
Transfers in	3,895,408	211,528	354,723	-	676,438	5,138,097
Transfers out	(1,023,648)	(2,879,948)	-	(1,022,973)	(211,528)	(5,138,097)
TOTAL OTHER FINANCING SOURCES (USES)	3,060,593	(2,668,420)	354,723	(1,022,973)	464,910	188,833
NET CHANGE IN FUND BALANCES	6,161,571	10,800	4,574,438	262	400,512	11,147,583
FUND BALANCES, Beginning of year	14,637,252	455,419	9,659,844	-	1,488,405	26,240,920
FUND BALANCES, End of year	$ 20,798,823	$ 466,219	$ 14,234,282	$ 262	$ 1,888,917	$ 37,388,503

The accompanying notes are an integral part of this statement.

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, 2021

Net change in fund balances (page 6)		$ 11,147,583
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 expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlays	3,231,834	
Depreciation expense	(2,158,644)	
		1,073,190
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	5,662	
Ambulance charges	(46,359)	
		(40,697)
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, where as these amounts are deferred and amortized in the statement of activities. This adjustment combines the net change of two balances.		
Principal payments on long-term debt	1,284,389	
Accrued interest on bonds, prior year	6,623	
		1,291,012
Net pension liability is not available during the current period and therefore is not reported in the fund and changes in the ACCG pension plan actuarial assumptions are reported in deferred outflows and inflows.		
End of year- Deferred outflows to pension	1,548,939	
Beginning of year- Deferred outflows to pension	(1,639,969)	
End of year- Deferred inflows to pension	(1,055,663)	
Beginning of year- Deferred inflows to pension	451,131	
End of year- net pension liability	(2,217,542)	
Beginning of year- net pension liability	3,378,352	
		465,248
Rounding		(2)
Changes in net position of governmental activities (page 3)		$13,936,334

The accompanying notes are an integral part of this statement.

FANNIN COUNTY, GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
December 31, 2021

	CUSTODIAL FUNDS
ASSETS	
Cash	$ 7,661,914
TOTAL ASSETS	7,661,914
LIABILITIES	
Accounts Payable	6,373,982
TOTAL LIABILITIES	6,373,982
NET POSITION	
Restricted for others	1,287,932
TOTAL NET POSITION	$ 1,287,932

The accompanying notes are an integral part of this statement.

FANNIN COUNTY, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended December 31, 2021

	CUSTODIAL FUNDS
ADDITIONS	
Taxes collected for other entities	$ 36,737,980
Fees collected for other entities	508,841
Court individual cases	1,302,057
Inmate account deposits	227,132
TOTAL ADDITIONS	38,776,010
DEDUCTIONS	
Payment of taxes to other entities	36,737,980
Payments of fees to other entities	421,839
Payments to others	861,422
Payments to/for inmates	240,664
TOTAL DEDUCTIONS	38,261,905
CHANGE IN NET POSITION	514,105
NET POSITION, Beginning of year	773,827
NET POSITION, End of year	$ 1,287,932

The accompanying notes are an integral part of this statement.

FANNIN COUNTY, GEORGIA
COMPONENT UNITS
COMBINING STATEMENT OF NET POSITION
December 31, 2021

	HEALTH DEPARTMENT	DEVELOPMENT AUTHORITY	WATER AUTHORITY	TOTAL
ASSETS				
Cash	$ 690,056	$ 517,112	$ 65,763	$ 1,272,931
Receivables (net of allowance for uncollectibles)	91,969	-	152,594	244,563
Inventories	380	1,188,380	34,564	1,223,324
Prepaid items	-	3,531	6,694	10,225
Cash	-	-	678,817	678,817
Non-current assets:				
Property held for resale	-	-	3,300	3,300
Net pension asset	49,206	-	-	49,206
Capital assets:				
Capital assets not being depreciated	-	142,371	512,706	655,077
Capital assets being depreciated	45,763	1,371,576	6,193,222	7,610,561
Less: accumulated depreciation	(37,828)	(786,612)	(957,503)	(1,781,943)
Capital assets, net of depreciation	7,935	727,335	5,748,425	6,483,695
TOTAL ASSETS	839,546	2,436,358	6,690,157	9,966,061
DEFERRED OUTFLOWS OF RESOURCES				
Pension expense	79,841	-	-	79,841
OPEB expense	57,675	-	-	57,675
TOTAL DEFERRED OUTFLOWS OF RESOURCES	137,516	-	-	137,516
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	977,062	2,436,358	6,690,157	10,103,577
LIABILITIES				
Accounts payable	2,742	2,992	77,737	83,471
Accrued interest payable	-	-	2,172	2,172
Other accrued items	-	-	4,789	4,789
Due to other governments	538	27,974	129	28,641
Unearned revenue	-	-	5,001	5,001
Amounts held in trust	-	3,500	14,650	18,150
Noncurrent liabilities:				
Due within one year				
Compensated absences payable	14,434	-	-	14,434
Notes from direct borrowing	-	36,517	17,624	54,141
Revenue bonds payable	-	-	30,269	30,269
Due in more than one year				
Compensated absences payable	14,433	-	-	14,433
Net OPEB liability	118,448	-	-	118,448
Net pension liability	487,165	-	-	487,165
Notes from direct borrowing	-	458,131	332,403	790,534
Revenue bonds payable	-	-	1,719,860	1,719,860
TOTAL LIABILITIES	637,760	529,114	2,204,634	3,371,508
DEFERRED INFLOWS OF RESOURCES				
Pension expense	22,838	-	-	22,838
OPEB expense	129,502	-	-	129,502
TOTAL DEFERRED INFLOWS OF RESOURCES	152,340	-	-	152,340
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	790,100	529,114	2,204,634	3,523,848
NET POSITION				
Net investment in capital assets	7,935	232,687	3,611,390	3,852,012
Restricted for:				
Debt service			124,154	124,154
Capital outlay projects	-	-	645,237	645,237
Public health and welfare	377,885	-	-	377,885
Unrestricted	(198,858)	1,674,557	104,742	1,580,441
TOTAL NET POSITION	$ 186,962	$ 1,907,244	$ 4,485,523	$ 6,579,729

The accompanying notes are an integral part of this statement.

FANNIN COUNTY, GEORGIA
COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2021

FUNCTIONS/PROGRAMS COMPONENT UNITS	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	HEALTH DEPARTMENT	DEVELOPMENT AUTHORITY	WATER AUTHORITY	TOTAL
	.....PROGRAM REVENUES.....				....NET (EXPENSE) AND CHANGES IN NET POSITION....			
GOVERNMENTAL ACTIVITIES								
Health Department	$ 641,969	$ 545,619	$ 479,009	$ -	$ 382,659	$ -	$ -	$ 382,659
BUSINESS-TYPE ACTIVITIES								
Water Authority	512,155	253,349	-	640,133	-	-	381,327	381,327
Development Authority	154,481	102,483	135,860	-	-	83,862	-	83,862
TOTAL COMPONENT UNITS	$ 1,308,605	$ 901,451	$ 614,869	$ 640,133	382,659	83,862	381,327	847,848
GENERAL REVENUES								
Unrestricted investment earnings					167	230	740	1,137
TOTAL GENERAL REVENUES AND TRANSFERS					167	230	740	1,137
CHANGES IN NET POSITION					382,826	84,092	382,067	848,985
NET POSITION, Beginning					(195,864)	1,823,152	4,103,456	5,730,744
NET POSITION, Ending					$ 186,962	$ 1,907,244	$ 4,485,523	$ 6,579,729

The accompanying notes are an integral part of this statement.

FANNIN COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

REPORTING ENTITY

The County is a political subdivision of the State of Georgia, located about 60 miles north of Atlanta. The County is governed by three elected Commissioners. In addition, there are four Constitutional Officers: the Tax Commissioner, Probate Court Judge, Sheriff, and Clerk of Superior Court. The Constitutional Officers are elected county wide. The Board of County Commissioners budgets and approves all funding used by the separate Constitutional Officers. As required by generally accepted accounting principles, these financial statements present the County and its component units, entities for which the County is considered to be financially accountable and for which a financial benefit or burden relationship is present. Each discretely presented component unit is reported in a separate column in the combined financial statements to emphasize it is legally separate from the County.

Blended component units, although legally separate entities, are, in substance, part of the Government's operations. A brief description of the blended component unit follows:

> 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.

Brief descriptions of discretely presented component units follow:

> 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, and two members 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, 2021. 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.

DEVELOPMENT AUTHORITY OF FANNIN COUNTY: 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, 2021. 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.

GOVERNMENT-WIDE AND FUND 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. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

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

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements (fiduciary funds use the economic resources measurement focus to indicate that custodial funds have no measurement focus). Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers property taxes as available if they are collected by the end of the current fiscal year. Other revenues susceptible to accrual are considered available if they are collected within 60 days of the end of the current fiscal period for which they are imposed. 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.

Property taxes, sales tax, franchise taxes, charges for services, 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. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

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

The *Excise Tax Lodging Fund* is used to account for collection of special sales tax to be used for tourism promotion within the County.

The *SPLOST Capital Projects Fund* accounts for funds received from a local 1% sales tax, passed by the 2011 and 2017 Special Purpose Local Option Sales Tax referendums, which are reserved for construction of various capital projects.

The *Fiscal Recovery Fund* accounts for funds received from the federal government as part of the American Rescue Plan Act to aid the economic recovery associated with the effect of the COVID-19 pandemic.

Additionally, the County reports the following fund types:

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally or donor restricted to expenditures for specified purposes.

Capital projects funds account for acquisition and construction of the County's capital assets.

Fiduciary funds are custodial in nature and do not represent results of operations or have a measurement focus. Custodial funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the Tax Commissioner, Clerk of Superior Court, Probate Court, Magistrate Court, and Sheriff hold for others in an agency capacity.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are interfund services provided and used which are not eliminated in the process of consolidation. Elimination of these charges would distort the direct costs and program revenues for the various functions concerned.

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

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

ASSETS, LIABILITIES AND NET POSITION OR EQUITY

Deposits and Investments

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

Investments are recorded at fair value based on quoted market prices as of the balance sheet date. Increases or decreases in fair value during the year are recognized as part of investment income.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable, available financial resources.

All trade and property tax receivables are shown net of an allowance of uncollectibles.

Property taxes attach as an enforceable lien on property as of January 1. The 2021 taxes were levied August 30, 2021, and were due December 20, 2021. Interest and penalties are assessed on taxes not paid by this date. The taxes are subject to lien 90 days after the due date. Property taxes levied during 2021 are to fund operations for the County's fiscal year beginning January 1, 2021.

The County's property taxes were levied on the assessed values of all real and personal property including mobile homes and motor vehicles located in the County.

Inventories and Prepaid Items

Inventories, consisting of expendable supplies, not held for resale are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

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

Bond Premiums and Discounts

Premiums and discounts, if applicable, are deferred and amortized over the lives of the bonds and loans on a straight-line basis, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

Restricted Assets

Certain proceeds of the County's capital leases or debt issues may be classified as restricted assets on the balance sheet if they are maintained in separate bank accounts and their use is limited by applicable lease or debt agreements.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e. roads, bridges, sidewalks, culverts, and similar items) are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of $5,000 and an estimated useful life in excess of three years or an acquisition of land at any cost. Roads, bridges, culverts, and other infrastructure are defined by the County as projects with an individual cost of $50,000 or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Roads, bridges, and culverts acquired prior to July 1, 1980 have not been reported.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years	Assets	Years
Buildings & Improvements	20-50	Vehicles	2-5
Equipment	2-15	Infrastructure	30
		Land	N/A

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 position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has one item that qualifies for reporting in this category. This item consists of the deferred charge in pension expense. The deferred charge in pension expense represents contributions made into the defined benefit pension plan after the measurement date. These contributions will be recognized as pension expense in the next fiscal year.

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 position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The County has two items that qualify for reporting in this category. These two items consist of unavailable revenue and deferred inflows related to pension expense. Unavailable revenue, arises under the modified accrual basis of accounting and accordingly is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and ambulance charges. The deferred inflows related to pension expense represents differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability and changes of assumptions about future economic or demographic factors or of other inputs. These deferred inflows will be recognized in pension expense using a systematic and rational method over a closed five-year period, beginning with the current reporting period.

Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. In accordance with the provisions of Statement of Governmental Accounting Standards No. 16, "Accounting for Compensated Absences," no liability is reported for unpaid accumulated sick leave because the benefits are paid only upon illness of an employee, and the amount of such payments cannot be reasonably estimated. Vacation leave is forfeited if not taken by December 31st of each calendar year. Therefore, it is expensed as incurred.

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position.

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 Fannin County Defined Benefit Plan (Plan) and additions to/from 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 are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund Equity/Net Position

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 current assets and current liabilities. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

> *Nonspendable* - Fund balances are reported as nonspendable when the amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash like inventories and prepaid items) or (b) legally or contractually required to be maintained intact.

Restricted - Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

Committed - Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners through the adoption of a resolution prior to the end of the fiscal year. In order to modify or rescind the commitment, the Board of Commissioners must adopt another resolution.

Assigned - Fund balances are reported as assigned when amounts are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the Board of Commissioners has authorized the County's finance director to assign fund balances.

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

Net Position - Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any debt used for the acquisition, construction, or improvement of those assets. In determining the outstanding balance of any borrowing, proceeds of that debt which has not been spent is deducted. Accounts payable for costs related to acquisition, construction, or improvement of those capital assets is considered debt for this calculation. Net position is reported as restricted as described in the fund balance section above. All other net position is reported as unrestricted.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then committed, assigned, and unassigned (or unrestricted) resources as they are needed.

Net Investment in Capital Assets

The "Net investment in capital assets" reported on the government-wide statement of net position as of December 31, 2021 are as follows:

	Governmental Activities	Component Unit Development Authority
Net investment in capital assets		
Cost of capital assets	$ 75,411,816	$ 1,513,947
Less accumulated depreciation	(41,370,591)	(786,612)
Book value	34,041,225	727,335
Less capital related debt	(388,570)	(494,648)
Net investment in capital assets	$ 33,652,655	$ 232,687

Management Estimates

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

NOTE 2 - FUND BALANCE/NET POSITION

The governmental activities statement of net position reports $16,589,680 of restricted net position, of which $15,709,657 is restricted by enabling legislation.

Additional details related to fund balances at the governmental fund level are presented below:

Restricted:	
Excise Lodging Tax	
Housing & development - To account for Hotel/Motel Tax funds received to promote tourism, conventions, and trade shows.	$ 466,219
SPLOST Fund	
Capital outlay projects - For funds received from the imposition of the Special Purpose Local Option Sales Tax (SPLOST) restricted by the voter approved referendum.	14,212,497
Fiscal Recovery Fund	
Public Safety Programs - For funds received from the Federal Government to aid and assist the economic recovery caused by the effects of COVID-19.	262
Subtotal - Restricted for Major Funds	14,678,978

Nonmajor Restricted Programs Funds	
Judicial Programs -	
Law Library - Used to account for surcharges on fines and forfeitures which are for the operation of the County Law Library and other expenditures as restricted by the OCGA-36-15.	30,796
Victims Rights and Assistance Fund - To account for funds collected from fines and forfeitures to be used for assisting victims of crime.	19,120
Juvenile Fund - To account for funds collected from fines and forfeitures to be used for the juvenile court.	49,446
Clerk's Technology Fund - To account for funds collected from fines and forfeitures to be used for the Clerk of Court.	337,217
Subtotal - Restricted for Judicial Programs	436,579
Public Safety Programs -	
Emergency E911 Telephone Services Fund - For fund to operate the E911 center as restricted by the OCGA-46-5.	1,000,145
Drug Task Force - To account for funds received to operate multi-jurisdictional drug enforcement agency that actively pursues all levels of illegal drug activity.	70,802
Multiple Grant Fund - Used to account for public safety administered state reimbursement grants.	217,048
Jail Fund - Used to account for funds collected from fines and forfeitures to be used for maintenance of the County Jail.	25,889
Inmate Welfare Fund - Used to account for funds legally restricted for the benefit of detainees in the County Jail.	6,997
Confiscated Assets Fund - to account for funds from seizures to be used for law enforcement activities.	6,552
Subtotal - Restricted for Public Safety Programs	1,327,433
Housing and Development Programs -	
Revolving Loan Fund - Used to account for funds received to loan to business for economic development.	109,300
Capital Outlay Projects -	
Capital Improvements Fund - Used to account for funds received from issuance of bonds, intergovernmental grants, and transfers from other funds that have not been spent.	1,327
Total Restricted Fund Balance	$ 16,553,617
Assigned:	
General Fund	
Appropriated as a resource in next year's budget	$ 1,099,730

NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

Prior to September 1, 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. Public hearings are conducted by the Board of Commissioners to obtain taxpayer comments.

The level of legal budgetary control (the level at which expenditures may not exceed appropriations) is the department level. Any changes in total departmental expenditures/expenses must be approved by the Board of Commissioners.

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) at the legal level of budgetary control, which is the department level. Expenditures may not exceed the appropriations within a fund. Budgets, as reported in the financial statements, are as originally passed by ordinance and subsequently amended. During the year, several supplementary appropriations are made as needed. The results are increases and decreases to the appropriations within the funds. All annual appropriations lapse at year end.

DEFICIT FUND BALANCES

There are no funds with deficits.

NOTE 4 - DEPOSITS AND INVESTMENTS

PRIMARY GOVERNMENT

Custodial Credit Risk - Deposits

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the government's deposits may not be returned. The County's policies permit it to exceed the FDIC insured limit in making deposits in commercial banks and savings and loans institutions if the funds are otherwise adequately secured. As of December 31, 2021, all deposits of the County were insured or collateralized.

Depositories may secure deposits of public funds using the dedicated method or the pooled method as described below:

Under the *dedicated method*, a depository shall secure the deposits of each of its public depositors separately. State statutes require collateral pledged in the amount of 110% of deposits.

Under the *pooled method,* a depository shall secure deposits of public bodies which have deposits with it through a pool of collateral established by the depository with a custodian for the benefit of public bodies having deposits with such depository as set forth in code Section 45-8-13.1. State statutes require collateral pledged in the amount of 110% of deposits under the single bank pooled method or at least 100% of amounts greater than 20% of the daily pool balance held by any one covered depository under the multibank pooled method.

The County utilized both methods to secure its deposits of public funds.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates may adversely affect an investment's fair value. Since the price of a bond fluctuates with market interest rates, the risk that an investor faces is that the price of a bond held in a portfolio will decline if market interest rates rise. 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 statutes authorize the County to invest in obligations of the U.S. Treasury and of its agencies and instrumentalities; bonds or certificates of indebtedness of this state or of other states and of its agencies and instrumentalities; certificates of deposits of banks insured by FDIC; the State of Georgia Local Government Investment Pool; repurchase agreements; bonds, debentures, notes or other evidence of indebtedness of any solvent corporation of the United States government. The County does not have an investment policy that would further limit these investment choices.

A hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs requiring that the most observable inputs be used when available was establish. Level 1 within the hierarchy states that valuations are based on unadjusted quoted market prices for identical assets in active markets. Level 2 within the hierarchy states that valuations are based on observable inputs other than Level 1 process, such as quoted prices for similar assets, quoted prices in inactive markets and other inputs that may be corroborated by observable market data. Level 3 assets are not actively traded, and their values can only be estimated using a combination of complex market prices, mathematical models, and subjective assumptions. As of December 31, 2021, the County did not hold any assets that are measured at fair value on a recurring basis in periods subsequent to initial recognition.

Concentration of Credit Risk

The County places no limit on the amount it may invest in any one issuer.

Foreign Currency Risk

The County has no investments denominated in a foreign currency.

NOTE 5 - RECEIVABLES

PRIMARY GOVERNMENT

Receivables as of year-end for the County's individual major funds and nonmajor governmental funds in the aggregate including the applicable allowances for uncollectible accounts are as follows:

	General Fund	Excise Lodging Tax	SPLOST	Nonmajor Governmental Funds
Receivables:				
Property Taxes	$ 870,420	$ -	$ 847,564	$ -
Accounts	1,944,148	758,205	-	161,657
Intergovernmental	833,877	-	-	28,260
Total Gross Receivables	3,648,445	758,205	847,564	189,917
Less: Allowance for Uncollectibles	(1,633,608)	-	-	-
Total Net Receivables	$ 2,014,837	$ 758,205	$ 847,564	$ 189,917

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unavailable revenue reported in the governmental funds were as follows:

	Unavailable	Unearned	Total
Delinquent property taxes receivable (General Fund)	$ 388,900	$ -	$ 388,900
Grant drawdowns prior to meeting eligibility requirements (Fiscal Recovery Fund)	-	1,492,856	1,492,856
Total unavailable and unearned revenue for governmental funds	$ 388,900	$ 1,492,856	$ 1,881,756

Property taxes receivable at December 31, 2021, consist of the following:

Digest Year	General Fund
2021	$ 755,079
2020	48,944
2019	14,346
2018	10,918
2017	7,551
2016	7,330
2015	10,090
2014	11,032
2013	4,539
2012	327
2011	264
Total	$ 870,420

DISCRETELY PRESENTED COMPONENT UNITS

Receivables as of year-end for the County's component units, including the applicable allowances for uncollectible accounts are as follows:

	Water Authority	Health Department
Receivables:		
Accounts	$ 66,296	$ 22,505
Intergovernmental	107,396	69,464
Total Gross Receivables	173,692	91,969
Less: Allowance for Uncollectibles	(21,098)	-
Total Net Receivables	$ 152,594	$ 91,969

NOTE 6 - CAPITAL ASSETS

PRIMARY GOVERNMENT

Capital asset activity for the year ended December 31, 2021, was as follows:

Governmental Activities:	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Non-Depreciable Assets:					
Land and improvements	$ 2,253,633	$ 579,071	$ -	$ -	$ 2,832,704
Construction in progress	1,389,329	8,750	-	-	1,398,079
Total non-depreciable capital assets	3,642,962	587,821	-	-	4,230,783
Depreciable Assets:					
Land improvements	-	-	-	-	-
Buildings and improvements	24,324,954	323,732	-	-	24,648,686
Vehicles and equipment	15,260,832	892,247	(36,747)	-	16,116,332
Infrastructure	28,987,982	1,428,033	-	-	30,416,015
Total depreciable capital assets	68,573,768	2,644,011	(36,747)	-	71,181,033
Less Accumulated Depreciation for:					
Land improvements	-	-	-	-	-
Buildings and improvements	7,535,441	522,624	-	-	8,058,065
Vehicles and equipment	12,124,800	775,732	(36,747)	-	12,863,785
Infrastructure	19,588,453	860,288	-	-	20,448,741
Total accumulated depreciation	39,248,694	2,158,644	(36,747)	-	41,370,591
Total depreciable capital assets, net	29,325,074	485,367	-	-	29,810,442
Governmental activities capital assets, net	$ 32,968,036	$ 1,073,188	$ -	$ -	$ 34,041,225

Additions to governmental activities capital assets for the fiscal year ending December 31, 2021, consist of the following:

Capital Outlay	$ 3,231,834
Total	$ 3,231,834
Non-depreciable capital assets additions	$ 587,821
Depreciable capital assets additions	2,644,011
Rounding	2
Total	$ 3,231,834

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

Governmental Activities:	
General Government	$ 185,915
Judicial	1,772
Public Safety	765,431
Public Works	1,001,384
Public Health and Welfare	46,206
Recreation and Culture	154,798
Housing and Development	3,138
Total depreciation expense-governmental activities	$ 2,158,644

The County has authorized construction projects. The remaining costs are split between the portion of the contracts that have been entered into for which the work had not been done prior to December 31, 2021, and the remainder of the authorized project expenditure for which contracts have not been entered into as of year end. The source of financing for the remaining project cost is noted below:

	Project Authorization	Expended to Date	Contracts in Progress	Authorized Not Obligated	Sources
Governmental Activities:					
Whitepath Administrative Building	$ 3,500,000	$ 1,398,079	$ -	$ 2,101,921	SPLOST
Total Governmental Activities	$ 3,500,000	$ 1,398,079	$ -	$ 2,101,921	

DISCRETELY PRESENTED COMPONENT UNITS

Activity for the *Health Department* for the year ended December 31, 2021, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Business-Type Activities:				
Depreciable Assets:				
Leasehold Improvements	$ 6,580	$ -	$ -	$ 6,580
Vehicles and Equipment	39,183	-	-	39,183
Total depreciable capital assets	45,763	-	-	45,763
Less Accumulated Depreciation for:				
Leasehold Improvements	6,563	-	-	6,563
Vehicles and Equipment	26,265	5,000	-	31,265
Total accumulated depreciation	32,828	5,000	-	37,828
Capital Assets, net	$ 12,935	$ (5,000)	$ -	$ 7,935

Activity for the *Development Authority* for the year ended December 31, 2021, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Business-Type Activities:				
Non-Depreciable Assets:				
Land	$ 142,371	$ -	$ -	$ 142,371
Total Non-Depreciable Assets	142,371	-	-	142,371
Depreciable Assets:				
Land improvements	5,000	-	-	5,000
Buildings and improvements	1,355,385	-	-	1,355,385
Equipment	11,191	-	-	11,191
Total Depreciable assets	1,371,576	-	-	1,371,576
Less Accumulated Depreciation for:				
Equipment	(739,016)	(47,596)	-	(786,612)
Total accumulated depreciation	(739,016)	(47,596)	-	(786,612)
Total depreciable capital assets, net	632,560	(47,596)	-	584,964
Capital Assets, net	$ 774,931	$ (47,596)	$ -	$ 727,335

Activity for the *Water Authority* for the year ended December 31, 2021, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Business-Type Activities:				
Non-Depreciable Assets:				
Land & Easements	$ 75,517	$ -	$ -	$ 75,517
Construction in progress	281,519	428,959	(273,289)	437,189
Total Non-Depreciable Assets	357,036	428,959	(273,289)	512,706
Depreciable Assets:				
Land improvements	86,822	-	-	86,822
Buildings	37,041	-	-	37,041
Infrastructure	5,463,424	273,289	-	5,736,713
Vehicles & Equipment	330,186	2,460	-	332,646
Total Depreciable assets	5,917,473	275,749	-	6,193,222
Less Accumulated Depreciation for:				
Infrastructure	(601,218)	(140,494)	-	(741,712)
Land improvements	(22,527)	(4,491)	-	(27,018)
Buildings	(8,976)	(1,852)	-	(10,828)
Equipment	(147,101)	(30,844)	-	(177,945)
Total accumulated depreciation	(779,822)	(177,681)	-	(957,503)
Total depreciable capital assets, net	5,137,651	98,068	-	5,235,719
Capital Assets, net	$ 5,494,687	$ 527,027	$ (273,289)	$ 5,748,425

NOTE 7 - LONG TERM DEBT

Long-term liability activity for the year ended December 31, 2021, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Governmental Activities:						
Installment Sale Agreement	$ 1,109,121	$ -	$ (1,109,121)	$ -	$ -	$ -
Capital leases	563,839	-	(175,268)	388,571	147,821	240,749
Net pension liability	3,378,352	-	(1,160,810)	2,217,542	-	2,217,542
Governmental activities long-term liabilities	$ 5,051,312	$ -	$ (2,445,199)	$ 2,606,113	$ 147,821	$ 2,458,291

GOVERNMENTAL ACTIVITIES

Installment Sale Agreement

The County has entered into an installment sale agreement with the Association of County Commissioners of Georgia ("ACCG") for the purpose of refunding outstanding certificates of participation and revenue bonds issued in 2001 in conjunction with the construction of a new courthouse and jail facilities and the purchase of land for a County park. The substance of the agreement provided for the sale and simultaneous repurchase of the County's courthouse and jail facilities for a cost of $9,325,250, an amount sufficient to refund the outstanding certificates and bonds and to cover other costs of the transaction. The ACCG has assigned this agreement to the Bank of America. The County has pledged the County Courthouse and Jail building for collateral for the agreement. The installment sale agreement bears an interest rate of 2.39%. At December 31, 2021, the loan was paid in full.

Capital Leases

The County has entered into an agreement for the lease of certain equipment. The terms of the agreements meet the criteria of a capital lease as defined by Accounting Standards Codification 840 Leases, which defines a capital lease generally as one which transfers benefits and risk of ownership to the lessee. This year, $196,762 was included in depreciation expense. The balance of these leases at December 31, 2021 is $388,571 for governmental activities.

The County leases certain equipment under non-cancelable capital leases. The leases relate to equipment and vehicles for EMS, fire, and road. Ownership of the related assets will be transferred to the County at the end of the lease terms. The assets acquired through capital leases are as follows:

	Governmental Activities
Vehicles and equipment	$ 1,196,681
Less: Accumulated Depreciation	(771,099)
Total	$ 425,582

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2021, were as follows:

Year Ending December 31,	Governmental Activities
2022	$ 156,157
2023	125,000
2024	121,300
Total minimum lease payments	402,457
Less: amount representing interest (0.00% - 3.04%)	(13,886)
Present value of minimum lease payments	$ 388,571

DISCRETELY PRESENTED COMPONENT UNITS

Long-term debt activity for the *Health Department* for the year ended December 31, 2021, was as follows:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Compensated absences	$ 43,660	$ 7,037	$ (21,830)	$ 28,867	$ 14,434	$ 14,433
Net OPEB Liability	135,763	-	(17,315)	118,448	-	118,448
Net Pension Liability	515,775	-	(28,610)	487,165	-	487,165
Total long-term Liabilities	$ 695,198	$ 7,037	$ (79,050)	$ 634,480	$ 14,434	$ 620,046

Long-term debt activity for the *Development Authority* for the year ended December 31, 2021, was as follows:

Business-type Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Notes from direct borrowings	$ 530,947	$ -	$ (36,299)	$ 494,648	$ 36,517	$ 458,131
Total long-term liabilities	$ 530,947	$ -	$ (36,299)	$ 494,648	$ 36,517	$ 458,131

During 2011, the Development Authority entered into $500,000 of direct borrowings from 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 principal amounts of $17,632 and a 0.00% interest rate, and Part Two payments are due in quarterly installments with annual principal amounts of $9,880 and a 3.00% interest rate. As of December 31, 2021, the outstanding balance for Part One was $121,695 and the outstanding balance for Part Two was $85,084. These notes from direct borrowing will mature from October 2031 to October 2036.

During 2016, the Development Authority entered into $229,500 of direct borrowings from the OneGeorgia Authority for the purpose of renovating a building purchased by the Authority. Debt service payments are due in quarterly installments with annual principal amounts of $11,475 and a 0.00% interest rate. As of December 31, 2021, the outstanding balance is $287,869. This note from direct borrowing will mature in April 2038.

The annual requirements to amortize long-term debt as of December 31, 2021, are as follows:

Year Ending December 31,	Principal	Interest	Total
2022	$ 36,517	$ 2,470	$ 38,987
2023	36,742	2,245	38,987
2024	36,974	2,013	38,987
2025	37,212	1,775	38,987
2026	37,458	1,529	38,987
2027-2031	191,249	3,685	194,934
2032-2036	101,282	-	101,282
2037-2041	17,214	-	17,214
Total	$ 494,648	$ 13,717	$ 508,365

Long-term debt activity for the *Water Authority* for the year ended December 31, 2021, was as follows:

Business-type Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due After One Year
Revenue Bonds payable	$ 1,779,431	$ -	$ (29,302)	$ 1,750,129	$ 30,269	$ 1,719,860
Notes from direct borrowings	358,706	-	(8,679)	350,027	17,624	332,403
Total long-term liabilities	$ 2,138,137	$ -	$ (37,981)	$ 2,100,156	$ 47,893	$ 2,052,263

NOTE 9 - INTERFUND BALANCES AND ACTIVITY

The composition of interfund balances as of December 31, 2021, is as follows:

Due To	Due From				
	General Fund	Excise Lodging Tax	SPLOST	Other Nonmajor Governmental Funds	Total Due from Other Funds
General Fund	$ -	$ 378,519	$ 100,016	$ 285	$ 478,820
SPLOST	350,000	-	-	-	350,000
Total Due to Other Funds	$ 350,000	$ 378,519	$ 100,016	$ 285	$ 828,820

These balances resulted from 1) the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, 2) the time lag between the dates that transactions are recorded in the accounting system, 3) the time lag between the dates that payments between funds are made, 4) short-term loans, and 5) to fund capital projects.

Interfund transfers as of the year ended December 31, 2021, are as follows:

Transfers Out	Transfers in				
	General Fund	Excise Lodging Tax	SPLOST	Other Nonmajor Governmental Funds	Total Transfers Out
General Fund	$ -	$ -	$ 350,000	$ 673,648	$ 1,023,648
Excise Lodging Tax	2,879,948	-	-	-	2,879,948
Fiscal Recovery Fund	1,015,460	-	4,723	2,790	1,022,973
Other Nonmajor Governmental Funds	-	211,528	-	-	211,528
Total - Transfers in	$ 3,895,408	$ 211,528	$ 354,723	$ 676,438	$ 5,138,097

Transfers are used to 1) supplement operating budgets, 2) help fund construction projects and debt service, and 3) move the County's matching portion on federal and state grants.

NOTE 10 - RETIREMENT PLANS

DEFINED BENEFIT PENSION PLAN

Plan Description

The County contributes to the Fannin County Defined Benefit Plan (the "Plan"), which is a defined benefit pension plan.

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 Defined Benefit Plan (the ACCG Plan), an agent multiple-employer pension plan administered by GEBCorp. The ACCG, in its role as the Plan Sponsor, has the sole authority to amend the provisions of the ACCG Plan, as provided in Section 17.01 of the ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of the Plan, as provided in Section 17.02 of the ACCG Plan Document. 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.

All full-time employees are eligible to participate in the Plan after completing three years of service. Benefits vest after five years of service. The plan is closed to employees with a commencement date on or after July 1, 2018. Participants become eligible to retire with unreduced benefits at age 65 or the anniversary of the required years of service under which the ACCG Plan specifies. Upon eligibility to retire, participants are entitled to an annual benefit in the amount of 1% of annual average 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 or early retirement subject to certain early retirement reduction factors. These benefit provisions were established by an adoption agreement executed by the County Commission.

Participant counts as of January 1, 2020, (the most recent actuarial valuation date) and covered compensation (base on covered earnings for the preceding year) are shown below:

Retirees, beneficiaries and disabled participants receiving benefits	84
Terminated plan participants entitled to but not yet receiving benefits	95
Active employees participating in the Plan	201
Total number of Plan participants	380
Covered compensation for active participants	$ 6,492,529
Contributions as a percentage of covered payroll	5.60%

Contributions

The County is required to contribute at an actuarially determined rate. The contribution amount is determined using actuarial methods and assumptions approved by the ACCG Plan trustees and must satisfy the minimum contribution requirement contained in the State of Georgia Statutes. Section 47-20 of the Georgia Code sets forth the funding standards for state and local governmental pension plans.

Net Pension Liability

The County's net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The total pension liability as of the January 1, 2020 valuation was determined by an actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.00%
Salary Increases	3.00% - 5.00%, average, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the Pub - 2010 GE Amount-Weighted with Scale AA for Males and Females.

The actuarial assumptions used in the January 1, 2020 valuation were based on the results of an actuarial experience study dated February, 2014.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term expected real rate of return*
Fixed income	30.00%	3.07%
Domestic large equities	30.00	1.97%
Domestic mid equities	5.00	0.86%
Domestic small equities	5.00	0.30%
REIT	5.00	0.52%
International	15.00	0.47%
Multi cap	5.00	0.51%
Global allocation	5.00	0.58%
TOTAL	100.00%	

* Rates shown are net of inflation

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Change in the Net Pension Liability

	Pension Liability	Fiduciary Net Position	Net Pension Liability
Balances at December 31, 2020	$ 17,130,509	$ 13,752,157	$ 3,378,352
Changes for the year:			
Service cost	365,134	-	365,134
Interest	1,176,796	-	1,176,796
Difference between expected and actual experience	(62,169)	-	(62,169)
Assumption Change	31,129	-	31,129
Contribution-employer	-	860,656	(860,656)
Net investment income	-	1,918,856	(1,918,856)
Benefit payments	(638,286)	(638,286)	-
Administrative expense	-	(47,593)	47,593
Other charges	-	(60,219)	60,219
Net changes	872,604	2,033,414	(1,160,810)
Balances at December 31, 2021*	$ 18,003,113	$ 15,785,571	$ 2,217,542

* Measurement date of December 31, 2020

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

	1 % Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's net pension liability	$ 4,658,182	$ 2,217,542	$ 189,170

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

For the year ended December 31, 2021, the County recognized pension expense of $566,671. The required contribution for the year ended December 31, 2021 was $950,537.

At December 31, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 1,055,663
Changes of assumptions	517,020	-
Net difference between projected and actual earnings on pension plan investments	-	-
County contributions subsequent to the measurement date	1,031,919	-
TOTAL	$ 1,548,939	$ 1,055,663

County contributions of $1,031,919 subsequent to the measurement date are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year December 31, 2022.

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

Year Ended December 31,	
2022	$ 44,379
2023	$ (2,904)
2024	$ (394,009)
2025	$ (186,109)
2026	$ -
Thereafter	$ -

DEFINED CONTRIBUTION PLAN

Plan Description

The County contributes to two deferred compensation plans administered by independent plan administrators through an administrative agreement; Plan A is administered by Nationwide Retirement Solutions and Plan B is administered by GEBCorp. Both plans were established by the County in July, 2018 pursuant to Section 401(a) of the Internal Revenue Code of 1986 as a Money-Purchase Plan and Trust. Any employees hired after July 1, 2018 can enroll in the County's 401(a) defined contribution plan. The County will provide a match up to 4% of the employee's salary, which is deposited into the 401(a). 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 Commissioners. Neither Plan A nor Plan B issue a stand alone report.

Funding Policy

Contributions totaling $91,919 ($0 employer and $91,919 employee) were made in accordance with the Plan A guidelines and the designations by County Employees.

DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457(b). The plan, available to all County employees, 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. Because the assets are held in trust for the employees, they are not assets of the County and are not reported in these financial statements.

NOTE 11 - CONTINGENT LIABILITIES AND COMMITMENTS

The County's encumbrances outstanding at the end of the fiscal year that will be honored in the next fiscal year are not significant for any of the major funds nor for the nonmajor funds in total.

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

The County may be a defendant in several lawsuits. Management intends to contest these open cases vigorously. The County's legal counsel has stated that the outcome of these lawsuits is not presently determinable.

NOTE 12 - RISK MANAGEMENT

The County is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The following are ways the County handles these risks:

WORKERS' COMPENSATION

The County participates in the Association County Commissioners of Georgia (ACCG) Group Self Insurance Workers' Compensation Fund (GSIWCF), a self-insured pool cooperative arrangement among its members to finance workers' compensation coverage. The fund is owned by its members and is managed by a seven member Board of Trustees who are representatives from participating counties. The ACCG-GSIWCF operates under the authority of O.C.G.A. 34-9-150 et seq. and the Georgia Insurance Commissioner's Office. The members of ACCG-Group Self Insurance Workers' Compensation Fund are assessable if the losses that ACCG must pay exceed the assets of the pool. At December 31, 2021, there was no need for such an assessment. Therefore, no liability has been recorded in these financial statements.

As part of this risk pool (GSIWCF), the County is obligated to pay all contributions and assessments to cooperate with the pools' agents and attorneys, to follow loss reduction procedures established by the funds and to report as promptly as possible, in accordance with any coverage descriptions issued, all incidents that could require the funds to pay any type of loss. The County is also to allow all the pools' agents and attorneys to represent the County in investigations, settlement discussions, and all levels of litigation arising out of any claim made against the County.

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 worker's compensation law of Georgia. The funds are to pay all cost 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.

GROUP HEALTH INSURANCE

The County provides health care benefits to its active employees and their dependents through a partially self-insured plan administered by Benefit Support, Inc. Under this arrangement, the County is responsible for paying all claims but purchases reinsurance policies through an insurance provider that is responsible for paying claims in excess of $100,000. The County pays most of the coverage for eligible employees and their dependents. Employee contributions are used to pay claims and expenses of the plan incurred during the year.

Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. At December 31, 2021, the County included in accrued expenses $1,337 for unpaid claims. This liability was determined based on actual claims received for the first two months after year-end plus projected claims based on prior years activity. These claims are expected to be paid within 12 months of the year-end.

	Beginning of Year	Incurred Claims and Changes in Estimates	Claims Payments	End of Year
Year ended December 31, 2020	$ 320,254	$ -	$ (318,879)	$ 1,375
Year ended December 31, 2021	$ 1,375	$ -	$ (38)	$ 1,337

As of July 1 2020, the County terminated it's plan with Benefit Support Inc. and now provides health care benefits to its active employees and their dependents through a fully-insured policy plan administered by United Healthcare Insurance Company.

OTHER

The County also purchases combined automobile, crime, liability, and property insurance coverage from the Association County Commissioners of Georgia. The following is a summary of coverage at December 31, 2021:

Property Losses	$ -	aggregate
Comprehensive General Liability	$ 2,000,000	per occurrence
Automobile Liability	$ 1,250,000	per occurrence
Law Enforcement Liability	$ 2,000,000	per occurrence
Crime Coverage (theft/fraud)	$ 150,000	per occurrence
Errors and Omission Liability	$ 2,000,000	per occurrence
	$ 4,000,000	aggregate

The County has no outstanding claims in excess of coverage for which a liability should be recorded as of December 31, 2021.

Settled claims in the past three years have not exceeded the coverage.

NOTE 13 - NORTHWEST GEORGIA REGIONAL COMMISSION

Under Georgia Law, the County, in conjunction with other cities and counties in the northwest Georgia area, is a member of the Northwest Georgia Regional Commission (NWGRC) and is required to pay annual dues thereto. During the year ended December 31, 2021, the County paid $23,200 in such dues. Membership in the NWGRC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the Regional Commission in Georgia. The NWGRC Board membership includes the chief elected official in each county and municipality of the area. The County Board members and municipal board members from the same county elect one member of the Board who is a resident (but not an elected or appointed official or employee of the County or municipality) to serve as the nonpublic Board member from a County.

The Georgia Planning Act of 1989 (O.C.G.A. 50-8-34) defines regional commissions as "public agencies and instrumentalities of their members." Georgia laws also provide that the member governments are liable for any debts or obligations of a regional commission beyond its resources. (O.C.G.A. 50-8-39.1)

Separate financial statements for the NWGRC can be obtained from NWGRC, P.O. Box 1798, Rome, Georgia 30162.

NOTE 14 - 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.

NOTE 15 - LANDFILL CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require the County to place a final cover on a landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The County elected an early closure date of April 10, 1994 when the solid waste landfill facility reached 80% capacity. In 1994, engineering studies estimated post closure costs of approximately $66,121 to complete the closure of the landfill. These costs were based on the amounts 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 of December 31, 1996. 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 the post closure care costs.

NOTE 16 - SIGNIFICANT ESTIMATES

As discussed in Note 1, estimates are used in the preparation of these financial statements. Three of the estimates qualify as significant estimates in that it is reasonably possible that the estimates will change in the near term due to one or more future confirming events and this change will have a material effect on the financial statements.

These estimates are as follows:

The estimate for accumulated depreciation on capital assets. This estimate is based on the original or estimated cost of the assets, depreciated over the estimated useful lives using the straight line method and composite method.

The estimate for allowance for doubtful accounts relating to Fannin County EMS accounts receivable qualifies as a significant estimate. The estimate is calculated based on the previous year's collection percentage of accounts greater than one year old.

The amount reported as the estimated amounts for the net pension liability, and related deferred outflows and deferred inflows, qualify as significant estimates and are based on actuarial studies and projections.

NOTE 17 - HOTEL/MOTEL TAX

During the year ended December 31, 2021, the County had receipts of $5,746,462 and spent $2,868,722 to promote tourism, conventions, and trade shows. The total expenditures represent 50% of the tax receipts to be expended for these purposes under OCGA 48-13-51. The County has complied with the requirements of this law.

NOTE 18 - COVID-19

In January 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a "Public Health Emergency of International Concern," which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The coronavirus outbreak and government responses are creating disruption in global supply chains and adversely impacted many industries. The outbreak could have a continues material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any predication as to the ultimate material adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to the County, its performance, and its financial results.

On March 11, 2021 the American Rescue Plan Act of 2021, ("ARPA") was enacted. The County received $2,543,151 as of December 31, 2021. These funds are to be used for expenditures related to recovery from the COVID-19 pandemic as outlined by the United States Department of Treasury. During the current year, the County recognized $1,050,500 as revenue and $1,492,856 as unearned revenue. See Note 5 for more information about unearned revenue.

FANNIN COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE NET PENSION LIABILITY -
FANNIN COUNTY DEFINED BENEFIT PLAN
For the Year Ended December 31, 2021
"Unaudited"

For the Year Ended December 31,	2021	2020	2019	2018	2017	2016	2015
Net pension liability	$ 2,217,542	$ 3,378,352	$ 4,301,130	$ 2,495,708	$ 4,010,052	$ 3,049,024	$ 2,685,259
Covered payroll	$ 6,492,529	$ 6,269,273	$ 6,134,828	$ 5,847,302	$ 5,950,065	$ 5,024,137	$ 5,377,003
Net pension liability as a percentage of its covered payroll	34.16%	53.89%	70.11%	42.68%	67.40%	60.69%	49.94%
Plan fiduciary net position as a percentage of the total pension liability	90.70%	80.30%	72.50%	82.53%	71.59%	75.17%	77.20%

NOTE: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

FANNIN COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS -
FANNIN COUNTY DEFINED BENEFIT PLAN
For the Year Ended December 31, 2021
"Unaudited"

For the Year Ended December 31,	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 950,537	$ 808,455	$ 723,926	$ 749,475	$ 784,291	$ 791,068	$ 627,544
Contributions in relation to the contractually required contribution	1,031,919	860,656	772,930	805,768	784,291	816,970	635,829
Contribution deficiency (excess)	$ (81,382)	$ (52,201)	$ (49,004)	$ (56,293)	$ -	$ (25,902)	$ (8,285)
County's covered payroll	$ 6,953,110	$ 6,492,529	$ 6,269,273	$ 6,134,828	$ 5,847,302	$ 5,950,065	$ 5,024,137
Contributions as a percentage of covered payroll	14.84%	13.26%	12.33%	13.13%	13.41%	13.73%	12.66%

NOTE: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

FANNIN COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF NOTES TO REQUIRED SUPPLEMENTARY INFORMATION -
FANNIN COUNTY DEFINED BENEFIT PLAN
For the Year Ended December 31, 2021
"Unaudited"

Method and Assumptions Used in Calculations of Actuarially Determined Contributions

The actuarially determined contribution rates in the schedule of contributions are calculated as December 31, one year prior to the end of the fiscal year in which donations are reported. The following actuarial methods and assumptions were used to determine the contractually required contributions for the year ended December 31, 2021 reported in that schedule:

Valuation Date	January 1, 2020
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of payroll, open
Remaining Amortization period	30 years
Asset Valuation method	Five-year smoothed market
Inflation Rate	2.00%
Salary Increases	3.00% - 5.00%, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation.

FANNIN COUNTY, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2021
(Required Supplementary Information)

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 14,637,252	$ 14,637,252	$ 14,637,252	$ -
RESOURCES (INFLOWS)				
Taxes	19,812,404	19,812,404	19,654,576	(157,828)
Licenses and permits	-	-	422,266	422,266
Intergovernmental	-	2,000,000	1,965,496	(34,504)
Fines and forfeitures	-	-	465,414	465,414
Charges for services	-	939,844	1,673,893	734,049
Contributions and donations	-	-	5,052	5,052
Investment income	-	-	12,687	12,687
Miscellaneous	-	-	130,308	130,308
Sale of county property	-	-	188,833	188,833
Transfers in	-	-	3,895,408	3,895,408
Total Resources (Inflows)	19,812,404	22,752,248	28,413,933	5,661,685
AMOUNTS AVAILABLE FOR APPROPRIATION	34,449,656	37,389,500	43,051,185	5,661,685
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
General Government				
Board of commissioners	2,854,215	2,854,215	2,792,492	61,723
Governing Body	640,483	665,483	665,003	480
Elections	213,890	213,890	169,256	44,634
Purchasing	18,000	18,000	12,401	5,599
Tax commissioner	376,138	426,138	426,056	82
Tax assessor	691,195	704,195	703,963	232
Buildings	639,610	728,610	727,779	831
Board of equalization	29,935	29,935	7,147	22,788
Total General Government	5,463,466	5,640,466	5,504,097	136,369
Judicial				
Superior court	279,729	329,729	328,879	850
Clerk of Superior court	581,496	581,496	509,931	71,565
District attorney	387,439	387,439	347,157	40,282
Magistrate court	263,457	263,457	255,203	8,254
Probate court	321,285	363,285	362,648	637
Juvenile court	256,505	291,505	290,736	769
Public defender	217,526	221,526	220,710	816
Total Judicial	2,307,437	2,438,437	2,315,264	123,173
Public Safety				
Sheriff	2,310,528	2,447,528	2,446,824	704
Jail operation	1,472,701	1,719,701	1,718,882	819
Court services	133,620	144,620	143,925	695
Fire	788,235	943,235	942,347	888
Emergency medical services	2,198,043	2,498,543	2,498,504	39
Coroner/Medical Examiner	73,916	95,916	95,221	695
Emergency Management Agency	130,356	164,356	163,867	489
Animal control	202,546	209,546	208,871	675
Total Public Safety	7,309,945	8,223,445	8,218,441	5,004
Public Works				
Highways and streets	1,947,045	1,947,045	1,877,365	69,680
Other public works	1,136,375	1,137,375	1,136,585	790
Total Public Works	3,083,420	3,084,420	3,013,950	70,470
Public Health and Welfare				
Health department	44,495	59,495	58,854	641
Senior citizens center	233,038	233,038	113,826	119,212
Children and family services	50,558	50,558	20,227	30,331
Agencies	33,212	33,212	30,044	3,168
Total Public Health and Welfare	361,303	376,303	222,951	153,352

FANNIN COUNTY, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2021
(Required Supplementary Information)

CONTINUED.....	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
Recreation and Culture				
Parks and recreation	912,715	1,028,715	1,028,233	482
Library	224,910	229,910	229,379	531
Agencies	29,554	33,554	33,501	53
Arts	110,753	111,753	111,196	557
Total Recreation and Culture	1,277,932	1,403,932	1,402,309	1,623
Housing and development				
Urban redevelopment and housing	79,479	79,479	79,429	50
Economic development	88,417	88,417	87,106	1,311
Development authority	112,993	129,993	129,560	433
Other housing and development	237,986	255,986	255,607	379
Total Housing and Development	518,875	553,875	551,702	2,173
Transfers out	541,370	1,031,370	1,023,648	7,722
TOTAL CHARGES TO APPROPRIATIONS	20,863,748	22,752,248	22,252,362	499,886
CHANGE IN FUND BALANCE	(1,051,344)	-	6,161,571	6,161,571
FUND BALANCE, End of year	$ 13,585,908	$ 14,637,252	$ 20,798,823	$ 6,161,571

NOTES TO THE BUDGETARY COMPARISON SCHEDULE
1. The budgetary basis of accounting used in this schedule is the same as GAAP.

FANNIN COUNTY, GEORGIA
BUDGETARY COMPARISON SCHEDULE
EXCISE LODGING TAX FUND
For the Year Ended December 31, 2021
(Required Supplementary Information)

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 455,419	$ 455,419	$ 455,419	$ -
RESOURCES (INFLOWS)				
Taxes	2,250,375	3,070,375	5,746,460	2,676,085
Investment income	-	-	619	619
Transfers in	-	-	211,528	211,528
Total Resources (Inflows)	2,250,375	3,070,375	5,958,607	2,888,232
AMOUNTS AVAILABLE FOR APPROPRIATION	2,705,794	3,525,794	6,414,026	2,888,232
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Recreation and Culture				
Parks and recreation	-	200,000	199,137	863
Total Recreation and Culture	-	200,000	199,137	863
Housing and development				
Economic development	2,250,375	2,870,375	2,868,722	1,653
Total Housing and Development	2,250,375	2,870,375	2,868,722	1,653
Transfers out	-	620,000	2,879,948	(2,259,948)
TOTAL CHARGES TO APPROPRIATIONS	2,250,375	3,690,375	5,947,807	(2,257,432)
CHANGE IN FUND BALANCE	-	(620,000)	10,800	630,800
FUND BALANCE, End of year	$ 455,419	$ (164,581)	$ 466,219	$ 630,800

NOTES TO THE BUDGETARY COMPARISON SCHEDULE
1. The budgetary basis of accounting used in this schedule is the same as GAAP.

FANNIN COUNTY, GEORGIA
BUDGETARY COMPARISON SCHEDULE
FISCAL RECOVERY FUND
For the Year Ended December 31, 2021
(Required Supplementary Information)

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ -	$ -	$ -	$ -
RESOURCES (INFLOWS)				
Intergovernmental	-	1,078,500	1,050,500	(28,000)
Charges for services	-	939,844	-	(939,844)
Investment income	-	-	262	262
Total Resources (Inflows)	-	2,018,344	1,050,762	(967,582)
AMOUNTS AVAILABLE FOR APPROPRIATION	-	2,018,344	1,050,762	(967,582)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
General Government				
Governing Body	-	25,000	-	25,000
General administration	-	205	205	-
Tax commissioner	-	50,000	-	50,000
Tax assessor	-	13,000	-	13,000
Buildings	-	89,000	-	89,000
Other general government	-	27,795	27,322	473
Total General Government	-	205,000	27,527	177,473
Transfers out	-	1,050,500	1,022,973	27,527
TOTAL CHARGES TO APPROPRIATIONS	-	2,477,000	1,050,500	1,426,500
CHANGE IN FUND BALANCE	-	(458,656)	262	458,918
FUND BALANCE, End of year	$ -	$ (458,656)	$ 262	$ 458,918

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

FANNIN COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2021

	SPECIAL REVENUE FUNDS						
	LAW LIBRARY FUND	CONFISCATED ASSETS FUND	MULTIPLE GRANT FUND	CRIME VICTIMS ASSISTANCE FUND	DRUG FUND	JAIL FUND	JUVENILE FUND
ASSETS							
Cash	$ 30,796	$ 6,552	$ 209,533	$ 16,087	$ 72,307	$ 23,582	$ 49,386
Receivables (net of allowance for uncollectibles)	-	-	37,940	2,447	265	2,307	60
Prepaid items	-	-	-	-	-	-	-
TOTAL ASSETS	$ 30,796	$ 6,552	$ 247,473	$ 18,534	$ 72,572	$ 25,889	$ 49,446
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	$ -	$ -	$ 24,000	$ (586)	$ 1,770	$ -	$ -
Due to other governments	-	-	6,260	-	-	-	-
Interfund payables	-	-	165	-	-	-	-
TOTAL LIABILITIES	-	-	30,425	(586)	1,770	-	-
FUND BALANCES							
Prepaid expenditure	-	-	-	-	-	-	-
Restricted:							
Capital outlay projects	-	-	-	-	-	-	-
Judicial programs	30,796	-	-	19,120	-	-	49,446
Public safety programs	-	6,552	217,048	-	70,802	25,889	-
Housing and development programs	-	-	-	-	-	-	-
TOTAL FUND BALANCES	30,796	6,552	217,048	19,120	70,802	25,889	49,446
TOTAL LIABILITIES AND FUND BALANCES	$ 30,796	$ 6,552	$ 247,473	$ 18,534	$ 72,572	$ 25,889	$ 49,446

FANNIN COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2021

	SPECIAL REVENUE FUNDS					CAPITAL PROJECTS FUNDS	
	CLERKS TECHNOLOGY FUND	REVOLVING LOAN FUND	DONATIONS/ SPECIAL PROJECTS FUND	E-911 FUND	INMATE WELFARE FUND	CAPITAL IMPROVEMENTS FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS							
Cash	$ 337,217	$ 65,620	$ -	$ 902,651	$ 6,997	$ 1,327	$ 1,722,055
Receivables (net of allowance for uncollectibles)	-	43,680	-	103,218	-	-	189,917
Prepaid items	-	-	-	14,278	-	-	14,278
TOTAL ASSETS	$ 337,217	$ 109,300	$ -	$ 1,020,147	$ 6,997	$ 1,327	$ 1,926,250
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	$ -	$ -	$ -	$ 5,604	$ -	$ -	$ 30,788
Due to other governments	-	-	-	-	-	-	6,260
Interfund payables	-	-	-	120	-	-	285
TOTAL LIABILITIES	-	-	-	5,724	-	-	37,333
FUND BALANCES							
Prepaid expenditure	-	-	-	14,278	-	-	14,278
Restricted:							
Capital outlay projects	-	-	-	-	-	1,327	1,327
Judicial programs	337,217	-	-	-	-	-	436,579
Public safety programs	-	-	-	1,000,145	6,997	-	1,327,433
Housing and development programs	-	109,300	-	-	-	-	109,300
TOTAL FUND BALANCES	337,217	109,300	-	1,014,423	6,997	1,327	1,888,917
TOTAL LIABILITIES AND FUND BALANCES	$ 337,217	$ 109,300	$ -	$ 1,020,147	$ 6,997	$ 1,327	$ 1,926,250

FANNIN COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2021

	SPECIAL REVENUE FUNDS							
	LAW LIBRARY FUND	CONFISCATED ASSETS FUND	MULTIPLE GRANT FUND	CRIME VICTIMS ASSISTANCE FUND	DRUG FUND	JAIL FUND	JUVENILE FUND	CLERKS TECHNOLOGY FUND
REVENUES								
Intergovernmental	$ -	$ -	$ 90,543	$ -	$ -	$ -	$ -	$ 66,834
Fines and forfeitures	12,243	2,720	-	12,280	11,001	15,908	1,296	-
Charges for services	-	-	-	-	-	-	-	-
Contributions and donations	-	-	-	-	-	-	-	-
Investment income	28	7	252	11	71	23	49	131
Miscellaneous	-	-	22,218	-	-	150	-	-
TOTAL REVENUES	12,271	2,727	113,013	12,291	11,072	16,081	1,345	66,965
EXPENDITURES								
Current Expenditures								
Judicial	8,238	-	32,817	-	-	-	609	10,195
Public safety	-	4,852	36,176	-	19,317	14,188	-	-
Intergovernmental	-	-	48,833	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	8,238	4,852	117,826	-	19,317	14,188	609	10,195
EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES	4,033	(2,125)	(4,813)	12,291	(8,245)	1,893	736	56,770
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	2,485	-	305	-	-	-
Transfers out	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	2,485	-	305	-	-	-
NET CHANGE IN FUND BALANCES	4,033	(2,125)	(2,328)	12,291	(7,940)	1,893	736	56,770
FUND BALANCES, Beginning of year	26,763	8,677	219,376	6,829	78,742	23,996	48,710	280,447
FUND BALANCES, End of year	$ 30,796	$ 6,552	$ 217,048	$ 19,120	$ 70,802	$ 25,889	$ 49,446	$ 337,217

FANNIN COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2021

	SPECIAL REVENUE FUNDS				CAPITAL PROJECTS FUNDS	
	REVOLVING LOAN FUND	DONATIONS/ SPECIAL PROJECTS FUND	E-911 FUND	INMATE WELFARE FUND	CAPITAL IMPROVEMENTS FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES						
Intergovernmental	$ -	$ -	$ -	$ -	$ -	$ 157,377
Fines and forfeitures	-	-	-	-	-	55,448
Charges for services	-	-	607,637	31,056	-	638,693
Contributions and donations	-	205,759	-	-	-	205,759
Investment income	57	36	775	-	-	1,440
Miscellaneous	-	-	934	-	-	23,302
TOTAL REVENUES	57	205,795	609,346	31,056	-	1,082,019
EXPENDITURES						
Current Expenditures						
Judicial	-	-	-	-	-	51,859
Public safety	-	320	825,431	26,137	-	926,421
Intergovernmental	-	-	-	-	-	48,833
Capital outlay	-	-	119,304	-	-	119,304
TOTAL EXPENDITURES	-	320	944,735	26,137	-	1,146,417
EXCESS (DEFICIENCY) OF REVENUES OVER(UNDER) EXPENDITURES	57	205,475	(335,389)	4,919	-	(64,398)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	673,648	-	-	676,438
Transfers out	-	(211,528)	-	-	-	(211,528)
TOTAL OTHER FINANCING SOURCES (USES)	-	(211,528)	673,648	-	-	464,910
NET CHANGE IN FUND BALANCES	57	(6,053)	338,259	4,919	-	400,512
FUND BALANCES, Beginning of year	109,243	6,053	676,164	2,078	1,327	1,488,405
FUND BALANCES, End of year	$ 109,300	$ -	$ 1,014,423	$ 6,997	$ 1,327	$ 1,888,917

FANNIN COUNTY, GEORGIA
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
LAW LIBRARY SPECIAL REVENUE FUND
For the Year Ended December 31, 2021

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 26,763	$ 26,763	$ 26,763	$ -
RESOURCES (INFLOWS)				
Fines and forfeitures	14,280	14,280	12,243	(2,037)
Investment income	-	-	28	28
Total Resources (Inflows)	14,280	14,280	12,271	(2,009)
AMOUNTS AVAILABLE FOR APPROPRIATION	41,043	41,043	39,034	(2,009)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Judicial	10,000	10,000	8,238	1,762
TOTAL CHARGES TO APPROPRIATIONS	10,000	10,000	8,238	1,762
CHANGE IN FUND BALANCE	4,280	4,280	4,033	(247)
FUND BALANCE, End of year	$ 31,043	$ 31,043	$ 30,796	$ (247)

NOTES TO THE BUDGETARY COMPARISON SCHEDULE
1. The budgetary basis of accounting used in this schedule is the same as GAAP.

FANNIN COUNTY, GEORGIA
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
CONFISCATED ASSETS SPECIAL REVENUE FUND
For the Year Ended December 31, 2021

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 8,677	$ 8,677	$ 8,677	$ -
RESOURCES (INFLOWS)				
Fines and forfeitures	11,008	11,008	2,720	(8,288)
Investment income	-	-	7	7
Total Resources (Inflows)	11,008	11,008	2,727	(8,281)
AMOUNTS AVAILABLE FOR APPROPRIATION	19,685	19,685	11,404	(8,281)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	11,008	11,008	4,852	6,156
TOTAL CHARGES TO APPROPRIATIONS	11,008	11,008	4,852	6,156
CHANGE IN FUND BALANCE	-	-	(2,125)	(2,125)
FUND BALANCE, End of year	$ 8,677	$ 8,677	$ 6,552	$ (2,125)

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

FANNIN COUNTY, GEORGIA
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
MULIPLE GRANTS SPECIAL REVENUE FUND
For the Year Ended December 31, 2021

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 219,376	$ 219,376	$ 219,376	$ -
RESOURCES (INFLOWS)				
Intergovernmental	82,600	122,600	90,543	(32,057)
Investment income	-	-	252	252
Miscellaneous	-	-	22,218	22,218
Transfer in	-	-	2,485	2,485
Total Resources (Inflows)	82,600	122,600	115,498	(7,102)
AMOUNTS AVAILABLE FOR APPROPRIATION	301,976	341,976	334,874	(7,102)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Judicial	33,000	33,000	32,817	183
Public safety	49,600	40,600	36,176	4,424
Public health and welfare	-	49,000	48,833	167
TOTAL CHARGES TO APPROPRIATIONS	82,600	122,600	117,826	4,774
CHANGE IN FUND BALANCE	-	-	(2,328)	(2,328)
FUND BALANCE, End of year	$ 219,376	$ 219,376	$ 217,048	$ (2,328)

NOTES TO THE BUDGETARY COMPARISON SCHEDULE
1. The budgetary basis of accounting used in this schedule is the same as GAAP.

FANNIN COUNTY, GEORGIA
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
CRIME VICTIMS ASSISTANCE SPECIAL REVENUE FUND
For the Year Ended December 31, 2021

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 6,829	$ 6,829	$ 6,829	$ -
RESOURCES (INFLOWS)				
Fines and forfeitures	9,007	9,007	12,280	3,273
Investment income	-	-	11	11
Total Resources (Inflows)	9,007	9,007	12,291	3,284
AMOUNTS AVAILABLE FOR APPROPRIATION	15,836	15,836	19,120	3,284
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Judicial	9,007	9,007	-	9,007
TOTAL CHARGES TO APPROPRIATIONS	9,007	9,007	-	9,007
CHANGE IN FUND BALANCE	-	-	12,291	12,291
FUND BALANCE, End of year	$ 6,829	$ 6,829	$ 19,120	$ 12,291

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

FANNIN COUNTY, GEORGIA
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
DRUG SPECIAL REVENUE FUND
For the Year Ended December 31, 2021

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 78,742	$ 78,742	$ 78,742	$ -
RESOURCES (INFLOWS)				
Fines and forfeitures	9,310	19,810	11,001	(8,809)
Investment income	-	-	71	71
Transfer in	-	-	305	305
Total Resources (Inflows)	9,310	19,810	11,377	(8,433)
AMOUNTS AVAILABLE FOR APPROPRIATION	88,052	98,552	90,119	(8,433)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	9,310	19,810	19,317	493
TOTAL CHARGES TO APPROPRIATIONS	9,310	19,810	19,317	493
CHANGE IN FUND BALANCE	-	-	(7,940)	(7,940)
FUND BALANCE, End of year	$ 78,742	$ 78,742	$ 70,802	$ (7,940)

NOTES TO THE BUDGETARY COMPARISON SCHEDULE
1. The budgetary basis of accounting used in this schedule is the same as GAAP.

FANNIN COUNTY, GEORGIA
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
JAIL SPECIAL REVENUE FUND
For the Year Ended December 31, 2021

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 23,996	$ 23,996	$ 23,996	$ -
RESOURCES (INFLOWS)				
Fines and forfeitures	25,000	25,000	15,908	(9,092)
Investment income	-	-	23	23
Miscellaneous	-	-	150	150
Total Resources (Inflows)	25,000	25,000	16,081	(8,919)
AMOUNTS AVAILABLE FOR APPROPRIATION	48,996	48,996	40,077	(8,919)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Public safety	25,000	25,000	14,188	10,812
TOTAL CHARGES TO APPROPRIATIONS	25,000	25,000	14,188	10,812
CHANGE IN FUND BALANCE	-	-	1,893	1,893
FUND BALANCE, End of year	$ 23,996	$ 23,996	$ 25,889	$ 1,893

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

FANNIN COUNTY, GEORGIA
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
JUVENILE SPECIAL REVENUE FUNDS
For the Year Ended December 31, 2021

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 48,710	$ 48,710	$ 48,710	$ -
RESOURCES (INFLOWS)				
Fines and forfeitures	575	1,075	1,296	221
Investment income	-	-	50	50
Total Resources (Inflows)	575	1,075	1,346	271
AMOUNTS AVAILABLE FOR APPROPRIATION	49,285	49,785	50,056	271
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Judicial	575	1,075	610	465
TOTAL CHARGES TO APPROPRIATIONS	575	1,075	610	465
CHANGE IN FUND BALANCE	-	-	736	736
FUND BALANCE, End of year	$ 48,710	$ 48,710	$ 49,446	$ 736

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

FANNIN COUNTY, GEORGIA
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
CLERKS TECHNOLOGY SPECIAL REVENUE FUND
For the Year Ended December 31, 2021

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 280,447	$ 280,447	$ 280,447	$ -
RESOURCES (INFLOWS)				
Intergovernmental	14,280	14,280	66,834	52,554
Investment income	-	-	131	131
Total Resources (Inflows)	14,280	14,280	66,965	52,685
AMOUNTS AVAILABLE FOR APPROPRIATION	294,727	294,727	347,412	52,685
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Judicial	18,560	18,560	10,195	8,365
TOTAL CHARGES TO APPROPRIATIONS	18,560	18,560	10,195	8,365
CHANGE IN FUND BALANCE	(4,280)	(4,280)	56,770	61,050
FUND BALANCE, End of year	$ 276,167	$ 276,167	$ 337,217	$ 61,050

NOTES TO THE BUDGETARY COMPARISON SCHEDULE
1. The budgetary basis of accounting used in this schedule is the same as GAAP.

FANNIN COUNTY, GEORGIA
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
REVOLVING LOAN SPECIAL REVENUE FUND
For the Year Ended December 31, 2021

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 109,243	$ 109,243	$ 109,243	$ -
RESOURCES (INFLOWS)				
Investment income	-	-	57	57
Total Resources (Inflows)	-	-	57	57
AMOUNTS AVAILABLE FOR APPROPRIATION	109,243	109,243	109,300	57
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
CHANGE IN FUND BALANCE	-	-	57	57
FUND BALANCE, End of year	$ 109,243	$ 109,243	$ 109,300	$ 57

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

FANNIN COUNTY, GEORGIA
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
DONATIONS / SPECIAL PROJECTS SPECIAL REVENUE FUND
For the Year Ended December 31, 2021

	BUDGET AMOUNTS ORIGINAL	BUDGET AMOUNTS FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 6,053	$ 6,053	$ 6,053	$ -
RESOURCES (INFLOWS)				
Contributions and donations	1,010	213,010	205,759	(7,251)
Investment income	-	-	36	36
Total Resources (Inflows)	1,010	213,010	205,795	(7,215)
AMOUNTS AVAILABLE FOR APPROPRIATION	7,063	219,063	211,848	(7,215)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	1,010	1,010	320	690
Transfers out	-	212,000	211,528	472
TOTAL CHARGES TO APPROPRIATIONS	1,010	213,010	211,848	1,162
CHANGE IN FUND BALANCE	-	-	(6,053)	(6,053)
FUND BALANCE, End of year	$ 6,053	$ 6,053	$ -	$ (6,053)

NOTES TO THE BUDGETARY COMPARISON SCHEDULE

1. The budgetary basis of accounting used in this schedule is the same as GAAP.

FANNIN COUNTY, GEORGIA
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
E-911 SPECIAL REVENUE FUND
For the Year Ended December 31, 2021

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 676,164	$ 676,164	$ 676,164	$ -
RESOURCES (INFLOWS)				
Charges for services	394,450	404,450	607,637	203,187
Investment income	-	-	774	774
Miscellaneous	-	-	934	934
Transfer in	541,370	541,370	673,648	132,278
Total Resources (Inflows)	935,820	945,820	1,282,993	337,173
AMOUNTS AVAILABLE FOR APPROPRIATION	1,611,984	1,621,984	1,959,157	337,173
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	935,820	945,820	944,734	1,086
TOTAL CHARGES TO APPROPRIATIONS	935,820	945,820	944,734	1,086
CHANGE IN FUND BALANCE	-	-	338,259	338,259
FUND BALANCE, End of year	$ 676,164	$ 676,164	$ 1,014,423	$ 338,259

NOTES TO THE BUDGETARY COMPARISON SCHEDULE
1. The budgetary basis of accounting used in this schedule is the same as GAAP.

FANNIN COUNTY, GEORGIA
SUPPLEMENTAL BUDGETARY COMPARISON SCHEDULE
INMATE WELFARE SPECIAL REVENUE FUND
For the Year Ended December 31, 2021

	BUDGET AMOUNTS ORIGINAL	FINAL	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
FUND BALANCE, Beginning of year	$ 2,078	$ 2,078	$ 2,078	$ -
RESOURCES (INFLOWS)				
Charges for services	-	27,000	31,056	4,056
Total Resources (Inflows)	-	27,000	31,056	4,056
AMOUNTS AVAILABLE FOR APPROPRIATION	2,078	29,078	33,134	4,056
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Current Expenditures				
Public safety	-	27,000	26,137	863
TOTAL CHARGES TO APPROPRIATIONS	-	27,000	26,137	863
CHANGE IN FUND BALANCE	-	-	4,919	4,919
FUND BALANCE, End of year	$ 2,078	$ 2,078	$ 6,997	$ 4,919

NOTES TO THE BUDGETARY COMPARISON SCHEDULE
1. The budgetary basis of accounting used in this schedule is the same as GAAP.

FANNIN COUNTY, GEORGIA
COMBINING STATEMENT OF NET POSITION
ALL FIDUCIARY FUNDS
December 31, 2021

	TAX COMMISSIONER	CLERK OF SUPERIOR COURT	PROBATE COURT	MAGISTRATE COURT	SHERIFF INMATE FUND	TOTAL
ASSETS						
Cash	$ 6,407,728	$ 1,149,350	$ 65,179	$ 1,888	$ 37,769	$ 7,661,914
TOTAL ASSETS	6,407,728	1,149,350	65,179	1,888	37,769	7,661,914
LIABILITIES						
Accounts Payable	6,173,526	186,606	-	1,888	11,962	6,373,982
TOTAL LIABILITIES	6,173,526	186,606	-	1,888	11,962	6,373,982
NET POSITION						
Restricted for others	234,203	962,744	65,179	-	25,806	1,287,932
TOTAL NET POSITION	$ 234,203	$ 962,744	$ 65,179	$ -	$ 25,806	$ 1,287,932

FANNIN COUNTY, GEORGIA
COMBINING STATEMENT OF CHANGES IN NET POSITION
ALL FIDUCIARY FUNDS
For the Year Ended December 31, 2021

	TAX COMMISSIONER	CLERK OF SUPERIOR COURT	PROBATE COURT	MAGISTRATE COURT	SHERIFF INMATE FUND	TOTAL
ADDITIONS						
Taxes collected for other entities	$ 33,661,428	$ 3,076,552	$ -	$ -	$ -	$ 36,737,980
Fees collected for other entities	-	129,436	283,409	95,996	-	508,841
Court individual cases	124,534	1,144,323	33,200	-	-	1,302,057
Inmate account deposits	-	-	-	-	227,132	227,132
TOTAL ADDITIONS	33,785,962	4,350,311	316,609	95,996	227,132	38,776,010
DEDUCTIONS						
Payments of taxes to other entities	33,661,428	3,076,552	-	-	-	36,737,980
Payments of fees to other entities	-	47,783	272,681	101,375	-	421,839
Payments to others	44,297	807,025	10,100	-	-	861,422
Payments to/for inmates	-	-	-	-	240,664	240,664
TOTAL DEDUCTIONS	33,705,725	3,931,360	282,781	101,375	240,664	38,261,905
CHANGE IN NET POSITION	80,237	418,951	33,828	(5,379)	(13,532)	514,105
TOTAL NET POSITION, Beginning of year	153,966	543,793	31,351	5,379	39,338	773,827
TOTAL NET POSITION, End of year	$ 234,203	$ 962,744	$ 65,179	$ -	$ 25,806	$ 1,287,932

FANNIN COUNTY, GEORGIA
SUPPLEMENTAL INFORMATION
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
Year Ended December 31, 2021

PROJECT	ORIGINAL ESTIMATED COSTS	CURRENT ESTIMATED COSTS	EXPENDITURES PRIOR YEARS	EXPENDITURES CURRENT YEAR
2011 Projects				
Roads and Bridges				
Improvements	$ 17,025,000	$ 17,025,000	$ 19,815,663	$ -
Capital Improvements				
Water	2,500,000	2,500,000	2,122,730	-
Capital Outlay	2,500,000	2,500,000	2,625,388	-
Contractual Payments				
City of Blue Ridge	1,575,000	1,575,000	1,632,921	-
City of McCaysville	1,400,000	1,400,000	1,436,017	-
Total SPLOST 2011 Projects	$ 25,000,000	$ 25,000,000	$ 27,632,719	$ -
2017 Projects				
Roads and Bridges				
Improvements	$ 17,370,000	$ 17,370,000	$ 3,692,555	$ 1,803,815 (2)
Capital Improvements				
Water	2,100,000	2,100,000	1,478,663	472,639
Administrative Building and Parking Deck	3,150,000	3,150,000	1,412,750	603,401
Recreation	1,500,000	1,500,000	667,809	270,420
Public Safety	2,100,000	2,100,000	1,301,871	231,607
Contractual Payments				
City of Blue Ridge *(1)*	2,100,000	2,100,000	1,439,774	625,413
City of McCaysville *(1)*	1,680,000	1,680,000	1,123,301	500,330
Total SPLOST 2011 Projects	$ 30,000,000	$ 30,000,000	$ 11,116,723	$ 4,507,625
Total SPLOST Projects	$ 55,000,000	$ 55,000,000	$ 38,749,442	$ 4,507,625

(1) The County remits the tax collected to the City who is responsible for reporting on the expenditures in accordance with OCGA 48-8-121.
(2) Expenditures for projects have been offset by revenues from other sources.

FANNIN COUNTY, GEORGIA
SUPPLEMENTAL INFORMATION
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
Year Ended December 31, 2021

Statement of Revenues, Expenditures and Changes in Fund Balance (page 6)			
	Expenditures	$	5,504,434
	Transfers Out		-
Subtotal			5,504,434
Less items not included as expenditures on SPLOST schedule below:			
Revenue from Georgia DOT used for road expenditures before SPLOST funds			642,084
Transfers In			354,725
Subtotal of adjustments			996,809
Expenditures reported on Splost schedule		**$**	**4,507,625**
Schedule of Projects Constructed With Special Purpose Local Option Sales Tax (page 71)			
	SPLOST - 2011 Projects	$	-
	SPLOST - 2017 Projects		4,507,625
Total		$	4,507,625

FANNIN COUNTY, GEORGIA
SCHEDULE OF STATE CONTRACTUAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2021

State Program Name	Contract Number	Current Year Received	Current Year Expended	Amount Due from (to) State
Family Connections	42700-93-2021000075	$ 24,833	$ 24,833	$ -
Family Connections	42700-93-2022000075	24,000	24,000	
		$ 24,833	$ 24,833	$ -

The above schedule has been prepared on the modified accrual basis of accounting.

FANNIN COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For Year Ended December 31, 2021

FEDERAL GRANTOR/ PASS-THRU GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT/ CONTRACT NUMBER	PROGRAM OR AWARD AMOUNT	SUB-RECIPIENT EXPENDITURES	EXPENDITURES
U.S. DEPARTMENT OF AGRICULTURE					
Forest Service Schools and Roads Cluster					
Passed through Office of the State Treasurer					
Secure Rural Schools and Community Self-Determination Act of 2000	10.665	486Forest	$ 73,457	$ -	$ 73,457
Total Forest Service Schools and Roads Cluster			73,457	-	73,457
Total U.S. Department of Agriculture			**73,457**	**-**	**73,457**
U.S. DEPARTMENT OF HOMELAND SECURITY					
Passed through Georgia Emergency Management and Homeland Security Agency					
FY2021 Emergency Management Disaster Recovery Efforts Grant	97.036	FEMA-4600-DR-GA	99,602	-	99,602
Emergency Management Disaster Recovery Efforts Grant	97.036	FEMA-4579-DR-GA	77,973	-	73,641
			177,575	-	173,243
FY 2020 Emergency Management Performance Grant (EMPG)	97.042	OEM20-057	11,275	-	8,064
Total Department of Homeland Security			**188,850**	**-**	**181,307**
U.S. DEPARTMENT OF THE INTERIOR					
Payments in Lieu of Taxes	15.226		220,591	-	220,591
Total Department of the Interior			**220,591**	**-**	**220,591**
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Provider Relief Fund	93.498		51,431	-	51,431
Total Department of Health and Human Services			**51,431**	**-**	**51,431**
U.S. DEPARTMENT OF TREASURY					
Coronavirus State and Local Fiscal Recovery Funds	20.027	ARPA Funding	5,086,712	-	1,050,500
Total U.S. Department of Treasury			**5,086,712**	**-**	**1,050,500**
		GRAND TOTALS	**$ 5,621,041**	**$ -**	**$ 1,577,286**

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. This schedule is prepared on the modified accrual basis of accounting.
2. The County did not elect to use the 10% de minimis cost rate as covered in 2 CFR §200.414 Indirect (F&A) costs.

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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*

June 27, 2022

Board of Commissioners
FANNIN COUNTY, GEORGIA
Blue Ridge, Georgia

We have audited the financial statements of the governmental activities, the aggregate 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, 2021, which collectively comprise the FANNIN COUNTY, GEORGIA's basic financial statements and have issued our report thereon dated June 27, 2022. Our report includes a reference to other auditors who audited the financial statements of the FANNIN COUNTY WATER AUTHORITY and FANNIN COUNTY HEALTH DEPARTMENT, as described in our report on FANNIN COUNTY, GEORGIA's basic financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered FANNIN COUNTY, GEORGIA's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the FANNIN COUNTY, GEORGIA's internal control over financial reporting.

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 were not 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 deficiencies, described in the accompanying schedule of findings and questioned costs as items 2021-001 through 2021-003 to be material weaknesses.

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 2021-004 through 2021-020 to be significant deficiencies.

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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

Fannin County Response to Findings

FANNIN COUNTY, GEORGIA's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit FANNIN COUNTY, GEORGIA's responses, and accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bates, Carter & Co., LLP

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

June 27, 2022

Board of Commissioners
FANNIN COUNTY, GEORGIA
Blue Ridge, Georgia

Report on Compliance for Each Major Federal Program

We have audited FANNIN COUNTY, GEORGIA's compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of FANNIN COUNTY, GEORGIA's major federal programs for the year ended December 31, 2021. 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of FANNIN COUNTY, GEORGIA's major federal programs based on our audit of the types of compliance requirements referred to above. FANNIN COUNTY, GEORGIA's basic financial statements include the operations of legally separate component units, FANNIN COUNTY WATER AUTHORITY and FANNIN COUNTY HEALTH DEPARTMENT. Any amounts of federal awards received by those component units are not included in the accompanying schedule of expenditures of federal awards. Our audit, described below, did not include the operations of FANNIN COUNTY WATER AUTHORITY and FANNIN COUNTY HEALTH DEPARTMENT because the component unit engaged other auditors to perform any audit required in accordance with OMB *Compliance Supplement*.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in

Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about FANNIN COUNTY, GEORGIA's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on FANNIN COUNTY, GEORGIA's compliance with those requirements.

Opinion on Each Major Federal Program

In our opinion, FANNIN COUNTY, GEORGIA complied, in all material respects, with the 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, 2021.

Report on Internal Control Over Compliance

Management of FANNIN COUNTY, GEORGIA is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered FANNIN COUNTY, GEORGIA's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of FANNIN COUNTY, GEORGIA's internal control over compliance.

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

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

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.

Bates, Carter & Co., LLP

FANNIN COUNTY, GEORGIA
AUDITOR'S SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2021

I SUMMARY OF AUDITOR'S RESULTS:

1. Report issued on Financial Statements – Unmodified opinion.
2. Compliance (financial statements) – Unmodified opinion.
3. Internal Control (financial statements) – Three material weaknesses and sixteen significant deficiencies.
4. Compliance (major programs) – Unmodified opinion, no instances of noncompliance.
5. Internal control (major programs) – Unmodified opinion, no material weaknesses.
6. Audit findings required to be reported in accordance with 2 CFR section 200.516(a)
    i) Significant deficiencies in internal controls over major programs – None reported
    ii) Material noncompliance related to major programs – None reported
    iii) Known questioned costs greater than $25,000 for major programs – None reported
    iv) Known questioned costs greater than $25,000 for a program not audited as major – None reported
    v) Circumstances if report on compliance is other than unqualified – N/A
    vi) Known fraud – N/A
    vii) Misrepresentation in schedule of prior audit findings – None reported
7. Major programs for the year – Coronavirus State and Local Fiscal Recovery Funds, CFDA 20.027
8. Dollar threshold used to distinguish between Type A and Type B programs – $750,000.
9. Does the auditee qualify as a low risk auditee – No.

II AUDIT FINDINGS - GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS

Finding Number

MATERIAL WEAKNESS

FINANCE

2021-001

Statement of Condition:
During procedures, we noted that significant adjustments were necessary to record revenue activities in the appropriate classifications. Aggregate adjustments of $9.6 million were necessary to correctly state revenue activity in all funds.

Criteria:
To ensure proper controls over revenue reporting are in place to avoid material misstatement of revenue at year-end.

Effect of Condition:
The risk of materially misstating revenue.

Cause of Condition:
There is a lack of proper training on how to correctly report revenue.

Recommendation:
We recommend that the County implement a control ensuring that an experienced individual review revenue coding and reporting.

Response:
Implementation of monthly monitoring of revenues.

2021-002

Statement of Condition:

During fieldwork, we noted significant changes to the SPLOST fund due to incorrect accounting to record activity. Adjustments of $2.3 million were necessary to correctly reflect SPLOST revenue and expenditure balances.

Criteria:

Intra-fund cash transfers must not be included in revenue or expenditure accounts.

Effect of Condition:

The risk of material misstatement of SPLOST expenses and revenue.

Cause of Condition:

Insufficient training on record keeping.

Recommendation:

We recommend that the County implement procedures and processes to ensure that SPLOST activities are accounted for correctly by the Accounts Payable Clerk when receipting and disbursing SPLOST funds and reviewed by the assistant Finance Director.

Response:

Implementation of monthly monitoring of SPLOST revenue.

2021-003 ***Statement of Condition (Re-Issued):***

During fieldwork, we noted that revenue and related receivables and accounts payable and related expenditure/expense account balances were not properly reflected at year end. Aggregate adjustments of $1.9 million and $919 thousand were necessary to correctly record accrued receivables and liabilities at year end respectively, across all funds.

Criteria:

Internal controls should be in place to ensure proper accruals at year end. The financial statements should include accruals of accounts receivable and payable in order to properly reflect revenue and expenditures/expenses for the year.

Effect of Condition:

Revenue and expenditures are not stated correctly for the year.

Cause of Condition:

Internal controls were not in place to properly detect material misstatements in the County's expenditures/expenses and related liability accounts or revenues and related receivable accounts.

Recommendation:

We recommend the County carefully review all revenue and expenditure/expense after year end to ensure all necessary transactions are reported in the proper period.

Response:

Implementation of monthly monitoring of revenue/receivable & accounts payables.

SIGNIFICANT DEFICIENCY
FINANCE

2021-004

Statement of Condition:
During fieldwork, we noted general ledger activities recorded in cash accounts do not agree to bank statement for Ambulance Signs, COPS revenue Bond, Investment Pool OTFS, Board of Assessors, and Investment Pool.

Criteria:
To ensure reconciled bank balances agree to general ledger.

Effect of Condition:
The risk of materially misstating cash at year-end.

Cause of Condition:
There is a lack of internal controls in cash reporting and bank reconciliation procedures.

Recommendation:
We recommend that the County implement controls for month-close procedures which includes a review of bank reconciliations to agree to the general ledger for each cash account.

Response:
Implementation of procedures to ensure balances agree. * Note: COPS Revenue Bond account is closed.

2021-005

Statement of Condition:

During fieldwork, we noted an insurance reimbursement related to an ambulance that was not disposed from the county asset listing.

Criteria:

Assets must be removed from the asset listing once lost or destroyed in order to properly state the Entity-Wide financial statements.

Effect of Condition:

Assets are overstated by an immaterial amount.

Cause of Condition:

There is no control in place to ensure that assets taken out of service are also removed from the asset listing.

Recommendation:

We recommend that the County implement procedures to ensure capital assets are properly reported when sold, lost, or destroyed.

Response:

We have addressed this issue of communicating with Finance Director when such property needs to be disposed from the County asset listing.

2021-006 ***Statement of Condition (Re-Issued):***

We noted that activity was not recorded for the Clerks Technology and the Revolving Loan Fund.

Criteria:

To insure proper internal controls, all funds should be recorded properly in the general ledger.

Effect of Condition:

Interim reporting and timely monitoring of fund activity will not be available.

Cause of Condition:

Internal controls were not in place to properly monitor fund activity in the County's general ledger.

Recommendation:

We recommend the County properly record transactions as they occur to ensure that all accounts are properly reflected at year end.

Response:

Will continue to communicate with Clerk's office to obtain statements to record activity. *Note: This is a recurring issue of not being able to obtain statements to record activity. Clerk will only provide statements to auditors.

2021-007

Statement of Condition:

We noted during tests of transactions of Hotel Motel collections that deposits are not being made to the bank or recorded in the general ledger in a timely manner. Out of 25 receipts selected for testing, 5 were deposited more than 7 days after receipt.

Criteria:

To ensure proper internal controls, all funds should be recorded in the general ledger and deposited into the bank in a timely manner.

Effect of Condition:

Internal controls should be in place to provide reasonable assurance that monies are accurately accounted for by the bank and in the general ledger.

Cause of Condition:

Failure to record monies to the general ledger may cause assets to be materially misstated and un-deposited funds increase the risk of misappropriation of assets.

Recommendation:

We recommend the County implement internal controls and timely deposit procedures to prevent misappropriation of Hotel Motel funds.

Response:

We have addressed this issue to ensure more timely deposits are being made so information can be recorded in the General Ledger on a timely basis.

EMS

2021-008 ***Statement of Condition (Re-Issued):***

Appropriate segregation of duties does not exist within the EMS department.

Criteria:

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

Effect of Condition:

Failure to properly segregate duties among custody, receipting, recording, distribution, and reconciliation of accounts can lead to misappropriation of funds that is not detected in a timely manner by employees in the normal course of performing their assigned functions.

Cause of Condition:

This is caused by the limited number of employees in each office to perform all of the duties.

Recommendation:

We recommend that EMS work to segregate duties relative to the custody, receipting, recording, distribution, and reconciliation of accounts and implement a review process for month-end procedures.

Response:

There are limited number of employees to perform duties of receipting, recording, custody, distributions, and reconciliation of accounts.

2021-009

Statement of Condition :

During cash procedures, we noted that bank reconciliations were not completed for the Ambulance Fees bank account.

Criteria:

Appropriate bookkeeping should be in place to provide reasonable assurance that the bank account balance reconciles to the book balance and that month-end procedures include a bank reconciliation for each cash account.

Effect of Condition:

Failure to properly reconcile accounts can lead to materially misstating assets on the balance sheet.

Cause of Condition:

This is caused by insufficient record keeping.

Recommendation:

We recommend that EMS perform timely reconciliation of bank accounts.

Response:

Will communicate to ensure bank reconciliations are completed in a timely manner.

PROBATE COURT

2021-010 ***Statement of Condition (Re-issued):***

Appropriate segregation of duties does not exist among custody, receipting, recording, distribution, reconciliation of cash accounts and other operational functions in the Probate Court.

Criteria:

Internal controls should be in place which provide reasonable assurance that an individual can not misappropriate funds without such actions being detected during the normal course of business.

Effect of Condition:

Failure to properly segregate duties among custody, receipting, recording, distribution, and reconciliation of accounts can lead to misappropriation of funds that is not detected in a timely manner by employees in the normal course of performing their assigned functions.

Cause of Condition:

This is caused by the limited number of employees in the office to perform all of the duties.

Recommendation:

We recommend the Court segregate duties relative to the custody, receipting, recording, distribution, and reconciliation of accounts and implement a review process for month-end procedures.

Response:

The County Finance Department will communicate these findings to the Probate Judge.

CLERK OF COURT

2021-011 ***Statement of Condition (Re-issued):***

The Clerk of Court does not balance actual disbursements made to and from the bank accounts to the computer system's reports. The disbursement report does not agree to the check register.

Criteria:

The reports used to summarize information for disbursing funds should be agreed to the bank deposits before checks are issued.

Effect of Condition:

If funds were misappropriated, the Court may not catch the difference in a timely manner. In addition, the Court would not know about errors in disbursements, and these errors may cause the bank account balance to be insufficient to cover payables.

Cause of Condition:

There is not a procedure in place for regular and timely review of the recorded disbursements.

Recommendation:

We recommend the Court reconcile disbursements made by using the computerized disbursement reports.

Response:

The County Finance Department will communicate these findings to the Clerk of Court.

SHERIFF

2021-012

Statement of Condition:

During cash procedures, we noted that bank reconciliations were not completed for the Jail Commissary bank account.

Criteria:

Appropriate bookkeeping should be in place to provide reasonable assurance that the bank account balance reconciles to the book balance and that month-end procedures include a bank reconciliation for each cash account.

Effect of Condition:

Failure to properly reconcile accounts can lead to materially misstating assets on the balance sheet.

Cause of Condition:

This is caused by insufficient record keeping.

Recommendation:

We recommend that the Sheriff perform timely reconciliation of bank accounts.

Response:

The County Finance Department will communicate these findings to the Sheriff.

TAX COMMISSIONER

2021-013

Statement of Condition:

During cash procedures, we noted that bank reconciliations were not completed for the Motor Vehicle bank account.

Criteria:

Appropriate bookkeeping should be in place to provide reasonable assurance that the bank account balance reconciles to the book balance and that month-end procedures include a bank reconciliation for each cash account.

Effect of Condition:

Failure to properly reconcile accounts can lead to materially misstating assets on the balance sheet.

Cause of Condition:

This is caused by insufficient record keeping.

Recommendation:

We recommend that the Tax Commissioner perform timely reconciliation of bank accounts.

Response:

The County Finance Department will communicate these findings to the Tax Commissioner.

LAW LIBRARY

2021-014 ***Statement of Condition (Re-issued):***

While performing audit procedures, we noted deposits were not being made on a timely basis. Receipts were held for more than seven days before depositing.

Criteria:

To insure proper internal controls, cash receipts should be deposited and recorded in a timely manner.

Effect of Condition:

Not only is there a risk of loss from burglary, misplacement, or misappropriation, but cash is not available for expenditures or investment.

Cause of Condition:

The Law Library is not depositing receipts on a weekly basis.

Recommendation:

We recommend deposits be made on a weekly basis both to improve cash flow and reduce the risk of loss.

Response:

The County Finance Department will communicates these findings to the Clerk of Court.

DEVELOPMENT AUTHORITY

2021-015

Statement of Condition (Re-issued):

Appropriate segregation of duties does not exist among custody, receipting, recording, distribution, reconciliation of cash accounts and other operational functions in the Development Authority.

Criteria:

Internal controls should be in place which provide reasonable assurance that an individual can not misappropriate funds without such actions being detected during the normal course of business.

Effect of Condition:

Failure to properly segregate duties among custody, receipting, recording, distribution, and reconciliation of accounts can lead to misappropriation of funds that is not detected in a timely manner by employees in the normal course of performing their assigned functions.

Cause of Condition:

This is caused by the limited number of employees in each office to perform all of the duties.

Recommendation:

We recommend the County segregate duties relative to the custody, receipting, recording, distribution, and reconciliation of accounts. Board members or others charged with governance may also be included in the review process for month-end procedures.

Response:

This Department is limited on the number of employees to perform these duties.

2021-016 ***Statement of Condition (Re-issued):***

During fieldwork, we noted reconciliations were not completed for the operating bank account or any other cash accounts maintained by the Development Authority and transactions dated before year end were not included in the general ledger.

Criteria:

Appropriate bookkeeping should be in place to provide reasonable assurance that the bank account balance reconciles to the book balance and that month-end procedures include a bank reconciliation for each cash account.

Effect of Condition:

Failure to properly reconcile accounts can lead to materially misstating assets on the balance sheet.

Cause of Condition:

This is caused by insufficient record keeping.

Recommendation:

We recommend that the Development Authority perform timely reconciliation of bank accounts.

Response:

Implementation of procedures to address this issue have been discussed.

2021-017

Statement of Condition:
During fieldwork, we noted audit adjustments from previous periods were not made in QuickBooks.

Criteria:
Controls must be implemented to make sure audit adjustments are made at year-end.

Effect of Condition:
Accounting records will not agree to prior year's ending balances causing misstatements in the financial statements.

Cause of Condition:
Lack of controls in place to make sure proper adjustments are recorded during each year audit.

Recommendation:
We recommend that year-end adjustments are reviewed to ensure that they are including all audit adjustments.

Response:
We have addressed this issue.

2021-018 ***Statement of Condition:***

During fieldwork, we noted that significant adjustments were necessary to record revenue activities in the appropriate classifications. Aggregate adjustments of $90 thousand and $80.5 thousand were needed to reflect the appropriate cash balances and related revenue for the One Georgia and Retainage bank accounts.

Criteria:

Ensuring proper controls over revenue and expenditure reporting are in place lowers the risk of material misstatement of revenue and expenditure accounts at year end.

Effect of Condition:

The risk of materially misstating revenues or expenditures.

Cause of Condition:

There is a lack of proper training on how to correctly report revenues and expenditures.

Recommendation:

We recommend that the Authority implement a control ensuring that an experienced individual review revenue and expenditure coding and reporting.

Response:

Implementation of procedures have been discussed.

2021-019 ***Statement of Condition:***

The Authority recorded a security deposit in the rental revenue account and failed to record revenue related to a Georgia Department of Transportation easement sale.

Criteria:

To ensure proper reporting, revenues should be classified to the correct account.

Effect of Condition:

The risk that the Statement of Activities is misstated.

Cause of Condition:

There is a lack of proper training on how to correctly report revenues and expenditures.

Recommendation:

We recommend that the City implement a control ensuring that an experienced individual review revenue and expenditure coding and reporting.

Response:

We have addressed this issue.

III FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

There were no findings or questioned costs relating to Federal awards reported for the year ended December 31, 2021.