FANNIN COUNTY, GEORGIA

Annual Financial Report

For the year ended December 31, 2023

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FANNIN COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
For the year ended December 31, 2023

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Fannin County, Georgia, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Fannin County, Georgia's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Fannin County, Georgia, as of December 31, 2023, and the respective changes in the financial position and the budgetary comparisons of the General Fund, Excise Tax Lodging Special Revenue Fund, Opioid Settlement Special Revenue Fund, and Fiscal Recovery Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Fannin County, Georgia and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Fannin County, Georgia's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Fannin County, Georgia's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information on pages 4 through 13 and 72 through 75, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2024, on our consideration of Fannin County, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Fannin County, Georgia's internal control over financial reporting and compliance.

Rushton, LLC

Gainesville, Georgia
June 14, 2024

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FANNIN COUNTY
GEORGIA

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Fannin County management is proud to present this narrative discussion and analysis of Fannin County's financial performance, making available an overview of the activities for the year ended December 31, 2023. This report is drafted annually to provide readers of financial statements with information that will help them make timely and meaningful financial decisions or draw conclusions about Fannin County. As required by the Governmental Accounting Standards Board (GASB) Statement No. 34, this discussion and analysis affords comparisons with the previous year.

Financial Highlights

- Fannin County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at December 31, 2023 by $99,874,564 (*net position*). Of this amount, $34,262,133 is reported as unrestricted net position. This is an increase of $7,138,383 from the previous year for unrestricted. Total net position increased by $15,420,215 from the previous year as a result of operations.

- As of December 31, 2023, Fannin County's governmental funds reported combined ending fund balances of $58,908,875. Approximately 48% of this total amount, or $28,489,731, is reported as unassigned and available for spending at the County's discretion. Approximately 38%, or $22,200,740, is restricted for capital outlay. Information about Fannin County's policy on fund balance can be found in Note 2S in the *Notes to the Financial Statements* beginning on page 43.

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

Overview of the Financial Statements

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

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

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

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

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

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

- ***Governmental activities*** – Most of the County's basic services are reported under this category which includes: judicial, public safety, public works, and general administration. Taxes such as: real property, sales, insurance premium and intangible finance most of these services.

- ***Discretely Presented Component Units*** – A component unit is a legally separate organization for which the elected officials of the County are financially accountable. The Fannin County Department of Public Health, Fannin County Development Authority, and Fannin County Water Authority, although legally separate, function for all practical purposes as departments of Fannin County, and therefore have been included as an integral part of the primary government.

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

Fund Financial Statements (Reporting the County's Major Funds)
The focus of fund financial statements is directed at specific activities of the County and its most significant funds, not the County as a whole. A fund is an entity with a self-balancing set of accounts that the County uses to track specific resources and expenditures, either for management purposes or because of legal mandates. In addition to the major funds, individual fund data for the County's non-major funds can be found beginning on page 76. The County's funds are divided into two broad categories: governmental and fiduciary. They use different prescribed accounting methodologies.

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

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

  Fannin County maintains nineteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Excise Tax Lodging Special Revenue Fund, Opioid Settlement Special Revenue Fund, Fiscal Recovery Fund Special Revenue Fund, and SPLOST Capital Projects Fund, which are considered major governmental funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 76-79 of this report.

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

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

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30-71 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the County's defined benefit pension plan. The required supplementary information can be found on pages 72-75 of this report.

Other Supplementary Information

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

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

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

Overview of the County's Financial Position and Operations

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

Fannin County
Net Position
December 31, 2023 and 2022

	Governmental Activities	
	2023	**2022**
Current assets	$ 64,645,024	$ 54,371,042
Capital assets	42,377,113	36,632,819
Other noncurrent assets	181,354	185,760
Total assets	107,203,491	91,189,621
Deferred outflows of resources	3,793,798	1,333,957
Current liabilities	5,188,779	5,075,270
Noncurrent liabilities	5,739,586	2,001,260
Total liabilities	10,928,365	7,076,530
Deferred inflows of resources	194,360	992,699
Net position:		
Net investment in capital assets	40,780,540	36,233,923
Restricted	24,831,891	21,096,676
Unrestricted	34,262,133	27,123,750
Total net position	$ 99,874,564	$ 84,454,349

Net position may serve over time as a useful indicator of a government's financial position. Assets and deferred outflows of resources for Fannin County exceeded liabilities and deferred inflows of resources by $99,874,564 at the close of the current year. Approximately 41% of Fannin County's net position is reflected in its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure), less any related debt outstanding that was needed to construct or acquire them. This percentage decreased from 43% at the end of the previous year. The County uses capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Restricted net position comprises 25%. This amount represents resources that are subject to external restrictions or enabling legislation on how they may be used. Unrestricted net position comprises the remaining 34% of net position.

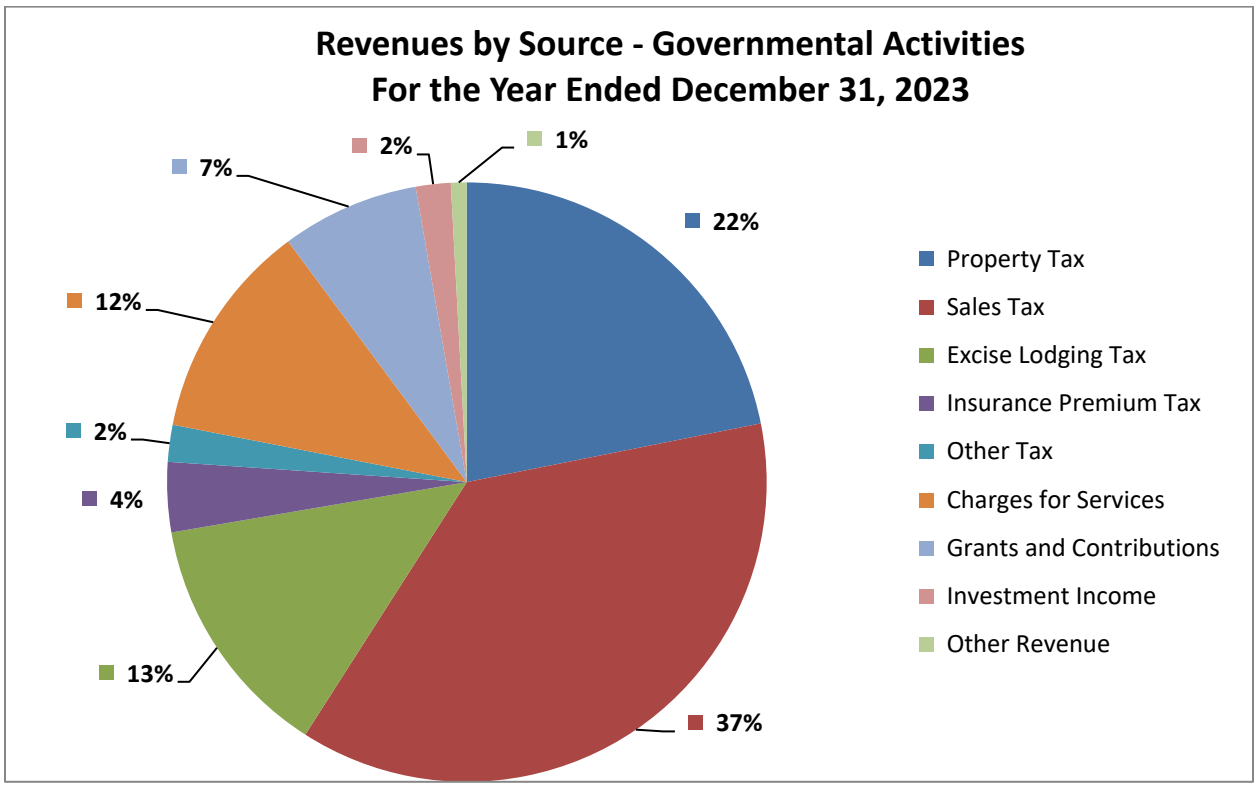
The following condensed financial information was derived from the government-wide Statement of Activities and reflects how Fannin County's net position changed during the current year.

Fannin County
Changes in Net Position
For the Years Ended December 31, 2023 and 2022

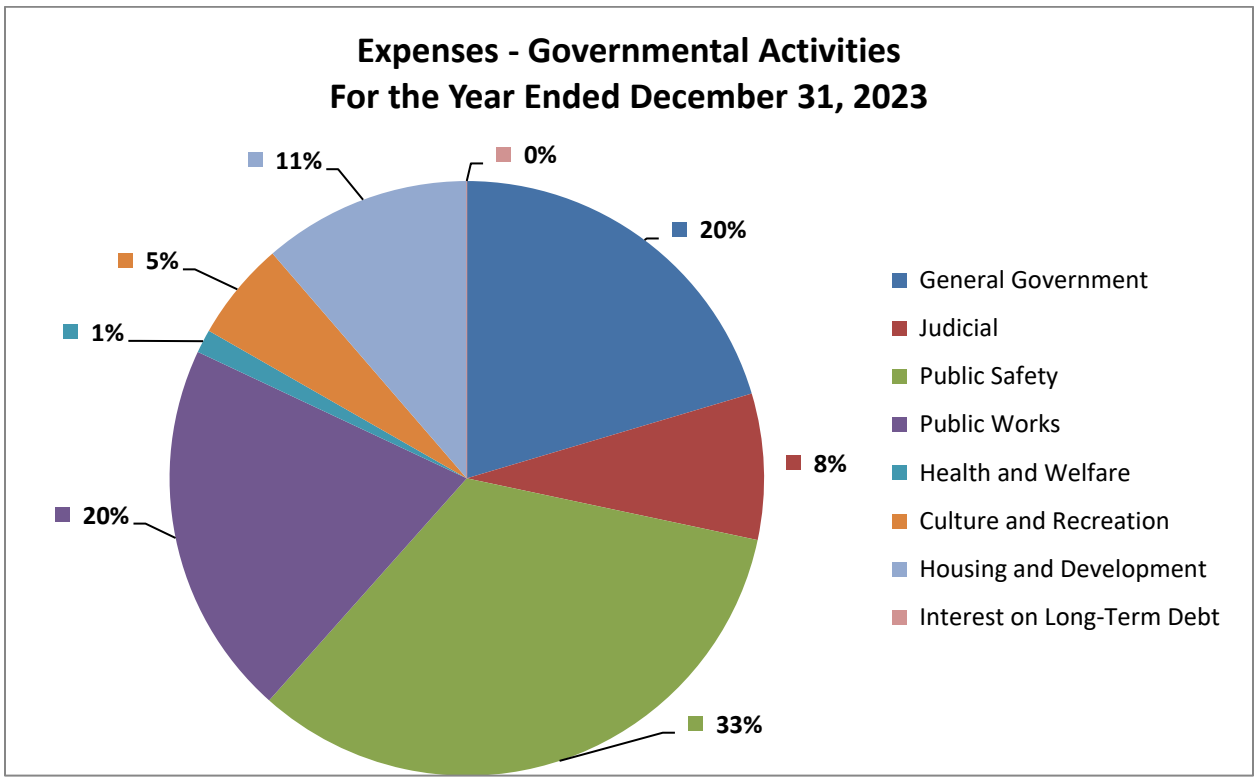
	Governmental Activities	
	2023	**2022**
Revenues		
Program revenues:		
Charges for services	$ 5,802,551	$ 3,876,897
Operating grants and contributions	871,509	3,620,944
Capital grants and contributions	2,793,600	960,410
General revenues:		
Property tax	10,782,177	10,009,636
Sales tax	18,343,652	17,759,869
Excise lodging tax	6,532,514	6,423,357
Insurance premium tax	1,858,011	1,747,690
Franchise tax	176,200	177,491
Other taxes	807,189	1,202,370
Interest and investment earnings	925,192	130,462
Gain on sale of capital assets	91,216	44,519
Other revenues	330,756	0
Total revenues	49,314,567	45,953,645
Expenses		
General government	6,913,527	6,843,160
Judicial	2,688,624	2,569,711
Public Safety	11,268,105	9,867,050
Public Works	6,919,298	6,040,812
Health and Welfare	434,937	412,521
Culture and Recreation	1,825,176	1,681,482
Housing and Development	3,843,015	3,786,738
Interest on long-term debt	1,670	8,259
Total expenses	33,894,352	31,209,733
Increase (decrease) in net position	15,420,215	14,743,912
Net position - beginning (original)	84,454,349	69,705,790
Prior period adjustments	0	4,647
Net position - beginning (restated)	84,454,349	69,710,437
Net position - ending	$ 99,874,564	$ 84,454,349

Governmental Activities –

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



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



Financial Analysis of the County's Funds
Fannin County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

1) As the County completed the current year, its governmental funds reported a combined ending fund balance of $58,908,875. Of this amount, $28,489,731 (48%) constitutes unassigned fund balance, which is available for appropriation for the general purposes of the funds in accordance with the Fannin County policy on fund balance.

The General Fund is the chief operating fund of the County. At the end of the current year, unassigned fund balance of the General Fund was $28,489,731, while total fund balance reached $32,946,033. Unassigned fund balance represents approximately 86% of total fund balance in the General Fund. As a measure of the General Fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 108% of total General Fund expenditures, while total fund balance represents approximately 125% of that same amount. The County ended the current year realizing an increase in the overall fund balance in the General Fund by $5,119,955, or approximately 18%. The County increased unassigned fund balance in the General Fund by $890,029, or 3%. The County increased fund balance of the General Fund in 2022 by $7,022,608. The increase in the current year was less than the increase in the prior year due to significant increases in public safety and culture and recreation expenditures. Public safety expenditures increased due to increased fire capital outlay. Culture and recreation expenditures increased due to increased recreation capital outlay. While revenues of the General Fund increased, it was a much smaller increase.

At the end of the current year, the Excise Tax Lodging Special Revenue Fund had total fund balance of $155,737, all of which is assigned for trade and tourism. Fund balance of the Excise Tax Lodging Special Revenue Fund decreased by $335,036 during 2023 due mostly to the County expending existing unrestricted funds on a fire capital project.

At the end of the current year, the Opioid Settlement Special Revenue Fund had total fund balance of $160,385, all of which is restricted for Opioid remediation efforts. This fund was established to account for the County's share of opioid settlement payment funds that are restricted for opioid remediation efforts. The County expended $42,000 toward these efforts during the current year.

At the end of the current year, the Fiscal Recovery Fund Special Revenue Fund reported fund balance of $44,379, all of which is restricted for grant specifications. The County recognized revenue and expenditures for capital outlay purchases and payments to the Fannin County Water Authority.

At the end of the current year, the SPLOST Capital Projects Fund had total fund balance of $19,930,612, almost all of which is restricted for capital outlay. Fund balance of the SPLOST Capital Projects Fund increased $1,926,837 during the current year due to receipts of SPLOST revenues at a faster pace than spending on capital projects approved in the referendum.

General Fund Budget Highlights

The original budget for the General Fund was amended reflecting grant awards, reimbursements, insurance claims, as well as unanticipated revenues and expenditures. The Board of Commissioners also approved interdepartmental transfers. Overall, General Fund revenues exceeded final amended budget projections by $3,964,171, or 17%. General Fund expenditures were below the final amended budget projections by $1,154,479, or 4%.

The County budgeted to use $0 of fund balance in the General Fund for use in the year 2023 and $3,466,395 for use in the year 2024. Current General Fund revenues are meeting estimates for the year 2024 and the General Fund fund balance is expected to decrease by the budgeted use.

Capital Assets and Debt Administration

Capital Assets. Fannin County has invested $31,088,709 in capital assets (net of accumulated depreciation) compared to $29,902,352 in the previous year. This represents an increase of 4.0%. Capital assets held by the County at the end of the current and previous year are summarized as follows:

Fannin County
Capital Assets (net of accumulated depreciation)
December 31, 2023 and 2022

	Governmental Activities	
	2023	**2022**
Land	$ 3,852,591	$ 2,845,993
Construction in progress	3,140,242	2,207,704
Infrastructure	35,597,932	32,802,691
Buildings and improvements	26,107,605	24,669,676
Machinery and equipment	18,217,439	17,198,210
Total	86,915,809	79,724,274
Accumulated depreciation	(44,538,696)	(43,091,455)
Net Capital Assets	$ 42,377,113	$ 36,632,819

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

- Resurfacing / paving various County roads
- Purchases of vehicles for various departments
- Purchase of fire department equipment
- Splash pad and city pool project
- Fire Station 5 project

Additional information on Fannin County's capital assets can be found in Note 10 on pages 52-54 of this report.

Debt. On December 31, 2023, Fannin County had a total long-term debt balance outstanding for the governmental activities in the amount of $800,000, as compared to $240,749 at the end of the previous year. Fannin County's outstanding debt for governmental activities increased by $559,251 during the course of the year due to the issuance of a new promissory note that exceeded payments in accordance with payment schedules on an existing note.

Additional information on the County's long-term debt can be found in Note 11 on pages 55-58 of this report.

Economic Condition and Outlook

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

Contacting the County

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

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

BASIC FINANCIAL STATEMENTS

FANNIN COUNTY, GEORGIA
STATEMENT OF NET POSITION
December 31, 2023

	Primary Government	Component Units		
	Governmental Activities	Fannin County Department of Public Health	Fannin County Development Authority	Fannin County Water Authority
ASSETS				
Current assets				
Cash and cash equivalents	$ 57,465,911	$ 988,239	$ 438,998	$ 204,059
Certificates of deposit	1,253,895	0	152,466	0
Restricted cash and cash equivalents	0	0	0	1,519,792
Receivables (net)				
Accounts	1,096,488	0	0	55,131
Intergovernmental	403,622	11,929	392,267	0
Taxes	3,419,525	0	0	0
Leases	4,406	0	103,657	0
Receivable from primary government	0	0	0	122,047
Inventories	19,381	380	0	50,483
Prepaid items	981,796	0	0	7,889
Total current assets	64,645,024	1,000,548	1,087,388	1,959,401
Noncurrent assets				
Leases receivable	181,354	0	424,726	0
Net OPEB asset	0	55,664	0	0
Property held for resale	0	0	1,188,380	3,300
Capital assets				
Non-depreciable	6,992,833	0	142,371	935,651
Depreciable (net)	35,384,280	38,793	511,422	5,828,763
Total noncurrent assets	42,558,467	94,457	2,266,899	6,767,714
Total assets	107,203,491	1,095,005	3,354,287	8,727,115
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources - pension	3,793,798	299,820	0	0
Deferred outflows of resources - OPEB	0	55,150	0	0
Total deferred outflows of resources	3,793,798	354,970	0	0
LIABILITIES				
Current liabilities				
Payables				
Accounts	1,626,926	34,284	392,850	176,296
Retainages	123,984	0	0	0
Customer deposits	0	0	0	20,659
Interest	0	0	0	5,145
Accrued liabilities	754,506	0	3,500	10,438
Payable to primary government	0	0	1,830	219
Compensated absences	0	19,369	0	0
Unearned revenue	1,883,363	0	0	364,804
Notes payable	800,000	0	44,250	0
Bonds payable	0	0	0	123,552
Total current liabilities	5,188,779	53,653	442,430	701,113

See accompanying notes to the financial statements.

FANNIN COUNTY, GEORGIA
STATEMENT OF NET POSITION
December 31, 2023

	Primary Government	Component Units		
	Governmental Activities	Fannin County Department of Public Health	Fannin County Development Authority	Fannin County Water Authority
Noncurrent liabilities				
Compensated absences	$ 0	$ 12,913	$ 0	$ 0
Net pension liability	5,739,586	721,742	0	0
Net OPEB Liability	0	43,979	0	0
Notes payable	0	0	384,415	0
Bonds payable	0	0	0	2,816,181
Total noncurrent liabilities	5,739,586	778,634	384,415	2,816,181
Total liabilities	10,928,365	832,287	826,845	3,517,294
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - leases	173,636	0	448,386	0
Deferred inflows of resources - pension	20,724	21,761	0	0
Deferred inflows of resources - OPEB	0	65,940	0	0
Total deferred inflows of resources	194,360	87,701	448,386	0
NET POSITION				
Net investment in capital assets	40,780,540	38,793	225,128	4,458,201
Restricted for:				
Law library operations	33,127	0	0	0
Judicial activities	419,751	0	0	0
Public safety activities	84,222	0	0	0
Opioid remediation efforts	858,743	0	0	0
Grant specifications	943,609	0	0	0
Economic development	92,810	0	0	0
OPEB benefits	0	55,664	0	0
Prior year program income	0	391,882	0	0
Capital outlay	22,399,629	0	0	495,569
Debt service	0	0	0	0
Unrestricted	34,262,133	43,648	1,853,928	256,051
Total net position	$ 99,874,564	$ 529,987	$ 2,079,056	$ 5,209,821

See accompanying notes to the financial statements.

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FANNIN COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For the year ended December 31, 2023

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue
Primary government					
Governmental activities					
General Government	$ 6,913,527	$ 257,224	$ 241,767	$ 0	$ (6,414,536)
Judicial	2,688,624	282,025	278,162	0	(2,128,437)
Public Safety	11,268,105	4,422,264	229,945	326,532	(6,289,364)
Public Works	6,919,298	511,607	0	2,109,235	(4,298,456)
Health and Welfare	434,937	250	5,494	20,688	(408,505)
Culture and Recreation	1,825,176	322,904	116,141	337,145	(1,048,986)
Housing and Development	3,843,015	6,277	0	0	(3,836,738)
Interest on long-term debt	1,670	0	0	0	(1,670)
Total primary government	33,894,352	5,802,551	871,509	2,793,600	(24,426,692)
Component Units					
Fannin County Department of Public Health					
Health and Welfare	777,688	471,659	440,471	0	134,442
Fannin County Development Authority					
Housing and Development	1,898,694	96,932	1,819,785	0	18,023
Fannin County Water Authority					
Public Works	683,264	329,581	0	716,537	362,854
Total component units	3,359,646	898,172	2,260,256	716,537	515,319

	Primary Government	Component Units		
	Governmental Activities	Fannin County Department of Public Health	Fannin County Development Authority	Fannin County Water Authority
Change in net position				
Net (expense) revenue	$ (24,426,692)	$ 134,442	$ 18,023	$ 362,854
General revenues				
Taxes				
Property	10,782,177	0	0	0
Sales	18,343,652	0	0	0
Excise lodging	6,532,514	0	0	0
Insurance premium	1,858,011	0	0	0
Franchise	176,200	0	0	0
Other	807,189	0	0	184
Interest and investment earnings	925,192	118	20,694	4,253
Gain on sale of assets	91,216	0	0	0
Other	330,756	0	38,369	0
Total general revenues	39,846,907	118	59,063	4,437
Change in net position	15,420,215	134,560	77,086	367,291
Net position - beginning	84,454,349	395,427	2,001,970	4,842,530
Net position - ending	$ 99,874,564	$ 529,987	$ 2,079,056	$ 5,209,821

See accompanying notes to the financial statements.

FANNIN COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2023

	General	Excise Tax Lodging
ASSETS		
Cash and cash equivalents	$ 30,003,494	$ 227,392
Certificates of deposit	1,246,250	0
Receivables (net)		
Accounts	278,759	0
Intergovernmental	399,419	0
Taxes	1,865,995	613,275
Leases	185,760	0
Due from other funds	312,543	0
Inventories	12,478	0
Prepaid items	965,305	0
Total assets	$ 35,270,003	$ 840,667
LIABILITIES		
Accounts payable	$ 645,532	$ 355,981
Retainages payable	92,905	17,028
Accrued liabilities	754,506	0
Due to other funds	661	311,921
Unearned revenue	0	0
Total liabilities	1,493,604	684,930
DEFERRED INFLOWS OF RESOURCES		
Unavailable property taxes	527,660	0
Unavailable fines, fees, and forfeitures	0	0
Unavailable ambulance charges	129,070	0
Leases	173,636	0
Total deferred inflows of resources	830,366	0
FUND BALANCES		
Nonspendable:		
Leases receivable	12,124	0
Inventories	12,478	0
Prepaid items	965,305	0
Restricted for:		
Law library operations	0	0
Judicial activities	0	0
Public safety activities	0	0
Opioid remediation efforts	0	0
Grant specifications	0	0
Economic development	0	0
Capital outlay	0	0
Assigned for:		
Emergency 911 system operations	0	0
Trade and tourism	0	155,737
Subsequent budget	3,466,395	0
Unassigned	28,489,731	0
Total fund balances	32,946,033	155,737
Total liabilities, deferred inflows of resources, and fund balances	$ 35,270,003	$ 840,667

See accompanying notes to the financial statements.

Opioid Settlement	Fiscal Recovery Fund	SPLOST	Nonmajor Governmental Funds	Totals
$ 160,385	$ 1,927,742	$ 20,105,570	$ 5,041,328	$ 57,465,911
0	0	0	7,645	1,253,895
698,358	0	15,164	104,207	1,096,488
0	0	0	4,203	403,622
0	0	0	940,255	3,419,525
0	0	0	0	185,760
0	0	0	661	313,204
0	0	6,903	0	19,381
0	0	0	16,491	981,796
$ 858,743	$ 1,927,742	$ 20,127,637	$ 6,114,790	$ 65,139,582
$ 0	$ 0	$ 182,974	$ 442,439	$ 1,626,926
0	0	14,051	0	123,984
0	0	0	0	754,506
0	0	0	622	313,204
0	1,883,363	0	0	1,883,363
0	1,883,363	197,025	443,061	4,701,983
0	0	0	0	527,660
698,358	0	0	0	698,358
0	0	0	0	129,070
0	0	0	0	173,636
698,358	0	0	0	1,528,724
0	0	0	0	12,124
0	0	6,903	0	19,381
0	0	0	16,491	981,796
0	0	0	33,127	33,127
0	0	0	419,751	419,751
0	0	0	84,222	84,222
160,385	0	0	0	160,385
0	44,379	0	899,230	943,609
0	0	0	92,810	92,810
0	0	19,923,709	2,277,031	22,200,740
0	0	0	1,849,067	1,849,067
0	0	0	0	155,737
0	0	0	0	3,466,395
0	0	0	0	28,489,731
160,385	44,379	19,930,612	5,671,729	58,908,875
$ 858,743	$ 1,927,742	$ 20,127,637	$ 6,114,790	$ 65,139,582

See accompanying notes to the financial statements.

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

Total fund balance - total governmental funds			$ 58,908,875
Amounts reported for governmental activities in the statement of net position are different because:			
Some assets are not financial resources and therefore are not reported in the funds. These are:			
Capital assets, net of accumulated depreciation			42,377,113
Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows of resources in the funds. These are:			
Unavailable property taxes	$	527,660	
Unavailable fines, fees, and forfeitures		698,358	
Unavailable ambulance charges		129,070	1,355,088
Deferred outflows and inflows of resources are applicable to future periods and, therefore, are not reported in the funds. These are:			
Deferred outflows of resources - pension	$	3,793,798	
Deferred inflows of resources - pension		(20,724)	3,773,074
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These are:			
Net pension liability	$	(5,739,586)	
Notes payable		(800,000)	(6,539,586)
Net position of governmental activities			$ 99,874,564

See accompanying notes to the financial statements.

FANNIN COUNTY, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended December 31, 2023

	General	Excise Tax Lodging
REVENUES		
Taxes	$ 21,416,199	$ 6,532,514
Licenses and permits	690,880	0
Fines, fees and forfeitures	470,553	0
Charges for services	1,844,872	0
Intergovernmental	1,636,092	0
Interest	777,463	16,716
Contributions	38,022	0
Other	304,143	0
Total revenues	27,178,224	6,549,230
EXPENDITURES		
Current		
General Government	6,516,111	0
Judicial	2,585,887	0
Public Safety	9,446,264	368,323
Public Works	1,886,811	0
Health and Welfare	366,434	0
Culture and Recreation	3,867,531	0
Housing and Development	558,117	3,267,596
Capital outlay	0	0
Debt service	242,419	0
Intergovernmental	0	0
Total expenditures	25,469,574	3,635,919
Excess (deficiency) of revenues over (under) expenditures	1,708,650	2,913,311
Other financing sources (uses)		
Transfers in	3,248,347	0
Transfers out	(735,725)	(3,248,347)
Sale of capital assets	98,683	0
Issuance of promissory notes	800,000	0
Total other financing sources (uses)	3,411,305	(3,248,347)
Net change in fund balance	5,119,955	(335,036)
Fund balances, January 1	27,826,078	490,773
Fund balances, December 31	$ 32,946,033	$ 155,737

See accompanying notes to the financial statements.

Opioid Settlement	Fiscal Recovery Fund	SPLOST	Nonmajor Governmental Funds	Totals
$ 0	$ 0	$ 7,570,081	$ 2,865,643	$ 38,384,437
0	0	0	0	690,880
199,719	0	0	62,567	732,839
0	0	0	664,320	2,509,192
0	1,315,769	719,935	482,610	4,154,406
2,666	43,579	638,892	85,176	1,564,492
0	0	0	0	38,022
0	0	15,566	11,047	330,756
202,385	1,359,348	8,944,474	4,171,363	48,405,024
0	235,767	0	0	6,751,878
0	0	0	51,887	2,637,774
42,000	330,002	0	1,107,080	11,293,669
0	750,000	0	0	2,636,811
0	0	0	53,000	419,434
0	0	0	0	3,867,531
0	0	0	22,974	3,848,687
0	0	5,533,901	108	5,534,009
0	0	0	0	242,419
0	0	1,483,736	590,323	2,074,059
42,000	1,315,769	7,017,637	1,825,372	39,306,271
160,385	43,579	1,926,837	2,345,991	9,098,753
0	0	0	735,725	3,984,072
0	0	0	0	(3,984,072)
0	0	0	0	98,683
0	0	0	0	800,000
0	0	0	735,725	898,683
160,385	43,579	1,926,837	3,081,716	9,997,436
0	800	18,003,775	2,590,013	48,911,439
$ 160,385	$ 44,379	$ 19,930,612	$ 5,671,729	$ 58,908,875

See accompanying notes to the financial statements.

FANNIN COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the year ended December 31, 2023

Net change in fund balances - total governmental funds			$ 9,997,436
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.			
Capital outlays	$	7,875,130	
Depreciation		(2,123,369)	5,751,761
In the statement of activities, the gain/loss on the disposal of assets is reported, whereas in the governmental funds, the proceeds from the sale of capital assets increases financial resources.			
Cost of assets disposed	$	(683,595)	
Related accumulated depreciation		676,128	(7,467)
Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.			
Pension contributions	$	1,024,893	
Cost of benefits earned net of employee contributions		(1,633,397)	(608,504)
The proceeds of debt issuance, net of premiums, discounts and issuance costs provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In addition, interest on long-term debt is not recognized in the governmental funds until due, but is recognized in the statement of activities as it accrues.			
Debt principal payments	$	240,750	
Debt proceeds		(800,000)	(559,250)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These include recognition of unavailable revenue.			846,239
Change in net position of governmental activities			$ 15,420,215

See accompanying notes to the financial statements.

FANNIN COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the year ended December 31, 2023

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 18,591,879	$ 18,099,540	$ 21,416,199	$ 3,316,659
Licenses and permits	472,300	472,300	690,880	218,580
Fines, fees and forfeitures	454,104	454,104	470,553	16,449
Charges for services	2,033,621	1,844,000	1,844,872	872
Intergovernmental	3,423,181	1,636,000	1,636,092	92
Interest	600,609	600,609	777,463	176,854
Contributions	5,000	5,000	38,022	33,022
Other	102,500	102,500	304,143	201,643
Total revenues	25,683,194	23,214,053	27,178,224	3,964,171
EXPENDITURES				
Current				
General Government				
Governing Body	693,872	716,400	716,383	17
Elections	314,062	323,900	323,873	27
Purchasing	14,850	15,200	15,116	84
Tax Commissioner	451,165	451,165	422,352	28,813
Tax Assessor	740,828	740,828	655,088	85,740
Board of Equalization	35,753	35,753	25,379	10,374
Risk Management	3,044,450	3,448,000	3,447,985	15
Building Maintenance	834,976	886,900	886,885	15
General Administration	23,200	23,200	23,050	150
Judicial				
Superior Court	549,616	549,616	358,245	191,371
Clerk of Superior Court	639,339	639,339	551,155	88,184
District Attorney	608,919	608,919	478,074	130,845
Magistrate Court	328,784	328,784	266,367	62,417
Probate Court	347,822	347,822	346,535	1,287
Juvenile Court	354,373	354,373	318,760	35,613
Public Defender	220,101	266,800	266,751	49
Public Safety				
Sheriff	2,638,211	2,638,211	2,484,548	153,663
Jail Operation	1,667,308	1,869,500	1,869,499	1
Court Services	149,584	151,300	151,257	43
Fire	2,345,476	1,740,500	1,740,459	41
Emergency 911	664,462	0	0	0
Emergency Medical Services	2,591,661	2,628,700	2,628,645	55
Coroner / Medical Examiner	116,850	128,000	127,935	65
Animal Control	259,168	259,168	218,277	40,891
Emergency Management Agency	232,079	232,079	225,644	6,435
Public Works				
Highways and Streets	1,974,250	1,974,250	1,778,649	195,601
Water Authority	101,305	101,305	90,582	10,723
Other Public Works	16,980	17,600	17,580	20
Health and Welfare				
Health Department	84,950	93,600	93,581	19
Children and Family Services	50,558	50,558	50,327	231
Senior Citizens Center	235,238	235,238	192,982	42,256
Agencies	29,554	29,554	29,544	10

See accompanying notes to the financial statements.

FANNIN COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the year ended December 31, 2023

	Budget			Variance with
	Original	Final	Actual	Final Budget
EXPENDITURES (continued)				
Current				
Culture and Recreation				
Parks and Recreation	$ 2,129,420	$ 3,422,700	$ 3,422,638	$ 62
Arts	133,719	133,719	132,136	1,583
Library	2,232,900	312,800	312,757	43
Housing and Development				
Building Inspection	289,739	329,600	329,568	32
Conservation	10,000	10,000	6,460	3,540
County Extension	53,142	53,142	45,314	7,828
Urban Redevelopment and Housing	88,929	88,929	84,886	4,043
Development Authority	136,008	136,008	91,889	44,119
Debt service				
Principal	240,593	240,593	240,593	0
Interest and Other Charges	10,000	10,000	1,826	8,174
Total expenditures	27,684,194	26,624,053	25,469,574	1,154,479
Excess (deficiency) of revenues over (under) expenditures	(2,001,000)	(3,410,000)	1,708,650	(5,118,650)
Other financing sources (uses)				
Transfers in	2,000,000	3,248,000	3,248,347	347
Transfers out	0	(736,000)	(735,725)	275
Sale of capital assets	1,000	98,000	98,683	683
Issuance of promissory notes	0	800,000	800,000	0
Total other financing sources (uses)	2,001,000	3,410,000	3,411,305	1,305
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	5,119,955	5,119,955
Fund balances, January 1	0	0	27,826,078	27,826,078
Fund balances, December 31	$ 0	$ 0	$ 32,946,033	$ 32,946,033

See accompanying notes to the financial statements.

FANNIN COUNTY, GEORGIA
EXCISE TAX LODGING SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the year ended December 31, 2023

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 2,864,642	$ 6,532,500	$ 6,532,514	$ 14
Interest	1,000	16,000	16,716	716
Total revenues	2,865,642	6,548,500	6,549,230	730
EXPENDITURES				
Current				
Public Safety	0	368,400	368,323	77
Housing and Development	2,865,642	3,267,600	3,267,596	4
Total expenditures	2,865,642	3,636,000	3,635,919	81
Excess (deficiency) of revenues over expenditures	0	2,912,500	2,913,311	811
Other financing sources (uses)				
Transfers out	0	(3,248,500)	(3,248,347)	153
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(336,000)	(335,036)	964
Fund balances, January 1	0	336,000	490,773	154,773
Fund balances, December 31	$ 0	$ 0	$ 155,737	$ 155,737

See accompanying notes to the financial statements.

FANNIN COUNTY, GEORGIA
OPIOID SETTLEMENT SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the year ended December 31, 2023

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Fines, fees, and forfeitures	$ 0	$ 42,000	$ 199,719	$ 157,719
Interest	0	0	2,666	2,666
Total revenues	0	42,000	202,385	160,385
EXPENDITURES				
Current				
Public Safety	0	42,000	42,000	0
Total expenditures	0	42,000	42,000	0
Excess (deficiency) of revenues over expenditures	0	0	160,385	160,385
Fund balances, January 1	0	0	0	0
Fund balances, December 31	$ 0	$ 0	$ 160,385	$ 160,385

See accompanying notes to the financial statements.

FANNIN COUNTY, GEORGIA
FISCAL RECOVERY FUND SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the year ended December 31, 2023

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 3,185,226	$ 3,185,226	$ 1,315,769	$ (1,869,457)
Interest	0	0	43,579	43,579
Total revenues	3,185,226	3,185,226	1,359,348	(1,825,878)
EXPENDITURES				
Current				
General Government	432,000	432,000	235,767	196,233
Public Safety	10,000	331,000	330,002	998
Public Works	2,711,226	2,390,226	750,000	1,640,226
Health and Welfare	32,000	32,000	0	32,000
Total expenditures	3,185,226	3,185,226	1,315,769	1,869,457
Excess (deficiency) of revenues over expenditures	0	0	43,579	43,579
Fund balances, January 1	0	0	800	800
Fund balances, December 31	$ 0	$ 0	$ 44,379	$ 44,379

See accompanying notes to the financial statements.

FANNIN COUNTY, GEORGIA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
December 31, 2023

	Custodial Funds
ASSETS	
Cash and cash equivalents	$ 4,126,851
Taxes receivable	3,020,087
Total assets	7,146,938
LIABILITIES	
Due to others	6,305,056
NET POSITION	
Restricted for individuals, organizations, and other governments	$ 841,882

See accompanying notes to the financial statements.

FANNIN COUNTY, GEORGIA
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the year ended December 31, 2023

	Custodial Funds
ADDITIONS	
Taxes collected for other agencies	$ 27,395,117
Court fees collected for other agencies	1,534,896
Court individual cases	552,210
Sheriff inmate account deposits	223,068
Total additions	29,705,291
DEDUCTIONS	
Taxes distributed to other agencies	27,394,758
Court fees distributed to other agencies	1,544,024
Payments to others	657,577
Payments from inmates to others	226,674
Total deductions	29,823,033
Change in net position	(117,742)
Net position, January 1	959,624
Net position, December 31	$ 841,882

See accompanying notes to the financial statements.

1. Description of Government Unit

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

2. Summary of Significant Accounting Policies

A. Description of Government-wide Financial Statements

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

B. Reporting Entity

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

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

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

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

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

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

Fannin County Department of Public Health – The Health Department is governed by a seven member board comprised of a Fannin County Commission representative, the Fannin County school superintendent, a licensed physician practicing in Fannin County, a City of Blue Ridge Council representative, two members appointed by the Fannin County Commission, and on member appointed by the City of Blue Ridge Council. The Health Department is reported as a component unit of the County because it is fiscally accountable. The Health Department provides health related services to residents of Fannin County. The County provides the Health Department with its building space, liability insurance, maintenance on the building, and janitorial services. The presentation of the Health Department's financial information was taken from its audited financial report as of June 30, 2023. 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.

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

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

Fannin County Water Authority – The Water Authority acquires, constructs, equips, maintains, and operates adequate water supply, treatment, and distribution facilities and sewerage collection, treatment, and distribution facilities, making such facilities and services available to public and private consumers and users located in the County. The Water Authority receives SPLOST allocated for water purposes from the County. All seven board members are appointed by the County and the County has a significant financial relationship with the Water Authority. The presentation of the Water Authority's financial information was taken from its audited financial report as of June 30, 2023. 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.

2. Summary of Significant Accounting Policies (continued)

C. Basis of Presentation – Government-wide Financial Statements

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

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

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

D. Basis of Presentation – Fund Financial Statements

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

The County reports the following major governmental funds:

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

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

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

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

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

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

Additionally, the County reports the following fund types:

Governmental Fund Types

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

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

Fiduciary Fund Types

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

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

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

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

E. Measurement Focus and Basis of Accounting

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

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

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

2. Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting, continued

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

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

F. Revenues and Expenditures/Expenses

Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Summary of Significant Accounting Policies (continued)

G. Budgetary Information

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

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

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

2. Summary of Significant Accounting Policies (continued)

G. Budgetary Information, continued

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

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

H. Cash and Investments

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

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

2. Summary of Significant Accounting Policies (continued)

H. Cash and Investments, continued

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

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

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

I. Intergovernmental Receivables

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

J. Leases Receivable

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

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

2. Summary of Significant Accounting Policies (continued)

K. Inventories

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

L. Prepaid Items

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

M. Capital Assets

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' useful lives are expensed as incurred.

2. Summary of Significant Accounting Policies (continued)

M. Capital Assets, continued

Land and construction in progress are not depreciated. Other capital assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

	Useful Life in Years
Infrastructure	30
Buildings and improvements	20-50
Machinery and equipment	2-15

N. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the Governmental Funds Balance Sheet. The governmental funds report unavailable revenues from three sources: property taxes, fines, fees and forfeitures, and ambulance charges. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The County also reports deferred inflows of resources related to their leases receivable and defined benefit pension plan.

2. Summary of Significant Accounting Policies (continued)

O. Compensated Absences

The County offers full-time employees compensated time off for vacation and sickness. Vacation leave is determined by the years of service and sick leave is accrued at one-half day per month, or six days per year. Vacation leave is forfeited if not taken by December 31st of each calendar year. Therefore, it is expensed as incurred. Accrued and unpaid sick leave at year-end is not recorded as a liability as it is contingent upon employees' future illness and is not paid upon separation of service.

P. Net Position Flow Assumption

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

Q. Fund Balance Flow Assumption

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

2. Summary of Significant Accounting Policies (continued)

R. Restricted Assets and Restricted Net Position

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

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

S. Fund Balances – Governmental Funds

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

Fund Balance – Generally, fund balance represents the difference between the assets, deferred outflows of resources, liabilities, and deferred inflows of resources under the current financial resources management focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

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

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

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

2. Summary of Significant Accounting Policies (continued)

S. Fund Balances – Governmental Funds, continued

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

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

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

T. Net Position

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

2. Summary of Significant Accounting Policies (continued)

U. Pensions

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

V. Long-Term Obligations

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

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

W. Capital Contributions

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

2. Summary of Significant Accounting Policies (continued)

X. Management Estimates

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

3. Deposit and Investment Risk

Custodial Credit Risk – Deposits

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

Interest Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

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

Foreign Currency Risk

The County has no investments denominated in a foreign currency.

3. Deposit and Investment Risk (continued)

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

The Georgia Fund 1 is rated AAAf/S1 by Fitch. The weighted average maturity at the end of the current year was 26 days. At the end of the current year, the County's balance in Georgia Fund 1 was $3,132.

4. Accounts Receivable

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

Primary Government:		
Major Funds		
General Fund	$ 2,466,540	
Less: Allowance for Uncollectible Accounts	(2,187,781)	$ 278,759
Opioid Settlement Special Revenue Fund		698,358
SPLOST Capital Projects Funds		15,164
Nonmajor Funds		
Emergency 911 Special Revenue Fund		104,207
Total primary government		$ 1,096,488
Component Units:		
Fannin County Water Authority	$ 81,062	
Less: Allowance for Uncollectible Accounts	(25,931)	$ 55,131

5. Intergovernmental Receivables

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

Primary Government:	
Major Funds	
General Fund	$ 399,419
Nonmajor Funds	
Special Revenue Funds	
Crime Victims Assistance	1,324
Drug	351
Jail	698
Revolving Loan	1,830
Total primary government	$ 403,622
Component Units:	
Fannin County Department of Public Health	$ 11,929
Fannin County Development Authority	$ 392,267

6. Leases Receivable

Governmental Activities

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

Leases receivable are measured as the present value of the future minimum rent payments expected to be received during the lease term at an imputed discount rate of 2.50%. At the end of the current year, leases receivable total $185,760 with related deferred inflows of resources totaling $173,636. During the current year, the County recognized $7,983 of lease revenue (reported as other revenue) and $4,702 of interest revenue under the lease.

6. Leases Receivable (continued)

Fannin County Development Authority Component Unit

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

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

Leases receivable are measured as the present value of the future minimum rent payments expected to be received during the lease terms at discount rates ranging between 2.61% and 6.00%. At the end of the current year, leases receivable total $528,383 with related deferred inflows of resources totaling $448,386. During the current year, the Development Authority recognized $92,941 of lease revenue (reported as charges for services revenue) and $3,974 of interest revenue under the leases.

7. Property Taxes

Property tax rates are set by the County Board of Commissioners each year and are limited by statutory or constitutional provision. Property values are assessed as of January 1st each year. Property taxes for digest year 2023, based upon the assessments as of January 1, 2023, were levied on August 29, 2023, billed on September 1, 2023, and due on December 20, 2023. Tax liens may be issued within three years after the due date.

Taxes receivable at the end of the current year consist of property taxes for seven years as follows:

Year of Levy	
2023	$ 893,504
2022	105,404
2021	36,744
2020	13,716
2019	8,620
2018	6,629
2017	5,062
	1,069,679
Less allowance for uncollectible	(152,969)
Total	$ 916,710

$1,652,501 of sales taxes, $613,275 of lodging excise taxes and $237,039 of other taxes are also included in taxes receivable.

8. Interfund Receivables and Payables

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

Receivable Fund	Payable Fund	Amount
General	Excise Tax Lodging	$ 311,921
	Nonmajor Governmental	622
Nonmajor Governmental	General	661
		$ 313,204

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

9. Interfund Transfers

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

Transfer In Fund	Transfer Out Fund	Amount
General	Excise Tax Lodging	$ 3,248,347
Nonmajor Governmental	General	735,725
		$ 3,984,072

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

10. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Non-depreciable assets				
Land	$ 2,845,993	$ 1,006,598	$ 0	$ 3,852,591
Construction in progress	2,207,704	2,330,867	(1,398,329)	3,140,242
Total non-depreciable assets	5,053,697	3,337,465	(1,398,329)	6,992,833
Depreciable assets				
Infrastructure	32,802,691	2,795,241	0	35,597,932
Buildings and improvements	24,669,676	1,437,929	0	26,107,605
Machinery and equipment	17,198,210	1,702,824	(683,595)	18,217,439
Total depreciable assets	74,670,577	5,935,994	(683,595)	79,922,976
Less accumulated depreciation				
Infrastructure	(21,313,508)	(841,946)	0	(22,155,454)
Buildings and improvements	(8,594,986)	(535,862)	0	(9,130,848)
Machinery and equipment	(13,182,961)	(745,561)	676,128	(13,252,394)
Total accumulated depreciation	(43,091,455)	(2,123,369)	676,128	(44,538,696)
Total depreciable assets, net	31,579,122	3,812,625	(7,467)	35,384,280
Governmental activities capital assets, net	$ 36,632,819	$ 7,150,090	$ (1,405,796)	$ 42,377,113

10. Capital Assets (continued)

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

	Beginning Balance	Increases	Decreases	Ending Balance
Fannin County Department of Public Health				
Depreciable assets				
Computer equipment	$ 5,391	$ 0	$ 0	$ 5,391
Office equipment	33,792	0	0	33,792
Vehicles	28,506	0	0	28,506
Leasehold improvements	6,580	18,500	0	25,080
Total depreciable assets	74,269	18,500	0	92,769
Less accumulated depreciation				
Computer equipment	(5,391)	0	0	(5,391)
Office equipment	(30,874)	(2,917)	0	(33,791)
Vehicles	(2,376)	(5,701)	0	(8,077)
Leasehold improvements	(6,563)	(154)	0	(6,717)
Total accumulated depreciation	(45,204)	(8,772)	0	(53,976)
Total depreciable assets, net	29,065	9,728	0	38,793
Fannin County Department of Public Health capital assets, net	$ 29,065	$ 9,728	$ 0	$ 38,793

	Beginning Balance	Increases	Decreases	Ending Balance
Fannin County Development Authority				
Non-depreciable assets				
Land	$ 142,371	$ 0	$ 0	$ 142,371
Depreciable assets				
Land improvements	5,000	0	0	5,000
Buildings and improvements	1,355,385	0	0	1,355,385
Equipment	11,191	0	0	11,191
Total depreciable assets	1,371,576	0	0	1,371,576
Less accumulated depreciation				
Land improvements	(5,000)	0	0	(5,000)
Buildings and improvements	(807,464)	(36,499)	0	(843,963)
Equipment	(11,191)	0	0	(11,191)
Total accumulated depreciation	(823,655)	(36,499)	0	(860,154)
Total depreciable assets, net	547,921	(36,499)	0	511,422
Fannin County Development Authority capital assets, net	$ 690,292	$ (36,499)	$ 0	$ 653,793

10. Capital Assets (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Fannin County Water Authority				
Non-depreciable assets				
Land and easements	$ 75,517	$ 5,000	$ 0	$ 80,517
Construction in progress	446,729	408,405	0	855,134
Total non-depreciable assets	522,246	413,405	0	935,651
Depreciable assets				
Buildings	37,041	33,001	0	70,042
Land Improvements	86,822	0	0	86,822
Infrastructure	6,673,582	0	0	6,673,582
Machinery and equipment	333,856	0	0	333,856
Intangibles	16,120	0	0	16,120
Total depreciable assets	7,147,421	33,001	0	7,180,422
Less accumulated depreciation				
Buildings	(12,680)	(2,585)	0	(15,265)
Land Improvements	(31,509)	(4,491)	0	(36,000)
Infrastructure	(881,247)	(168,538)	0	(1,049,785)
Machinery and equipment	(208,739)	(30,855)	0	(239,594)
Intangibles	(7,791)	(3,224)	0	(11,015)
Total accumulated depreciation	(1,141,966)	(209,693)	0	(1,351,659)
Total depreciable assets, net	6,005,455	(176,692)	0	5,828,763
Fannin County Water Authority capital assets, net	$ 6,527,701	$ 236,713	$ 0	$ 6,764,414

Depreciation expense was charged to functions/programs as follows:

Primary Government:	
Governmental activities	
General Government	$ 171,050
Judicial	2,561
Public Safety	742,541
Public Works	991,524
Health and Welfare	47,183
Culture and Recreation	167,772
Housing and Development	738
Total depreciation expense for governmental activities	$ 2,123,369
Component units:	
Fannin County Department of Public Health	$ 8,772
Fannin County Development Authority	36,499
Fannin County Water Authority	209,693
Total depreciation expense for component units	$ 254,964

11. Long-Term Liabilities

Governmental Activities

Notes from Direct Borrowings

The County has entered into an agreement with an individual to finance the acquisition of land. The note is secured by the land. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable. The note bears interest at 0.00% and requires a $200,000 payment in April 2024 and a $600,000 payment in December 2024. The principal balance of the note at the end of the current year is $800,000.

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

Year Ending December 31,	Principal	Interest	Total
2024	$ 800,000	$ 0	$ 800,000

Fannin County Development Authority Component Unit

Notes Payable

During 2011, the Fannin County Development Authority entered into a $500,000 note agreement with the OneGeorgia Authority for the purpose of renovating a building purchased by the Authority. The agreement was awarded in two parts. Part One payments are due in quarterly installments with annual principal payments totaling $17,632 and interest at 0.00%. Part Two payments are due in quarterly installments with annual principal payments totaling $9,880 and interest at 3.00%. These notes from direct borrowings will mature from October 2031 to October 2036. At the end of the current year, the principal balances of Part One and Part Two were $102,334 and $70,038, respectively.

11. Long-Term Liabilities (continued)

Fannin County Development Authority Component Unit, continued

Notes Payable (continued)

During 2016, the Fannin County Development Authority entered into a $229,500 note agreement with the OneGeorgia Authority for the purpose of renovating a building purchased by the Authority. Debt service payments are due in quarterly installments with annual principal payments totaling $11,475 and interest at 0.00%. This note from direct borrowing will mature in April 2038. At the end of the current year, the principal balance was $256,293.

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

Year Ending December 31,	Principal	Interest	Total
2024	$ 44,250	$ 2,013	$ 46,263
2025	37,212	1,775	38,987
2026	37,458	1,529	38,987
2027	37,712	1,275	38,987
2028	37,973	1,014	38,987
2029-2033	162,716	1,395	164,111
2034-2038	71,344	0	71,344
Totals	$ 428,665	$ 9,001	$ 437,666

11. Long-Term Liabilities (continued)

Fannin County Water Authority Component Unit

Bonds from Direct Placements

On April 5, 2022, the Fannin County Water Authority issued Refunding and Improvement Revenue Bonds, Series 2022 in the amount of $3,080,000, due in monthly installments ending April 5, 2042, with a yield of 2.52%. The proceeds from this refunding were to pay off previously issued Series A Revenue Bonds and a previously issued GEFA loan. The Series 2022 Bonds are secured by a pledge of the Authority's full faith and credit and will not expire as long as the Series 2022 Bonds remain outstanding and unpaid. Upon an event of default, the entire principal and interest on this bond may be declared due and payable. The outstanding balance at the end of the current fiscal year is $2,939,733.

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	$ 123,552	$ 72,660	$ 196,212
2025	126,701	69,511	196,212
2026	129,931	66,281	196,212
2027	133,244	62,968	196,212
2028	136,641	59,571	196,212
2029-2033	737,265	243,797	981,062
2034-2038	836,155	144,907	981,062
2039-2042	716,244	35,904	752,148
Totals	$ 2,939,733	$ 755,599	$ 3,695,332

11. Long-Term Liabilities (continued)

Changes in Long-Term Liabilities

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

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
Notes from direct borrowings	$ 240,750	$ 800,000	$ 240,750	$ 800,000	$ 800,000

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Fannin County Department of Public Health					
Compensated absences	$ 33,245	$ 8,310	$ 9,273	$ 32,282	$ 19,369

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Fannin County Development Authority					
Notes from direct borrowings	$ 465,408	$ 0	$ 36,743	$ 428,665	$ 44,250

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Fannin County Water Authority					
Bonds from direct placements	$ 3,060,213	$ 0	$ 120,480	$ 2,939,733	$ 123,552

The total interest incurred and charged to expense for the current year was $1,670 for governmental activities, $2,245 for the Fannin County Development Authority Component Unit, and $75,521 for the Fannin County Water Authority Component Unit.

12. Landfill Post-Closure Care Costs

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

13. Net Investment in Capital Assets

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

	Governmental Activities	Fannin County Department of Public Health	Fannin County Development Authority	Fannin County Water Authority
Cost of capital assets	$ 86,915,809	$ 92,769	$ 1,513,947	$ 8,116,073
Accumulated depreciation	(44,538,696)	(53,976)	(860,154)	(1,351,659)
Book value	42,377,113	38,793	653,793	6,764,414
Capital-related accounts payable	(672,589)	0	0	(138,492)
Retainages payable	(123,984)	0	0	0
Notes payable	(800,000)	0	(428,665)	0
Bonds payable	0	0	0	(2,939,733)
Unspent debt proceeds	0	0	0	772,012
Net investment in capital assets	$ 40,780,540	$ 38,793	$ 225,128	$ 4,458,201

14. Retirement Plans

Defined Benefit Pension Plan

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

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

Current membership is as follows:

Retirees, beneficiaries, and disablees currently receiving benefits	96
Terminated plan participants entitled to but not yet receiving benefits	98
Active employees participating in the plan	136
Total number of plan participants	330

14. Retirement Plans (continued)

Defined Benefit Pension Plan, continued

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

Contributions. County employees are not required to contribute to the Plan. The County contributes the entire cost of the Plan, using the actuarial basis described in the annual valuation report. The County's actual contributions for the current year totaled $1,024,893, or 15.51% of covered payroll. The County Board of Commissioners provides for the benefits and funding policy through County ordinance and maintains the authority to change the policy. The administrative expenses set by contract between the ACCG and GEBCorp are in addition to the state-required annual funding requirement.

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

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At the end of the current year, the County reported a net pension liability of $5,739,586. The net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022. For governmental activities, the net pension liability is liquidated by the General Fund. For the current year, the County recognized pension expense of $1,633,397.

14. Retirement Plans (continued)

Defined Benefit Pension Plan, continued

The components of the net pension liability are as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at December 31, 2021	$ 20,191,750	$ 18,310,865	$ 1,880,885
Changes for the year:			
Service cost	360,813	0	360,813
Interest	1,382,784	0	1,382,784
Liability experience (gain) / loss	366,908	0	366,908
Assumption change	37,809	0	37,809
Employer contributions	0	1,013,367	(1,013,367)
Net investment income	0	(2,565,766)	2,565,766
Benefit payments	(875,377)	(875,377)	0
Administrative expense	0	(51,682)	51,682
Other changes	0	(106,306)	106,306
Net changes	1,272,937	(2,585,764)	3,858,701
Balances at December 31, 2022	$ 21,464,687	$ 15,725,101	$ 5,739,586

Plan fiduciary net position as a percentage of the total pension liability	73.26%
Covered payroll	$ 7,050,040
Net pension liability as a percentage of covered payroll	81.41%

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 1,024,893	$ 0
Net difference between projected and actual earnings on pension plan investments	1,670,108	0
Changes of assumptions	146,531	0
Differences between expected and actual experience	952,266	(20,724)
	$ 3,793,798	$ (20,724)

14. Retirement Plans (continued)

Defined Benefit Pension Plan, continued

The $1,024,893 of deferred outflows of resources resulting from the County's contributions subsequent to measurement date will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending December 31,	
2024	$ 535,111
2025	756,309
2026	678,493
2027	778,268
Totals	$ 2,748,181

Actuarial Assumptions. The total pension liability in the January 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Future salary increases	4.00% per year with an age based scale
Cost of living adjustments	N/A
Net investment rate of return	7.00%

Healthy mortality rates were based on the Pub-2010 Amount Weighted Mortality Table with a blend of 50% of the General Employees Table and 50% of the Public Safety Employees Table with Scale AA to 2022. Disabled rates were derived from the 1985 CIDA Table Class I.

14. Retirement Plans (continued)

Defined Benefit Pension Plan, continued

The pension plan's target asset allocation as of December 31, 2022 is summarized in the following table:

	Target Allocation	Range
Fixed Income	30%	25%-35%
Large Cap	30%	25%-35%
Mid Cap	5%	2.5%-10%
Small Cap	5%	2.5%-10%
REIT	5%	2.5%-10%
International	15%	10%-20%
Multi Cap	5%	2.5%-10%
Global Allocation	5%	2.5%-10%

Discount Rate. The discount rate used to measure the total pension liability was 7.00 percent. The discount rate is determined using the estimated 65th percentile return based on UBS Capital Market Assumptions (6.10%) and five year performance in excess of benchmarks (0.90%). The projection of cash flows used to determine the discount rate assumed that contributions from employer will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

14. Retirement Plans (continued)

Defined Benefit Pension Plan, continued

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

	Discount Rate	Net Pension Liability
1% decrease	6.00%	$ 8,631,127
Current discount rate	7.00%	5,739,586
1% increase	8.00%	3,334,497

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

Defined Contribution Plan

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

14. Retirement Plans (continued)

Defined Contribution Plan, continued

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

For the current year, the County's contributions to the 401(a) Plan were $0 and the employees contributed $113,699 to the 457 Plans.

Deferred Compensation Plan

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

Other County Plans

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

14. Retirement Plans (continued)

Fannin County Department of Public Health Retirement Plan

Eligible employees of the Fannin County Department of Public Health participate in the Georgia State Employees' Retirement System (ERS), a statewide multiple-employer public employee retirement system. During the fiscal year ended June 30, 2023, the Department contributed $86,114. As of June 30, 2023, the Department reported a liability in the amount of $721,742 for its proportionate share (0.010807%) of the net pension liability. The Department recognized pension expense of $152,174 for the fiscal year ended June 30, 2023. Further information regarding the plan can be obtained from Department's annual audit report by contacting Fannin County Department of Public Health, 95 Ouida Street, Blue Ridge, Georgia 30513.

15. Other Post-Employment Benefits

Fannin County Department of Public Health OPEB Plan

Eligible employees of the Fannin County Department of Public Health are provided OPEB through the State of Georgia OPEB Fund, a cost-sharing multiple-employer defined benefit post-employment healthcare plan and life insurance through the SEAD-OPEB Fund, a cost-sharing multiple-employer defined benefit other post-employment benefit plan. During the fiscal year ended June 30, 2023, the Department contributed $17,298. As of June 30, 2023, the Department reported a net OPEB liability in the amount of $43,979 and a net OPEB asset in the amount of $55,664 for its proportionate share (0.009788% for the State of Georgia OPEB Fund and 0.015143% for the SEAD-OPEB Fund) of the net OPEB asset or liability, respectively. The Department recognized OPEB expense of ($42,028) for the fiscal year ended June 30, 2023. Further information regarding both of these plans can be obtained from Department's annual audit report by contacting Fannin County Department of Public Health, 95 Ouida Street, Blue Ridge, Georgia 30513.

16. Hotel/Motel Lodging Tax

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

Lodging tax receipts	$ 6,532,514	
Disbursements for trade and tourism	$ 3,267,596	50.0% of tax receipts
Transfers to the General Fund	$ 3,248,347	49.7% of tax receipts

17. Joint Ventures

Under Georgia law, the County, in conjunction with other counties and cities in the area, is a member of the Northwest Georgia Regional Commission (RC) and is required to pay annual dues thereto. During the current year, the County paid $23,050 in such dues. Membership in the RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official in each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from Northwest Georgia Regional Commission, One Jackson Hill Drive, Rome, Georgia 30162.

18. 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.

19. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The County carries commercial insurance to cover the risks of loss in amounts deemed prudent by County management. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

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

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

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

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

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

19. Risk Management (continued)

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

20. Commitments and Contingencies

Commitments

At the end of the current year, contractual commitments on uncompleted contracts totaled $1,622,164.

Contingencies

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

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

21. New Accounting Pronouncements

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

The County implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for the County's current year. The requirements of this statement are effective for periods beginning after June 15, 2022. The implementation of this new standard had no impact on the County's net position.

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

22. Changes in Beginning Balances

Tax Commissioner Custodial Fund

A prior period adjustment has been made to correct the balances of taxes receivable and due to others at December 31, 2022. This adjustment had no impact on beginning net position.

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REQUIRED SUPPLEMENTARY INFORMATION

FANNIN COUNTY, GEORGIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
LAST TEN YEARS
December 31, 2023
(Unaudited)

	Year End								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability									
Service cost	$ 360,813	$ 1,233,754	$ 365,134	$ 321,233	$ 339,715	$ 331,449	$ 324,246	$ 256,095	$ 277,997
Interest	1,382,784	1,293,032	1,176,796	1,073,954	1,015,466	1,023,224	904,345	883,219	831,250
Liability experience (gain)/loss	366,908	0	(62,169)	16,367	646,438	(618,270)	591,718	(641,226)	0
Assumption change	37,809	35,097	31,129	687,357	(73,057)	30,702	458,590	476,169	0
Plan change	0	382,880	0	0	0	0	0	0	0
Benefit payments, including refunds of employee contributions	(875,377)	(756,126)	(638,286)	(621,203)	(564,362)	(591,945)	(446,789)	(469,179)	(416,331)
Net change in total pension liability	1,272,937	2,188,637	872,604	1,477,708	1,364,200	175,160	1,832,110	505,078	692,916
Total pension liability - beginning	20,191,750	18,003,113	17,130,509	15,652,801	14,288,601	14,113,441	12,281,331	11,776,253	11,083,337
Total pension liability - ending (a)	$ 21,464,687	$ 20,191,750	$ 18,003,113	$ 17,130,509	$ 15,652,801	$ 14,288,601	$ 14,113,441	$ 12,281,331	$ 11,776,253
Plan fiduciary net position									
Contributions - employer	$ 1,013,367	$ 1,031,919	$ 860,656	$ 772,930	$ 805,768	$ 784,291	$ 816,970	$ 635,829	$ 760,575
Net investment income	(2,565,766)	2,431,101	1,918,856	2,386,516	(550,260)	1,612,721	670,044	72,954	607,484
Benefit payments, including refunds of employee contributions	(875,377)	(756,126)	(638,286)	(621,203)	(564,362)	(571,238)	(446,789)	(452,221)	(401,283)
Administrative expense	(51,682)	(49,255)	(47,593)	(46,050)	(34,313)	(30,864)	(34,924)	(27,920)	(28,197)
Other	(106,306)	(132,345)	(60,219)	(91,707)	(98,055)	(105,406)	(134,219)	(87,329)	(100,135)
Net change in plan fiduciary net position	(2,585,764)	2,525,294	2,033,414	2,400,486	(441,222)	1,689,504	871,082	141,313	838,444
Plan fiduciary net position - beginning	18,310,865	15,785,571	13,752,157	11,351,671	11,792,893	10,103,389	9,232,307	9,090,994	8,252,550
Plan fiduciary net position - ending (b)	$ 15,725,101	$ 18,310,865	$ 15,785,571	$ 13,752,157	$ 11,351,671	$ 11,792,893	$ 10,103,389	$ 9,232,307	$ 9,090,994
Net pension liability (asset) - ending : (a) - (b)	$ 5,739,586	$ 1,880,885	$ 2,217,542	$ 3,378,352	$ 4,301,130	$ 2,495,708	$ 4,010,052	$ 3,049,024	$ 2,685,259
Plan's fiduciary net position as a percentage of the total pension liability	73.26%	90.68%	87.68%	80.28%	72.52%	82.53%	71.59%	75.17%	77.20%
Covered payroll	$ 7,050,040	$ 6,953,110	$ 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 covered payroll	81.41%	27.05%	34.16%	53.89%	70.11%	42.68%	67.40%	60.69%	49.94%

Note: 2015 was the first year of implementation. Therefore, years prior are not reported.

See accompanying notes to the required supplementary information.

FANNIN COUNTY, GEORGIA
SCHEDULE OF CONTRIBUTIONS
LAST TEN YEARS
December 31, 2023
(Unaudited)

	Year End								
	2023	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Actuarially determined contribution	$ 928,257	$ 923,403	$ 950,537	$ 860,656	$ 772,930	$ 805,768	$ 784,291	$ 816,970	$ 635,829
Contributions in relation to the actuarially determined contribution	(1,024,893)	(1,013,367)	(1,031,919)	(860,656)	(772,930)	(805,768)	(784,291)	(816,970)	(635,829)
Contribution deficiency (excess)	$ (96,636)	$ (89,964)	$ (81,382)	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Covered payroll	$ 6,609,800	$ 7,050,040	$ 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	15.51%	14.37%	14.84%	13.26%	12.33%	13.13%	13.41%	13.73%	12.66%

Note: 2015 was the first year of implementation. Therefore, years prior are not reported.

See accompanying notes to the required supplementary information.

1. Valuation Date

The actuarially determined contribution rate was determined as of January 1, 2022, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ended December 31, 2024.

2. Methods and Assumptions Used to Determine Contribution Rates

Actuarial cost method = Entry Age Normal

Amortization method = Closed level dollar for remaining unfunded liability

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

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

Net investment rate of return = 7.00%

Future salary increases = 4.00% per year with an age based scale

Cost of living adjustments = N/A

Normal retirement age = 65

Mortality = Healthy mortality rates were based on the Pub-2010 Amount Weighted Mortality Table with a blend of 50% of the General Employees Table and 50% of the Public Safety Employees Table with Scale AA to 2022. Disabled rates were derived from the 1985 CIDA Table Class I.

3. Changes in Benefits

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

4. Changes of Assumptions

The mortality improvements for the Pub-2010 Amount Weighted Mortality Table with a blend of 50% of the General Employees Table and 50% of the Public Safety Employees Table is projected to 2022 with Scale AA instead of 2021 with Scale AA.

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COMBINING STATEMENTS

Nonmajor Governmental Funds

FANNIN COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2023

	Special Revenue						
	Law Library	Confiscated Assets	Multiple Grants	Crime Victims Assistance	Drug	Jail	Juvenile
ASSETS							
Cash and cash equivalents	$ 25,482	$ 8,749	$ 899,395	$ 2,766	$ 33,503	$ 44,192	$ 52,964
Certificates of deposit	7,645	0	0	0	0	0	0
Receivables							
Accounts	0	0	0	0	0	0	0
Intergovernmental	0	0	0	1,324	351	698	0
Taxes	0	0	0	0	0	0	0
Due from other funds	0	0	0	0	0	0	661
Prepaid items	0	0	0	0	0	0	0
Total assets	$ 33,127	$ 8,749	$ 899,395	$ 4,090	$ 33,854	$ 44,890	$ 53,625
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	$ 0	$ 0	$ 0	$ 0	$ 2,388	$ 5,910	$ 0
Due to other funds	0	0	165	457	0	0	0
Total liabilities	0	0	165	457	2,388	5,910	0
Fund balances							
Nonspendable:							
Prepaid items	0	0	0	0	0	0	0
Restricted for:							
Law library operations	33,127	0	0	0	0	0	0
Judicial activities	0	0	0	3,633	0	0	53,625
Public safety activities	0	8,749	0	0	31,466	38,980	0
Grant specifications	0	0	899,230	0	0	0	0
Economic development	0	0	0	0	0	0	0
Capital outlay	0	0	0	0	0	0	0
Assigned for:							
Emergency 911 system operations	0	0	0	0	0	0	0
Total fund balances	33,127	8,749	899,230	3,633	31,466	38,980	53,625
Total liabilities and fund balances	$ 33,127	$ 8,749	$ 899,395	$ 4,090	$ 33,854	$ 44,890	$ 53,625

Special Revenue					Capital Projects		
Clerks Technology	Revolving Loan	Donations / Special Projects	Emergency 911	Inmate Welfare	Capital Improvements	2023 SPLOST	Total Nonmajor Governmental Funds
$ 362,493	$ 90,980	$ 0	$ 1,794,104	$ 5,027	$ 1,303	$ 1,720,370	$ 5,041,328
0	0	0	0	0	0	0	7,645
0	0	0	104,207	0	0	0	104,207
0	1,830	0	0	0	0	0	4,203
0	0	0	0	0	0	940,255	940,255
0	0	0	0	0	0	0	661
0	0	0	16,491	0	0	0	16,491
$ 362,493	$ 92,810	$ 0	$ 1,914,802	$ 5,027	$ 1,303	$ 2,660,625	$ 6,114,790
$ 0	$ 0	$ 0	$ 49,244	$ 0	$ 0	$ 384,897	$ 442,439
0	0	0	0	0	0	0	622
0	0	0	49,244	0	0	384,897	443,061
0	0	0	16,491	0	0	0	16,491
0	0	0	0	0	0	0	33,127
362,493	0	0	0	0	0	0	419,751
0	0	0	0	5,027	0	0	84,222
0	0	0	0	0	0	0	899,230
0	92,810	0	0	0	0	0	92,810
0	0	0	0	0	1,303	2,275,728	2,277,031
0	0	0	1,849,067	0	0	0	1,849,067
362,493	92,810	0	1,865,558	5,027	1,303	2,275,728	5,671,729
$ 362,493	$ 92,810	$ 0	$ 1,914,802	$ 5,027	$ 1,303	$ 2,660,625	$ 6,114,790

FANNIN COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the year ended December 31, 2023

	Special Revenue						
	Law Library	Confiscated Assets	Multiple Grants	Crime Victims Assistance	Drug	Jail	Juvenile
REVENUES							
Taxes	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Fines, fees, and forfeitures	14,980	10,466	0	11,580	6,316	17,875	1,350
Charges for services	0	0	0	0	0	0	0
Intergovernmental	0	0	421,652	0	0	0	0
Interest	616	103	21,328	170	1,356	1,167	1,597
Other	0	0	0	0	0	4,035	0
Total revenues	15,596	10,569	442,980	11,750	7,672	23,077	2,947
EXPENDITURES							
Current							
Judicial	14,081	0	0	0	0	0	120
Public Safety	0	2,290	42,984	41,257	39,474	18,546	0
Health and Welfare	0	0	53,000	0	0	0	0
Housing and Development	0	0	0	0	0	0	0
Capital outlay	0	0	0	0	0	0	0
Intergovernmental	0	0	0	0	0	0	0
Total expenditures	14,081	2,290	95,984	41,257	39,474	18,546	120
Excess (deficiency) of revenues over (under) expenditures	1,515	8,279	346,996	(29,507)	(31,802)	4,531	2,827
Other financing sources (uses)							
Transfers in	0	0	0	0	0	0	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	1,515	8,279	346,996	(29,507)	(31,802)	4,531	2,827
Fund balances, January 1	31,612	470	552,234	33,140	63,268	34,449	50,798
Fund balances, December 31	$ 33,127	$ 8,749	$ 899,230	$ 3,633	$ 31,466	$ 38,980	$ 53,625

Special Revenue					Capital Projects		
Clerks Technology	Revolving Loan	Donations / Special Projects	Emergency 911	Inmate Welfare	Capital Improvements	2023 SPLOST	Total Nonmajor Governmental Funds
$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 2,865,643	$ 2,865,643
0	0	0	0	0	0	0	62,567
0	0	0	618,916	45,404	0	0	664,320
60,958	0	0	0	0	0	0	482,610
3,116	6,133	0	49,118	0	64	408	85,176
0	0	0	7,012	0	0	0	11,047
64,074	6,133	0	675,046	45,404	64	2,866,051	4,171,363
37,686	0	0	0	0	0	0	51,887
0	0	0	921,163	41,366	0	0	1,107,080
0	0	0	0	0	0	0	53,000
0	22,974	0	0	0	0	0	22,974
0	0	0	0	0	108	0	108
0	0	0	0	0	0	590,323	590,323
37,686	22,974	0	921,163	41,366	108	590,323	1,825,372
26,388	(16,841)	0	(246,117)	4,038	(44)	2,275,728	2,345,991
0	0	8,972	726,753	0	0	0	735,725
26,388	(16,841)	8,972	480,636	4,038	(44)	2,275,728	3,081,716
336,105	109,651	(8,972)	1,384,922	989	1,347	0	2,590,013
$ 362,493	$ 92,810	$ 0	$ 1,865,558	$ 5,027	$ 1,303	$ 2,275,728	$ 5,671,729

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

NONMAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUNDS

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

Capital Improvements Fund – This fund is used to account for the general acquisition of capital equipment and facilities.

2023 SPLOST Fund – This fund is used to account for financial resources provided from the Special Purpose Local Option Sales Tax where such resources are to be used for prescribed capital projects

FANNIN COUNTY, GEORGIA
LAW LIBRARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2023

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 14,060	$ 14,980	$ 920
Interest	40	616	576
Total revenues	14,100	15,596	1,496
EXPENDITURES			
Current			
Judicial	14,100	14,081	19
Total expenditures	14,100	14,081	19
Excess (deficiency) of revenues over (under) expenditures	0	1,515	1,515
Fund balance, January 1	0	31,612	31,612
Fund balance, December 31	$ 0	$ 33,127	$ 33,127

FANNIN COUNTY, GEORGIA
CONFISCATED ASSETS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2023

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 11,000	$ 10,466	$ (534)
Interest	8	103	95
Total revenues	11,008	10,569	(439)
EXPENDITURES			
Current			
Public Safety	11,008	2,290	8,718
Total expenditures	11,008	2,290	8,718
Excess (deficiency) of revenues over (under) expenditures	0	8,279	8,279
Fund balance, January 1	0	470	470
Fund balance, December 31	$ 0	$ 8,749	$ 8,749

FANNIN COUNTY, GEORGIA
MULTIPLE GRANTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2023

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	$ 120,700	$ 421,652	$ 300,952
Interest	300	21,328	21,028
Total revenues	121,000	442,980	321,980
EXPENDITURES			
Current			
Judicial	25,000	0	25,000
Public Safety	43,000	42,984	16
Health and Welfare	53,000	53,000	0
Total expenditures	121,000	95,984	25,016
Excess (deficiency) of revenues over (under) expenditures	0	346,996	346,996
Fund balance, January 1	0	552,234	552,234
Fund balance, December 31	$ 0	$ 899,230	$ 899,230

FANNIN COUNTY, GEORGIA
CRIME VICTIMS ASSISTANCE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2023

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 10,900	$ 11,580	$ 680
Interest	35	170	135
Total revenues	10,935	11,750	815
EXPENDITURES			
Current			
Judicial	41,335	41,257	78
Total expenditures	41,335	41,257	78
Excess (deficiency) of revenues over (under) expenditures	(30,400)	(29,507)	893
Fund balance, January 1	30,400	33,140	2,740
Fund balance, December 31	$ 0	$ 3,633	$ 3,633

FANNIN COUNTY, GEORGIA
DRUG SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2023

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 12,000	$ 6,316	$ (5,684)
Interest	110	1,356	1,246
Total revenues	12,110	7,672	(4,438)
EXPENDITURES			
Current			
Public Safety	40,000	39,474	526
Total expenditures	40,000	39,474	526
Excess (deficiency) of revenues over (under) expenditures	(27,890)	(31,802)	(3,912)
Fund balance, January 1	27,890	63,268	35,378
Fund balances, December 31	$ 0	$ 31,466	$ 31,466

FANNIN COUNTY, GEORGIA
JAIL SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2023

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 17,000	$ 17,875	$ 875
Interest	20	1,167	1,147
Other	1,580	4,035	2,455
Total revenues	18,600	23,077	4,477
EXPENDITURES			
Current			
Public Safety	18,600	18,546	54
Total expenditures	18,600	18,546	54
Excess (deficiency) of revenues over (under) expenditures	0	4,531	4,531
Fund balance, January 1	0	34,449	34,449
Fund balance, December 31	$ 0	$ 38,980	$ 38,980

FANNIN COUNTY, GEORGIA
JUVENILE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2023

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 1,000	$ 1,350	$ 350
Interest	75	1,597	1,522
Total revenues	1,075	2,947	1,872
EXPENDITURES			
Current			
Judicial	1,075	120	955
Total expenditures	1,075	120	955
Excess (deficiency) of revenues over (under) expenditures	0	2,827	2,827
Fund balance, January 1	0	50,798	50,798
Fund balance, December 31	$ 0	$ 53,625	$ 53,625

FANNIN COUNTY, GEORGIA
CLERKS TECHNOLOGY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2023

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	$ 37,640	$ 60,958	$ 23,318
Interest	60	3,116	3,056
Total revenues	37,700	64,074	26,374
EXPENDITURES			
Current			
Judicial	37,700	37,686	14
Total expenditures	37,700	37,686	14
Excess (deficiency) of revenues over (under) expenditures	0	26,388	26,388
Fund balance, January 1	0	336,105	336,105
Fund balance, December 31	$ 0	$ 362,493	$ 362,493

FANNIN COUNTY, GEORGIA
REVOLVING LOAN SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2023

	Final Budget	Actual	Variance
REVENUES			
Interest	$ 1,000	$ 6,133	$ 5,133
Total revenues	1,000	6,133	5,133
EXPENDITURES			
Current			
Housing and Development	23,000	22,974	26
Excess (deficiency) of revenues over (under) expenditures	(22,000)	(16,841)	5,159
Fund balance, January 1	22,000	109,651	87,651
Fund balance, December 31	$ 0	$ 92,810	$ 92,810

FANNIN COUNTY, GEORGIA
DONATIONS / SPECIAL PROJECTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2023

	Final Budget	Actual	Variance
REVENUES			
Interest	$ 10	$ 0	$ (10)
Contributions	1,000	0	(1,000)
Total revenues	1,010	0	(1,010)
EXPENDITURES			
Current			
Public Safety	1,010	0	1,010
Total expenditures	1,010	0	1,010
Excess (deficiency) of revenues over (under) expenditures	0	0	0
Other financings sources (uses)			
Transfers In	0	8,972	8,972
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	8,972	8,972
Fund balance, January 1	0	(8,972)	(8,972)
Fund balance, December 31	$ 0	$ 0	$ 0

FANNIN COUNTY, GEORGIA
EMERGENCY 911 SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2023

	Final Budget	Actual	Variance
REVENUES			
Charges for services	$ 434,000	$ 618,916	$ 184,916
Interest	660	49,118	48,458
Other	0	7,012	7,012
Total revenues	434,660	675,046	240,386
EXPENDITURES			
Current			
Public Safety	922,000	921,163	837
Total expenditures	922,000	921,163	837
Excess (deficiency) of revenues over (under) expenditures	(487,340)	(246,117)	241,223
Other financings sources (uses)			
Transfers In	487,340	726,753	239,413
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	480,636	480,636
Fund balance, January 1	0	1,384,922	1,384,922
Fund balance, December 31	$ 0	$ 1,865,558	$ 1,865,558

FANNIN COUNTY, GEORGIA
INMATE WELFARE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2023

	Final Budget	Actual	Variance
REVENUES			
Charges for services	$ 42,000	$ 45,404	$ 3,404
Total revenues	42,000	45,404	3,404
EXPENDITURES			
Current			
Public Safety	42,000	41,366	634
Total expenditures	42,000	41,366	634
Excess (deficiency) of revenues over (under) expenditures	0	4,038	4,038
Fund balance, January 1	0	989	989
Fund balance, December 31	$ 0	$ 5,027	$ 5,027

CUSTODIAL FUNDS

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

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

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

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

FANNIN COUNTY, GEORGIA
CUSTODIAL FUNDS
STATEMENT OF FIDUCIARY NET POSITION
December 31, 2023

	Tax Commissioner	Clerk of Superior Court	Probate Court	Magistrate Court	Sheriff Inmate Fund	Total Custodial Funds
ASSETS						
Cash and cash equivalents	$ 3,190,523	$ 850,066	$ 43,585	$ 1,547	$ 41,130	$ 4,126,851
Taxes receivable	3,020,087	0	0	0	0	3,020,087
Total assets	6,210,610	850,066	43,585	1,547	41,130	7,146,938
LIABILITIES						
Due to others	6,208,090	70,476	8,613	1,160	16,717	6,305,056
NET POSITION						
Restricted for individuals, organizations, and other governments	$ 2,520	$ 779,590	$ 34,972	$ 387	$ 24,413	$ 841,882

FANNIN COUNTY, GEORGIA
CUSTODIAL FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the year ended December 31, 2023

	Tax Commissioner	Clerk of Superior Court	Probate Court	Magistrate Court	Sheriff Inmate Fund	Total Custodial Funds
ADDITIONS						
Taxes collected for other agencies	$ 27,395,117	$ 0	$ 0	$ 0	$ 0	$ 27,395,117
Court fees collected for other agencies	0	1,109,849	304,188	120,859	0	1,534,896
Court individual cases	0	496,878	55,332	0	0	552,210
Sheriff inmate account deposits	0	0	0	0	223,068	223,068
Total additions	27,395,117	1,606,727	359,520	120,859	223,068	29,705,291
DEDUCTIONS						
Taxes distributed to other agencies	27,394,758	0	0	0	0	27,394,758
Court fees distributed to other agencies	0	1,109,849	304,188	129,987	0	1,544,024
Payments to others	0	602,817	54,760	0	0	657,577
Payments from inmates to others	0	0	0	0	226,674	226,674
Total deductions	27,394,758	1,712,666	358,948	129,987	226,674	29,823,033
Change in net position	359	(105,939)	572	(9,128)	(3,606)	(117,742)
Net position, October 1	2,161	885,529	34,400	9,515	28,019	959,624
Net position, September 30	$ 2,520	$ 779,590	$ 34,972	$ 387	$ 24,413	$ 841,882

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SINGLE AUDIT SECTION

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Fannin County, Georgia, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise Fannin County, Georgia's basic financial statements and have issued our report thereon dated June 14, 2024. Our report includes a reference to other auditors who audited the financial statements of Fannin County Department of Public Health, as described in our report on Fannin County, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that were reported on separately by those auditors.

Report on Internal Control over Financial Reporting

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

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

A *deficiency in internal* control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2023-001 through 2023-002 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 2023-003 through 2023-010 to be significant deficiencies.

Report on Compliance and Other Matters

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

Fannin County, Georgia's Response to Findings

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

Purpose of This Report

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

Rushton, LLC

Gainesville, Georgia
June 14, 2024

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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Fannin County, Georgia's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Fannin County, Georgia's major federal programs for the year ended December 31, 2023. Fannin County, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Fannin County, Georgia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Fannin County, Georgia's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of Fannin County, Georgia's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Fannin County, Georgia's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Rushton, LLC

Gainesville, Georgia
June 14, 2024

FANNIN COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended December 31, 2023

Federal Grant/Pass-Through Grantor/Program/Cluster Title	Federal Assistance Listing Number	Pass-Through Number	Expenditures
Department of Agriculture			
Forest Service Schools and Roads Cluster			
Passed through the Georgia Office of the State Treasurer:			
Schools and Roads - Grants to States	10.665	486Forest	$ 74,202
Department of the Interior			
Payments in Lieu of Taxes	15.226	N/A	241,198
Department of the Treasury			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	1,315,769
Passed through the Georgia Governor's Office of Planning and Budget:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	GA-0005441	1,757,826
Passed through the Judicial Council of Georgia:			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	2023_ARPA_3Y003	211,964
Total Department of the Treasury			3,285,559
Department of Homeland Security			
Passed through the Georgia Emergency Management Agency:			
Emergency Management Performance Grants	97.042	OEM22	10,148
Homeland Security Grant Program	97.067	EMW-2022-SS-00089-S01	15,428
Total Department of Homeland Security			25,576
Total Federal Awards			$ 3,626,535

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

FANNIN COUNTY, GEORGIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended December 31, 2023

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Fannin County, Georgia, under programs for the federal government for the year ended December 31, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because this schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

2. Summary of Significant Accounting Policies

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

3. De Minimis Indirect Cost Rate

Fannin County, Georgia has elected not to use the 10-percent *de minimis* indirect cost rate allowed under the Uniform Guidance.

4. Payments to Subrecipients

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

FANNIN COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended December 31, 2023

1. Summary of the Auditor's Results

A. Financial Statements

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

B. Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	None reported
Significant deficiencies identified not considered material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	None reported

Identification of major programs:

21.027 COVID-19 Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish Between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	No

2. Financial Statement Findings and Responses

2023-001

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

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

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

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

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

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

2023-002

Condition: While performing audit procedures at the Building Department, we noted multiple files that contained cash and checks that had not been deposited at the time of the audit. The checks were written more than six months prior and were unable to be deposited.

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

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

Cause: Employees placed cash and checks in files and did not deposit them.

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

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

2. Financial Statement Findings and Responses (continued)

2023-003

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

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

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

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

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

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

2023-004

Condition: While performing audit procedures on receipts, we noted instances where deposits were not made timely. Receipts were held for more than seven days before depositing in 11 of 40 (28%) building permits, 5 of 31 (16%) hotel-motel excise tax, and 4 of 30 (13%) recreation receipts tested.

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

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

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

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

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

2. Financial Statement Findings and Responses (continued)

2023-005

Condition: While performing audit procedures at the Clerk of Court's office, we noted instances where deposits were not made timely. Receipts were held for more than seven days before depositing in 38 of 40 (95%) receipts tested.

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

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

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

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

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

2023-006

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

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

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

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

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

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

2023-007

Condition: While performing audit procedures for the Law Library, we noted instances where deposits were not made timely.

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

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

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

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

2. Financial Statement Findings and Responses (continued)

2023-007, continued

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

2023-008

Condition: While performing audit procedures at the Probate Court, we noted instances where deposits were not made timely. Receipts were held for more than seven days before depositing in 4 of 16 (25%) traffic citation and 3 of 29 (10%) marriage license/firearm permit receipts tested.

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

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

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

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

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

2023-009

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

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

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

Cause: Employees at the Probate Court are not approving voids in a timely manner.

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

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

2023-010

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

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

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

2. Financial Statement Findings and Responses (continued)

2023-010, continued

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

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

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

3. Prior Year Audit Findings Follow-Ups

2022-001

Condition: During procedures, we noted a check payment of $1,387,938 had been voided and a stop payment order issued to the bank, but had not been properly removed from the accounting ledger and was still included in outstanding payments on the SPLOST bank reconciliation.

Corrected

2022-002

Condition: During procedures, we noted that significant adjustments were necessary to record revenue activities in the appropriate classifications. Aggregate adjustments of $8.4 million were necessary to correctly state revenue activity in all funds.

Corrected

2022-003

Condition: During fieldwork, we noted significant changes to the SPLOST fund due to incorrect accounting to record activity. Adjustments of $232,392 were necessary to correctly reflect SPLOST revenue and expenditure balances.

Corrected

2022-004

Condition: During fieldwork, we noted the completed Whitepath project was still included in construction in progress and not capitalized.

Corrected

2022-005

Condition: Appropriate segregation of duties does not exist within the EMS department. There is one individual who maintains responsibilities for payment receipting, preparing daily deposits, and preparing bank reconciliations.

Not Corrected

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

2022-006

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

Not Corrected

2022-007

Condition: During testing, we noted thirteen of the twenty-five paychecks selected for review did not have approved timesheets that agreed to the paychecks of those respective employees. Additionally, we noted six of the twenty-five paychecks selected for review did not have approved pay rate listings that agreed to pay stubs.

Corrected

4. Federal Award Findings and Questioned Costs

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

STATE REPORTING SECTION

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

FANNIN COUNTY, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the year ended December 31, 2023

Project	Estimated Cost * Original	Estimated Cost * Current	Expenditures Prior Years	Expenditures Current Year	Expenditures Total
2017 Projects					
Roads and Bridges Improvements	$ 17,370,000	$ 17,370,000	$ 3,177,897	$ 3,618,910	$ 6,796,807
Capital Improvements:					
Water	2,100,000	2,100,000	640,377	529,906	1,170,283
Administrative Building and Parking Deck	3,150,000	3,150,000	9,027	15,939	24,966
Recreation	1,500,000	1,500,000	795,175	649,928	1,445,103
Public Safety	2,100,000	2,100,000	484,108	513,623	997,731
Contractual Payments:					
City of Blue Ridge	2,100,000	2,100,000	640,378	529,906	1,170,284
City of McCaysville	1,680,000	1,680,000	512,302	423,924	936,226
Total	$ 30,000,000	$ 30,000,000	$ 6,259,264	$ 6,282,136	$ 12,541,400
Roads and Bridges Improvements expenditures financed by other revenues				735,501	
Total Expenditures and Transfers Out of the SPLOST Fund				$ 7,017,637	

Project	Estimated Cost Original	Estimated Cost Current	Expenditures Prior Years	Expenditures Current Year	Expenditures Total
2023 Projects					
Roads and Bridges Improvements and Public Works Equipment	$ 30,800,000	$ 30,800,000	$ 0	$ 0	$ 0
Capital Improvements:					
Water Projects	3,920,000	3,920,000	0	200,595	200,595
Capital Outlay and Parking	5,040,000	5,040,000	0	0	0
Recreation Facilities and Equipment	3,864,000	3,864,000	0	0	0
Public Safety Facilities and Equipment	4,760,000	4,760,000	0	0	0
Contractual Payments:					
City of Blue Ridge	4,200,000	4,200,000	0	214,924	214,924
City of McCaysville	3,416,000	3,416,000	0	174,804	174,804
Total	$ 56,000,000	$ 56,000,000	$ 0	$ 590,323	$ 590,323

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

FANNIN COUNTY, GEORGIA
SCHEDULE OF COMPLETED STATE AWARDS EXPENDED
GEORGIA DEPARTMENT OF HUMAN SERVICES
For the year ended December 31, 2023

State Program Name	Grant Period	Contract Number	Amount Awarded	State Revenues	State Expenditures	Amount Due from State
Family Connections	07/01/22 to 06/30/23	42700-93-2023000075	$ 52,500	$ 26,250	$ 26,250	$ 0
Family Connections	07/01/23 to 06/30/24	42700-93-2024000075	52,500	26,250	26,250	0
Total			$ 105,000	$ 52,500	$ 52,500	$ 0

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