

ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

HOUSTON COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2025

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FINANCIAL SECTION

The financial section includes the independent auditor's report on the financial statement audit, the Management's Discussion and Analysis (MD&A), which provides a narrative introduction, overview and analysis of the financial statements, and the basic financial statements including notes, required supplementary information, and supplementary information.

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Independent Auditor's Report

Houston County Board of Commissioners
Houston County, Georgia
Warner Robins, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Houston County, Georgia (the "County"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund and the ARPA fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Houston County Department of Public Health, which represents 33 percent, -14 percent, and 83 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2025. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Houston County Department of Public Health, is based solely on the report of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Changes in the County's Net Pension Liability and Related Ratios, Schedule of County Pension Contributions, and the Schedule of Changes in the County's Total OPEB Liability and Related Ratios on pages 4-11 and 59-61 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 and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying combining and individual nonmajor fund statements and schedules, the custodial funds combining 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 (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the state reporting section with the schedule of expenditures of special purpose local option sales tax proceeds are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, and schedules and the schedules of expenditures of special purpose local option sales tax proceeds are the responsibility of management and were 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, based on our audit, the combining and individual nonmajor fund statements and schedules, the custodial funds combining statements, the schedule of expenditures of federal awards, and the state reporting section with the schedule of expenditures of special purpose local option sales tax proceeds, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated February 13, 2026, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the County's internal control over financial reporting and compliance.

Nichols, Cauley & Associates, LLC

Warner Robins, Georgia
February 13, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

Management's Discussion and Analysis (MD&A) is a narrative introduction, overview and analysis of the basic financial statements prepared by the Finance Director.

Our discussion and analysis of Houston County's financial performance provides an overview of the County's financial activities for the fiscal year ending June 30, 2025. Please read it in conjunction with the County's financial statements.

Using This Annual Report. This report consists of a series of financial statements. Houston County's basic financial statements are comprised of three components: (1) *government-wide financial statements*, (2) *fund financial statements*, and (3) *notes to the financial statements. Government-wide statements* provide information about the County as a whole and present an overall view of County finances. *Fund financial statements* provide information that is more detailed than what is reported in the government-wide financial statements. The remaining *notes to the financial statements* provide additional information concerning the County's finances that are not disclosed in the government-wide or the fund financial statements.

Government-wide Financial Statements. The County's annual report includes two government-wide financial statements. These statements provide both long- term and short-term information about the County's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position*. This is the government-wide statement which presents information on all the County's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in the County's net position are one indicator of whether its financial health is improving or deteriorating. Net position is reported in three categories: (1) invested in capital assets, (2) restricted, and (3) unrestricted.

The second government-wide statement is the *Statement of Activities*, which reports how the County's net position changed during the current fiscal year. All current year revenues and expenditures are included regardless of when cash is received or paid. An important purpose of the Statement of Activities is to show the financial reliance of the County's distinct activities or functions on revenues provided by the County's taxpayers.

To assist in understanding the County's operations, both government-wide statements divide County expenses into three kinds of activities: *governmental activities, business-type activities, and component units*. Governmental activities include basic County services including public works, public safety, judicial, health and welfare and general administration. Property taxes, fees, and court fines finance most of these activities. Business-type activities include the County's water system and solid waste operations which are financed in whole, or in part, by user charges including water fees, landfill tipping fees, and garbage collection fees. Component units include the Houston County Development Authority, the Houston County Department of Public Health, and the Houston County Library System. Although legally separate, these component units are important because the County is financially accountable for them.

Separately issued financial statements for the Houston County Development Authority can be obtained at the Authority's administrative office in Warner Robins, Georgia. Separately issued financial statements for the Houston County Department of Public Health may be obtained at the Department's administrative office in Warner Robins, Georgia. Separately issued financial statements for the Houston County Public Library may be obtained at the Library's administrative office in Perry, Georgia.

The government-wide financial statements can be found on pages 12-13 of this report.

Fund Financial Statements. The fund financial statements provide detailed information about the most significant funds - not the County as a whole. Some funds are required to be established by State law. Other funds are established by the Board of Commissioners to help it control and manage money for specific purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. All of Houston County's funds are divided into three categories - governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Most of the County's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds provide information on the current assets and liabilities of the funds, changes in current financial resources (revenues and expenditures), and current available resources. The governmental funds statements provide a detailed short-term view of the County's general governmental operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because the focus of governmental funds is narrower than that of the government-wide 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 doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, SPLOST fund, and ARPA fund. Data from the other nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 14-19 this report.

Proprietary funds. Houston County maintains two different types of proprietary funds - enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its water system and its solid waste operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. Houston County uses internal service funds to account for its workers' compensation, health and property and liability insurance programs. Because all three of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

The proprietary funds financial statements provide information on all assets and liabilities of the funds, changes in the economic resources (revenues and expenses), and total economic resources. For the proprietary funds, a statement of net position; a statement of revenues, expenses, and changes in net position; and a statement of cash flows are presented. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Specifically, the County's proprietary fund financial statements provide separate information for the water system and the solid waste operations, both of which are considered to be major funds. Conversely, all three internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 20-22 of this report.

Fiduciary funds. Houston County is the trustee, or fiduciary, for numerous resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because these resources are not available to support Houston County's own programs. It is the County's responsibility to ensure that the resources reported in these funds are used for their intended purposes. The accounting used for fiduciary funds is similar to that used for proprietary funds. A statement of fiduciary assets and liabilities is presented for the County's custodial funds.

The fiduciary fund financial statements can be found on pages 24-25 of this report.

Notes to the Financial Statements. In addition to the government-wide and fund financial statements, this report also provides supplementary information in the notes to the financial statements. The notes provide additional

information essential to a full understanding of the basic financial statements. Other required supplementary information, including information about the accounting practices of the County, investments of the County, long-term debt, and the pension plan are some of the items included in the Notes.

The notes to the financial statements can be found on pages 26-58 of this report.

Financial Highlights

HOUSTON COUNTY'S NET POSITION
FISCAL YEARS 2024 AND 2025

	Governmental Activities		Business-Type Activities		Total	
	2024	2025	2024	2025	2024	2025
Assets:						
Current assets	$ 183,562,145	$ 201,807,488	$ 27,467,441	$ 29,372,762	$ 211,029,586	$ 231,180,250
Capital assets	279,273,007	295,541,198	80,698,402	80,799,424	359,971,409	376,340,622
Total assets	$ 462,835,152	$ 497,348,686	$ 108,165,843	$ 110,172,186	$ 571,000,995	$ 607,520,872
Deferred Outflows of Resources:						
Deferred outflows on pensions	$ 16,756,975	$ 12,899,414	$ 1,505,873	$ 982,527	$ 18,262,848	$ 13,881,941
Deferred outflows on OPEB	4,362,313	3,003,630	392,021	228,781	4,754,334	3,232,411
Total outflows	$ 21,119,288	$ 15,903,044	$ 1,897,894	$ 1,211,308	$ 23,017,182	$ 17,114,352
Liabilities:						
Current liabilities	$ 23,038,874	$ 19,075,776	$ 3,433,895	$ 1,849,920	$ 26,472,770	$ 20,925,696
Long-term liabilities	56,385,979	49,153,069	19,165,354	19,144,276	75,551,332	68,297,345
Total liabilities	$ 79,424,853	$ 68,228,845	$ 22,599,249	$ 20,994,196	$ 102,024,102	$ 89,223,041
Deferred Inflows of Resources:						
Deferred inflows on pensions	$ 87,774	$ 46,563	$ 7,888	$ 3,546	$ 95,662	$ 50,109
Deferred inflows on OPEB	2,984,177	8,734,718	268,174	665,309	3,252,351	9,400,027
Total deferred inflows	$ 3,071,951	$ 8,781,281	$ 276,062	$ 668,855	$ 3,348,013	$ 9,450,136
Net position:						
Investment in capital assets	$ 279,273,007	$ 295,541,198	$ 80,698,402	$ 80,799,424	$ 359,971,409	$ 376,340,622
Restricted	70,910,921	85,136,341	21,952,382	-	92,863,303	85,136,341
Unrestricted	51,273,708	55,564,065	(15,462,358)	8,921,019	35,811,350	64,485,084
Total net position	$ 401,457,636	$ 436,241,604	$ 87,188,426	$ 89,720,443	$ 488,646,062	$ 525,962,047

- Houston County's total assets exceeded total liabilities by $526.0 million (net position). Total net position for governmental activities was $436.2 million; total net position for business-type activities was $89.7 million.
- Total net position is comprised of the following:
    1. Capital assets of $376.3 million include property and equipment, net of accumulated depreciation related to the purchase or construction of capital assets.
    2. Net assets of $85.1 million are restricted by constraints imposed from outside the County such as debt covenants, grantors, laws, or regulations.
    3. Unrestricted net assets of $64.5 million represent the portion available to maintain the County's continuing obligations to citizens and creditors.
- As a whole, the County's financial position improved showing a 7.6% increase. Total net position increased by $37.3 million. Governmental activities experienced a $34.8 million increase while business-type activities increased by $2.5 million. Governmental net position increased 8.7% in fiscal year 2025. Net position in the business-type activities increased 2.9%.

HOUSTON COUNTY'S CHANGES IN NET POSITION
FISCAL YEARS 2024 AND 2025

	Governmental Activities		Business-Type Activities		Total	
	2024	2025	2024	2025	2024	2025
Revenues:						
Program revenues:						
Charges for services	$ 27,870,462	$ 29,371,003	$ 24,516,577	$ 26,119,405	$ 52,387,039	$ 55,490,408
Operating grants	14,191,050	15,154,839	-	-	14,191,050	15,154,839
Capital grants	4,214,823	8,317,838	-	-	4,214,823	8,317,838
General revenues:						
Taxes	109,026,605	108,879,006	444,518	477,156	109,471,123	109,356,162
Other	5,850,111	6,128,426	6,170,247	1,407,393	12,020,358	7,535,819
Total revenues	161,153,051	167,851,112	31,131,342	28,003,954	192,284,393	195,855,066
Expenses:						
General government	32,828,140	31,733,039	-	-	32,828,140	31,733,039
Judicial	14,026,742	15,642,596	-	-	14,026,742	15,642,596
Public safety	52,437,912	54,127,214	-	-	52,437,912	54,127,214
Public works	22,971,425	26,315,793	-	-	22,971,425	26,315,793
Health & welfare	664,076	637,649	-	-	664,076	637,649
Culture/recreation	1,221,053	1,355,722	-	-	1,221,053	1,355,722
Housing & development	3,288,707	2,234,650	-	-	3,288,707	2,234,650
Water	-	-	10,199,938	12,114,537	10,199,938	12,114,537
Solid Waste	-	-	13,884,613	14,377,881	13,884,613	14,377,881
Total expenses	127,438,055	132,046,663	24,084,551	26,492,418	151,522,606	158,539,081
Increase (decrease) in net position before transfers	33,714,996	35,804,449	7,046,791	1,511,536	40,761,787	37,315,985
Transfers	-	(10,500)	-	10,500	-	-
Indirect cost allocation	(707,270)	(1,009,981)	707,270	1,009,981	-	-
Increase (decrease) in net position	33,007,726	34,783,968	7,754,061	2,532,017	40,761,787	37,315,985
Net Position - beginning, as restated	368,449,910	401,457,636	79,434,365	87,188,426	447,884,275	488,646,062
Net Position - ending	$ 401,457,636	$ 436,241,604	$ 87,188,426	$ 89,720,443	$ 488,646,062	$ 525,962,047

Governmental activities in fiscal year 2025 experienced an increase of $34.8 million in net position, while business-type activities increased by $2.5 million. In total, net position increased by $37.3 million during the year to $526.0 million. Revenues for governmental activities increased from $161.2 to $167.9 million. The County relies on both property taxes and sales taxes to support governmental operations. Property taxes provided 30.0% of the County's total revenues as compared to 35.1% at fiscal year 2024. Sales and use taxes provided 18.6% of the County's total revenues as compared to 23.8% at fiscal year 2024. The County earned $5.3 million in investment earnings to support governmental activities as compared to $5.0 million at fiscal year 2024. Program revenues covered 42.8% of governmental operating expenditures as compared to 36.3% at fiscal year 2024. This means that the government's taxpayers and the County's other general revenues normally fund 57.2 % of the governmental activities, primarily from property and sales taxes. General government expenditures decreased to $31.7 million, judicial expenditures increased to $15.6 million, and public safety expenditures increased to $54.1 million while public works expenditures increased to $26.3 million, health and welfare expenditures decreased to $.6 million, and housing and development expenditures increased to $1.4 million and culture and recreation decreased to $2.2 million. Revenues for business-

type activities decreased 10.0% from $31.1 million to $28.0 million. Water sales experienced an increase during the year from $9.7 million to $10.1 million; Landfill fees increased from 13.9 million to $14.8 million. Water realized operating loss of $0.3 million. Combined business activities experienced an operating gain of $0.6 million. Business-type expenses increased from $24.1 million to $26.5million.

Fund Financial Information

Governmental Funds

For fiscal year 2025, Houston County's governmental funds reported combined fund balances totaling $181.2 million; an increase of $20.8 million when compared to fiscal year 2024. Of the $181.2 million, $85.1 million or 47.0% is restricted due to external limitations on its use. These uses include construction of SPLOST capital projects, E911 operations, confiscated drug funds for law enforcement purposes, law library surcharge funds for the operation of the County's public law library, Juvenile Court supervision fees, and local maintenance and improvements. .7 percent of fund balance, $1,233,988, is considered non-spendable because it has been used for inventory and prepaids. A total of $5.9 million or 3.3% of fund balance is committed, meaning there are limitations resulting from its intended use. A total of $7.3 million is assigned to various areas including $750,000 to Employee Health Insurance Benefit; $23,400 assigned to the Hwy. 96 Boat Ramp construction; $959,000 to pension contribution; $1 million for leadership development; and $4.6 million to personnel adjustments. The remaining $81.6 million or 45.0% of combined fund balance is unassigned.

Major Governmental Funds

General Fund. The central operating fund for Houston County, the General Fund, is used to account for all governmental financial resources not restricted by state or federal laws, local ordinances, or other externally imposed requirements. At the end of fiscal year 2025, total assets rose from $90.9 million to $98.5 million, while total liabilities increased from $2.6 million to $4.6 million.

The General Fund's unassigned fund balance at year-end increased from $76.2 million to $81.6 million. As a measure of the General Fund's liquidity, it may be useful to compare the unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents 102.3% of total general fund expenditures, while total fund balance, $93.0 million, represents 116.6% of the same amount. The General Fund reported a $5.5 million increase in fund balance. In total, General Fund revenues remained steady, with a slight overall increase of $.1 million.

Total General Fund expenditures increased $7.4 million or 10.2% in 2025. The majority of this increase can be attributed to general government with an increase of $3.8 million or 25.9% and public safety with an increase of $2.9 million or 8.9%.

SPLOST Capital Projects. Houston County has four Special Purpose Local Option Sales Tax (SPLOST) programs currently underway. The County completed all projects under the 2001 SPLOST and closed it out FY20. In March of 2006, voters approved a six year $130 million SPLOST for the construction of roads, several public safety buildings, library improvements, water and sewer improvements and the write-off of outstanding debt. Collections for the 2006 SPLOST began in October 2006 and ended September 2012. In March of 2012, voters passed a $155 million SPLOST for the construction of road, bridge and sidewalk projects, water and sewer system improvements, public safety and recreation facilities and equipment, an E911 system and facilities upgrade, property acquisition for Robins Air Force Base encroachment and industrial sites, and debt payoff. Sales tax collections on this 2012 SPLOST began October 2012 and ended September 2018. Throughout the six-year 2012 SPLOST collections consistently fell short of projections. Projections for the 72-month SPLOST period were $155 million, while actual collections were $133 million, or 14.15% short. In March of 2017, voters passed a $145 million SPLOST for the construction of roads and related projects, an 800 MHz communication system upgrade, water and sewer improvements, recreation enhancements, vehicles and equipment purchases, facilities construction, property acquisition and municipal debt service. Sales tax collections for this 2018 SPLOST began October 1, 2018 during the 2019 fiscal year and, in sharp contrast to the 2012 SPLOST, have consistently met and exceeded projections. This is primarily due to the

strengthening of the economy during the year which has bolstered consumer confidence and therefore spending as well as the passage of Georgia's "Marketplace Facilitator" bill which was signed into law by the Governor requiring companies to collect and remit sales tax on internet sales. Monthly projections were set at just over $2 million and the average monthly collection through June 30, 2025 has been over $2.78 million. In November of 2023, Houston County voters approved the 2024 SPLOST. Revenue collection began on October 1, 2024. For FY 25, distributions to cities for their discretionary funded projects amounted to $10.8 million; distributions to cities for their countywide recreation projects amounted to $700,000.

At the end of fiscal year 2025, total assets in the SPLOST fund were $81.1 million, and total liabilities were $4.1 million. The restricted fund balance increased $14.0 million from $63.1 million to $77.1 million. To date, of the 2006 SPLOST proceeds, only transportation projects remain. Several road construction projects were underway during FY25. Major projects from the 2012 SPLOST in FY 24 include continuing construction on the Elberta Road widening project (Carl Vinson Pkwy to N. Houston Rd) and replacing phone system in E-911 center. Major Projects from the 2018 SPLOST during FY 24 include work to add a sidewalk and resurface Pleasant Hill Road, the addition of turn lanes and traffic signal at the intersection of Smithville Church Road and Houston Lake Blvd., completion of traffic signal and intersection improvements for Talton Road and SR 127, widening of Wilson Drive, and engineering for Thompson Mill Road Extension. Other notable acquisitions from the 2018 SPLOST include continued work on the renovations Houston County Annex; replacement of the several mechanical system components in various buildings, safety equipment and vehicles for the Sheriff's Department and Fire Department; computers and technology upgrades for various county departments; vehicles for various county departments; technology upgrades to Juvenile Court; radio upgrades and emergency backup equipment for the E-911 Center.

At $36.0 million, total sales tax revenues in fiscal year 2025 decreased by $2.2 million over last year's collections of $38.2 million. Investment income increased from $2.9 million to $6.7 million. Total SPLOST expenditures for fiscal year 2025 decreased $0.7 million from $30.0 million to $29.3 million. Of the $29.3 million expended, approximately $15 million was distributed to the cities of Centerville, Perry, and Warner Robins in accordance with intergovernmental agreements. County project expenditures included approximately $7.3 million for road, street, and bridge improvements; $2.7 million for public safety equipment and facility improvements; $2.5 million for general capital obligations; and $0.9 million for public building construction and improvements. The remaining $0.9 million was expended on economic development initiatives, public utility improvements, and expenditures from other revenue sources.

ARPA Fund. The American Rescue Plan Act of 2021 (H.R. 1319) was signed into law on March 11, 2021, by President Biden as a $1.9 trillion package intended to combat the COVID-19 pandemic, including the public health and economic impacts. The Act provides $362 billion in federal fiscal recovery aid for state and local governments to help cover increased expenditures, replenish lost revenue, and mitigate economic harm from the pandemic. Of the $362 billion, $130.2 billion was divided evenly between cities and counties with $65.1 billion provided in direct aid to counties. Funds were allocated based on the county share of the U.S. population with Houston County's allocation coming to $30,663,037. Houston County applied for and received the first tranche (50%) in the amount of $15,331,518.50 in May of 2021. Houston County received the second tranche (50%) in the amount of $15,331,518.50 in June of 2022. Total ARPA expenditures for fiscal year 2023 were $9,942,218.13. Major projects from these funds in FY 25 include the expansion and improvements to Houston County Water System, including the addition of new wells and a 1.5 million gallon elevated storage tank, and resurfacing of county roads.

Major Proprietary Funds

Water Enterprise Fund. This fund is used to account for water service provided to customers primarily in unincorporated Houston County. Rates are established to pay the costs of current operations and to provide for capital maintenance replacement. Total assets at the end of fiscal year 2025 decreased to $50.2 million from $50.6 million while total liabilities decreased to $3.2 million from $4.5 million. Net position increased by 1.5% to $47.3 million. Total operating revenues increased by $1.5 million from $9.7 million to $11.2 million. Revenues from service charges nearly maintained last year's levels increasing to $0.6 million from $0.5 million. Total expenditures increased 13.8%

from $9.8 million to $11.5 million. Overall, net operating income decreased from a $0.1 million loss to a loss of $0.3 million.

Solid Waste Fund. This fund is used to account for the sanitary landfill in compliance with state and federal requirements. Fees are established to pay the costs of current operations, capital maintenance replacement and closure/post-closure costs. Total assets were $60.0 million and total liabilities were $17.8 million, as compared to $60.6 million and $21.1 million the previous year. Net position increased during the fiscal year from $40.2 million to $42.4 million. While operating revenues (disposal fees plus service charges) remained steady at $14.8 million; operating expenses in fiscal year 2025 increased by .8% from $13.6 million to $14.0 million. The landfill's operating income from 2024 of $1.2 million decreased in fiscal year 2025 to 0.9 million.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. In fiscal year 2025, investments in capital assets for both governmental and business-type activities by the County increased from $360.0 million to $376.3 million (net of accumulated depreciation). This amount represents a net increase of $16.3 million over last year. Governmental activities capital investment amounts increased by 5.8% to $295.5 million while business-type activities capital assets increased 0.1% to $80.8 million.

HOUSTON COUNTY'S CAPITAL ASSETS AT YEAR-END
FISCAL YEARS 2024 AND 2025

	Governmental Activities		Business-Type Activities		Total	
	2024	2025	2024	2025	2024	2025
Non-depreciable assets:						
Land	$ 6,426,228	$ 6,426,228	$ 6,053,428	$ 6,053,428	$ 12,479,655	$ 12,479,656
Construction in progress	62,739,022	49,721,469	9,754,550	10,448,465	72,493,572	60,169,934
Total non-depreciable assets	$ 69,165,250	$ 56,147,697	$ 15,807,978	$ 16,501,893	$ 84,973,227	$ 72,649,590
Depreciable assets:						
Buildings	$ 80,915,421	$ 109,912,180	$ 10,365,066	$ 10,375,526	$ 91,280,487	$ 120,287,706
Improvements	1,440,942	2,108,047	90,056,160	91,492,447	91,497,102	93,600,494
Machinery and equipment	56,866,573	58,833,657	14,514,334	14,959,256	71,380,907	73,792,913
Infrastructure	197,175,612	203,015,505	-	-	197,175,612	203,015,505
Total depreciable assets	$ 336,398,548	$ 373,869,389	$ 114,935,560	$ 116,827,229	$ 451,334,108	$ 490,696,618
Less accumulated depreciation	$ 126,290,791	$ 134,475,888	$ 50,045,136	$ 52,529,698	$ 176,335,927	$ 187,005,586
Percentage depreciated	37.5%	36.0%	43.5%	45.0%	39.1%	38.1%
Book value	$ 279,273,007	$ 295,541,198	$ 80,698,402	$ 80,799,424	$ 359,971,409	$ 376,340,622

At the end of fiscal year 2025, the depreciable capital assets for governmental activities were 36.0% depreciated, compared to 37.5% in fiscal year 2024. With the County's business-type activities, 45.0% of the asset values were depreciated for fiscal year 2025 as compared to 43.5% in fiscal year 2024. This comparison indicates that the County is replacing its assets at a comparable rate as they are depreciating, which is a positive indicator. Additional information about capital assets is included in the Notes to the Financial Statements on pages 26 to 58 of this report.

Debt Management – Houston County has no general obligation debt in either the governmental or business-type activities. In the County's governmental activities, there is compensated absences of $2.6 million, Pension Obligations of $36.5 million, and Other Post-Employment Benefits (OPEB) of $11.8 million. Business-type activities include $15.0 million in closure/post-closure care of the landfill, approximately $0.4 million in compensated absences, $2.8 million in Pension Obligation, and $0.9 million on OPEB obligation. Additional information about long-term debt is included in the Notes to the Financial Statements on pages 26 to 58 of this report.

HOUSTON COUNTY'S OUTSTANDING DEBT
FISCAL YEARS 2024 AND 2025

	Governmental Activities		Business-Type Activities		Total	
	2024	2025	2024	2025	2024	2025
Net Pension Obligation	$ 37,848,022	$ 36,544,675	$ 3,401,232	$ 2,783,546	$ 41,249,254	$ 39,328,221
Net OPEB Obligation	18,140,809	11,814,152	1,630,234	899,864	19,771,043	12,714,016
Landfill closure and post closure care	-	-	13,775,030	15,046,394	13,775,030	15,046,394
Compensated absences	2,291,389	2,585,322	301,418	360,907	2,592,807	2,946,229
Total	$ 58,280,220	$ 50,944,149	$ 19,107,914	$ 19,090,711	$ 77,388,134	$ 70,034,860

Requests for Information. This report is designed to provide a general overview of Houston County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Director of Administration Robbie Dunbar or Director of Finance Danyelle George, 200 Carl Vinson Parkway, Warner Robins, Georgia 31088.

BASIC FINANCIAL STATEMENTS

HOUSTON COUNTY, GEORGIA
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF NET POSITION
JUNE 30, 2025

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 35,372,214	$ 2,887,324	$ 38,259,538
Investments	159,264,157	22,575,562	181,839,719
Receivables	1,183,346	3,745,471	4,928,817
Intergovernmental receivable	4,679,965	-	4,679,965
Lease receivable	-	-	-
Inventories	-	-	-
Prepaid items	1,307,806	122,297	1,430,103
Restricted cash and investments	-	42,108	42,108
Net OPEB asset	-	-	-
Capital assets			
Nondepreciable capital assets	56,147,697	16,501,893	72,649,590
Depreciable capital assets, net	239,393,501	64,297,531	303,691,032
Total assets	497,348,686	110,172,186	607,520,872
DEFERRED OUTFLOWS OF RESOURCES			
Related to pensions	12,899,414	982,527	13,881,941
Related to OPEB	3,003,630	228,781	3,232,411
Total deferred outflows of resources	15,903,044	1,211,308	17,114,352
LIABILITIES			
Accounts payable	9,172,669	1,399,298	10,571,967
Accrued liabilities	754,425	56,320	810,745
Intergovernmental payable	2,570,030	174,245	2,744,275
Unearned revenue	4,787,572	-	4,787,572
Noncurrent liabilities			
Due within one year			
Long-term obligations	-	-	-
Total OPEB liability	472,566	35,995	508,561
Compensated absences	1,318,514	184,062	1,502,576
Due in more than one year			
Customer deposits - payable restricted assets	-	273,622	273,622
Compensated absences	1,266,808	176,845	1,443,653
Long-term obligations	-	-	-
Net pension liability	36,544,675	2,783,546	39,328,221
Total OPEB liability	11,341,586	863,869	12,205,455
Closure and postclosure care costs	-	15,046,394	15,046,394
Total liabilities	68,228,845	20,994,196	89,223,041
DEFERRED INFLOWS OF RESOURCES			
Related to pensions	46,563	3,546	50,109
Related to OPEB	8,734,718	665,309	9,400,027
Lease related	-	-	-
Total deferred inflows of resources	8,781,281	668,855	9,450,136
NET POSITION			
Net investment in capital assets	295,541,198	80,799,424	376,340,622
Restricted for			
Capital projects	-	-	-
Permanent fund	-	-	-
Restricted for other purposes	85,136,341	-	85,136,341
Unrestricted	55,564,065	8,921,019	64,485,084
Total net position	$ 436,241,604	$ 89,720,443	$ 525,962,047

	Component Unit		
	Development Authority	Health Department	Public Library
	$ 2,551,528	$ 7,119,203	$ 823,433
	1,123,382	431,868	8,218
	-	599,350	-
	-	1,210,703	
	2,171,497	-	-
	22,469,882	-	-
	-	-	-
	-	-	28,319
	-	2,075,625	-
	-	-	548,700
	-	5,845,114	5,432,974
	28,316,289	17,281,863	6,841,644
	-	3,893,205	306,580
	-	1,337,577	131,047
	-	5,230,782	437,627
	18,101	193,660	13,299
	-	273,350	34,444
	-	3,085	-
	-	171,780	-
	414,650	432,332	-
	-	-	-
	24,068	-	4,431
	-	-	-
	16,045	2,258,816	17,726
	1,251,617	4,784,151	-
	-	14,787,578	964,164
	-	-	523,890
	-	-	-
	1,724,481	22,904,752	1,557,954
	-	2,135,035	198,533
	-	1,053,709	314,122
	2,087,762	-	-
	2,087,762	3,188,744	512,655
	-	628,631	5,981,674
	-	-	168,021
	-	-	33,808
	-	8,068,689	-
	24,504,046	(12,278,171)	(974,841)
	$ 24,504,046	$ (3,580,851)	$ 5,208,662

The notes to the financial statements are an integral part of this statement.

HOUSTON COUNTY, GEORGIA
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Indirect Expense Allocation	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government					
Governmental activities					
General government	$ 31,733,039	$ (8,117,188)	$ 4,496,514	$ 4,126,994	$ 6,682,106
Judiciary	15,642,596	1,734,255	4,755,852	8,605,888	29,973
Public safety	54,127,214	4,483,107	19,794,730	-	-
Public works	26,315,793	536,635	4,771	2,421,957	1,605,759
Health and welfare	637,649	219,601	5,092	-	-
Culture and recreation	1,355,722	-	-	-	-
Housing and development	2,234,650	133,609	314,044	-	-
Total governmental activities	132,046,663	(1,009,981)	29,371,003	15,154,839	8,317,838
Business-type activities					
Water	12,114,537	586,024	11,245,181	-	-
Solid Waste	14,377,881	423,957	14,874,224	-	-
Total business-type activities	26,492,418	1,009,981	26,119,405	-	-
Total primary government	$ 158,539,081	$ -	$ 55,490,408	$ 15,154,839	$ 8,317,838
Component Units					
Development Authority	$ 4,749,444	$ -	$ -	$ -	$ 3,192,809
Health Department	31,824,418	-	8,398,918	28,765,545	-
Public Library	1,948,788	-	78,732	559,904	155,000
Total component units	$ 38,522,650	$ -	$ 8,477,650	$ 29,325,449	$ 3,347,809
General revenues					
Taxes					
Property taxes					
Sales taxes for general purposes					
Special purpose local option sales taxes					
Other taxes					
Intergovernmental revenues not restricted to specific programs					
Grants and contributions, not restricted for specific programs					
Rent					
Unrestricted investment earnings					
Gain on sale of capital assets					
Miscellaneous					
Transfers					
Total general revenues					
Change in net position					
Net position - beginning, 6/30/24, as previously presented					
Error correction					
Net position - beginning, 6/30/24, as adjusted or restated					
Net position - ending					

Net (Expense) Revenue and Changes in Net Position					
Primary Government			Component Units		
Governmental Activities	Business-type Activities	Total	Development Authority	Health Department	Public Library
$ (24,544,613)		$ (24,544,613)			
(516,628)		(516,628)			
(29,849,377)		(29,849,377)			
(21,746,671)		(21,746,671)			
(412,956)		(412,956)			
(1,355,722)		(1,355,722)			
(1,786,997)		(1,786,997)			
(80,212,964)		(80,212,964)			
-	$ (283,332)	(283,332)			
-	920,300	920,300			
-	636,968	636,968			
$ (80,212,964)	$ 636,968	(79,575,996)			
			$ (1,556,635)	$ -	$ -
			-	5,340,045	-
			-	-	(1,155,152)
			(1,556,635)	5,340,045	(1,155,152)
58,677,154	-	58,677,154	-	-	-
35,979,968	-	35,979,968	-	-	-
-	477,156	477,156	-	-	-
14,221,884	-	14,221,884	-	-	-
-	-	-	1,207,076	-	962,000
-	-	-	-	-	60,881
-	-	-	1,040,191	-	-
3,955,708	1,385,993	5,341,701	141,508	31,573	13,749
174,331	21,400	195,731	100	10,000	-
1,998,387	-	1,998,387	137,449	19,024	196
(10,500)	10,500	-	-	-	-
114,996,932	1,895,049	116,891,981	2,526,324	60,597	1,036,826
34,783,968	2,532,017	37,315,985	969,689	5,400,642	(118,326)
401,457,636	87,188,426	488,646,062	23,612,019	(8,034,169)	5,326,988
-	-	-	(77,662)	(947,324)	-
401,457,636	87,188,426	488,646,062	23,534,357	(8,981,493)	5,326,988
$ 436,241,604	$ 89,720,443	$ 525,962,047	$ 24,504,046	$ (3,580,851)	$ 5,208,662

The notes to the financial statements are an integral part of this statement.

HOUSTON COUNTY, GEORGIA
FUND FINANCIAL STATEMENTS
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	SPLOST Capital Projects	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 28,672,760	$ -	$ 1,888,468	$ 6,099,098	$ 36,660,326
Investments	66,816,068	77,798,530	3,816,806	4,931,856	153,363,260
Receivables, net	1,894,639	3,365,649	67,614	535,409	5,863,311
Prepaid items	1,072,088	-	-	161,900	1,233,988
Total assets	$ 98,455,555	$ 81,164,179	$ 5,772,888	$ 11,728,263	$ 197,120,885
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable	$ 3,977,157	$ 1,518,429	$ 985,316	$ 482,413	$ 6,963,315
Accrued liabilities	658,901	-	-	95,524	754,425
Due to other governments	-	2,570,030	-	-	2,570,030
Unearned revenue	-	-	4,787,572	-	4,787,572
Total liabilities	4,636,058	4,088,459	5,772,888	577,937	15,075,342
Deferred inflows of resources					
Unavailable revenue - property taxes	797,945	-	-	-	797,945
Total deferred inflows of resources	797,945	-	-	-	797,945
Fund balances					
Nonspendable	1,072,088	-	-	161,900	1,233,988
Restricted	2,990,346	77,075,720	-	5,070,275	85,136,341
Committed	-		-	5,918,151	5,918,151
Assigned	7,314,523	-	-	-	7,314,523
Unassigned	81,644,595	-	-	-	81,644,595
Total fund balances	93,021,552	77,075,720	-	11,150,326	181,247,598
Total liabilities, deferred inflows of resources and fund balances	$ 98,455,555	$ 81,164,179	$ 5,772,888	$ 11,728,263	$ 197,120,885

The notes to the financial statements are an integral part of this statement.

HOUSTON COUNTY, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2025

Total fund balance, governmental funds		$ 181,247,598
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.		
Cost	$ 430,017,086	
Less accumulated depreciation/amortization	(134,475,888)	295,541,198
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.		
Property taxes	797,945	797,945
The net pension liability and the related deferred outflows and inflows of resources are not expected to be liquidated with current available financial resources and, therefore, are not reported in the governmental funds.		
Deferred outflows of resources - pension related items	12,899,414	
Net pension liability	(36,544,675)	(23,691,824)
Deferred inflows of resources - pension related items	(46,563)	
The total OPEB liability and the related deferred outflows and inflows of resources are not expected to be liquidated with current available financial resources and, therefore, are not reported in the governmental funds.		
Deferred outflows of resources - OPEB related items	3,003,630	
Total OPEB liability	(11,814,152)	
Deferred inflows of resources - OPEB related items	(8,734,718)	(17,545,240)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Compensated absences		(2,585,322)
Internal service funds are used by management to charge the cost of certain activities such as insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position		2,477,249
Net Position of Governmental Activities in the Statement of Net Position		$ 436,241,604

The notes to the financial statements are an integral part of this statement.

HOUSTON COUNTY, GEORGIA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025

	General Fund	SPLOST Capital Projects	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	$ 67,099,750	$ 35,979,968	$ -	$ 5,811,056	$ 108,890,774
Licenses and permits	481,172	-	-	-	481,172
Intergovernmental	6,048,775	500,176	10,211,647	945,000	17,705,598
Charges for services	7,647,366	-	-	3,962,237	11,609,603
Fines and forfeitures	2,355,194	-	-	975,247	3,330,441
Investment earnings	3,420,231	6,682,106	-	270,280	10,372,617
Miscellaneous	51,704	109,965	-	38,252	199,921
Total revenues	87,104,192	43,272,215	10,211,647	12,002,072	152,590,126
EXPENDITURES					
Current					
General government	18,321,940	1,828,279	-	404,868	20,555,087
Judicial	13,585,366	225,598	-	588,077	14,399,041
Public safety	36,576,821	3,053,800	-	11,636,975	51,267,596
Public works	8,274,595	-	10,176,647	-	18,451,242
Health and welfare	534,495	-	35,000	-	569,495
Culture and recreation	1,200,722	155,000	-	-	1,355,722
Housing and development	1,314,598	909,413	-	-	2,224,011
Capital outlay	-	8,338,105	-	-	8,338,105
Intergovernmental	-	14,801,891	-	-	14,801,891
Total expenditures	79,808,537	29,312,086	10,211,647	12,629,920	131,962,190
Excess (deficiency) of revenues over (under) expenditures	7,295,655	13,960,129	-	(627,848)	20,627,936
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	173,590	-	-	741	174,331
Transfers in	2,240	-	-	2,215,275	2,217,515
Transfers out	(1,998,000)	-	-	(219,515)	(2,217,515)
Total other financing sources (uses)	(1,822,170)	-	-	1,996,501	174,331
Net change in fund balances	5,473,485	13,960,129	-	1,368,653	20,802,267
Fund balances at beginning of year	87,548,067	63,115,591	-	9,781,673	160,445,331
Fund balances at end of year	$ 93,021,552	$ 77,075,720	$ -	$ 11,150,326	$ 181,247,598

The notes to the financial statements are an integral part of this statement.

HOUSTON 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 JUNE 30, 2025

Net change in fund balances - total governmental funds		$ 20,802,267
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 as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.		
Depreciation/amortization expense	$ (9,463,755)	
Capital outlay	25,816,854	16,353,099
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.		
Net book value of capital assets disposed	(74,408)	
Transfer of assets	(10,500)	(84,908)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds		
Property taxes		(11,768)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds		
Change in compensated absences	(293,933)	
Pension expense	(2,513,003)	
OPEB expense	(782,567)	(3,589,503)
Internal service funds are used by management to charge the costs of certain activities such as insurance to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.		1,314,781
Change in net position of Governmental Activities		$ 34,783,968

The notes to the financial statements are an integral part of this statement.

HOUSTON COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	$ 62,355,000	$ 62,355,000	$ 67,099,750	$ 4,744,750
Licenses and permits	359,250	359,250	481,172	121,922
Intergovernmental	4,538,790	4,538,790	6,048,775	1,509,985
Charges for services	6,277,964	6,292,614	7,647,366	1,354,752
Fines and forfeitures	2,527,850	2,527,850	2,355,194	(172,656)
Investment earnings	2,500,000	2,500,000	3,420,231	920,231
Miscellaneous	9,000	9,000	51,704	42,704
Total revenues	78,567,854	78,582,504	87,104,192	8,521,688
Expenditures				
General government				
County commission	1,261,401	1,312,724	1,281,440	31,284
Board of elections	740,288	746,614	746,614	-
Accounting	973,229	868,103	868,103	-
Purchasing	475,122	479,090	479,090	-
Legal services	328,255	641,256	641,256	-
Mangement of information systems	1,554,089	1,431,276	1,355,538	75,738
Human resources	569,917	613,192	613,184	8
Tax commissioner	2,324,228	2,270,650	2,270,650	-
Tax assessor	2,734,771	2,773,068	2,773,068	-
Board of equalization	18,460	15,410	3,895	11,515
Public buildings	3,906,853	5,161,406	5,161,406	-
Other general government	1,161,000	2,127,696	2,127,696	-
Total general government	16,047,613	18,440,485	18,321,940	118,545
Judiciary				
Judge of superior court	1,031,420	1,213,259	1,213,255	4
Clerk of superior court	1,485,752	1,454,163	1,454,163	-
District attorney	1,414,712	1,350,132	1,340,161	9,971
Domestic violence assistance	251,854	258,252	258,252	-
Victim advocates	405,041	404,841	330,026	74,815
Judge of state court	681,759	682,793	682,793	-
Clerk of state court	667,052	659,722	632,102	27,620
Solicitor of state court	1,083,541	1,077,527	1,034,899	42,628
Magistrate court	1,882,101	1,833,947	1,423,838	410,109
Probate court	977,096	979,499	979,499	-
Juvenile court	1,313,697	1,191,316	1,191,316	-
Juvenile court enhancement	196,151	193,333	138,269	55,064
Public defender	3,151,551	3,123,139	2,906,793	216,346
Total judiciary	14,541,727	14,421,923	13,585,366	836,557
Public safety				
Sheriff	14,228,104	14,483,944	14,483,944	-
Sheriff GOHS HEAT	-	140,191	140,191	-
Sheriff school resource officers	2,431,493	2,443,052	2,428,641	14,411
Juvenile involvement and control	1,487,459	1,463,966	1,428,286	35,680
Jail	18,319,854	17,433,096	17,124,629	308,467
Coroner	210,110	189,335	189,335	-
Animal control	355,941	364,955	364,955	-
EMS ambulance service	280,000	190,033	190,033	-
Emergency management agency	171,118	167,582	167,582	-
HEMA	65,000	59,225	59,225	-
Total public safety	37,549,079	36,935,379	36,576,821	358,558

(Continued)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Public Works				
Administration	873,445	851,383	745,396	105,987
Highways and streets - county	5,395,011	6,512,970	6,349,551	163,419
Highways and streets - state	990,000	953,319	884,532	68,787
Storm drainage	642,561	318,883	242,924	75,959
Traffic engineering	78,500	57,192	52,192	5,000
Total public works	7,979,517	8,693,747	8,274,595	419,152
Health and Welfare				
Health and vital statistics	372,375	381,157	381,157	-
Mental health	-	65,000	65,000	-
Mosquito control	5,000	4,138	3,138	1,000
Drug abuse commission	10,000	10,000	10,000	-
DFACS	50,000	50,000	50,000	-
Welfare	10,000	25,200	25,200	-
Total health and welfare	447,375	535,495	534,495	1,000
Culture and Recreation				
Recreation	309,000	244,722	244,722	-
Library	950,000	956,000	956,000	-
Total culture and recreation	1,259,000	1,200,722	1,200,722	-
Housing and Development				
County agent	56,380	118,531	118,531	-
Georgia forestry commission	10,932	10,932	10,564	368
Building inspection	621,994	632,825	632,825	-
Planning and zoning	24,400	17,454	13,610	3,844
Total housing and development	713,706	779,742	775,530	4,212
Economic development				
Economic development	379,680	457,619	457,619	-
21st Century partnership	75,000	75,000	36,849	38,151
Perry-Houston County airport	44,600	44,600	44,600	-
Total economic development	499,280	577,219	539,068	38,151
Total expenditures	79,037,297	81,584,712	79,808,537	1,776,175
Excess (deficiency) of revenues over (under) expenditures	(469,443)	(3,002,208)	7,295,655	10,297,863
Other financing sources (uses)				
Sale of capital assets	80,000	80,000	173,590	93,590
Transfers in	283,251	405,547	2,240	(403,307)
Transfers out	(2,278,000)	(1,998,000)	(1,998,000)	-
Total other financing sources (uses)	(1,914,749)	(1,512,453)	(1,822,170)	(309,717)
Net change in fund balance	(2,384,192)	(4,514,661)	5,473,485	9,988,146
Fund balance at beginning of year	87,548,067	87,548,067	87,548,067	-
Fund balance at end of year	$ 85,163,875	$ 83,033,406	$ 93,021,552	$ 9,988,146

(Concluded)

The notes to the financial statements are an integral part of this statement.

HOUSTON COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - ARPA FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	$ 13,996,283	$ 13,996,283	$ 10,211,647	$ (3,784,636)
Total revenues	13,996,283	13,996,283	10,211,647	(3,784,636)
Expenditures				
Current				
Public safety	1,000,000	1,000,000	-	1,000,000
Public works	12,961,283	12,961,283	10,176,647	2,784,636
Health and welfare	35,000	35,000	35,000	-
Total expenditures	13,996,283	13,996,283	10,211,647	3,784,636
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	$ -	$ -	$ -	$ -

The notes to the financial statements are an integral part of this statement.

HOUSTON COUNTY, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2025

	Enterprise Funds			
	Major			
	Water Fund	Solid Waste Fund	Total	Governmental Activities - Internal Service Fund
ASSETS				
Current assets				
Cash and cash equivalents	$ 2,241,994	$ 645,330	$ 2,887,324	$ -
Investments	7,359,036	15,216,526	22,575,562	4,612,785
Receivables, net	2,436,163	1,309,308	3,745,471	-
Prepaid items	70,797	51,500	122,297	73,818
Restricted customer deposits	42,108	-	42,108	-
Total current assets	12,150,098	17,222,664	29,372,762	4,686,603
Non-current assets				
Nondepreciable capital assets	3,278,670	13,223,223	16,501,893	-
Depreciable capital assets, net	34,733,762	29,563,769	64,297,531	-
Total non-current assets	38,012,432	42,786,992	80,799,424	-
Total assets	50,162,530	60,009,656	110,172,186	4,686,603
DEFERRED OUTFLOWS OF RESOURCES				
Related to pensions	594,319	388,208	982,527	-
Related to OPEB	138,387	90,394	228,781	-
Total deferred outflows or resources	732,706	478,602	1,211,308	-
LIABILITIES				
Current liabilities				
Accounts payable	467,011	932,287	1,399,298	2,209,354
Accrued liabilities	33,081	23,239	56,320	-
Due to other governments	-	174,245	174,245	-
Compensated absences	116,031	68,031	184,062	-
Total OPEB liability	21,773	14,222	35,995	-
Total current liabilities	637,896	1,212,024	1,849,920	2,209,354
Non-current liabilities				
Customer deposits - payable restricted assets	196,122	77,500	273,622	-
Closure and postclosure care costs	-	15,046,394	15,046,394	-
Compensated absences	111,481	65,364	176,845	-
Net pension liability	1,683,736	1,099,810	2,783,546	-
Total OPEB liability	522,545	341,324	863,869	-
Total non-current liabilities	2,513,884	16,630,392	19,144,276	-
Total liabilities	3,151,780	17,842,416	20,994,196	2,209,354
DEFERRED INFLOW OF RESOURCES				
Related to pensions	2,145	1,401	3,546	-
Related to OPEB	402,438	262,871	665,309	-
Total deferred inflows or resources	404,583	264,272	668,855	-
NET POSITION				
Investment in capital assets	38,012,432	42,786,992	80,799,424	-
Unrestricted	9,326,441	(405,422)	8,921,019	2,477,249
Total net position	$ 47,338,873	$ 42,381,570	$ 89,720,443	$ 2,477,249

The notes to the financial statements are an integral part of this statement.

HOUSTON COUNTY, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025

	Enterprise Funds			
	Major			
	Water Fund	Solid Waste Fund	Total	Governmental Activities - Internal Service Fund
OPERATING REVENUES				
Intergovernmental	$ 368,820	$ 47,143	$ 415,963	$ -
Metered sales	10,120,619	-	10,120,619	-
Collection and disposal fees	-	14,808,582	14,808,582	-
Service charges	623,703	6,200	629,903	13,574,146
Miscellaneous	132,039	12,299	144,338	-
Total operating revenues	11,245,181	14,874,224	26,119,405	13,574,146
OPERATING EXPENSES				
Personal services	3,430,864	2,164,781	5,595,645	-
Contractual services	2,245,021	9,843,018	12,088,039	12,524,562
Supplies	614,381	828,646	1,443,027	-
Materials	2,374,759	-	2,374,759	-
Heat, light and power	1,191,529	2,170	1,193,699	-
Depreciation	1,671,959	1,115,309	2,787,268	-
Total operating expenses	11,528,513	13,953,924	25,482,437	12,524,562
Operating income (loss)	(283,332)	920,300	636,968	1,049,584
NON-OPERATING REVENUES (EXPENSES)				
Intergovernmental	-	477,156	477,156	-
Investment income	602,809	783,184	1,385,993	265,197
Gain (loss) on sale of capital assets	5,500	15,900	21,400	-
Total non-operating revenue (expenses)	608,309	1,276,240	1,884,549	265,197
Income (loss) before capital contributions	324,977	2,196,540	2,521,517	1,314,781
Contributions	1,000	9,500	10,500	-
Change in net position	325,977	2,206,040	2,532,017	1,314,781
Total net position - beginning	47,012,896	40,175,530	87,188,426	1,162,468
Total net position - ending	$ 47,338,873	$ 42,381,570	$ 89,720,443	$ 2,477,249

The notes to the financial statements are an integral part of this statement.

HOUSTON COUNTY, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	Enterprise Funds			
	Major			
	Water Fund	Solid Waste Fund	Total	Internal Service Fund
Cash flows from operating activities				
Cash received from customers and users	$ 10,634,703	$ 14,210,946	$ 24,845,649	$ -
Cash received from interfund services provided	435,140	(2,508,432)	(2,073,292)	11,839,814
Cash payments to suppliers for goods and services	(7,132,753)	(10,742,136)	(17,874,889)	(12,043,630)
Cash payments to employees for services	(3,439,838)	(2,364,995)	(5,804,833)	-
Net cash provided (used) by operating activities	497,252	(1,404,617)	(907,365)	(203,816)
Cash flows from noncapital financing activities				
Intergovernmental	-	477,156	477,156	-
Net cash provided (used) by noncapital financing activities	-	477,156	477,156	-
Cash flows from capital and related financing activities				
Acquisition and construction of capital assets	(1,252,223)	(1,596,567)	(2,848,790)	-
Proceeds from the sale of capital assets	3,500	(11,100)	(7,600)	-
Net cash provided (used) by capital and related financing activities	(1,248,723)	(1,607,667)	(2,856,390)	-
Cash flows from investing activities				
Interest earned on cash and investments	132,108	783,184	915,292	265,197
Sale of investments	2,856,231	2,397,274	5,253,505	-
Purchase of investments	-	-	-	(61,381)
Net cash provided by investing activities	2,988,339	3,180,458	6,168,797	203,816
Net increase (decrease) in cash and cash equivalents	2,236,868	645,330	2,882,198	-
Cash and cash equivalents, beginning of year	47,234	-	47,234	-
Cash and cash equivalents, end of year	$ 2,284,102	$ 645,330	$ 2,929,432	$ -

The notes to the financial statements are an integral part of this statement.

HOUSTON COUNTY, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

Reconciliation of cash per statement of cash flows to the balance sheet	Enterprise Funds			
	Major			
	Water Fund	Solid Waste Fund	Total	Internal Service Fund
Cash, beginning				
Current	$ -	$ -	$ -	$ -
Restricted	47,234	-	47,234	-
Total	47,234	-	47,234	-
Net increase				
Current	2,284,102	645,330	2,929,432	-
Restricted	(5,126)	-	(5,126)	-
Total	2,278,976	645,330	2,924,306	-
Cash, ending				
Current	2,241,994	645,330	2,887,324	-
Restricted	42,108	-	42,108	-
Total	$ 2,284,102	$ 645,330	$ 2,929,432	$ -
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	$ (283,332)	$ 920,300	$ 636,968	$ 1,049,584
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	1,671,959	1,115,309	2,787,268	-
(Increase) decrease in assets				
Receivables	(610,478)	(663,278)	(1,273,756)	-
Inventories	469,937	-	469,937	-
Prepaid items	(34,797)	(24,000)	(58,797)	(6,853)
Deferred outflows	351,867	334,719	686,586	-
Increase (decrease) in liabilities				
Accounts payable	(258,750)	(1,285,861)	(1,544,611)	487,785
Accrued liabilities	(13,434)	(3,581)	(17,015)	-
Due to other funds	(434,879)	(2,508,432)	(2,943,311)	(1,734,332)
Due to other governments	-	(26,224)	(26,224)	-
Closure and postclosure care costs	-	1,271,364	1,271,364	-
Compensated absences	39,570	19,919	59,489	-
Net pension liability	(259,937)	(357,749)	(617,686)	-
Total OPEB liability	(387,298)	(343,072)	(730,370)	-
Deferred inflows of resources	246,824	145,969	392,793	-
Total adjustments	780,584	(2,324,917)	(1,544,333)	(1,253,400)
Net cash provided (used) by operating activities	$ 497,252	$ (1,404,617)	$ (907,365)	$ (203,816)
Schedule of non-cash capital and related financing activities				
Capital contribution	$ 1,000	$ -	$ 1,000	$ -

The notes to the financial statements are an integral part of this statement.

HOUSTON COUNTY, GEORGIA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2025

	Custodial Funds
ASSETS	
Cash	$ 7,198,839
Accounts receivable	274,805
Taxes receivable	2,585,226
Total assets	10,058,870
LIABILITIES	
Due to others	8,948,724
Total liabilities	8,948,724
NET POSITION	
Restricted	
Individuals, organizations and other governments	1,110,146
Total net position	$ 1,110,146

The notes to the financial statements are an integral part of this statement.

HOUSTON COUNTY, GEORGIA
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025

	Custodial Funds
ADDITIONS	
Taxes collected	$ 171,762,256
Fines and fees collected	19,862,726
Interest income	2,477
Other	1,395,747
Total additions	193,023,206
DEDUCTIONS	
Taxes disbursed	172,319,946
Fines and fees disbursed	22,033,122
Other	6,186
Total deductions	194,359,254
Change in net position	(1,336,048)
Net position - beginning	2,446,194
Net position - ending	$ 1,110,146

The notes to the financial statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

Houston County (the "County") is a political subdivision of the State of Georgia. The County is governed by an elected board of five County Commissioners. As required by generally accepted accounting principles, these financial statements present all the fund types of the County and its component units, entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the County's operations, and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the primary government.

Blended Component Units –

The ***Houston County Public Purpose Corporation***, an entity separate from the County, had previously been a blended component unit of the County. The Houston County Public Purpose Corporation has become dormant and is currently not operating in any capacity. The assets and liabilities of the Houston County Public Purpose Corporation consist of two County buildings and two leases collateralized by those buildings. The County has assumed ownership of the buildings and has assumed the corresponding obligations under the aforementioned leases. All activity for the year ended June 30, 2025 of the Houston County Public Purpose Corporation has been recorded in the County's general fund.

Discretely Presented Component Units -

The component units discussed below are included in the County's financial reporting entity because of the County's financial accountability for the entities and the significance of their operational and financial relationship with the County. The component unit columns in the combined financial statements include the financial data of the County's three discretely presented component units, as reflected in their most recent audited financial statements. These component units are reported in separate columns to emphasize that they are legally separate from the County. The following component units are incorporated into the County's financial report.

Houston County Development Authority -

The members of the governing board of the ***Houston County Development Authority*** (the "Authority") are appointed by the Board of Commissioners of Houston County. Although the County does not have the authority to approve or modify the budget of the Authority, the County provides financial support to the Authority. The Authority is a governmental fund and has separately issued financial statements for the year ended June 30, 2025, which are available at the Authority's administrative office in Warner Robins, Georgia.

Houston County Department of Public Health -

The ***Houston County Department of Public Health*** (the "Health Department") has a governing board consisting of seven members. Five of the members are either County officials or members appointed by the County. The remaining two members are appointed by the City of Warner Robins. Although the County does not have the authority to approve or modify the budget of the Health Department, the County provides financial support to the Health Department. The Health Department is presented as a governmental fund type. Complete financial statements for the Health Department may be obtained at the Department's administrative office in Warner Robins, Georgia.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Houston County Public Library -

The ***Houston County Public Library*** (the "Library") has a governing board consisting of twelve members appointed by the Houston County Board of Commissioners. The Library Board (the "Board") is without authority to determine the amount of its funding, except by submission of budget requests to local governmental units from which the Library receives support and to the State of Georgia for State and Federal funding. Membership in the Library and participation in library services is at the discretion of each participating governmental agency. The Board has the power to designate management, the power to retain unreserved fund balances of local funds and other funds for continued operations and is the lowest level of oversight responsibility for the Library's operations. The Library is presented as a governmental fund type. Complete financial statements for the Houston County Public Library may be obtained at the Library's administrative office in Perry, Georgia.

Basis of Presentation

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 the nonfiduciary activities of the primary government and its component units. The primary government and the discretely presented component units are presented separately within the financial statements with the focus on the primary government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the County. Individual funds are not displayed. The statements distinguish between governmental activities, generally supported by taxes, intergovernmental revenues, and other nonexchange transactions and business-type activities, which are generally financed in whole or in part by fees charged to external parties.

In the government-wide Statement of Net Position, both the governmental and business-type activities' columns are presented on a consolidated basis, by column. They are reflected on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The County's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services, which report fees, fines and forfeitures, and other charges to users of the County's services; (2) operating grants and contributions, which finance annual operating activities including restricted investment income; and (3) capital grants and contributions, which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund financial statements -

Fund financial statements are provided for governmental, proprietary and fiduciary funds. Separate statements for each fund category – governmental, proprietary and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and proprietary funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as investment earnings, result from transactions not associated with the principal activity of the fund.

Fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, other governmental units and/or other funds.

When both restricted and unrestricted resources are available for use, it is generally the County's policy to use restricted resources first. When expenditures are incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

The County reports the following major governmental funds:

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

The *Special Purpose Local Option Sales Tax ("SPLOST") Capital Projects Fund* accounts for revenues received by the imposition of a one percent special purpose sales tax.

The *American Rescue Plan Act ("ARPA") of 2021 Local Fiscal Recovery Fund* accounts for the financial resources provided and expended from the American Rescue plan grant received from the federal government.

The County reports the following major proprietary funds:

The *Water Enterprise Fund* accounts for the provision of water services to the residents of the County. All activities necessary to provide such services are accounted for in this fund.

The *Solid Waste Fund* accounts for the operations of the Houston County Landfill. All activities necessary to provide such services are accounted for in this fund.

The County reports the following non-major governmental funds:

The *Special Revenue Funds* account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County reports the following fiduciary funds:

The *custodial funds* account for the assets held by the County in a trustee capacity as an agent for individuals, other governmental units and/or other funds.

The County reports the following fund types:

The *Risk Management Internal Service Fund* accounts for the activity of the County's health, workers' compensation, and property and liability insurance programs provided to other departments of the County on a cost reimbursement basis.

Measurement Focus and Basis of Accounting

The financial statements of the County are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The County's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The County has elected not to follow the option allowed under GASB Statement 20 and thus does not follow any FASB pronouncements or APB opinions issued after November 30, 1989.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Property taxes are recognized in the year they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Funds -

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." "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The County considers all revenues available if they are collected within 60 days of the end of the current fiscal period, with the exception of grants, which are recognized when all eligibility requirements have been met. Expenditures generally are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. General capital asset acquisitions are reported as expenditures in governmental funds.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenues - Non-exchange Transactions –

Non-exchange transactions in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 30 days for sales taxes and within 60 days for all other revenues) before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes and federal and state grants.

The County uses the following governmental fund types:

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

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Capital Projects Funds – Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

Proprietary Funds -

The focus of proprietary fund measurement is upon the determination of operating income, changes in net assets, financial position, and cash flows. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing business. Operating expenses for the enterprise funds and the internal service fund include the cost of sales and services, administrative expenses, and depreciation of capital assets.

All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The generally accepted accounting principles applicable to proprietary funds are similar to those used by businesses in the private sector.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Investments

Cash includes cash on hand, amounts in demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value.
State statutes authorize the County to invest in the following type of obligations:

- Obligations of the State of Georgia or of any other states
- Obligations of the United States Government
- Obligations fully insured or guaranteed by the United States Government or Government agency
- Obligations of any corporation of the United States Government
- Prime bankers' acceptances
- The State of Georgia local government investment pool (i.e., Georgia Fund I)
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

Receivables

Levied property taxes are recorded as receivables and recognized as revenue in the year they become due. The levy is made on assessed valuations as of January 1, and the taxes are due on December 20 of each year.

The tax bills are mailed at least 60 days prior to the due date. The billings are considered past due 60 days after the tax billing date or December 20, whichever is later, at which time the applicable property is subject to lien, and penalties and interest are assessed. The tax levy for 2025 was set on August 26, 2025.

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

Interfund Balances

All balances reported as "due to/due from other funds" represent amounts paid by one fund on behalf of another fund for which reimbursement has not been made by year-end.

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/interfund payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances.

Inventories and Prepaid Items

Inventory is valued at cost using the first-in/first-out method for the general fund and the enterprise funds. The costs of other governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Restricted Assets

Certain assets have been restricted because their use is limited by bond covenants, grantors, laws or regulations. The renewal and extension account is used to report resources set aside to fund the cost of making replacements, additions, extensions and improvements or emergency repairs.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than $10,000 and an estimated useful life in excess of two years. Purchased or constructed capital assets are reported at historical cost or estimated historical cost. Donated capital assets are recorded at their acquisition value at the date of the donation. The County has retroactively reported major general infrastructure assets. The County chose to include all items regardless of their acquisition date. The cost of normal maintenance and repairs that do not improve or extend the life of the respective asset is charged to expense. Depreciation of all exhaustible capital assets is charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation has been provided over the estimated useful lives of capital assets using the straight-line method.

The estimated useful lives of capital assets are as follows:

	Estimated Useful Lives	
Asset Class	Governmental Activities	Business-type Activities
Buildings	25 - 50 Years	20 - 40 Years
Improvements other than buildings	15 - 30 Years	20 - 40 Years
Machinery and equipment	3 - 20 Years	5 - 20 Years
Infrastructure	10 - 50 Years	-

Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities, once incurred, are paid in a timely manner and in full from current financial resources and are reported as obligations of these funds. Liabilities for compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are “due for payment” during the current year. Bonds and leases are recognized as a liability in the governmental funds financial statements when due. It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation pay is accrued when incurred and reported as a fund liability and includes all salary-related payments where applicable.

Compensated Absences

During the fiscal year ended June 30, 2025, the County implemented the provisions of GASB Statement No. 101, *Compensated Absences*. This Statement provides updated recognition and measurement guidance for compensated absences that are attributable to services already rendered. The County determined that implementation did not have a material impact on the financial statements. Accordingly, no adjustments to beginning net position or fund balance were required.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Pension

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 pension plan's fiduciary net position 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.

Fund Equity & Net Position

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

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

- *Nonspendable fund balance* 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 June 30, 2025, 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 fund balance* includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.
- *Committed fund balance* includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to ordinances passed by the County Commissioners, the County's highest level of decision-making authority. Commitments may be modified or rescinded only through ordinances approved by County Commissioners.
- *Assigned fund balance* includes amounts that the County intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the County's policy, amounts may be assigned by the Board of Commissioners, Director of Administration or Comptroller.
- *Unassigned fund balance* includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The County reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The details of the fund balances are included in the Governmental Funds Balance Sheet (page 14) and the Nonmajor Governmental Funds Combining Balance sheet (page 62). When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Commissioners have provided otherwise in commitment or assignment actions.

The County has developed and adopted a Reserve Fund Policy, under which it is the County's policy to provide:

- funds that are a stable funding source for expenditures that fluctuate significantly each year, for example equipment acquisitions and replacements,
- working capital to maintain a sufficient cash flow,
- funding of services during periods of budget shortfalls or other revenue reductions during a budget year, and
- a stable or improved credit rating.

The General Fund may maintain all five classifications of fund balance. The County will strive to accumulate an *unassigned* General Fund reserve at least equal to six months of the total General Fund budget.

Net Position. Net position represent the difference between assets and liabilities. Net position invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available

Management Estimates

The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amount of revenues and expenditures/expenses during the reporting year. Actual results could differ from those estimates.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for services for water and solid waste. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of each fund.

Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap-on fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Allocation of Indirect Expenses

It is the County's policy to allocate certain support services, including the cost of the governing body, the executive, accounting, purchasing, legal services and management information systems, to direct functions. A separate column for this allocation is provided in the Statement of Activities.

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller fund and as expenditures/expenses in the purchaser fund. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after the non-operating revenues/expenses section in proprietary funds. Repayments from the fund responsible for a particular expenditure/expense to the fund that initially paid for them are not presented on the financial statements (i.e., they are netted). Transfers between governmental and business- type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business type activities column are eliminated.

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 has two items that qualifies for reporting in this category: deferred outflows related to pensions and deferred outflows relating to OPEB reported in the government-wide statement of net position and the proprietary funds statement of net position.

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 three items that qualify for reporting in this category. They are the deferred inflows related to pensions and the deferred inflows related to OPEB in the government wide statement of net position and the proprietary funds statement of net position and the unavailable tax revenue reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Restatement of Beginning Net Position – Component Units

During the current fiscal year, the County identified and made an adjustment to beginning net position as of June 30, 2024. The adjustment decreased the beginning net position of the Development Authority by $77,662. Additionally, the implementation of GASB Statement No. 101 decreased the beginning net position of the Health Department by $947,324. See Note 3 for additional details regarding the beginning balance adjustment for the Health Department. These adjustments are reported as an error correction in the current year's statement of activities.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

An operating budget is legally adopted each fiscal year for all governmental funds except capital project funds. Capital project funds use project-length budgets. The level of control (the level at which expenditures may not legally exceed appropriations) for each legally adopted annual budget is the department level. Supplemental appropriations out of the County's contingency account may be made by the Board of Commissioners to fund unforeseen expenditures within the County's governmental funds at any time during the year. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

All "final" budget amounts presented in the accompanying financial statements and supplementary data have been adjusted for legally authorized revisions of the annual budget during the year. Individual amendments were not material in relation to the original appropriations. The Board of Commissioners must approve any department level changes to a previously adopted budget. Management may amend the budget without seeking the approval of the Board of Commissioners at any level below the departmental level. All unexpended appropriations provided in the annual budget lapse at year-end. The annual budget cycle begins in March of the preceding year when budget workbooks are distributed to each department. The Board advertises and conducts public hearings on the proposed budget in adherence to local ordinance and state law and the final budget is adopted by mid-June.

NOTE 3 – DETAILED NOTES ON ALL FUNDS

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is not employed by the County. Encumbrances are not recognized as expenditures until the period in which the actual goods or services are received and the liability is incurred.

Primary Government

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Georgia Fund 1 is not subject to the fair value measurement hierarchy.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County limits its exposure to custodial credit risk by requiring deposits to be collateralized in accordance with state law. As of June 30, 2025, the County's bank balances are entirely insured or collateralized with securities held by the County's agent in the County's name.

As of June 30, 2025, the County's reporting entity had the following investments:

Type of investment Primary Government	Fair value	Investment Maturity Less than 1 yr	Rating	Weighted Average Maturity (WAM)
Certificate of Deposits	$ 9,076,003	$ 9,076,003		
Georgia Fund I	172,763,716	172,763,716	AAAf	51 day WAM
Total Primary Government	$ 181,839,719	$ 181,839,719		

Credit Risk – Investments. State statutes authorize the County to invest in obligations of the United States Treasury or Agencies, banker's acceptances, bank money market accounts, repurchase agreements, and the "Georgia Fund 1". The Georgia Fund 1, created by OCGA 36-83-8, is a stable net asset value investment pool, which follows Standard and Poor's criteria for AAAf rated money market funds and is regulated by the Office of the State Treasurer. However, the Georgia Fund 1 operates in a manner consistent with Rule (2a-7) of the Investment Company Act of 1940, and is considered a Rule (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.

Interest Rate Risk – Investments. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County uses the specific identification method to disclose interest rate risk for positions in fixed-rate debt securities.

Custodial Credit Risk – Investments. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require all investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2025, all of the County's deposits were insured and collateralized.

Development Authority – Component Unit

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Authority limits its exposure to custodial credit risk by requiring deposits to be collateralized in accordance with state law.

Georgia statute requires collateral at 110% of the government's deposits, less the amount of the Federal Deposit Insurance Corporation (FDIC) insurance, to be held in the Authority's name by the safekeeping agent.

At June 30, 2025, the Authority's bank balance was $2,551,528. As of June 30, 2025, all of these bank balances were fully covered by federal depository insurance or collateralized with securities held by the Authority's agent in the Authority's name.

Interest Rate Risk – Investments. Interest rate risk is the risk that an investment's value will be reduced due to a change in interest rates. The Authority limits its exposure to interest rate risk by investing in certificates of deposit with maturities of 12 months or less.

Investments – Real Estate. Investments in real estate consist of the Authority's share of the cost of land and improvements. The Authority acquired 667.32 acres of land in Houston County, Georgia during the fiscal year ended June 30, 2009. This land is to be prepared for industrial use as part of the Houston County Industrial Park (Houston County I75 GRAD Site). As a part of the acquisition, the Authority immediately sold 12.668 acres of this land to the Perry-Houston County Airport Authority. The Authority transferred title for 80 acres of the land to Sandler AG during fiscal year 2016. During fiscal year ended June 30, 2012, the Authority acquired a house (1.52 acres) located at 321 A.E. Harris Road. The home was demolished in 2016 to prepare the land it sat on for development.

During fiscal year ended June 30, 2019, The County conveyed a 246.23-acre tract of land along A.E. Harris Rd to the Authority. The Authority's share of the costs for this investment, known as Industrial Park (I75 GRAD Site), was originally $1,718,791. During fiscal year ended June 30, 2023, 110.89 acres was sold to Cemex Southeast LLC leaving a remaining cost of $944,731.

During fiscal year ended June 30, 2020, the Authority purchased 7.63 acres of land at 100 Park Place Drive to be used by Robins Air Force Base to expand software development training at Houston County School District. During fiscal year ended June 30, 2022, the Authority purchased 3.89 acres of land at 200 Park Place Drive and 7.03 acres at 300 Park Place to be used by Northrop and Booz Allen for defense contracting for the Robins Air Force Base..

NOTE 3 – DETAILED NOTES ON ALL FUNDS

On December 7, 2022, the Authority sold approximately 111 acres to CEMEX Southeast, LLC. The sales price was $776,230. The property is considered a part of the Houston County Rail Site, A E Harris Road, Perry, GA. The intent is to build a new manufacturing facility on the acquired site; however, there is no timeline for this project to occur.

On August 10, 2023, the Authority sold approximately 4 acres to Georgia Power Company. The sales price was $79,600. The property is considered part of the Houston County Industrial Park (I75 GRAD Site), Perry, GA. The sale is for an easement for Georgia Power Company to construct a substation of capacity needs in the Industrial Park.

The cost of investments in real estate as of June 30, 2025 is as follows:

Location	Cost
Houston County Industrial Park	$ 12,624,668
A.E. Harris Rd	944,731
Park Place Drive	2,606,075
200/300 Park Place	6,294,408
Total	$ 22,469,882

Health Department - Component Unit

The custodial credit risk of deposits is the risk that in the event of the failure of the bank, the government will not be able to recover deposits. State statutes require banks holding public funds to secure these funds by FDIC insurance, securities pledged at par value, and surety bonds at face value in combined aggregate totaling not less than 110% of the public funds held. The Board's bank balances of deposits at June 30, 2025, are entirely insured or collateralized with securities held by Board's agent in the Board's name.

Public Library – Component Unit

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Library limits its exposure to custodial credit risk by requiring deposits to be collateralized in accordance with state law. Georgia statute requires collateral at 110% of the government's deposits, less the amount of the Federal Deposit Insurance Corporation (FDIC) insurance, to be held in the Library's name by the safekeeping agent. As of June 30, 2025, all of these bank balances were fully covered by federal depository insurance or collateralized with securities held by the Library's agent in the Library's name.

Custodial Credit Risk – Investments. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Library limits its exposure to custodial credit risk by requiring deposits to be collateralized in accordance with state law. Georgia statute requires collateral at 110% of the government's deposits, less the amount of the Federal Deposit Insurance Corporation (FDIC) insurance, to be held in the Library's name by the safekeeping agent. As of June 30, 2025, the Library was not exposed to custodial credit risk for its investments.

NOTE 3 – DETAILED NOTES ON ALL FUNDS

Credit Risk – Investments. State statutes authorize the Library to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; 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; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. As of June 30, 2025, the Library's only investments were certificates of deposit.

Investment	Maturities	Fair Value
Certificate of Deposit	February 24, 2026	$ 8,218
Certificate of Deposit	February 23, 2026	28,319
Total		$ 36,537

Interest Rate Risk. Interest rate risk is the risk that an investment's value will be reduced due to a change in interest rates. The Library limits its exposure to interest rate risk by using a competitive selection process for investments in excess of 30 days.

Transfers In and Out

The interfund transfers were made in the normal course of operations and are consistent with the activities of the fund making the transfer.

The composition of these transfers is as follows:

	Transfer in:		
Transfer out	General Fund	Nonmajor Governmental Funds	Total
General fund	$ -	$ 1,998,000	$ 1,998,000
Nonmajor governmental funds	2,240	217,275	219,515
Total	$ 2,240	$ 2,215,275	$ 2,217,515

NOTE 3 – DETAILED NOTES ON ALL FUNDS

Capital Activities

A summary of capital asset activity for Houston County, Georgia for the year ended June 30, 2025 is as follows:

Governmental Activities	Balance June 30, 2024	Increases	Decreases	Transfers In/(Out)	Balance June 30, 2025	Accumulated Depreciation June 30, 2025	Book Value June 30, 2025
Capital assets, not being depreciated:							
Land	$ 6,426,228	$ -	$ -	$ -	$ 6,426,228	$ -	$ 6,426,228
Construction in progress	62,739,022	19,421,328	32,438,881	-	49,721,469	-	49,721,469
Total capital assets not being depreciated	69,165,250	19,421,328	32,438,881	-	56,147,697	-	56,147,697
Capital assets, being depreciated:							
Buildings	80,915,421	28,996,759	-	-	109,912,180	32,878,449	77,033,731
Improvements other than buildings	1,440,942	667,105	-	-	2,108,047	965,287	1,142,760
Machinery & equipment	56,866,573	3,330,650	1,220,928	(142,638)	58,833,657	38,893,036	19,940,621
Infrastructure	197,175,612	5,839,893	-	-	203,015,505	61,739,116	141,276,389
Total capital assets being depreciated	336,398,548	38,834,407	1,220,928	(142,638)	373,869,389	134,475,888	239,393,501
Total capital assets	$ 405,563,798	$ 58,255,735	$ 33,659,809	$ (142,638)	$ 430,017,086	$ 134,475,888	$ 295,541,198
Less accumulated depreciation for:							
Buildings	$ 31,106,329	$ 1,772,120	$ -	$ -	$ 32,878,449		
Improvements	925,187	40,100	-	-	965,287		
Machinery and equipment	36,467,421	3,704,273	1,146,520	(132,138)	38,893,036		
Infrastructure	57,791,854	3,947,262	-	-	61,739,116		
Total accumulated depreciation	$ 126,290,791	$ 9,463,755	$ 1,146,520	$ (132,138)	$ 134,475,888		

Business-type Activities	Balance June 30, 2024	Increases	Decreases	Transfers In/(Out)	Balance June 30, 2025	Accumulated Depreciation June 30, 2025	Book Value June 30, 2025
Capital assets, not being depreciated:							
Land	$ 6,053,428	$ -	$ -	$ -	$ 6,053,428	$ -	$ 6,053,428
Construction in progress	9,754,550	2,007,258	1,313,343	-	10,448,465	-	10,448,465
Total capital assets not being depreciated	15,807,978	2,007,258	1,313,343	-	16,501,893	-	16,501,893
Capital assets, being depreciated:							
Buildings	10,365,066	10,460	-	-	10,375,526	1,923,962	8,451,564
Improvements other than buildings	90,056,160	1,436,287	-	-	91,492,447	42,146,002	49,346,445
Machinery & equipment	14,514,334	766,127	463,843	142,638	14,959,256	8,459,734	6,499,522
Total capital assets being depreciated	114,935,560	2,212,874	463,843	142,638	116,827,229	52,529,698	64,297,531
Total capital assets	$ 130,743,538	$ 4,220,132	$ 1,777,186	$ 142,638	$ 133,329,122	$ 52,529,698	$ 80,799,424
Less accumulated depreciation for:							
Buildings	$ 1,637,457	$ 286,505	$ -	$ -	$ 1,923,962		
Improvements other than buildings	40,617,742	1,528,260	-	-	42,146,002		
Machinery and equipment	7,789,937	972,503	434,844	132,138	8,459,734		
Total accumulated depreciation	$ 50,045,136	$ 2,787,268	$ 434,844	$ 132,138	$ 52,529,698		

NOTE 3 – DETAILED NOTES ON ALL FUNDS

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

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

Governmental activities	
General government	$ 518,089
Judicial	705,501
Public safety	3,895,671
Public works	4,246,379
Health and welfare	84,354
Housing and development	13,761
Total depreciation expense - governmental activities	$ 9,463,755

Business-type activities	
Water	$ 1,671,959
Solid waste	1,115,309
Total depreciation expense - governmental activities	$ 2,787,268

Houston County Health Department – Component Unit

A summary of capital asset activity for the Houston County Health Department for the year ended June 30, 2025 is as follows:

Governmental Activities	Balance June 30, 2024	Increases	Decreases	Balance June 30, 2025
Depreciable assets:				
Office and medical equipment	$ 3,453,257	$ 270,541	$ (57,770)	$ 3,666,028
Less accumulated depreciation	(2,838,157)	(201,993)	57,770	(2,982,380)
Depreciable assets, net	615,100	68,548	-	683,648
Leased assets:				
Buildings	$ 1,546,125	$ 5,457,773	$ (1,445,673)	$ 5,558,225
Less accumulated amortization	(1,340,484)	(480,973)	1,424,698	(396,759)
Leased assets, net	205,641	4,976,800	(20,975)	5,161,466
Capital assets, net	$ 820,741	$ 5,045,348	$ (20,975)	$ 5,845,114

NOTE 3 – DETAILED NOTES ON ALL FUNDS

Depreciation expense was charged to functions/programs of the Board of Health as follows:

Governmental activities:	
Health	$ 682,966

Houston County Public Library - Component Unit

A summary of capital asset activity for the Houston County Public Library for the year ended June 30, 2025 is as follows:

Governmental Activities	Balance June 30, 2024	Increases	Decreases	Balance June 30, 2025
Nondepreciable assets				
Land	$ 548,700	$ -	$ -	$ 548,700
Total	548,700	-	-	548,700
Depreciable assets:				
Buildings and improvements	9,293,638	48,629	-	9,342,267
Equipment	60,348	-	-	60,348
Library collections	2,906,481	223,826	203,910	2,926,397
Total	12,260,467	272,455	203,910	12,329,012
Accumulated depreciation				
Buildings and improvements	4,600,771	275,357	-	4,876,128
Equipment	37,144	6,674	-	43,818
Library Collections	2,008,815	171,187	203,910	1,976,092
Total accumulated depreciation	6,646,730	453,218	203,910	6,896,038
Total depreciable assets, net	5,613,737	(180,763)	-	5,432,974
Capital assets, net	$ 6,162,437	$ (180,763)	$ -	$ 5,981,674

All depreciation expense was charged to the public services function during the year ended June 30, 2025.

NOTE 3 – DETAILED NOTES ON ALL FUNDS

Changes in Long-term Debt

During the year ended June 30, 2025, the following changes occurred in the long-term liabilities:

Governmental activities:

Long-term Liability	Balance June 30, 2024	Additions	Reductions	Balance June 30, 2025	Amounts Due Within One Year
Net pension liability	$ 37,848,022	$ -	$ 1,303,347	$ 36,544,675	$ -
Total OPEB liability	18,140,809	-	6,326,657	11,814,152	472,566
Compensated absences	2,291,389	1,054,323	760,390	2,585,322	1,318,514
Total	$ 58,280,220	$ 1,054,323	$ 8,390,394	$ 50,944,149	$ 1,791,080

The compensated absences have been liquidated by the general fund, fire protection fund and E911 fund.

Business-type activities:

Long-term Liability	Balance June 30, 2024	Additions	Reductions	Balance June 30, 2025	Amounts Due Within One Year
Net pension liability	$ 3,401,232	$ -	$ 617,686	$ 2,783,546	$ -
Total OPEB liability	1,630,234	-	730,370	899,864	35,995
Compensated absences	301,418	125,126	65,637	360,907	184,062
Accrued closure and post-closure care costs	13,775,030	1,271,364	-	15,046,394	-
Total	$ 19,107,914	$ 1,396,490	$ 1,413,693	$ 19,090,711	$ 220,057

Houston County Development Authority - Component Unit

A summary of changes in long-term debt for the Development Authority Component Unit for the year ended June 30, 2025 is as follows:

Business-type fund:

Long-term Liability	Balance June 30, 2024	Additions	Reductions	Balance June 30, 2025	Amounts Due Within One Year
Compensated absences	$ 37,687	$ 2,426	$ -	$ 40,113	$ 24,068
Note payable	2,068,047	-	401,780	1,666,267	414,650
Total	$ 2,105,734	$ 2,426	$ 401,780	$ 1,706,380	$ 438,718

NOTE 3 – DETAILED NOTES ON ALL FUNDS

Houston County Health Department - Component Unit

A summary of changes in long-term debt for the Houston County Health Department for the year ended June 30, 2025 is as follows:

Governmental Funds:

Long-term Liability	(Restated) Balance June 30, 2024	Additions	Reductions	Balance June 30, 2025	Amounts Due Within One Year
Net pension liability	$ 20,543,643	$ -	$ 5,756,065	$ 14,787,578	$ -
Net state OPEB liability (asset)	903,578	-	1,680,364	(776,786)	-
Net SEAD OPED liability (asset)	(975,335)	-	323,504	(1,298,839)	-
Compensated absences	1,874,181	384,635	-	2,258,816	-
Leases	195,327	5,457,773	436,617	5,216,483	432,332
Total	$ 22,541,394	$ 5,842,408	$ 8,196,550	$ 20,187,252	$ 432,332

For the fiscal year ending June 30, 2025, the Board of Health adopted Governmental Accounting Standards Board Statement No. 101, Compensated Absences. Therefore, the change in compensated absences shown above is the net increase in the balance for the fiscal year ending June 30, 2025.

Houston County Public Library - Component Unit

A summary of changes in long-term debt for the Houston County Public Library for the year ended June 30, 2025 is as follows:

Long-term Liability	Balance June 30, 2024	Additions	Reductions	Balance June 30, 2025	Amounts Due Within One Year
Net pension liability	$ 1,234,116	$ -	$ 269,952	$ 964,164	$ -
Net OPEB liability	560,815	-	36,925	523,890	-
Compensated absences	21,816	46,701	46,360	22,157	4,431
Total	$ 1,816,747	$ 46,701	$ 353,237	$ 1,510,211	$ 4,431

Closure and Post-Closure Care Costs.

State and federal laws and regulations require that the County place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to the current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and post-closure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and post-closure care costs is based on the amount of the landfill used during the year.

NOTE 3 – DETAILED NOTES ON ALL FUNDS

The estimated liability for solid waste landfill closure and post-closure care costs has a balance of $10,626,244 as of June 30, 2025, which is based on 17.2 percent usage (filled) of the solid waste landfill. It is estimated that an additional $66,054,373 will be recognized as closure and post-closure care expenses between the date of the balance sheet and the date the solid waste landfill is expected to be filled to capacity (2128). The estimated liability for C & D landfill closure and post-closure care costs has a balance of $4,420,150 as of June 30, 2025, which is based on 76.3 percent usage (filled) of the C & D landfill. It is estimated that an additional $4,576,475 will be recognized as closure and post-closure care expenses between the date of the balance sheet and the date the C & D landfill is expected to be filled to capacity (2033).

The estimated combined total current cost of the landfill closure and post-closure care ($15,046,394) is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfills were acquired as of June 30, 2025. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations. Financial assurance requirements are being met by maintaining proper financial ratios. No commercial insurance has been purchased to satisfy financial assurance requirements.

Restrictions

The following restrictions are used by Houston County:

Restricted for Renewal and Extension - Enterprise Fund

This restriction was established in conjunction with the issuance of Water Revenue Bonds and is used to segregate a portion of net assets for making replacements, additions, extensions, and improvements to the Water System.

Restricted for Waste Collections – Enterprise Fund

This restriction is used to segregate a portion of net assets in the Solid Waste Fund that represents the unused portion of the insurance premium tax.

Development Authority – Component Unit

On December 28, 2021 the Authority received a loan commitment of $6,800,000 at a 3.25% interest rate for 200/300 Park Place. Payments of $115,949 are due quarterly with an expected maturity in 2029.

Annual debt service requirements to amortize this loan as of June 30, 2025 are as follows:

Year	Principal	Interest	Total
2026	$ 414,650	$ 49,145	$ 463,795
2027	428,291	35,504	463,795
2028	442,381	21,414	463,795
2029	380,945	6,860	387,805
Total	$ 1,666,267	$ 112,923	$ 1,779,190

The Development Authority – Component Unit, has entered into various lease agreements as lessor for the use of buildings, land and other Authority owned assets.

All leases were tracked internally. Leases that were considered were those which had an agreement that conveyed the right to use the asset, whether it be a building or land. Leases that qualified were at least over a 12-month period.

NOTE 3 – DETAILED NOTES ON ALL FUNDS

The total lease receivable was $2,171,497 for the year ended June 30, 2025. The leases range from 1 year to 5 years with annual payments ranging from $23,000 to $41,500. Deferred inflow of resources related to leases as of June 30, 2025 was $2,087,763. The Authority recognized a $588,733 in lease revenue and $72,643 in interest revenue during the current fiscal year related to these leases.

The future principal and interest lease receivable payments as of June 30, 2025, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 697,551	$ 65,864	$ 763,415
2027	731,644	41,324	772,968
2028	382,169	19,755	401,924
2029	268,381	9,067	277,448
2030	91,752	729	92,481
	$ 2,171,497	$ 136,739	$ 2,308,236

The Board of Health – Component Unit

The Board of Health's leasing activities consist of two real estate leases and various small office equipment items. The office equipment leases are considered immaterial in relation to the financial statements taken as a whole based on the Board of Health's assets capitalization threshold of $5,000.

Lease agreements are summarized as follows:

Description	Lease Date	Interest Rate	Annual Payment	Initial Lease Liability	Balance June 30, 2025
Baldwin REACH	12/01/23	8.50%	$ 25,152	$ 100,452	$ 73,917
Highridge Macon LLC	10/01/24	7.50%	784,530	5,457,773	5,142,566
Total lease agreements					$ 5,216,483

The lease for the REACH program was executed in Baldwin County and expires September, 2028.

The lease with Highridge Macon, LLC is for facilities commonly referred to as the HOPE Center which provides services under the Ryan White federal program. The lease is for 10 years and expires in September, 2034.

Annual requirements to amortize long-term obligations and related interest are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 432,332	$ 377,344	$ 809,676
2027	483,735	342,976	826,711
2028	539,683	304,568	844,251
2029	579,894	262,322	842,216
2030	449,387	221,744	671,131
2031-2034	2,731,452	72,303	2,803,755
	$ 5,216,483	$ 1,581,257	$ 6,797,740

NOTE 4 – OTHER INFORMATION

Employees' Retirement Plan

Plan Description

The County sponsors the Association County Commissioners of Georgia Restated Pension Plan for Houston County Employees (The Plan), which is a defined benefit pension plan. The Plan covers the Board of Commissioners and their direct appointees and substantially all other full-time County employees.

The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. Benefits are provided by the Plan whereby retirees receive 2.25% of their average annual compensation multiplied by years of service. Commissioners receive a benefit equal to $900 per year multiplied by years of service. The Plan, through execution of the adoption agreement, is affiliated with the Association of County Commissioners of Georgia Third Restated Defined Benefit Plan (The ACCG Plan), an agent multiple-employer pension plan, administered by GEBCorp. The ACCG, in its role as the Plan Sponsor, has the sole authority to amend the provisions of the ACCG Plan, as provided in Section 19.03 of the ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of The Plan, as provided in Section 19.02 of the ACCG Plan document. GEBCorp issues a publicly available financial report that includes financial statements and required supplementary information for ACCG. That report may be obtained by writing to the Government Employee Benefits Corporation of Georgia, 1100 Circle 75 Parkway, Suite 300, Atlanta, Georgia, 30339 or by calling 1-770-952-5225.

Employees covered by benefit terms. At January 1, 2025 the following employees were covered by the benefit terms:

Retirees, beneficiaries and disableds receiving benefits	296
Terminated plan members entitled to but not yet receiving benefits	194
Active employees participating in the Plan	405
Total Plan Participants	895
Part-time active employees not participating in the Plan	1

Contributions

The County is required to contribute an actuarially determined amount annually to the Plan's trust. The contribution amount is determined using actuarial methods and assumptions approved by the ACCG Plan trustees and must satisfy the minimum contribution requirement contained in the State of Georgia statutes. Section 47-20 of the Georgia Code sets forth the minimum funding standards for state and local government pension plans. Administrative expenses are based on total covered compensation of active plan participants and are added to the state-required annual funding requirement. Plan participants contribute 4% of their annual covered salary to the plan. The County's contributions were $9,146,798 for the year ended June 30, 2025.

NOTE 4 – OTHER INFORMATION

Net Pension Liability

The County's net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2025.

Actuarial Assumptions

The total pension liability in the January 1, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Salary increases	5.0-7.5% per year adjusted for age
Investment rate of return	7.00%

Mortality rates were based on the Pub-2010 50% General Employees and 50% Public Safety Employees with Scale AA projection to 2025.

The actuarial assumptions used in the January 1, 2025 valuation were based on the results of an actuarial experience study performed February 2024.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	30.00%	25%-35%
Equities:		
Large cap	30.00%	25%-35%
Mid cap	5.00%	2.5%-10%
Small cap	5.00%	2.5%-10%
REIT	5.00%	2.5%-10%
International	15.00%	10%-20%
Multi cap	5.00%	2.5%-10%
Global allocation	5.00%	2.5%-10%
	100%	

Discount Rate

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

NOTE 4 – OTHER INFORMATION

Discount Rate

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at December 31, 2023	$ 186,209,162	$ 144,959,908	$ 41,249,254
Changes for the year:			
Service cost	3,277,476	-	3,277,476
Interest	12,742,966	-	12,742,966
Liability experience (gain)/loss	6,515,455	-	6,515,455
Assumption change	348,195	-	348,195
Contributions-employer	-	9,146,798	(9,146,798)
Contributions-employee	-	1,097,156	(1,097,156)
Net investment income	-	15,338,691	(15,338,691)
Benefit payments, including refunds of employee contributions	(8,333,568)	(8,333,568)	-
Administrative expense	-	(133,203)	133,203
Other changes	-	(644,317)	644,317
Net changes	14,550,524	16,471,557	(1,921,033)
Balance at December 31, 2024	$ 200,759,686	$ 161,431,465	$ 39,328,221

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Plan's net pension liability	$ 66,344,739	$ 39,328,221	$ 16,948,063

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued ACCG financial report.

NOTE 4 – OTHER INFORMATION

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

For the year ended June 30, 2025, the County recognized pension expense of $11,561,119. At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 8,340,380	$ 50,109
Changes of assumptions	4,606,260	-
Net difference between projected and actual earnings on pension plan investments	935,301	-
Total	$ 13,881,941	$ 50,109

There were no contributions subsequent to the measurement date. Amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2026	$ 6,953,595
2027	8,659,959
2028	(827,021)
2029	(954,701)
2030	-
	$ 13,831,832

Other Plans

In addition to the retirement plan above, various County employees are covered under the following plans:

Employees' Retirement System (ERS), Georgia Firefighters' Pension Fund, Magistrates' Retirement Fund of Georgia, Peace Officers' Annuity and Benefit Fund of Georgia, Judges of the Probate 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.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the County's OPEB Plan and additions to or deductions from the County's OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the County OPEB Plan. For this purpose, the County recognized benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-bearing investment contract that have a maturity at the time of purchase of one year or less, which are reported at cost.

NOTE 4 – OTHER INFORMATION

Plan Description and Benefits

The County's OPEB Plan is a single-employer defined benefit healthcare plan without a special funding situation and is administered by the County. The Plan does not issue separate financial statements. The County provides post- retirement medical/prescription and dental care benefits, as per the requirements of a local ordinance, for retirees between the ages of 55 and 65 and their dependents. Any member of the Houston County Defined Benefit Plan who participates in and satisfies the Vesting, Disability, Early or Normal Retirement provisions of the Association of County Commissioners of Georgia (ACCG) Houston County Defined Benefit Plan may be eligible for certain Other Post-Employment Benefits. The County is self-insured, and as such, there are no "premiums" paid by the County or retiree. The County allows any retiree before age 65, and meeting the above criteria, to participate in health coverage. The retiree pays 100% of the healthcare costs based on claim cost and admin fees. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the County Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Contributions

Premium contributions are required from the retiree in order to begin and maintain Medical/Prescription coverage. Members receiving health and/or dental benefits contribute $332.80 per month for Preferred Provider Organization (PPO) health, $291.20 per month for Point of Service (POS) Health and $20.80 per month for dental for retiree-only coverage and $405.60 per month for PPO health, $395.20 per month for Point of Service (POS) health and $32.20 per month for dental for employee and family coverage. Dependent coverage ends once the retiree becomes eligible for Medicare. If any required amounts are not paid timely, the coverage for the retiree and/or dependent(s) will cease. The amount of the contributions required for coverage may change from time to time. The post-employment benefits are extended to retirees and continued at the discretion of the Employer, which reserves the right (subject to State Statute and any collective bargaining agreements) to change or terminate benefits and to change premium contributions required from retirees in the future as circumstances change. These post-retirement benefits are funded on a pay-as-you-go-basis. For fiscal year 2025, the County contributed $687,859 to the plan.

A bi-annual actuarial valuation is made to determine whether contributions are sufficient to meet the plan obligations. The latest actuarial valuation was made June 30, 2023. The measurement date is June 30, 2024, and the reporting date is June 30, 2025.

Employees Covered by Benefit Terms

At June 30, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	57
Inactive members entitled to but not yet receiving benefits	-
Active employees	612
	669

NOTE 4 – OTHER INFORMATION

Total OPEB Liability

The County's total OPEB liability of $12,714,016 was measured as of June 30, 2024, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Real wage growth	0.50%
Wage inflation	2.50%
Salary increases, including wage inflation	5.00%-7.50%
Municipal bond index rate	
prior measurement date	3.65%
Measurement date	3.93%
Health care cost trends	
Pre-Medicare medical and prescription drug	7.00% for 2022 decreasing to an ultimate rate of 4.50% by 2033
Dental	3.50%
Mortality rates	Pub-2010 GE (50%) & PS (50%) amount weighted with scale AA to 2023

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2023 valuation were based on the pension valuation prepared by ACCG as of January 1, 2024.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2023 valuation were based on a review of recent plan experience performed concurrently with the June 30, 2023 valuation.

Discount Rate

Since the County funds this OPEB Plan on a pay-as-you-go basis, GASB requires the discount rate be based on a yield or index rate for 20-year, tax-exempt municipal bond (rating of AA/Aa or higher) rate (Municipal Bond Index Rate). To comply with this requirement, the Municipal Bond Index Rate selected by County is The Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by The Bond Buyer. On the prior measurement date, the Municipal Bond Index Rate was 3.65%. There was a change in the Municipal Bond Index Rate from the prior measurement dated. The Municipal Bond Index rate as of the Measurement Date was 3.93%.

NOTE 4 – OTHER INFORMATION

Changes in Total OPEB Liability (TOL):

Total OPEB Liability as of June 30, 2023	$ 19,771,043
Changes for the year:	
Service cost at the end of the year	1,118,153
Interest on TOL and cash flows	750,015
Change in benefit terms	-
Difference between expected and actual experience	(604,646)
Changes in assumptions	(7,632,690)
Benefit payments	(687,859)
Net changes	(7,057,027)
Total OPEB Liability as of June 30, 2024	$ 12,714,016

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following present the TOL of the County, as well as what the County's TOL would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current discount rate:

	1% Decrease (2.93%)	Discount Rate (3.93%)	1% Increase (4.93%)
Total OPEB liability	$ 13,088,248	$ 12,714,016	$ 12,318,608

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the County as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB liability	$ 11,690,182	$ 12,714,016	$ 13,853,277

NOTE 4 – OTHER INFORMATION

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2025 the County recognized OPEB expense of $1,300,431. June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resource related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,516,386	$ 1,882,310
Changes of assumptions	1,716,025	7,517,717
Total	$ 3,232,411	$ 9,400,027

The above amounts reported as deferred outflows of resource and deferred inflows of resources related to OPEB will be recognized in pension expense as follows:

Year Ending June 30:	
2026	$ (734,581)
2027	(1,235,279)
2028	(1,330,621)
2029	(1,049,790)
2030	(1,079,859)
Thereafter	(737,486)
	$ (6,167,616)

Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and, natural disasters for which the County carries commercial insurance. The County has joined together with other counties in the state of Georgia as part of the Interlocal Risk Management Agency (GIRMA) risk pool for property and liability insurance. GIRMA is a public entity risk pool currently operating as a common risk management and insurance program for local government members. The Association of County Commissioners of Georgia (ACCG) administers the pool.

As a member of GIRMA, the County is obligated to pay all contributions and assessments as prescribed by GIRMA, to cooperate with GIRMA's agents and attorneys, to follow loss reduction procedures established by GIRMA, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the fund being required to pay any claim of loss. The County is also to allow GIRMA'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 prevention furnished by GIRMA.

GIRMA is to defend and protect its members against liability or loss as prescribed in the member governments' contract. GIRMA is 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.

NOTE 4 – OTHER INFORMATION

The County has a risk management fund (an internal service fund) to account for and finance its workers' compensation and health insurance programs. The Risk Management Fund provides coverage for up to a maximum of $500,000 for each workers' compensation claim and $125,000 for each health insurance claim. The County purchases commercial insurance for claims in excess of the coverage provided by the Fund.

The County entered into agreements with outside companies to administer both the workers' compensation and health insurance programs. The participating departments or funds of the County pay an amount that approximates what would have been paid for commercial coverage into the Self-Insurance Fund. Excess payments over expenses of the fund are retained in the Fund. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

Changes in the balances of claims liabilities during the past two years are as follows:

Claims Activity	Year Ended June 30, 2025	Year Ended June 30, 2024
Unpaid claims, beginning of fiscal year	$ 1,721,569	$ 1,293,508
Incurred claims	12,982,623	13,503,784
Claim payments	12,554,299	13,075,723
Unpaid claims, end of fiscal year	$ 2,149,893	$ 1,721,569

Commitments and Contingent Liabilities

Grant Funds

The County has received several Federal and State grants for specific purposes that are subject to financial review and compliance audits by the grantor agencies. Such audits could lead to disallowance of expenditures by the grantor agencies. Based on prior experience, the County believes such disallowances, if any, will be immaterial. According to the County's attorney, there are no material outstanding claims in which it is anticipated that adverse action would result in financial liability against the County.

Contract with Bibb County and the Central Georgia Joint Development Authority

On July 7, 2010, Houston County entered into a contract establishing a joint partnership with Bibb County and Central Georgia Joint Development Authority (CGJDA). The purpose of this contract is to eliminate the presence of residences in the noise and the crash corridor that are in South Bibb County and North Houston County and to comply with the 2004 Joint Land Use Study (JLUS) regarding the encroachment of certain residential properties in areas designated with Decibel Noise levels 65 db through 85 db. Non-compliance with the 2004 JLUS is detrimental to existing and future missions of Robins Air Force Base. The CGJDA, created by General Statute O.C.C.G.A 36- 62-1 is responsible for promoting the general welfare and economic prosperity of the Middle Georgia region and recognizes the importance of complying with the JLUS. Under the terms of the original contract, Houston County and Bibb County were to provide $100,000 a year for five years beginning with FY 2011 and continuing for the next successive four fiscal year budget cycles for a total financial commitment of $500,000 each. The first payment was paid by August 1, 2010 with successive payments due on or before August 1 of the next four years. These funds are solely for the purpose of acquiring the properties in the affected encroachment areas (APZ 1 and 2 zones), and/or noise contour areas, and any expenses related to the acquisition and disposition of such properties. The second payment of $100,000 was made in FY 2012. However, after the passage of the new SPLOST in March of 2012, this original contract was

NOTE 4 – OTHER INFORMATION

terminated mutually between all parties and a new Intergovernmental Agreement was signed with Bibb County, Peach County and the CGJDA whereby the County committed $6,000,000 of SPLOST funds that were to be paid late calendar year 2014. In late 2014, a resolution to the agreement was made in order for payments to be made on a reimbursement basis rather than in advance. During fiscal year 2015, the County paid $961,050. The County will continue as a participant in this agreement for the foreseeable future. In December 2014, a resolution was signed affirming the participation of Macon-Bibb County in the Central Georgia Joint Development Authority; to accept the Baldwin County Board of Commissioner's petition to join the Central Georgia Joint Development Authority; and to affirm Houston County's member representatives' appointment and tenure to the Central Georgia Joint Development Authority.

Joint Ventures

The Perry-Houston County Airport Authority

Houston County participates in a joint venture with the City of Perry in the operation of the ***Perry-Houston County Airport Authority***. The governing authorities of the City of Perry and Houston County have each agreed to be responsible for one-half of any unfunded portion of the Airport Authority's budget. However, Houston County has no equity interest in the Airport Authority.

The Perry-Houston County Airport Authority is a public corporation that is a body corporate and politic. The Airport Authority has a fiscal year end of June 30. Copies of the audited financial statements may be obtained from the Perry-Houston County Airport Authority.

The Middle Georgia Regional Commission

Houston County, in conjunction with ten other counties in the middle Georgia area, participates in the ***Middle Georgia Regional Commission*** (MGRC). Membership in an MGRC is required by the Code of Georgia Section 50-8-34, which provides for the organizational structure of the MGRC in Georgia. The MGRC Board membership includes the chief elected official of each county and municipality of the area. Georgia law also provides that member governments are liable for any debts or obligations of the MGRC beyond its resources. Copies of the financial statements of the Middle Georgia Regional Commission may be obtained from their administrative office in Macon, Georgia.

Concentration of Revenue - Health Department Component Unit

The Health Department receives a substantial amount of its support from the Georgia Department of Public Health. A significant reduction in the level of support may have an effect on the Department's ability to provide programs and activities.

NOTE 4 – OTHER INFORMATION

Conduit Debt - Development Authority Component Unit

The Development Authority of Houston County has issued revenue bonds for the purchase of property, both real and personal and construction of improvements for the following entities:

Frito Lay	$ 230,000,000
Frito Lay	105,000,000
Anchor Glass	40,000,000
Baxalta	7,700,000
Guardian Center	50,000,000
Graphic Packaging International	35,000,000
Graphic Packaging International	15,000,000
Sandler Nonwoven Corp.	90,000,000
Perdue Food, LLC	46,750,000
Interfor US, Inc.	13,000,000
Frito Lay	225,000,000
SR Perry	55,000,000
Interfor US, Inc.	35,000,000
Lofts At Houston Central	22,000,000
Graphic Packaging International	55,000,000
Link Snacks, Inc.	600,000,000
Total	$ 1,624,450,000

The bonds are secured by the property financed and are payable solely from the payments received pursuant to the underlying bond documents. Upon repayment of the bonds, ownership of the property, both real and personal, transfers to the companies. The Authority is not obligated in any manner for the repayment of the bonds. Accordingly. the bonds are not reported as liabilities in the accompanying financial statements. The original amounts of the Conduit Debt revenue bond obligations are stated above. The Development Authority does not receive any of the payments under the bond obligations. The payments are received by a trustee bank appointed under the bond documents. Although the outstanding principal amount as of June 30, 2025 could not be determined, the Authority has not received any notice of default on any of the above listed bond obligations.

Tax Abatements

The Development Authority of Houston County is authorized (under statute Pursuant to O.C.G.A. 36-80-16.1(e) to enter into property tax abatement agreements for the purpose of attracting or retaining businesses that create new jobs and new capital investment. Eligible businesses typically must create a minimum of 25 new jobs or invest at least $20 million in new capital. Tax savings or abatements only apply toward the actual new investment – no abatements are offered against existing investment on the tax base. Projects must be competitive in order to qualify. The Development Authority of Houston County Board determines the amount of economic assistance offered based on various minimum thresholds of full-time jobs and the amount of new capital investment. Projects that create more jobs and investment qualify for a higher percentage of tax savings. The incentive guide adopted by the DAHC Board is as follows:

Minimum Jobs	Minimum Investment	Tax Schedule	Targeted Tax Savings
25	$20 million	5 years	55.00%
50	$30 million	10 years	60.00%
100	$75 million	15 years	65.00%

NOTE 4 – OTHER INFORMATION

Abatements are determined based on a straight-line depreciation of the actual investment. For example, if the company invests $30 million in real property and qualifies for a 10-year schedule, then 1/10th of the investment is taxed at full millage in year 1, 2/10ths in year 2 and so on.

*Cost of the Abatements for fiscal year 2025***.** Since the projects that qualify for abatements are competitive, there is no lost tax revenue. If the economic assistance were not offered, the business would not create new jobs and investment in Houston County i.e. the project would choose to locate in another community.

For the purpose of GASB 77 reporting, the value of tax abatements on new capital investment follows:

Business	Purpose	Term	New Tax Revenue	Amount Abated
Frito Lay Real Property (2014)	Attract a new baked chip line and distribution facility - $123M new investment	10	$122,904	$20,028
Frito Lay Personal Property (2014)	Attract a new baked chip line and distribution facility - $123M new investment	15	$164,045	$34,308
Frito Lay Personal Property (2009)	Attract new investments and jobs; Competitive project	15	$186,154	($9,587)
Graphic Packaging Real Property (2012)	Competitive project; To retain 224 jobs; Create 52 new jobs; $15M new investment	15	$27,762	($2,678)
Graphic Packaging Personal Property (2012)	Competitive project; To retain 224 jobs; Create 52 new jobs; $15M new investment	15	$50,198	$7,721
Guardian Centers Real Property (2013)	Attract new company; $50M investment; new jobs	16	$186,911	$39,983
Guardian Centers Personal Property (2013)	Attract new company; $50M investment; new jobs	16	$31,001	($9,017)
Baxter Healthcare-Biolife Real Property (2015)	Attract new company; $7.7M investment; 53 jobs	10	$24,323	$2
Biolife Plasma Svc LLP Personal Property (2015)	Attract new company; $7.7M investment; 53 jobs	10	$3,216	$357
Sandler Nonwoven Real Property (2016)	Attract new company; $90M Investment; 142 jobs	15	$26,359	$56,314
Sandler Nonwoven Personal Property (2016)	Attract new company; $90M Investment; 142 jobs	15	$8,621	$8,621
Anchor Glass Personal Property (2019)	Add new line; Competitive among Anchor Locations	15	$24,276	$49,288
Perdue Foods LLC Real Property (2020)	New jobs and investment; new state of the art cook line; competitive among Perdue locations	10	$6,518	$15,214
Perdue Foods LLC Personal Property (2020)	New jobs and investment; new state of the art cook line; competitive among Perdue locations	10	$27,525	$64,226
Interfor US, Inc Personal Property (2020)	Addition of new line to increase productivity; Competitive project among Interfor locations	6	$607,221	$176,830

HOUSTON COUNTY, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION

HOUSTON COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY AND RELATED RATIOS
JUNE 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability										
Service cost	$ 3,277,476	$ 2,210,645	$ 2,088,926	$ 2,193,184	$ 2,119,203	$ 1,971,234	$ 2,109,734	$ 2,063,245	$ 2,000,606	$ 1,957,294
Interest	12,742,966	11,350,305	11,197,319	10,235,306	9,819,226	8,736,994	8,479,781	8,019,693	7,589,392	6,645,437
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Liability experience (gain)/loss	6,515,455	6,135,295	(186,768)	4,462,268	224,657	3,896,758	1,398,785	668,042	663,998	2,400,090
Assumption change	348,195	8,300,925	287,649	232,862	265,420	5,678,827	3,952,557	257,955	3,439,495	3,469,412
Plan changes	-	-	309,791	-	-	1,150,146	-	-	-	-
Benefit payments, including refunds of employee contributions	(8,333,568)	(7,870,449)	(7,576,170)	(6,761,163)	(6,207,848)	(5,739,148)	(5,219,592)	(4,662,893)	(4,268,921)	(3,772,344)
Net change in total pension liability	14,550,524	20,126,721	6,120,747	10,362,457	6,220,658	15,694,811	10,721,265	6,346,042	9,424,570	10,699,889
Total pension liability - beginning	186,209,162	166,082,441	159,961,694	149,599,237	143,378,579	127,683,768	116,962,503	110,616,461	101,191,891	90,492,002
Total pension liability - ending (a)	$ 200,759,686	$ 186,209,162	$ 166,082,441	$ 159,961,694	$ 149,599,237	$ 143,378,579	$ 127,683,768	$ 116,962,503	$ 110,616,461	$ 101,191,891
Plan fiduciary net position										
Contributions - employer	$ 9,146,798	$ 7,912,935	$ 6,950,085	$ 7,123,051	$ 6,993,300	$ 6,378,973	$ 5,559,645	$ 5,264,988	$ 5,017,195	$ 4,614,522
Contributions - employee	1,097,156	986,166	976,973	920,177	871,220	844,375	879,894	932,002	870,363	854,578
Net investment income	15,338,691	18,826,176	(20,978,775)	19,549,045	14,771,306	19,022,514	(4,341,870)	12,842,617	5,359,369	590,357
Benefit payments, including refunds of employee contributions	(8,333,568)	(7,870,449)	(7,319,971)	(6,761,163)	(6,207,848)	(5,739,148)	(5,060,582)	(4,566,384)	(4,121,568)	(3,772,344)
Administrative expense	(133,203)	(120,448)	(112,749)	(112,274)	(109,856)	(111,098)	(96,171)	(91,682)	(96,827)	(99,515)
Other changes	(644,317)	(607,889)	(603,672)	(774,234)	(540,509)	(562,412)	(528,580)	(486,172)	(419,797)	(374,392)
Net change in plan net position	16,471,557	19,126,491	(21,088,109)	19,944,602	15,777,613	19,833,204	(3,587,664)	13,895,369	6,608,735	1,813,206
Plan net position - beginning	144,959,908	125,833,417	146,921,526	126,976,924	111,199,311	91,366,107	94,953,771	81,058,402	74,449,667	72,636,461
Plan net position - ending (b)	161,431,465	144,959,908	125,833,417	146,921,526	126,976,924	111,199,311	91,366,107	94,953,771	81,058,402	74,449,667
Net pension liability - ending (a) - (b)	$ 39,328,221	$ 41,249,254	$ 40,249,024	$ 13,040,168	$ 22,622,313	$ 32,179,268	$ 36,317,661	$ 22,008,732	$ 29,558,059	$ 26,742,224
Plan fiduciary net position as a percentage of the total pension liability	80.41%	77.85%	75.77%	91.85%	84.88%	77.56%	71.56%	81.18%	73.28%	73.57%
Covered payroll	$ 24,896,160	$ 22,620,626	$ 21,331,747	$ 22,159,727	$ 21,173,909	$ 20,838,599	$ 20,294,823	$ 20,418,300	$ 20,705,541	$ 20,998,445
Net pension liability as a percentage of covered payroll	157.97%	182.35%	188.68%	58.85%	106.84%	154.42%	178.95%	107.79%	142.75%	127.35%

HOUSTON COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY PENSION CONTRIBUTIONS
JUNE 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 9,146,798	$ 7,912,935	$ 6,950,085	$ 7,123,051	$ 6,993,300	$ 6,378,973	$ 5,559,645	$ 5,226,628	$ 5,017,195	$ 4,452,080	$ 4,162,155
Contributions in relation to the actuarially determined contribution	$ 9,146,798	$ 7,912,935	6,950,085	7,123,051	6,993,300	6,378,973	5,559,645	5,264,988	5,753,800	4,614,522	4,467,670
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (38,360)	$ (736,605)	$ (162,442)	$ (305,515)
Covered payroll	$ 24,896,160	$ 22,620,626	$ 21,331,747	$ 22,159,727	$ 21,173,909	$ 20,838,599	$ 20,294,823	$ 20,418,300	$ 20,705,541	$ 20,998,445	$ 20,537,403
Contributions as a percentage of covered payroll	36.74%	34.98%	32.58%	32.14%	33.03%	30.61%	27.39%	25.60%	24.23%	21.20%	20.27%

Notes to Schedule

Valuation Date
January 1, 2025

Method and Assumptions Used in Calculations of Actuarially Determined Contributions
The actuarially determined contribution rates are determined on an annual basis. The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of annual compensation
Remaining amortization period	12.3 years
Asset valuation method	Smoothed market value with a 5-year smoothing period
Inflation	2.5 percent
Salary increase	Age Rates
	<30 7.5%
	30-39 6.5%
	40-49 5.5%
	50+ 5.0%
Investment rate of return	7.00%

HOUSTON COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
JUNE 30, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability								
Service cost	$ 1,118,153	$ 849,951	$ 1,047,740	$ 1,117,533	$ 866,159	$ 687,430	$ 703,068	$ 738,687
Interest	750,015	608,240	409,764	431,968	576,688	430,611	376,377	313,229
Changes of benefit terms	-	-	-	-	-	-	-	-
Difference between expected and actual experience	(604,646)	2,038,813	(267,810)	(3,082,368)	(47,241)	1,030,029	354,625	350,447
Changes in assumptions	(7,632,690)	505,005	(1,915,044)	1,462,494	1,877,711	2,882,862	(274,290)	(485,839)
Benefit payments	(687,859)	(1,116,190)	(621,186)	(251,451)	(655,086)	(440,754)	(767,262)	(734,856)
Net change in total OPEB liability	(7,057,027)	2,885,819	(1,346,536)	(321,824)	2,618,231	4,590,178	392,518	181,668
Total OPEB liability - beginning	19,771,043	16,885,224	18,231,760	18,553,584	15,935,353	11,345,175	10,952,657	10,770,989
Total OPEB liability - ending (a)	$ 12,714,016	$ 19,771,043	$ 16,885,224	$ 18,231,760	$ 18,553,584	$ 15,935,353	$ 11,345,175	$ 10,952,657
Covered payroll	$ 30,877,242	$ 30,877,242	$ 26,855,826	$ 26,855,826	$ 27,572,292	$ 27,572,292	$ 27,230,839	$ 27,230,839
Net OPEB liability as a percentage of covered payroll	41.18%	64.03%	62.87%	67.89%	67.29%	57.79%	41.66%	40.22%

Notes to Schedule:

Valuation date:	June 30, 2024
Methods and assumptions used to determine contribution rates:	
Discount rate per annum	3.93%
Actuarial cost method	Entry Age Normal
Asset valuation method	Market value
Benefits valued	Medical, drug and dental

The County is not accumulating assets in a trust fund that meets the criteria in GASB codification P52.101 to pay related benefits for the OPEB plan.

This schedule will present 10 years of information once the data is available

HOUSTON COUNTY, GEORGIA

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted or committed to expenditures for a particular purpose.

E 911 Fund - to account for the cost of operating and maintaining the centralized 911 emergency communication system of the County. Financing is provided by a charge to each telephone subscriber whose exchange is served by the County's "911" service; by a charge on every prepaid wireless transaction occurring within the County's jurisdiction; by contributions from the Cities of Centerville, Perry and Warner Robins; and by transfers from the County's General Fund and Fire Protection Fund.

Fire Protection Fund - to account for revenues received from the insurance premium tax which is to be used for the prevention and extinguishment of fires.

Sheriff's Department Drug Fund - to account for moneys received as Houston County's share of seized and forfeited property.

Jail Inmate Fund - to account for the operations of the Houston County Jail Inmate Store. The Inmate Store is operated for the benefit of the inmates.

Law Library Fund - to account for the costs of operating and maintaining the County Law Library. Financing is provided from a $2 charge added to and collected on all fines in civil and criminal cases. A separate Board of Trustees has control of the Law Library funds and has authority to expend the funds in accordance with provisions of the act establishing the County Law Library. All books, reports, texts, and periodicals purchased from these funds become the property of the County.

District Attorney Fund - to account for moneys received as the Houston County District Attorney's office share of seized and forfeited property.

DATE Fund – to account for the funds collected from fines and forfeitures to be used to create and maintain a Drug Abuse Treatment and Education fund.

Opioid Settlement Fund – to account for the funds received from the opioid settlement with funding to be utilized for opioid treatment and education

HOUSTON COUNTY, GEORGIA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	Special Revenue Funds			
	E 911	Fire Protection	Drug	Jail Inmate
Assets				
Cash and cash equivalents	$ 2,191,077	$ 12,994	$ 1,370,086	$ 905,977
Investments	-	4,614,729	-	-
Receivables, net	460,180	-	-	29,277
Prepaid items	82,900	77,400	-	-
Total assets	$ 2,734,157	$ 4,705,123	$ 1,370,086	$ 935,254
Liabilities, deferred inflows of resources, and fund balances				
Liabilities				
Accounts payable	$ 245,057	$ 208,055	$ -	$ -
Accrued liabilities	50,285	43,393	-	-
Total liabilities	295,342	251,448	-	-
Fund balances				
Nonspendable	82,900	77,400	-	-
Restricted	2,355,915	-	1,370,086	-
Committed		4,376,275	-	935,254
Total fund balances	2,438,815	4,453,675	1,370,086	935,254
Total liabilities, deferred inflows of resources and fund balances	$ 2,734,157	$ 4,705,123	$ 1,370,086	$ 935,254

Special Revenue Funds					
Law Library	District Attorney	DATE Fund	Opioid Fund	Total Other Governmental Funds
$ 248,500	$ 606,622	$ 127,087	$ 636,755	$ 6,099,098
317,127	-	-	-	4,931,856
-	-	45,952	-	535,409
-	-	1,600	-	161,900
$ 565,627	$ 606,622	$ 174,639	$ 636,755	$ 11,728,263
$ -	$ -	$ 29,301	$ -	$ 482,413
-	-	1,846	-	95,524
-	-	31,147	-	577,937
-	-	1,600	-	161,900
565,627	-	141,892	636,755	5,070,275
-	606,622	-	-	5,918,151
565,627	606,622	143,492	636,755	11,150,326
$ 565,627	$ 606,622	$ 174,639	$ 636,755	$ 11,728,263

HOUSTON COUNTY, GEORGIA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Special Revenue Funds			
	E 911	Fire Protection	Drug	Jail Inmate
Revenues				
Taxes	$ 2,092	$ 5,808,964	$ -	$ -
Intergovernmental	662,097	29,973	-	-
Charges for services	3,422,851	-	-	539,386
Fines and forfeitures	-	-	310,565	-
Investment earnings	-	270,155	-	-
Miscellaneous	38,252	-	-	-
Total revenues	4,125,292	6,109,092	310,565	539,386
Expenditures				
Current				
General government	-	-	-	-
Judicial	-	-	-	-
Public safety	5,979,999	5,014,527	160,038	432,455
Total expenditures	5,979,999	5,014,527	160,038	432,455
Excess (deficiency) of revenues over (under) expenditures	(1,854,707)	1,094,565	150,527	106,931
Other financing sources (uses)				
Sale of capital assets	741	-	-	-
Transfers in	2,215,275	-	-	-
Transfers out	-	(217,275)	-	-
Total other financing sources (uses)	2,216,016	(217,275)	-	-
Net change in fund balances	361,309	877,290	150,527	106,931
Fund balances - beginning	2,077,506	3,576,385	1,219,559	828,323
Fund balances - ending	$ 2,438,815	$ 4,453,675	$ 1,370,086	$ 935,254

Special Revenue Funds				
Law Library	District Attorney	DATE Fund	Opioid Fund	Total Other Governmental Funds
$ -	$ -	$ -	$ -	$ 5,811,056
-	-	252,930	-	945,000
-	-	-	-	3,962,237
100,255	272,621	133,590	158,216	975,247
125	-	-	-	270,280
-	-	-	-	38,252
100,380	272,621	386,520	158,216	12,002,072
404,868	-	-	-	404,868
-	275,151	312,926	-	588,077
-	-	-	49,956	11,636,975
404,868	275,151	312,926	49,956	12,629,920
(304,488)	(2,530)	73,594	108,260	(627,848)
-	-	-	-	741
-	-	-	-	2,215,275
-	-	(2,240)	-	(219,515)
-	-	(2,240)	-	1,996,501
(304,488)	(2,530)	71,354	108,260	1,368,653
870,115	609,152	72,138	528,495	9,781,673
$ 565,627	$ 606,622	$ 143,492	$ 636,755	$ 11,150,326

(Concluded)

HOUSTON COUNTY, GEORGIA
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
E911 FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	$ 3,000	$ 3,000	$ 2,092	$ (908)
Intergovernmental	662,085	662,085	662,097	12
Charges for services	3,500,000	3,500,000	3,422,851	(77,149)
Miscellaneous	33,172	33,172	38,252	5,080
Total revenues	4,198,257	4,198,257	4,125,292	(72,965)
Expenditures				
Current				
Public safety	6,019,257	6,019,257	5,979,999	39,258
Total expenditures	6,019,257	6,019,257	5,979,999	39,258
Excess (deficiency) of revenues over (under) expenditures	(1,821,000)	(1,821,000)	(1,854,707)	(33,707)
Other financing sources (uses)				
Sale of capital assets	-	-	741	741
Transfers in	1,998,000	1,998,000	2,215,275	217,275
Transfers out	(177,000)	(177,000)	-	177,000
Total other financing sources (uses)	1,821,000	1,821,000	2,216,016	395,016
Net change in fund balance	-	-	361,309	361,309
Fund balance, beginning of year	2,077,506	2,077,506	2,077,506	-
Fund balance, end of year	$ 2,077,506	$ 2,077,506	$ 2,438,815	$ 361,309

HOUSTON COUNTY, GEORGIA
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FIRE PROTECTION
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Taxes	$ 5,036,183	$ 5,036,183	$ 5,808,964	$ 772,781
Intergovernmental	7,500	7,500	29,973	22,473
Investment earnings	50,000	50,000	270,155	220,155
Total revenues	5,093,683	5,093,683	6,109,092	1,015,409
Expenditures				
Current				
Public safety	5,083,983	5,083,983	5,014,527	69,456
Total expenditures	5,083,983	5,083,983	5,014,527	69,456
Excess revenues over (under) expenditures	9,700	9,700	1,094,565	1,084,865
Other financing sources (uses)				
Transfers out	(289,700)	(289,700)	(217,275)	(72,425)
Total other financing sources (uses)	(289,700)	(289,700)	(217,275)	(72,425)
Net change in fund balance	(280,000)	(280,000)	877,290	1,157,290
Fund balance, beginning of year	3,576,385	3,576,385	3,576,385	-
Fund balance, end of year	$ 3,296,385	$ 3,296,385	$ 4,453,675	$ 1,157,290

HOUSTON COUNTY, GEORGIA
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DRUG FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Fines and forfeitures	$ -	$ -	$ 310,565	$ 310,565
Total revenues	-	-	310,565	310,565
Expenditures				
Current				
Public safety	150,000	165,000	160,038	4,962
Total expenditures	150,000	165,000	160,038	4,962
Excess (deficiency) of revenues over (under) expenditures	(150,000)	(165,000)	150,527	315,527
Net change in fund balance	(150,000)	(165,000)	150,527	315,527
Fund balance, beginning of year	1,219,559	1,219,559	1,219,559	-
Fund balance, end of year	$ 1,069,559	$ 1,054,559	$ 1,370,086	$ 315,527

HOUSTON COUNTY, GEORGIA
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
JAIL INMATE FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Charges for services	$ -	$ -	$ 539,386	$ 539,386
Total revenues	-	-	539,386	539,386
Expenditures				
Current				
Public safety	300,000	435,000	432,455	2,545
Total expenditures	300,000	435,000	432,455	2,545
Excess (deficiency) of revenues over (under) expenditures	(300,000)	(435,000)	106,931	541,931
Net change in fund balance	(300,000)	(435,000)	106,931	541,931
Fund balance, beginning of year	828,323	828,323	828,323	-
Fund balance, end of year	$ 528,323	$ 393,323	$ 935,254	$ 541,931

HOUSTON COUNTY, GEORGIA
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LAW LIBRARY
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Fines and forfeitures	$ -	$ -	$ 100,255	$ 100,255
Investment earnings	-	-	125	125
Total revenues	-	-	100,380	100,380
Expenditures				
Current				
General government	100,000	405,000	404,868	132
Total expenditures	100,000	405,000	404,868	132
Excess (deficiency) of revenues over (under) expenditures	(100,000)	(405,000)	(304,488)	100,512
Net change in fund balance	(100,000)	(405,000)	(304,488)	100,512
Fund balance, beginning of year	870,115	870,115	870,115	-
Fund balance, end of year	$ 770,115	$ 465,115	$ 565,627	$ 100,512

HOUSTON COUNTY, GEORGIA
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DISTRICT ATTORNEY
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Fines and forfeitures	$ -	$ -	$ 272,621	$ 272,621
Total revenues	-	-	272,621	272,621
Expenditures				
Current				
Judicial	250,000	280,000	275,151	4,849
Total expenditures	250,000	280,000	275,151	4,849
Excess (deficiency) of revenues over (under) expenditures	(250,000)	(280,000)	(2,530)	277,470
Net change in fund balance	(250,000)	(280,000)	(2,530)	277,470
Fund balance, beginning of year	609,152	609,152	609,152	-
Fund balance, end of year	$ 359,152	$ 329,152	$ 606,622	$ 277,470

HOUSTON COUNTY, GEORGIA
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DATE FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental	$ 193,006	$ 223,006	$ 252,930	$ 29,924
Fines and forfeitures	90,000	90,000	133,590	43,590
Total revenues	283,006	313,006	386,520	73,514
Expenditures				
Current				
Judicial	283,006	313,006	312,926	80
Total expenditures	283,006	313,006	312,926	80
Excess revenues over (under) expenditures	-	-	73,594	73,594
Other financing sources (uses)				
Transfers out	-	(2,240)	(2,240)	-
Total other financing sources (uses)	-	(2,240)	(2,240)	-
Net change in fund balance	-	(2,240)	71,354	73,594
Fund balance, beginning of year	72,138	72,138	72,138	-
Fund balance, end of year	$ 72,138	$ 69,898	$ 143,492	$ 73,594

HOUSTON COUNTY, GEORGIA
NONMAJOR SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
OPIOID FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Fines and forfeitures	$ -	$ -	$ 158,216	$ 158,216
Total revenues	-	-	158,216	158,216
Expenditures				
Current				
Public safety	-	49,956	49,956	-
Total expenditures	-	49,956	49,956	-
Excess (deficiency) of revenues over (under) expenditures	-	(49,956)	108,260	158,216
Net change in fund balance	-	(49,956)	108,260	158,216
Fund balance, beginning of year	528,495	528,495	528,495	-
Fund balance, end of year	$ 528,495	$ 478,539	$ 636,755	$ 158,216

HOUSTON COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
CHANGES IN RESTRICTED FUND BALANCE
JUNE 30, 2025

	Actual Amounts
Revenues	
Charges for services	$ 18,980
Total revenues	18,980
Expenditures	
Current	
Judicial	1,564
Total expenditures	1,564
Net change in fund balance	17,416
Fund balance, beginning of year	123,485
Fund balance, end of year	$ 140,901

HOUSTON COUNTY, GEORGIA

FIDUCIARY FUNDS

FIDUCIARY FUNDS

Custodial Funds

Tax Commissioner - to account for the collection and payment to Houston County and other taxing units of the property taxes levied, billed and collected by the Tax Commissioner on behalf of Houston County and other taxing units.

Sheriff - to account for all moneys received by the Sheriff's Department on behalf of individuals, private organizations, other governmental units and other funds.

Jail - to account for all moneys received by the Houston County Jail on behalf of inmates.

Clerk of Superior Court - to account for all moneys received by the Clerk of Superior Court on behalf of individuals, private organizations, other governmental units and other funds.

District Attorney - to account for all moneys received by the District Attorney on behalf of individuals, private organizations, other governmental units and other funds.

State Court - to account for all moneys received by the State Court of Houston County on behalf of individuals, private organizations, other governmental units and other funds.

Probate Court - to account for all moneys received by the Probate Court on behalf of individuals, private organizations, other governmental units and other funds.

Magistrate Court - to account for all moneys received by the Magistrate Court on behalf of individuals, private organizations, other governmental units and other funds.

Juvenile Court - to account for all moneys received by the Juvenile Court on behalf of individuals, private organizations, other governmental units and other funds.

HOUSTON COUNTY, GEORGIA
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSTION
JUNE 30, 2025

	Tax Commissioner	Sheriff	Jail	Clerk of Superior Court
ASSETS				
Cash and cash equivalents	$ 4,698,228	$ 823,237	$ 181,481	$ 650,698
Accounts receivable	-	-	-	274,805
Taxes receivable	2,585,226	-	-	-
Total assets	7,283,454	823,237	181,481	925,503
LIABILITIES				
Due to others	7,283,454	121,851	57,704	695,065
Total liabilities	7,283,454	121,851	57,704	695,065
NET POSITION				
Restricted				
Individuals, organizations and other governments	-	701,386	123,777	230,438
Total net position	$ -	$ 701,386	$ 123,777	$ 230,438

District Attorney	State Court	Probate Court	Magistrate Court	Juvenile Court	Total
$ 5,467	$ 598,210	$ 140,266	$ 95,990	$ 5,262	$ 7,198,839
-	-	-	-	-	274,805
-	-	-	-	-	2,585,226
5,467	598,210	140,266	95,990	5,262	10,058,870
5,467	598,210	91,359	93,284	2,330	8,948,724
5,467	598,210	91,359	93,284	2,330	8,948,724
-	-	48,907	2,706	2,932	1,110,146
$ -	$ -	$ 48,907	$ 2,706	$ 2,932	$ 1,110,146

HOUSTON COUNTY, GEORGIA
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSTION
FOR THE YEAR ENDED JUNE 30, 2025

	Tax Commissioner	Sheriff	Jail	Clerk of Superior Court
ADDITIONS				
Taxes collected	$ 171,762,256	$ -	$ -	$ -
Fines and fees collected	-	1,173,121	1,793,315	10,575,887
Interest income	-	33	54	1,299
Other	1,394,224	-	1,523	-
Total additions	173,156,480	1,173,154	1,794,892	10,577,186
DEDUCTIONS				
Taxes disbursed	172,319,946	-	-	-
Fines and fees disbursed	1,394,224	1,490,420	1,832,975	11,028,383
Other	-	-	1,629	4,314
Total deductions	173,714,170	1,490,420	1,834,604	11,032,697
Change in net position	(557,690)	(317,266)	(39,712)	(455,511)
NET POSITION				
Total net position - beginning	557,690	1,018,652	163,489	685,949
Total net position - ending	$ -	$ 701,386	$ 123,777	$ 230,438

District Attorney	State Court	Probate Court	Magistrate Court	Juvenile Court	Total
$ -	$ -	$ -	$ -	$ -	$ 171,762,256
8,313	4,281,786	857,080	1,142,509	30,715	19,862,726
-	-	-	1,091	-	2,477
-	-	-	-	-	1,395,747
8,313	4,281,786	857,080	1,143,600	30,715	193,023,206
-	-	-	-	-	172,319,946
8,313	4,258,623	848,355	1,140,894	30,935	22,033,122
-	-	-	-	243	6,186
8,313	4,258,623	848,355	1,140,894	31,178	194,359,254
-	23,163	8,725	2,706	(463)	(1,336,048)
-	(23,163)	40,182	-	3,395	2,446,194
$ -	$ -	$ 48,907	$ 2,706	$ 2,932	$ 1,110,146

HOUSTON COUNTY, GEORGIA
FIDUCIARY FUNDS
SCHEDULE OF SUPPLEMENTAL OFFICIAL INCOME
JUNE 30, 2025

County Constitutional Officer	Supplemental Income Type	Amount Collected	Amount Disbursed	Amount Retained by County Officer
Clerk of Superior Court	Fees for processing passports	$ 129,220	$ -	$ 129,220
Probate Court Judge	Vital records fees	262,425	245,925	16,500

COMPLIANCE SECTION

The Compliance Section includes schedules related to schedules of projects constructed with Special Purpose Local Option Sales Tax and the Independent Auditor's Reports on Internal Control.

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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*

Houston County Board of Commissioners
Houston County, Georgia
Warner Robins, Georgia

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (Government Auditing Standards), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Houston County, Georgia (the "County") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated February 13, 2026. Our report includes a reference to other auditors who audited the financial statements of Houston County Department of Public Health, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis 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 the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Nichols, Cauley & Associates, LLC

Warner Robins, Georgia
February 13, 2026

Nichols, Cauley & Associates, LLC
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

Houston County Board of Commissioners
Houston County, Georgia
Warner Robins, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Houston County, Georgia's (the "County'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 the County's major federal programs for the year ended June 30, 2025. The County'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, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with 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 the County'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 the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that

an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

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

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

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

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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.

Nichols, Cauley & Associates, LLC

Warner Robins, Georgia
February 13, 2026

HOUSTON COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	Federal Assistance Listing Number	Agency or Pass-Through Number	Passed through to Sub recipients	Federal Program Expenditures
U.S. DEPARTMENT OF HOMELAND SECURITY				
Pass-through, State of Georgia				
Emergency Management Agency				
Emergency Management Performance Grant	97.042	OEM24-078	$ -	$ 50,000
Hazard Mitigation Grant	97.039	HMGP 4579-0009	-	368,820
Homeland Security Grant	97.067	SHO21-103	-	29,973
Total U.S. Department of Homeland Security			-	448,793
U.S. DEPARTMENT OF JUSTICE				
Pass through the Criminal Justice Coordinating Council				
Stop VAWA-District Attorney	16.575	W22-8-012/W23-8-046	-	64,880
Victims of Crime Act (VOCA) District Attorney	16.575	C23-8-101/C23-8-101	-	66,799
Victims of Crime Act (VOCA) Soliciter General	16.575	C23-8-101/C23-8-101	-	100,383
Total Victims of Crime Act			-	232,062
Total U.S. Department of Justice			-	232,062
U.S. DEPARTMENT OF TREASURY				
Direct Award				
ARPA	21.027	N/A	35,000	9,467,525
Pass through the Governor's Office				
Georgia Cares Grant	21.027	GA-007412	-	744,122
Total U.S. Department of Treasury			35,000	10,211,647
			$ 35,000	$ 10,892,502

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of the Houston County, Georgia (the "County") and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

NOTE 2 – INDIRECT COST RATES

The County has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 – NON-CASH AWARDS

The County did not receive non-cash federal awards during the year ended June 30, 2025.

NOTE 4. INSURANCE

The County did not receive insurance as part of any award during the fiscal year.

NOTE 5. LOANS AND LOAN GUARANTEES

The County did not receive any loans or loan guarantees as part of any award during the fiscal year.

NOTE 6. MEASUREMENT FOCUS

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

Section I: Summary of Auditor's Results

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified	
Internal control over financial reporting:		
• Material weakness(es) identified?	____ Yes	_X__ No
• Significant deficiency(ies) identified?		_X__ None
	____ Yes	Reported
Noncompliance material to financial statements noted?		
	____ Yes	_X__ No

Federal Awards

Internal control over major federal programs:		
• Material weakness(es) identified?	____ Yes	_X__ No
• Significant deficiency(ies) identified?	____ Yes	_X__ None reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____ Yes	_X__ No

Identification of major federal programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs:	$750,000	
Auditee qualified as a low-risk auditee?		
	_X_ Yes	_ __ No

Section II: Financial Statement Findings

None Reported.

Section III: Federal Awards Findings

None Reported.

HOUSTON COUNTY, GEORGIA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025

None noted

HOUSTON COUNTY, GEORGIA
SCHEDULE OF PROJECTS UNDERTAKEN
WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2025

Project	(a) Previously Reported Original Estimated Cost	Original Estimated Cost	Prior Years	Adjustments	Expenditures A Revised Prior Years	Expenditures B Current Year	Expenditures C From Other Revenue Sources	Expenditures B + C Total Current Expenditures	Expenditures A + B Total Expenditures From SPLOST
2006 Referendum:									
Roads, Streets, and Bridges	$ 100,675,000	$ 93,160,000	$ 30,578,680	$ -	$ 30,578,680	$ 875,006	$ -	$ 875,006	$ 31,453,686
City of Centerville	-	500,000	6,176,511	-	6,176,511	-	-	-	6,176,511
City of Perry	-	1,500,000	3,054,775	-	3,054,775	-	-	-	3,054,775
City of Warner Robins	-	5,515,000	6,660,948	-	6,660,948	-	-	-	6,660,948
Department of Transportation	-	-	29,187,162	-	29,187,162	-	-	-	29,187,162
Library Improvements	-	5,225,000	7,221,088	-	7,221,088	-	-	-	7,221,088
Jail Pod Addition	-	4,000,000	8,314,688	-	8,314,688	-	-	-	8,314,688
Water System Improvements	-	3,000,000	3,186,592	-	3,186,592	-	-	-	3,186,592
Debt Payoff on Spec Building	-	2,100,000	2,100,000	-	2,100,000	-	-	-	2,100,000
City of Centerville	-	1,000,000	1,468,849	-	1,468,849	-	-	-	1,468,849
City of Perry	-	4,000,000	5,385,795	-	5,385,795	-	-	-	5,385,795
City of Warner Robins	-	10,000,000	15,192,866	-	15,192,866	-	-	-	15,192,866
	$ 100,675,000	$ 130,000,000	$ 118,527,954	$ -	$ 118,527,954	$ 875,006	$ -	$ 875,006	$ 119,402,960
2012 Referendum:									
Roads, Streets, and Bridges	$ -	$ 25,332,000	$ 9,874,336	$ -	$ 9,874,336	$ -	$ -	$ -	$ 9,874,336
City of Centerville	-	-	2,426,856	-	2,426,856	143,306	-	143,306	2,570,162
City of Perry	-	-	3,091,947	-	3,091,947	-	-	-	3,091,947
City of Warner Robins	-	-	4,684,650	-	4,684,650	1,289,745	-	1,289,745	5,974,395
Department of Transportation	-	-	662,160	-	662,160	-	-	-	662,160
Public Safety Communications Upgrade	-	9,000,000	1,313,665	-	1,313,665	-	-	-	1,313,665
Economic Development:									
Property Acquisition-RAFB Encroachment	-	7,000,000	5,771,161	-	5,771,161	-	-	-	5,771,161
Land Acquisition & Infrastructure - Improvements	-	19,000,000	18,136,510	-	18,136,510	-	-	-	18,136,510
Unincorporated County Projects									
Roads, Streets, & Bridges	-	5,300,000	6,220,328	-	6,220,328	-	-	-	6,220,328
Public Safety Facilities & Equipment	-	13,665,000	3,334,456	-	3,334,456	-	-	-	3,334,456
General Capital Obligations	-	9,482,000	20,309,161	-	20,309,161	-	-	-	20,309,161
Water & Storm Water Systems Improvement	-	6,550,000	2,288,854	-	2,288,854	-	-	-	2,288,854
Airport Facility Improvements	-	400,000	399,325	-	399,325	-	-	-	399,325
Library Improvements	-	-	484,927	-	484,927	-	-	-	484,927
City of Centerville	-	5,050,000	4,374,484	-	4,374,484	-	-	-	4,374,484
City of Perry	-	9,800,000	8,409,795	-	8,409,795	-	-	-	8,409,795
City of Warner Robins	-	44,421,000	38,136,824	-	38,136,824	-	-	-	38,136,824
	$ -	$ 155,000,000	$ 129,919,439	$ -	$ 129,919,439	$ 1,433,051	$ -	$ 1,433,051	$ 131,352,490

HOUSTON COUNTY, GEORGIA
SCHEDULE OF PROJECTS UNDERTAKEN
WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2025

Project	(a) Previously Reported Original Estimated Cost	Original Estimated Cost	Prior Years	Adjustments	Expenditures A Revised Prior Years	B Current Year	C From Other Revenue Sources	B + C Total Current Expenditures	A + B Total Expenditures From SPLOST
2018 Referendum:									
Roads, Streets, and Bridges	$ -	$ 26,370,000	$ 4,214,608	$ -	$ 4,214,608	$ 109,141	$ -	$ 109,141	$ 4,323,749
City of Centerville	-	-	342,367	-	342,367	272,956	-	272,956	615,323
City of Perry	-	-	1,308,594	-	1,308,594	1,728,972	-	1,728,972	3,037,566
City of Warner Robins	-	-	2,357,272	-	2,357,272	1,461,612	-	1,461,612	3,818,884
Department of Transportation	-	-	4,553,121	-	4,553,121	1,358,478	-	1,358,478	5,911,599
Public Safety Facilities & Equipment	-	8,979,100	17,387,662	-	17,387,662	-	-	-	17,387,662
Facilities Construction and Improvements	-	11,594,300	25,330,537	-	25,330,537	155,000	-	155,000	25,485,537
Infrastructure - Improvements	-	2,500,000	-	-	-	-	860,397	860,397	-
General Capital Obligations (Countywide)	-	1,500,000	3,364,470	-	3,364,470	-	-	-	3,364,470
Airport Facility Improvements	-	1,800,000	2,242,000	-	2,242,000	-	-	-	2,242,000
Transit	-	250,000	-	-	-	-	-	-	-
Recreation	-	7,000,000	16,067,236	-	16,067,236	-	-	-	16,067,236
Recreation Facilities and Equipment (Municipal)	-	6,000,000	-	-	-	-	-	-	-
Unincorporated County Projects						-			
Roads, Streets, & Bridges	-	3,150,000	100	-	100	49,221	-	49,221	49,321
Public Safety Facilities & Equipment	-	10,355,135	1,750,477	-	1,750,477	3,053,798	-	3,053,798	4,804,275
General Capital Obligations	-	11,030,353	2,809,700	-	2,809,700	2,333,962	-	2,333,962	5,143,662
Water and Sewer System Improvements	-	3,000,000	29,725	-	29,725	35,119	-	35,119	64,844
Facilities Renovation	-	2,000,000	5,643,942	-	5,643,942	747,773	-	747,773	6,391,715
Economic Development: Blight Abatement	-	250,000	2,602,534	-	2,602,534	35,710	-	35,710	2,638,244
City of Centerville	-	4,029,337	5,319,482	-	5,319,482	270,686	-	270,686	5,590,168
City of Perry	-	7,821,653	10,313,902	-	10,313,902	524,830	-	524,830	10,838,732
City of Warner Robins	-	37,370,122	49,405,710	-	49,405,710	2,507,587	-	2,507,587	51,913,297
	$ -	$ 145,000,000	$ 155,043,439	$ -	$ 155,043,439	$ 14,644,845	$ 860,397	$ 15,505,242	$ 169,688,284

HOUSTON COUNTY, GEORGIA
SCHEDULE OF PROJECTS UNDERTAKEN
WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2025

	(a) Previously Reported Original Estimated Cost	Original Estimated Cost	Prior Years	Adjustments	Expenditures A Revised Prior Years	Expenditures B Current Year	Expenditures C From Other Revenue Sources	B + C Total Current Expenditures	A + B Total Expenditures From SPLOST
2024 Referendum:									
Facilities Construction & Improvements	$ -	$ 35,700,000	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Roads, Street, Bridge, and Sidewalk Projects	-	44,800,000	-	-	-	-	-	-	-
Parks & Recreation Property, Facilities and Equipment									
City of Warner Robins	-	2,800,000	-	-	-	350,100	-	350,100	350,100
City of Perry	-	1,400,000	-	-	-	175,050	-	175,050	175,050
City of Centerville	-	1,400,000	-	-	-	175,050	-	175,050	175,050
911 Center Technology Upgrades	-	3,500,000	-	-	-	-	-	-	-
Library Resources & Facilities Improvements	-	950,000	-	-	-	-	-	-	-
Unincorporated									
Public Safety Facilities and Equipment	-	13,882,794	-	-	-	-	-	-	-
Roads, Street, Bridge, and Sidewalk Projects	-	5,500,000	-	-	-	-	-	-	-
Water & Sewer Improvements	-	100,000	-	-	-	-	-	-	-
Facilities Renovations, Expansion and Replacement	-	3,000,000	-	-	-	-	-	-	-
General Capital Obligations	-	13,612,378	-	-	-	-	-	-	-
Blight Abatement	-	500,000	-	-	-	-	-	-	-
City of Warner Robins	-	53,057,617	-	-	-	800,554	-	800,554	800,554
City of Perry	-	14,389,300	-	-	-	2,131,846	-	2,131,846	2,131,846
City of Centerville	-	5,407,911	-	-	-	7,866,187	-	7,866,187	7,866,187
	$ -	$ 200,000,000	$ -	$ -	$ -	$ 11,498,787	$ -	$ 11,498,787	$ 11,498,787
Total SPLOST referendums	$ 100,675,000	$ 630,000,000	$ 403,490,832	$ -	$ 403,490,832	$ 28,451,689	$ 860,397	$ 29,312,086	$ 431,942,521

(a) The amounts reported in previous years were for Countywide Projects administered by Houston County for road, street, bridge & sidewalk projects. The intergovernmental portion of road, street, bridge and sidewalk projects were included with the Countywide Projects, but none of the other projects were included on this schedule previously. This schedule has been revised to include all projects per the 2006 Referendums.