MCDUFFIE COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2025

Prepared by:
McDuffie County Finance Department

MCDUFFIE COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2025

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CKH
CPAs & Advisors

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
McDuffie County, 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 discretely presented component units, each major fund, and the aggregate remaining fund information of the McDuffie County, Georgia (the "County"), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the McDuffie County, Georgia's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 *Governmental 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 and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 fund financial statements and schedules, the schedules of projects constructed with proceeds from special purpose local option sales taxes, schedule of project expenditures and source and application of funds for the Community Development Block Grants, and the schedule of expenditure of federal awards, 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* (the "supplementary information") as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

In connection with our audit of the basic financial statements, are responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 30, 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.

CKH CPAs and Advisors, LLC

CKH CPA's and Advisors, LLC
Atlanta, Georgia
June 30, 2026

MCDUFFIE COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025

McDuffie County's management is pleased to provide this narrative discussion and analysis of the financial activities of the County for the fiscal year ended December 31, 2025. We encourage readers to consider the information presented in this analysis along with the complete financial statements and notes in the 2025 Audit Report to enhance their understanding of McDuffie County's financial performance.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to McDuffie County Government's financial statements which include government-wide and fund statements as well as notes to the financial statements. This report also contains other supplementary information in addition to the basic financials that may be of interest to the reader.

McDuffie County's basic financial statements are comprised of three components: The first component is government-wide financial statements, second is fund financial statements and third, notes to the financial statements. The Government-wide financial statements present an overall picture of McDuffie County's financial position and results of operations. The Fund financial statements present financial information for McDuffie County's major funds. The Notes to the financial statements provide additional information concerning McDuffie County's finances that are not disclosed in the Government-wide or Fund financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a similar manner to a private-sector business.

The Statement of Net Position presents information on all the County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. The purpose of the design 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. This statement also presents a comparison between direct expense and program revenues for each function of the government.

Both statements attempt to distinguish functions of McDuffie County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

In the *Statement of Net Position* and the *Statement of Activities*, we divide the County into three kinds of activities:

- Governmental activities—Most of the County's basic services are reported here, including general government, public safety, highway and streets, health and welfare, culture and recreation, judicial system and economic development.

- Business-type activities—The County charges a fee to customers to help cover the cost of certain services it provides. The County's Solid Waste, Emergency Medical Services, Raysville and Big Hart Campground operations are reported here.
- Component units-- The County includes two separate entities in our report, the Thomson-McDuffie Development Authority and the McDuffie County Health Department. The Development Authority serves to promote, pursue and implement economic development in the County. The Health Department is a public health department serving all citizens and non-citizens of McDuffie County needing the available services provided by the Health Department.

The government-wide financial statements are presented on pages 17 and 19 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Within the basic financial statements, the fund financial statements focus on the County's most significant funds, or major funds, rather than on the government as a whole. A major fund is determined based on proportional relationships of individual funds with the entity. Major funds are separately reported while all others are aggregated into a single presentation. The data for non-major funds is reported in the latter sections of the audit report.

All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Like other state and local governments, McDuffie County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information is useful in evaluating a government's near-term financing requirements.

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. This will allow readers to better understand the long-term impact of the government'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.

The County maintains 35 individual governmental funds. 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 major funds. McDuffie County reports six major governmental funds – General Fund, SPLOST VII, TSPLOST, ARPA Grant and the FEMA Grant. The basic governmental fund financial statements are presented on pages 20 through 24 of this report.

Proprietary Funds

Proprietary funds are used to account for the operations for which customers are charged a fee for services provided. These funds operate similar to commercial enterprises found in the private sector. Proprietary funds for the government are: Solid Waste, Emergency Medical Services, Big Hart and Raysville Campgrounds.

The basic proprietary fund financial statements are presented on pages 26 through 33 of this report.

Fiduciary Funds

Fiduciary Funds are used to account for resources held by the government for private organizations, other governments or other departments inside the government. The government is responsible for ensuring that these assets are used only for their intended purposes and are paid to the intended recipients. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's operation or programs. However, the accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Basic Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 34 of this report.

Other Supplementary Information

In addition to the basic financial statements and notes, this report also presents individual and combining non-major fund financial statements. These may be found beginning on page 53. Budgetary comparison schedules for the non-major funds are found in this section of the report. These schedules demonstrate compliance with the County's budget.

Government-wide Financial Analysis

Net position may serve over time as useful indicators of a government's overall financial position to determine if the Government is improving or deteriorating. The Statement of Net Position presents information on all the Government's assets/deferred outflows and liabilities/deferred inflows, with the difference being reported as net position.

Government Assets exceed liabilities by $92 million for December 31, 2025, compared to $88 in December 31, 2024. Management has included comparative data which may be useful in comparing the current year and noting possible changes. The largest portion of McDuffie County's net position, 68%, reflects its investment in capital assets such as land, buildings, roads and equipment. The County uses these capital assets to provide a variety of services to its citizens. The balance of unrestricted net position of 7% in 2025, compared to 11% in 2024, may be used to meet the Government's obligations to citizens and creditors.

McDuffie County's Net Position
December 31, 2025 and 2024

	Governmental Activities		Business-Type Activities		Totals	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
Assets						
Current and other assets	$41,540,753	$39,532,952	$4,185,620	$3,291,118	$45,726,373	$42,824,070
Capital assets, net	$64,100,863	$59,153,830	$3,791,475	$4,188,674	$67,892,338	$63,342,504
Total assets	$105,641,616	$98,686,782	$7,977,095	$7,479,792	$113,618,711	$106,166,574
Deferred Outflows of Resources						
Deferred outflows related to pension	$1,259,415	$1,746,519			$1,259,415	$1,746,519
Total deferred outflows of resources	$1,259,415	$1,746,519			$1,259,415	$1,746,519
Total assets and deferred outflows of resources	$106,901,031	$100,433,301	$7,977,095	$7,479,792	$114,878,126	$107,913,093
Liabilities						
Current and other liabilities	$8,792,282	$6,249,314	$2,066,227	$1,916,935	$10,858,509	$8,166,249
Long-term liabilities	$4,770,855	$4,449,452	$177,000	$93,220	$4,947,855	$4,542,672
Total liabilities	$13,563,137	$10,698,766	$2,243,227	$2,010,155	$15,806,364	$12,708,921
Deferred Inflows of Resources						
Deferred inflows related to pension	$888,241	$1,001,915			$888,241	$1,001,915
Total deferred inflows of resources	$888,241	$1,001,915			$888,241	$1,138,124
Total liabilities and deferred Inflows of resources	$14,451,378	$11,700,681	$2,243,227	$2,010,155	$16,694,605	$11,700,681
Net Position						
Invested in capital assets, net related debt	$63,453,536	$59,153,830	$3,614,138	$4,188,674	$67,067,674	$63,342,504
Restricted - Capital Projects	$20,422,762	$18,509,365			$20,422,762	$18,509,365
Restricted - Special Revenues		$1,375,524				$1,375,524
Restricted - Debt Service		$200,105				$200,150
Restricted Other	$1,545,753				$1,545,753	
Restricted – Grants	$34,805				$34,805	
Unrestricted	$6,992,797	$9,493,796	$2,119,730	$1,280,963	$9,112,527	$10,774,759
Total net position	$92,449,653	$88,732,620	$5,733,868	$5,469,637	$98,183,521	$94,202,257

Changes in Net Position

Governmental Activities

Governmental activities increased the Government's net position by $3,770,106. Listed below are some of the key elements of this change:

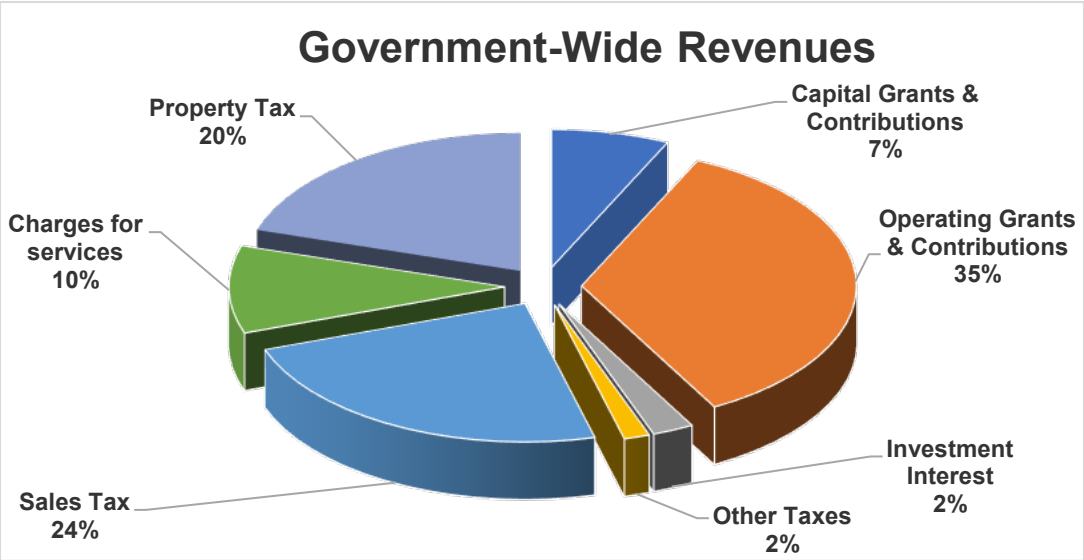
Governmental Revenues: The main source of revenues for governmental activities is sales tax, property tax collections, investment income, charges for services and grants.

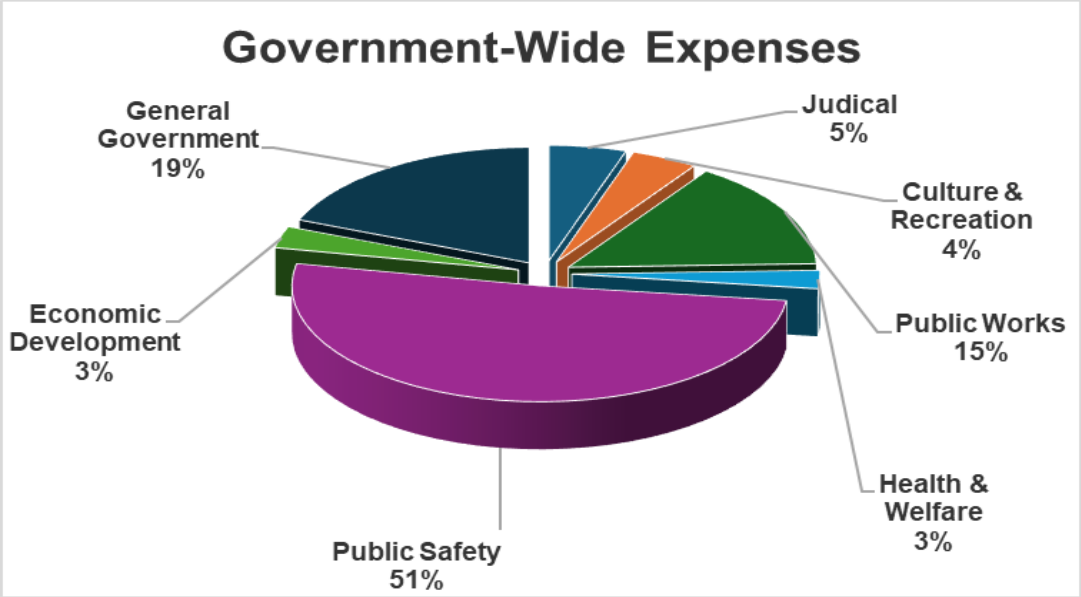
Governmental Functional Expenses: As reflected in the changes for net position, the Government increased its spending by $13,315,797, above the previous year. During 2025, expenditures were higher than the previous year due to inflation and expenses for Hurricane Helene.

Business-type activities: Business-type activities increased the Government's net position by $276,387. This change is contributed to increased revenue for Solid Waste, charges for services, along with settlement income received from contract services being overbilled in previous years.

McDuffie County
Changes in Net Position

	2025	2024	2025	2024	2025	2024
Revenues						
Program Revenues:						
Fines, Fees and Charges for Services	$4,421,695	$2,059,779			$4,421,695	$2,059,779
Solid Waste			$1,525,097	$1,331,666	1,525,097	1,331,666
EMS			4,836,098	5,090,199	4,836,098	5,090,047
Campgrounds			373,601	376,256	373,601	376,256
Operating Grants & Contributions	15,157,011	10,926,575	0	0	15,157,011	10,926,575
Capital Grants & Contributions	3,058,850	2,043,070	18,770	12,167	3,077,620	2,055,237
Total Program Revenues	$22,637,556	$15,029,424	$6,753,566	$6,810,288	$29,391,122	$21,839,712
General Revenues and Transfers:						
Property taxes	$8,736,907	$6,811,041			$8,736,907	$6,811,041
Sales taxes	10,233,722	9,179,502			10,233,722	9,179,502
Franchise taxes	66,535	77,014			66,535	77,014
Hotel/motel taxes	0	327,676			0	327,676
Alcoholic beverage and other taxes	317,596	207,452			317,596	207,452
Energy Excise Tax	0	313,949			0	313,949
Timber tax	0	44,844			0	44,844
Insurance premium tax	0		2,141,782	1,898,754	2,141,782	1,898,754
Interest income	0	242,709	0	-9,557	0	233,152
Payments in lieu of taxes	0	47,798			0	47,798
License and permits	0	259,385	0	1,817	0	261,202
Motor Vehicle tax	0	1,144,147			0	1,144,147
Miscellaneous taxes	199,254	528,648	13,838		213,092	528,648
Unrestricted investment earnings (loss)	1,053,676		194		1,053,870	
Settlement received			289,261		289,261	
Gain on sale of assets	12,291		11,712		24,003	
Transfers	-1,303,856		1,303,856			
Total General Revenues and Transfers	$19,316,125	$19,184,165	$3,760,643	$1,891,014	$23,076,768	$21,075,179
Total Revenue	$41,953,681	$34,213,589	$10,514,209	$8,701,302	$52,467,890	$42,914,891
Expenses:						
General government	7,081,044	8,880,991			$7,081,044	$8,880,991
Public Safety	7,008,601	6,445,962			7,008,601	6,445,962
Public Works	17,832,629	4,971,598			17,832,629	4,971,598
Health & welfare	1,166,848	449,459			1,166,848	449,459
Solid Waste			1,919,207	1,423,428	1,919,207	1,423,428
EMS			8,026,030	7,365,023	8,026,030	7,365,023
Campgrounds			292,585	269,397	292,585	269,397
Internal Shop				177,691		177,691
Lawn care services				91,202		91,675
Economic Development	1,141,255	1,180,784			1,141,255	1,180,784
Culture & recreation	1,647,322	1,331,538			1,647,322	1,331,538
Judicial	2,136,268	1,607,446			2,136,268	1,607,446
Interest on long-term debt	169,608				169,608	
Total Expenses	$38,183,575	$24,867,778	$10,237,822	$9,326,741	$48,421,397	$34,194,519
Transfers Out	0	-306,245	0	306,245		
Change in Assets	3,770,106	9,039,566	276,387	-319,345	4,046,493	8,720,220
Ending net position	$92,449,653	$88,840,979	$5,733,868	$5,469,637	$98,183,521	$94,310,616



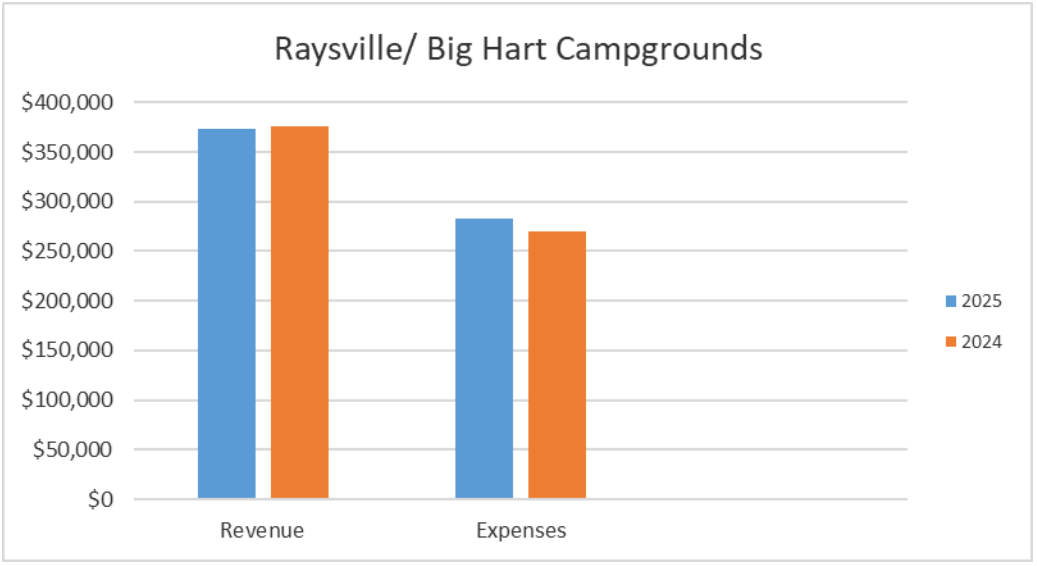


Business-type activities

Business-type activities for Raysville and Big Hart Campgrounds generated a profit of $77,323. These funds will be used for future maintenance and repairs at the facilities. The current rental rates per night for both facilities are $30 per night. The Solid Waste facility operated at a loss of $135,964, which includes depreciation expenses. The illustration below compares the revenues and expenses for 2025 and 2024.

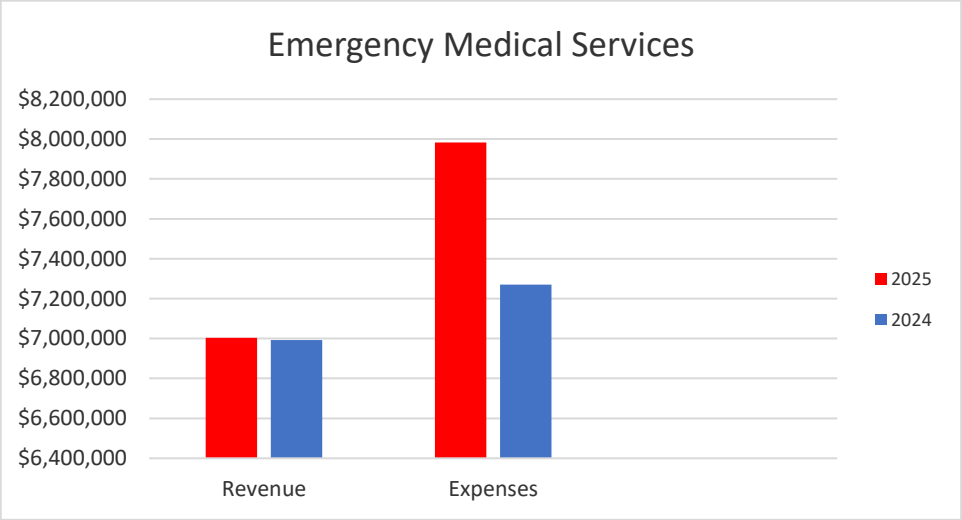
BUSINESS-TYPE ACTIVITIES

2025





Emergency Medical Services was added in 2020 as a new business-type activity. The total operating expenses for the year were $7,982,414 and operating revenues was $6,991,301. This fund received additional revenues in the amount of $11,712 for the sale of capital assets and a transfer from the general fund of $1,343,331.



Financial Analysis of McDuffie County's Funds

As noted earlier, McDuffie County employs fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

Governmental funds provide information on near-term inflows, outflows, and balances of spendable resources. In assessing McDuffie County's financing requirements, unassigned fund balance is a particularly useful measure of net resources available for spending at the end of the fiscal year. The governmental fund types include the General Fund, Special Revenue Funds and Capital Projects Fund. The major funds are General Fund, SPLOST VII, TSPLOST, ARPA Grant and the FEMA Grant Fund.

As of December 31, 2025, McDuffie County governmental funds, which include the major funds and various other funds, reported combined fund balances of $32,428,213.

The General Fund is the chief operating fund of the County. At December 31, 2025, total fund balance was $10,284,662. The fund balance of McDuffie County has decreased by $2,605,849 since 2025.

Capital Project funds account for the construction of capital improvements with SPLOST VII being a major fund. The SPLOST Capital Project Fund reflects funds collected from the 1% Special Local Option Sales Tax and are expended for capital items that agree with the resolution approved by the voters. Because projects often bridge several years and involve design, land acquisition, and construction phases, expenditures may vary widely from year to year. Costs expended yearly in capital projects funds are added to the County's construction-in-progress until the project is complete and then depreciated over the assets' useful lives.

Transportation SPLOST is another major fund for the Government. This fund reflects revenues collected from the 1% Special Local Option Sales Tax that is designated for road construction and improvements.

A Local Maintenance and Improvement Grant is awarded annually by the Georgia Department of Transportation. The Board of Commissioners submits a listing of recommendations along with the estimated costs to the State of Georgia. Once approved by the State, the grant is awarded and funds are disbursed to the County. Any additional funds needed are funded through SPLOST and T-SPLOST known as the Transportation Special Purpose Local Option Sales Tax.

Proprietary Funds
Proprietary fund statements provide the same information as in the business-type activities column of the government-wide statements, but in greater detail, and on a fund basis for enterprise funds.
Enterprise Funds – At December 31, 2025, total net position amounted to $5,727,795 for enterprise funds compared to $5,469,637 at December 31, 2024. Net position changes are a result of operations, other non-operating revenues and expenses, capital contributions and donated assets and grants.

Emergency Medical Services had an decrease in net position of $333,432 for the year. Big Hart and Raysville Campgrounds had a profit of $77,323. The Solid Waste fund reflected a loss for the year of $135,964, included in this loss with the depreciation expense of facility assets of $184,423. The expenses for the facility increased by 34% for the current year.

Capital Assets and Debt Administration

Capital Assets
McDuffie County has invested $64,100,863 in capital assets (net of accumulated depreciation). Approximately 99% of this investment is related to governmental activities and includes infrastructure, land, buildings and machinery and equipment. As always McDuffie County continues to increase capital assets each year to provide the best services to the citizens of McDuffie County. Capital assets are discussed in more detail in Note 6 of the financial statements.

The Citizens of McDuffie County voted to pass the Transportation Special Purpose Local Option Sales Tax for a second time. These additional revenues are used for the resurfacing and paving of roads in the community along with joint projects with other Counties.

During 2021, the County began receiving collections from SPLOST VII, which is a six-year SPLOST the voters approved in 2020. These funds will assist with many capital assets needed in the community.

Capital assets held by the County at the end of the fiscal year are summarized as follows:

McDuffie County Capital Assets
(net of accumulated depreciation)

	Governmental Activities Activities		Business-Type Activities Activities		Totals	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
Land	$3,588,475	$3,588,475	$415,918	$319,649	$4,004,393	$3,908,124
Buildings	$42,166,741	$41,695,252	$3,611,505	$2,752,669	$45,778,246	$44,447,921
Machinery & equipment	$10,752,031	$10,129,297	$5,920,329	$5,708,699	$16,672,360	$15,837,996
Infrastructure	$75,828,513	$74,642,134			$75,828,513	$74,642,134
Lease Asset	$30,254	$30,254			$30,254	$30,254
Construction in progress	$9,719,612	$5,709,143	$0	$849,936	$9,719,612	$4,043,582
Total Assets	$142,085,626	$135,794,555	$9,947,752	$9,630,953	$152,033,378	$145,425,508
Accumulated Depreciation	-$77,984,762	-$74,125,228	-$6,156,277	-$5,442,279	-$84,141,039	-$79,567,507
Net Capital Assets	$64,100,864	$61,669,327	$3,791,475	$4,188,674	$67,892,339	$65,858,001

Listed below are some of the significant capital asset transactions which occurred in 2025:

- Capital assets purchased during 2025 included two Sheriff's vehicles totaling $137,867; two used DOT transit buses $39,200; two dump trucks $332,408; a Mower Max with Boom Mower $226,608, and a Caterpillar Wheel Loader $178,640.
- New audio-visual equipment was purchased for the Court Room in the amount of $289,939, these funds were grant funded.
- Site improvements in the amount of $471,489, included new flooring for the Senior Citizens Center, paving the parking lots at Sweetwater Park, fencing at the Law Enforcement Center and new signage for the entrances of the County.
- Local maintenance and Improvement Grant funded a portion of road resurfacing in the amount of $546,106. Additional monies were received for road striping and markings in the amount of $388,849.
- T-SPLOST funded a portion of road resurfacing in the amount of $143,036, along with the construction of School Drive, in the amount of $654,494.
- SPLOST VII funded a land purchase for a future fire station in the amount of $96,269.

Debt Service

McDuffie County is a very fiscally conservative government. Debt agreements are used for capital outlay items. McDuffie County continues to have an excellent credit rating with Dunn & Bradstreet and should have no conflicts that would affect the financing of any planned facilities or services. With the last bond issuance, Standard & Poor's Rating Services rated McDuffie County's general obligation bond at an A+. Currently, the County does not have any outstanding notes or bonds.

The State of Georgia has established a limit on the amount of general obligation debt that a unit of government can issue. The law limits the debt to 10% of the total assessed value of taxable property located with the government's jurisdiction. The legal debt margin for McDuffie County is approximately $89 million.

The following table displays all debt owed by McDuffie County for the current and prior years. This entire amount is backed by full faith and credit of the government. This table presents accrued compensated absences which reflect the liability the county owes the employees for vacation time. Also, the table includes post closure cost for the landfill. This liability represents the cost for routine water monitoring at the facility. The landfill was closed in 1995, and the county must maintain the landfill for thirty years. The net pension liability listed in the chart below represents the amount the County needs to fund future pension payments. This liability was calculated by the actuarial valuation as of December 31, 2025. Note 8 of the financial statements provide a summary of the long-term liability transactions for the year ending 2025.

McDuffie County
Outstanding Debt
Fiscal Years 2025 and 2024

	Governmental Activities		Business-Type Activities		Totals	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
Note Payable	$647,327	$640,000	$177,337	$232,501	$824,664	$872,501
Accrued compensated absences	$421,415	$417,293	$19,913	$19,073	$441,328	$436,366
Lease Liability	$0	$30,254			$0	$30,254
Net pension liability	$4,155,632	$3,919,478			$4,155,632	$3,919,478
Postclosure costs			$56,758	$74,147	$56,758	$74,147
Total Debt	$5,224,374	$5,007,025	$254,008	$325,721	$5,478,382	$5,332,746

Economic Factors and Rates

McDuffie County Board of Commissioners continues to aggressively address the current and future needs of the County by focusing on sound financial management, the reserve policy, the use of current resources for capital expenditures and the development of capital improvements plans. With a growing population, the challenge is to continue to improve the quality of life by concentrating on the demands placed on other infrastructure such as providing residents in the County with water, sewer and many other quality services.

During 2025, McDuffie County continued to recover from Hurricane Helene which occurred in the fall of 2024. McDuffie County schools did complete the construction of a new elementary school which opened in August 2005. Georgia Department of Transportation developed the first round about in the County located on Highway 17 south. Construction began on a new downtown park which is scheduled to be completed during the fall of 2026. A new construction permit was issued for City Electric Supply. McDuffie County continues to welcome new businesses into the Community.

McDuffie County is making every effort to keep the unemployment rate low. The unemployment rate as of December 2025 was 4.3% compared to December 2024 of 4.7%.

Budget Highlights for the Fiscal Year Ending December 31, 2025

- The County was able to use the same millage rate as the previous budget year to balance the 2025 budget and maintain the same level of services.
- Big Hart and Raysville Campgrounds continue to be a tourist attraction for those wanting to enjoy the lake and outdoors with approximately 12,113 reservations made during 2025.
- McDuffie County received American Rescue Plan Act Funds in the amount of $4,139,606, and a Broadband Infrastructure Grant in the amount of $3,817,35. These funds have been allocated for a county-wide broadband project. This project was included in the 2025 budget and is expected to be completed in 2026.

Request for Information

This financial report is designed to provide a general overview of McDuffie County Government's finances for anyone interested in our County's finances. Questions concerning this report or any requests for additional information may be addressed to the McDuffie County Board of Commissioners, 210 Railroad Street, Thomson, GA 30824, and 706-595-2109 or on our Website: www.thomson-mcduffie.gov.

MCDUFFIE COUNTY, GEORGIA
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Development Authority	Health Department
				December 31	June 30
ASSETS					
Cash and cash equivalents	$ 31,996,967	$ 932,077	$ 32,929,044	$ 2,734,293	$ 601,813
Receivables (net of allowance for uncollectibles)	814,163	3,214,349	4,028,512	35,000	8,600
Receivables – Georgia Department of Public Health	-	-	-	-	41,619
Taxes receivable	2,448,448	-	2,448,448	-	-
Notes receivable	-	-	-	220,565	-
Due from other funds	1,038,459	-	1,038,459	-	-
Due from other governments	3,832,440	11,712	3,844,152	-	-
Due from external parties (custodial funds)	1,108,581	-	1,108,581	-	-
Inventories	-	27,482	27,482	-	-
Other assets	301,695	-	301,695	-	-
Total current assets	41,540,753	4,185,620	45,726,373	2,989,859	652,032
Noncurrent assets					
Proportionate share of OPEB Asset	-	-	-	-	171,039
Capital assets, nondepreciable	13,308,087	415,918	13,724,005	5,083,659	-
Capital assets, depreciable, net of accumulated depreciation	50,792,776	3,375,557	54,168,333	1,366,166	-
Total noncurrent assets	64,100,863	3,791,475	67,892,338	6,449,825	171,039
Total assets	105,641,616	7,977,095	113,618,711	9,439,683	823,071
DEFERRED OUTFLOWS OF RESOURCES					
Pension related items	1,259,415	-	1,259,415	-	201,715
Total deferred outflows of resources	1,259,415	-	1,259,415	-	201,715
LIABILITIES					
Accounts payable	3,446,063	418,195	3,864,258	-	5,819
Accrued expenses	586,429	269,086	855,515	-	-
Due to other funds	-	1,038,368	1,038,368	-	-
Due to other governments	-	182,710	182,710	-	-
Unearned revenue	4,306,271	80,860	4,387,131	-	-
Compensated absences	421,415	19,913	441,328	-	-
Note payable	32,104	57,095	89,199	31,644	-
Total current liabilities	8,792,282	2,066,227	10,858,509	31,644	5,819
Noncurrent liabilities due in more than one year					
Compensated absences payable	-	-	-	-	151,269
Closure and post closure costs payable	-	56,758	56,758	-	-
Note payable	615,223	120,242	735,465	-	-
Net pension liability	4,155,632	-	4,155,632	-	617,340
Total noncurrent liabilities	4,770,855	177,000	4,947,855	-	768,609
Total liabilities	13,563,137	2,243,227	15,806,364	31,644	774,428

Continued on next page

MCDUFFIE COUNTY, GEORGIA
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Development Authority	Health Department
				December 31	June 30
DEFERRED INFLOWS OF RESOURCES					
Pension related items	888,241	-	888,241	-	122,615
Total deferred inflows of resources	888,241	-	888,241	-	122,615
NET POSITION					
Net investment in capital assets	63,453,536	3,614,138	67,067,674	6,418,181	-
Restricted for:					
Culture and recreation	27,448	-	27,448	-	-
Public safety	1,397,412	-	1,397,412	-	-
Judicial	27,448	-	27,448	-	-
Environmental	93,445	-	93,445	-	-
Multiple grant	34,805	-	34,805	-	-
Capital projects	20,422,762	-	20,422,762	-	-
Health and Welfare Programs – PYPI	-	-	-	-	367,904
Unrestricted	6,992,797	2,119,730	9,112,527	2,989,859	(240,161)
Total net position	$ 92,449,653	$ 5,733,868	$ 98,183,521	$ 9,408,039	$ 127,743

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

MCDUFFIE COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

Functions/Programs	Expenses	Program Revenues: Fines, Fees and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units: Development Authority	Component Units: Health Department
Primary government:								December 31	June 30
Governmental activities									
General government	$ 7,081,044	$ 2,377,790	$ -	$ -	$ (4,703,254)	$ -	$ (4,703,254)	$ -	$ -
Judicial	2,136,268	770,776	603,380	-	(762,112)	-	(762,112)	-	-
Public safety	7,008,601	981,087	10,058	-	(6,017,456)	-	(6,017,456)	-	-
Public works	17,832,629	16,234	14,531,378	2,141,121	(1,143,896)	-	(1,143,896)	-	-
Health and welfare	1,166,848	-	-	-	(1,166,848)	-	(1,166,848)	-	-
Economic development	1,141,255	192,232	12,195	917,729	(19,099)	-	(19,099)	-	-
Culture and recreation	1,647,322	83,576	-	-	(1,563,746)	-	(1,563,746)	-	-
Interest on long-term debt	169,608	-	-	-	(169,608)	-	(169,608)	-	-
Total governmental activities	38,183,575	4,421,695	15,157,011	3,058,850	(15,546,019)	-	(15,546,019)	-	-
Business-type activities									
EMS	8,026,030	4,836,098	18,770	-	-	(3,171,162)	(3,171,162)	-	-
Solid Waste Fund	1,919,207	1,525,097	-	-	-	(394,110)	(394,110)	-	-
Big Hart & Raysville Campgrounds	292,585	373,601	-	-	-	81,016	81,016	-	-
Total business-type activities	10,237,822	6,734,796	18,770	-	-	(3,484,256)	(3,484,256)	-	-
Total primary government	48,421,397	11,156,491	15,175,781	3,058,850	(15,546,019)	(3,484,256)	(19,030,275)	-	-
Component units:									
Development Authority	561,774	170,102	275,000	-	-	-	-	(116,672)	-
Health Department	706,603	223,493	614,240	-	-	-	-	-	131,130
Total component units	$ 1,268,377	$ 393,595	$ 889,240	$ -	-	-	-	(116,672)	131,130
General revenues:									
Property taxes					8,736,907	-	8,736,907	-	-
Sales and other taxes					10,233,722	-	10,233,722	-	-
Insurance premium taxes					-	2,141,782	2,141,782	-	-
Franchise taxes					66,535	-	66,535	-	-
Alcoholic beverage and other taxes					317,596	-	317,596	-	-
Unrestricted investment earnings (loss)					1,053,676	194	1,053,870	102,646	16,601
Gain on sale of capital assets					12,291	11,712	24,003	-	-
Settlement received					-	289,261	289,261	-	-
Miscellaneous Revenues					199,254	13,838	213,092	-	-
Transfers					(1,303,856)	1,303,856	-	-	-
Total general revenues and transfers					19,316,125	3,760,643	23,076,768	102,646	16,601
Change in net position					3,770,106	276,387	4,046,493	(14,026)	147,731
Net position, beginning of year, previously stated					88,840,979	5,469,637	94,310,616	9,422,066	75,482
Change within financial reporting entity					12,156	(12,156)	-	-	-
Prior period adjustment					(173,588)	-	(173,588)	-	(95,470)
Net position, beginning of year, restated					88,679,547	5,457,481	94,137,028	9,422,066	(19,988)
Net position, end of year					$ 92,449,653	$ 5,733,868	$ 98,183,521	$ 9,408,040	$ 127,743

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

MCDUFFIE COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025

ASSETS	**General Fund**	**SPLOST VII**	**TSPLOST Fund**	**FEMA Grant Fund**
Cash and cash equivalents	$ 7,218,936	$ 16,027,136	$ 2,246,638	$ -
Receivables (net of allowance for uncollectibles)	299,960	449,305	-	-
Taxes receivable	2,448,448	-	-	-
Other receivables	179,289	-	-	-
Due from other funds	1,273,630	-	171	-
Due from external parties (custodial funds)	1,108,581	-	-	-
Due from other governments	754	-	201,432	2,054,542
Total assets	12,529,598	16,476,441	2,448,241	2,054,542
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	700,950	181,829	1,772,281	-
Accrued expenses	551,045	-	-	-
Unearned revenue	1,376	-	-	1,767,407
Due to other funds	198,276	-	-	-
Total liabilities	1,451,647	181,829	1,772,281	1,767,407
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - taxes	793,289	-	-	-
Total deferred inflows of resources	793,289	-	-	-
FUND BALANCES				
Restricted:				
Public safety	-	-	-	287,135
Judicial	-	-	-	-
Environmental	-	-	-	-
Multiple grant	-	-	-	-
Capital projects	-	16,294,612	675,960	-
Unassigned	10,284,662	-	-	-
Total fund balances	10,284,662	16,294,612	675,960	287,135
Total liabilities, deferred inflows of resources, and fund balances	$ 12,529,598	$ 16,476,441	$ 2,448,241	$ 2,054,542

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

MCDUFFIE COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	Previously Nonmajor	*Previously Major*		
ASSETS	**ARPA Grant Fund**	**GEFA Capital Project**	**Nonmajor Governmental Funds**	**Total**
Cash and cash equivalents	$ 1,720,338	$ -	$ 4,783,919	$ 31,996,967
Receivables (net of allowance for uncollectibles)	-	-	64,898	814,163
Taxes receivable	-	-	-	2,448,448
Other receivables	-	-	122,406	301,695
Due from other funds	193,914	-	289,941	1,757,656
Due from external parties (custodial funds)	-	-	-	1,108,581
Due from other governments	1,430,141	-	145,571	3,832,440
Total assets	3,344,393	-	5,406,735	42,259,950
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	553,407	-	229,826	3,438,293
Accrued expenses	-	-	29,722	580,767
Unearned revenue	2,537,488	-	-	4,306,271
Due to other funds	253,498	-	261,343	713,117
Total liabilities	3,344,393	-	520,891	9,038,448
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - taxes	-	-	-	793,289
Total deferred inflows of resources	-	-	-	793,289
FUND BALANCES				
Restricted:				
Public safety	-	-	1,110,277	1,397,412
Judicial	-	-	27,448	27,448
Environmental	-	-	93,445	93,445
Multiple grant	-	-	34,805	34,805
Capital projects	-	-	3,452,190	20,422,762
Unassigned	-	-	167,679	10,452,341
Total fund balances	-	-	4,885,844	32,428,213
Total liabilities, deferred inflows of resources, and fund balances	$ 3,344,393	$ -	$ 5,406,735	$ 42,259,950

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

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

Amounts reported for governmental activities in the statement of net position are different because:		
Total fund balances - Governmental funds	$	32,428,213
Capital assets, including lease assets, used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
- Capital assets, not being depreciated		13,308,087
- Capital assets, being depreciated, net of accumulated depreciation		50,750,637
Internal service funds are used by the County to charge cost to other funds. The assets and liabilities are included in the governmental activities.		19,229
Deferred inflows for property taxes and unavailable revenues are not recognized as current year revenues and, therefore, are classified as deferred inflows in the governmental funds.		793,381
Long-term liabilities, including financed purchases and leases, are not due and payable in the current period and therefore are not reported in governmental funds.		
- Compensated absences		(418,109)
- Note payable		(647,327)
The deferred outflows of resources, deferred inflows of resources, and net pension liability related to the County's pension plan are not expected to be liquidated with expendable available financial resources and, therefore, are not reported in the funds.		
- Pension related		(3,784,458)
Net position of governmental activities	$	92,449,653

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

MCDUFFIE COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	General Fund	SPLOST VII	TSPLOST Fund	FEMA Grant Fund
REVENUES:				
Property taxes	$ 8,246,030	$ -	$ -	$ -
Sales and other taxes	3,649,488	4,978,629	1,359,708	-
Franchise taxes	66,535	-	-	-
Alcoholic beverage and other taxes	245,897	-	-	-
Licenses and permits	312,720	-	-	-
Intergovernmental revenues	2,569,745	-	-	12,790,306
Fines and forfeitures	526,658	-	-	-
Charges for services	340,371	-	78,165	-
Investment earnings (loss)	318,747	520,285	31,871	-
Contributions	10,195	-	-	-
Building rentals	145,305	-	-	-
Miscellaneous	126,126	-	-	-
Total revenues	16,557,817	5,498,914	1,469,744	12,790,306
EXPENDITURES:				
Current:				
General government	6,243,351	-	-	-
Judicial	1,697,591	-	-	-
Public safety	5,152,755	-	-	-
Public works	1,273,514	7,274	379,929	12,503,171
Culture and recreation	1,114,547	-	-	-
Economic development	826,531	275,000	-	-
Health and welfare	394,291	-	-	-
Capital outlay - General government	36,352	-	-	-
Capital outlay - Judicial	-	-	-	-
Capital outlay - Public safety	63,720	-	-	-
Capital outlay - Public works	-	784,144	2,245,352	-
Capital outlay - Health and welfare	79,000	-	-	-
Debt service:				
Principal repayments	32,927	-	-	-
Interest and fiscal charges	168,844	-	-	-
Total expenditures	17,083,423	1,066,418	2,625,281	12,503,171
Excess (deficiency) of revenues over expenditures	(525,606)	4,432,496	(1,155,537)	287,135
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets	38,866	-	-	-
Issuance of debt	-	-	-	-
Transfers in	185,999	-	-	-
Transfers out	(2,305,108)	-	-	-
Total other financing sources (uses)	(2,080,243)	-	-	-
Net change in fund balances	(2,605,849)	4,432,496	(1,155,537)	287,135
FUND BALANCES, BEGINNING OF YEAR, PREVIOUSLY STATED	12,890,511	11,862,116	1,831,497	-
Change in financial reporting entity	-	-	-	-
Prior period adjustment	-	-	-	-
FUND BALANCES, BEGINNING OF YEAR, RESTATED	12,890,511	11,862,116	1,831,497	-
FUND BALANCES, END OF YEAR	$ 10,284,662	$ 16,294,612	$ 675,960	$ 287,135

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

MCDUFFIE COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Previously Nonmajor ARPA Grant Fund	*Previously Major* GEFA Capital Project	Nonmajor Governmental Funds	Total
REVENUES:				
Property taxes	$ -	$ -	$ -	$ 8,246,030
Sales and other taxes	-	-	-	9,987,825
Franchise taxes	-	-	-	66,535
Alcoholic beverage and other taxes	-	-	317,596	563,493
Licenses and permits	-	-	-	312,720
Intergovernmental revenues	2,438,628	-	3,009,518	20,808,197
Fines and forfeitures	-	-	80,433	607,091
Charges for services	-	-	440,023	858,559
Investment earnings (loss)	84,308	-	98,665	1,053,876
Contributions	-	-	-	10,195
Building rentals	-	-	-	145,305
Miscellaneous	-	-	270	126,396
Total revenues	2,522,936	-	3,946,505	42,786,222
EXPENDITURES:				
Current:				
General government	-	-	-	6,243,351
Judicial	221,330	-	144,770	2,063,691
Public safety	-	-	899,944	6,052,699
Public works	88,500	-	552,291	14,804,679
Culture and recreation	-	-	268,588	1,383,135
Economic development	-	-	-	1,101,531
Health and welfare	-	-	644,981	1,039,272
Capital outlay - General government	-	-	-	36,352
Capital outlay - Judicial	298,869	-	-	298,869
Capital outlay - Public safety	-	-	-	63,720
Capital outlay - Public works	-	-	1,455,395	4,484,891
Capital outlay - Health and welfare	1,919,936	-	14,165	2,013,101
Debt service:				
Principal repayments	-	-	-	32,927
Interest and fiscal charges	-	-	764	169,608
Total expenditures	2,528,635	-	3,980,898	39,787,826
Excess (deficiency) of revenues over expenditures	(5,699)	-	(34,393)	2,998,396
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets	-	-	-	38,866
Transfers in	-	-	10,000	10,000
Transfers in	5,699	-	731,817	923,515
Transfers out	-	-	(160,932)	(2,466,040)
Total other financing sources (uses)	5,699	-	580,885	(1,493,659)
Net change in fund balances	-	-	546,492	1,504,737
FUND BALANCES, BEGINNING OF YEAR, PREVIOUSLY STATED	-	(519,335)	6,910,716	32,975,505
Change in financial reporting entity	2,352,760	519,335	(2,872,095)	-
Prior period adjustment	(2,352,760)	-	300,731	(2,052,029)
FUND BALANCES, BEGINNING OF YEAR, RESTATED	-	-	4,339,352	30,923,476
FUND BALANCES, END OF YEAR	$ -	$ -	$ 4,885,844	$ 32,428,213

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

MCDUFFIE COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2025

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds	$	1,504,737
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
- Capital outlays		6,896,929
- Depreciation expense		(4,480,956)
The net effect of various miscellaneous transactions involving capital assets and lease assets (i.e., sales and lease modifications) is to increase net position.		(26,575)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		459,664
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
- Compensated absences		(4,122)
- Pension related items		(609,584)
- Note payable		(7,327)
- Lease liabilities		30,254
Internal service funds are used by management to charge the costs of insurance plans and workers' compensation insurance to individual funds. The net revenue of certain activities of the internal service funds is reported with governmental activities.		7,086
Change in net position - governmental activities	$	3,770,106

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

MCDUFFIE COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2025

	EMS	Solid Waste Fund	*Non-Major* Big Hart & Raysville Campgrounds
ASSETS			
Current assets:			
Cash and cash equivalents	$ 91,102	$ 46,358	$ 794,617
Receivables (net of allowance for uncollectibles)	3,136,511	77,838	-
Due from other governments	11,712	-	-
Inventories	27,482	-	-
Total current assets	3,266,807	124,196	794,617
Noncurrent assets			
Capital assets, not being depreciated	103,027	312,891	-
Capital assets, being depreciated	2,535,862	790,981	48,714
Total noncurrent assets	2,638,889	1,103,872	48,714
Total assets	5,905,696	1,228,068	843,331
LIABILITIES			
Current liabilities:			
Accounts payable	198,019	209,302	10,874
Accrued expenses	258,591	6,571	3,924
Due to other funds	595,287	406,389	42,765
Due to other governments	182,710	-	-
Compensated absences	-	19,913	-
Unearned revenue	-	-	80,860
Note payable	57,095	-	-
Total current liabilities	1,291,702	642,175	138,423
Long-term liabilities:			
Note payable	120,242	-	-
Closure and post closure costs payable	-	56,758	-
Total long-term liabilities	120,242	56,758	-
Total liabilities	1,411,944	698,933	138,423
NET POSITION			
Net investment in capital assets	2,461,552	1,103,872	48,714
Unrestricted	2,032,200	(574,737)	656,194
Total net position	$ 4,493,752	$ 529,135	$ 704,908

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

MCDUFFIE COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2025

	Previously Business-type			
ASSETS	**Internal Shop**	**Lawn Care Services**	**Total**	**Governmental Activities Internal Service Funds**
Current assets:				
Cash and cash equivalents	$ -	$ -	$ 932,077	$ -
Receivables (net of allowance for uncollectibles)	-	-	3,214,349	-
Due from other governments	-	-	11,712	-
Inventories	-	-	27,482	-
Total current assets	-	-	4,185,620	-
Noncurrent assets				
Capital assets, not being depreciated	-	-	415,918	-
Capital assets, being depreciated	-	-	3,375,557	42,139
Total noncurrent assets	-	-	3,791,475	42,139
Total assets	-	-	7,977,095	42,139
LIABILITIES				
Current liabilities:				
Accounts payable	-	-	418,195	7,770
Accrued expenses	-	-	269,086	5,662
Due to other funds	-	-	1,044,441	92
Due to other governments	-	-	182,710	-
Compensated absences	-	-	19,913	3,306
Unearned revenue	-	-	80,860	-
Note payable	-	-	57,095	-
Total current liabilities	-	-	2,072,300	16,830
Long-term liabilities:				
Note payable	-	-	120,242	-
Closure and post closure costs payable	-	-	56,758	-
Total long-term liabilities	-	-	177,000	-
Total liabilities	-	-	2,249,300	16,830
NET POSITION				
Net investment in capital assets	-	-	3,614,138	36,477
Unrestricted	-	-	2,113,657	(11,168)
Total net position	$ -	$ -	$ 5,727,795	$ 25,309
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds			6,073	
			$ 5,733,868	

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

MCDUFFIE COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	EMS	Solid Waste Fund	*Non-major* Big Hart & Raysville Campgrounds
OPERATING REVENUES			
Charges for services	$ 4,086,399	$ 1,525,097	$ 373,601
Insurance premium taxes	2,141,782	-	-
Intergovernmental revenues	756,819	-	-
Other fees	6,301	7,537	-
Total operating revenues	6,991,301	1,532,634	373,601
OPERATING EXPENSES			
Personnel services and benefits	5,491,538	307,228	67,405
Purchased contract services	1,300,469	1,329,064	61,939
Supplies and maintenance	586,423	78,240	59,464
Repairs and maintenance	8,675	-	35,207
Utilities	69,893	-	40,596
Depreciation	525,416	184,423	18,438
Total operating expenses	7,982,414	1,898,955	283,049
Operating income (loss)	(991,113)	(366,321)	90,552
NONOPERATING REVENUES (EXPENSES)			
Investment earnings (loss)	-	194	-
Gain (loss) on disposal of capital assets	11,712	-	-
Total nonoperating revenues (expenses)	11,712	194	-
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(979,401)	(366,127)	90,552
Capital contributions	11,650	-	-
Settlement received	-	289,261	-
Transfers in	1,343,331	-	-
Transfers out	(42,148)	(59,098)	(13,229)
Total transfers	1,312,833	230,163	(13,229)
Change in net position	333,432	(135,964)	77,323
NET POSITION, BEGINNING OF YEAR, PREVIOUSLY STATED	4,160,320	665,099	627,585
Change in financial reporting entity	-	-	-
NET POSITION, BEGINNING OF YEAR, RESTATED	4,160,320	665,099	627,585
NET POSITION, END OF YEAR	$ 4,493,752	$ 529,135	$ 704,908

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

MCDUFFIE COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Previously Business-type			
	Internal Shop	**Lawn Care Services**	**Total**	**Governmental Activities Internal Service Funds**
OPERATING REVENUES				
Charges for services	$ -	$ -	$ 5,985,097	$ -
Insurance premium taxes	-	-	2,141,782	-
Intergovernmental revenues	-	-	756,819	-
Other fees	-	-	13,838	-
Total operating revenues	-	-	8,897,536	-
OPERATING EXPENSES				
Personnel services and benefits	-	-	5,866,171	232,080
Purchased contract services	-	-	2,691,472	16,233
Supplies and maintenance	-	-	724,127	43,892
Repairs and maintenance	-	-	43,882	7,813
Utilities	-	-	110,489	-
Depreciation	-	-	728,277	4,968
Total operating expenses	-	-	10,164,418	304,986
Operating income (loss)	-	-	(1,266,882)	(304,986)
NONOPERATING REVENUES (EXPENSES)				
Investment earnings (loss)	-	-	194	-
Gain (loss) on disposal of capital assets	-	-	11,712	-
Total nonoperating revenues (expenses)	-	-	11,906	-
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	-	-	(1,254,976)	(304,986)
Capital contributions	-	-	11,650	-
Transfers in	-	-	289,261	-
Transfers in	-	-	1,343,331	313,662
Transfers out	-	-	(114,475)	-
Total transfers	-	-	1,529,767	313,662
Change in net position	-	-	274,791	8,676
NET POSITION, BEGINNING OF YEAR, PREVIOUSLY STATED	19,350	(2,717)	5,469,637	-
Change in financial reporting entity	(19,350)	2,717	-	16,633
NET POSITION, BEGINNING OF YEAR, RESTATED	-	-	5,469,637	16,633
NET POSITION, END OF YEAR	$ -	$ -	$ 5,744,428	$ 25,309
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds			1,596	
			$ 276,387	

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

MCDUFFIE COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	EMS	Solid Waste Fund	*Nonmajor* Big Hart & Raysville Campgrounds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	$ 6,240,150	$ 1,533,647	$ 397,171
Receipts from interfund charges	-	-	-
Payments to suppliers and service providers	(1,815,736)	(1,435,068)	(181,903)
Payments to employees	(5,350,812)	(302,812)	(65,194)
Net cash provided by operating activities	(926,398)	(204,233)	150,074
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	-	194	-
Net cash provided by investing activities	-	194	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	(337,674)	-	(16,513)
Principal payments on long-term debt	(55,164)	(17,389)	-
Proceeds from the sale of capital assets	11,712	-	-
Proceeds from issuance of long-term debt	-	-	-
Capital contributions	11,650	-	-
Net cash used in capital and related financing activities	(369,476)	(17,389)	(16,513)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Settlement received		289,261	-
Transfers in	1,343,331	-	-
Transfers out	(42,148)	(59,098)	(13,229)
Net cash provided by (used in) noncapital financing activities	1,301,183	230,163	(13,229)
Increase (decrease) in cash	5,309	8,735	120,332
Cash:			
Beginning of year	85,793	37,623	674,285
End of year	$ 91,102	$ 46,358	$ 794,617
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	$ (991,113)	$ (366,321)	$ 90,552
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	525,416	184,423	18,438
(Increase) decrease in accounts receivable	(751,151)	1,013	-
(Increase) decrease in prepaid expenses	-	-	-
Increase (decrease) in accounts payable	(43,123)	80,519	3,729
Increase (decrease) in accrued expenses	140,726	1,861	2,733
Increase (decrease) in interfund balances	149	(108,283)	11,574
Increase (decrease) in compensated absences	-	2,555	(522)
Increase (decrease) in customer deposits payable	182,710	-	-
Increase (decrease) in unearned revenue	-	-	23,570
Increase (decrease) in inventories	9,988	-	-
Net cash provided by operating activities	$ (926,398)	$ (204,233)	$ 150,074

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

MCDUFFIE COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Previously Business-type			Governmental Activities Internal
CASH FLOWS FROM OPERATING ACTIVITIES	**Internal Shop**	**Lawn Care Services**	**Total**	**Service Funds**
Receipts from customers	$ -	$ -	$ 8,170,968	$ -
Receipts from interfund charges	-	-	-	-
Payments to suppliers and service providers	-	-	(3,432,707)	(61,202)
Payments to employees	-	-	(5,718,818)	(228,461)
Net cash provided by operating activities	-	-	(980,557)	(289,663)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	-	-	194	-
Net cash provided by investing activities	-	-	194	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	-	-	(354,187)	(23,999)
Principal payments on long-term debt	-	-	(72,553)	-
Proceeds from the sale of capital assets	-	-	11,712	-
Proceeds from issuance of long-term debt	-	-	-	-
Capital contributions	-	-	11,650	-
Net cash used in capital and related financing activities	-	-	(403,378)	(23,999)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	-	-	289,261	-
Transfers in	-	-	1,343,331	313,662
Transfers out	-	-	(114,475)	-
Net cash provided by (used in) noncapital financing activities	-	-	1,518,117	313,662
Increase (decrease) in cash	-	-	134,376	-
Cash:				
Beginning of year	-	-	797,701	-
End of year	$ -	$ -	$ 932,077	$ -
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	$ -	$ -	$ (1,266,882)	$ (304,986)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	-	-	728,277	4,968
(Increase) decrease in accounts receivable	-	-	(750,138)	-
(Increase) decrease in prepaid expenses	-	-	-	-
Increase (decrease) in accounts payable	-	-	41,125	6,644
Increase (decrease) in accrued expenses	-	-	145,320	1,506
Increase (decrease) in interfund balances	-	-	(96,560)	92
Increase (decrease) in compensated absences	-	-	2,033	2,113
Increase (decrease) in customer deposits payable	-	-	182,710	-
Increase (decrease) in unearned revenue	-	-	23,570	-
Increase (decrease) in inventories	-	-	9,988	-
Net cash provided by operating activities	$ -	$ -	$ (980,557)	$ (289,663)

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

MCDUFFIE COUNTY, GEORGIA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2025

ASSETS	**Custodial Funds**	**Total**
Current assets:		
Cash and cash equivalents	$ 4,029,590	$ 4,029,590
Total assets	4,029,590	4,029,590
LIABILITIES		
Current liabilities:		
Due to other agencies	942,539	942,539
Due to other governments	3,087,051	3,087,051
Total liabilities	4,029,590	4,029,590
NET POSITION		
Restricted:		
Individuals, organizations, other governments	-	-
Total net position	$ -	$ -

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

MCDUFFIE COUNTY, GEORGIA
STATEMENT OF CHANGES IN FUND NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Custodial Funds	Total
ADDITIONS		
Taxes collected	$ 35,742,868	$ 35,742,868
Other custodial collections	2,632,775	2,632,775
Total operating revenues	38,375,643	38,375,643
DEDUCTIONS		
Taxes disbursed	35,742,868	35,742,868
Other custodial disbursed	2,632,775	2,632,775
Total operating expenses	38,375,643	38,375,643
Change in net position	-	-
NET POSITION, BEGINNING OF YEAR	-	-
NET POSITION, END OF YEAR	$ -	$ -

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

McDuffie County, Georgia, (the County), is located in the Central Savannah River Area of Georgia, west of Augusta, Georgia. It was created from Columbia and Warren counties in 1872, the one-hundred thirty-second county created in Georgia. The County was named for George McDuffie, who was born in Georgia, served as governor and senator from South Carolina, and was a notable orator throughout the South. The County operates under an elected Commission, appointed manager, form of government.

A board of five elected County Commissioners (the Board) governs McDuffie County, Georgia. They appoint a County Manager who is the Chief Administrative Officer and is responsible for day to day operations and implementation of the policy decisions made by the Board.

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the County and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationship with the County. The discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the government.

Discretely Presented Component Units

Development Authority of McDuffie County and the County of Thomson - The Authority was created for the purpose of promoting and developing trade, commerce, industry, and employment opportunities within the County. A Board of Directors appointed by the County Board of Commissioners governs the Authority. The Authority is funded and administered by the County. Separate financial statements have not been prepared for the Development Authority of McDuffie County and the County of Thomson.

McDuffie County Health Department – The Health Department receives funding from McDuffie County. The McDuffie County Board of Commissioners appoints Board members. The McDuffie County Board of Health has a June 30, year-end, and the financial statements included herein are as of and for the year ended June 30, 2025. Separate financial statements have been issued, and are available from the McDuffie County Board of Health. The address is: McDuffie County Health Department, 300 Greenway Street, Thomson, GA 30824.

Custodial funds

Certain County elected officials collect and disburse taxes, fees, fines, etc. Separate records of accountability are maintained for such transactions, which are recorded in the agency funds of the County. Receipts transferred from these funds to the County's General Fund, and Special Revenue Funds are included as revenue in these funds.

Operating costs for these officials are included as expenditures in the General Fund. These elected officials are:

Tax Commissioner
Probate Court Judge
Magistrate Court Judge
Clerk of Superior Court
Sheriff

Governmental accounting standards require reasonable separation between the Primary Government and its discretely presented component units, both in the financial statements and in the related notes and required supplementary information. Because the discretely presented component units, although legally separate, have been and are operated as if each is part of the primary government, there are limited instances where special note reference or separation will be required. If no separate note reference or categorization is made, the user should assume that information presented is equally applicable.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. However, any interfund services provided and used are not eliminated as this process would distort the direct costs and program revenues reported in the various functions.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements (Continued)

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable. The statement of net position will include non-current assets and non-current liabilities. Neither fiduciary funds nor fiduciary component units are included. In addition, the government-wide statement of activities reflects depreciation expense on the County's capital assets.

C. Measurement Focus, Basis of Accounting, and Basis of Presentation

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers property taxes to be available if they are collected within 60 days of the end of the current fiscal period for which they are levied. Other revenues susceptible to accrual are considered available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, including lease liabilities, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions, including entering into contracts giving the County the right to use lease assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

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

The corresponding assets (receivables) in non-exchange transactions are recognized in the period in which the underlying exchange occurs, when an enforceable legal claim has arisen, when all eligibility requirements have been met, or when resources are received, depending on the revenue source.

In accordance with GASB Statement No. 34, major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The County reports the following major governmental funds:

The ***General Fund*** is the County's primary operating fund. It accounts for all financial resources except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, state grants, and various other taxes and licenses. The primary expenditures are for general administration, public safety, highways and streets, health and welfare, and culture and recreation.

The ***SPLOST VII Fund*** accounts for financial resources which are used exclusively for capital projects per the terms of the SPLOST VII agreement.

The ***Transportation SPLOST (T-SPLOST) Fund*** accounts for financial resources which are used exclusively for transportation projects per the terms of the T-SPLOST agreement.

The ARPA Grant Fund accounts for the American Rescue Plan Act grant activity of the County.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The ***FEMA Grant Fund*** accounts for financial resources received from the Federal Emergency Management Agency (FEMA) and related agencies for disaster response, recovery, mitigation, and emergency management activities.

The County reports the following major proprietary funds:

The ***EMS Fund*** accounts for the emergency medical services.

The ***Big Hart & Raysville Campgrounds Fund*** accounts for the cost of operating and maintaining the campsites.

The ***Solid Waste Fund*** accounts for the cost of operating and maintaining the landfill facility.

Additionally, the County reports the following fund types:

The ***Special Revenue Funds*** account for revenue sources that are restricted or committed to expenditure for specific purposes.

The ***Capital Project Funds*** account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of facilities and other capital assets.

The Internal Service Funds account for operations that provide services to other departments or agencies of the government on a cost reimbursement basis. The County uses internal service funds to account for group health, risk management, workers' compensation, fleet services and information technology.

The County reports the following internal service funds:

The ***Lawn Care Services*** accounts for lawn care services rendered internally instead of outsourcing those services.

The ***Internal Shop*** to allocate the shop costs to all departments.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, interfund services provided and used have not been eliminated in this process.

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

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the enterprise funds are charges to customers for sales and services provided. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Budget

Annual appropriated budgets are adopted for all funds, except capital project funds, which have project length budgets. The governmental fund budgets are adopted on a budgetary basis, which includes encumbrances at year end as budgetary expenditures. Enterprise fund budgets are adopted on a budgetary basis, which includes encumbrances at year end as budgetary expenses and the inflows from the issuance of debt as financing sources and related outflows as capital expenses. All appropriations lapse at fiscal year end. Encumbered appropriations are carried forward to the subsequent year automatically with no formal action required by the County Council. Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation - is employed by the County.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Deposits and Investments

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

The County follows GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools. Nonparticipating interest-earning investment contracts (investments whose value is not affected by interest rates or other market changes), including savings accounts, certificates of deposit, repurchase agreements, money market investments (short-term, highly liquid debt instruments including commercial paper, banker's acceptances and U.S. Treasury and agency obligations) and participating interest-bearing investment contracts, that have a remaining maturity, at purchase, of one year or less are reported at cost or amortized cost assuming their fair value has not been impacted by changes in the credit worthiness of the issuer or similar factors. All other investments are reported at fair value (the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale).

"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 AAA rated money market funds. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) monthly and determines participant's shares sold and redeemed based on a $1.00 per share. The Office of the State Treasurer is the regulatory oversight agency for Georgia Fund 1.

F. Receivables and Payables

Receivables are recorded for amounts due to the County for taxes, utility services, intergovernmental revenues, court fines, and other sources. Receivables are reported net of any estimated uncollectible amounts based on historical collection trends and management's assessment.

In governmental funds, revenues related to receivables are recognized when they are measurable and available, typically within 60 days after year-end. Amounts not meeting this criterion are recorded as unavailable revenue.

Payables are recognized for goods and services received prior to year-end that remain unpaid. These include vendor invoices, payroll, benefits, and amounts due to other governments. Payables are recorded when incurred, regardless of when payment is made.

G. Inventories and Prepaid Items

Inventories are valued at cost using the first-in, first-out (FIFO) method. Inventory items are recorded as expenditures/expenses when consumed rather than when purchased (consumption method). Inventories consist primarily of supplies and materials held for use in operations and are reported as assets in the applicable funds and government-wide financial statements. The cost of inventories is recorded as an expenditure/expense at the time individual inventory items are used or consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These items are accounted for using the consumption method.

H. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges 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 $2,500 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Infrastructure acquired prior to June 30, 1980 is not reported.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend useful lives are expensed as incurred. Interest incurred during the construction of capital assets utilized by the enterprise funds is capitalized.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets (Continued)

Capital assets and lease assets of the primary government are depreciated or amortized using the straight-line method over the following useful lives:

Asset Category	Years
Buildings	25 - 50
Building improvements	20 - 25
Infrastructure	20 - 50
Furniture, fixtures and equipment	5 - 15
Vehicles	3 - 5

I. Leases

Lessee

The County is a lessee for noncancelable vehicle and equipment leases. The County recognizes a lease liability and an right-to-use lease asset in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of $5,000 or more.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be paid during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the useful life of the asset or the lease term.

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

1) The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.

2) The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the County is reasonably certain to exercise.

3) The County monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of the lease liabilities.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

L. Deferred Outflows/Inflows of Resources

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 future periods and so will not be recognized as an inflow of resources (revenue) until that time. The County has one type of items that qualify for reporting in this category under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes as these amounts are deferred and will be recognized as inflow of resources in the period in which the amounts become available.

Under the modified accrual basis of accounting, revenues are recognized when they are both measurable and available. “Available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property tax revenues to be available if they are collected within 60 days after year-end. Property tax receivables not collected within 60 days after year-end are reported as deferred inflows of resources in the governmental fund financial statements, as they do not meet the availability criterion.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Deferred Outflows/Inflows of Resources (Continued)

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

M. Compensated Absences

The County accrues a liability for compensated absences in accordance with GASB Statement No. 101, Compensated Absences. Compensated absences include vacation leave, sick leave, and other forms of paid time off, and are recognized as a liability when earned by employees if the leave is attributable to services already rendered and it is more likely than not that the leave will be used or paid.

Employees are allowed to accumulate a maximum of 320 hours' vacation time; there are no limits on the accumulation of sick time. The County's government-wide and proprietary funds include an accrual for the estimated compensation costs attributable to employee earned but unused leave benefits. Compensated absences are liquidated through the General Fund.

N. Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

O. Fund Balances and Net Position

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

Fund balances are classified as follows:

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

Restricted – Fund balances are reported as restricted when they include amounts that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.

Committed – Fund balances are reported as committed when they include amounts that can be used only for the specific purposes determined by a formal action (i.e., ordinance) of the County Council. The same formal action is required to modify or rescind a fund balance commitment.

Assigned – Fund balances are reported as assigned when they include amounts intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Fund Balances and Net Position (Continued)

Unassigned – Fund balances are reported as unassigned as the residual classification for the County's general fund and includes all spendable amounts not contained in the other classifications. The County reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the County's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the County's policy to use fund balance in the following order: (1) Committed, (2) Assigned, (3) Unassigned.

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

P. Pensions

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

Q. Management Estimates

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

R. New GASB pronouncements

Accounting Pronouncements Adopted During the Year

1. GASB Statement No. 102 – Certain Risk Disclosures

Issued: December 2023

Summary: GASB 102 focuses on improving transparency regarding risks arising from concentrations or constraints that could substantially impact a government's financial health or its ability to provide services. These disclosures aim to inform stakeholders about specific vulnerabilities faced by governments, which may not have been routinely disclosed previously.

Effective Date: Periods beginning after June 15, 2024 (earlier application encouraged).

2. GASB Statement No. 103 – Financial Reporting Model Improvements

Issued: April 2024

Summary: GASB Statement No. 103 introduces significant updates to the financial reporting model for state and local governments. Its primary goal is to enhance the usefulness of financial reports by addressing identified application issues and refining the structure and content of key components such as Management's Discussion and Analysis (MD&A) and certain financial statement presentations.

Effective Date: Periods beginning after June 15, 2025 (earlier application encouraged).

Recent Accounting Pronouncements Not Yet Effective

1. GASB Statement No. 104 – Disclosure of Certain Capital Assets

Issued: September 2024

Summary: GASB Statement No. 104 introduces new disclosure requirements for specific categories of capital assets in governmental financial statements, aiming to enhance transparency and facilitate better decision-making.

Effective Date: Periods beginning after June 15, 2025 (earlier application encouraged).

NOTE 2. LEGAL COMPLIANCE – BUDGETS

Budgets and Budgetary Accounting

Annual appropriated budgets are adopted by the Board of Commissioners for the General, Debt Services and Special Revenue Funds on a total revenues and total expenditures basis.

The following are the statutory procedures followed by the Board in establishing a budget:
1. Prior to July 20, the County Manager receives budget requests from County Departments for the fiscal year commencing January 1.
2. Prior to the first Wednesday in August, the County Manager presents the proposed budget to the Board of Commissioners.
3. The Board of Commissioners holds public hearings.
4. Prior to October 20, the Board of Commissioners formally adopts the budget for the fiscal year commencing January 1.
5. The legal level of budgetary control is the departmental level.
6. All appropriations lapse at year end.
7. The operating budgets originally adopted may be revised or amended throughout the year as presented below:
    a. The County Manager may authorize transfers (revisions) within the departments, except for substantive salary amendments.
    b. The Board approves transfers (amendments) between departments or between funds
    c. Increases or decreases in the total fund appropriation are by authority of the Board.
    d. Increases or decreases within any department are by authority of the Board.
    e. Appropriation of fund balances in excess of established reserve requirements are by authority of the Board.

The County's legally adopted budget is on the cash basis. The County adopted fiscal year 2025 budgets for the General Fund, Debt Services and Special Revenue Funds. A reconciliation of cash basis to generally accepted accounting principles (GAAP) is included in the financial statements. A project-length balanced budget was adopted for each capital project fund.

For the year ended December 31, 2025, there were no instances where the actual expenditures exceeded budget.

Encumbrance Accounting

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds and Capital Projects Funds. Encumbrances outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

NOTE 3. DEPOSITS AND INVESTMENTS

Primary Government

Credit risk:
State statutes authorize the County 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.

Custodial credit risk:
Custodial credit risk for deposits and investments is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments and the Georgia Fund 1) to be collateralized by depository insurance or pledged securities. Amounts that exceed standard depository insurance limits are required to be collateralized either (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) participation in the State of Georgia Secure Deposit Program. As of December 31, 2025, the financial institutions holding all of the County's deposits are participants of the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer, requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on tier assigned by the State. As of December 31, 2025, all of the County's bank balances were insured and/or collateralized as defined by GASB and required by State Statutes.

Interest rate risk:
Interest rate risk is the risk that a government may face if changes in interest rates affect the fair value of its investments. To reduce interest rate risk, the County limits the maturity of any investment to five years. An investment held to maturity will be paid at par value. The County intends to hold all investments to maturity.

Compliance with Bonds Payable:
Due to the relationship described in Note 19 to the financial statements, the County is jointly responsible for certain bonds payable. As of December 31, 2025, the County is in compliance, in all material respects, with requirements under covenants relating to its bonds payable.

NOTE 4. RECEIVABLES

Primary Government

Receivables at December 31, 2025, for the County's individual major funds and nonmajor funds in the aggregate are as follows:

	General Fund	SPLOST VII	TSPLOST	ARPA Grant Fund	Nonmajor Governmental Funds
Receivables:					
Taxes	$ 2,448,448	$ -	$ -	$ -	$ -
Intergovernmental	754	-	201,432	1,430,141	145,571
Other	179,289	-	-	-	122,406
Accounts	299,960	449,305	-	-	64,898
Gross receivables	2,928,451	449,305	201,432	1,430,141	332,875
Less allowance for uncollectibles	-	-	-	-	-
Net receivables	$ 2,928,451	$ 449,305	$ 201,432	$ 1,430,141	$ 332,875

	EMS	Solid Waste Fund
Receivables:		
Accounts	$ 4,610,495	$ 86,487
Due from other governments	11,712	-
Gross receivables	4,610,495	86,487
Less allowance for uncollectibles	(1,473,984)	(8,649)
Net receivables	$ 3,136,511	$ 77,838

Property taxes are an enforceable lien on property as of January 1 of the current tax year. Generally, taxes are levied in September and are due and payable on or before November 15. Since the tax digest, which is prepared by the McDuffie County Tax Appraiser, has to be approved by the Georgia Department of Revenue, the tax levy may be delayed later than September. In such cases, the taxes are due within 60 days after levy. The County bills and collects its property taxes. County property tax revenues are recognized when levied. An allowance is established for delinquent taxes to the extent that their collectability is improbable based on management's estimate of the amount to be collectible. Current year property taxes were levied October 15, 2025 and were due January 9, 2026.

NOTE 5. EXCISE TAX

In accordance with the provisions of O.C.G.A. § 48-13-110 et seq., there is imposed within the territorial limits of the special district created pursuant to O.C.G.A. § 48-13-111, an excise tax on the sale, use, storage, or consumption of energy when such sale, use, storage, or consumption would have constituted a taxable event for purposes of sales and use tax under O.C.G.A. § 48-8-1 et seq. but for the exemption in O.C.G.A. § 48-8-3.2. Such excise tax shall be levied and collected by the governing authority of McDuffie County pursuant to O.C.G.A. §§ 48-13-112 and 48-13-114 and as provided in this section. Energy tax revenue for the year ended December 31, 2025, was as follows:

Month Received - Collection Month	County of Thomson	Georgia Power	Ferrel Gas	Jefferson Energy	Gas South
1/31/2025 – December	$ 2,056	$ 15,399	$ 210	$ 2,586	$ -
2/28/2025 – January	2,698	13,954	193	2,647	-
3/31/2025 – February	2,985	20,604	202	2,895	-
4/30/2025 – March	-	17,103	226	2,902	-
5/31/2025 – April	2,954	16,271	252	3,413	-
6/30/2025 – May	2,452	19,638	246	3,540	-
7/31/2025 – June	2,718	18,964	199	3,394	-
8/31/2025 – July	2,295	29,158	187	3,452	-
9/30/2025 – August	-	43,712	200	3,306	-
10/31/2025 – September	5,204	24,885	189	3,323	-
11/30/2025 – October	-	20,849	229	3,405	-
12/31/2025 – November	-	20,177	165	3,617	-
YTD Totals	$ 23,362	$ 260,714	$ 2,498	$ 38,480	$ -

NOTE 5. EXCISE TAX (CONTINUED)

Month Received - Collection Month	Monthly Total	2024 Totals	Variance
1/31/2025 – December	$ 20,251	$ 19,527	$ 724
2/28/2025 – January	19,492	17,089	2,403
3/31/2025 – February	26,686	25,507	1,179
4/30/2025 – March	20,231	32,459	(12,228)
5/31/2025 – April	22,890	17,796	5,094
6/30/2025 – May	25,876	21,523	4,353
7/31/2025 – June	25,275	24,075	1,200
8/31/2025 – July	35,092	32,360	2,732
9/30/2025 – August	47,218	44,085	3,133
10/31/2025 – September	33,601	33,878	(277)
11/30/2025 – October	24,483	22,689	1,794
12/31/2025 – November	23,959	22,236	1,723
YTD Totals	$ 325,054	$ 313,224	$ 11,830

NOTE 6. CAPITAL ASSETS

Primary Government

Capital asset activity of governmental activities for the year ended December 31, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land	$ 3,588,475	$ -	$ -	$ -	$ 3,588,475
Construction in progress	5,709,143	4,103,606	-	(93,137)	9,719,612
Total capital assets, not being depreciated	9,297,618	4,103,606	-	(93,137)	13,308,087
Capital assets, being depreciated:					
Buildings and improvements	41,695,252	471,489	-	-	42,166,741
Furniture, fixtures, and equipment	10,129,297	1,221,413	(655,533)	56,854	10,752,031
Lease assets	30,254	-	-	-	30,254
Infrastructure	74,642,134	1,100,421	-	85,958	75,828,513
Total capital assets, being depreciated	126,496,937	2,793,323	(655,533)	142,811	128,777,538
Less accumulated depreciation for:					
Buildings and improvements	18,211,956	1,067,630	-	-	19,279,586
Furniture, fixtures, and equipment	7,809,646	806,272	(628,957)	7,535	7,994,496
Lease assets	-	-	-	-	-
Infrastructure	48,103,626	2,607,054	-	-	50,710,680
Total accumulated depreciation	74,125,228	4,480,956	(628,957)	7,535	77,984,762
Total capital assets, being depreciated, net	52,371,709	(1,687,633)	(26,576)	135,276	50,792,776
Governmental activities capital assets, net	$ 61,669,327	$ 2,415,973	$ (26,576)	$ 42,139	$ 64,100,863

During fiscal year 2025, the internal service fund capital assets were transferred from business-type activities to governmental activities due to the change in the financial reporting entity (refer to note18). This resulted in an increase in the cost and accumulated depreciation of furniture, fixtures and equipment of $23,998 and $2,400 respectively for Lawn care services, and the cost and accumulated depreciation of furniture, fixtures and equipment of $25,676 and $5,135 respectively for the Internal Shop.

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

Governmental activities:	
General government	$ 693,463
Judicial	39,967
Public safety	546,133
Public works	2,882,199
Culture and recreation	239,583
Health and welfare	79,611
Total depreciation expense - governmental activities	$ 4,480,956

NOTE 6. CAPITAL ASSETS (CONTINUED)

Primary Government (Continued)

Capital asset activity of business-type activities for the year ended December 31, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type Activities:					
Capital assets, not being depreciated					
Land	$ 319,649	$ 96,269	$ -	$ -	$ 415,918
Construction in progress	849,936	-	-	(849,936)	-
Total capital assets, not being depreciated	1,169,585	96,269	-	(849,936)	415,918
Capital assets, being depreciated:					
Buildings and improvements	2,752,669	8,900	-	849,936	3,611,505
Furniture, fixtures, and equipment	5,708,699	273,016	(11,712)	(49,674)	5,920,329
Total capital assets, being depreciated	8,461,368	281,916	(11,712)	800,262	9,531,834
Less accumulated depreciation for:					
Buildings and improvements	1,205,612	232,180			1,437,792
Furniture, fixtures, and equipment	4,236,667	501,065	(11,712)	(7,535)	4,718,485
Total accumulated depreciation	5,442,279	733,245	(11,712)	(7,535)	6,156,277
Total capital assets, being depreciated, net	3,019,089	(451,329)	-	807,797	3,375,557
Business-type activities capital assets, net	$ 4,188,674	$ (355,060)	$ -	$ (42,139)	$ 3,791,475

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

Business-type activities:	
EMS	$ 525,416
Big Hart & Raysville Campgrounds	18,438
Solid Waste Fund	184,423
Internal Shop	2,568
Lawn care services	2,400
Total depreciation expense - business-type activities	$ 733,245

Discretely Presented Component Units

Capital asset activity of the discretely presented component units for the year ended Decemebr 31, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type Activities:					
Capital assets, not being depreciated					
Land and land improvements	$ 4,708,306	$ 375,353	$ -	$ -	$ 5,083,659
Total capital assets, not being depreciated	4,708,306	375,353	-	-	5,083,659
Capital assets, being depreciated:					
Buildings and improvements	2,390,005	-	-	-	2,390,005
Equipment and furniture	18,572	-	-	-	18,572
Total capital assets, being depreciated	2,408,577	-	-	-	2,408,577
Less accumulated depreciation for:					
Buildings and improvements	949,505	-	-	-	949,505
Equipment and furniture	11,620	81,286	-	-	92,906
Total accumulated depreciation	961,125	81,286	-	-	1,042,411
Total capital assets, being depreciated, net	1,447,452	(81,286)	-	-	1,366,166
Business-type activities capital assets, net	$ 6,155,758	$ 294,067	$ -	$ -	$ 6,449,825

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

Business-type activities:	
Development Authority	$ 81,286
Total depreciation expense - business-type activities	$ 81,286

NOTE 7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of December 31, 2025, is as follows:

Receivable fund	Payable fund	Amount
General Fund	Nonmajor Governmental Funds	$ 348,581
General Fund	Big Hart & Raysville Campgrounds	42,765
General Fund	Internal Service Funds	92
General Fund	EMS	595,287
General Fund	ARPA Grant Fund	88,800
ARPA Grant Fund	Nonmajor Governmental Funds	29,216
TSPLOST Fund	General Fund	171
General Fund	Solid Waste Fund	389,094
Nonmajor Governmental Funds	Solid Waste Fund	17,295
		$ 1,511,301

Generally, outstanding balances between funds reported as due to/due from other funds include outstanding charges by one fund to another for services or goods, subsidy commitments outstanding, and other miscellaneous receivables and payables between funds. Balances to which a fiduciary fund is a party are treated as external receivables and payables.

Interfund transfers for the year ended December 31, 2025 were as follows:

Transfers In	Transfers Out	Amount
Nonmajor Governmental Funds	General Fund	$ 40,389
Nonmajor Governmental Funds	ARPA Grant Fund	5,699
Nonmajor Governmental Funds	General Fund	505,429
Nonmajor Governmental Funds	Solid Waste Fund	39,475
Internal Service Funds	Solid Waste Fund	19,623
Internal Service Funds	Nonmajor Governmental Funds	8,709
Internal Service Funds	EMS Fund	42,148
Internal Service Funds	Big Hart &Raysville Campgrounds	13,229
Internal Service Funds	General Fund	229,960
EMS Fund	General Fund	1,343,331
		$ 2,247,992

Transfers between funds are for the use of unrestricted revenue to finance various capital improvement projects accounted for in other funds. Transfers between funds are also used to move revenues from the fund that statute or budget requires to collect them to the fund that the statute or budget requires to expend them, and to reimburse the General Fund for certain shared costs.

NOTE 8. LONG-TERM DEBT

Primary Government

The following is a summary of long-term debt activity for the year ended December 31, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Lease liabilities	$ 30,254	$ -	$ (30,254)	$ -	$ -
Note payable	640,000	10,000	(2,673)	647,327	32,104
Compensated absences*	417,293	4,122	-	421,415	421,415
Net pension liability	3,919,478	236,154	-	4,155,632	-
Governmental activities long-term liabilities	$ 5,007,025	$ 250,276	$ (32,927)	$ 5,224,374	$ 453,519
Business-type Activities:					
Note payable	$ 232,501	$ -	$ (55,164)	$ 177,337	$ 57,095
Compensated absences	19,073	840	-	19,913	19,913
Accrued closure and postclosure costs	74,147	-	(17,389)	56,758	-
Business-type activities long-term liabilities	$ 325,721	$ 840	$ (72,553)	$ 254,008	$ 77,008

*For governmental and business activities, compensated absences are liquidated in the funds from which the employees' salaries are paid, which include the General Fund, Solid Waste Fund Fund, Big Hart & Raysville Campgrounds and Internal Shop Fund, as applicable. The change in compensated absences for governmental activities and business-type activities is the net change in these liabilities. The net pension liability is liquidated by the General Fund.

NOTE 8. LONG-TERM DEBT (CONTINUED)

Primary Government (Continued).

Governmental Activities

GEFA Loan / Note Payable (Loan No. CW2020012-L) – Georgia Environmental Finance Authority, Clean Water State Revolving Fund – bears interest at 0.13% per annum with a final maturity of November 1, 2045. The loan funds wastewater capital improvements and is repaid through monthly installments (interest monthly, with principal). FY2025 debt service totaled $3,507.71 ($2,673.42 principal and $834.29 interest). The unpaid principal balance was $647,326.58 at December 31, 2025. GEFA Loan Agreement: CW2020012-L (Clean Water State Revolving Fund).

The debt service requirements to maturity are as follows:

Year ending December 31,	Principal	Interest	Total
2026	$ 32,104	$ 822	$ 32,926
2027	32,145	781	32,926
2028	32,187	739	32,926
2029	32,229	697	32,926
2030	32,271	655	32,926
2031 - 2035	161,986	2,644	164,630
2036 - 2040	163,042	1,588	164,630
2041 - 2045	161,363	525	161,888
Total	$ 647,327	$ 8,451	$ 655,778

Business-Type Activities

Notes Payable from Direct Borrowings. USDA Rural Development Note Payable – The County entered into a note payable with the United States Department of Agriculture (USDA) Rural Development in the original principal amount of $285,800. The note bears interest at 3.50% per annum and is payable in annual installments of approximately $63,302. The note matures in June 2028.

The debt service requirements to maturity are as follows:

Year ending December 31,	Principal	Interest	Total
2026	$ 57,095	$ 6,207	$ 63,302
2027	59,094	4,208	63,302
2028	61,148	2,140	63,288
Total	$ 177,337	$ 12,555	$ 189,892

NOTE 9. PENSION PLAN

Plan Description

The County sponsors the Association County Commissioners of Georgia Restated Pension Plan for McDuffie County Employees (The Plan), which is a defined benefit pension plan.

The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. The Plan, through execution of the adoption agreement, is affiliated with the Association County Commissioners of Georgia Third Restated Defined Benefit Plan (an agent multiple-employer pension plan, administered by GEB Corp. 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. The Plan issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by writing Government Employees Benefits Corporation of Georgia, 400 Galleria Parkway, Suite 1250, Atlanta, Georgia 30339.

All full-time County employees are eligible to participate in the Plan after completing three years of service with benefits vesting after five years of service. Participants become eligible to retire with unreduced benefits at the earlier of age 65 with 5 years of participation in the Plan, or by age 62 with 35 years of service. Upon eligibility to retire, participants are entitled to a monthly benefit in the amount of 1% of average annual compensation up to $10,000 plus 1.5% of average annual compensation in excess of $10,000, plus $36 for each year of service up to 35 years, payable as a ten-year certain and life annuity. Average annual compensation is calculated based on the highest five-year period during the ten years prior to retirement or termination. The Plan also provides benefits in the event of death or disability. These benefit provisions were established by an adoption agreement executed by the County Board of Commissioners.

NOTE 9. PENSION PLAN (CONTINUED)

Plan Membership. At December 31, 2025, the date of the most recent actuarial valuation, there were 287 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	81
Terminated vested participants not yet receiving benefits	85
Active employees - vested	121
Total	287

Contributions. The County is required to contribute at an actuarially determined rate. Section 47-20 of the Georgia Code sets forth the minimum funding standards for state and local governmental pension plans. Certain administrative expenses are based on total covered compensation of active plan participants and are added to the state-required annual funding requirement.

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

Net Pension Liability of the County:

The County's net pension liability was measured as of December 31, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. This date was used due to the timing of the actuarial valuation reports. The actuarial valuation reports are available after the subsequent year

Actuarial assumptions. The total pension liability in the December 31, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3%
Salary increases	4.5%
Investment rate of return	7%

The mortality improvements for the Pub-2010 GE (50%) & PS (50%) Amt-Weighted mortality table is projected to 2025 instead of 2024 with Scale AA.

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

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

Asset class	Target allocation	Long-term expected real rate of return*
Fixed income:	30%	25% - 35%
Equities:	70%	65% - 75%
Domestic large equities	30%	25% - 35%
Domestic mid equities	5%	2.5% - 10%
Domestic small equities	5%	2.5% - 10%
REIT	5%	2.5% - 10%
International	15%	10% - 20%
Multi cap	5%	2.5% - 10%
Global allocation	5%	2.5% - 10%
Total	100%	

* Rates shown are net of the 3% assumed rate of inflation.

Total Pension Liability as of the December 31, 2025 measurement date reflects no assumption changes.

NOTE 9. PENSION PLAN (CONTINUED)

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

Changes in the Net Pension Liability of the County. The changes in the components of the net pension liability of the County for the fiscal year ended December 31, 2025 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2024	$ 17,127,431	$ 13,207,953	$ 3,919,478
Changes for the year:			
Service cost	356,600	-	356,600
Interest	1,170,108	-	1,170,108
Liability Experience (Gain)/Loss	568,738		568,738
Assumption Change	27,544		27,544
Contributions—employer	-	649,883	(649,883)
Net investment income (loss)	-	1,339,635	(1,339,635)
Benefit payments, including refunds of employee contributions	(823,194)	(823,194)	-
Administrative expense		(51,488)	51,488
Other Changes *	-	(51,194)	51,194
Net changes	1,299,796	1,063,642	236,154
Balances at December 31, 2025	$ 18,427,227	$ 14,271,595	$ 4,155,632

* Other Changes include Post-Retirement Death Benefit Expense of $0 and Investment Expense of $51,194.

The required schedule of changes in the County's net pension liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension liability.

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 percent, 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 percent) or 1-percentage-point higher (8 percent) than the current rate:

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
County's net pension liability	$ 6,388,308	$ 4,155,632	$ 2,282,438

Changes in the Net Pension Liability of the County. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of September 30, 2021 and the current sharing pattern of costs between employer and employee.

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

For the year ended December 31, 2025, the County recognized pension expense of $1,259,467.

Service cost	$ 356,600
Interest on Total Pension Liability	1,170,108
Change in Benefit Terms	-
Projected Earnings on Investments	(893,943)
Administrative expenses	51,488
Recognition of Deferred Outflows / (Inflows)	-
Liability Experience (Gain)/Loss	352,997
Assumption Changes	171,906
Asset (Gain)/Loss	50,311
Total Pension Expenses	$ 1,259,467

NOTE 9. PENSION PLAN (CONTINUED)

At December 31, 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
Asset (Gain)/Loss	$ 558,482	$ 888,241
Liability (Gain)/Loss	578,563	-
(Gain)/Loss due to Assumption Change	122,370	-
Total	$ 1,259,415	$ 888,241

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

Year ending December 31,	
2026	$ 649,555
2027	(106,946)
2028	(92,535)
2029	(78,900)
Total	$ 371,174

NOTE 10. DEFERRED COMPENSATION PLAN

Primary Government

The County has adopted deferred compensation plans in accordance with Section 457 of the Internal Revenue Code.The plans allow any employee participant to voluntarily defer the lesser of 100% of the participant's gross compensation or $15,000 per year. All administrative costs of the plans are deducted from the participants' accounts. Benefit payments are payable upon termination of employment, unforeseeable emergency, retirement or death. The Custodial Account Agreement requires the County set aside assets and income from the plan in trust for the exclusive benefit of the participants and their beneficiaries. The County is in compliance with the agreement.

Information about the GEBCorp Deferred Compensation plan may be found at the following:

The Charles Schwab Trust
425 Market Street, 7th Floor
San Francisco, CA 94105

The County believes that it has no liability for losses under the plans but does have the duty of due care that would be required of an ordinary prudent investor.

The County believes that it has no liability for losses under the plans but does have the duty of due care that would be required of an ordinary prudent investor.

NOTE 11. 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; injuries to employees; and natural disasters for which the government is a member of a public entity risk pool currently operating as a common risk management and insurance program for member local governments. The County has joined other municipalities in the state as part of the Georgia Inter-Local Risk Management Agency property and Liability Insurance Fund and the Association County Commissioners of Georgia Group Self-Insurance Workers' Compensation Fund (ACCG-GSIWCF). As part of these risk pools, the Government is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The County is also to allow the pool's agents and attorneys to represent the County in investigation, settlement discussions and all levels of litigation arising out of any claim made against the County within the scope of loss protection furnished by the funds. The funds are to defend and protect members of the funds against liability or loss as prescribed in the member government contract and in accordance with the worker's compensation law of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation, or defense.

Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. An excess coverage insurance policy covers individual claims. Liabilities include amounts that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. The liability for claims and judgments is reported as long-term debt because it is not expected that it will be liquidated from expendable available financial resources. As of December 31, 2025, the County had recorded no liability for claims.

NOTE 11. RISK MANAGEMENT (CONINUED)

The change in the balances of the workers' compensation pool claims during fiscal year 2025 is as follows:

Workers compensation	**2025**
Unpaid claims, beginning of fiscal year	$ 1,748,773
Incurred claims	201,240
Claim payments	(58,139)
Unpaid Claims, end of fiscal year	$ 1,891,874

General, property, and vehicle liabilities are provided for by commercial insurance coverage. Insurance bonding in amounts proportionate to employee exposure provides surety coverage. The County is liable for the $1,000 deductible. The change in the property and liability claims during the year 2025 is as follows:

General, property, and vehicle liabilities	**2025**
Unpaid claims, beginning of fiscal year	$ 1,642,457
Incurred claims	1,333,894
Claim payments	(877,477)
Unpaid Claims, end of fiscal year	$ 2,098,874

NOTE 12. SOLID WASTE FUND

The County maintains a solid waste landfill facility, which was established as an enterprise fund as of January 1, 1993. The current landfill was closed during 1994, to avoid the thirty-year post-closure monitoring for leaks into the ground water and removal and treatment of leachate, as required by regulations issued by the U.S. Environmental Protection Agency. By closing the facility, the County is required to monitor the facility. The licensure process for a new landfill has been completed, and the permit has been extended until completion.

The Solid Waste Fund is expected ultimately to be self-supporting. All revenues related to the collection and disposal of solid waste, and the expenses related to the operation are reported in this fund. Government Accounting Standards Board Statement No. 18 (GASB-18) was issued effective June 15, 1993, to establish accounting standards for reporting the liabilities associated with required closure and post-closure costs. The standard states that the total estimated current cost of closure and post-closure monitoring is to be recognized as a liability as the landfill's usable area is consumed. The estimated total current cost includes: (1) the cost of equipment expected to be installed and facilities expected to be constructed, (2) the cost of the final earth cover to be applied when the landfill is full, and (3) the estimated costs of monitoring and maintaining the landfill in the post closure period. The accrued closure and post-closure costs liability totaled $56,758 as of December 31, 2025.

Costs for closure and post-closure care are based on engineering estimates and are subject to change based on various factors some of which include inflation, deflation, changes in technology, and changes in laws and regulations. These costs are to be funded by collection fees and by tonnage costs. Costs incurred during 2025 totaled $17,389.

NOTE 13. BIG HART AND RAYSVILLE CAMPGROUNDS FUND

Raysville Campground is located on Georgia's Little River, section of Clarks Hill Lake, the largest U.S. Corps of Engineers lake east of the Mississippi River. The 70,000 acre lake and its 1,000+ miles of shoreline provide excellent boating, water skiing, swimming, fishing, and hiking. The campground is situated in a wooded area on the waterfront and consists of 55 family campsites, all with 50-amp electrical hookups. Amenities include restrooms, showers, a dump station, boat ramp and dock.

Big Hart Campground is situated in a wooded area on the waterfront of Clarks Hill Lake. One group campsite and 31 family campsites are available, all with 50-amp electrical hookups. Amenities include flush and vault toilets, showers, drinking water, a dump station, playground, beach, boat ramp and dock.

The Big Hart and Raysville Campgrounds Fund is expected ultimately to be self-supporting. All revenues related to the rental and the expenses related to the operation are reported in this fund.

NOTE 14. HOTEL/MOTEL LODGING TAX

McDuffie County has levied a 5% lodging tax pursuant to O.C.G.A. 48-13-51. At least 40% of the tax is to be used for tourism related purposes. During 2025, approximately 86% of receipts were allocated for tourism. Transactions for the year ended December 31, 2025 were as follows:

Balance as of December 31, 2024	$ (3,437)
Tax Collections during 2025	317,596
Reimbursement received during 2025	1,941
Disbursements for promotion of tourism	-
Transfer to General Fund	(123,237)
Balance as of December 31, 2025	$ 192,863

NOTE 15. COMMITMENTS AND CONTINGENCIES

Litigation

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

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the County's management and counsel that resolution of these matters will not have a material effect on the financial condition of the County.

NOTE 16. JOINT VENTURES

Under Georgia law, the County, together with other cities and counties in east central Georgia, is a member of the Central Savannah River Area Regional Commission (CSRA RC). County level dues are assessed and paid by the counties. Membership is mandated by OCGA 50 8 34. The CSRA RC board includes chief elected officials of member counties and municipalities. Under OCGA 50 8 39.1, members are liable for debts or obligations of the commission. Separate financial statements may be obtained from CSRA RC at 3023 Riverwatch Parkway, Suite A, Augusta, GA 30907 2016; phone (706) 210 2000.

NOTE 17. CONSTITUTIONAL OFFICERS AND FIREFIGHTERS PENSION PLANS

The County's Constitutional Officers and some of their staff and firefighters belong to one of six pension's plans, listed below, established by the Georgia General Assembly for providing retirement benefits for these participants. These plans are cost sharing multiple employer defined benefit plans.

Name of Pension Plan	Plan Website
Employees Retirement System of Georgia - Tax Commissioner	ers.ga.gov
Judges of the Probate Courts Retirement Fund of Georgia	pjrf.georgia.gov
Sheriffs' Retirement Fund of Georgia	georgiasheriffs.org
Peace Officers' Annuity & Benefit Fund of Georgia	poab.georgia.gov
Georgia Firefighters' Pension Fund	gfpf.org
Georgia Judicial Retirement System	ers.ga.gov

Pension liabilities and pension expense with all plans above combined and summarized as follows:

McDuffie County's proportionate share of net pension liability	
State of Georgia's proportionate share of net pension liability associated with McDuffie County	$ 1,259,467
Total	$ 1,259,467

NOTE 18. RESTATEMENT OF BEGINNING NET POSITION/FUND BALANCE AND CHANGES IN FUND PRESENTATION

Change in Fund Presentation

As a result of changes in current year financial activity and the application of major fund reporting criteria, certain funds have been reclassified for financial reporting purposes. The American Rescue Plan Act (ARPA) Grant Fund, previously reported as a nonmajor governmental fund, is reported as a major governmental fund in the current year. Conversely, the GEFA Capital Projects Fund, previously reported as a major governmental fund, is reported as a nonmajor governmental fund in the current year. These reclassifications had no effect on the total governmental fund balances or the net position of the County.

Prior Period Adjustments

During the current fiscal year, the County identified several errors affecting previously issued financial statements. Accordingly, beginning fund balances and net position have been restated to correct these errors. The governmental funds were adjusted to properly classify debt obligations associated with GEFA financing arrangements that had previously been reported as accounts payable rather than notes payable.

In addition, the County identified an error in the reporting of construction in progress whereby project costs were reduced in excess of the construction in progress balance attributable to a specific project. As a result, beginning net position of the governmental activities was decreased by $2,515,279 to properly reflect capital asset balances.

The County also determined that activities previously reported within an Internal Service Fund should have been reported as business-type activities. In prior years, the related costs and net position were not appropriately allocated between governmental activities and business-type activities. Accordingly, beginning net position was restated to reclassify these activities and present them in accordance with generally accepted accounting principles.

NOTE 18. RESTATEMENT OF BEGINNING NET POSITION/FUND BALANCE AND CHANGES IN FUND PRESENTATION (CONTINUED)

During the current fiscal year, management determined that certain American Rescue Plan Act (ARPA) grant revenues recognized in a prior period did not meet the applicable revenue recognition criteria at the reporting date. The amounts received should have been reported as unearned revenue until the eligibility requirements for recognition were satisfied.

The effect of these adjustments on beginning fund balances and net position is summarized below:

	Beginning Balance, previously stated	1) Change in fund presentation	2) Prior period adjusments (GEFA, CIP, Unearned)	3) Prior period adjustments (internal service)	Beginning Balance, restated
Net Position					
Governmental Activities	$ 88,840,979	$ -	$ (173,588)	$ 12,156	$ 88,679,547
Business-type Activities:					
EMS	4,160,320	-	-	(9,283)	4,151,037
Solid Waste	665,099	-	-	(4,267)	660,832
Big Hart & Raysville Campgrounds	627,585	-	-	1,394	628,979
Lawn Care Services	(2,717)	-	-	2,717	-
Internal Shop	19,350	-	-	(19,350)	-
Internal Service Funds:					
Lawn Care Services	-	-	-	(2,717)	(2,717)
Internal Shop	-	-	-	19,350	19,350
	$ 94,310,616	$ -	$ (173,588)	$ -	$ 94,137,028
Fund Balances:					
General Fund	$ 12,890,511	$ -	$ -	$ -	$ 12,890,511
SPLOST VII	11,862,116	-	-	-	11,862,116
TSPLOST Fund	1,831,497	-	-	-	1,831,497
FEMA Grant Fund	-	-	-	-	-
ARPA Grant Fund	-	2,352,760	(2,352,760)	-	-
GEFA Capital Project Fund	(519,335)	519,335	-	-	-
Nonmajor Governmental Fund	6,910,716	(2,872,095)	300,731	-	4,339,352
	$ 32,975,505	$ -	$ (2,052,029)	$ -	$ 30,923,476

NOTE 19. MCDUFFIE COUNTY/CITY OF THOMSON, GEORGIA WATER AND SEWER COMMISSION

The City of Thomson, Georgia and McDuffie County, Georgia have established the McDuffie County/City of Thomson, Georgia, Water and Sewer Commission to operate, maintain and extend the water and sewerage system for the City/County area. The Commission assumed the ownership and operations of the City of Thomson Water and Sewer Enterprise Fund in 1988, in conjunction with funding for expansion with the one percent (1%) Special Purpose Local Option Sales Tax. The Commission has seven members, three each from the City and County, and the seventh appointed by the Commission. The Commission was established for a term of fifty years. The City and County are equally responsible for the ownership of and the future maintenance and improvements to the System. The System is a closed system whereby all funds derived from the operation of the System must be used for the purposes of operating, maintaining, improving, or expanding the System.

Based on the standards established by Statement No. 14 of the Governmental Accounting Standards Board, the Commission is a legally separate governmental organization classified as a joint venture. A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants in a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility.

Generally, the purpose of a joint venture is to pool resources and share the costs, risks, and rewards of providing goods or services to the venture participants directly, or for the benefit of the general public or specific service recipients.

Joint control means that no single participant has the ability to unilaterally control the financial or operating policies of the joint venture.

An ongoing financial interest in a joint venture includes an equity interest when the agreement stipulates that the participating governments have a present or future claim on the net resources of the joint venture.

A participating government has an ongoing financial responsibility for a joint venture if it is obligated in some manner for the debts of the joint venture, or if the joint venture's continued existence depends on continued funding by the government.

Each participating government of the Commission has final authority for establishing rules and water and sewer rates, fees, standards and any other policy matters as are appropriate for the efficient delivery of water and sewer services. As such, each participating government has an indirect financial responsibility for the System, as defined by GASB Statement No. 14.

NOTE 19. MCDUFFIE COUNTY/CITY OF THOMSON, GEORGIA WATER AND SEWER COMMISSION (CONTINUED)

The City and County share certain responsibilities with respect to the Commission. The City is responsible for operations, maintenance and customer billing for the System. The County is responsible for administering construction funds obtained through the Special Purpose Local Option Sales Tax. The City and County jointly or individually administer grant and other funds, depending on the terms of such funding.

The basic financial statements of the Commission are presented in a manner consistent with primary governments. Operating transfers to the Commission by the participating governments are accounted for as intergovernmental transfers. Federal and state grant funds transferred to the Commission by the participating governments are accounted for as sub-recipient grant funds. Financial information for the year ended December 31, 2025, is summarized as follows:

Joint Ventures:	
Operating revenues	$ 6,571,425
Depreciation and amortization expense	1,818,648
Operating income (loss)	4,752,777
Capital contributions	-
Change in net position	(566,114)
Capital asset additions	4,741,075
Capital asset deletions	-
Net working capital	-
Total assets	56,990,020
Deferred outflows of resources	297,182
Long-term liabilities	16,300,609
Deferred inflows of resources	2,965,590
Total net position	$ 31,888,001

These amounts are unaudited as a result of the Commission receiving a hardship extension under the COVID-19 regulations included in the governor's executive order.

The Commission has issued a separate financial report that may be obtained from:
City of Thomson
P. O. Box 1017
Thomson, Georgia 30824

NOTE 20. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 30, 2026, the date the financial statements were available to be issued. Management concluded that no subsequent events have occurred that would require recognition or disclosure in these financial statements.

MCDUFFIE COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE NET PENSION LIABILITY - ACCG PENSION PLAN FOR COUNTY EMPLOYEES
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Net pension liability	$ 4,155,632	$ 3,919,478	$ 3,953,990	$ 3,758,597	$ 991,470	$ 1,303,872	$ 2,036,823	$ 602,704	$ 1,808,471	$ 1,679,221
Covered-employee payroll	$ 6,248,493	$ 5,713,685	$ 5,483,993	$ 4,894,203	$ 4,768,705	$ 4,150,892	$ 3,916,301	$ 3,821,798	$ 3,581,137	$ 3,810,081
Net pension liability as a percentage of covered-employee payroll	66.50%	68.60%	76.80%	76.80%	20.80%	31.40%	52.00%	15.80%	50.50%	44.10%
Plan fiduciary net position as a percentage of the total pension liability	77.40%	77.10%	74.40%	74.40%	93.00%	90.00%	81.50%	94.10%	82.40%	82.50%

MCDUFFIE COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS - ACCG PENSION PLAN FOR COUNTY EMPLOYEES
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024	2023	2022	2021
Actuarially determined contribution	$ 649,883	$ 579,270	$ 534,907	$ 449,065	$ 440,187
Contributions in relation to the actuarially determined contribution	649,883	579,270	534,907	449,065	440,187
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 6,248,493	$ 5,713,685	$ 5,483,993	$ 4,894,203	$ 4,768,705
Contributions as a percentage of covered payroll	10.40%	10.14%	9.75%	9.18%	9.23%

	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 390,358	$ 296,675	$ 390,773	$ 435,778	$ 439,023
Contributions in relation to the actuarially determined contribution	390,358	296,675	390,773	435,778	439,023
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 4,150,892	$ 3,916,301	$ 3,821,798	$ 3,706,447	$ 3,943,434
Contributions as a percentage of covered payroll	9.40%	7.58%	10.22%	11.76%	11.13%

MCDUFFIE COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2025 (JUNE 30, 2024 MEASUREMENT DATE)

	Employees Retirement System of Georgia - Tax Commissioner	Georgia Judicial Retirement System	Peace Officers' Annuity & Benefit Fund of Georgia	Judges of the Probate Courts Retirement Fund of Georgia	Sheriff's Retirement Fund of Georgia	Georgia Firefighters' Pension Fund
	June 30, 2024	June 30, 2024	June 30, 2024	June 30, 2024	June 30, 2024	June 30, 2024
McDuffie County's proportion of net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
McDuffie County's proportion of net pension liability	$ -	$ -	$ -	$ -	$ -	$ -
State of Georgia's proportionate share of net pension liability associated with McDuffie	187,818	(51,607)	76,226	(160,104)	164,963	228,722
Total	$ 187,818	$ (51,607)	$ 76,226	$ (160,104)	$ 164,963	$ 228,722
McDuffie County's covered-employee payroll	$ 87,144	$ 111,601	$ 1,051,623	$ 92,062	$ 60,024	$ 2,957,050
McDuffieCounty's proportionate share of net pension liability as percentage of its covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A
Planfiduciarynet positionas apercentage of the total pension liability	78.75%	108.06%	88.99%	126.48%	81.97%	86.28%

MCDUFFIE COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Variance from	Actual on a	Variance with
	Original	Final	Original to Final	Budgetary Basis	Final Budget
REVENUES:					
Property taxes	$ 9,582,198	$ 9,582,198	$ -	$ 8,246,030	$ (1,336,168)
Sales taxes	3,575,000	3,575,000	-	3,649,488	74,488
Alcoholic beverage and other taxes	273,000	273,000	-	245,897	(27,103)
Franchise taxes	100,000	100,000	-	66,535	(33,465)
Licenses and permits	404,670	404,670	-	312,720	(91,950)
Intergovernmental revenues	2,359,740	4,480,740	2,121,000	2,569,745	(1,910,995)
Fines and forfeitures	654,500	654,500	-	526,658	(127,842)
Charges for services	514,086	530,920	16,834	340,371	(190,549)
Investment earnings (loss)	242,100	288,600	46,500	318,747	30,147
Contributions	10,000	10,000	-	10,195	195
Building rentals	157,992	157,992	-	145,305	(12,687)
Miscellaneous	894,600	2,471,173	1,576,573	126,126	(2,345,047)
Total revenues	18,767,886	22,528,793	3,760,907	16,557,817	(5,970,976)
EXPENDITURES:					
Current:					
General government					
Governing Body	423,833	420,876	(2,957)	368,127	52,749
County Manager's Office	448,915	661,657	212,742	652,157	9,500
Elections	552,067	613,683	61,616	600,911	12,772
General Administration	1,709,453	3,753,341	2,043,888	2,389,266	1,364,075
Government Complex	174,100	174,100	-	153,828	20,272
Employee Relations	9,000	9,000	-	9,000	-
Financial Services	557,200	533,272	(23,928)	504,289	28,983
Technical Support	577,119	597,523	20,404	548,112	49,411
Tax Commissioner	469,565	469,565	-	429,520	40,045
Tax Assessor	426,485	391,572	(34,913)	339,524	52,048
Board of Equalization	7,051	7,051	-	5,576	1,475
General Government Buildings	403,710	383,852	(19,858)	280,393	103,459
Lawn Care Services	-	-	-	(1,000)	1,000
Total General government	5,758,498	8,015,492	2,256,994	6,279,703	1,735,789
Judicial					
Superior Court	577,441	575,275	(2,166)	530,910	44,365
District Attorney	167,368	167,368	-	150,653	16,715
Victim's Assistance	87,551	89,502	1,951	89,146	356
Child Support	69,569	72,672	3,103	60,102	12,570
Courts	72,235	73,557	1,322	70,376	3,181
Magistrate Court	263,768	265,166	1,398	242,195	22,971
Probate Court	301,201	293,132	(8,069)	276,434	16,698
Juvenile Court	157,380	162,099	4,719	158,500	3,599
Public Defender	124,140	127,286	3,146	119,275	8,011
Total Judicial	1,820,653	1,826,057	5,404	1,697,591	128,466
Public safety					
Sheriff	3,187,366	3,187,366	-	2,341,384	845,982
Sheriff Administrative	256,700	256,700	-	40,994	215,706
Detention Center	2,473,078	2,637,075	163,997	2,564,566	72,509
Coroner	62,108	65,108	3,000	59,252	5,856
Animal Shelter	231,683	221,258	(10,425)	210,279	10,979
Total Public safety	6,210,935	6,367,507	156,572	5,216,475	1,151,032
Public works					
Public Works	1,590,275	1,445,089	(145,186)	1,228,993	216,096
Recycling	50,000	50,000	-	44,521	5,479
Total Public works	1,640,275	1,495,089	(145,186)	1,273,514	221,575

Continued on next page

MCDUFFIE COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

Continued

	Budgeted Amounts		Variance from	Actual on a	Variance with
	Original	Final	Original to Final	Budgetary Basis	Final Budget
EXPENDITURES:					
Culture and recreation					
Recreation	1,240,983	1,237,753	(3,230)	991,401	246,352
Main Street Gym	15,023	15,023	-	3,784	11,239
Boys & Girls Club	10,300	10,300	-	-	10,300
Rockhouse	7,834	7,834	-	1,991	5,843
Library	120,377	120,377	-	117,371	3,006
Total Culture and recreation	1,394,517	1,391,287	(3,230)	1,114,547	276,740
Economic development					
Cooperative Extension	167,120	167,120	-	100,349	66,771
Forestry	8,352	8,352	-	8,352	-
Planning & Zoning	657,018	609,696	(47,322)	530,376	79,320
Development Authority	141,264	148,463	7,199	112,876	35,587
Airport	94,123	94,123	-	74,578	19,545
Total Economic development	1,067,877	1,027,754	(40,123)	826,531	201,223
Health and welfare					
Health Department	117,171	122,271	5,100	118,443	3,828
Family & Children Services	41,464	41,464	-	29,409	12,055
Meals on Wheels	97,514	77,309	(20,205)	29,124	48,185
Senior Citizens	340,769	342,575	1,806	296,315	46,260
Total Health and welfare	596,918	583,619	(13,299)	473,291	110,328
Debt service:					
Principal repayments	32,927	32,927	-	32,927	-
Interest and fiscal charges	168,844	168,844	-	168,844	-
Total expenditures	18,691,444	20,908,576	2,217,132	17,083,423	3,825,153
Excess (deficiency) of revenues over expenditures	76,442	1,620,217	1,543,775	(525,606)	(2,145,823)
OTHER FINANCING SOURCES (USES):					
Proceeds from sale of capital assets	15,000	15,000	-	38,866	23,866
Transfers in	141,555	141,555	-	185,999	44,444
Transfers out	(232,997)	(1,776,772)	(1,543,775)	(2,305,108)	(528,336)
Total other financing sources (uses)	(76,442)	(1,620,217)	(1,543,775)	(2,080,243)	(460,026)
Net change in fund balances	$ -	$ -	$ -	(2,605,849)	$ (2,605,849)
FUND BALANCES, BEGINNING OF YEAR				12,890,511	
FUND BALANCES, END OF YEAR				$ 10,284,662	

Note:
(i) The County's legal level of budgetary control is at the department level within each fund.
(ii) During the 2025 year, the actual expenses remained within the approved budget and did not exceed budgeted amounts.

MCDUFFIE COUNTY, GEORGIA
FEMA GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Variance from	Actual on a	Variance with
	Original	Final	Original to Final	Budgetary Basis	Final Budget
REVENUES:					
Intergovernmental revenues	$ -	$ 16,280,000	16,280,000	$ 12,790,306	$ (3,489,694)
Total revenues	-	16,280,000	16,280,000	12,790,306	(3,489,694)
EXPENDITURES:					
Current:					
Public works	-	16,280,000	16,280,000	12,503,171	3,776,829
Total expenditures	-	16,280,000	16,280,000	12,503,171	3,776,829
Net change in fund balances	$ -	$ -	$ -	287,135	$ 287,135
FUND BALANCES, BEGINNING OF YEAR				-	
FUND BALANCES, END OF YEAR				$ 287,135	

Note:
(i) The County's legal level of budgetary control is at the department level within each fund.
(ii) During the 2025 year, the actual expenses remained within the approved budget and did not exceed budgeted amounts.

MCDUFFIE COUNTY, GEORGIA
ARPA GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Variance from	Actual on a	Variance with
	Original	Final	Original to Final	Budgetary Basis	Final Budget
REVENUES:					
Intergovernmental revenues	$ 5,812,373	$ 5,812,373	$ -	$ 2,438,628	$ (3,373,745)
Investment earnings	200,000	200,000	-	84,308	(115,692)
Total revenues	6,012,373	6,012,373	-	2,522,936	(3,489,437)
EXPENDITURES:					
Current:					
Public works	3,848,773	3,848,773	-	88,500	3,760,273
Health and welfare	2,163,600	2,163,600	-	1,919,936	243,664
Total expenditures	6,012,373	6,012,373	-	2,008,436	4,003,937
Excess (deficiency) of revenues over expenditures	-	-	-	514,500	514,500
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	5,699	5,699
Total other financing sources (uses)	-	-	-	5,699	5,699
Net change in fund balances	$ -	$ -	$ -	520,199	$ 520,199
FUND BALANCES, BEGINNING OF YEAR				-	
FUND BALANCES, END OF YEAR				$ 520,199	

Note:
(i) The County's legal level of budgetary control is at the department level within each fund.
(ii) During the 2025 year, the actual expenses remained within the approved budget and did not exceed budgeted amounts.

Special Revenue Funds

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

Jail Fund – to account for fines charged by the County that are to be used for jail improvements.

Law Library Fund – to account for receipt of fee revenue generated to support the legal library for the McDuffie County court system.

Juvenile Probation Fund – to account for fee revenue generated for juvenile probation.

Multiple Grant Fund – to account for funds received as a result of multiple grants.

Transportation Grant Fund – to account for fee revenue generated for transportation.

Drug Task Force Fund – to account for add-on fees received from fines to be used to assist with drug enforcement needs.

Drug Court Fund – to account for add-on fees received from fines to be used to assist with drug treatment needs.

Hotel/Motel Tax Fund – to account for tax to be used for tourism-related purposes.

Wireless Emergency Telephone System Fund – to account for collection of wireless 911 phone surcharges used for operation and maintenance of the 911-phone system.

Landfill Surcharge Fund – to account for fees received from Solid Waste.

Drug Forfeiture Fund – to account for funds received as a result of property and cash seizures by the Sheriff's Department.

Emergency Telephone System Fund – is used to account for the collection of 911 phone surcharges used for operation and maintenance of the 911-telephone system.

Capital Projects Funds

Capital projects funds are used to account for financial resources for the acquisition, construction, and improvements of the County's capital assets other than those financed by enterprise funds.

LMIG Fund – to account for the construction of transportation related projects funded by the LMIG grant.

SPLOST V Fund – to account for property acquisition and construction of projects designated to be funded by revenue from local option sales tax collections for the years 2009-2013.

SPLOST VI – The SPLOST VI Fund is used to account for proceeds from SPLOST VI.

CDBG Fund – to account for the construction related to projects funded by the CDBG grant

GEFA Capital Project Fund – to account for the activities related to Water Construction projects.

Other Capital Projects – to account for resources restricted, committed, or assigned for capital outlay and capital improvement projects not reported in other specific capital project funds.

MCDUFFIE COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	Special Revenue Funds									
	Jail	Law Library	Juvenile Probation	Multiple Grant	Transportation Grant	Drug Task Force	Drug Court	Hotel/Motel Tax	Wireless Emergency Telephone System	Landfill Surcharge
ASSETS										
Cash and cash equivalents	$ 359,368	$ 28,202	$ 1,000	$ 4,353	$ -	$ 429,628	$ 76,442	$ -	$ 51,545	$ 65,735
Investments	-	-	-	-	-	-	-	-	-	-
Receivables (net of allowance for uncollectibles)	-	-	-	-	-	-	-	19,022	-	-
Other Receivables	-	-	-	122,406	-	-	-	-	-	-
Due from other funds	-	-	-	92,665	179,981	-	-	-	-	17,295
Due from other governments	3,232	-	-	-	102,106	1,259	28,559	-	-	10,415
Total assets	362,600	28,202	1,000	219,424	282,087	430,887	105,001	19,022	51,545	93,445
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
LIABILITIES										
Accounts payable	4,973	754	-	8,829	28,981	100	10,535	10,679	100	-
Accrued expenses	-	-	-	-	8,709	-	8	2,126	-	-
Due to other funds	349	-	-	175,790	-	-	462	81,942	-	-
Total liabilities	5,322	754	-	184,619	37,690	100	11,005	94,747	100	-
FUND BALANCES										
Restricted:										
Public safety	357,278	-	1,000	-	-	430,787	93,996	-	51,445	-
Judicial	-	27,448	-	-	-	-	-	-	-	-
Environmental	-	-	-	-	-	-	-	-	-	93,445
Multiple grant	-	-	-	34,805	-	-	-	-	-	-
Health and welfare	-	-	-	-	244,397	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	(75,725)	-	-
Total fund balances	357,278	27,448	1,000	34,805	244,397	430,787	93,996	(75,725)	51,445	93,445
Total liabilities, deferred inflows of resources, and fund balances	$ 362,600	$ 28,202	$ 1,000	$ 219,424	$ 282,087	$ 430,887	$ 105,001	$ 19,022	$ 51,545	$ 93,445

MCDUFFIE COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	Previously Nonmajor			*Previously Major*						**Total**
				Capital Projects Fund						
	Drug Forfeiture	**Emergency Telephone System**	**ARPA Grant Fund**	**LMIG**	**SPLOST V**	**SPLOST VI**	**CDBG**	**GEFA Capital Project**	**Other Capital Projects**	**Nonmajor Governmental Funds**
ASSETS										
Cash and cash equivalents	$ 175,771	$ 30,304	$ -	$ 1,241,048	$ 57,309	$ 2,173,227	$ 79,772	$ 10,215	$ -	$ 4,783,919
Investments	-	-	-	-	-	-	-	-	-	-
Receivables (net of allowance for uncollectibles)	-	45,626	-	-	-	-	250	-	-	64,898
Other Receivables	-	-	-	-	-	-	-	-	-	122,406
Due from other funds	-	-	-	-	-	-	-	-	-	289,941
Due from other governments	-	-	-	-	-	-	-	-	-	145,571
Total assets	175,771	75,930	-	1,241,048	57,309	2,173,227	80,022	10,215	-	5,406,735
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
LIABILITIES										
Accounts payable	-	58,044	-	18,591	412	87,278	550	-	-	229,826
Accrued expenses	-	18,879	-	-	-	-	-	-	-	29,722
Due to other funds	-	-	-	-	-	-	-	2,800	-	261,343
Total liabilities	-	76,923	-	18,591	412	87,278	550	2,800	-	520,891
FUND BALANCES										
Restricted:										
Public safety	175,771	-	-	-	-	-	-	-	-	1,110,277
Judicial	-	-	-	-	-	-	-	-	-	27,448
Environmental	-	-	-	-	-	-	-	-	-	93,445
Multiple grant	-	-	-	-	-	-	-	-	-	34,805
Health and welfare	-	-	-	-	-	-	-	-	-	244,397
Capital projects	-	-	-	1,222,457	56,897	2,085,949	79,472	7,415	-	3,452,190
Unassigned	-	(993)	-	-	-	-	-	-	-	(76,718)
Total fund balances	175,771	(993)	-	1,222,457	56,897	2,085,949	79,472	7,415	-	4,885,844
Total liabilities, deferred inflows of resources, and fund balances	$ 175,771	$ 75,930	$ -	$ 1,241,048	$ 57,309	$ 2,173,227	$ 80,022	$ 10,215	$ -	$ 5,406,735

MCDUFFIE COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Special Revenue Funds									
	Jail	Law Library	Juvenile Probation	Multiple Grant	Transportation Grant	Drug Task Force	Drug Court	Hotel/Motel Tax	Wireless Emergency Telephone System	Landfill Surcharge
Revenues:										
Other taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 317,596	$ -	$ -
Intergovernmental revenues	-	-	-	210,850	399,702	-	124,975	-	-	-
Charges for services	-	26	400	-	19,173	-	11,671	1,941	-	6,585
Fines, forfeitures and penalties	46,092	9,773	-	-	-	21,221	-	-	-	-
Investment earnings (loss)	-	49	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Total revenues	46,092	9,848	400	210,850	418,875	21,221	136,646	319,537	-	6,585
Expenditures:										
Current:										
Judicial	-	12,333	-	-	-	-	132,437	-	-	-
Public safety	4,717	-	400	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-	24,736
Culture and recreation	-	-	-	-	-	-	-	268,588	-	-
Health and welfare	-	-	-	205,142	439,839	-	-	-	-	-
Capital outlay - General government	-	-	-	-	-	-	-	-	-	-
Capital outlay - Public works	-	-	-	-	-	-	-	-	-	-
Capital outlay - Health and welfare	-	-	-	-	14,165	-	-	-	-	-
Debt service:										
Principal repayment	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-
Total expenditures	4,717	12,333	400	205,142	454,004	-	132,437	268,588	-	24,736
Excess (deficiency) of revenues over expenditures	41,375	(2,485)	-	5,708	(35,129)	21,221	4,209	50,949	-	(18,151)
Other financing sources (uses):										
Transfers in	-	-	-	-	162,159	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	(46,545)	-	(8,709)	-	(16,217)	(123,237)	-	39,475
Total other financing sources (uses)	-	-	(46,545)	-	153,450	-	(16,217)	(123,237)	-	39,475
Net change in fund balances	41,375	(2,485)	(46,545)	5,708	118,321	21,221	(12,008)	(72,288)	-	21,324
Fund balances, beginning of year	315,903	29,933	47,545	44,475	126,076	409,566	106,004	(3,437)	51,445	72,121
Change in financial reporting entity	-	-	-	-	-	-	-	-	-	-
Prior period adjustment	-	-	-	(15,378)	-	-	-	-	-	-
Fund balances, restated	315,903	29,933	47,545	29,097	126,076	409,566	106,004	(3,437)	51,445	72,121
Fund balances, end of year	$ 357,278	$ 27,448	$ 1,000	$ 34,805	$ 244,397	$ 430,787	$ 93,996	$ (75,725)	$ 51,445	$ 93,445

MCDUFFIE COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Special Revenue Funds		*Previously Nonmajor*	Capital Projects Fund				*Previously Major*		Total
	Drug Forfeiture	Emergency Telephone System	ARPA Grant Fund	LMIG	SPLOST V	SPLOST VI	CDBG	GEFA Capital Project	Other Capital Projects	Nonmajor Governmental Funds
Revenues:										
Other taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 317,596
Intergovernmental revenues	-	44,907	-	1,741,356	-	-	487,728	-	-	3,009,518
Charges for services	-	400,227	-	-	-	-	-	-	-	440,023
Fines, forfeitures and penalties	3,347	-	-	-	-	-	-	-	-	80,433
Investment earnings (loss)	88	-	-	-	829	97,499	-	-	-	98,465
Miscellaneous	-	270	-	-	-	-	-	-	-	270
Total revenues	3,435	445,404	-	1,741,356	829	97,499	487,728	-	-	3,946,305
Expenditures:										
Current:										
Judicial	-	-	-	-	-	-	-	-	-	144,770
Public safety	25,703	869,124	-	-	-	-	-	-	-	899,944
Public works	-	-	-	-	311	1,202	526,042	-	-	552,291
Culture and recreation	-	-	-	-	-	-	-	-	-	268,588
Health and welfare	-	-	-	-	-	-	-	-	-	644,981
Capital outlay - General government	-	-	-	-	-	-	-	-	-	-
Capital outlay - Public works	-	-	-	932,499	-	522,896	-	-	-	1,455,395
Capital outlay - Health and welfare	-	-	-	-	-	-	-	-	-	14,165
Debt service:										
Principal repayment	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	764	-	764
Total expenditures	25,703	869,124	-	932,499	311	524,098	526,042	764	-	3,980,898
Excess (deficiency) of revenues over expenditures	(22,268)	(423,720)	-	808,857	518	(426,599)	(38,314)	(764)	-	(34,593)
Other financing sources (uses):										
Transfers in	-	341,970	-	-	-	-	226,388	1,300	-	731,817
Issuance of debt	-	-	-	-	-	-	-	10,000	-	10,000
Transfers out	-	-	-	-	-	-	(5,699)	-	-	(160,932)
Total other financing sources (uses)	-	341,970	-	-	-	-	220,689	11,300	-	580,885
Net change in fund balances	(22,268)	(81,750)	-	808,857	518	(426,599)	182,375	10,536	-	546,292
Fund balances, beginning of year	198,039	80,757	2,352,760	413,600	56,379	2,512,548	(102,903)	-	200,105	6,910,916
Change in financial reporting entity	-	-	(2,352,760)	-	-	-	-	(519,335)	-	(2,872,095)
Prior period error	-	-	-	-	-	-	-	516,214	(200,105)	300,731
Prior period adjustment	198,039	80,757	-	413,600	56,379	2,512,548	(102,903)	(3,121)	-	4,339,552
Fund balances, end of year	$ 175,771	$ (993)	$ -	$ 1,222,457	$ 56,897	$ 2,085,949	$ 79,472	$ 7,415	$ -	$ 4,885,844

MCDUFFIE COUNTY, GEORGIA
JAIL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Variance from	Actual on a	Variance with
	Original	Final	Original to Final	Budgetary Basis	Final Budget
REVENUES:					
Fines, forfeitures and penalties	$ 54,100	$ 54,100	$ -	$ 46,092	$ (8,008)
Total revenues	54,100	54,100	-	46,092	(8,008)
EXPENDITURES:					
Current:					
Public safety	54,100	54,100	-	4,717	49,383
Total expenditures	54,100	54,100	-	4,717	49,383
Net change in fund balances	$ -	$ -	$ -	41,375	$ 41,375
FUND BALANCES, BEGINNING OF YEAR				315,903	
FUND BALANCES, END OF YEAR				$ 357,278	

Note:
(i) The County's legal level of budgetary control is at the department level within each fund.
(ii) During the 2025 year, the actual expenses remained within the approved budget and did not exceed budgeted amounts.

MCDUFFIE COUNTY, GEORGIA
LAW LIBRARY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Variance from	Actual on a	Variance with
	Original	Final	Original to Final	Budgetary Basis	Final Budget
REVENUES:					
Charges for services	$ -	$ -	$ -	$ 26	$ 26
Fines, forfeitures and penalties	15,100	15,100	-	9,773	(5,327)
Investment earnings (loss)	300	300	-	49	(251)
Total revenues	15,400	15,400	-	9,848	(5,552)
EXPENDITURES:					
Judicial	15,400	15,400	-	12,333	3,067
Total expenditures	15,400	15,400	-	12,333	3,067
Excess (deficiency) of revenues over expenditures	-	-	-	(2,485)	(2,485)
OTHER FINANCING SOURCES (USES):					
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	$ -	$ -	$ -	(2,485)	$ (2,485)
FUND BALANCES, BEGINNING OF YEAR				29,933	
FUND BALANCES, END OF YEAR				$ 27,448	

Note:
(i) The County's legal level of budgetary control is at the department level within each fund.
(ii) During the 2025 year, the actual expenses remained within the approved budget and did not exceed budgeted amounts.

MCDUFFIE COUNTY, GEORGIA
JUVENILE PROBATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Variance from	Actual on a	Variance with
	Original	Final	Original to Final	Budgetary Basis	Final Budget
REVENUES:					
Charges for services	$ 200	$ 400	$ 200	$ 400	$ -
Total revenues	200	400	200	400	-
EXPENDITURES:					
Public safety	200	400	200	400	-
Total expenditures	200	400	200	400	-
Excess (deficiency) of revenues over expenditures	-	-	-	-	-
OTHER FINANCING SOURCES (USES):					
Transfers out	-	-	-	(46,545)	(46,545)
Total other financing sources (uses)	-	-	-	(46,545)	(46,545)
Net change in fund balances	$ -	$ -	$ -	(46,545)	$ (46,545)
FUND BALANCES, BEGINNING OF YEAR				47,545	
FUND BALANCES, END OF YEAR				$ 1,000	

Note:
(i) The County's legal level of budgetary control is at the department level within each fund.
(ii) During the 2025 year, the actual expenses remained within the approved budget and did not exceed budgeted amounts.

MCDUFFIE COUNTY, GEORGIA
MULTIPLE GRANT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Variance from	Actual on a	Variance with
	Original	Final	Original to Final	Budgetary Basis	Final Budget
REVENUES:					
Intergovernmental revenues	$ 1,167,668	$ 1,199,247	$ 31,579	$ 210,850	$ (988,397)
Miscellaneous	6,985	209,567	202,582	-	(209,567)
Total revenues	1,174,653	1,408,814	234,161	210,850	(1,197,964)
EXPENDITURES:					
Current:					
Health and welfare	1,174,653	1,408,814	234,161	205,142	1,203,672
Total expenditures	1,174,653	1,408,814	234,161	205,142	1,203,672
Net change in fund balances	$ -	$ -	$ -	5,708	$ 5,708
FUND BALANCES, BEGINNING OF YEAR				29,097	
FUND BALANCES, END OF YEAR				$ 34,805	

Note:
(i) The County's legal level of budgetary control is at the department level within each fund.
(ii) During the 2025 year, the actual expenses remained within the approved budget and did not exceed budgeted amounts.

MCDUFFIE COUNTY, GEORGIA
TRANSPORTATION GRANT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Variance from	Actual on a	Variance with
	Original	Final	Original to Final	Budgetary Basis	Final Budget
REVENUES:					
Charges for services	$ 14,000	$ 14,000	$ -	$ 19,173	$ 5,173
Intergovernmental revenues	336,730	393,369	56,639	399,702	6,333
Miscellaneous	-	-	-	-	-
Total revenues	350,730	407,369	56,639	418,875	11,506
EXPENDITURES:					
Current:					
Health and welfare	516,592	516,592	-	454,004	62,588
Total expenditures	516,592	516,592	-	454,004	62,588
Excess (deficiency) of revenues over expenditures	(165,862)	(109,223)	56,639	(35,129)	74,094
OTHER FINANCING SOURCES (USES):					
Transfers in	165,862	165,862	-	162,159	(3,703)
Transfers out	-	-	-	(8,709)	(8,709)
Total other financing sources (uses)	165,862	165,862	-	153,450	(12,412)
Net change in fund balances	$ -	$ 56,639	$ 56,639	118,321	$ 61,682
FUND BALANCES, BEGINNING OF YEAR				126,076	
FUND BALANCES, END OF YEAR				$ 244,397	

Note:
(i) The County's legal level of budgetary control is at the department level within each fund.
(ii) During the 2025 year, the actual expenses remained within the approved budget and did not exceed budgeted amounts.

MCDUFFIE COUNTY, GEORGIA
DRUG TASK FORCE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Variance from	Actual on a	Variance with
	Original	Final	Original to Final	Budgetary Basis	Final Budget
REVENUES:					
Fines, forfeitures and penalties	$ 26,000	$ 26,000	$ -	$ 21,221	$ (4,779)
Total revenues	26,000	26,000	-	21,221	(4,779)
EXPENDITURES:					
Current:					
Public safety	26,000	26,000	-	-	26,000
Total expenditures	26,000	26,000	-	-	26,000
Net change in fund balances	$ -	$ -	$ -	21,221	$ 21,221
FUND BALANCES, BEGINNING OF YEAR				409,566	
FUND BALANCES, END OF YEAR				$ 430,787	

Note:
(i) The County's legal level of budgetary control is at the department level within each fund.
(ii) During the 2025 year, the actual expenses remained within the approved budget and did not exceed budgeted amounts.

MCDUFFIE COUNTY, GEORGIA
DRUG COURT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Variance from	Actual on a	Variance with
	Original	Final	Original to Final	Budgetary Basis	Final Budget
REVENUES:					
Intergovernmental revenues	$ 153,053	$ 153,053	$ -	$ 124,975	$ (28,078)
Charges for services	-	-	-	11,671	11,671
Total revenues	153,053	153,053	-	136,646	(16,407)
EXPENDITURES:					
Current:					
Judicial	153,053	153,053	-	132,437	20,616
Total expenditures	153,053	153,053	-	132,437	20,616
Excess (deficiency) of revenues over expenditures	-	-	-	4,209	4,209
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	(16,217)	(16,217)
Total other financing sources (uses)	-	-	-	(16,217)	(16,217)
Net change in fund balances	$ -	$ -	$ -	(12,008)	$ (12,008)
FUND BALANCES, BEGINNING OF YEAR				106,004	
FUND BALANCES, END OF YEAR				$ 93,996	

Note:
(i) The County's legal level of budgetary control is at the department level within each fund.
(ii) During the 2025 year, the actual expenses remained within the approved budget and did not exceed budgeted amounts.

MCDUFFIE COUNTY, GEORGIA
HOTEL/MOTEL TAX
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Variance from	Actual on a	Variance with
	Original	Final	Original to Final	Budgetary Basis	Final Budget
REVENUES:					
Alcoholic beverage and other taxes	$ 330,000	$ 330,000	$ -	$ 317,596	$ (12,404)
Charges for services	163,351	163,351	-	1,941	(161,410)
Total revenues	493,351	493,351	-	319,537	(173,814)
EXPENDITURES:					
Current:					
Culture and recreation	358,404	358,404	-	268,588	89,816
Total expenditures	358,404	358,404	-	268,588	89,816
Excess (deficiency) of revenues over expenditures	134,947	134,947	-	50,949	(83,998)
OTHER FINANCING SOURCES (USES):					
Transfers out	-	-	-	(123,237)	(123,237)
Total other financing sources (uses)	-	-	-	(123,237)	(123,237)
Net change in fund balances	$ 134,947	$ 134,947	$ -	(72,288)	$ (207,235)
FUND BALANCES, BEGINNING OF YEAR				(3,437)	
FUND BALANCES, END OF YEAR				$ (75,725)	

Note:
(i) The County's legal level of budgetary control is at the department level within each fund.
(ii) During the 2025 year, the actual expenses remained within the approved budget and did not exceed budgeted amounts.

MCDUFFIE COUNTY, GEORGIA
WIRELESS EMERGENCY TELEPHONE SYSTEM
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Variance from	Actual on a	Variance with
	Original	Final	Original to Final	Budgetary Basis	Final Budget
Net change in fund balances	$ -	$ -	$ -	-	$ -
FUND BALANCES, BEGINNING OF YEAR				51,445	
FUND BALANCES, END OF YEAR				$ 51,445	

Note:
(i) The County's legal level of budgetary control is at the department level within each fund.
(ii) During the 2025 year, the actual expenses remained within the approved budget and did not exceed budgeted amounts.

MCDUFFIE COUNTY, GEORGIA
LANDFILL SURCHARGE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Variance from	Actual on a	Variance with
	Original	Final	Original to Final	Budgetary Basis	Final Budget
REVENUES:					
Charges for services	$ 9,000	$ 9,000	$ -	$ 6,585	$ (2,415)
Total revenues	9,000	9,000	-	6,585	(2,415)
EXPENDITURES:					
Public works	47,000	47,000	-	24,736	22,264
Total expenditures	47,000	47,000	-	24,736	22,264
Excess (deficiency) of revenues over expenditures	(38,000)	(38,000)	-	(18,151)	19,849
OTHER FINANCING SOURCES (USES):					
Transfers out	38,000	38,000	-	39,475	1,475
Total other financing sources (uses)	38,000	38,000	-	39,475	1,475
Net change in fund balances	$ -	$ -	$ -	21,324	$ 21,324
FUND BALANCES, BEGINNING OF YEAR				72,121	
FUND BALANCES, END OF YEAR				$ 93,445	

Note:
(i) The County's legal level of budgetary control is at the department level within each fund.
(ii) During the 2025 year, the actual expenses remained within the approved budget and did not exceed budgeted amounts.

MCDUFFIE COUNTY, GEORGIA
DRUG FORFEITURE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Variance from	Actual on a	Variance with
	Original	Final	Original to Final	Budgetary Basis	Final Budget
REVENUES:					
Charges for services	$ 3,000	$ 28,704	$ 25,704	$ -	$ (28,704)
Fines, forfeitures and penalties	5,000	5,000	-	3,347	(1,653)
Investment earnings (loss)	-	-	-	88	88
Total revenues	8,000	33,704	25,704	3,435	(30,269)
EXPENDITURES:					
Public safety	8,000	33,704	25,704	25,703	8,001
Total expenditures	8,000	33,704	25,704	25,703	8,001
Net change in fund balances	$ -	$ -	$ -	(22,268)	$ (22,268)
FUND BALANCES, BEGINNING OF YEAR				198,039	
FUND BALANCES, END OF YEAR				$ 175,771	

Note:
(i) The County's legal level of budgetary control is at the department level within each fund.
(ii) During the 2025 year, the actual expenses remained within the approved budget and did not exceed budgeted amounts.

MCDUFFIE COUNTY, GEORGIA
EMERGENCY TELEPHONE SYSTEM
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Variance from	Actual on a	Variance with
	Original	Final	Original to Final	Budgetary Basis	Final Budget
REVENUES:					
Charges for services	$ 420,000	$ 420,000	-	$ 400,227	$ (19,773)
Intergovernmental revenues	44,000	44,000	-	44,907	907
Miscellaneous	500	500	-	270	(230)
Total revenues	464,500	464,500	-	445,404	(19,096)
EXPENDITURES:					
Current:					
Public safety	1,024,256	1,024,256	-	869,124	155,132
Total expenditures	1,024,256	1,024,256	-	869,124	155,132
Excess (deficiency) of revenues over expenditures	(559,756)	(559,756)	-	(423,720)	136,036
OTHER FINANCING SOURCES (USES):					
Transfers in	559,756	559,756	-	341,970	(217,786)
Total other financing sources (uses)	559,756	559,756	-	341,970	(217,786)
Net change in fund balances	$ -	$ -	$ -	(81,750)	$ (81,750)
FUND BALANCES, BEGINNING OF YEAR				80,757	
FUND BALANCES, END OF YEAR				$ (993)	

Note:
(i) The County's legal level of budgetary control is at the department level within each fund.
(ii) During the 2025 year, the actual expenses remained within the approved budget and did not exceed budgeted amounts.

FIDUCIARY FUNDS

Agency funds are used to account for assets that are held by the government as the agent for individuals, private organizations, other governments and/or other funds.

Clerk of Court – to account for the receipt and disbursement of court ordered fines and fees made on behalf of third parties.

Probate Court – to account for the receipt and disbursement of funds held on behalf of others and fees for services provided under State law.

Sheriff – to account for the receipt and disbursement of fees and services provided under State law.

Tax Commissioner - to account for tax billings, collections, and remittances held by the Tax Commissioner on behalf of other governmental agencies.

Magistrate's Court – to account for the receipt and disbursement of bonds and court ordered fines and fees made on behalf of third parties.

MCDUFFIE COUNTY, GEORGIA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2025

	Clerk of court	Probate Court	Sheriff	Tax Commissioner	Magistrate Court	Total
ASSETS						
Cash and cash equivalents	$ 955,738	$ 32,830	$ 115,854	$ 2,897,842	$ 27,326	$ 4,029,590
Total assets	955,738	32,830	115,854	2,897,842	27,326	4,029,590
LIABILITIES						
Due to other governments	52,779	15,722	115,854	2,897,842	4,855	3,087,052
Due to other agencies	902,959	17,108	-	-	22,471	942,538
Total liabilities	955,738	32,830	115,854	2,897,842	27,326	4,029,590
NET POSITION						
Restricted:						
Individuals, organizations, other governments	-	-	-	-	-	-
Total fund balances	-	-	-	-	-	-
Total liabilities, deferred inflows of resources, and fund balances	$ 955,738	$ 32,830	$ 115,854	$ 2,897,842	$ 27,326	$ 4,029,590

MCDUFFIE COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Clerk of court	Probate Court	Sheriff	Tax Commissioner	Magistrate Court	Total
ADDITIONS						
Property taxes collected	$ -	$ -	$ -	$ 35,742,868	$ -	$ 35,742,868
Other custodial collections	764,698	1,093,090	425,647	-	349,340	2,632,775
Total additions	764,698	1,093,090	425,647	35,742,868	349,340	38,375,643
DEDUCTIONS						
Property taxes disbursed	-	-	-	35,742,868	-	35,742,868
Other custodial disbursements	764,698	1,093,090	425,647	-	349,340	2,632,775
Total deductions	764,698	1,093,090	425,647	35,742,868	349,340	38,375,643
Net change in fund balances	-	-	-	-	-	-
Fund balances, beginning of year	-	-	-	-	-	-
Fund balances, end of year	$ -	$ -	$ -	$ -	$ -	$ -

MCDUFFIE COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH PROCEEDS FROM
SPECIAL PURPOSE LOCAL OPTION SALES TAX (SPLOST) 2009-2014
FOR THE YEAR ENDED DECEMBER 31, 2025

PROJECT - SPLOST V	ESTIMATED COST		EXPENDITURES			PROJECT
	ORIGINAL	CURRENT	PRIOR	CURRENT	TOTAL	COMPLETION
City of Thomson						
City Street Resurfacing	$ 700,000	$ 630,000	$ 624,385	$ -	$ 624,385	99%
City Fire Engine	300,000	283,997	283,997	-	283,997	100%
City Station #2 improvements	100,000	50,000	-	-	-	0%
Skate Park	300,000	198,554	198,554	-	198,554	100%
Walking Track	25,000	23,523	23,523	-	23,523	100%
Water/Sewer						
Water Line Replacement	120,000	98,918	98,917	-	98,917	100%
Sewer Plant Improvement	1,000,000	1,000,468	1,022,409	-	1,022,409	102%
Usry Pond Improvement	750,000	-	-	-	-	0%
Augusta Road Plant Project	1,250,000	255,481	224,739	-	224,739	88%
Raising Usry Pond Dam	690,000	-	-	-	-	0%
Big Creek	-	34,590	34,590	-	34,590	100%
De-watering Project	-	988,276	988,278	-	988,278	100%
Development Authority						
Land Development	250,000	75,000	111,922	-	111,922	149%
Land Acquisition	250,000	75,000	-	-	-	0%
Thomson Company Redevelopment	250,000	150,000	126,430	-	126,430	84%
Infrastructure	150,000	240,000	293,917	-	293,917	122%
Information Technology	50,000	50,000	68,174	-	68,174	136%
Landscaping/Signage	50,000	10,000	-	-	-	0%
McDuffie County						
Government Center Complex						
Government Center	11,510,428	12,229,377	10,189,507	-	10,189,507	83%
Roads & Streets						
County Road Resurfacing	1,800,000	1,620,000	1,608,562	-	1,608,562	99%
Airport						
Runway Overlay	200,000	160,000	169,269	-	169,269	106%
Recreation						
Restrooms @ Sweetwater Park Football	75,000	71,712	71,712	-	71,712	100%
Bleachers for Gym @ Sweetwater Park	57,000	42,594	42,594	-	42,594	100%
Outdoor Bleachers Cover for Shade	75,000	-	-		-	0%
Walking Track Improvements @ Sweetwater	60,000	14,709	14,709	-	14,709	100%
Recreation other	690,000	150,673	167,927	-	167,927	111%
Land Acquisition for City Parks	108,000	91,081	91,200	-	91,200	100%
Information Technology						
New Computer Applications & Improvements	500,000	500,000	500,000	-	500,000	100%
Public Safety						
EMS, 2 Ambulances	225,000	225,000	225,000	-	225,000	100%
County Fire Engine	300,000	291,621	291,621	-	291,621	100%
County Brush Truck	100,000	105,452	100,673	-	100,673	95%
County Fire Service Truck	150,000	59,809	64,588	-	64,588	108%
County Station #4	150,000	176,622	176,788	-	176,788	100%
Advertising Costs	-	-	2,789	311	3,100	0%
Banking fees	-	-	50	-	50	0%
McDuffie County Hospital						
New Inpatient Unit (Partial for Debt Service)	3,000,000	500,000	500,000	-	500,000	100%
Town of Dearing					-	
City Hall Playground Area &		78,816	78,816	-	78,816	100%
Bill Eubanks Improvement	150,000	5,913	5,913	-	5,913	100%
TOTAL SPLOST 2009-2014	$ 25,385,428	$ 20,487,186	$ 18,401,553	$ 311	$ 18,401,864	90%

MCDUFFIE COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH PROCEEDS FROM
SPECIAL PURPOSE LOCAL OPTION SALES TAX (SPLOST) 2015-2020
FOR THE YEAR ENDED DECEMBER 31, 2025

PROJECT - SPLOST VI	ESTIMATED COST ORIGINAL	ESTIMATED COST CURRENT	EXPENDITURES PRIOR	EXPENDITURES CURRENT	EXPENDITURES TOTAL	PROJECT COMPLETION
CITY OF THOMSON						
City HVAC, Lighting, Plumbing	$ 96,000	$ 96,000	$ -	$ -	$ -	0%
City shop improvements	150,000	150,000	-	-	-	0%
City fire protection equipment	400,000	400,000	-	-	-	0%
Capital Equipment - City	140,000	140,000	-	-	-	0%
Grant Match for storm water improvements	75,000	75,000	-	-	-	0%
City Street Improvements/Equipment	715,040	715,040	248,906	-	248,906	35%
Fire station facilities improvements	350,000	350,000	3,683	-	3,683	1%
WATER/SEWER						
Capital Equipment, Water and Sewer Distribution	80,000	80,000	51,525	-	51,525	64%
Sewer Main Improvements and Grant Match	250,000	250,000	248,779	-	248,779	100%
Vacuum Truck for clearing	150,000	150,000	125,142	-	125,142	83%
Shade Dewatering	750,000	750,000	-	-	-	0%
Headworks Improvements	350,000	350,000	-	-	-	0%
Generator	75,000	75,000	-	-	-	0%
DEVELOPMENT AUTHORITY						
Industrial Capital Improvements	500,000	500,000	-	-	-	0%
Rock House Improvements	450,000	450,000	32,451	-	32,451	7%
MCDUFFIE COUNTY						
Airport						
Airport Infrastructure Improvements and Grant Match	150,000	150,000	48,077	-	48,077	32%
Energy Efficiency Improvement Projects						
County HVAC, Lighting, Plumbing	204,000	204,000	107,429	-	107,429	53%
Government Technology Complex						
Government Center Debt	11,556,151	11,556,151	9,293,635	-	9,293,635	80%
Information Technology						
SCADA Upgrades	75,000	75,000	75,000	-	75,000	100%
Computer applications and improvements	100,000	100,000	175,000	-	175,000	175%
County Maintenance Shop						
County shop improvements	160,000	160,000	-	-	-	0%
Public Safety						
Law enforcement center improvements	1,900,000	1,900,000	1,900,000	-	1,900,000	100%
Fire stations	100,000	100,000	205,076	-	205,076	205%
County Fire Protection equipment	800,000	800,000	895,045	-	895,045	112%
Ambulance (2)	250,000	250,000	213,480	-	213,480	85%
Animal Shelter	40,000	40,000	-	-	-	0%
Air Compressor	45,000	45,000	43,468	-	43,468	97%
Recreation						
Recreation Facilities	400,000	400,000	581,178	6,170	587,348	147%
Recreation Equipment	215,000	215,000	338,607	-	338,607	157%
Roads/Streets						
Capital Equipment - County	300,000	300,000	-	166,204	166,204	55%
County Road Improvements/Equipment	1,781,960	1,781,960	917,569	351,372	1,268,941	71%
Solid Waste						
Current station replacement	100,000	100,000	-	-	-	0%
Dirt landfill improvements	200,000	200,000	-	-	-	0%
TOWN OF DEARING						
Dearing fire equipment	15,000	15,000	-	-	-	0%
Dearing recreation	77,000	77,000	-	-	-	0%
Advertising Costs	-	-	3,164	352	3,516	0%
TOTAL SPLOST 2015-2020	$ 23,000,151	$ 23,000,151	$ 15,507,214	$ 524,098	$ 16,031,312	70%

MCDUFFIE COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH PROCEEDS FROM
SPECIAL PURPOSE LOCAL OPTION SALES TAX (SPLOST) 2021-2026
FOR THE YEAR ENDED DECEMBER 31, 2025

PROJECT - SPLOST VII	ESTIMATED COST ORIGINAL	ESTIMATED COST CURRENT	EXPENDITURES PRIOR	EXPENDITURES CURRENT	EXPENDITURES TOTAL	PROJECT COMPLETION
Airport Projects						
Infrastructure Improvement and Grant Match	$ 396,916	$ 396,916	$ -	$ -	$ -	0%
Improvements to Hangar	100,000	100,000	-	-	-	0%
Broadband						
Broadband Phase I	1,900,000	1,900,000	119,664	-	119,664	6%
Wireless Infrastructure	2,800,000	2,800,000	114,822	-	114,822	4%
Community Development						
Rock House	500,000	500,000	26,807	5,400	32,207	6%
Archway Initiatives	625,000	625,000	4,116	29,675	33,791	5%
Landscaping	125,000	125,000	18,835	5,945	24,780	20%
RSVP Initiatives	125,000	125,000	-	6,000	6,000	5%
Animal Shelter	150,000	150,000	-	-	-	0%
Roof at Chamber Office	30,000	30,000	24,887	-	24,887	83%
Campground Improvements	350,000	350,000	82,749	-	82,749	24%
Economic Development Site Improvements/Expansion	2,501,499	2,501,499	1,181,346	275,000	1,456,346	58%
Information Technology						
Backup System	70,000	70,000	70,000	-	70,000	100%
Phone System	80,000	80,000	80,127	-	80,127	100%
Security Appliances	25,000	25,000	27,901	-	27,901	112%
Network Upgrades	200,000	200,000	199,534	-	199,534	100%
Wireless System Upgrades	30,000	30,000	29,573	-	29,573	99%
Public Safety Facility Improvements & Expansion	1,500,000	1,500,000	39,043	96,269	135,312	9%
Fire Apparatus	2,125,000	2,125,000	627,172	-	627,172	30%
Ambulances	725,000	725,000	511,294	-	511,294	71%
Public Works Equipment						
City & County Shared Equipment	725,000	725,000	-	-	-	0%
City Equipment	215,000	215,000	250,321	-	250,321	116%
County Equipment	620,000	620,000	110,964	571,452	682,416	110%
Recreation						
Dearing Recreation Facility Improvements	100,000	100,000	-	-	-	0%
Handicap Playground	125,000	125,000	-	-	-	0%
Recreation Facilities	1,500,000	1,500,000	1,978,776	-	1,978,776	132%
Government Center Park	1,000,000	1,000,000	191,915	71,454	263,369	26%
Solid Waste						
Expansion of existing transfer station	1,800,000	1,800,000	477,419	4,950	482,369	27%
Water/Sewer Infrastructure Upgrades	4,000,000	4,000,000	355,922	-	355,922	9%
Advertising Costs	-	-	1,208	274	1,482	0%
TOTAL SPLOST 2021-2026	$ 24,443,415	$ 24,443,415	$ 6,524,395	$ 1,066,418	$ 7,590,813	31%

MCDUFFIE COUNTY, GEORGIA
SCHEDULE OF PROJECT EXPENDITURES AND SOURCE AND APPLICATION OF FUNDS FOR COMMUNITY DEVELOPMENT BLOCK GRANTS
FOR THE YEAR ENDED DECEMBER 31, 2025

Project:	Community Development Block Grant
Public Facilities:	Wrightsboro Road Multi-Activity Sewer and Housing Improvements
Grant Number:	19b-y-094-1-6077
Commencement of Project:	October 2019

Purpose	Original Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
Improvements	$ 1,000,000	$ 758,239	$ 531,741	$ 1,289,980	129%

MCDUFFIE COUNTY, GEORGIA
SCHEDULE OF PROJECT EXPENDITURES AND SOURCE AND APPLICATION OF FUNDS FOR CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2025

Project:	Coronavirus State and Local Fiscal Recovery Funds
Public Facilities:	Wrightsboro Road Sewer Improvements
Grant Number:	SLT-4706
Commencement of Project:	October 2019

Purpose	Original Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
Improvements	$ 169,703	$ 169,703	$ -	$ 169,703	100%

Project:	American Rescue Plan Act State Fiscal Recovery Fund
Public Facilities:	County-Wide Broadband Infrastructure
Grant Number:	GA-0011878
Commencement of Project:	October 2023

Purpose	Original Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
Improvements	$ 3,817,531	$ 1,405,673	$ 1,610,906	$ 3,016,579	79%

Project:	Coronavirus State and Local Fiscal Recovery Funds
Public Facilities:	County-Wide Broadband Infrastructure
Grant Number:	SLT-4706
Commencement of Project:	October 2023

Purpose	Original Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
Improvements	$ 3,969,903	$ 1,536,971	$ 1,919,935	$ 3,456,906	87%

CKH
CPAs & Advisors

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Commissioners
McDuffie County, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of McDuffie County, Georgia's (the "County"), as of and for the year ended December 31, 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 June 30, 2026.

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 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.

There were no significant deficiencies or material weaknesses to report.

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 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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CKH CPAs and Advisors, LLC

CKH CPA's and Advisors, LLC
Atlanta, Georgia
June 30, 2026

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

To the Board of Commissioners
McDuffie County, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited McDuffie County, Georgia's (the "County") 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 December 31, 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 types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding 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.

CKH CPAs and Advisors, LLC

CKH CPA's and Advisors, LLC
Atlanta, Georgia

June 30, 2026

MCDUFFIE COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025

Federal Grantor/Pass-Through Grantor/Program Title		Federal Assistance Listing Number	Contract or Project Number	Total Expenditures
U.S. Department of Transportation				
Passed through Georgia Department of Transportation:				
Transit Operating Assistance		20.509	GA-2023-008-01	$ 93,302
Transit Operating Assistance		20.509	GA-2024-010-00	88,624
Total U.S. Department of Transportation				**181,926**
U.S. Department of Health & Human Services				
Passed through CSRA Regional Commission:				
Title III CI - Congregate Meals		93.045	20-25-0452	26,532
ACL NSIP - Congregate Meals		93.053	20-25-0452	13,676
Title III C2 - Home Delivered Meals		93.045	20-25-0452	4,867
NSI Supplement		93.045	20-25-0452	462
Title III CI - Congregate Meals		93.045	20-26-0452	27,797
ACL NSIP - Congregate Meals		93.053	20-26-0452	7,929
ARPA Congregate		93.045	20-26-0452	10,449
Title III C2 - Home Delivered Meals		93.045	20-26-0452	3,240
ARPA Home Delivered Meals		93.045	20-26-0452	3,338
				98,290
Passed through CSRA Eronomic Opportunity Authority, Inc.:				
Community Services Block Grant - Recreation		93.569	FY26	10,000
Community Services Block Grant EOA		93.569	FY25	17,028
Community Services Block Grant EOA		93.569	FY26	6,331
				33,359
Total U.S. Department of Health & Human Services				**131,649**
U.S. Department of Housing and Urban Development				
Direct Award:				
Community Development Block Grant		14.229	19B-Y-094-1-6077	234,612
Total U.S. Department of Housing and Urban Development				**234,612**
U.S. Department of Treasury				
Direct Award:				
Public Safety and Community Violence Reduction		21.027	GA-0013966	88,500
Coronavirus State and Local Fiscal Recovery Funds		21.027	GA-0011878	917,729
Coronavirus State and Local Fiscal Recovery Funds		21.027	SLT-4706	1,002,206
Coronavirus State and Local Fiscal Recovery Funds		21.027	2024-25_ARPA-3Y026	511,273
Total U.S. Department of Treasury				**2,519,709**
U.S. Department of Justice				
Passed through Criminal Justice Coodinating Council:				
Adult Felony Drug Court		16.585	J26-8-046	67,219
Adult Felony Drug Court		16.585	J25-8-046	79,493
				146,712
Direct Award:				
Equitable Sharing Program		16.922	N/A	25,704
				25,704
Total U.S. Department of Justice				**172,415**
U.S. Department of Homeland Security				
Direct Award:				
State Local Cybersecurity Grant Program		97.137	S5-2022 SLCGP	67,410
Federal Emergency Management Agency	*	97.036	4830DR-GA	12,503,366
Total U.S. Department of Homeland Security				**12,570,776**
Total Expenditures of Federal Awards				**$ 15,811,087**
*Audited as a major program				**$ 12,503,366**

MCDUFFIE COUNTY, GEORGIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2025

A General

The accompanying Schedule of Expenditures of Federal Awards (the 'Schedule') presents the activity of all federal award programs of the Mcduffie County, Georgia (the "County") for the year ended December 31, 2025. All federal awards received directly from the federal agencies, as well as those passed through other government agencies, are included on the Schedule.

B Basis of Accounting

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

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

C Relationship to Basic Financial Statements

Federal award expenditures are reported in the County's basic financial statements as expenditures in the General Fund and special revenue funds.

D Relationship to Federal Financial Statements

Amounts reported in the accompanying Schedule agree with the amounts reported in the related federal financial reports except for timing differences relating to expenditures made subsequent to the filing of the federal financial reports.

E Indirect cost

The County uses an appropriate actual indirect cost allocation methodology for its federal programs and did not use the 15% de Minimis indirect cost rate as allowed under the Uniform Guidance and covered in 2 CFR Part 200.414.

F Subrecipients

No amounts were paid to subrecipients for the year ended December 31, 2025.

MCDUFFIE COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2025

I. Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP	Unmodified			
Internal control over financial reporting:				
Material weaknesses identified?	___	Yes	_X_	No
Significant deficiency(ies) identified?	___	Yes	_X_	None reported
Noncompliance material to financial statements noted?	___	Yes	_X_	No

Federal Awards

Internal control over major federal programs:				
Material weaknesses identified?	___	Yes	_X_	No
Significant deficiency(ies) identified?	___	Yes	_X_	None reported
Type of report the auditor 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	Name of Federal Program or Cluster
97.036	U.S. Department of Homeland Security - Federal Emergency Management Agency

Dollar threshold to distinguish between Type A and Type B programs	$1,000,000			
Mcduffie County, Georgia qualifies as a low-risk auditee?	_X_	Yes	___	No

II. Findings December 31, 2024 Financial Statement Audit — None reported.

II. Findings December 31, 2025 Financial Statement Audit — None reported.

III. Findings and Questioned Costs for Federal Awards — None reported.