Taliaferro County, Georgia



Annual Financial Report

For the Fiscal Year Ended June 30, 2025

TALIAFERRO COUNTY, GEORGIA

FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2025 AND
INDEPENDENT AUDITOR'S REPORT

TALIAFERRO COUNTY, GEORGIA

CONTENTS

Independent Auditor's Report 1

Basic Financial Statements

Government-Wide Financial Statements

Statement of Net Position 4
Statement of Activities 6

Fund Financial Statements

Balance Sheet – Governmental Funds 7
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position 8
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds 9
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 10
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund 11
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – TIA Discretionary Projects Fund 14

Fiduciary Funds

Statement of Fiduciary Net Position 15
Statement of Change in Fiduciary Net Position 16

Notes to the Financial Statements 17

Supplementary Information

Nonmajor Governmental Funds 37

Combining and Individual Fund Statements and Schedules

Combining Balance Sheet – Nonmajor Governmental Funds 38
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds 39

Special Revenue Funds

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Confiscated Assets Fund 40
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Drug Abuse & Treatment Fund 41
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – E-911 Fund 42
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Section 5311 Transportation Fund 43
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – American Rescue Plan Fund 44

Custodial Funds

Combining Statement of Fiduciary Net Position 45
Combining Statement of Changes in Fiduciary Net Position 46

TALIAFERRO COUNTY, GEORGIA

CONTENTS

Supplementary Information (Continued)

Component Unit – Taliaferro County Development Authority
Balance Sheet of the Development Authority - Component Unit 47
Statement of Revenues, Expenditures, and Changes in Fund Balance of the Development Authority - Component Unit 48

Special Purpose Local Option Sales Tax
Schedules of Projects Constructed with Special Purpose Local Options Sales Tax Proceeds 2017 and 2023 49

Schedule of Supplemental Income of Constitutional Officers 50

Governmental Reports
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* 51

Schedule of Findings and Responses 53

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February 20, 2026

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Taliaferro County, Georgia

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2025, and the respective changes in financial position and the budgetary comparison information for the General Fund and the TIA Discretionary Projects Fund major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Taliaferro County Board of Health (Health Department), which represent 25 percent, 10 percent, and 82 percent, respectively, of the assets, net position, and revenues of the discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Health Department, is based solely on the report of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement issuance 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 *GAS* 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 *GAS*, 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

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

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 combining nonmajor fund financial statements and schedules, custodial fund statements, Development Authority of Taliaferro County's statements, the schedules of projects constructed with special purpose local options sales tax proceeds, and the schedule of supplemental income of constitutional officers are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements and schedules, custodial fund statements, Development Authority of Taliaferro County's statements, the schedules of projects constructed with special purpose local options sales tax proceeds, and the schedule of supplemental income of constitutional officers 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, combining nonmajor fund financial statements and schedules, custodial fund statements, Development Authority of Taliaferro County's statements, the schedules of projects constructed with special purpose local options sales tax proceeds, and the schedule of supplemental income of constitutional officers is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 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 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.

McNair, McLemore, Middlebrooks & Co., LLC

McNAIR, McLEMORE, MIDDLEBROOKS & CO., LLC

FINANCIAL STATEMENTS

TALIAFERRO COUNTY, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2025

	Primary Government	Component Units	
	Governmental Activities	Health Department	Development Authority
Assets			
Cash and Cash Equivalents	$ 5,306,796	$ 282,621	$ 367,200
Receivables, Net of Allowance			
Taxes	126,259	-	-
Accounts	-	19,537	-
Intergovernmental Receivable	727,502	1,001	-
Lease Receivable	14,817	-	-
Prepaid Items	211,271	-	-
Nondepreciable Assets	2,119,740	-	878,544
Depreciable Assets, Net of Accumulated Depreciation/Amortization	7,249,625	-	-
Proportionate Share of Collective Net OPEB Assets	-	56,851	-
Total Assets	15,756,010	360,010	1,245,744
Deferred Outflows of Resources			
Deferred Outflows of Resources Related			
Pension Related	-	48,117	-
OPEB Related	-	15,318	-
Total Deferred Outflows of Resources	-	63,435	-

See accompanying notes which are an integral part of these financial statements.

TALIAFERRO COUNTY, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2025
(CONTINUED)

	Primary Government	Component Units	
	Governmental Activities	Health Department	Development Authority
Liabilities			
Accounts Payable	$ 286,085	$ 2,021	$ -
Retainages Payable	198,365	-	-
Accrued Liabilities	60,231	5,718	-
Accrued Interest Payable	919	-	-
Unearned Revenue	8,094	-	-
Noncurrent Liabilities			
Due within One Year			
Compensated Absences	48,579	33,121	-
Notes Payable	27,951	-	-
Leases Payable	4,146	-	-
Landfill Postclosure Costs	8,750	-	-
Due in More than One Year			
Compensated Absences	16,193	16,435	-
Notes Payable	381,674	-	-
Leases Payable	8,123	-	-
Landfill Postclosure Costs	283,761	-	-
Net Pension Liability	-	174,897	-
Total Liabilities	1,332,871	232,192	-
Deferred Inflows of Resources			
Deferred Inflows of Resources			
Lease Related	14,354	-	-
Pension Related	-	30,246	-
OPEB Related	-	18,339	-
Total Deferred Inflows of Resources	14,354	48,585	-
Net Position			
Net Investment in Capital Assets	8,818,195	-	878,544
Restricted			
Transportation	1,764,291	-	-
Capital Outlay	1,108,548	-	-
Drug Awareness	93,044	-	-
Law Enforcement	77,657	-	-
Public Safety	14,836	-	-
Road Improvements	860,167	-	-
Health and Welfare Programs	77,465	95,211	-
Unrestricted	1,594,582	47,457	367,200
Total Net Position	$ 14,408,785	$ 142,668	$ 1,245,744

See accompanying notes which are an integral part of these financial statements.

TALIAFERRO COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Functions / Programs	Expenses	Program Revenues: 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	Net (Expense) Revenue and Changes in Net Position: Component Units: Health Department	Net (Expense) Revenue and Changes in Net Position: Component Units: Development Authority
Primary Government							
Governmental Activities							
General Government	$ 2,206,323	$ 105,623	$ 165,480	$ -	$ (1,935,220)		
Judicial	414,876	-	-	-	(414,876)		
Public Safety	2,205,186	947,540	7,000	26,866	(1,223,780)		
Public Works	2,051,718	27,288	1,310,209	1,214,512	500,291		
Health and Welfare	342,734	1,908	167,066	-	(173,760)		
Culture and Recreation	30,494	-	-	-	(30,494)		
Housing and Development	77,306	-	59,267	-	(18,039)		
Interest on Long-term Debt	11,814	-	-	-	(11,814)		
Total Governmental Activities	7,340,451	1,082,359	1,709,022	1,241,378	(3,307,692)		
Total Primary Government	$ 7,340,451	$ 1,082,359	$ 1,709,022	$ 1,241,378	(3,307,692)		
Component Units							
Health Department	$ 242,388	$ 54,112	$ 225,065	$ -		$ 36,789	$ -
Development Authority	8,411	-	10,000	-		-	1,589
Total Component Units	$ 250,799	$ 54,112	$ 235,065	$ -		36,789	1,589
		General Revenues					
		Property Tax			1,920,359	-	-
		Sales Tax			930,181	-	-
		Other Taxes			268,345	-	-
		Interest Revenue			4,550	703	2,622
		Miscellaneous			26,526	-	50,030
		Total General Revenues			3,149,961	703	52,652
		Change in Net Position			(157,731)	37,492	54,241
		Net Position - Beginning of Year, as Previously Reported			14,566,516	130,943	1,191,503
		Restatement			-	(25,767)	-
		Net Position - Beginning of Year, as Restated			14,566,516	105,176	1,191,503
		Net Position - End of Year			$ 14,408,785	$ 142,668	$ 1,245,744

See accompanying notes which are an integral part of these financial statements.

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TALIAFERRO COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Special Revenue Fund: TIA Discretionary Projects Fund	Capital Projects Fund: SPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and Cash Equivalents	$ 2,191,088	$ 1,716,528	$ 1,220,385	$ 178,795	$ 5,306,796
Receivables, Net of Allowance					
Taxes	126,259	-	-	-	126,259
Intergovernmental Receivable	573,915	106,926	17,439	29,222	727,502
Lease Receivable	14,817	-	-	-	14,817
Due from Other Funds	22,764	111,435	-	16,361	150,560
Prepaid Items	211,271	-	-	-	211,271
Total Assets	$ 3,140,114	$ 1,934,889	$ 1,237,824	$ 224,378	$ 6,537,205
Liabilities					
Accounts Payable	$ 96,894	$ 53,271	$ 129,276	$ 6,644	$ 286,085
Retainages Payable	81,038	117,327	-	-	198,365
Accrued Expenses	58,892	-	-	1,339	60,231
Due to Other Funds	127,796	-	-	22,764	150,560
Unearned Revenues	-	-	-	8,094	8,094
Total Liabilities	364,620	170,598	129,276	38,841	703,335
Deferred Inflows of Resources					
Unavailable Revenue					
Property Taxes	122,673	-	-	-	122,673
Leases	14,354	-	-	-	14,354
Total Deferred Inflows of Resources	137,027	-	-	-	137,027
Fund Balances					
Nonspendable	211,734	-	-	-	211,734
Restricted	937,632	1,764,291	1,108,548	185,537	3,996,008
Assigned	1,070,010	-	-	-	1,070,010
Unassigned	419,091	-	-	-	419,091
Total Fund Balances	2,638,467	1,764,291	1,108,548	185,537	5,696,843
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	$ 3,140,114	$ 1,934,889	$ 1,237,824	$ 224,378	$ 6,537,205

See accompanying notes which are an integral part of these financial statements.

TALIAFERRO COUNTY, GEORGIA
RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Total Fund Balances - Governmental Funds	$ 5,696,843
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Cost of the Assets	18,651,248
Accumulated Depreciation	(9,281,883)
Some receivables will not be available to pay for current-period expenditures and are offset by unavailable revenues in the governmental funds and thus are not included in fund balance. Certain tax and other revenues that are considered unavailable for governmental funds but are recognized as revenue for the government-wide statements.	122,673
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.	
Accrued Interest Payable	(919)
Compensated Absences	(64,772)
Notes Payable	(409,625)
Leases Payable	(12,269)
Landfill Postclosure Cost	(292,511)
Net Position of Governmental Activities	$ 14,408,785

See accompanying notes which are an integral part of these financial statements.

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

	General Fund	Special Revenue Fund: TIA Discretionary Projects Fund	Capital Projects Fund: SPLOST Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes	$ 2,332,427	$ 536,948	$ 222,797	$ -	$ 3,092,172
Licenses and Permits	2,500	-	-	-	2,500
Intergovernmental	1,444,647	1,309,064	-	195,544	2,949,255
Charges for Services	130,411	-	-	28,879	159,290
Fines and Forfeitures	913,444	-	-	7,125	920,569
Interest Income	4,550	-	1,145	-	5,695
Other Revenue	24,698	-	-	-	24,698
Total Revenues	4,852,677	1,846,012	223,942	231,548	7,154,179
Expenditures					
Current					
General Government	2,013,342	-	13,350	14,875	2,041,567
Judicial	421,492	-	-	-	421,492
Public Safety	2,477,779	-	-	49,784	2,527,563
Public Works	423,140	1,309,064	20,284	-	1,752,488
Health and Welfare	222,376	-	-	93,535	315,911
Culture and Recreation	21,407	-	-	-	21,407
Housing and Development	77,306	-	-	-	77,306
Debt service					
Principal	44,407	-	-	-	44,407
Interest	10,895	-	-	-	10,895
Capital Outlay	-	-	129,276	112,331	241,607
Total Expenditures	5,712,144	1,309,064	162,910	270,525	7,454,643
Excess (Deficiency) of Revenues Over (Under) Expenditures	(859,467)	536,948	61,032	(38,977)	(300,464)
Other Financing Sources (Uses)					
Transfers from Other Funds	-	-	-	15,711	15,711
Transfers to Other Funds	(15,711)	-	-	-	(15,711)
Proceeds from Debt Issuances	450,000	-	-	-	450,000
Leases Issued (as Lessee)	16,301	-	-	-	16,301
Insurance Recoveries	1,828	-	-	-	1,828
Total Other Financing Sources (Uses)	452,418	-	-	15,711	468,129
Net Change in Fund Balances	(407,049)	536,948	61,032	(23,266)	167,665
Fund Balances, Beginning of Year	3,045,516	1,227,343	1,047,516	208,803	5,529,178
Fund Balances - End of Year	$ 2,638,467	$ 1,764,291	$ 1,108,548	$ 185,537	$ 5,696,843

See accompanying notes which are an integral part of these financial statements.

TALIAFERRO COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Net Change in Fund Balances - Total Governmental Funds	$	167,665
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital Assets		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization expense in the current period.		
Total Capital Outlays		810,912
Total Depreciation		(620,993)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		26,713
Notes and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of notes and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position.		
Accrued Interest Payable		(919)
Note Issued		(450,000)
Leases Issued		(16,301)
Principal Paid on Notes and Leases		44,407
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Compensated Absences		(13,643)
Landfill Postclosure Cost		(105,572)
Change in Net Position of Governmental Activities	$	(157,731)

See accompanying notes which are an integral part of these financial statements.

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

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes				
Property	$ 1,514,000	$ 1,696,136	$ 1,893,646	$ 197,510
Sales	140,600	174,576	170,436	(4,140)
Motor Vehicle	-	88,857	101,488	12,631
Insurance Premium	81,000	85,210	85,210	-
Alcoholic Beverage	7,800	9,600	9,600	-
Recording Intangibles	8,500	2,559	2,639	80
Real Estate Transfer	5,000	15,595	6,362	(9,233)
Penalties and Interest	-	18,663	18,736	73
Other	29,000	44,142	44,310	168
Licenses and Permits	2,425	2,500	2,500	-
Intergovernmental	549,793	1,115,868	1,444,647	328,779
Charges for Services	53,381	134,652	130,411	(4,241)
Fines and Forfeitures	470,200	901,397	913,444	12,047
Investment Earnings	-	2,276	4,550	2,274
Miscellaneous	10,041	38,648	24,698	(13,950)
Total Revenues	2,871,740	4,330,679	4,852,677	521,998
Expenditures				
Current				
General Government				
General Administration	148,790	155,433	169,937	(14,504)
Board of Commissioners	677,848	1,623,066	1,496,966	126,100
Tax Commissioner	112,113	111,047	120,759	(9,712)
Tax Assessor	90,900	99,320	101,866	(2,546)
Tax Equalization	2,650	936	936	-
Voter Registrar	57,075	58,754	62,661	(3,907)
Elections	12,000	771	771	-
Public Buildings	52,821	52,474	57,538	(5,064)
Total General Government	1,154,197	2,103,709	2,013,342	90,367

See accompanying notes which are an integral part of these financial statements.

TALIAFERRO COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(CONTINUED)

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Judicial				
Superior Court	$ 120,000	$ 133,147	$ 146,222	$ (13,075)
Probate Court	318,900	225,139	264,436	(39,297)
District Attorney	7,300	7,403	7,403	-
Public Defender	-	3,431	3,431	-
Total Judicial	446,200	369,120	421,492	(52,372)
Public Safety				
Sheriff's Office	1,005,000	1,074,061	1,171,711	(97,650)
Jail	145,000	174,762	175,762	(1,000)
Emergency Management Agency	4,600	16,035	16,749	(714)
Fire Departments	281,000	355,392	770,980	(415,588)
Ambulance Service	78,000	26,000	84,500	(58,500)
E911	150,000	207,958	227,944	(19,986)
Coroner	22,000	29,434	30,133	(699)
Total Public Safety	1,685,600	1,883,642	2,477,779	(594,137)
Public Works				
Highways and Streets	234,421	238,995	263,186	(24,191)
Solid Waste and Recycling	112,277	199,283	159,954	39,329
Total Public Works	346,698	438,278	423,140	15,138
Health and Welfare				
Senior Center	64,142	71,004	72,549	(1,545)
Department of Family and Children Services	1,786	14,072	14,072	-
Family Connection / Collaborative	32,500	121,840	80,593	41,247
Enterprise Community	-	56	56	-
Board of Health	41,503	41,220	41,220	-
Rural Health	-	50	50	-
Community Center	7,589	4,864	4,864	-
Adult Literacy	5,900	8,972	8,972	-
Helping Hands Humane Society	5,000	-	-	-
Total Health and Welfare	158,420	262,078	222,376	39,702

See accompanying notes which are an integral part of these financial statements.

TALIAFERRO COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025
(CONTINUED)

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Culture and Recreation				
Library	$ 16,450	$ 18,913	$ 18,913	$ -
Recreation	3,571	2,494	2,494	-
Total Culture and Recreation	20,021	21,407	21,407	-
Housing and Development				
Forestry	11,824	11,624	-	11,624
Planning and Zoning	5,450	-	-	-
Development Authority	10,000	10,000	10,000	-
Workforce Investment	56,250	82,125	67,306	14,819
Total Housing and Development	83,524	103,749	77,306	26,443
Debt Service				
Principal	-	-	44,407	(44,407)
Interest	-	-	10,895	(10,895)
Total Debt Service	-	-	55,302	(55,302)
Total Expenditures	3,894,660	5,181,983	5,712,144	(530,161)
Excess of Revenue Over (Under) Expenditures	(1,022,920)	(851,304)	(859,467)	(8,163)
Other Financing Sources (Uses)				
Transfers to Other Funds	-	(32,503)	(15,711)	16,792
Proceeds from Debt Issuances	-	-	450,000	450,000
Leases Issued (as Lessee)	-	-	16,301	16,301
Insurance Recoveries	5,000	1,828	1,828	-
Total Other Financing Sources (Uses)	5,000	(30,675)	452,418	483,093
Net Change in Fund Balance	(1,017,920)	(881,979)	(407,049)	474,930
Fund Balance, Beginning of Year	3,045,516	3,045,516	3,045,516	-
Fund Balance - End of Year	$ 2,027,596	$ 2,163,537	$ 2,638,467	$ 474,930

See accompanying notes which are an integral part of these financial statements.

TALIAFERRO COUNTY, GEORGIA
TIA DISCRETIONARY PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	TIA Discretionary Projects Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes	$ -	$ 530,412	$ 536,948	$ 6,536
Intergovernmental	-	1,138,466	1,309,064	170,598
Total Revenues	-	1,668,878	1,846,012	177,134
Expenditures				
Current				
Public Works	-	1,138,466	1,309,064	(170,598)
Total Expenditures	-	1,138,466	1,309,064	(170,598)
Net Change in Fund Balance	-	530,412	536,948	6,536
Fund Balance - Beginning of Year	1,227,343	1,227,343	1,227,343	-
Fund Balance - End of Year	$ 1,227,343	$ 1,757,755	$ 1,764,291	$ 6,536

See accompanying notes which are an integral part of these financial statements.

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

	Custodial Funds
Assets	
Cash and Cash Equivalents	$ 374,108
Taxes Receivable for Other Governments	390,276
Total Assets	764,384
Liabilities	
Taxes Due to Other Local Governments	43,815
Fines Due to Other Local Governments	16,158
Funds Due to Others	194,238
Uncollected Taxes	390,276
Total Liabilities	644,487
Net Position	
Restricted for Individuals, Organizations, and Other Governments	119,897
Total Net Position	$ 119,897

See accompanying notes which are an integral part of these financial statements.

TALIAFERRO COUNTY, GEORGIA
STATEMENT OF CHANGE IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Custodial Funds
Additions	
Taxes Collected for Other Governments	$ 1,651,990
Fines Collected for Other Governments	200,191
Fines Collected for Others	323,178
Funds Collected for Others	40,139
Total Additions	2,215,498
Deductions	
Taxes Distributed to Other Governments	1,649,991
Fines Distributed to Other Governments	202,108
Fines Distributed to Others	319,827
Funds Distributed to Others	16,454
Total Deductions	2,188,380
Change in Net Position	27,118
Net Position - Beginning of Year	92,779
Net Position - End of Year	$ 119,897

See accompanying notes which are an integral part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies

Accounting Policies

Taliaferro County, Georgia (the County) was established under the provisions of an Act of the General Assembly of Georgia in 1825. Taliaferro County was named for Revolutionary War hero and U.S. Congressman Benjamin Taliaferro. The County's name is pronounced as if it were "Oliver" proceeded by a "T". The County operates under a county commissioner form of government and provides the following services as authorized by state law: general administrative services, public safety, roads and bridges, courts, health and welfare, culture and recreation, and housing and development.

The accounting policies of the County conform to generally accepted accounting principles (GAAP) as applicable to governments. The following is a summary of the County's more significant policies applied in the preparation of the accompanying financial statements.

Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Reporting Entity

The County is a political subdivision of the State of Georgia governed by an elected Board of Commissioners. The accompanying financial statements present the government and its component units, entities for which the government is financially accountable, as defined in GAAP. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is both legally and substantively separate from the government.

Discretely Presented Component Units

Development Authority of Taliaferro County (the Authority)

The Authority exists for the purpose of promoting and developing for the public good and general welfare, industry, and trade, trade commerce, and employment opportunity in the County. The County makes all appointments to the Board. The County provides significant operating subsidies to the Authority. The Authority does not issue separate financial statements.

Taliaferro County Board of Health (the Health Department)

The governing board of the Taliaferro County Board of Health d/b/a Taliaferro County Health Department consists of members appointed by the County Commissioners. The County, by virtue of its appointments, controls a majority of the governing body positions. The Board submits all operating budgets to the County each year. The County provides significant funding to the Board, based upon the approved budgets. The Board operates on a fiscal year ending June 30.

(1) Summary of Significant Accounting Policies (Continued)

Reporting Entity (Continued)

Taliaferro County Board of Health (the Health Department) (Continued)

Complete financial statements of the individual component unit can be obtained from the Health Department.

Taliaferro County Health Department
55 Alexander Street
Crawfordville, Georgia 30631

Basis of Presentation – Government-wide Financial Statements

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

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

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

Basis of Presentation – Fund Financial Statements

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

The County reports the following major governmental funds:

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

TIA Discretionary Projects Fund - This special revenue fund is used to account for the receipts and disbursements of transportation projects funded by the 25 percent local government portion of the Transportation Investment Act (TIA) discretionary proceeds and the IGTIA grant.

SPLOST Fund - This capital projects fund collects sales taxes and uses those revenues for the acquisition or construction of major capital facilities and various roads, streets, and bridges projects.

Additionally, the government reports the following fund types:

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

Capital Projects Funds - is used to account for financial resources to be used for the acquisition or construction of major capital assets.

Custodial Funds - Fiduciary Funds are used to account for assets held in a custodial capacity for individuals, organizations, or other governments. The County's fiduciary funds are all custodial funds.

(1) Summary of Significant Accounting Policies (Continued)

Basis of Presentation – Fund Financial Statements (Continued)

During the course of operations, the County has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. Further, certain activity occurs during the year involving transfers of resources between funds reported at gross amounts as transfers in/out. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

Measurement Focus and Basis of Accounting

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they have been earned and 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 revenues to be 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 principal and interest expenditures on general long-term debt, including lease and subscription liabilities, as well as expenditures related to compensated absences, and claims and judgments, postemployment benefits and environmental obligations are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the County the right to use 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, local option sales taxes, franchise taxes, other taxes, licenses and permits, intergovernmental revenues, interest, and charges for services associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenues are considered to be measurable and available only when cash is received by the County.

Deposits and Investments

The government'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. Short-term investments are reported at cost, which approximates fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

(1) Summary of Significant Accounting Policies (Continued)

Receivables

Intergovernmental receivables represent funds to be received from other local governments, state grant-in-aid, state contracts, or federal funds. No allowance is deemed necessary for these receivables.

Accounts and property tax receivables have been reduced to their estimated net realizable value and are shown net of an allowance for doubtful accounts. Estimated uncollectible amounts are based upon historical experience rates.

Prepaid Items

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

Capital Assets

Capital assets are tangible and intangible assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and are reported in the governmental column in the government-wide statements. Capital assets are defined by the County as assets with an initial, individual cost of more than $5,000. General infrastructure assets (roads, bridges, and other infrastructure assets) acquired prior to July 1, 2003, are not reported in the basic financial statements.

As the City constructs, develops, or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost or estimated historical cost if actual cost is not available (except for intangible right-to-use lease equipment, the measurement of which is discussed later in this Note below). The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset's capacity or efficiency or increase its estimated useful life. Donated capital assets are valued at their acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Preliminary and interim costs incurred by governmental funds for capital projects are reported as "construction in progress." Cost related to abandoned projects are expensed when the project is abandoned. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

Land, development in progress, and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment, and infrastructure of the County and its component units are depreciated/amortized using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Building	40 Years
Heavy Equipment	7 Years
Infrastructure	5 Years
Vehicles	5 - 7 Years

Right-to-use lease equipment assets are amortized over the life of the associated contract.

Deferred Inflows / Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period or periods and so will not be recognized as an outflow of resources (expense / expenditures) until then.

(1) Summary of Significant Accounting Policies (Continued)

Deferred Inflows / Outflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Accordingly, the governmental funds report two items in this category, unavailable revenues from property taxes and deferred inflows of resources related to leases. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position

For government-wide reporting as well as in proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

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

Fund Balance

In the financial statements, governmental funds report the following classifications of fund balance in accordance with Governmental Accounting Standards Board Statement No. 54:

- Nonspendable amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted - amounts are restricted when constraints have been placed on the use of resources by (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed - amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board. The Board approves committed resources through a motion and vote during the voting session of Council meetings.
- Assigned - amounts that are constrained by the Board's intent to be used for specific purposes but are neither restricted nor committed. Through resolution, the Board has authorized the County Clerk to assign fund balances.
- Unassigned - amounts that have not been assigned to other funds and that are not restricted, committed, or assigned to specific purposes within the General Fund. The General Fund is the only fund that reports a positive unassigned fund balance. Negative unassigned fund balances may be reported in all funds.

(1) Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

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

The County does not have a formal minimum fund balance policy. The following is a summary of the fund balance classifications as of June 30, 2025:

	General Fund	TIA Discretionary Special Revenue Fund	SPLOST Capital Projects Fund	Nonmajor Governmental Funds	Total
Fund Balances					
Nonspendable					
Prepaids	$ 211,271	$ -	$ -	$ -	$ 211,271
Leases	463	-	-	-	463
Restricted					
Transportation	-	1,764,291	-	-	1,764,291
Capital Outlay	-	-	1,108,548	-	1,108,548
Drug Awareness	-	-	-	93,044	93,044
Law Enforcement	-	-	-	77,657	77,657
Public Safety	-	-	-	14,836	14,836
Road Improvements	860,167	-	-	-	860,167
Health and Welfare	77,465	-	-	-	77,465
Assigned					
Fund Balance Appropriation	1,070,010	-	-	-	1,070,010
Unassigned	419,091	-	-	-	419,091
Total Fund Balances	$ 2,638,467	$ 1,764,291	$ 1,108,548	$ 185,537	$ 5,696,843

Compensated Absences

The County recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. The liability for compensated absences is reported as incurred in the government-wide financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

(1) Summary of Significant Accounting Policies (Continued)

Compensated Absences (Continued)

Vacation and Personal Leave

The County's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment. Vacation is earned by County employees and may be accumulated and carried over. The County accrues the cost of annual leave when the leave is earned. This cost is accrued in the government-wide financial statements.

Sick Leave

The County's policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employ of the County and, upon separation from service, no monetary obligation exists. However, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences. Employees leaving the County are not entitled to payment for accumulated sick leave.

Health Department - Additional information about the Health Department's compensated absences policy is available in its separately issued financial statements.

The Authority did not report any compensated absences in the current year presented.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full using current financial resources, are reported as obligations of these funds. Notes payable are recognized as a liability in the governmental fund financial statements when due.

Leases

Lessee: The County is a lessee for two equipment leases. The County recognizes lease liabilities and intangible right-to-use lease assets (lease assets) in the government-wide financial statements. The County's policy is to recognize 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 made during the lease term. Subsequently, the lease liability is reduced by the principal portion of 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 over 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.

- 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.
- The lease term includes the noncancellable period of the lease and any extensions that are deemed reasonably certain to be exercised. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise.

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

(1) Summary of Significant Accounting Policies (Continued)

Leases (Continued)

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

Lessor - The County is a lessor for a noncancellable lease of a building. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the government initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

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

- The government uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

(2) New Accounting Pronouncement

GASB Statement No. 101, Compensated Absences

Effective July 1, 2024, the County, Authority, and Health Department implemented the provisions of GASB Statement No. 101, *Compensated Absences*. This Statement establishes a unified model for the recognition and measurement of all types of compensated absences, including vacation leave, sick leave, paid time off (PTO), holidays, parental leave, and other similar benefits.

Under GASB 101, a liability is recognized for leave that:

- Is attributable to services already rendered,
- Accumulates, and
- Is more likely than not to be used for time off or otherwise paid or settled.

The liability for compensated absences is measured using the employee's pay rate in effect as of the financial statement date, including salary-related payments directly and incrementally associated with payments for leave (e.g., Social Security and Medicare taxes).

County - As of June 30, 2025, the government reported a liability for compensated absences of $64,772 which reflects the cumulative effect of implementing GASB 101. The net change in the compensated absences liability during the year was an increase of $13,643, which includes both increases from leave earned and decreases from leave used or paid.

(2) New Accounting Pronouncement (Continued)

GASB Statement No. 101, Compensated Absences (Continued)

Health Department (Component Unit) - As of June 30, 2025, the government reported a liability for compensated absences of $49,556, which reflects the cumulative effect of implementing GASB 101. The implementation resulted in a decrease to beginning net position of $25,767, which is reported as a change in accounting principle in the current year. The net change in the compensated absences liability during the year was an increase of $7,928, which includes both increases from leave earned and decreases from leave used or paid.

(3) Budgets and Budgetary Accounting

Budget Process

The annual budget document is the financial plan for the operation of the County. The budget process exists for the purpose of providing a professional management approach to the establishment of priorities and the implementation of work programs while providing an orderly means for control and evaluation of the financial posture of the County.

The County prepares a separately issued budget report. An annual operating budget is prepared for the General Fund, TIA Discretionary Projects Fund, E-911 Fund, and Section 5311 Transportation Fund. Prior to year-end, the Clerk of the County Commissioners submits to the Board of Commissioners a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. The Board of Commissioners holds a public hearing on the budget, giving notice thereof at least ten days in advance by publication in the official organ of the County. The budget is then revised and adopted or amended by the Board of Commissioners at a regular meeting before the year to which it applies. The budget so adopted may be revised during the year only by formal action of the Board of Commissioners in a regular meeting and no increase shall be made therein without provision also being made for financing same. The legal level of control is at the department level.

Formal budgetary integration is employed as a management control device during the year. The budgets for the General and Special Revenue Funds are adopted on a basis consistent with GAAP. The General Fund is subject to budgetary control on a departmental basis, while the Special Revenue Funds are subject to budgetary control on an individual fund basis. Budgets are prepared for the Capital Projects Funds on a project basis, which usually covers two or more fiscal years. Budgeted amounts are as originally adopted, or as amended by the Board of Commissioners.

(3) Budgets and Budgetary Accounting (Continued)

Excess of Expenditures Over Appropriations

The County had expenditures in excess of appropriations for the following funds and departments:

General Fund		
General Government		
General Administration	$	14,504
Tax Commissioner		9,712
Tax Assessor		2,546
Voter Registrar		3,907
Public Buildings		5,064
Judicial		
Superior Court		13,075
Probate Court		39,297
Public Safety		
Sheriff's Office		97,650
Jail		1,000
Emergency Management Agency		714
Fire Departments		415,588
Ambulance Service		58,500
E911		19,986
Coroner		699
Public Works		
Highways and Streets		24,191
Health and Welfare		
Senior Center		1,545
Debt Service		
Principal		44,407
Interest		10,895
Special Revenue Funds		
TIA Discretionary Fund		170,598
Confiscated Assets Fund		20,672
Drug Abuse & Treatment Fund		1,477
Section 5311 Transportation Fund		5,994

Funds Not Budgeted

The County did not adopt a budget for the Confiscated Assets Fund and Drug Abuse Fund special revenue funds.

(4) Deposits and Investments

Custodial Credit Risk - Deposits

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

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

(5) Property Taxes

State law requires that property taxes be based on assessed value, which is 40 percent of market value. All real and personal property (including motor vehicles) is valued as of January 1 of each year and must be returned for tax purposes by March 1. With the exception of motor vehicles and the property of public utilities, which are valued by the State Revenue Department, all assessments are made by the Board of Tax Assessors of Taliaferro County.

The Taliaferro County Tax Commissioner distributes tax notices and collects tax payments. The 2024 property taxes were mailed (levied) as of September 4th with a due date of December 6th.

Property taxes receivable have been reduced to their estimated net realizable value. Estimated uncollectible amounts are based upon historical experience rates and result in a direct reduction of the related revenue amount at the end of the period.

The tax billing cycle for the 2024 property taxes is as follows:

Assessment Date	January 1, 2024
Levy Date	September 4, 2024
Due Date and Collection Date	December 6, 2024
Tax Execution Date / Lien Date	December 7, 2024

(6) Receivables

Taxes receivable at year-end include an allowance for amounts estimated to be uncollectible.

	General Fund
Receivables	
Taxes	$ 208,518
Gross Receivables	208,518
Allowance for Uncollectibles	(82,259)
Net Total Receivables	$ 126,259

(7) Intergovernmental Receivable

Amounts due from other governments at June 30, 2025, are as follows:

Fund	Federal	State	Other	Total
General Fund	$ 14,517	$ 499,740	$ 59,658	$ 573,915
TIA Discretionary Projects Fund	-	106,926	-	106,926
SPLOST Fund	-	17,439	-	17,439
Nonmajor Funds	24,826	4,396	-	29,222
Total Due From Other Governments	$ 39,343	$ 628,501	$ 59,658	$ 727,502

The amounts due from other governments are primarily for grant funds and sales taxes.

(8) Lease Receivable

The County has entered into a lease agreement with a lessee for the use of a building. The lease term is 4 years, and the lease payments are due in monthly installments of $1,250. The County has recorded a lease receivable of $43,464, which represents the present value of the lease payments discounted at the County's incremental borrowing rate of 2.267 percent. The lease receivable is reported in the government-wide statement of net position. The County recognizes interest revenue on the lease receivable over the lease term using the effective interest method.

In fiscal year 2025, the County recognized $14,486 in lease revenue and $514 in interest revenue under the lease.

The present value of future minimum lease payments are as follows:

Year	Principal	Interest	Total
2026	$ 14,817	$ 183	$ 15,000
Total	$ 14,817	$ 183	$ 15,000

(9) Interfund Receivables, Payables, and Transfers

The composition of the due to / from other funds as of June 30, 2025, is as follows:

	Payable Funds		
Receivable Funds	General Fund	Nonmajor Governmental Funds	Total
General Fund	$ -	$ 22,764	$ 22,764
TIA Discretionary Projects Fund	111,435	-	111,435
Nonmajor Governmental Funds	16,361	-	16,361
Total Interfund Balances	$ 127,796	$ 22,764	$ 150,560

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

(9) Interfund Receivables, Payables, and Transfers (Continued)

Interfund transfers for the fiscal year ended June 30, 2025, consisted of the following:

	Transfers In	
	Nonmajor Governmental	
Transfers Out	Funds	Total
General Fund	$ 15,711	$ 15,711

Transfers are used to move unrestricted revenue to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

(10) Capital Assets

Capital assets activity for the fiscal year ended June 30, 2025, was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Nondepreciable Capital Assets				
Land	$ 2,119,740	$ -	$ -	$ 2,119,740
Total Nondepreciable Capital Assets	2,119,740	-	-	2,119,740
Depreciable Capital Assets				
Infrastructure	8,712,450	-	-	8,712,450
Buildings	3,668,706	-	-	3,668,706
Machinery and Equipment	1,767,362	710,487	-	2,477,849
Vehicles	1,572,078	84,124	-	1,656,202
Intangible Assets				
Lease Assets - Equipment	-	16,301	-	16,301
Total Depreciable Capital Assets	15,720,596	810,912	-	16,531,508
Accumulated Depreciation				
Infrastructure	(3,967,473)	(174,249)	-	(4,141,722)
Buildings	(2,253,265)	(91,718)	-	(2,344,983)
Machinery and Equipment	(1,130,987)	(246,012)	-	(1,376,999)
Vehicles	(1,309,165)	(104,939)	-	(1,414,104)
Intangible Assets				
Lease Assets - Equipment	-	(4,075)	-	(4,075)
Total Accumulated Depreciation	(8,660,890)	(620,993)	-	(9,281,883)
Total Capital Assets Being Depreciated, Net	7,059,706	189,919	-	7,249,625
Governmental Activities Capital Assets, Net	$ 9,179,446	$ 189,919	$ -	9,369,365
			Less Related Long-term Debt Outstanding	(421,894)
			Less Other (Non-Debt) Capital Related Liabilities	(129,276)
			Net Investment in Capital Assets	$ 8,818,195

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

Governmental Activities	
General Government	$ 59,184
Judicial	2,206
Public Safety	224,463
Public Works	299,230
Health and Welfare	26,823
Culture and Recreation	9,087
Total Depreciation Expense - Governmental Activities	$ 620,993

(10) Capital Assets (Continued)

Discretely Presented Component Units

Capital assets activity for the Development Authority for the fiscal year ended June 30, 2025, was as follows:

Development Authority	Beginning Balance	Increase	Decrease	Ending Balance
Component Unit Activities				
Nondepreciable Capital Assets				
Land	$ 878,544	$ -	$ -	$ 878,544
Total Nondepreciable Capital Assets	878,544	-	-	878,544
Component Unit Activities Capital Assets	$ 878,544	$ -	$ -	$ 878,544

Depreciation expense was charged to functions / programs of the Development Authority as follows:

Governmental Activities	
Economic Development	$ -

The Health Department does not report any capital assets in accordance with its capitalization threshold of $5,000. Additionally, the County owns the Health Department's building.

(11) Landfill Postclosure Care Costs

In 1995, the County closed its landfill site. State and federal laws and regulations require the County to place a final cover on the landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity as of each balance sheet date. The $292,511 reported as landfill closure and postclosure care liability at June 30, 2025 represents the cumulative amount reported to date based on the use of 100 percent capacity of the landfill site. These amounts are based on what it would cost to perform all closure and postclosure care in 2025. The County has estimated the closure and postclosure costs associated with this landfill to be $301,261. The County is not required to commit current financial resources to guarantee future maintenance and monitoring activities.

(12) Long-Term Debt

County Leases – Governmental Activities

During the current fiscal year, the County entered into two agreements with initial terms of four years for the use of copier equipment. As of June 30, 2025, the lease liability is $12,269. The County is required to make monthly principal and interest payments of $369. The leases have interest rates of 2.5 percent and 3.2 percent. The equipment has a four-year estimated useful life. The value of the right-to-use assets at the end of the fiscal year was $16,301 and had accumulated amortization of $4,075.

(12) Long-Term Debt (Continued)

County Leases – Governmental Activities (Continued)

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 4,146	$ 293	$ 4,439
2027	4,263	176	4,439
2028	3,542	58	3,600
2029	318	2	320
	$ 12,269	$ 529	$ 12,798

Notes Payable – Governmental Activities

On February 14, 2025, the County entered into a loan agreement to finance the purchase of an E-One Pumper firetruck. The loan was issued in the amount of $450,000 with annual payments of $50,864, a term of 12 years, and an interest rate of 5.59 percent. As of June 30, 2025, the outstanding balance on the loan is $409,625. The notes payable payments are reflected as debt service expenditures at the governmental fund reporting level. The equipment acquired by the note is included in capital assets.

Future minimum debt service payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	$ 27,951	$ 22,913	$ 50,864
2027	29,514	21,350	50,864
2028	31,165	19,699	50,864
2029	32,908	17,956	50,864
2030	34,749	16,115	50,864
2031-2035	205,169	49,151	254,320
2036	48,169	2,695	50,864
	$ 409,625	$ 149,879	$ 559,504

Changes in Long-Term Liability

Primary Government

Changes in the County's long-term debt obligations consisted of the following for the year ended June 30, 2025:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
Compensated Absences	$ 51,129	$ 13,643	$ -	$ 64,772	$ 48,579
Note Payable	-	450,000	40,375	409,625	27,951
Leases Payable	-	16,301	4,032	12,269	4,146
Landfill Postclosure Costs	186,939	114,322	8,750	292,511	8,750
Total Governmental Activities Long-Term Debt	$ 238,068	$ 594,266	$ 53,157	$ 779,177	$ 89,426

(12) Long-Term Debt (Continued)

Changes in Long-Term Liability (Continued)

Primary Government

The change in compensated absences above is a net change for the year.

The compensated absences liability will be paid from the fund from which the employees' salaries are paid, generally the General Fund.

Discretely Presented Component Units

Changes in the Health Department's long-term debt obligations consisted of the following for the year ended June 30, 2025:

	Restated Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
Compensated Absences	$ 41,628	$ 19,617	$ 11,689	$ 49,556	$ 33,121
Net Pension Liability	253,060	-	78,163	174,897	-
Net State OPEB Liability (Asset)	10,385	-	18,850	(8,465)	-
Net SEAD-OPEB Liability (Asset)	(39,193)	9,193		(48,386)	-
Total Governmental Activities Long-Term Debt	$ 265,880	$ 28,810	$ 108,702	$ 167,602	$ 33,121

(13) Employee Retirement Plans

Defined Contribution Plan

The County has established the Taliaferro County 401(a) Defined Contribution Plan through adoption of the ACCG 401(a) Defined Contribution Program, effective January 1, 2019. As of June 30, 2025, there were nine participants in the plan. Plan members are allowed to make voluntary contributions to the plan. The County is not required to make contributions to the plan but can make voluntary contributions to the plan. The plan was established to provide benefits at retirement to County employees. The County matches up to two percent, if the employee contributes two percent to the Taliaferro County Deferred Compensation 457 Plan. Total contributions for the year ended June 30, 2025, were $13,102 by the employees and $9,766 by the employer. The County has delegated certain administrative responsibilities to ACCG, or its designee. Plan provisions are established and may be amended by the Board of Commissioners.

Deferred Compensation Plan

The County offers employees the Taliaferro County Deferred Compensation Plan created in accordance with Internal Revenue Code 457. An independent third-party plan administrator administers the plan. As a result, the assets and liabilities are not recorded in the County's financial statements. All contributions to this plan are voluntary employee contributions.

(14) Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; and errors or omissions. The County purchases commercial insurance for most types of risk. For these risks, settlements have not exceeded coverages for each of the past three fiscal years. The County had no significant reduction in insurance coverage from coverage in the prior year.

The County has joined together with other municipalities in the state as part of the ACCG Group Self Insurance Workers' Compensation Self Insurance Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments. The Fund is to defend, in the name of and on behalf of the members, any suits or other proceedings, which may at any time be instituted against them on account of injuries or death within the preview of the Workers' Compensation Law of Georgia, or on the basis of employer's liability. The Fund is to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense. For the year ending June 30, 2025, the County's total contribution was $28,252 for the Workers Compensation Fund.

The County is a member of the ACCG Interlocal Risk Management Agency (ACCG-IRMA). This agency functions as a risk-sharing arrangement among Georgia County governments and is administered by the Association of County Commissioners of Georgia (ACCG). The purpose of ACCG-IRMA is to establish and administer one or more group self-insurance funds; to establish and administer a risk management service; and to prevent or lessen the incidence or severity of casualty and property losses. Each member pays an annual contribution established by the Board of ACCG-IRMA. For the current fiscal year, the County's total contribution was $164,747. ACCG-IRMA may develop and issue such self-insurance coverage descriptions, as it deems necessary. The current coverage provides a $3,000,000 general liability limit with a $1,000 per occurrence deductible.

As part of these risk pools, the County is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pools' 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 pools' agents and attorneys to represent the Government in investigation, settlement discussions, and all levels of litigation arising out of any claim made against the Government within the scope of loss protection furnished by the funds.

(15) Contingent Liabilities

Litigation

During the course of normal operations of the County, various claims and lawsuits arise. The County attorney has advised that there are no potential liabilities that will impair the position as of the date of this audit report.

The County participates in a number of federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives, and the audits of these programs for or including the year ended June 30, 2025, have not yet been conducted. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the County expects such amounts, if any, to be immaterial.

(16) Conduit Debt – Development Authority (Component Unit)

The Authority has issued Taxable Revenue Bonds to provide financial assistance to a private sector entity for the acquisition, construction, and equipping of commercial facilities to promote trade, commerce, industry and employment opportunities within the County to develop the industrial park. The bonds are secured by the property, property improvements, and equipment financed with the bond proceeds and are payable solely from rents, revenues, and receipts derived from the lease agreement with the private sector entity. Upon repayment of the bonds, ownership of the acquired property, property improvements, and equipment transfers to the private-sector entity served by the bond issuance. The Authority, the County, the State, or any political subdivision, thereof, is not obligated in any manner for repayment of the bonds.

The Development Authority has the ability to issue industrial revenue bonds and other forms of conduit debt for the purpose of providing financial assistance to private-sector entities for economic development projects. These bonds are secured solely by the resources of the third-party obligor and do not constitute a debt or pledge of the general credit of the Development Authority, the local government, or the State. The Authority is not obligated in any manner for the repayment of these bonds, and therefore, the related debt is not reported in the accompanying financial statements.

In prior years, the Authority issued $85,000,000 in Taxable Industrial Development Revenue Bonds (Harrison Poultry, Inc. Project), Series 2018 on behalf of Harrison Poultry, Inc for the development of the new feed mill and hatchery project. Although the bonds were properly authorized and issued, the third-party obligor did not draw down any proceeds from the conduit debt. Instead, the obligor elected to obtain alternative private financing for the project. Because no funds were drawn and no obligations were incurred under the bond agreement, no outstanding conduit debt balance existed during the current fiscal year.

(17) Joint Ventures

Under Georgia law, the County, in conjunction with other cities and counties in the CSRA District, is a member of the CSRA RC and is required to pay annual dues thereto. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The CSRA RC Council membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

Central Savannah River Area Regional Commission
3626 Walton Way Ext., Suite 300
Augusta, Georgia 30909

(18) Tax Abatements

The County enters into property tax abatement agreements with local businesses under the Georgia Development Authority Law, adopted in 1969, for the purpose of attracting or retaining businesses within the County. The abatements may be granted to any business located within or promising to relocate to the County and meeting the eligibility criteria to "develop and promote trade, commerce, industry, and employment opportunities for the public good and general welfare and to promote the general welfare of the state" (OCGA 36-62-9). The Development Authorities Law (O.C.G.A. 36-42-1) provides that the Development Authority of Taliaferro County is created to develop and promote trade, commerce, industry, and employment opportunities for the public good and to promote the general welfare of the County and is authorized by the Development Authority of Taliaferro County to issue its revenue obligations, in accordance with the applicable provisions of the Revenue Bond Law of the State of Georgia (O.C.G.A. 36-82-60), for the purpose of acquiring, constructing, and installing any project which includes the acquisition, construction, installation, modification, renovation, or rehabilitation of land, interest in land, buildings, structures, facilities, or other improvements located or to be located within the County.

(18) Tax Abatements (Continued)

The County offers a reduction in property taxes through the structure of these financing arrangements. Specifically, the Development Authority of Taliaferro County, a tax-exempt public organization created independently from the County, may enter into agreements with private individuals or entities in order to incentivize these businesses to build, relocate, expand, or renovate in the County. These agreements involve a bond issuance and sale-leaseback transaction, whereby the Development Authority takes title to property and leases it back to the company. The company is responsible for making ad valorem tax payments on its leasehold interest. The rental payments for the leasehold offset the debt service on the bonds over a fixed term, so that at the end of the incentive period the bonds are fully retired, and the company regains title of the property through an option to purchase.

Following completion of construction, the company pays property taxes on its leasehold interest in the project of 10 percent of the fair market value of the real and / or personal property during the first two years, with a 10 percent increase in 2-year increments until the 16th year, then a 10 percent increase each year until the end of the 20-year period, after which the company takes title back to the property and must then pay taxes on the full fair market value of the property. The company has a smaller property tax obligation through this financing arrangement than it would under outright ownership of the property due to the reduced value of the company's leasehold interest in the property over the designated ramp-up period.

Tax abatement information for fiscal year 2025 is included below:

Purpose	Description	Amount of County Taxes Abated during the Fiscal Year	Abatement Ends
Industrial Development	100% Real Property Taxes with PILOT	$ 1,700,292	2039

The County has not made additional commitments as part of the agreement.

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SUPPLEMENTARY INFORMATION

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TALIAFERRO COUNTY, GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Confiscated Assets Fund - This fund accounts for confiscated funds restricted for law enforcement expenditures.

Drug Abuse & Treatment Fund - This fund accounts for fines collected as required by State Law for drug abuse treatment and educational purposes.

E911 Fund - This fund accounts for fees collected as required by State Law for E911 operations and maintenance.

Section 5311 Transportation Fund - This fund accounts for grants received from the Department of Transportation for the operation of the 5311 Transportation Program.

American Rescue Plan Fund – This fund accounts for the federal funding from the Coronavirus Local Fiscal Recovery Fund and the restricted expenditures of the program.

TALIAFERRO COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	Special Revenue Funds					Total
	Confiscated Assets Fund	Drug Abuse & Treatment Fund	E-911 Fund	Section 5311 Transportation Fund	American Rescue Plan Fund	Nonmajor Governmental Funds
Assets						
Cash and Cash Equivalents	$ 77,657	$ 93,044	$ -	$ -	$ 8,094	$ 178,795
Due from Other Governments	-	-	4,396	24,826	-	29,222
Due from Other Funds	-	-	16,361	-	-	16,361
Total Assets	$ 77,657	$ 93,044	$ 20,757	$ 24,826	$ 8,094	$ 224,378
Liabilities and Fund Balances						
Liabilities						
Accounts Payable	$ -	$ -	$ 5,921	$ 723	$ -	$ 6,644
Accrued Expenses	-	-	-	1,339	-	1,339
Due to Other Funds	-	-	-	22,764	-	22,764
Unearned Revenues	-	-	-	-	8,094	8,094
Total Liabilities	-	-	5,921	24,826	8,094	38,841
Fund Balances						
Restricted	77,657	93,044	14,836	-	-	185,537
Total Fund Balances	77,657	93,044	14,836	-	-	185,537
Total Liabilities and Fund Balances	$ 77,657	$ 93,044	$ 20,757	$ 24,826	$ 8,094	$ 224,378

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

	Special Revenue Funds					Total
	Confiscated Assets Fund	Drug Abuse & Treatment Fund	E-911 Fund	Section 5311 Transportation Fund	American Rescue Plan Fund	Nonmajor Governmental Funds
Revenues						
Intergovernmental	$ -	$ -	$ -	$ 64,386	$ 131,158	$ 195,544
Charges for Services	-	-	26,971	1,908	-	28,879
Fines and Forfeitures	1,858	5,267	-	-	-	7,125
Total Revenues	1,858	5,267	26,971	66,294	131,158	231,548
Expenditures						
Current						
General Government		-	-	-	14,875	14,875
Public Safety	4,777	1,477	23,683	-	19,847	49,784
Health and Welfare	-	-	-	93,535	-	93,535
Capital Outlay	15,895	-	-	-	96,436	112,331
Total Expenditures	20,672	1,477	23,683	93,535	131,158	270,525
Excess (Deficiency) of Revenues Over (Under) Expenditures	(18,814)	3,790	3,288	(27,241)	-	(38,977)
Other Financing Sources (Uses)						
Transfers from Other Funds	-	-	-	15,711	-	15,711
Total Other Financing Sources (Uses)	-	-	-	15,711	-	15,711
Net Change in Fund Balances	(18,814)	3,790	3,288	(11,530)	-	(23,266)
Fund Balances - Beginning of Year	96,471	89,254	11,548	11,530	-	208,803
Fund Balances - End of Year	$ 77,657	$ 93,044	$ 14,836	$ -	$ -	$ 185,537

TALIAFERRO COUNTY, GEORGIA
CONFISCATED ASSETS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Final Budget	Actual	Variance with Final Budget
Revenues			
Fines and Forfeitures	$ -	$ 1,858	$ 1,858
Total Revenues	-	1,858	1,858
Expenditures			
Current			
Public Safety	-	4,777	(4,777)
Capital Outlay	-	15,895	(15,895)
Total Expenditures	-	20,672	(20,672)
Net Change in Fund Balance	-	(18,814)	(18,814)
Fund Balance - Beginning of Year	96,471	96,471	-
Fund Balance - End of Year	$ 96,471	$ 77,657	$ (18,814)

TALIAFERRO COUNTY, GEORGIA
DRUG ABUSE & TREATMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Final Budget	Actual	Variance with Final Budget
Revenue			
Fines and Forfeitures	$ -	$ 5,267	$ 5,267
Total Revenues	-	5,267	5,267
Expenditures			
Current			
Public Safety	-	1,477	(1,477)
Total Expenditures	-	1,477	(1,477)
Net Change in Fund Balance	-	3,790	3,790
Fund Balance - Beginning of Year	89,254	89,254	-
Fund Balance - End of Year	$ 89,254	$ 93,044	$ 3,790

TALIAFERRO COUNTY, GEORGIA
E-911 FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Final Budget	Actual	Variance with Final Budget
Revenue			
Charges for Services	$ 27,111	$ 26,971	$ (140)
Total Revenues	27,111	26,971	(140)
Expenditures			
Current			
Public Safety	23,683	23,683	-
Total Expenditures	23,683	23,683	-
Excess of Revenue Over (Under) Expenditures	3,428	3,288	(140)
Net Change in Fund Balance	3,428	3,288	(140)
Fund Balance - Beginning of Year	11,548	11,548	-
Fund Balance - End of Year	$ 14,976	$ 14,836	$ (140)

TALIAFERRO COUNTY, GEORGIA
SECTION 5311 TRANSPORTATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Final Budget	Actual	Variance with Final Budget
Revenue			
Intergovernmental Revenue	$ 47,339	$ 64,386	$ 17,047
Charges for Services	1,908	1,908	-
Total Revenues	49,247	66,294	17,047
Expenditures			
Current			
Health and Welfare	87,541	93,535	(5,994)
Total Expenditures	87,541	93,535	(5,994)
Excess of Revenue Over (Under) Expenditures	(38,294)	(27,241)	11,053
Other Financing Sources (Uses)			
Transfers from Other Funds	-	15,711	15,711
Total Other Financing Sources (Uses)	-	15,711	15,711
Net Change in Fund Balance	(38,294)	(11,530)	26,764
Fund Balance - Beginning of Year	11,530	11,530	-
Fund Balance / (Deficit) - End of Year	$ (26,764)	$ -	$ 26,764

TALIAFERRO COUNTY, GEORGIA
AMERICAN RESCUE PLAN FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Final Budget	Actual	Variance with Final Budget
Revenues			
Intergovernmental	$ 131,158	$ 131,158	$ -
Total Revenues	131,158	131,158	-
Expenditures			
Current			
General Government	14,875	14,875	-
Public Safety	19,847	19,847	-
Capital Outlay	96,436	96,436	-
Total Expenditures	131,158	131,158	-
Net Change in Fund Balance	-	-	-
Fund Balance - Beginning of Year	-	-	-
Fund Balance - End of Year	$ -	$ -	$ -

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TALIAFERRO COUNTY, GEORGIA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2025

	Superior Court	Magistrate Court	Probate Court	Sheriff's Department	Tax Commissioner's Office	Total
Assets						
Cash and Cash Equivalents	$ 120,195	$ 1,716	$ 52,252	$ 88,643	$ 111,302	$ 374,108
Taxes Receivable For Other Governments	-	-	-	-	390,276	390,276
Total Assets	120,195	1,716	52,252	88,643	501,578	764,384
Liabilities						
Taxes Due to Other Local Governments	-	-	-	-	43,815	43,815
Fines Due to Other Local Governments	2,978	100	3,065	10,015	-	16,158
Funds Due to Others	1,357	1,616	47,149	78,628	65,488	194,238
Uncollected Taxes	-	-	-	-	390,276	390,276
Total Liabilities	4,335	1,716	50,214	88,643	499,579	644,487
Net Position						
Restricted for Individuals, Organizations, and Other Governments	115,860	-	2,038	-	1,999	119,897
Total Net Position	$ 115,860	$ -	$ 2,038	$ -	$ 1,999	$ 119,897

TALIAFERRO COUNTY, GEORGIA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Superior Court	Magistrate Court	Probate Court	Sheriff's Department	Tax Commissioner's Office	Total
Additions						
Taxes Collected for Other Governments	$ -	$ -	$ -	$ -	$ 1,651,990	$ 1,651,990
Fines Collected for Other Governments	8,663	2,915	33,728	154,885	-	200,191
Fines Collected for Others	37,720		261,987	23,471	-	323,178
Funds Collected for Others	35,300	1,059	-	3,780	-	40,139
Total Additions	81,683	3,974	295,715	182,136	1,651,990	2,215,498
Deductions						
Taxes Distributed to Other Governments	-	-	-	-	1,649,991	1,649,991
Fines Distributed to Other Governments	8,663	2,915	33,728	156,802	-	202,108
Fines Distributed to Others	35,867		261,987	21,973	-	319,827
Funds Distributed to Others	10,117	1,059	-	5,278	-	16,454
Total Deductions	54,647	3,974	295,715	184,053	1,649,991	2,188,380
Changes in Net Position	27,036	-	-	(1,917)	1,999	27,118
Net Position - Beginning of Year	88,824	-	2,038	1,917	-	92,779
Net Position - End of Year	$ 115,860	$ -	$ 2,038	$ -	$ 1,999	$ 119,897

TALIAFERRO COUNTY, GEORGIA
BALANCE SHEET
DEVELOPMENT AUTHORITY
COMPONENT UNIT
JUNE 30, 2025

Assets		
Cash and Cash Equivalents	$	367,200
Total Assets	$	367,200
Liabilities and Fund Balances		
Liabilities		
Accounts Payable	$	-
Total Liabilities		-
Fund Balances		
Assigned		230,521
Unassigned		136,679
Total Fund Balances		367,200
Total Liabilities and Fund Balances	$	367,200
Total Fund Balances - Component Unit	$	367,200

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

Capital Assets		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Cost of the Assets		878,544
Total Net Position of Component Unit	$	1,245,744

TALIAFERRO COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
DEVELOPMENT AUTHORITY
COMPONENT UNIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Revenues		
Intergovernmental		
County Appropriation	$	10,000
Interest Earnings		2,622
Miscellaneous		50,030
Total Revenues		62,652
Expenditures		
Current		
Economic Development		8,411
Total Expenditures		8,411
Net Change in Fund Balance		54,241
Fund Balance - Beginning of Year		312,959
Fund Balance - End of Year	$	367,200

TALIAFERRO COUNTY, GEORGIA
SCHEDULES OF PROJECTS CONSTRUCTED
WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS - 2017 AND 2023
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

2017 SPLOST Projects	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
Courthouse Repair, Maintenance, and Renovation	$ 1,000,000	$ 1,362,728	$ 1,502,550	$ -	$ 1,502,550
Construction, Repair, and Maintenance of Roads, Streets, and Bridges	1,000,000	1,000,000	904,439	20,284	924,723
Totals	$ 2,000,000	$ 2,362,728	$ 2,406,989	20,284	$ 2,427,273

2023 SPLOST Projects	Original Estimated Cost	Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
County - Courthouse Repair, Maintenance, and Renovation	$ 1,000,000	$ 1,000,000	$ -	$ 142,626	$ 142,626
County / City of Crawfordville - Construction, Repair, and Maintenance of Roads, Streets, and Bridges	1,000,000	1,000,000	-	-	-
Totals	$ 2,000,000	$ 2,000,000	$ -	142,626	$ 142,626

Total FY 2025 Expenditures on 2017 and 2023 SPLOST Projects $ 162,910

The 2023 SPLOST commenced collections on April 1, 2024.
The County will spend 2023 SPLOST Funds, once the 2017 SPLOST funds have been consumed.

TALIAFERRO COUNTY, GEORGIA
SCHEDULE OF SUPPLEMENTAL INCOME
OF CONSTITUTIONAL OFFICERS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

County Constitutional Officer	Supplemental Income Type	Amount Collected	Amount Disbursed	Amount Retained by County Officer
Clerk of Superior Court	Charges for copies	$ 1,583	$ 1,583	$ -
Tax Commissioner	Commissions for collection of taxes for other governments	42,631	42,631	-
		$ 44,214	$ 44,214	$ -

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GOVERNMENTAL REPORT

MCNAIR MCLEMORE MIDDLEBROOKS & CO
CERTIFIED PUBLIC ACCOUNTANTS

389 Mulberry Street | Macon, Georgia 31201
Post Office Box One | Macon, Georgia 31202
478-746-6277 | mmmcpa.com

February 20, 2026

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*

Board of Commissioners
Taliaferro 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 (*Government Auditing Standards*), the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Taliaferro County, Georgia** (the County) as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated February 20, 2026 Our report includes a reference to other auditors who audited the financial statements of Taliaferro County Board of Health, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2025-001, 2025-002, 2025-003, 2025-004, 2025-005, 2025-006, 2025-007, and 2025-009 that we consider to be material weaknesses.

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards,* and which are described in the accompanying schedule of findings and responses as items 2025-008 and 2025-009.

Taliaferro County, Georgia's Responses to Findings

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

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.

McNair, McLemore, Middlebrooks & Co., LLC

McNAIR, McLEMORE, MIDDLEBROOKS & CO., LLC

TALIAFERRO COUNTY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

(1) Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified that are not considered to be material weakness(es)	None Reported
Noncompliance material to financial statements noted?	Yes

Federal Awards

A Single Audit is not required in the current year since federal funds expended were less than $750,000.

(2) Financial Reporting Internal Control Findings

Findings noted on the 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*:

2025-001 General Ledger Maintenance

CRITERIA
Timely and accurate financial reports are essential in order to perform analysis of the financial condition of the County, review data for accuracy and completeness, monitor compliance with budget appropriations, and prepare annual financial statements.

CONDITION
Beginning fund balances did not reconcile with the prior year ending fund balances. In addition, payroll was not properly allocated across departments and funds.

CONTEXT

- Material audit adjustments were required to correct beginning balances for the year ended June 30, 2025, as follows:
  - General Fund – to increase fund balance by $382,277.
  - American Rescue Plan Fund – to decrease fund balance by $139,251.
  - TIA Discretionary Fund – to increase fund balance by $41,277.
  - SPLOST Fund – to increase fund balance by $20,548.
  - Additional adjustments of $17,469 and $11,530 were required to correct beginning fund balances in the E-911 Fund and 5311 Transportation Fund, respectively.
- Material adjustments were required in the General Fund of $230,585 to allocate payroll and payroll tax expenditures across various departments in the General Fund and $5,096 to nonmajor governmental funds.
- A material audit adjustment in the General Fund was required to increase prepaids and insurance expenditures by $211,271.

(2) Financial Reporting Internal Control Findings (Continued)

2025-001 General Ledger Maintenance (Continued)

CONTEXT (Continued)

- Material adjustments totaling $129,654 were required in the General Fund to correct posting errors of revenues.
- An adjustment of $13,950 was required in the General Fund to correct the payroll cash balance.
- The Confiscated Assets and Drug Abuse funds are maintained in manual check registers and are not reflected in the County's accounting system.

EFFECT

The County's accounting records contained material errors which were identified and adjusted during the annual audit process.

CAUSE

The County did not properly record prior year audit entries. The County did not have procedures in place to ensure the proper recording of payroll transactions.

RECOMMENDATION

We recommend the County implement procedures to ensure all audit entries are properly posted in the system. In addition, we recommend the County make changes to the payroll module in the accounting system so that payroll entries are posted to proper departments and funds. We recommend that all funds be maintained in the County's accounting system.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

Management agrees with the finding. The County has determined that a revamping of the accounting system regarding recording overtime for payroll to the correct department, as well as a mechanism to record and document audit adjustment entries will be created and applied for the coming year.

2025-002 Accounts Payable and Retainages Payable / Expenditures

CRITERIA

Generally accepted accounting principles require expenditures to be recognized as soon as a liability is incurred.

CONDITION

Expenditures were not recorded in the proper fiscal period for fiscal year 2025.

CONTEXT

Audit adjustments were required to fairly state and classify expenditures for the year ended June 30, 2025. The adjustments are summarized as follows:

General Fund

- An adjustment of $49,903 was required to increase payroll expenditures and accrued expenses.
- A material adjustment of $94,997 was required to increase expenditures and accounts payable.
- A material adjustment of $81,038 was required to increase LMIG grant expenditures and retainages payable for road projects.

TIA Discretionary Fund

- A material adjustment of $53,271 was required to increase grant expenditures and accounts payable for road projects.
- A material adjustment of $117,327 was required to increase TIA grant expenditures and retainages payable for road projects.

(2) Financial Reporting Internal Control Findings (Continued)

2025-002 Accounts Payable and Retainages Payable / Expenditures (Continued)

CONTEXT (Continued)

SPLOST Fund

- A material adjustment of $129,276 was required to increase equipment capital outlay expenditures and accounts payable.

EFFECT
The County's accounting records contained material errors which were identified and adjusted during the annual audit process.

CAUSE
The County does not have adequate accounting procedures to ensure that expenditures are recorded and properly classified when a liability is incurred.

RECOMMENDATION
The County should establish procedures to ensure the proper accrual and classification of all liabilities incurred during the fiscal period.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS
Management agrees with the finding. Invoices due at the end of the year will be reviewed for proper accrual and expenditure recognition. The County will use its accounts payable software to record its accounts payable. Additionally, payroll entries and accruals will be reviewed for accuracy at year-end.

2025-003 Accounts Receivable and Unearned Grant Revenue / Revenue

CRITERIA
Under a modified accrual basis of accounting, amounts are recognized as revenue when earned, only as long as they are collectible within the period or soon enough afterwards to be used to pay liabilities of the current period. Under the accrual basis of accounting, amounts are recognized as revenue when earned.

CONDITION
Various revenue items were not recorded in the proper fiscal period for fiscal year 2025.

CONTEXT
Audit adjustments were required to fairly state and classify revenues for the year ended June 30, 2025.

General Fund

- A material adjustment of $228,142 was required to record current year property tax revenue due from the Tax Commissioner custodial fund and an adjustment of $13,830 was required to reverse prior year property tax revenue due from the Tax Commissioner custodial fund.
- An adjustment was required to increase current property taxes receivable by $29,315, decrease property tax revenue by $2,906, increase the allowance on tax receivables by $6,508, and increase deferred property tax revenue by $26,713.
- A material adjustment of $85,550 was required to record fines and forfeiture revenues due from the Probate Court custodial fund. An adjustment of $5,105 was also required to record fines and forfeiture revenues due from the Superior Court.
- Material adjustments totaling $563,575 were required to record intergovernmental receivables and federal, state, and local grant revenues. Additionally, an adjustment of $13,341 was required to record intergovernmental receivables and Local Options Sales Tax (LOST) revenue.

(2) Financial Reporting Internal Control Findings (Continued)

2025-003 Accounts Receivable and Unearned Grant Revenue / Revenue (Continued)

CONTEXT (Continued)

General Fund (Continued)

- A material adjustment of $111,535 was required to decrease grant revenue and record a due to the TIA Discretionary Fund.
- An adjustment was required to decrease lease receivable by $14,486, increase deferred inflows of resources-lease by $14,354, to decrease lease income by $646, and increase interest earnings by $514.

TIA Discretionary Fund

- A material adjustment of $106,926 was required to record intergovernmental receivables and sales tax revenue.
- A material adjustment of $111,535 was required to increase grant revenue and record a due from the General Fund.

SPLOST Fund

- A material adjustment of $17,439 was required to record intergovernmental receivables and sales tax revenue.

Nonmajor Governmental Funds

- A material adjustment of $24,826 was required in the Section 5311 Transportation Fund to record intergovernmental receivables and grant revenue.
- A material adjustment of $131,156 was required to increase American Rescue Plan grant revenue and to decrease unearned grant revenue.
- A material adjustment of $4,395 was required to record accounts receivable for E-911 revenue and reverse prior year accounts receivable and E-911 revenue.

EFFECT
The County's accounting records contained material errors which were identified and adjusted during the annual audit process.

CAUSE
The County did not have controls in place to ensure transactions are being recorded in the correct fiscal year.

RECOMMENDATION
We recommend that the County develop procedures to ensure that revenues are recognized in the correct fiscal year and that transactions are recorded in the correct accounting period in the accounting system.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS
Management agrees with the finding. The County Clerk will develop procedures to ensure that revenues are recognized in the current fiscal year and that transactions are recorded to the correct accounting period.

2025-004 Management of Interfund Balances and Interfund Transfers

CRITERIA
Governmental accounting standards (GASB) require that financial activity be recorded in the proper fund to ensure accurate reporting of program costs, compliance spending, and fund-level financial position. Internal controls should ensure transactions are recorded timely and accurately and in accordance with grant requirements and the Uniform Chart of Accounts.

(2) Financial Reporting Internal Control Findings (Continued)

2025-004 Management of Interfund Balances and Interfund Transfers (Continued)

CONDITION
We identified grant revenues belonging to a special revenue fund that were deposited into—and recorded within—the General Fund's bank account and general ledger. Audit adjustments were required to reclassify these amounts to the appropriate special revenue fund.

We further noted that the County did not properly allocate payroll expenses between the General Fund and certain nonmajor governmental funds. Payroll costs that were attributable to programs accounted for in nonmajor governmental funds were initially recorded entirely in the General Fund and required audit adjustments to correctly allocate expenditures to the appropriate funds.

CONTEXT
- A material adjustment of $111,535 was required in the General Fund to decrease grant revenue and record a due to the TIA Discretionary Fund. A corresponding adjustment was made in the TIA Discretionary Fund to increase grant revenue and record a due from the General Fund.
- Adjustments were required in the Section 5311 Transportation Fund of $5,096 to record payroll and payroll tax expenditures a payable due to the General Fund. A corresponding adjustment was made in the General Fund.

EFFECT
Failure to properly allocate payroll expenses and record grant activity in the correct funds results in misstated financial statements at the fund level. The General Fund expenditures were overstated, while nonmajor governmental fund expenditures were understated prior to audit adjustments. Grant revenues and related fund balances for the impacted special revenue fund were misstated, increasing the risk of noncompliance with grant restrictions, inaccurate monitoring of program balances, and misleading financial information provided to management, governing officials, and grantor agencies.

CAUSE
The County did not have sufficient controls in place over fund-level classification of payroll costs and grant revenues. Specifically, the government lacks adequate procedures to (1) allocate payroll expenditures to the benefiting funds during the normal accounting cycle and (2) identify and reclassify grant transactions held in the General Fund bank account but legally restricted for use in a separate special revenue fund.

RECOMMENDATION
We recommend that the County strengthen internal controls over fund-level expenditure allocation and grant accounting by:

- Implementing procedures to allocate payroll costs to benefiting funds during the regular accounting process, rather than through year-end adjustments.
- Reviewing bank activity regularly to identify receipts that are restricted for specific funds and recording them in the proper fund upon deposit.
- Providing additional training to finance staff on fund accounting requirements, grant documentation, and GASB reporting standards.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS
Management agrees with the finding. The County has determined that a revamping of the accounting system regarding recording overtime for payroll to the correct department, as well as a mechanism to record and document audit adjustment entries will be created and applied for the coming year. The Finance Department will implement procedures to ensure bank transfers of grant funds are made prior to year-end.

(2) Financial Reporting Internal Control Findings (Continued)

2025-005 Debt and Lease Issuances and Related Debt-Service Transactions

CRITERIA
Under GASB Codification, governments are required to accurately record, All debt issuances and the related inflows and outflows in the period they occur, Capital outlay expenditures at the time capital assets are acquired, lessee-lease liabilities and right-to-use assets at lease commencement (GASB Statement No. 87 and subsequent amendments), and debt-service payments in accordance with the County's debt schedules and contractual obligations.

CONDITION
During our audit, we identified multiple errors in the County's accounting for debt issuances, lease arrangements, and related debt-service payments. The County failed to record the proceeds from a note payable issued for the purchase of a fire truck, the lease proceeds for two copier equipment lessee-leases, as well as the related capital outlay expenditures.

CONTEXT
- A material adjustment of $450,000 was required in the General Fund to record the debt issuance proceeds of a note payable and the related capital outlay expenditures for the purchase of a fire truck. In addition, a material audit adjustment of $50,864 was required to correct the postings of debt-service expenditures.
- Audit adjustments of $16,301 were required in the General Fund to record the lease proceeds for two lessee-lease agreements and the corresponding capital outlay expenditures for two copiers. In addition, audit adjustments of $4,439 were required to correct the postings of debt-service expenditures.

CAUSE
The deficiencies appear to result from inadequate internal controls over the identification, review, and recording of debt issuances, lease agreements, and related transactions. The County does not have a formal process to ensure new financing arrangements and capital purchases funded through debt or leases are communicated to the finance department and recorded properly.

EFFECT
The failure to record debt issuances, capital outlay, leases, and related debt-service transactions resulted in material misstatements to the County's financial statements prior to audit adjustments. Liabilities and right-to-use assets were understated, capital outlay expenditures were omitted, and debt-service expenditures were inaccurately recorded. These errors increased the risk of inaccurate fund-level reporting, misstatement of government-wide financial statements, and potential noncompliance with GASB reporting requirements.

RECOMMENDATION
We recommend the County strengthen internal controls over debt and lease accounting by implementing the following measures by establishing procedures requiring all new debt issuances, lease agreements, and capital acquisitions financed through such arrangements to be promptly communicated to the finance department.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS
Management agrees with the finding. The County will implement procedures to ensure that debt issuances and related capital outlay and debt-service expenditures are properly recorded during the year-end closeout process.

(2) Financial Reporting Internal Control Findings (Continued)

2025-006 Lack of Segregation of Duties

CRITERIA
Under the COSO Internal Control—Integrated Framework, adequate segregation of duties is a foundational control activity designed to prevent and detect errors or fraud. Incompatible duties such as authorization, custody, recording, and reconciliation should be assigned to different individuals to provide sufficient checks and balances within the financial reporting process.

CONDITION
During our review of internal controls over financial reporting, we noted that a single individual is responsible for multiple incompatible duties across the revenue, expenses, and payroll processes. Specifically, the same individual performs transaction recording, account reconciliations, custody of assets, and authorization or approval of related transactions. This consolidation results in a lack of segregation of duties across all significant transaction cycles.

CONTEXT
The County's finance department is managed by a small number of employees. Due to limited staffing and resource constraints, multiple phases of the revenue, expenses, and payroll cycles have been centralized under a single individual. This reduces the organization's ability to distribute key control responsibilities across multiple personnel.

CAUSE
The County has not implemented internal controls over significant transaction cycles in a way that separates authorization, recording, reconciliation, and custody functions. This is due to limited staffing, the absence of cross-trained personnel, and informal internal control arrangements.

EFFECT
This lack of segregation of duties significantly increases the risk that errors or irregularities—including misappropriation of assets, unauthorized transactions, or fraudulent financial reporting—could occur and remain undetected. Concentrating custody, recording, reconciliation, and authorization responsibilities with one individual creates opportunities for manipulation and reduces the effectiveness of existing management oversight.

RECOMMENDATION
Management should separate incompatible financial duties among multiple employees to the extent possible. Minimum segregation should include dividing responsibilities for transaction authorization, recording and posting, account reconciliations, custody of cash or other assets.

Where full segregation is not feasible due to staffing limitations, management should implement compensating controls such as independent review and approval of reconciliations, periodic oversight by a supervisor or governing body, system-based access controls limiting user permissions, and enhanced monitoring.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS
Management agrees with the finding. Management acknowledges the material weakness regarding segregation of duties. Due to the County's limited staffing structure and resource constraints, full segregation of incompatible duties is not feasible at this time, and the County does not anticipate being able to fully address this condition through additional personnel. However, management is committed to mitigating the associated risks through enhanced oversight and monitoring. The County will strengthen compensating controls by increasing review and involvement from the Board in financial reporting oversight, implementing more frequent and documented reviews of monthly financial reports and ensuring that bank reconciliations are independently reviewed and approved by someone not involved in daily transaction processing.

(2) Financial Reporting Internal Control Findings (Continued)

2025-007 Lack of General Controls Over Significant I.T. Processes

CRITERIA
Effective general controls are essential to ensure the integrity, confidentiality, and availability of information systems and data. These controls are necessary to prevent unauthorized access, ensure accurate and reliable data processing, and safeguard against data loss.

CONDITION
During our audit, we observed that the County lacks adequate general controls over its significant I.T. processes. This includes deficiencies in areas such as access controls, change management, and intrusion detection procedures.

EFFECT
Without proper general controls, the County is at increased risk of data breaches, unauthorized access to sensitive information, and potential data loss. This could lead to significant operational disruptions and financial losses. Unauthorized access could result in material misstatements in the accounting records.

CAUSE
The absence of these controls appears to be due to a lack of formal policies and procedures, insufficient I.T. support staff, and inadequate oversight of I.T. operations.

RECOMMENDATION
We recommend that the County consider upgrading its current accounting software. In addition, we recommend management to consider using a third-party vendor to provide additional services, such as frequent cloud backups and monitoring.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS
Management agrees with the finding. Management will look into getting a third-party I.T. support vendor to provide server back up and intrusion detection services. The County will implement procedures to increase oversight of change management in the QuickBooks Desktop accounting system.

(3) Compliance Findings

2025-008 Uniform Chart of Accounts

CRITERIA
Georgia Code § 36-81-3 requires that local governments adopt the uniform chart of accounts in their financial reporting system.

CONDITION
The County has not adopted the Uniform Chart of Accounts.

CONTEXT
General ledger accounts were not numbered in accordance with their classification (i.e., current asset, current liability, deferred inflows / outflows, net position, revenues, and expenditures). Additionally, all funds are included in the same trial balance.

EFFECT
The accounting system setup increased the difficulty of producing accurate financial reports on a timely basis.

(3) Compliance Findings (Continued)

2025-008 Uniform Chart of Accounts (Continued)

CAUSE
The County lacked adequate training in governmental financial reporting to properly design and setup the financial reporting system.

RECOMMENDATION
We recommend the County modify its financial reporting system to conform to the required uniform system of accounts.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS
Management agrees with the finding. The County will bring in a consultant to do away with the walk-over used in the past and convert to the Standardized COA.

2025-009 Budgetary Control-Expenditures Exceeding Appropriations (36-81-3)

CRITERIA
In order to comply with the applicable legal requirements regarding budgets, procedures must exist to properly monitor compliance with the State law. Georgia code (36-81-3) requires an annual balanced budget for the General Fund and each special revenue fund.

CONDITION
The expenditures in the County's General Fund exceeded appropriations in various departments. Expenditures also exceeded appropriations in the TIA Discretionary Fund, Confiscated Assets Fund, Drug Abuse & Treatment Fund, and Section 5311 Transportation Fund special revenue funds. In addition, the County did not adopt a budget for the Confiscated Assets Fund and Drug Abuse Fund special revenue funds.

(3) Compliance Findings (Continued)

2025-009 Budgetary Control-Expenditures Exceeding Appropriations (36-81-3) (Continued)

CONTEXT
Expenditures exceeded appropriations as follows:

General Fund		
General Government		
General Administration	$	14,504
Tax Commissioner		9,712
Tax Assessor		2,546
Voter Registrar		3,907
Public Buildings		5,064
Judicial		
Superior Court		13,075
Probate Court		39,297
Public Safety		
Sheriff's Office		97,650
Jail		1,000
Emergency Management Agency		714
Fire Departments		415,588
Ambulance Service		58,500
E911		19,986
Coroner		699
Public Works		
Highways and Streets		24,191
Health and Welfare		
Senior Center		1,545
Debt Service		
Principal		44,407
Interest		10,895
Special Revenue Funds		
TIA Discretionary Fund		170,598
Confiscated Assets Fund		20,672
Drug Abuse & Treatment Fund		1,477
Section 5311 Transportation Fund		5,994

EFFECT
The County is not in compliance with State law.

CAUSE
The County failed to properly monitor the status of budgeted expenditures.

RECOMMENDATION
We recommend the County modify its financial reporting system to more closely monitor budgeted expenditures. In addition, the County must adopt future special revenue fund budgets as required by State law.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS
Management agrees with the finding. The County will prepare budgets for all special revenue funds going forward. Budgets will be reviewed during the year to determine if amendments are necessary. Any budgetary amendments will be documented in the commission meetings as opposed to just expenditure approvals.

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