



FINANCIAL STATEMENTS
WITH SUPPLEMENTAL MATERIAL
FOR THE YEAR ENDED
DECEMBER 31, 2024

TOWNS COUNTY, GEORGIA
FINANCIAL STATEMENTS
For the Year Ended December 31, 2024

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INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2024

INDEPENDENT AUDITOR'S REPORT

To the Sole County Commissioner
Towns County, Georgia

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Towns County, Georgia as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Towns County, Georgia's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Towns County, Georgia, as of December 31, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Towns County, Georgia 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 Towns County, Georgia's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 - 11 and budgetary comparison information on pages 34 - 35 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Towns County, Georgia's basic financial statements. The accompanying Combining and Individual Fiduciary and Non-major Fund Financial Schedules on pages 37 – 40 and the accompanying state reporting Schedule of Projects Financed with Special Sales Tax Proceeds on page 41 which is presented for the purpose of additional analysis as required by Official Code of Georgia 48-8-121 and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, Combining and Individual Fiduciary and Non-major Fund Financial Schedules and the accompanying state reporting Schedule of Projects Financed with Special Sales Tax Proceeds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2025, on our consideration of Towns County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Towns County, Georgia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Towns County, Georgia's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Alexander Almand & Bangs LLP".

Alexander, Almand & Bangs, LLP
Gainesville, Georgia
June 30, 2025



MANAGEMENT'S DISCUSSION & ANALYSIS



MANAGEMENT'S DISCUSSION AND ANALYSIS, December 31, 2024

As management of the Towns County, Georgia Government (the "County"), we offer readers of the financial statements this narrative overview and analysis of the County's activities for the fiscal year ended December 31, 2024. This information should be read and considered in conjunction with the basic financial statement and accompanying notes to those financial statements.

FINANCIAL HIGHLIGHTS

Financial highlights of the year include the following:

- Towns County's total assets and deferred outflows of resources exceeded its total liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$ 39,429,389 (net position). Of this, \$ 9,073,025 (23%) represents an unrestricted net position that may be used to meet the County's ongoing obligations.
- At the close of the fiscal year, the County's net investment in capital assets, increased by roughly \$ 1.4 million or 5%. This increase is from the addition of vehicles for the public safety departments, the renovations to the courthouse and government administration building, roads infrastructure and improvements to other facilities that were purchased or in progress during the year.
- The County's total government-wide expenditures were \$ 17,882,221, an increase of 5% above the prior fiscal year. The expenditures were primarily impacted by an increase in salaries and wages for personnel and an increase in supply costs for operations within the departments including the ability to utilize grant funding received as well as depreciation for the completed capital assets. In addition, the County saw total government-wide revenues increase to roughly \$ 21.3 million, an increase of 0.27% over the prior fiscal year. Revenue were primarily impacted by grant funds, additional contributions to departments from the community, sales tax collections, and services in the various departments such landfill charges.
- The County's general operating fund balance grew substantially during the year with an increase of roughly \$ 539,000 which is 6% above the prior year. The County maintained an expenditure budget consistent with historical revenues in order to increase fund balance position to provide more infrastructure and services to the public.

More detailed information regarding activities and funds begins on page 5.

OVERVIEW OF THE FINANCIAL STATEMENTS

Towns County's management discussion and analysis is intended to serve as an introduction to the basic financial statements. The County's basic financial statements comprise three components:

- 1) government-wide financial statements
- 2) fund financial statements, and
- 3) notes to the financial statements.

Government-wide Financial Statements

The Government-wide financial statements are designed to present a picture of the County's overall financial position and results of operations in a manner similar to a private-sector business. The Government-wide financial statements display information about the overall reporting government, except for its fiduciary activities.

Towns County, Georgia
Management's Discussion and Analysis
For the Year Ended December 31, 2024

The *Statement of Net Position* presents information on all the County's assets and deferred outflows of resources, and liabilities and deferred inflows of resources with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. The statement of net position combines and consolidates the governmental funds current financial resources with capital assets and long-term obligations.

The *Statement of Activities* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type) activities. The governmental activities of Towns County include general government, public safety, court system, public works, health and welfare, recreation and culture, and housing and development. The County does not have any business-type activities.

The government-wide financial statements include not only Towns County, Georgia itself (known as the primary government), but also a legally separate Towns County Health Department, a component unit of the County. Financial information for the component unit is reported separately from the financial information presented for the primary government itself.

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

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Towns County can be divided into two categories: governmental funds and fiduciary funds (there are no enterprise funds within the County). These statements (pages 14-19) provide financial information for the major and non-major funds of Towns County. Governmental fund financial statements provide information on the current assets and liabilities of the funds, changes in current financial resources (revenues and expenditures) and current available resources.

Individual fund financial schedules (pages 37-40) provide more detailed information about the County's activities. Individual funds are established to track revenues that are restricted to certain uses, comply with legal requirements, or account for the use of state and federal grants.

Governmental Funds

The majority of the County's basic services are reported in the governmental funds, which focus on how cash and other financial assets flow in and out of those funds and the balances left at year-end that are available for spending. Therefore, governmental funds provide information for a detailed short-term view that helps determine whether there are more or less financial resources that can be spent in the near future to fund the County's activities. Readers can compare the information presented with governmental funds with similar information presented for governmental activities in the government-wide financial statements. This comparison may help to communicate the long-term impact of the government's near-term financing decisions.

Reconciliations between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds are provided following the governmental fund financial statements.

The County has two major and nine non-major governmental funds. The County's major governmental funds are the General and Special Purpose Local Option Sales Tax (SPLOST). Data from the other nine governmental funds are combined into a single, aggregated presentation.

The basic governmental funds can be found on pages 14-17 of this report. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 39-40 this report.

Towns County, Georgia
Management's Discussion and Analysis
For the Year Ended December 31, 2024

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. Towns County maintains five fiduciary funds called custodial funds: Tax Commissioner, Clerk of Superior Court, Probate Court, Magistrate Court, and Sheriff.

The basic fiduciary fund financial statements can be found on pages 37-38 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20-33.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required and other supplementary information, which provides the budgetary comparison schedule to the general fund, and the combining financial statements of non-major governmental and fiduciary funds on pages 34-40. These funds are combined by fund type and presented in single columns in the basic financial statements but are not reported individually, as with major funds, on the government-wide financial statements. Also included as other information is the schedule of projects constructed with special sales tax proceeds on page 41.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The County's fiscal year 2024 began strongly with a growing state and local economy. County government revenues and expenditures for operating and capital budgets were healthy. Activities such as tourism, building and retail consumption have provided benefit to Towns County.

At the close of the fiscal year, Towns County, on a government-wide basis, increased net position by roughly \$ 3.36 million which is an increase of 9% from the prior year. The County also increased unrestricted net position by nearly \$ 256,000 or 3%. The largest portion of net position (net investment in capital assets) increased by 5% due to capital asset activity which primarily consisted of the completion of the historical courthouse renovation into a state-of-the-art facility. In addition, the County also received several grants from federal and state funding that has not been available in prior years which provided the ability for net position growth. At the end of the fiscal year, the County had increased restricted net position by \$ 1.7 million from the prior year. This is due to the tax collections from SPLOST and the completion of the courthouse renovation project. The construction has been paid for by several funds: SPLOST, ARPA and the General Fund. The SPLOST portion of the project will be repaid to the General fund as the tax collections progress.

Significant receipts of cash increased from the prior year mainly from sources of sales and property taxes such as SPLOST, general sales taxes and those received from tourism, and charges for services. Out of the County's revenues, 70% are concentrated to tax revenues and 21% concentrated to charges for services. The public safety, landfill collection, and recreational charges are the most significant of the services provided from the County.

At times, certain grant funds are not recorded as revenues, even if receipt of monies has occurred. The Local Assistance and Trial Consistency Funding (LATCF) allocations are not recorded as revenue until the County has determined projects to be fulfilled and expends the monies in accordance with the United States Treasury Regulations; therefore, until earned the monies are considered deferred. The County did not fully expend the LATCF funding and therefore has a remaining deferred revenue for grant funding of \$ 142,862. Other items effecting deferred inflows are property taxes, fines and state grants. These revenues, although billed in the current fiscal year are for the next fiscal year's budgeted appropriates and are not earned until that budget period has begun. Deferred inflows increased by \$ 118,925 for changes in the property taxes, fines and grant monies received but not earned.

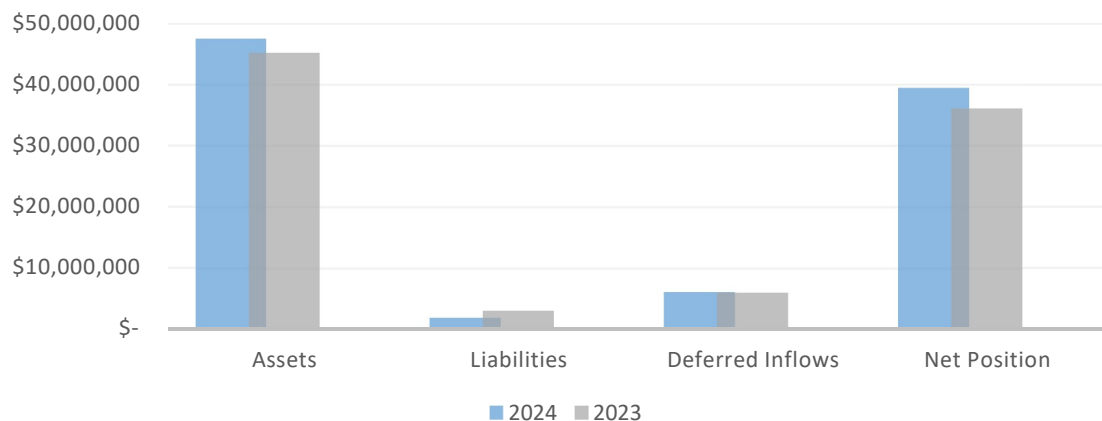
Towns County, Georgia
Management's Discussion and Analysis
For the Year Ended December 31, 2024

Many of the changes noted above are shown on the government-wide Statement of Net Position as Capital Assets. Within the governmental statements for the General and Special Revenue funds, these items are shown as capital outlay expenditures on the Governmental Statement of Revenues, Expenditures and Changes in Fund balance.

The following is a summary of the County's Statement of Net Position as found on pages 12 of this report:

	Governmental Activities	
	2024	2023
Current assets	\$ 18,061,227	\$ 17,122,617
Capital assets	29,407,861	28,004,001
Total assets	<u>47,469,088</u>	<u>45,126,618</u>
Current liabilities	1,617,070	2,827,345
Noncurrent liabilities	311,057	241,543
Total liabilities	<u>1,928,127</u>	<u>3,068,888</u>
Deferred inflow of resources	<u>6,111,572</u>	<u>5,992,647</u>
Net position		
Net investment in capital assets	29,290,617	27,883,686
Restricted	1,065,747	(635,474)
Unrestricted	9,073,025	8,816,871
Net position	<u>\$ 39,429,389</u>	<u>\$ 36,065,083</u>

GOVERNMENT-WIDE STATEMENT OF NET POSITION TOTALS, BY YEAR

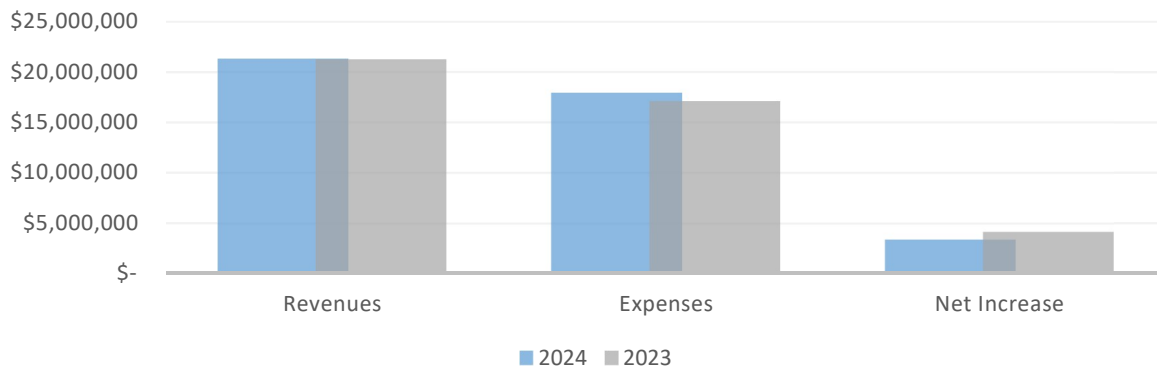


Towns County, Georgia
Management's Discussion and Analysis
For the Year Ended December 31, 2024

The following is a summary of the County's Statement of Activities as found on page 13 of this report:

	Governmental Activities	
	2024	2023
Revenues:		
Program revenues:		
Charges for services	\$ 4,208,813	\$ 4,129,984
Operating grants and contributions	885,478	831,670
Capital grants and contributions	803,404	1,875,517
General revenues:		
Property taxes	6,198,868	5,113,135
Sales tax	5,846,103	5,861,006
Other taxes	2,886,730	3,099,774
Gain/ (loss) on disposition of capital assets	(10,127)	(158,268)
Unrestricted investment earnings	427,258	442,224
Total Revenues	<u>21,246,527</u>	<u>21,195,042</u>
Expenditures:		
General government	3,310,421	3,542,525
Public safety	7,625,444	6,742,095
Court system	1,058,486	991,179
Public works	2,319,343	2,265,389
Health and welfare	1,489,527	1,460,761
Recreation and culture	1,208,042	1,236,064
Housing and development	870,958	835,822
Total Expenditures	<u>17,882,221</u>	<u>17,073,835</u>
Increase (decrease) in net position	<u>3,364,306</u>	<u>4,121,207</u>
Change in net position	3,364,306	4,121,207
Net position, January 1	36,065,083	31,943,876
Net position, December 31	<u>\$ 39,429,389</u>	<u>\$ 36,065,083</u>

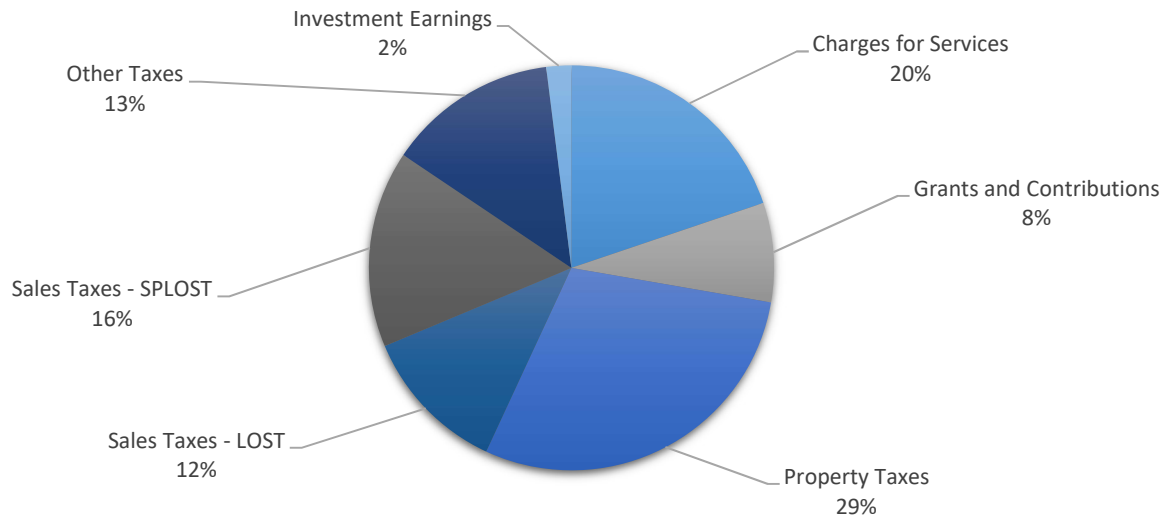
GOVERNMENT-WIDE REVENUE AND EXPENSE TOTALS, BY YEAR



Towns County, Georgia
Management's Discussion and Analysis
For the Year Ended December 31, 2024

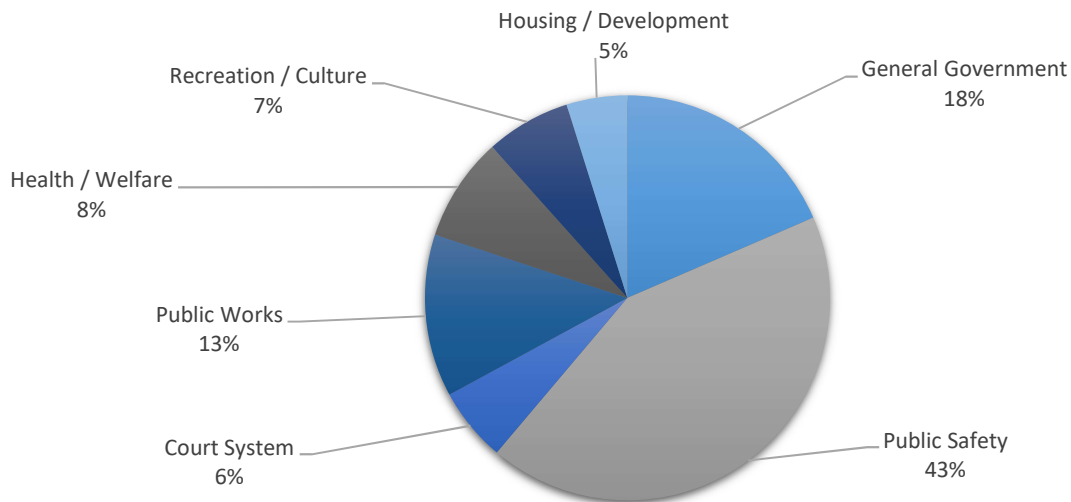
The following chart illustrates revenues of the governmental activities for the fiscal year:

**Revenues by Source - Governmental Activities for the
Year Ending December 31, 2024**



The following chart illustrates expenses of the governmental activities of the fiscal year:

**Expenses by Function - Governmental Activities for the
Year Ending December 31, 2024**



Towns County, Georgia
Management's Discussion and Analysis
For the Year Ended December 31, 2024

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

The focus of the Towns County Government's governmental funds is to provide information on near-term inflows and outflows, and the balances of spendable resources. Such information is useful in assessing and measuring the County's near-term financing requirements as well as net resources available for spending at the end of the fiscal year.

At the end of the fiscal year, the County's governmental funds reported a combined ending fund balance of slightly over \$ 9.7 million with \$ 176,495 reported as non-spendable for prepaid items, \$ 1,065,747 reported as restricted, and the remaining \$ 8.5 million reported as unassigned for general use and operations of the County. This is an increase of 27% from the prior fiscal year resulting from SPLOST tax revenue collection. This fund balance will continue to increase as tax collections continue.

The General Fund is used to account for all governmental financial resources not restricted by local, state or federal laws. As of December 31, 2024, the General Fund had assets of roughly \$ 16.5 million, liabilities of \$ 897,839 and deferred inflow of resources of nearly \$ 6.8 million. The primary liabilities for the County are related to final construction costs on the courthouse renovations. During the fiscal year, there were \$ 1,055,784 in net transfers distributed by the general fund to other governmental funds for budgetary support.

The final budget for the General Fund increased by roughly \$ 46,000 from fiscal year 2023 to fiscal year 2024 based on final budgeted appropriations. The increase was budgeted due to additional revenues from sales taxes, grants and charges for services, which allowed for current asset purchases and planning for repairs / improvements to County facilities. In addition, the final budget was increased from the original to use surplus funds for capital assets rather than assuming debt for the County for the taxpayers to repay.

During 2020, the voters of Towns County, GA passed the 1% Special Purpose Local Option Sales Tax (SPLOST) to be imposed in Towns County for the benefit of the County and Cities of Hiawassee and Young Harris. The County expects to collect roughly \$ 14,865,000 from the sales tax. The collections are budgeted as 71% to the Courthouse, 4% to Roads, Streets and Bridges, 3% to Fire and 1% to Parks and Recreation projects. In addition, 20% has been allocated through an intergovernmental agreement that provides equal funding to the cities of Hiawassee and Young Harris for various projects. The projects for Hiawassee will include Economic Development, Roads, Streets and Bridges, Parks and Recreation, and Public Safety. The projects for Young Harris will include Roads, Streets and Bridges, and Parks and Recreation. In 2024, the 2020 SPLOST fund has a \$ (196,840) fund balance at fiscal year-end. The fund balance is unassigned due to the deficit in the fund balance. During the year, the County finished its major renovations to the Courthouse.

Further detail of the SPLOST Fund is provided in the fund financial statements, notes to the financial statements and schedules of projects constructed with special sales tax proceeds for the 2020 series.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget, and actual results are shown on pages 34-35. Over the course of the year, the Sole Commissioner may revise the County's budget for reason such as: the use of carry-forwards from prior years' unreserved fund balance to fund capital projects; supplemental appropriations for unanticipated events; or to prevent budget overruns and a violation of state budget law. The County prepares monthly interim financial statements throughout the year for the Sole Commissioner to review for action needed to amend or maintain the budget according to county budgetary policy.

At the close of the fiscal year, General Fund actual revenues of \$ 15,633,234 were more than budgeted revenues of \$ 14,361,310. The County provides for some surplus or contingency funds in the even unforeseen purchases are necessary. The County did not use surplus funds in the current year.

The County spent approximately \$ 14 million or roughly \$ 520,000 less than budgeted expenditures before transfers in the General Fund. Net transfers to other funds were \$ 1,055,784, which is less than budgeted net transfers of \$ 1,060,000.

Towns County, Georgia
Management's Discussion and Analysis
For the Year Ended December 31, 2024

CAPITAL ASSETS ACTIVITY

Towns County's government-wide investments in capital assets at December 31, 2024 were roughly \$ 29.3 million. The investments include land, buildings, furniture and small equipment, roads, bridges, heavy machinery and general equipment, vehicles, and park facilities. During fiscal year 2024, the County's net investment in capital assets increased by roughly \$ 1.4 million, net of depreciation. The County spent slightly over \$ 3 million in capital outlay, and had adjustments for depreciation and amortization of \$ 1,602,149 and \$ 17,676,015 in accumulated depreciation and amortization for its government-wide activities.

Major capital asset activities during the fiscal year were:

- Procurement of various vehicles, equipment and buildings for public safety departments.
- Improvements to the child development center.
- Construction on the courthouse complex.
- Equipment and infrastructure in the roads department.
- Recreation equipment and renovations

Additional information on the County's capital assets is contained in the notes to the financial statements.

LONG-TERM OBLIGATIONS

As of December 31, 2024, the County had \$ 117,244 in financed purchases outstanding. Two of the leases were entered into during 2020 for upgrades to the Emergency Management System. The County entered into three new leases during the 2024 year for additional vehicles for the sheriff's department. The obligations are associated with public safety vehicles and radio/tower systems for the emergency services.

ECONOMIC FACTORS

The County continues to promote tourism to great lengths. The County's tourism impact supported 12.6% of all county output of tourism for the State of Georgia in 2021 (most recent data from the University of Georgia Extension Service). The County is a recreational center with an abundance of outdoor activities, cultural experiences and an escape for peace and relaxation. The population is estimated to grow by roughly 2% year over year and has grown by an estimated 3.9% since 2020 (most recent estimate, U.S. Census Bureau). Estimated county population is roughly 13,000 residents. Residents of the County have an average household income of \$ 55,574. Utility and accommodations/food service industries are the largest employer industries in the County. The majority of the population is estimated to be age 56 years and older at roughly 57% of the population.

Based on the economic statistics of the County, it is also expected that conditions and factors will correlate to the State of Georgia's economic success as well. While the State and County are flourishing through good economic conditions impacted by strong economic leadership, the County intends to maintain conservative fiscal positions and to plan strategically in the event economic conditions were to decline. However, even with conservative policies, the County does not intend to allow certain improvements or amenities for the public to be ignored or neglected. The County has been and will continue to work diligently toward providing its residents with facilities and services to the best of its abilities.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Towns County's finances for those interested. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the County's Finance Director at 48 River St, Suite B, Hiawassee, GA 30546.



BASIC FINANCIAL STATEMENTS

TOWNS COUNTY, GEORGIA
STATEMENT OF NET POSITION
December 31, 2024

	PRIMARY GOVERNMENT <u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>June 30, 2024</u> <u>COMPONENT</u> <u>UNIT</u> <u>HEALTH</u> <u>DEPARTMENT</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 11,151,392	\$ 546,307
Receivables, net of allowance for uncollectable	6,733,340	30,768
Prepaid items	176,495	-
Net OPEB Asset	<u>-</u>	<u>32,628</u>
Total Current Assets	<u>18,061,227</u>	<u>609,703</u>
Capital Assets		
Capital assets not being depreciated:		
Land	4,540,787	-
Capital assets being depreciated:		
Land improvements, depreciable	1,516,263	-
Buildings and improvements	26,476,490	-
Furniture and equipment	2,827,451	-
Vehicles and heavy equipment	7,254,540	-
Infrastructure	4,468,345	-
Accumulated depreciation/amortization	<u>(17,676,015)</u>	<u>-</u>
Capital Assets, net of depreciation & amortization	<u>29,407,861</u>	<u>-</u>
TOTAL ASSETS	47,469,088	609,703
DEFERRED OUTFLOWS OF RESOURCES	<u>-</u>	<u>197,874</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 47,469,088</u></u>	<u><u>\$ 807,577</u></u>

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

TOWNS COUNTY, GEORGIA
STATEMENT OF NET POSITION
December 31, 2024

	PRIMARY GOVERNMENT GOVERNMENTAL ACTIVITIES	June 30, 2024 COMPONENT UNIT HEALTH DEPARTMENT
LIABILITIES		
Current Liabilities		
Accounts payable	\$ 855,697	\$ 3,738
Accrued liabilities	570,319	-
Other liabilities	115,174	-
Compensated absences	-	33,910
Financed purchase payable	75,880	-
Total Current Liabilities	1,617,070	37,648
Noncurrent Liabilities		
Due within one year		
Compensated absences payable	269,693	-
Net pension liability	-	557,365
Financed purchase payable	41,364	-
Total Noncurrent Liabilities	311,057	557,365
TOTAL LIABILITIES	1,928,127	595,013
DEFERRED INFLOWS OF RESOURCES	6,111,572	43,518
NET POSITION		
Net investment in capital assets	29,290,617	-
Restricted for:		
Public safety	186,625	-
Courts	30,964	-
Public works	357,873	-
Housing and development	490,285	-
Unrestricted	9,073,025	169,046
TOTAL NET POSITION	39,429,389	169,046
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 47,469,088	\$ 807,577

TOWNS COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2024

		Program Revenues			Net (Expenditure) Revenue and Changes in Net Position	June 30, 2024
	Expenditures	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Component Unit Towns County Health Dept.
PRIMARY GOVERNMENT						
Governmental Activities						
General government	\$ 3,310,421	\$ 1,001,017	\$ 91,395	\$ -	\$ (2,218,009)	
Public safety	7,625,444	664,592	568,763	-	(6,392,089)	
Court system	1,058,486	503,996	-	-	(554,490)	
Public works	2,319,343	1,218,501	65,347	758,985	(276,510)	
Health and welfare	1,489,527	140,085	159,973	-	(1,189,469)	
Recreation and culture	1,208,042	444,321	-	-	(763,721)	
Housing and development	870,958	162,905	-	-	(708,053)	
Interest and fees	-	73,396	-	44,419	117,815	
Total Primary Government	<u>\$ 17,882,221</u>	<u>4,208,813</u>	<u>\$ 885,478</u>	<u>\$ 803,404</u>	<u>\$ (11,984,526)</u>	
Component Unit:						
Towns Co. Health Department	\$ 779,875	\$ 208,689	\$ 507,628	\$ -		\$ (63,558)
Total Component Unit	<u>\$ 779,875</u>	<u>\$ 208,689</u>	<u>\$ 507,628</u>	<u>\$ -</u>		<u>\$ (63,558)</u>
GENERAL REVENUES:						
Taxes						
Property taxes						
Sales taxes						
Other taxes						
Gain / (Loss) on disposition of capital assets						
Interest earned						
Total General Revenues						
CHANGE IN NET POSITION						
NET POSITION, BEGINNING (ORIGINAL)						
SPECIAL ITEM: PRIOR PERIOD ADJUSTMENT						
NET POSITION, BEGINNING (RESTATED)						
NET POSITION, ENDING						

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

TOWNS COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2024

	General	SPLOST and Bond Construction	Other Non-major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 7,874,499	\$ 2,142,000	\$ 1,134,893	\$ 11,151,392
Receivables, net of allowances	6,414,833	282,663	35,844	6,733,340
Due from other funds	2,083,262	-	1,386	2,084,648
Prepaid items	176,495	-	-	176,495
TOTAL ASSETS	<u>\$ 16,549,089</u>	<u>\$ 2,424,663</u>	<u>\$ 1,172,123</u>	<u>\$ 20,145,875</u>
LIABILITIES				
Accounts payable	\$ 247,685	\$ 608,012	\$ -	\$ 855,697
Accrued liabilities	533,594	-	36,725	570,319
Other current liabilities	115,174	-	-	115,174
Due to other funds	1,386	2,013,491	69,771	2,084,648
Total liabilities	<u>897,839</u>	<u>2,621,503</u>	<u>106,496</u>	<u>3,625,838</u>
DEFERRED INFLOW OF RESOURCES	<u>6,781,246</u>	<u>-</u>	<u>-</u>	<u>6,781,246</u>
FUND BALANCE				
Non-spendable:				
Prepaid items	176,495	-	-	176,495
Restricted:				
Public safety	-	-	186,625	186,625
Courts	-	-	30,964	30,964
Public works	-	-	357,873	357,873
Housing and development	-	-	490,285	490,285
Unassigned (deficit):	<u>8,693,509</u>	<u>(196,840)</u>	<u>(118)</u>	<u>8,496,551</u>
Total fund balances	<u>8,870,004</u>	<u>(196,840)</u>	<u>1,065,629</u>	<u>9,738,793</u>
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCE	<u>\$ 16,549,089</u>	<u>\$ 2,424,663</u>	<u>\$ 1,172,125</u>	<u>\$ 20,145,877</u>

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

TOWNS COUNTY, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
December 31, 2024

TOTAL OF GOVERNMENTAL FUNDS	\$ 9,738,793
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in the governmental activities are not financial resources and therefore are not reported in the governmental funds.	29,407,861
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Certain revenues reported on the statement of activities are not available to pay for current-period expenditures and therefore are deferred in the governmental funds.	669,674
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Certain liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.

Financed purchases	(117,244)	
Compensated absences payable	<u>(269,693)</u>	(386,937)

Rounding	<u>(2)</u>
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NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 39,429,389</u></u>
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The notes to the financial statements are an integral part of these statements.

TOWNS COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2024

	General	SPLOST and Bond Construction	Formerly Major ARPA Fund	Other Non-major Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 10,959,860	\$ 3,341,520	\$ -	\$ 661,285	\$ 14,962,665
Licenses and permits	162,905	-	-	-	162,905
Fines and forfeitures	273,542	-	-	50,000	323,542
Charges for services	2,604,845	-	-	587,919	3,192,764
Interest income	379,004	44,420	-	48,254	471,678
Intergovernmental	792,678	-	-	918,958	1,711,636
Contributions and donations	77,147	-	-	-	77,147
Other	375,209	-	-	-	375,209
TOTAL REVENUES	15,625,190	3,385,940	-	2,266,416	21,277,546
EXPENDITURES					
Current Operating					
General government	2,721,837	228	-	-	2,722,065
Public safety	6,352,930	-	-	838,496	7,191,426
Court system	1,004,752	-	-	46,925	1,051,677
Public works	2,213,660	-	-	640,752	2,854,412
Health and welfare	541,123	-	-	871,530	1,412,653
Recreation and culture	963,468	-	-	-	963,468
Housing and development	232,937	-	-	633,845	866,782
Capital Outlay	-	1,516,112	-	-	1,516,112
Intergovernmental	-	653,806	-	-	653,806
TOTAL EXPENDITURES	14,030,707	2,170,146	-	3,031,548	19,232,401
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	1,594,483	1,215,794	-	(765,132)	2,045,145
OTHER FINANCING SOURCES (USES)					
Transfers in (out)	(1,055,784)	-	-	1,055,784	-
TOTAL OTHER FINANCING SOURCES	(1,055,784)	-	-	1,055,784	-
NET CHANGE IN FUND BALANCES	538,699	1,215,794	-	290,652	2,045,145
FUND BALANCES, January 1 (as previously stated)	8,331,305	(1,412,634)	2,183	772,794	7,693,648
Changes within financial reporting entity	-	-	(2,183)	2,183	-
FUND BALANCES, January 1 (as restated)	8,331,305	(1,412,634)	-	774,977	7,693,648
FUND BALANCES, ENDING	\$ 8,870,004	\$ (196,840)	\$ -	\$ 1,065,629	\$ 9,738,793

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

TOWNS COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2024

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ 2,045,145

Amounts reported for governmental activities in the statement of activities are different as a result of:

Capital outlays, reported as expenditures in governmental funds, are shown as capital assets in the statement of activities, in which the cost of assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which capital outlays exceeded depreciation in the current period is:

Capital outlay	3,016,136	
Depreciation expense	(1,492,859)	
Amortization expense	(109,290)	
Gain / (Loss) on the disposition of capital assets	<u>(10,127)</u>	
		1,403,860

Governmental funds include the cost of principal debt reduction as an expenditure which is not included in the statement of activities	<u>3,069</u>	
		3,069

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property Taxes	374,261	
Fines	<u>295,413</u>	
		669,674

Revenues reported in the funds that relate to prior years are not reported as revenues in the statement of activities.

Property Taxes	(405,226)	
Fines	<u>(285,840)</u>	
		(691,066)

Governmental funds do not include the expense of compensated absences liabilities, which are reflected in the statement of net position.

Current year liability - compensated absences	(269,693)	
Prior year liability - compensated absences	<u>203,317</u>	
		<u>(66,376)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 3,364,306</u></u>
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The notes to the financial statements are an integral part of these statements.

TOWNS COUNTY, GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
December 31, 2024

	<u>Custodial Funds</u>
ASSETS	
Cash	<u>\$ 756,867</u>
TOTAL ASSETS	<u>756,867</u>
LIABILITIES	<u>-</u>
TOTAL LIABILITIES	<u>-</u>
NET POSITION	
Funds held in trust	<u><u>\$ 756,867</u></u>

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

TOWNS COUNTY, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
December 31, 2024

	<u>Custodial Funds</u>
ADDITIONS	
Fines & forfeitures collected	<u>\$ 15,097,516</u>
DEDUCTIONS	
Distributions of fines & forfeitures	<u>15,003,932</u>
Change in net position	93,584
NET POSITION	
Beginning of year	<u>663,283</u>
End of year	<u><u>\$ 756,867</u></u>

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

TOWNS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Towns County, Georgia (the “County”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

Towns County, Georgia is a political subdivision of the State of Georgia governed by an elected sole commissioner. As required by generally accepted accounting principles, these financial statements represent the County and its component units, entities for which the County is considered to be financially accountable. The County has one discretely presented component unit, the Towns County Health Department. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the County.

Discretely Presented Component Unit

The Towns County Health Department issues separate financial statements which have a June 30 year-end as required by state statutes. The Health Department is charged with determining the health needs and resources of its jurisdiction, developing programs, activities, and facilities responsive to those needs, and enforcing all laws related to health matters unless they fall under the jurisdiction of other agencies. The Health Department is governed by the Towns County Board of Health which consists of five members, one of which is appointed by the County’s administration. The Health Department is dependent upon the County because the County approves the Health Department’s budget, and the County has the ability to impose its will upon the Health Department. During 2024, the County supplemented the Health Department’s budget in the amount of \$ 138,000. The Health Department is presented as a governmental fund type.

Complete financial statements of the Towns County Health Department may be obtained from their administrative office at the following location:

Towns County Health Department
41 River Street
Hiawassee, Georgia 30546

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statements of net position and the statements of activities) report information on all of the nonfiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

Separate financial statements are provided for government funds and proprietary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Towns County does not currently operate any enterprise funds.

TOWNS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned, and expenditures 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.

Government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers property taxes as available if they are collected by the end of the current fiscal period. Revenues susceptible to accrual are considered as available if they are collected within 60 days of the end of the current fiscal period. Intergovernmental grant revenues, entitlements, and contributions are recognized in the year in which all eligibility requirements are met. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The government reports the following major governmental funds:

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.

The *SPLOST Fund* is the government's Special Purpose Local Option Sales Tax capital projects fund that accounts for the receipts and disbursements of (1%) sales tax currently collected for the referendum beginning during fiscal year 2022. The estimated special purpose sales and use tax revenue shall be divided between and among Towns County, the City of Hiawassee and the City of Young Harris in accordance with an Intergovernmental Agreement which is on file in the office of the County Clerk of the Commissioner of Towns County. The primary revenue source is sales tax and the primary expenditures for the County, are specified capital projects for the courthouse, roads, streets and bridges, the fire department, and parks and recreation.

The non-major governmental funds are combined and reported in a single column in the governmental fund financial statements and then separately in the other supplementary schedules of non-major governmental funds. These non-major funds are for additional public safety including collections related to the courts, health and welfare departments, and hotel/motel tax collections.

TOWNS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Measurement Focus, Basis of Accounting, and Basis of Presentation (Cont'd)

Other Fund Types

Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by the general fund.

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 capital projects. The term “proceeds of specific revenue sources” establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. Restricted or committed specific revenue sources should comprise a substantial portion of a fund's resources. If revenues are initially received in another funds, they should not be reported as revenues in the fund receiving them; instead, they should be recognized in the special revenue fund where they will be spent. The proceeds from these special revenue sources should be expected to continue to comprise a substantial portion of inflows.

Custodial funds do not represent results of operations or have a measurement focus. Custodial funds are accounted for using the accrual basis of accounting. This type of fund is used to account for assets that the government holds for others in an agency capacity. Due to its characteristics, custodial funds are categorized overall as *fiduciary funds*: funds that account for assets held by the government in a trustee capacity or as an agent on behalf of others.

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

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

Assets, Liabilities, and Net Position or Equity

Deposits and Investments

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

State statutes authorize the government to invest in obligations of the U.S. Treasury and its agencies and instrumentalities; bonds or certificates of indebtedness of this state and its agencies and instrumentalists; certificates of deposits by banks insured by FDIC. Investments are recorded at fair valued based on quoted market price as of the statement of net position date. Increases or decreases in fair value during the year are recognized as part of investment income.

Receivables and Payables

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

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

TOWNS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Assets, Liabilities, and Net Position or Equity (Cont'd)

Inventory and Prepaid Items

Generally, inventories would be valued at average cost and recorded as expenditures when consumed. The County's inventories of the primary government are not considered significant or materially and are therefore not recorded.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Expenditure recognition occurs during the benefiting period.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., roads, bridges, sidewalks, culverts, and similar items), are reported in the applicable governmental activities' column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial cost of \$ 5,000 or more. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. Roads, bridges and culverts acquired prior to December 31, 2003, have not been reported.

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

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

Asset Class	Estimated Useful Life
Buildings	40 years
Building Improvements	10 - 25 years
Machinery and Equipment	5 - 10 years
Vehicles	5 years
Infrastructure	10 - 50 years

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure). The County does not have any items in the current year that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The County has two items that qualify for reporting in this category under a modified accrual basis of accounting and they are reported in the governmental funds balance sheet as unavailable revenues (property taxes) and special assessments (fines). The governmental funds report unavailable revenues from property taxes and fines, which are deferred and will be recognized as an inflow of resources in the period in which the amounts become available. The County also reports deferred property tax revenues which are levied in October for the next fiscal year and thus will be recognized as revenue in the period for which they were levied. These deferred revenues are reported in both the governmental funds balance sheet and statement of net position.

TOWNS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Assets, Liabilities, and Net Position or Equity (Cont'd)

Compensated Absences

Employees earn personal leave at the rate of 10 hours per month for full-time employees. Personal leave cannot be accrued in excess of 480 hours. Upon request, employees can be paid for personal leave up to their accumulated hours. Personal leave benefits are accrued as a liability as the benefits are earned if the employee's rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employee for the benefits through paid time off or some other means. The total compensated absence liability is reported on the government-wide financial statements.

Long-Term Obligations

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

Net Position Flow Assumptions

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grand 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 Flow Assumption

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

Leases

The County has implemented GASB Statement 87, *Leases*. The statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating and recognized as inflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are a financing of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The County is a lessee of certain property for its public safety and emergency equipment.

Key estimates and judgements related to leases payable include how the County determines the discount rate it uses to discount the expected lease payments to present value, the lease term, and the lease payments:

- 1) The interest rate charged is used as the discount rate. When the interest rate charged is not specified, the County uses its estimated incremental leasing rate as the discount rate for leases.
- 2) The lease term includes the non-cancellable period of the lease. Lease payments include the measurement of the lease payable are composed of fixed payments over the term of the lease and residual value guarantee payments that are fixed in substance.

TOWNS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Management Estimates

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

Fund Equity

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

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

- *Non-spendable (reserved)* – Fund balances that cannot be spent either because it is not in spendable form (such as inventory) or because of legal or contractual constraints.
- *Restricted (reserved)* – Fund balances that are constrained by limitation imposed either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws/regulations of other governments.
- *Committed (reserved)* – Fund balances that are used only for specific purposes pursuant to constraints imposed by formal action of the Sole Commissioner through the adoption of a resolution prior to the end of the fiscal year. In order to modify or rescind the commitment, the Sole Commissioner must adopt another resolution.
- *Assigned (reserved)* – Fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. The Sole Commissioner may authorize the County’s Finance Director to assign fund balances.
- *Unassigned (unreserved)* – Fund balances that consists of the residual amount when the balances do not meet any of the above criterion. Only positive unassigned fund balances are reported in the General Fund. Negative fund balances may be reported in other governmental funds.

When both reserved and unreserved resources are available for use, the County’s unofficial policy is to use restricted or committed amounts first, unless there are restrictions that prohibit doing this, such as a grant agreement or government regulation. If not able to use restricted funds, use would flow secondly to committed, then assigned, and lastly unassigned resources as they are needed. The County does not have a formal minimum fund balance policy.

Implementation of New GASB Pronouncements

The City adopted GASB Statement No. 102, *Certain Risk Disclosures*. The requirements for this Statement are effective for fiscal years beginning after June 15, 2024, with early application encouraged. There was no major impact on the financial statements with implementation.

TOWNS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 2 – DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes and County policy require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance; obligation of the U.S. government; or bonds of public authorities, counties, municipalities. The County's bank balances were fully insured or collateralized as of December 31, 2024 and utilizes the pooled method to secure its deposits.

Investments

State statutes authorize the County to invest in obligations of the U.S. Treasury and of its agencies and instrumentalities; bonds or certificates of indebtedness of this state and of its agencies and instrumentalities; certificates of deposits of banks insured by the FDIC; the State of Georgia Local Government Investment Pool; repurchase agreements; bonds, debentures, notes or other evidence of indebtedness of any solvent corporation subject to certain conditions. The County does not have an individualized investment policy that would limit investment choices beyond statutes and does not actively hold any reserves in investments.

NOTE 3 – RECEIVABLES

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

	General Fund	SPLOST and Bond Construction	Non-Major Governmental Funds	Component Unit TC Health Department
Receivables:				
Property taxes	\$ 5,428,109	\$ -	\$ -	\$ -
Other taxes	5,395	282,663	-	-
Ambulance	690,414	-	-	-
Fines	1,875,987	-	-	-
Other accounts	136,022	-	30,580	30,768
Intergovernmental	212,048	-	5,264	-
Total Gross Receivables	<u>8,347,975</u>	<u>282,663</u>	<u>35,844</u>	<u>30,768</u>
Allowances for uncollectible	(1,933,142)	-	-	-
Total Net Receivables	<u><u>\$ 6,414,833</u></u>	<u><u>\$ 282,663</u></u>	<u><u>\$ 35,844</u></u>	<u><u>\$ 30,768</u></u>

Government funds report unavailable and unearned revenue as deferred inflow of resources. Unavailable revenue is receivables that are not considered to be available to liquidate liabilities of the current period. Unearned revenue is resources that have been received but not yet earned. Unearned revenues typically involve property taxes and fines received by year end for the subsequent year.

TOWNS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 3 – RECEIVABLES (CONT'D)

The various components of deferred inflow of resources reported in the governmental funds at the end of the current fiscal year were as follows:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
General Fund:			
Property tax	\$ 374,261	\$ 5,954,861	\$ 6,329,122
Probation fines	295,413	-	295,413
Grants	<u>-</u>	<u>156,711</u>	<u>156,711</u>
Total	<u>\$ 669,674</u>	<u>\$ 6,111,572</u>	<u>\$ 6,781,246</u>

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Not being depreciated:				
Land	\$ 4,540,787	\$ -	\$ -	\$ 4,540,787
Construction in progress	10,185,226	-	10,185,226	-
	<u>14,726,013</u>	<u>-</u>	<u>10,185,226</u>	<u>4,540,787</u>
Other Capital Assets:				
Land improvements	1,516,263	-	-	1,516,263
Buildings	15,816,245	10,660,245	-	26,476,490
Equipment, general	2,699,297	128,154	-	2,827,451
Equipment, vehicles and heavy	5,896,125	1,577,201	218,786	7,254,540
Infrastructure	3,632,585	905,259	69,499	4,468,345
	<u>29,560,515</u>	<u>13,270,859</u>	<u>288,285</u>	<u>42,543,089</u>
Accumulated Depreciation:				
Land improvements	822,309	86,570	-	908,879
Buildings	6,978,138	605,936	-	7,584,074
Equipment (all)	6,540,388	620,242	208,660	6,951,970
Infrastructure	1,671,903	180,111	-	1,852,014
	<u>16,012,738</u>	<u>1,492,859</u>	<u>208,660</u>	<u>17,296,937</u>
Accumulated Amortization				
Capital leases - equipment	269,789	109,289	-	379,078
	<u>269,789</u>	<u>109,289</u>	<u>-</u>	<u>379,078</u>
Net Capital Assets	<u>\$ 28,004,001</u>	<u>\$ 11,668,711</u>	<u>\$ 10,264,851</u>	<u>\$ 29,407,861</u>

TOWNS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 4 – CAPITAL ASSETS (CONT'D)

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

Governmental Activities:

General government	\$ 198,184
Judicial	1,362
Public safety	551,586
Public works	293,948
Health and welfare	76,434
Culture/recreation	371,345
Total	<u>\$ 1,492,859</u>

Amortization expense for the financed purchase under the public safety department was \$ 109,289 for the year.

Net investment in capital assets includes total assets of \$ 29,407,861 reduced by outstanding obligations of \$ 117,244. Total net investment of the year ending December 31, 2024 was \$ 29,290,617.

NOTE 5 – OBLIGATIONS

Compensated Absences

Compensated absences are liquidated in the general fund for the governmental activities; see Note 1 for a further explanation of compensated absences. The County has reported 100% of the compensated absences liability non-current but due within one year, as the County projects that a majority of employees will use compensated absences earned within one year. Although the full balance is expected to be used within one year, the time earned will continue to replenish throughout the year and therefore the total balance of compensated absences will remain noncurrent.

Government-wide Activities

Description	Beginning Balance	Net Change	Ending Balance	Amount Due Within One Year
Compensated absences	\$ 203,317	\$ 66,376	\$ 269,693	\$ 269,693

Financing leases

During 2024, the County entered into a lease agreement with Ally Bank to purchase vehicles for the Sheriff's Department. The value of the vehicles recorded under the financed purchase agreement is \$ 83,792. The vehicles are recorded on the depreciation schedule under vehicles and amortized for the life of the lease.

During 2024, the County entered into a lease agreement with Jacky Jones to purchase a vehicle for the Sheriff's Department. The value of the vehicle is recorded under the financed purchase agreement is \$ 40,611. The vehicle is recorded on the depreciation schedule under vehicle and amortized for the life of the lease.

During the fiscal year ending December 31, 2021, the County entered into lease agreements with KS StateBank and AT&T for the right to use equipment for the E-911 department. The values of the equipment recorded under the financed purchase agreements for KS StateBank and AT&T are \$ 158,951 and \$ 220,656, respectively. The equipment is recorded on the depreciation schedule under equipment and amortized for the life of the lease.

TOWNS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 5 – OBLIGATIONS (CONT'D)

Financing Leases (Cont'd)

The KS StateBank lease obligation had a payment start date of April 1, 2020, with total monthly payments of \$ 2,984 and an interest rate of 5%. The AT&T lease obligation had a payment start date of August 1, 2020, with total monthly payments of \$ 4,229 and an interest rate of 5.69%. The Ally Bank lease obligation had a payment start date of February 23, 2024, with total annual payments of \$ 30,367 and an interest rate of 8.99%. The Jacky Jones lease obligation had a payment start date of March 19, 2024, with total annual payments of \$ 14,718 and an interest rate of 8.99%.

Total interest paid during the year ending December 31, 2024 was \$ 4,458.

Financed purchase obligations for the year end December 31, 2024 are as follows:

Description	Beginning Balance	Additions	Subtractions	Ending Balance	Amount Due Within One Year
Financed Purchases	\$ 120,315	\$ 124,403	\$ 127,474	\$ 117,244	\$ 75,880

		Financed Purchases		
		Principal	Interest	Total
2025		\$ 75,880	\$ 7,755	\$ 83,635
2026		41,364	3,718	45,082
2027 and thereafter		-	-	-
Totals		<u>\$ 117,244</u>	<u>\$ 11,473</u>	<u>\$ 128,717</u>

The obligations for these leases end in fiscal year 2026. Therefore, there are no remaining lease obligations to present for years 2027 and thereafter.

NOTE 6 – INTERFUND AND COMPONENT UNIT RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balance at December 31, 2024, is as follows:

Receivable Fund	Payable Fund			Total
	General Fund	SPLOST Fund	Nonmajor Governmental Funds	
General Fund	\$ -	\$ 2,013,491	\$ 69,771	\$ 2,083,262
Nonmajor Governmental Funds	1,386	-	-	1,386
Totals	<u>\$ 1,386</u>	<u>\$ 2,013,491</u>	<u>\$ 69,771</u>	<u>\$ 2,084,648</u>

TOWNS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 6 – INTERFUND AND COMPONENT UNIT RECEIVABLES, PAYABLES AND TRANSFERS (CONT'D)

Interfund balances generally result from the following activities:

- the time lag between the dates that interfund goods and services and services are provided or reimbursable expenditures occur;
- the time lag between the dates that transactions are recorded in the accounting system;
- the time lag between the dates that payments between funds are made;
- or to fund capital projects.

Interfund transfers as of the year ended December 31, 2024, are as follows:

	Transfer In Fund:				
	Major	Non-Major			
	General	Child Development Center	Emergency 911	LMIG	Total
Transfer Out Fund:					
Major					
General	\$ -	\$ 396,250	\$ 660,000	\$ 101,717	\$ 1,157,967
Non-Major					
ARPA	2,183	-	-	-	2,183
Hotel / Motel	100,000	-	-	-	100,000
Total	<u>\$ 102,183</u>	<u>\$ 396,250</u>	<u>\$ 660,000</u>	<u>\$ 101,717</u>	<u>\$ 1,260,150</u>

Transfers are used to supplement operating budgets, assist in funding capital projects and move the County's matching portion on state grants.

Supplements paid to the Towns County Health Department (discretely presented component unit):

<u>Fund/Component Unit</u>	<u>Paid From</u>	<u>Paid To</u>	<u>Totals</u>
General Fund	\$ 138,000	\$ -	\$ 138,000
Towns County Health Department	-	138,000	(138,000)
Totals	<u>\$ 138,000</u>	<u>\$ 138,000</u>	<u>\$ -</u>

NOTE 7 – RETIREMENT PLANS

Defined Contribution Plan

The County participates in the Towns County Money Purchase Plan, a defined contribution plan sponsored and administered by The Benefit Marketing Group, Inc. This plan allows employees to participate after completing one year of service. The Sole Commissioner has the authority under which the plan provisions or contribution requirements are established or may be amended. The County contributes .05% of salary as a base contribution. Beyond the base contribution, the County will match the employee's elected percentage of contribution, up to 6% (in whole percentages) of that employee's compensation. Employees of the County may elect to contribute any percentage of their annual compensation. The contribution for the year ending December 31, 2024 was \$ 222,100.

TOWNS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 7 – RETIREMENT PLANS (CONT'D)

Other Plans

In addition to the above-mentioned retirement plan, the following pension and retirement plans cover County employees, but the County is not legally responsible for contributions to those plans. Other governmental entities are legally responsible for these contributions as well as required disclosures.

The Georgia Firefighters' Pension Fund is a cost-sharing multiple employer defined benefit pension plan for the purpose of paying retirement benefits to firefighters of the State of Georgia. Any person employed as a firefighter or enrolled as a volunteer firefighter within the State of Georgia is eligible for membership. The County contributes \$ 25 per month, per employed and volunteer firefighter to the Georgia Firefighters' Pension Fund.

Probate Judges' Retirement Fund of Georgia is a pension plan that covers the Probate Judge. The plan requires that certain sums from marriage licenses and fines or bond forfeitures be remitted to the pension plan before the payment of any costs or other claims.

Clerk of Superior Court Retirement Fund is a pension plan that covers the Clerk of Superior Court. The plan requires that certain sums from fees and fines or bond forfeitures be remitted to the pension plan before the payment of any costs or other claims.

Sheriff's Retirement Fund/Peace Officer's Annuity and Benefit Fund is a pension plan that covers the Sheriff and Sheriff's Deputies under separate pension plans, that requires certain sums from fines or bond forfeitures be remitted by the Probate Judge or Clerk of Superior Court to the pension plans before the payment of any costs or other claims.

NOTE 8 – RELATED PARTY TRANSACTIONS

The County's Sole Commissioner and administration appoints the majority of the governing boards for several agencies operating within the County, but does not provide operating subsidies or exhibit any other indications of financial accountability with regard to these authorities. These authorities are: Towns County Board of Family and Children Services, Towns County Recreation Authority, and the Towns County Visitors and Convention Bureau.

Georgia Mountain Regional Commission

Under Georgia law, Towns County, in conjunction with other cities and counties in the area are members of the Georgia Mountain Regional Commission (GMRC) and is required to pay annual dues. The County paid annual dues in the amount of \$ 9,516 to the GMRC for the year ended December 31, 2024. *The Official Code of Georgia Annotated (O.C.G.A.) Section 50-8-34* (Georgia Planning Act of 1989) provides for the organizational structure of the GMRC.

The GMRC Board membership includes the chief elected official of each county and municipality of the area. Under O.C.G.A. § 50-8-39-1, member governments are also liable for any debts or obligation of the agency beyond its resources. Separate financial statements may be obtained from the Georgia Mountain Regional Commission, P.O. Box 1720, Gainesville, Georgia 30503-1720.

NOTE 9 – LANDFILL CLOSURE AND POSTCLOSURE CARE COST

The County landfill is exempt from financial assurance requirements per the Georgia Environmental Protection Division. The Solid Waste Management Rule, section 391-3-4-.13(3), states that local government owners and operators of landfills that were taking less than 100 tons per day that ceased receipt of waste by April 8, 1994 are exempt from financial assurance requirement.

The landfill closed December 31, 2006 and received a closure certificate on August 5, 2008. The County incurred landfill monitoring costs of \$ 21,838 in the current year (2024).

TOWNS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 10 – RISK MANAGEMENT AND CONTINGENCIES

The County receives financial assistance from some federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions that are specified in the grant agreements. Expended funds from grants received are subject to audit by the grantor. Any disallowed claims resulting from such audits could become a liability of the County or individual receiving fund department/agency of the County. As of December 31, 2024, the County is not aware of any material noncompliance with grants received and expended.

The County is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. Exposure subjects the County to legal proceedings at any point in time, which normally occur in governmental operations. The County is involved in several pending lawsuits. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the County.

To mitigate liability and risks of loss to which the County is exposed, the County participates in the Association County Commissioners of Georgia (ACCG), Group Self Insurance Worker's Compensation Fund (GSIWCF), a self-insured pool cooperative arrangement among its members to finance worker's compensation coverage. The fund is owned by its members and is managed by a seven-member Board of Trustees who are representatives from participating counties. The ACCG-GSIWCF operates under the authority of *OCGA 34-9-150 et seq.* and the Georgia Insurance Commissioner's Office.

The County also participates in the Association County Commissioners of Georgia (ACCG) Inter-local Risk Management Agency (IRMA), a risk sharing arrangement among Georgia County Governments. The fund exists by authority of *OCGA 36-85-1 et seq.* The County is covered up to \$ 100,000 in liability per individual claim or \$ 1,000,000 of liability in all claims paid within the plan year after the first \$ 5,000 in liability is paid by the County.

The purpose of the fund and risk management agency is to defend and protect the members against liability or loss as prescribed in the member government contract and in accordance with the worker's compensation laws of Georgia. The fund and agency are to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenditures incurred for investigation, negotiation or defense.

As members, the County is obligated to pay all contributions and assessments to cooperate with the agents and attorneys of the fund and agency, to follow loss reduction procedures established, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents that could require the fund or agency to pay any type of loss. The County is also to allow all of the agents and attorneys of the fund and agency to represent the County in investigations, settlement discussions, and all levels of litigation arising out of any claims made against the County.

The members of ACCG-GSIWCF and ACCG-IRMA are subject to an additional liability assessment if the losses that ACCG incur and must pay exceed the assets of the pool. As of December 31, 2024, there was no additional liability assessment from the ACCG-GSIWCF or the ACCG-IRMA. Therefore, no liability for this has been included in these financial statements.

TOWNS COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2024

NOTE 10 – RISK MANAGEMENT AND CONTINGENCIES (CONT'D)

Other

The County also purchases combined automobile, crime, liability and property insurance coverage from the ACCG-IRMA. A \$ 2,500 to \$ 5,000 deductible applies to each claim. The following is a summary of coverage at December 31, 2024:

Property Losses	\$ 3,000,000	Aggregate
Comprehensive General and Law Enforcement Liability	3,000,000	Per Occurrence
Automobile Liability	3,000,000	Per Occurrence
Errors and Omissions	3,000,000	Per Occurrence
	5,000,000	Aggregate
Crime Coverage	100,000	Per Occurrence

The County has no outstanding claims in excess of coverage for which a liability should be recorded as of December 31, 2024. Settled claims in the past four years have not exceeded the coverage.

NOTE 11 – SIGNIFICANT ESTIMATES

As discussed in Note 1, the use of estimates may be required within the financial statements to be in conformity with accounting principles generally accepted in the United States. Significant estimates used in the preparation of the financial statements, which could change based on actual results, are the estimates for doubtful accounts primarily for fines receivable and ambulance services provided, and depreciation of capital assets.

NOTE 12 – HOTEL/MOTEL TAX

During the year ended December 31, 2024, the County collected of \$ 661,285 of which \$ 396,771 was required to be spent to promote tourism, conventions, and trade shows. The County actually spent \$ 633,845. This was greater than the required to be expended for these purposes under O.C.G.A. § 48-13-51. The County complied with the requirements of this law.

NOTE 12 – HOTEL/MOTEL TAX

During the year ended December 31, 2024, changes within the financial reporting entity were as follows:

	Reporting units Affected by Restatements of Beginning Balance		
	Nonmajor Governmental		
	ARPA Fund	Funds	Total
January 1, 2024 (as previously reported)	\$ 2,183	\$ 772,794	\$ 774,977
Change from major to nonmajor fund	(2,183)	2,183	-
January 1, 2024 (as restated)	<u>\$ -</u>	<u>\$ 774,977</u>	<u>\$ 774,977</u>

NOTE 13 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 30, 2025, the date the financial statements were available to be issued.



REQUIRED SUPPLEMENTARY INFORMATION

TOWNS COUNTY, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Taxes	\$ 10,426,100	\$ 10,426,100	\$ 10,959,860	\$ 533,760
Licenses and permits	123,500	123,500	162,905	39,405
Fines and forfeitures	315,200	315,200	273,542	(41,658)
Charges for services	2,385,200	2,385,200	2,604,845	219,645
Interest income	250,000	250,000	379,004	129,004
Intergovernmental	474,500	731,310	792,678	61,368
Contributions and donations	1,000	1,000	77,147	76,147
Other	129,000	129,000	375,209	246,209
TOTAL REVENUES	14,104,500	14,361,310	15,625,190	1,263,880
EXPENDITURES				
General Government				
General and administrative	1,252,500	1,640,310	1,636,366	3,944
Commissioner	167,800	168,400	168,078	322
Tax commissioner	397,250	364,250	363,390	860
Tax assessor	330,750	346,450	345,773	677
Election	184,750	209,750	208,230	1,520
Total General Government	2,333,050	2,729,160	2,721,837	7,323
Public Safety				
Regional expenditures	322,030	272,030	235,702	36,328
Sheriff	2,186,800	2,236,800	2,212,314	24,486
Jail operation	1,720,250	1,595,250	1,503,346	91,904
Fire department	525,200	491,080	463,994	27,086
Ambulance service	1,852,400	1,827,400	1,823,041	4,359
E.M.A. director	65,200	76,400	74,895	1,505
E-911 Mapping	51,350	40,150	39,638	512
Total Public Safety	6,723,230	6,539,110	6,352,930	186,180
Court System				
Probate/Magistrate court	332,050	327,050	309,910	17,140
Clerk of court	279,650	291,000	274,126	16,874
Court - other	329,485	329,485	322,626	6,859
District attorney	134,050	119,050	98,090	20,960
Total Court System	1,075,235	1,066,585	1,004,752	61,833

TOWNS COUNTY, GEORGIA
BUDGETARY COMPARISON SCHEDULE (CONTINUED)
GENERAL FUND
For the Year Ended December 31, 2024

(CONTINUED)	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Works				
Road department	1,094,650	982,650	981,881	769
Transfer Station/Landfill	1,302,750	1,222,750	1,219,966	2,784
Recycling	65,850	23,350	11,813	11,537
Total Public Works	<u>2,463,250</u>	<u>2,228,750</u>	<u>2,213,660</u>	<u>15,090</u>
Health and Welfare				
Regional expenditures	378,000	375,000	362,033	12,967
Extension service	22,000	25,000	22,790	2,210
Transportation service	165,350	165,350	156,300	9,050
Total Health and Welfare	<u>565,350</u>	<u>565,350</u>	<u>541,123</u>	<u>24,227</u>
Recreation and Culture				
Regional expenditures	371,000	381,000	368,427	12,573
Recreation department	420,750	505,786	505,090	696
Chatuge campground	150,000	95,000	89,951	5,049
Total Recreation and Culture	<u>941,750</u>	<u>981,786</u>	<u>963,468</u>	<u>18,318</u>
Housing and Development				
Regional expenditures	36,000	28,500	23,164	5,336
Building inspection	194,750	186,750	178,030	8,720
Planning and zoning	35,450	35,450	31,743	3,707
Total Housing and Development	<u>266,200</u>	<u>250,700</u>	<u>232,937</u>	<u>17,763</u>
TOTAL EXPENDITURES	<u>14,368,065</u>	<u>14,361,441</u>	<u>14,030,707</u>	<u>330,734</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	(263,565)	(131)	1,594,483	
OTHER FINANCING SOURCES (USES)				
Transfers in / (out)	(770,000)	(1,060,000)	(1,055,784)	
Contingencies / Surplus reserves	<u>1,033,565</u>	<u>1,060,095</u>	<u>-</u>	
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>(36)</u>	<u>538,699</u>	
		FUND BALANCE - BEGINNING	<u>8,331,305</u>	
		FUND BALANCE, ENDING	<u>\$ 8,870,004</u>	

TOWNS COUNTY, GEORGIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2024

NOTE 1 – BUDGETARY BASIS

The County prepares its annual budgets on a basis that is consistent with account principles generally accepted in the United States as applied to local governments. Annual budgets are adopted for the major Governmental Funds whose appropriations lapse at fiscal year-end. The County does not formally use encumbrance accounting.

All department heads of the government submit requests to the Finance Director who then prepares for presentation to the County's sole commissioner so that a budget may be prepared for adoption. The budget is prepared by fund, function and activity, and line item. It is determined by evaluating information on the past year, current year estimates as well as requested appropriations for the next fiscal year. The County's sole commissioner holds public hearings and may add to, subtract from, or change appropriations depending on the needs of the County. The commissioner may amend the line item budget within a department's appropriation. However, expenditures may not legally exceed budgeted appropriations at the department level which is the legal level of control.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Formal budgetary control is based upon the County's departments. During the current year no department exceeded budgeted expenditures.



OTHER SUPPLEMENTARY INFORMATION

TOWNS COUNTY, GEORGIA
COMBINING SCHEDULE OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
December 31, 2024

	<u>Tax Commissioner</u>	<u>Clerk of Superior Court</u>	<u>Probate Court</u>	<u>Magistrate Court</u>	<u>Sheriff</u>	<u>Total</u>
ASSETS						
Cash	<u>\$ 22,493</u>	<u>\$ 543,952</u>	<u>\$ 35,638</u>	<u>\$ 9,334</u>	<u>\$ 145,450</u>	<u>\$ 756,867</u>
TOTAL ASSETS	<u><u>\$ 22,493</u></u>	<u><u>\$ 543,952</u></u>	<u><u>\$ 35,638</u></u>	<u><u>\$ 9,334</u></u>	<u><u>\$ 145,450</u></u>	<u><u>\$ 756,867</u></u>
LIABILITIES						
Funds held in trust	<u>\$ 22,493</u>	<u>\$ 543,952</u>	<u>\$ 35,638</u>	<u>\$ 9,334</u>	<u>\$ 145,450</u>	<u>\$ 756,867</u>
TOTAL LIABILITIES	<u><u>\$ 22,493</u></u>	<u><u>\$ 543,952</u></u>	<u><u>\$ 35,638</u></u>	<u><u>\$ 9,334</u></u>	<u><u>\$ 145,450</u></u>	<u><u>\$ 756,867</u></u>

TOWNS COUNTY, GEORGIA
 COMBINING SCHEDULE OF CHANGES IN FIDUCIARY ASSETS
 FIDUCIARY FUNDS
 For the Year Ended December 31, 2024

	<u>Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u>
ASSETS				
Cash	<u>\$ 663,283</u>	<u>\$ 15,097,516</u>	<u>\$ 15,003,932</u>	<u>\$ 756,867</u>
TOTAL ASSETS	<u><u>\$ 663,283</u></u>	<u><u>\$ 15,097,516</u></u>	<u><u>\$ 15,003,932</u></u>	<u><u>\$ 756,867</u></u>
LIABILITIES				
Funds held in trust	<u>\$ 663,283</u>	<u>\$ 15,097,516</u>	<u>\$ 15,003,932</u>	<u>\$ 756,867</u>
TOTAL LIABILITIES	<u><u>\$ 663,283</u></u>	<u><u>\$ 15,097,516</u></u>	<u><u>\$ 15,003,932</u></u>	<u><u>\$ 756,867</u></u>

TOWNS COUNTY, GEORGIA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
December 31, 2024

	Child Development Center	Emergency 911	Law Library	Drug Fund	LMIG	Victim's Assistance Fund	Jail Fund	Hotel / Motel Tax Fund	ARPA Fund	Total
ASSETS										
Cash and cash equivalents	\$ 34,537	\$ 122,620	\$ 30,964	\$ 41,430	\$ 359,596	\$ -	\$ 27,509	\$ 518,237	\$ -	\$ 1,134,893
Receivables, net	7,396	23,184	-	-	-	-	-	-	-	30,580
Intergovernmental receivable	5,264	-	-	-	-	-	-	-	-	5,264
Due from other funds	-	-	-	-	-	1,386	-	-	-	1,386
Prepaid Insurance	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 47,197	\$ 145,804	\$ 30,964	\$ 41,430	\$ 359,596	\$ 1,386	\$ 27,509	\$ 518,237	\$ -	\$ 1,172,123
Deferred outflow of resources	-	-	-	-	-	-	-	-	-	-
LIABILITIES										
Accrued liabilities	\$ 36,725	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,725
Due to other funds	10,590	29,504	-	-	1,723	-	-	27,952	-	69,769
Total liabilities	47,315	29,504	-	-	1,723	-	-	27,952	-	106,494
Deferred inflow of resources	-	-	-	-	-	-	-	-	-	-
FUND BALANCE										
Restricted:										
Special revenue funds	-	116,300	30,964	41,430	357,873	1,386	27,509	490,285	-	1,065,747
Unassigned (deficit)	(118)	-	-	-	-	-	-	-	-	(118)
Total fund balances	(118)	116,300	30,964	41,430	357,873	1,386	27,509	490,285	-	1,065,629
TOTAL LIABILITIES AND FUND BALANCES	\$ 47,197	\$ 145,804	\$ 30,964	\$ 41,430	\$ 359,596	\$ 1,386	\$ 27,509	\$ 518,237	\$ -	\$ 1,172,123

TOWNS COUNTY, GEORGIA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2024

	Child Development Center	Emergency 911	Law Library	Drug Fund	LMIG	Victim's Assistance Fund	Jail Fund	Hotel / Motel Tax Fund	ARPA Fund	Total
REVENUES										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 661,285	\$ -	\$ 661,285
Fines and forfeitures	-	-	6,320	21,072	-	9,042	13,566	-	-	50,000
Charges for services	301,883	286,036	-	-	-	-	-	-	-	587,919
Interest income	1,331	3,458	-	726	21,305	45	541	20,848	-	48,254
Intergovernmental	159,973	-	-	-	758,985	-	-	-	-	918,958
TOTAL REVENUES	<u>\$ 463,187</u>	<u>\$ 289,494</u>	<u>\$ 6,320</u>	<u>\$ 21,798</u>	<u>\$ 780,290</u>	<u>\$ 9,087</u>	<u>\$ 14,107</u>	<u>\$ 682,133</u>	<u>\$ -</u>	<u>\$ 2,266,416</u>
EXPENDITURES										
Current Operating										
Public safety	\$ -	\$ 838,496	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 838,496
Court system	-	-	1,895	18,967	-	9,087	16,976	-	-	46,925
Public works	-	-	-	-	640,752	-	-	-	-	640,752
Health and welfare	871,530	-	-	-	-	-	-	-	-	871,530
Housing and development	-	-	-	-	-	-	-	633,845	-	633,845
TOTAL EXPENDITURES	<u>871,530</u>	<u>838,496</u>	<u>1,895</u>	<u>18,967</u>	<u>640,752</u>	<u>9,087</u>	<u>16,976</u>	<u>633,845</u>	<u>-</u>	<u>3,031,548</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(408,343)</u>	<u>(549,002)</u>	<u>4,425</u>	<u>2,831</u>	<u>139,538</u>	<u>-</u>	<u>(2,869)</u>	<u>48,288</u>	<u>-</u>	<u>(765,132)</u>
OTHER FINANCING SOURCES (USES)										
Transfers in (out)	<u>396,250</u>	<u>660,000</u>	<u>-</u>	<u>-</u>	<u>101,717</u>	<u>-</u>	<u>-</u>	<u>(100,000)</u>	<u>(2,183)</u>	<u>1,055,784</u>
TOTAL OTHER FINANCING SOURCES	<u>396,250</u>	<u>660,000</u>	<u>-</u>	<u>-</u>	<u>101,717</u>	<u>-</u>	<u>-</u>	<u>(100,000)</u>	<u>(2,183)</u>	<u>1,055,784</u>
NET CHANGE IN FUND BALANCES	(12,093)	110,998	4,425	2,831	241,255	-	(2,869)	(51,712)	(2,183)	290,652
FUND BALANCE, BEGINNING	<u>11,975</u>	<u>5,302</u>	<u>26,539</u>	<u>38,599</u>	<u>116,618</u>	<u>1,386</u>	<u>30,378</u>	<u>541,997</u>	<u>2,183</u>	<u>774,977</u>
FUND BALANCE, ENDING	<u>\$ (118)</u>	<u>\$ 116,300</u>	<u>\$ 30,964</u>	<u>\$ 41,430</u>	<u>\$ 357,873</u>	<u>\$ 1,386</u>	<u>\$ 27,509</u>	<u>\$ 490,285</u>	<u>\$ -</u>	<u>\$ 1,065,629</u>

TOWNS COUNTY, GEORGIA
SPECIAL LOCAL OPTIONS SALES TAX 2020 SERIES
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
BUDGET AND ACTUAL - PROJECT TO DATE
From Inception Through December 17, 2024

<u>PROJECT</u>	<u>Original Project Budget</u>	<u>Revised Project Budget</u>	<u>Prior Year Project to Date</u>	<u>Current Year</u>	<u>Total</u>	<u>Percent Complete</u>
Capital Projects:						
Courthouse	\$ 8,600,000	\$ 10,600,000	\$ 9,273,265	\$ 1,150,438	\$ 10,423,703	98%
Roads and Bridges	600,000	600,000	288,725	307,405	596,130	99%
Fire	500,000	500,000	152,189	39,969	192,158	38%
Parks and Recreation	140,000	140,000	55,013	18,300	73,313	52%
Administrative Costs	-	25,000	-	228	228	1%
Total Capital Projects:	<u>9,840,000</u>	<u>11,865,000</u>	<u>9,769,192</u>	<u>1,516,340</u>	<u>11,285,532</u>	<u>95%</u>
Intergovernmental:						
City of Hiawassee Allocation	1,080,000	1,500,000	850,539	326,903	1,177,442	78%
City of Young Harris Allocation	<u>1,080,000</u>	<u>1,500,000</u>	<u>850,539</u>	<u>326,903</u>	<u>1,177,442</u>	<u>78%</u>
Total Intergovernmental:	<u>2,160,000</u>	<u>3,000,000</u>	<u>1,701,078</u>	<u>653,806</u>	<u>2,354,884</u>	<u>78%</u>
Total	<u>\$ 12,000,000</u>	<u>\$ 14,865,000</u>	<u>\$ 11,470,270</u>	<u>\$ 2,170,146</u>	<u>\$ 13,640,416</u>	<u>92%</u>



COMPLIANCE

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

To the Sole County Commissioner
Towns County, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Towns County, Georgia, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Towns County, Georgia's basic financial statements and have issued our report thereon dated June 30, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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



Gainesville, Georgia
June 30, 2025