CHATTOOGA COUNTY, GEORGIA

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

ANDY ALLEN, COUNTY COMMISSIONER

CHATTOOGA COUNTY, GEORGIA
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BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

Government – Wide Financial Statements

- Statement of Net Position
- Statement of Activities

Fund Financial Statements

- Governmental Funds
- Proprietary (Enterprise) Funds

Fiduciary Fund Financial Statements

- Custodial Funds

Notes to Basic Financial Statements

CHRYSAN THOMAS
Certified Public Accountant
Professional Corporation
Member
American Institute of
Certified Public Accountants
Trion, Georgia

INDEPENDENT AUDITOR'S REPORT

To the Commissioner
Chattooga County, Georgia

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Chattooga County, Georgia, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Chattooga County, Georgia as of December 31, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund and E-911 Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the component unit, Chattooga County Health Department, which represent 3 percent, 1.25 percent, and 4.3 percent, respectively, of the assets, net position, and revenues of the County as of December 31, 2025, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Chattooga County Health Department, is based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits containe
d 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 Chattooga 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 these 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 Chattooga 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 Chattooga 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 Chattooga 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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Chattooga County, Georgia's basic financial statements. The combining and individual fund nonmajor fund financial statements, the schedules of special purpose local option sales tax expenditures, as required by the Official Code of Georgia 48-8-121, and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit and the report of the other auditors, the combining and individual non-major fund financial statements, the schedules of special purpose local option sales expenditures and the schedule of expenditures of federal awards 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 September 30, 2026 on our consideration of Chattooga 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 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 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 Chattooga County, Georgia's internal control over financial reporting and compliance.

Chrysan Thomas
CHRYSAN THOMAS
Certified Public Accountant

Trion, Georgia
September 30, 2026

CHATTOOGA COUNTY, GEORGIA
STATEMENT OF NET POSITION
December 31, 2025

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Unit
Assets				
Cash and Cash Investments	$ 7,448,418	$ 466,472	$ 7,914,890	$ 733,710
Receivables (Net of Allowance for Doubtful Accounts)				
Ad Valorem Taxes	1,360,271	-	1,360,271	-
Other Taxes	177,503	-	177,503	-
Accounts	176,959	201,269	378,228	979
Due from Other Governments	409,617	-	409,617	83,656
Internal Balances	1,080,748	(1,080,748)	-	-
Inventories	-	119,936	119,936	5,301
Prepaid Items	7,716	5,500	13,216	-
Restricted Assets				
Cash and Cash Investments	-	29,037	29,037	-
Capital Assets:				
Construction in Process	188,035	1,010,369	1,198,404	-
Right to use leased assets, Net of amortization	-	-	-	2,615
Land	489,812	56,899	546,711	-
Buildings	5,350,856	145,810	5,496,666	-
Equipment	7,122,161	915,843	8,038,004	-
Infrastructure	50,341,455	22,557,354	72,898,809	-
Accumulated Depreciation	(55,933,148)	(8,646,388)	(64,579,536)	-
Total Assets	18,220,403	15,781,353	34,001,756	826,261
Deferred Outflows of Resources	-	-	-	204,795
Liabilities				
Accounts Payable	651,484	14,638	666,122	586
Due to Other Governments	312,036	-	312,036	-
Deposits	-	21,070	21,070	-
Current Portion of Long-term Debt	43,001	242,265	285,266	1,278
Non-Current Liabilities				
Financed Purchase	93,930	-	93,930	-
Notes payable	-	584,272	584,272	1,387
Bonds Payable	-	5,980,705	5,980,705	-
Net pension liability	-	-	-	649,303
Net other post-employment benefits	-	-	-	(240,619)
Compensated absences	144,688	6,845	151,533	151,314
Total Liabilities	1,245,139	6,849,795	8,094,934	563,249
Deferred Inflows of Resources	-	-	-	143,011
Net Position				
Net investment in Capital Assets	7,422,240	9,232,645	16,654,885	2,615
Restricted for				
Capital projects	2,255,152	-	2,255,152	-
Special Programs	725,498	-	725,498	-
Unrestricted	6,572,374	(301,087)	6,271,287	322,181
Total Net Position	$ 16,975,264	$ 8,931,558	$ 25,906,822	$ 324,796

CHATTOOGA COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
Year Ended December 31, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental Activities				
General Government	$ 2,654,753	$ 157,512	$ 185,838	$ -
Public Safety	7,546,142	846,125	437,403	25,657
Public Works	3,972,519	38,703	1,093,414	-
Court System	1,872,432	757,120	-	-
Cultural and Recreational	709,237	124,533	-	-
Sanitation	1,408,316	785,477	-	-
Health and Welfare	476,458	-	-	-
Interest Expense	10,762	-	-	-
Total Governmental Activities	18,650,619	2,709,470	1,716,655	25,657
Business-Type Activities				
Water and Sewer District	1,876,213	1,361,394	-	836,001
Total Business-Type Activities	1,876,213	1,361,394	-	836,001
Total Government	$ 20,526,832	$ 4,070,864	$ 1,716,655	$ 861,658
Component Unit				
Health and Welfare	$ 781,546	$ 233,797	$ 494,327	$ -

General Revenues:
Ad Valorem Tax
Sales Tax
County Fundings
Miscellaneous
Investment earnings
Transfers
Total General Revenues and Transfers

Change in Net Position

Net Position at Beginning of Year
Net Position at End of Year

See accompanying notes to basic financial statements.

CHATTOOGA COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
Year Ended December 31, 2025

Net (Expenses) Revenue and Changes in Net Position			
Governmental Activities	Business-Type Activities	Total	Component Unit
$ (2,311,403)	$ -	$ (2,311,403)	
(6,236,957)	-	(6,236,957)	
(2,840,402)	-	(2,840,402)	
(1,115,312)	-	(1,115,312)	
(584,704)	-	(584,704)	
(622,839)	-	(622,839)	
(476,458)	-	(476,458)	
(10,762)	-	(10,762)	
(14,198,837)	-	(14,198,837)	
-	321,182	321,182	
-	321,182	321,182	
$ (14,198,837)	$ 321,182	$ (13,877,655)	
			$ (53,422)
$ 10,427,092	$ -	$ 10,427,092	$ -
3,672,750	-	3,672,750	-
-	-	-	156,932
41,225	-	41,225	653
-	10,978	10,978	18,041
(43,623)	43,623	-	-
14,097,444	54,601	14,152,045	175,626
(101,393)	375,783	274,390	122,204
17,076,657	8,555,775	25,632,432	202,592
$ 16,975,264	$ 8,931,558	$ 25,906,822	$ 324,796

See accompanying notes to basic financial statements.

CHATTOOGA COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2025

	General	Capital Project Sales Tax Fund	E-911 Fund	Other Funds	Total Governmental Funds
Assets					
Cash and Cash Investments	$ 3,794,246	$ 2,530,490	$ 369,797	$ 753,885	$ 7,448,418
Receivables (net where applicable of allowance for doubtful accounts)					
Ad Valorem Taxes	1,360,271	-	-	-	1,360,271
Other	177,503	-	176,959	-	354,462
Due from other funds	1,610,678	-	-	-	1,610,678
Due from other governments	43,865	365,283	-	469	409,617
Prepaid expenses	-	-	7,716	-	7,716
Total Assets	$ 6,986,563	$ 2,895,773	$ 554,472	$ 754,354	$ 11,191,162
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	$ 209,307	$ 388,779	$ 24,542	$ 28,856	$ 651,484
Due to other funds	-	-	529,930	-	529,930
Due to other governments	-	312,036	-	-	312,036
Deferred Inflows of Resources					
Unavailable revenues	939,682	-	-	-	939,682
Total Liabilities and Deferred Inflows of Resources	1,148,989	700,815	554,472	28,856	2,433,132
Fund Balances					
Restricted for:					
Construction and capital outlay	60,194	2,194,958	-	-	2,255,152
Judicial	-	-	-	46,478	46,478
Public Safety	-	-	-	593,205	593,205
Culture and Recreation	-	-	-	85,815	85,815
Unassigned	5,777,380	-	-	-	5,777,380
Total Fund Balance	5,837,574	2,194,958	-	725,498	8,758,030
Total Liabilties, Deferred Inflows of Resources and Fund Balances	$ 6,986,563	$ 2,895,773	$ 554,472	$ 754,354	$ 11,191,162

See accompanying notes to basic financial statements.

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

Total Governmental Fund Balances		$ 8,758,030
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.		7,559,171
Unavailable revenue from taxes not collected within 60 days after the end of the fiscal year.		939,682
Long term liabilities are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet.		
Due within one year	$ (43,001)	
Due after one year	(93,930)	
Compensated Absences	(144,688)	
		(281,619)
Net Position of Governmental Activities		$ 16,975,264

See accompanying notes to basic financial statements.

CHATTOOGA COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2025

	General Fund	Capital Project Sales Tax Fund	E-911 Fund	Other Funds	Total Governmental Funds
Revenues					
Taxes					
Ad Valorem	$ 10,244,380	$ -	$ -	$ -	$ 10,244,380
Sales Taxes	-	3,672,750	-	-	3,672,750
Charges for Services	976,824	-	693,433	142,589	1,812,846
Licenses and Permits	21,700	-	-	-	21,700
Investment Income	30,239	7,777	1,082	9,904	49,002
Fines and Forfeitures	646,774	-	-	110,346	757,120
Miscellaneous	164,002	38,703	-	-	202,705
Intergovernmental	377,730	1,093,414	25,657	152,838	1,649,639
Total Revenues	12,461,649	4,812,644	720,172	415,677	18,410,142
Expenditures					
Current					
General Government	2,552,589	-	-	-	2,552,589
Public Safety	6,186,323	-	933,115	240,927	7,360,365
Public Works	290,197	1,708,098	-	-	1,998,295
Sanitation	1,339,295	-	-	-	1,339,295
Cultural and Recreational	769,184	-	-	128,088	897,272
Court System	1,857,140	-	-	8,604	1,865,744
Health and Welfare	466,278	-	-	-	466,278
Debt Service					
Principal	-	40,543	-	-	40,543
Interest	-	10,762	-	-	10,762
Intergovernmental payments	-	1,671,100	-	-	1,671,100
Capital Outlay	48,764	87,821	26,040	23,692	186,317
Total Expenditures	13,509,770	3,518,324	959,155	401,311	18,388,560
Excess (Deficiency) of Revenues Over Expenditures	(1,048,121)	1,294,320	(238,983)	14,366	21,582
Other Financing Sources (Uses)					
Transfers (Out)/In	(61,526)	-	61,526	-	-
Total Other Financing Sources (Uses)	(61,526)	-	61,526	-	-
Net Changes in Fund Balance	(1,109,647)	1,294,320	(177,457)	14,366	21,582
Fund Balances - Beginning	6,947,221	900,638	177,457	711,132	8,736,448
Fund Balances - End of Year	$ 5,837,574	$ 2,194,958	$ -	$ 725,498	$ 8,758,030

See accompanying notes to basic financial statements.

CHATTOOGA COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2025

Net Changes in Fund Balances - Total Governmental Funds	$	21,582
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:		
Governmental funds report capital outlay as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Position, the cost of those assets is allocated over their useful lives as depreciation expense. This is the amount of capital recorded in the current period net of disposals.		307,530
Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net positon, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in governmental funds.		(661,044)
The issuance of long-term debt (e.g. bonds) provides current resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		40,543
Governmental funds do not report changes in long-term liabilities, while governmental activities report such liabilities and the changes in them:		
Compensated Absences		7,285
Some revenues will not be collected for several months after the County's fiscal year end, they are not considered "available" revenues in the governmental funds.		182,711
Changes In Net Position of Governmental Activities	$	(101,393)

See accompanying notes to basic financial statements.

CHATTOOGA COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Taxes	$ 6,641,994	$ 10,244,380	$ 10,244,380	$ -
Intergovernmental	1,040,072	377,730	377,730	-
Charges for Services	898,200	976,824	976,824	-
Licenses and Permits	15,000	21,700	21,700	-
Fines and Forfeitures	475,000	646,774	646,774	-
Miscellaneous	384,859	194,241	194,241	-
Total Revenues	9,455,125	12,461,649	12,461,649	-
Expenditures				
General Government	2,236,624	2,552,589	2,552,589	-
Public Safety	5,579,535	6,212,087	6,212,087	-
Health and Welfare	401,202	466,278	466,278	-
Sanitation	837,200	1,339,295	1,339,295	-
Culture and Recreation	572,960	769,184	769,184	-
Court System	1,804,570	1,857,140	1,857,140	-
Public Works	248,600	313,197	313,197	-
Total Expenditures	11,680,691	13,509,770	13,509,770	-
Excess (Deficiency) of Revenues over Expenditures	(2,225,566)	(1,048,121)	(1,048,121)	-
Other Financing Sources (Uses)				
Transfers In(out)	-	(61,526)	(61,526)	-
Total Other Financing Sources (Uses)	-	(61,526)	(61,526)	-
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	$ (2,225,566)	$ (1,109,647)	(1,109,647)	$ -
Fund Balances - Beginning			6,947,221	
Fund Balances - End of Year			$ 5,837,574	

See accompanying notes to basic financial statements.

CHATTOOGA COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - E911 EMERGENCY FUND
Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Miscellaneous				
911 Fees	$ 390,000	$ 693,433	$ 693,433	$ -
Interest Revenue	-	1,082	1,082	-
Total Revenues	390,000	694,515	694,515	-
Expenditures				
Public Safety - E911				
Salaries	470,000	534,848	534,848	-
Benefits	164,600	223,302	223,302	-
Insurance	3,900	4,376	4,376	-
Supplies	5,500	4,901	4,901	-
Maintenance - Buildings & Equipment	12,800	43,889	43,889	-
Telephone	35,000	43,813	43,813	-
Training and Travel	1,000	368	368	-
Computer Expense	31,500	41,833	41,833	-
Utilities	17,500	30,374	30,374	-
Capital Outlay	4,000	31,451	31,451	-
	-			
Total Expenditures	745,800	959,155	959,155	-
Excess of Revenues Over Expenditures	(355,800)	(264,640)	(264,640)	-
Other Financing Sources (Uses)				
Grant revenues	-	25,657	25,657	-
Transfers - In	-	61,526	61,526	-
Total Other Financing Sources (Uses)	-	87,183	87,183	-
Net Change in Fund Balance	$ (355,800)	$ (177,457)	(177,457)	$ -
Fund Balance - Beginning of Year			177,457	
Fund Balance - End of Year			$ -	

See accompanying notes to basic financial statements.

CHATTOOGA COUNTY, GEORGIA
BALANCE SHEET
PROPRIETARY FUND
December 31, 2025

	Water Fund
Assets	
Current Assets	
Cash and Cash Investments	$ 466,472
Receivables (Net Where Applicable of Allowance for Doubtful Accounts)	
Accounts	201,269
Inventories	119,936
Prepaid Expenses	5,500
Total Current Assets	793,177
Current Assets - Restricted	
Cash and Cash Investments	29,037
Noncurrent Assets	
Capital Assets	
Construction in Process	1,010,369
Land	56,899
Buildings	145,810
Equipment	22,557,354
Infrastructure	915,843
Accumulated Depreciation	(8,646,388)
Total Capital Assets Net of Accumulated Depreciation	16,039,887
Total Noncurrent Assets	16,039,887
Total Assets	$ 16,862,101

See accompanying notes to basic financial statements.

CHATTOOGA COUNTY, GEORGIA
BALANCE SHEET
PROPRIETARY FUND
December 31, 2025

	Water Fund
Liabilities	
Current Liabilities	
Accounts Payable	$ 14,638
Deposits	21,070
Due to general fund	1,080,748
Bonds and notes payable	242,265
Total Current Liabilities	1,358,721
Noncurrent Liabilities	
Bonds and notes payable	6,564,977
Compensated Absences	6,845
Total Liabilities	7,930,543
Fund Equity	
Net investment in capital assets	9,232,645
Unrestricted	(301,087)
Total Fund Equity	8,931,558
Total Liabilities and Fund Equity	$ 16,862,101

See accompanying notes to basic financial statements.

CHATTOOGA COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUND
Year Ended December 31, 2025

	Water Fund
Operating Revenues	
Charges for Services	$ 1,361,394
Total Operating Revenues	1,361,394
Operating Expenses	
Personal Services	467,631
Supplies	677,199
Contractual Services	38,469
Depreciation	455,155
Total Operating Expenses	1,638,454
Operating Income (Loss)	(277,060)
Nonoperating Revenues (Expenses)	
Investment Income	10,978
Interest Expense	(237,759)
Grant revenue	836,001
Total Nonoperating Revenues (Expenses)	609,220
Income (Loss) before other revenues	332,160
Capital Contributions	43,623
Transfers in	-
Total Other Revenues	43,623
Change in Net Position	375,783
Net Position - Beginning of Year	8,555,775
Net Position - End of Year	$ 8,931,558

See accompanying notes to basic financial statements.

CHATTOOGA COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
Year Ended December 31, 2025

	Water Fund
Cash Flows from Operating Activities	
Cash received from customers	$ 1,388,179
Cash payments to suppliers for goods and services	(803,737)
Cash payments to employees for services	(470,427)
Net Cash Provided (Used) by Operating Activities	114,015
Cash Flows from Noncapital Financing Activities	
Loan from (payment to) general fund	546,502
Cash Flows from Capital and Related Financing Activities	
Acquisition and construction of capital assets	(913,627)
Reduction of Bond Debt Principal - Net	(236,733)
Interest Paid on Bonds and Notes	(237,759)
Grant and Donation revenue	836,001
Net Cash Provided (Used) by Capital and Related Financing Activites	(552,118)
Cash Flows from Investing Activities	
Interest on Cash and Cash Investments	10,978
Increase (Decrease) in Cash and Cash Investments	119,377
Cash and Cash Investments - Beginning of Year	376,132
Cash and Cash Investments - End of Year	$ 495,509
Non-cash capital contributions were received from the following:	
Capital Project Sales Tax Funds - construction costs	$ 43,623
Total non-cash capital contributions	$ 43,623

See accompanying notes to the basic financial statements.

CHATTOOGA COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2025

	Water Fund
Reconciliation of Income (Loss) from operations to net cash provided (used) by operating activities	
Operating Income (Loss)	$ (277,060)
Depreciation	455,155
Change in operating assets and liabilities:	
(Increase) Decrease in Accounts Receivable	16,995
Increase (Decrease) in Accounts Payable	(21,835)
(Increase) Decrease in Prepaid Expense	-
(Increase) Decrease in Inventory	(66,234)
(Increase) Decrease in Compensated Absences	(2,796)
(Increase) Decrease in Deposits	9,790
Net Cash Provided (Used) by Operating Activities	$ 114,015
Reconciliation of Total Cash and Cash Investments:	
Current Assets - Cash and Cash Investments	$ 466,472
Restricted Assets - Cash and Cash Investments	29,037
Total Cash and Cash Investments	$ 495,509

See accompanying notes to the basic financial statements.

CHATTOOGA COUNTY, GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
December 31, 2025

	CUSTODIAL FUNDS
ASSETS	
Cash and Cash Equivalents	$ 318,989
Receivables	
Taxes	1,372,965
Total Assets	1,691,954
LIABILITIES	
Accounts Payable	113,088
Due to Other Governments	1,446,578
Total Liabilities	1,559,666
NET POSITION	
Restricted for	
Individuals and other governments	132,288
Total Net Position	$ 132,288

See accompanying notes to basic financial statements.

CHATTOOGA COUNTY, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
For the Year Ended December 31, 2025

Additions	
Taxes Collected for other governments	$ 12,702,400
Court fees collected for individuals	116,643
Court fees collected for other agencies	263,058
Court fees collected for other funds	9,366,758
Total Additions	22,448,859
Deductions	
Payments of taxes to other governments	12,702,400
Payments to individuals	127,889
Payments of court fees to other agencies	260,202
Payments of court fees to other funds	9,367,866
Total Deductions	22,458,357
Change in Net Position	(9,498)
Net Position - Beginning of Year	141,786
Net Position - End of Year	$ 132,288

See accompanying notes to basic financial statements.

1. Summary of Significant Accounting Policies

A. General Statement

The accounting and reporting policies of Chattooga County, Georgia relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units and by the Financial Accounting Standards Board (when applicable). As allowed in Section P80 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, the County has elected not to apply Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedure issued after November 30, 1989. During 2003, the County implemented the new financial reporting requirements of GASB Statement Nos. 33 and 34, with the exception of the area dealing with infrastructure assets of the Governmental Activities Fund, which was implemented in the 2005 year. The more significant accounting policies of the County are described below.

B. Financial Reporting Entity

Chattooga County, Georgia (the primary government) operates under a Single Commissioner form of government and provides the following services: public safety, highway and streets, sanitation, health and social services, culture-recreation, and general administrative services.

The County's basic financial statements include the accounts of all County operations. The criteria for including organizations as component units within the County's reporting entity, as set forth in section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the County holds the corporate powers of the organization
- the County appoints a voting majority of the organization's board
- the County is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the County
- there is fiscal dependency by the organization on the County

Based on the aforementioned criteria the Industrial Development Authority, Hospital Authority, Board of Education, Library, and Department of Family and Children's Services did not meet the criteria for inclusion in these financial statements. The State of Georgia has concluded that the Department of Health should be included as a discretely presented component unit of the primary government.

1. Summary of Significant Accounting Policies - continued

C. Basis of Presentation

Government-wide Financial Statements

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of the County. The effect of interfund activity, within the governmental and business-type activities columns 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. The fiduciary funds of the government are not included in the government-wide financial statement.

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

Fund Financial Statements

The County segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and proprietary activities. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses, and balance of current financial resources. The County has presented the following major governmental funds:

General Fund -

General Fund is the main operating fund of the County. The fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges, and capital improvement costs that are not paid through other funds are paid from the General Fund.

Capital Projects Fund - Sales Tax

The Sales Tax Fund is used to account for funds received and expended for the construction and renovation of roads and bridges and special projects financed through Special Purpose Sales Tax revenue.

Special Revenue Fund – E-911

The E-911 fund is used to account for funds received from phone line charges and expended for the Emergency 911 department.

1. Summary of Significant Accounting Policies – continued

Proprietary Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income financial position and cash flow. All assets and liabilities are included on the Statement of Net Position. The County has presented the following major proprietary fund

Water Fund -

The Water Fund is used to account for the provision of water services to the residents of the County. Activities of the fund include administration, operations, and maintenance of the water system and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water debt. All costs are financed through charges to utility customers with rates reviewed and adjusted, if necessary, to ensure integrity of the funds.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fiduciary Fund (Not included in Government-wide statements) -

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

Custodial Funds-

Custodial funds account for assets held by the County in a purely custodial capacity. Since these funds are custodial in nature (i.e., assets equal liabilities), they do not involve the measurement of results of operations. The custodial funds are as follows:

Tax Commissioner - Collects and remits taxes collected for other governments and the County. The portion collected for the County is included in the County's General Fund.

Clerk of Court - Collects and remits fines and forfeitures authorized by the Courts for other governments, individuals, entities, and the County. The portion collected for the County is included in the County's General Fund.

Probate Court - Collects charges for various licenses and death certificates issued to the citizens of the County and remits them to other government agencies and the County. The portion collected for the County is included in the County's General Fund.

Magistrate Court - Collects fines and forfeitures authorized by the Court and remits them to other governments, individuals, entities, and the County. The portion collected for the County is included in the County's General Fund.

1. Summary of Significant Accounting Policies - continued

Fund Financial Statements – continued

Major and Non-major Funds

The funds are further classified as major or non-major as follows:

Major Funds (See above for descriptions)

Fund	Description
Capital Projects Fund - Sales Tax	
E-911 Fund	
Proprietary Fund - Water	
Non-major Funds:	
Special Revenue Funds	Used for accounting for revenues and expenditures of contracts and special projects.

D. Measurement Focus and Basis of Accounting

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.

Measurement Focus

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services, which are accrued. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e. when they become both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The County considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for recognition of all other Governmental Fund revenues. Expenditures are recorded when the related fund liability is incurred.

Custodial funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

The revenues susceptible to accrual are property taxes, franchise fees, licenses, charges for service, interest income, and intergovernmental revenues. Sales taxes collected and held by the state at year-end on behalf of the government are also recognized as revenue. All other governmental fund revenues are recognized when received.

1. Summary of Significant Accounting Policies - continued

D. Measurement Focus and Basis of Accounting – continued

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

All proprietary funds and custodial funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Proprietary fund types utilize the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Unbilled water funds utility service receivables are accrued at year-end by prorating actual subsequent billings.

The government reports deferred revenue on its combined balance sheet. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

The **discretely presented component unit (County Health Department)** uses the accrual basis of accounting for government-wide financial statements. At the fund reporting level, governmental funds use the modified accrual basis of accounting. The account group records acquisition cost of all capital assets owned by the Health Department as of the reporting period. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. The fiscal year used by the component unit ends June 30. The fiscal year ended June 30, 2025 is included in these financial statements. Copies of the audited financial statements can be obtained at 60 Farrar Drive, Summerville, Georgia, 30747.

1. Summary of Significant Accounting Policies - continued

E. Budgetary Control

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

a. Prior to October 1, the department heads submit to the County Commissioner a proposed operating budget for the year commencing the following January 1. The operating budget identifies the proposed expenditures for each department.

b. After receipt of the department operating budgets, the Commissioner develops the County's budget. The County's budget includes proposed expenditures and the means of financing them.

c. The budget is published in the local newspaper two weeks prior to a public hearing.

d. Public hearing is conducted to obtain taxpayer comments.

e. The budget is formally adopted after the public hearing.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each legally adopted annual operating budget is at the department level.

Formal budgetary integration is employed as a management control device during the year for the General Fund, Capital Projects Funds, and Special Revenue Funds. Formal budgets are also adopted for the Water District. Budgets for the General, Capital Projects, and Special Revenue Funds are adopted on the modified accrual (or GAAP) basis.

Budgeted amounts are as originally adopted, or as amended, by the Commissioner. Individual amendments were not material in relation to the original appropriations, which were amended. Unencumbered appropriations lapse at year-end.

The County does not employ encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

The actual results of operations as compared with the budget are presented in the Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis).

F. Cash and Cash Equivalents

Cash and cash equivalents, as authorized by statutes, include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the County, stated at cost. The County has no custodial or foreign risk policy other than the requirement that deposits should be in federally insured depositories.

1. Summary of Significant Accounting Policies– continued

G. Inventory

Enterprise Fund inventory consists of supplies and is stated at the lower of cost or market using the FIFO (first-in, first-out) method.

H. Prepaid Items

Prepaid balances are for payments made by the County in the current year to provide services occurring in the subsequent fiscal year, and the reserve for prepaid items has been recorded to signify that a portion of fund balance is not available for other subsequent expenditures.

I. Interfund Receivables and Payables

Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as “internal balances.”

J. Transactions Between Funds

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of Governmental Funds as follows:

FUNDS		Amount	
General Fund to E-911 Emergency	$	61,526	(For Operations)

K. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant and equipment. See Note 1-N for the deferral method of reporting infrastructure assets (roads, bridges, etc.) for the governmental activities fund.

Assets capitalized, not including infrastructure assets, have an original cost of $1,000 or more and over three years of useful life. Infrastructure assets capitalized have an original cost of $5,000 or more. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings and Improvements	20 - 50 Years
Water and Sewer System	30 - 50 Years
Infrastructure	20 - 40 Years
Machinery and Equipment	5 - 10 Years

1. Summary of Significant Accounting Policies - continued

L. Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefit Amounts

National Council on Governmental Accounting Statement 4, "Accounting and Financial Reporting Principles for claims and Judgments and Compensated Absences," concludes that vacation and sick pay costs (and other employee benefit amounts) should be accrued. All material amounts of employee benefits including compensated absences have been paid during the year negating any requirement for accruals.

M. Fund Equity

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

Fund Balance - Generally, fund balance represents the difference between the current assets and current liabilities. Amounts are classified as non-spendable, restricted, committed, assigned, or unassigned. The non-spendable fund balance includes amounts that are not available to fund expenditures such as inventories and prepaid amounts. The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource provider, or through enabling legislation. The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority (the Commissioner). Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes, but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purpose for which amounts have been restricted, committed, or assigned.

Net Position - Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition construction or improvements of those assets and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on the use either through the enabling legislations adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The remaining balance of net position is reported as unrestricted.

The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available. In governmental funds, the County's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications – committed and then assigned fund balances before using unassigned fund balances.

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) until then. The County does not have any items that qualify for reporting in this category.

1. Summary of Significant Accounting Policies - continued

M. Fund Equity – continued

In addition to liabilities, the Statement of Financial Position will sometimes report a separate section of 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 reports one of these items. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

N. Implementation of New Accounting Principles

The County elected to utilize the infrastructure transition option in the implementation of GASB Statement No. 34 (GASB 34), "Basis Financial Statements – Management's Discussion and Analysis – for State and Local Governments" and in fiscal year 2003 began capitalizing major infrastructure networks completed during the year. The County implemented infrastructure assets already in place at January 1, 2003 in 2005. In the absence of actual cost information, the County used a weighted average age calculation for estimating the historical cost of these infrastructure networks.

2. Cash and Cash Equivalents

Deposits consist of cash and short-term certificates of deposit and money market accounts. The county's policy and state statutes require all deposits be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of December 31, 2025, all of the County's deposits were insured or collateralized. The County has no foreign risk or interest rate risk policies.

3. Property Tax

Property taxes attach as an enforceable lien on property 30 days after the due date. Property taxes are billed on or about October 20 of each year and are payable in sixty days. The property taxes for 2025 were levied on September 12, 2025, billed on September 19, 2025 with a due date of December 10, 2025. Liens can be attached on January 11, 2026.

The County bills and collects its own taxes and collects various taxes for the Chattooga County Board of Education, the City of Summerville, Town of Trion, City of Menlo, Town of Lyerly, and the State of Georgia. Collection of the taxes for the County and the other government agencies is the responsibility of the Tax Commissioner's office, which is accounted for in the Custodial Fund. County property tax revenues are recognized when levied to the extent that they result in current receivables in accordance with Interpretation #3 issued by the National Council on Government Accounting. Current receivables include those property tax receivables expected to be collected within sixty days after year-end.

3. Property Tax - continued

The following is a summary of the estimated amount of property, and utility taxes for all governments collectible at December 31, 2025:

TAX YEAR	TOTAL UNCOLLECTED	RESERVE FOR UNCOLLECTIBLE	ESTIMATED COLLECTIBLE
2025	$ 1,212,654	$ 18,930	$ 1,193,724
2024	129,522	2,693	126,829
2023	30,693	1,566	29,126
2022	9,222	1,733	7,489
2021	3,496	621	2875
2020	2,670	2,443	227
2019	228	228	-
2018	49	49	-
2017	47	47	-
2016	1,434	1,434	-
Total	$ 1,390,015	$ 29,744	$ 1,360,271

4. Restricted Assets

Restricted assets represent monies and other assets, which are restricted for use by legal or contractual requirements, amounts used in prior years for operating expenditures out of customer deposits, and amounts, deposited into the reserve account from unrestricted assets as required by the bond ordinances (Note 8).

Restricted assets were composed of the following at December 31, 2025
.:

Proprietary Funds:	
Cash:	
Renewal and Extension	$ 29,037

5. Contingent Liabilities and Landfill Closure

Legal proceedings and possible claims are pending or may be asserted in the future against the County. The County's insurance carrier is defending the proceedings where coverage is afforded. At this time, neither the County nor the County's legal counsel can estimate the outcome of the cases. However, they consider the likelihood of negative consequences to be minimal.

The County closed its only sanitation landfill in 1992 and the closure was completed in 1999.After closure, the site is required by state law to be monitored for a minimum of 25 years at an expected cost of $25,000 per year. The estimated balance for future costs is $500,000 over 20 years. The estimated remaining cost of closure and yearly cost of landfill monitoring is based on current effective rates. Future closure and monitoring costs are to be paid from revenues derived from the 1% special local option sales tax. The actual cost of closure and future monitoring is subject to change due to changes in inflation, technology, or applicable landfill laws and regulations. The County presently contracts with an independent company to transport its waste to another site operated by another municipality.

6. Capital Assets

Capital assets acquired prior to January 1, 1986 are shown at the fair market value as determined by the County Tax Assessors. Assets acquired after January 1, 1986 are recorded at cost.

A summary of changes in Capital Assets is as follows:

Governmental Activities:

	Balance January 1	Additions	Transfers and Retirements	Balance December 31
Capital Assets not being Depreciated:				
Land	$ 489,812	$ -	$ -	$ 489,812
Construction in process	-	188,035	-	188,035
Total	489,812	188,035	-	677,847
Capital Assets being Depreciated:				
Buildings	5,350,856	-	-	5,350,856
Equipment	7,002,666	119,495	-	7,122,161
Infrastructure	50,341,455	-	-	50,341,455
Total	62,694,977	119,495	-	62,814,472
Less Accumulated Depreciation:				
Buildings	2,799,119	137,311	-	2,936,430
Equipment	5.060.877	412,985	-	5,473.862
Infrastructure	47,412,105	110.749	-	47,522,854
Total	55,272,101,	661,045	-	55,933,146
Total Capital Assets being Depreciated, Net	7,422,876	(541,550)	-	6,881,326
Total Governmental Activities, Capital Assets, Net	$ 7,912,688	$ (353,515)	$ -	$ 7,559,173

Business-type Activities:	Balance January 1	Additions	Retirements	Balance December 31
Capital Assets not being Depreciated:				
Land	$ 56,899	$ -	$ -	$ 56,899
Construction in process	98,120	912,249	-	1,010,369
Total	155,019	912,249	-	1,067,268
Capital Assets being Depreciated:				
Buildings	145,810	-	-	145,810
Equipment	915,843	-	-	915,843
Infrastructure	22,512,354	45,000	-	22,557,354
Total	23,574,007	45,000	-	23,619,007
Less Accumulated Depreciation:				
Buildings	115,803	2,323	-	118,126
Equipment	883,132	10,488	-	893,620
Infrastructure	7,192,297	442,344	-	7,634,641
Total	8,191,232	455,155	-	8,646,387
Total Capital Assets being Depreciated, Net	15,382,775	(410,155)	-	14,972,620
Total Business-type Activities Capital Assets, Net	$ 15,537,794	$ 502,094	$ -	$ 16,039,888

6. Capital Assets - continued

Depreciation for the year by functions was as follows:

General Government	$ 103,406	
Public Safety	195,000	
Roads and Bridges	285,381	
Sanitation	67,078	
Health and Welfare	10,180	
Total Government Activities		$ 661,045
Total Business-Type Activities – Water		455,155
Total Depreciation		$ 1,116,200

7. Long Term Debt

During 2008, the Water District received a loan from the Georgia Environmental Facilities Authority (GEFA) for $573,300 to finance the construction of a water expansion project in the Cloudland and the Gore/Subligna area. The loan is payable over 20 years at $2,388.75 monthly at zero interest beginning November 2009.

On October 15, 2009, the County issued Chattooga County, Georgia Water System Revenue Bond, Series 2008B. The principal face amount is $4,921,000, with monthly payments of $21,554 including interest at 4.375% with the first payment due November 2010. This bond was issued for the purpose of refinancing the costs of the additions, extensions, and improvements to the existing water system of the County in the Gore/Subligna area. The bond was purchased by Rural Development, United States Department of Agriculture. This bond is secured by the revenues derived from operations of the water system.

In September 2011, the Water District received another GEFA loan in the amount of $1,303,258 to help fund the construction of additional water lines to the Cloudland area. Construction was completed in 2013. Monthly payments began January 2015 of $5,430 with zero percent interest.

During 2011, the Water District began construction on Phase 2 of the water expansion project in the east and south areas of the County. The county received a USDA loan in the amount of $2,801,000 to assist with this project. Interim financing was provided by United Community Bank at 3.9% and repaid in March 2012. Water System Revenue Bonds Series 2011B were issued on March 22, 2012 in the amount of $2,801,000 at 3.25% with repayment commencing April 2013 at an amount of $10,588 per month for 40 years.

Financed Purchase

On September 22, 2024, the County signed a lease purchase agreement in the principal amount of $215,700 to finance a John Deere excavator for public works. The lease is payable in five annual installments with the first payments being $51,305 thereafter including interest at 5.9%.

7. Long Term Debt– continued

The following is the purchased financing amortization schedule:

Year	Principal	Interest	Total
2026	$ 43,001	$ 8,304	$ 51,305
2027	45,607	5,698	51,305
2028	48,323	2,932	51,255
Total	$ 136,931	$ 16,934	$ 153,915

	Balance 12/31/2024	Increase	Decrease	Balance 12/31/2025	Due Within One Year
Governmental Activities:					
Financed Purchase	$ 177,474	$ -	$ 40,543	$ 136,931	$ 43,001
Total Governmental Activities	$ 177,474	$ -	$ 40,543	$ 136,931	$ 43,001
Business-Type Activities:					
Revenue Bonds Series 2008B	$ 4,005,376	$ -	$ 88,140	$ 3,917,236	$ 92,007
GEFA Loan 2008	152,880	-	28,665	124,215	28,665
GEFA Loan 2011	619,048	-	65,163	553,885	65,163
Revenue Bonds Series 2011B	2,266,671	-	54,765	2,211,906	56,430
Total Business-Type Activities	$ 7,043,975	$ -	$ 236,733	$ 6,807,242	$ 242,265

The series 2008B requires a reserve account with monthly deposits beginning November 2010 of $2,155 to be made until the fund reaches an equivalent of 10% of the annual payments. As of December 31, 2025, this fund had been established at $29,037.

The annual requirements to amortize the long-term debt as of December 31, 2025, including interest payments, are as follows:

	REVENUE BONDS		GEFA LOANS AND NOTE	
YEAR	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2026	$ 148,437	$ 232,228	$ 93,828	$ -
2027	154,188	226,476	93,828	-
2028	160,169	220,495	93,828	-
2029	166,388	214,276	93,828	-
2030	172,856	207,808	93,828	-
2031-2035	970,715	932,604	208,960	-
2036-2040	1,176,003	727,317	-	-
2041-2045	1,426,056	477,265	-	-
2046-2050	1,611,112	173,412	-	-
2051-2052	143,218	2,767	-	-
TOTAL	$ 6,129,142	$ 3,414,648	$ 678,100	$ -

8. Risk Management/Self-Insurance Fund

The County is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County purchases insurance coverage from GIRMA to cover its risk of loss for all areas except workers' compensation claims. For workers' compensation coverage, the County participates in the Association of County Commissioners of Georgia Group Self-Insurance Workers' Compensation Fund, and for other general insurance, the County participates in the Interlock Risk Management Agency risk pool, public entity risk pools currently operating as a common risk management and insurance program for member local governments.

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

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

Payments are made into these funds based on actuarial estimates needed to pay prior and current year claims. Insurance premiums are assessed the County to cover liabilities and property damages. There were no unpaid claims at the end of the current year, which would require accrual on the balance sheet. Also, settlement amounts have not exceeded coverage's in any of the last three years for either fund.

9. Joint Venture

Under Georgia law, the County, in conjunction with other cities and counties in the Northwest area, is Member of the Northwest Georgia Regional Commission (NWGRC). Membership in NWGRC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the NWGRC. Membership in the NWGRC includes the chief elected official of each county and municipality of the area. OCGA Section 50-8-39.1 provides that the member governments are liable for obligations of the NWGRC. During the year, the County paid $25,389 in dues to the NWGRC. The financial requirements of the County related to the NWGRC are limited to the amount of its annual dues. Separate financial statements may be obtained from the NWGRC, Jackson Hill, Rome, GA 30161.

10. Interfund Receivable/Payables

Interfund balances at December 31, 2025, consisted of the following amounts for reimbursable expenses. These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made. The county expects to repay all interfund balances within one year.

Due to	Due From	Amount
General Fund	Water Fund	$ 1,080,748
General Fund	E-911	$ 529,930

11. Retirement Benefits

The following pension and retirement plans are in effect but are not under the direct control of the County:

Probate Judges' Retirement Fund of Georgia - The Probate Judge is covered under a Pension plan which 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 - The Clerk of Superior Court is covered under a pension plan which 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 - The Sheriff and sheriff deputies are covered under separate pension plans which require that 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.

GASB Statement No. 68 valuation reports and schedules can be found on their respective web sites.

The county also offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457(b) plan administered by MassMutual Financial Group. The plan, which is available to all full-time County employees, permits them to defer a portion of their salary until future years. If participants elect to contribute to the plan, the County will make a matching contribution of up to 3% in a 401(a) plan. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Participants are 100% vested in the plan. The 457(b) plan was effective beginning in 2018. The county contributed 3% in the 401(a) plan in 2025 in the amount of $102,954.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, and rights (until paid or made available to the employee or other beneficiary) are solely the property and rights of the employees.

The County has only minor administrative involvement and does not perform any investing for the plan. Due to the face the County's role in management of the plan assets is basically limited to transmitting amounts withheld from payroll to an outside party responsible for administering the plan, the County does not report the assets of the Plan in the County's financial statements.

12. Post Employment Benefits

On January 1, 2014, the county adopted a resolution to provide health insurance benefits for certain employees upon their retirement. The benefit applies to any employee, including elected officials, who retire with 35 years of service. The retiree can continue their health insurance benefits with the county continuing the employer portion of the benefit until the retiree becomes eligible for Medicare. Currently there are no employees receiving this benefit.

13. Tax Abatements

In calendar year 2017, the county adopted Governmental Accounting Standards Board (GASB) Statement No. 77, Tax Abatement Disclosures. This statement requires state and local governments to disclose tax abatement agreements entered by other governments that reduce the reporting government's tax revenues. The following information should be disclosed: (1) brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients; (2) the gross dollar amount of taxes abated during the period; and (3) commitments made by a government, other than to abate taxes, as part of a tax abatement agreement.

Chattooga County, through the Development Authority of Chattooga County, allows for taxable revenue bond financing, pursuant to the Georgia Development Authorities law, under Title 36 Chapter 62 of the Official Code of Georgia, in order to promote the creation of jobs and stimulate development activity within Chattooga County. The taxable revenue bond financings result in the reduction of ad valorem (real and/or personal property) taxes.

The county offers a reduction in property taxes through the structure of these financing arrangements. Specifically, the Development Authority of Chattooga County, may enter into agreements with private individuals or entities in order to incentivize these businesses to build, relocate, expand, or renovate in Chattooga County. The agreements involve a bond issuance and sale-leaseback transaction, whereby the Development Authority takes title to property and leases it back to the company. The Business or individual is responsible for making ad valorem tax payments on its leasehold interest. The rental payments for the leasehold offset the debt service on the bonds over a fixed 10-year term, so that at the end of the incentive period the bonds are fully retired and the company regains title of the property through an option to purchase.

The Development Authority considers the fiscal impacts of a proposed project and weighs such benefits against the costs of reduced revenue impacts when considering whether to enter a taxable revenue bond deal with an individual or entity. Generally eligible projects involve a commitment of significant capital investment and/or the creation of net new jobs to the County, which propose a favorable return on investment for the County. There are no additional commitments other than to provide favorable tax treatment. There are provisions for recapturing some portion of the value of these incentives in the event capital investment and job creation numbers are not met during the incentive period; however, the Development Authority can immediately return title to a company for a non-performing project, which cancels the incentive going forward. There are no amounts receivable from other governments.

For the 2025 calendar year, Chattooga County abated property taxes that were levied on September 12, 2025 and due December 10, 2025 totaling $907,188 from one manufacturing company of which $448,418 was for the Chattooga County Board of Education.

14. Subsequent Events

Subsequent to the balance sheet date, Chattooga County began collecting two new sales tax measures authorized under the "Save Our Homes Act" (House Bill 581), which was enacted statewide in the prior year. The voters approved both measures, and the taxes are scheduled to become effective as follows:

Measure	Effective Date
Floating Local Option Sales Tax (FLOST)	January 1, 2026
Transportation Special Purpose Local Option Sales Tax (T-SPLOST)	April 1, 2026

Floating Local Option Sales Tax. FLOST is a consumption tax imposed on taxable purchases made within Chattooga County. Upon implementation, the cumulative sales tax rate in the County will increase by 1%. The tax is required to be collected for a fixed term of five years, and any continuation beyond that period would require further local legislative action and approval by the voters in a subsequent referendum. FLOST revenue is legally restricted and may be used solely to reduce property taxes through a reduction in the millage rate applied to real and personal property; it may not be used for general governmental operations or capital projects.

The "floating" feature of the tax refers to its direct relationship to the homestead exemption limitation established under HB 581. Under that provision, the assessed value of homesteaded property for tax purposes is capped, and the taxable value may increase only by the rate of inflation, as measured by the Consumer Price Index, regardless of increases in the property's market value. Because this limitation may reduce property tax revenue otherwise collectible by local governments, the FLOST serves as the mechanism through which the County may offset the resulting revenue reduction while providing mandated tax relief.

Prior to placement of the measure on the ballot, Chattooga County and its participating municipalities were required, as a prerequisite established by state law, to execute an intergovernmental agreement detailing the distribution of FLOST revenue. Such an agreement was carried out.

Transportation Special Purpose Local Option Sales Tax. The T-SPLOST was approved by the voters of 1% for the purpose of funding improvements to the County's roads, bridges, and emergency response capabilities, and becomes effective April 1, 2026.

Combining Financial Statements

Non-Major Governmental Funds

CHATTOOGA COUNTY, GEORGIA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
December 31, 2025

	Special Revenue			
	Drug Confiscation	**Jail Improvement**	**Date**	**Housing Prisoners**
Assets				
Cash and Cash Investments	$ 99,705	$ 264,445	$ 73,551	$ 181,163
Due from other governments	-	438	31	-
Total Assets	$ 99,705	$ 264,883	$ 73,582	$ 181,163
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	$ -	$ -	$ -	$ 28,856
Total Liabilities	-	-	-	28,856
Fund Balances				
Restricted for:				
Public Safety	99,705	264,883	73,582	152,307
Culture and Recreation	-	-	-	-
Judicial	-	-	-	-
Total Fund Balances	99,705	264,883	73,582	152,307
Total Liabilities and Fund Balances	$ 99,705	$ 264,883	$ 73,582	$ 181,163

CHATTOOGA COUNTY, GEORGIA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
December 31, 2025

	Special Revenue				
	Law Library	Agricultural Fair	Multiple Grants	Juvenile Services	Total Other Governmental Funds
	$ 46,478	$ 85,815	$ -	$ 2,728	$ 753,885
	-	-	-	-	469
	$ 46,478	$ 85,815	$ -	$ 2,728	$ 754,354
	$ -	$ -	$ -	$ -	$ 28,856
	-	-	-	-	28,856
	-	-	-	2,728	593,205
	-	85,815	-	-	85,815
	46,478	-	-	-	46,478
	46,478	85,815	-	2,728	725,498
	$ 46,478	$ 85,815	$ -	$ 2,728	$ 754,354

CHATTOOGA COUNTY, GEORGIA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2025

	Special Revenue			
	Drug Confiscation	**Jail Improvement**	**Date Fund**	**Housing Prisoners**
Revenues				
Investment Income	$ 130	$ 259	$ 245	$ 5,068
Fines and Forfeiture	22,600	42,628	30,013	-
Intergovernmental Revenue	-	-	-	-
Charge for Services	-	-	-	18,056
Total Revenues	22,730	42,887	30,258	23,124
Expenditures				
Current				
Public Safety	57,666	37,867	14,866	-
Culture and Recreation	-	-	-	-
Courts	-	-	-	-
Total Expenditures	57,666	37,867	14,866	-
Excess (Deficiency) of Revenues over Expenditures	(34,936)	5,020	15,392	23,124
Other Financing Sources (Uses)				
Transfers In	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Changes in Fund Balance	(34,936)	5,020	15,392	23,124
Fund Balances - Beginning of Year	134,641	259,863	58,190	129,183
Fund Balances - End of Year	$ 99,705	$ 264,883	$ 73,582	$ 152,307

CHATTOOGA COUNTY, GEORGIA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2025

	Special Revenue				
	Law Library	Agricultural Fair	Multiple Grants	Juvenile Services	Total Other Governmental Funds
	$ 967	$ 2,773	$ -	$ 462	$ 9,904
	15,015	-	-	90	110,346
	-	-	152,838	-	152,838
	-	124,533	-	-	142,589
	15,982	127,306	152,838	552	415,677
	-	-	154,220	-	264,619
	-	128,088	-	-	128,088
	8,604	-	-	-	8,604
	8,604	128,088	154,220	-	401,311
	7,378	(782)	(1,382)	552	14,366
	-	-	-	-	-
	-	-	-	-	-
	7,378	(782)	(1,382)	552	14,366
	39,100	86,597	1,382	2,176	711,132
	$ 46,478	$ 85,815	$ -	$ 2,728	$ 725,498

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual

Special Revenue Funds

CHATTOOGA COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - DRUG CONFISCATION ACCOUNT
Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Intergovernmental Revenue	$ -	$ 22,600	$ 22,600	$ -
Miscellaneous	-	130	130	-
Total Revenues	-	22,730	22,730	-
Expenditures				
Public Safety - Sheriff				
Crime Prevention	-	33,974	33,974	-
Capital Outlay	-	23,692	23,692	-
Total Expenditures	-	57,666	57,666	-
Net Change in Fund Balance	$ -	$ (34,936)	(34,936)	$ -
Fund Balance - Beginning of Year			134,641	
Fund Balance - End of Year			$ 99,705	

CHATTOOGA COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - JAIL IMPROVEMENT FUND
Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Interest income	$ -	$ 259	$ 259	$ -
Fines and Forfeitures	-	42,628	42,628	-
Total Revenues	-	42,887	42,887	-
Expenditures				
Public Safety - Sheriff				
Jail Maintenance	22,000	37,867	37,867	-
Total Expenditures	22,000	37,867	37,867	-
Net Change in Fund Balance	$ (22,000)	$ 5,020	5,020	$ -
Fund Balance - Beginning of Year			259,863	
Fund Balance - End of Year			$ 264,883	

CHATTOOGA COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - DATE FUND
Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Fines and Forfeitures	$ 54,000	$ 54,000	$ 30,013	$ (23,987)
Interest income	-	-	245	245
	-			
Total Revenues	54,000	54,000	30,258	(23,742)
Expenditures				
Public Safety - Sheriff				
Crime Prevention	21,500	21,500	14,866	6,634
Total Expenditures	21,500	21,500	14,866	6,634
Net Change in Fund Balance	$ 32,500	$ 32,500	15,392	$ (17,108)
Fund Balance - Beginning of Year			58,190	
Fund Balance - End of Year			$ 73,582	

CHATTOOGA COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - LAW LIBRARY
Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Fines and forfeitures	$ 15,000	$ 15,000	$ 15,015	$ 15
Investment earnings	750	750	967	217
Total Revenues	15,750	15,750	15,982	232
Expenditures				
Court System	15,750	15,750	8,604	7,146
Total Expenditures	15,750	15,750	8,604	7,146
Net Change in Fund Balance	$ -	$ -	7,378	$ 7,378
Fund Balance - Beginning of Year			39,100	
Fund Balance - End of Year			$ 46,478	

CHATTOOGA COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - MULTIPLE GRANTS FUND
Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Intergovernmental Revenue	$ -	$ 152,838	$ 152,838	$ -
Miscellaneous	-	-	-	-
Total Revenues	-	152,838	152,838	-
Expenditures				
Public Safety - Sheriff				
Crime Prevention	100,000	154,220	154,220	-
Total Expenditures	100,000	154,220	154,220	-
Net Change in Fund Balance	$ (100,000)	$ (1,382)	(1,382)	$ -
Fund Balance - Beginning of Year			1,382	
Fund Balance - End of Year			$ -	

Supplementary Individual Fund
Financial Schedules

General Fund

The supplementary schedules are included to provide management additional information for financial analysis.

CHATTOOGA COUNTY, GEORGIA
COMPARATIVE BALANCE SHEET
GENERAL FUND
December 31, 2025

(with comparative totals for 2024)

	2025	2024
Assets		
Cash	$ 3,794,246	$ 4,956,105
Accounts Receivable	177,503	163,626
Due from other funds	1,610,678	1,620,252
Due from other governments	43,865	22,743
Taxes Receivable	1,360,271	1,484,189
Total Assets	$ 6,986,563	$ 8,246,915
Liabilities and Fund Balance		
Liabilities		
Accounts Payable	$ 209,307	$ 542,724
Deferred Inflows of Resources		
Unavailable Revenues	939,682	756,970
Total Liabilities and Deferred Inflows of Resources	1,148,989	1,299,694
Fund Balance		
Restricted for:		
Capital Outlay	60,194	-
Unassigned	5,777,380	6,947,221
Total Fund Balance	5,837,574	6,947,221
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 6,986,563	$ 8,246,915

CHATTOOGA COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2025

(with comparative totals for 2024)

	2025				2024
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues					
Taxes	$ 6,641,994	$ 10,244,380	$ 10,244,380	$ -	$ 11,239,211
Licenses and Permits	15,000	21,700	21,700	-	4,625
Fines and Forfeitures	475,000	646,774	646,774	-	610,960
Intergovernmental	1,040,072	377,730	377,730	-	627,560
Charges for Services	898,200	976,824	976,824	-	817,581
Miscellaneous	384,859	194,241	194,241	-	861,928
Total Revenues	9,455,125	12,461,649	12,461,649	-	14,161,865
Expenditures					
Current					
General Government	2,236,624	2,552,589	2,552,589	-	2,553,719
Public Safety	5,579,535	6,212,087	6,212,087	-	5,913,135
Court System	1,804,570	1,857,140	1,857,140	-	1,863,356
Roads and Bridges	248,600	313,197	313,197	-	324,942
Health and Welfare	401,202	466,278	466,278	-	408,980
Culture and Recreation	572,960	769,184	769,184	-	731,928
Sanitation	837,200	1,339,295	1,339,295	-	1,192,466
Total Expenditures	11,680,691	13,509,770	13,509,770	-	12,988,526
Excess (Deficiency) of Revenues Over Expenditures	(2,225,566)	(1,048,121)	(1,048,121)	-	1,173,339
Other Financing Sources (Uses)					
Transfers In (Out)	-	(61,526)	(61,526)	-	(61,749)
Total Other Financing Sources (Uses)	-	(61,526)	(61,526)	-	(61,749)
Net Change in Fund Balance	$ (2,225,566)	$ (1,109,647)	(1,109,647)	$ -	1,111,590
Fund Balances - Beginning			6,947,221		5,835,631
Fund Balanced - End of Year			$ 5,837,574		$ 6,947,221

CHATTOOGA COUNTY GEORGIA
SCHEDULE OF EXPENDITURES BY DEPARTMENTS
BUDGET AND ACTUAL
GENERAL FUND
Year Ended December 31, 2025

(with comparative totals for 2024)

	2025				2024
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
General Government					
Commissioner's Office	$ 627,290	$ 835,914	$ 835,914	$ -	$ 565,044
General Expenses	189,000	55,035	55,035	-	584,186
Buildings and Grounds	169,100	249,707	249,707	-	234,285
Registrar	116,520	152,708	152,708	-	102,489
Code Enforcement	74,605	83,182	83,182	-	78,837
Tax Assessors	557,709	653,879	653,879	-	479,964
Tax Commissioner	502,400	522,164	522,164	-	508,914
Total General Government	2,236,624	2,552,589	2,552,589	-	2,553,719
Public Safety					
Sheriff					
General	2,819,467	2,711,051	2,711,051	-	2,610,280
Jail	2,203,588	2,792,595	2,792,595	-	2,591,561
Malt Beverage Services	7,200	6,442	6,442	-	15,263
Community Oriented Police	191,910	218,369	218,369	-	211,257
Total Sheriff	5,222,165	5,728,457	5,728,457	-	5,428,361
Animal Control	134,000	186,489	186,489	-	176,299
Fire Departments	157,000	200,700	200,700	-	199,954
Civil Defense	7,500	11,717	11,717	-	6,230
Coroner	58,870	64,024	64,024	-	70,952
Local Emergency Planning	-	20,700	20,700	-	31,339
Total Public Safety	5,579,535	6,212,087	6,212,087	-	5,913,135
Courts					
Clerk of Courts	349,293	381,419	381,419	-	385,778
Probate Court	328,078	278,945	278,945	-	407,115
Magistrate Court	249,859	253,609	253,609	-	243,799
Juvenile Court	126,850	141,368	141,368	-	159,003
Superior Court	85,950	89,390	89,390	-	93,484
State Court	231,090	255,446	255,446	-	243,119
Court Reporter and Public Defender	140,810	153,165	153,165	-	139,942
District Attorney	286,940	301,748	301,748	-	185,766
Probation Office	5,700	2,050	2,050	-	5,350
Total Courts	1,804,570	1,857,140	1,857,140	-	1,863,356
Roads and Bridges (Work Camp)	248,600	313,197	313,197	-	324,942
Health and Welfare					
Board of Health	158,032	200,336	200,336	-	199,812
Public Welfare	99,320	99,320	99,320	-	74,490
County Agent	121,450	138,078	138,078	-	122,083
Crisis Centers	22,000	28,544	28,544	-	12,270
Indigent Care	400	-	-	-	325
Total Health and Welfare	401,202	466,278	466,278	-	408,980
Culture and Recreation					
Public Library	84,000	81,566	81,566	-	82,046
Public Transportation	145,150	227,472	227,472	-	190,473
Senior, Civic and other buildings	52,650	102,745	102,745	-	66,953
Economic Development	106,560	110,888	110,888	-	108,864
Boys and Girls Club	17,000	25,215	25,215	-	25,323
Agricultural Center	12,600	16,298	16,298	-	28,269
Recreation	155,000	205,000	205,000	-	230,000
Total Culture and Recreation	572,960	769,184	769,184	-	731,928
Sanitation					
Solid Waste and Water Project	837,200	1,339,295	1,339,295	-	1,192,466
Total Sanitation	837,200	1,339,295	1,339,295	-	1,192,466
Total Expenditures	$ 11,680,691	$ 13,509,770	$ 13,509,770	$ -	$ 12,988,526

CHATTOOGA COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES BY ACCOUNTS
GENERAL FUND
Year Ended December 31, 2025

(with comparative totals for 2024)

	2025	2024
EXPENDITURES		
General Government -		
Commissioner's Office -		
Salaries - Commissioner	$ 113,012	$ 96,160
Salaries - Others	210,629	177,294
Benefits	144,065	83,966
Dues	5,914	8,585
Insurance	108,643	87,565
Attorney fees	79,583	19,064
Office Expense	125,730	78,262
Telephone	8,706	5,951
Miscellaneous	26,508	-
Training and Travel	13,124	8,197
Capital Outlay	-	-
Total Commissioner's Office	835,914	565,044
General Expenses -		
Professional Services	55,035	550,928
Interest Expense	-	33,258
Total General Expenses	55,035	584,186
Building and Grounds -		
Salaries	115,616	112,246
Benefits	20,742	27,990
Insurance	1,215	955
Supplies	4,904	6,893
Maintenance	29,112	24,034
Utilities	78,118	62,167
Capital Outlay	-	-
Total Buildings and Grounds	249,707	234,285
Registrar -		
Salaries	53,950	67,416
Benefits	15,062	15,169
Insurance	759	597
Office Expense	27,667	10,115
Telephone	2,819	3,037
Training and Travel	8,371	1,080
Utilities	4,611	5,075
Board of Elections	11,520	-
Poll Workers	27,949	-
Capital Outlay	-	-
Total Registrar	152,708	102,489
Subtotal Carried Forward	1,293,364	1,486,004

CHATTOOGA COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES BY ACCOUNTS
GENERAL FUND
Year Ended December 31, 2025

(with comparative totals for 2024)

	2025	2024
Subtotal Brought Forward	$ 1,293,364	$ 1,486,004
EXPENDITURES - continued		
General Government - continued		
Code Enforcement -		
Salaries	43,165	43,581
Benefits	25,772	23,736
Insurance	7,205	6,913
Office Expense	5,437	3,960
Training and travel	585	-
Telephone	1,018	647
Capital Outlay	-	-
Total Code Enforcement	83,182	78,837
Tax Assessors -		
Salaries - Arbitrators	8,325	12,450
Salaries - Other	244,878	250,805
Benefits	107,119	102,460
Dues	4,713	4,181
Insurance	9,607	9,216
Legal	20,310	20,174
Office Expense	17,802	16,892
Telephone	6,298	6,558
Technical services	221,693	30,796
Training and Travel	10,398	5,575
Penalty	-	14,500
Capital Outlay	2,736	6,357
Total Tax Assessors	653,879	479,964
Tax Commissioner -		
Salaries - Tax Commissioner	107,383	70,865
Salaries - Others	170,964	198,382
Benefits	144,338	132,760
Auditors and Attorneys	25,696	23,269
Insurance	1,063	835
Office Expense	46,957	62,189
Telephone	7,608	7,766
Training and Travel	6,629	4,247
Capital Outlay	11,526	8,601
Total Tax Commissioner	522,164	508,914
Total General Government	**2,552,589**	**2,553,719**

CHATTOOGA COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES BY ACCOUNTS
GENERAL FUND
Year Ended December 31, 2025

(with comparative totals for 2024)

	2025	2024
EXPENDITURES - continued		
Public Safety -		
Sheriff - General		
Salaries - Sheriff	$ 104,043	$ 92,743
Salaries - Others	1,529,440	1,499,349
Benefits	527,261	464,611
Auditors and Attorneys	3,573	3,163
Dues	820	1,885
Insurance	186,178	179,325
Supplies	63,470	50,526
Repairs and maintenance	11,287	30,971
Telephone	16,556	14,975
Training and Travel	6,345	5,506
Capital Outlay	37,193	34,237
Vehicle Expense	188,032	206,814
Utilities	17,136	16,621
Uniforms	19,717	9,554
Total Sheriff - General	2,711,051	2,610,280
Community Oriented Police -	218,369	211,257
Malt Beverage Services -	6,442	15,263
Jail -		
Salaries	748,026	667,987
Benefits	205,205	176,031
Insurance	21,721	17,077
Supplies	53,472	65,516
Buildings and Grounds	67,460	46,115
Telephone	857	1,827
Training and Travel	1,490	1,231
Meals and Housing	1,362,338	1,360,093
Medical	330,038	252,995
Uniforms and Laundry	1,399	1,542
Capital Outlay	589	1,147
Total Jail	2,792,595	2,591,561
Total Sheriff	5,728,457	5,428,361
Animal Control -	186,489	176,299
Fire -	200,700	199,954
Civil Defense -	11,717	6,230
Subtotal Carried Forward	6,127,363	5,810,844

CHATTOOGA COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES BY ACCOUNTS
GENERAL FUND
Year Ended December 31, 2025

(with comparative totals for 2024)

	2025	2024
Subtotal Brought Forward	$ 6,127,363	$ 5,810,844
EXPENDITURES - continued		
Public Safety - continued		
Coroner -		
Salaries	28,640	29,624
Benefits	12,174	16,888
Training	3,993	825
Inquest expense	10,259	14,636
Supplies	8,958	8,979
Total Coroner	64,024	70,952
Local Emergency Planning	20,700	31,339
Total Public Safety	**6,212,087**	**5,913,135**
Courts -		
Clerk of Courts -		
Salaries - Clerk	95,660	85,385
Salaries - Others	140,495	133,376
Salaries - Arbitrators	7,500	35,393
Benefits	86,932	78,985
Auditors and Attorneys	3,000	4,170
Insurance	1,215	955
Office Expense	38,051	36,632
Telephone	2,327	3,847
Training and Travel	4,004	5,498
Capital Outlay	2,235	1,537
Total Clerk of Courts	381,419	385,778
Probate Court -		
Salaries - Judge	91,589	86,428
Salaries - Others	107,210	99,891
Benefits	56,835	68,936
Auditors and Attorneys	1,763	4,565
Insurance	759	597
Office Expense	8,680	23,583
Telephone	4,318	7,225
Training and Travel	4,649	5,969
Election Expense	-	31,974
Poll Workers	-	74,575
Capital Outlay	3,142	3,372
Total Probate Court	278,945	407,115
Subtotal Carried Forward	660,364	792,893

CHATTOOGA COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES BY ACCOUNTS
GENERAL FUND
Year Ended December 31, 2025

(with comparative totals for 2024)

	2025	2024
Subtotal Brought Forward	$ 660,364	$ 792,893
EXPENDITURES - continued		
Courts - continued		
Juvenile Court -		
Salaries	50,594	50,788
Benefits	3,993	3,856
Office Expense	1,760	1,510
Court Appointed Attorneys	66,956	91,072
Witness Fees	387	1,513
Court Reporters	17,678	10,264
Total Juvenile Court	141,368	159,003
Magistrate's Office -		
Salaries	181,354	174,121
Benefits	61,190	56,462
Auditors and Attorneys	2,733	2,221
Supplies	3,684	5,149
Insurance	608	477
Telephone	2,268	2,733
Training and Travel	1,772	1,185
Capital Outlay	-	1,451
Total Magistrate's Office	253,609	243,799
Superior Court -		
Salaries	9,496	10,880
Office Expense	5,306	1,710
Telephone	3,931	2,960
Court Reporters	9,631	15,722
Jurors	52,050	55,750
Witness Fees	1,466	262
Bailiffs and Administrators	7,510	6,200
Total Superior Court	89,390	93,484
Subtotal Carried Forward	1,144,731	1,289,179

CHATTOOGA COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES BY ACCOUNTS
GENERAL FUND
Year Ended December 31, 2025

(with comparative totals for 2024)

	2025	2024
Subtotal Brought Forward	$ 1,144,731	$ 1,289,179
EXPENDITURES - continued		
Courts - continued		
State Court -		
Salaries	161,232	149,664
Benefits	71,314	64,969
Insurance	456	358
Office Expense	2,720	3,273
Employee training	3,399	2,689
Telephone	610	491
Attorneys	12,515	11,125
Court Reporters	3,200	4,200
Jury Script	-	6,350
Capital Outlay	-	-
Total State Court	255,446	243,119
District Attorney -		
Prorate Expenses	299,018	185,029
Office Expense	2,730	737
Capital Outlay	-	-
Total District Attorney	301,748	185,766
Probation Office -	2,050	5,350
Court Reporter and Public Defender -		
Salaries	29,311	17,296
Benefits	2,932	1,910
Attorney Fees	120,922	120,736
Total Court Reporter and Public Defender	153,165	139,942
Total Courts	**1,857,140**	**1,863,356**
Roads and Bridges-		
Salaries	80,971	87,494
Benefits	40,707	36,333
Gas, Oil, and Tires	78,991	34,798
Maintenance	27,225	94,891
Insurance	15,568	15,568
Supplies	42,000	29,533
Utilities	16,685	15,039
Telephone	5,712	7,254
Uniforms	5,338	4,032
Capital Outlay	-	-
Total Roads and Bridges	**313,197**	**324,942**

CHATTOOGA COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES BY ACCOUNTS
GENERAL FUND
Year Ended December 31, 2025

(with comparative totals for 2024)

	2025	2024
EXPENDITURES - continued		
Health and Welfare -		
Board of Health	$ 200,336	$ 199,812
Public Welfare	99,320	74,490
County Agent	138,078	122,083
Child Advocacy Center	8,260	3,772
Family Crisis Center	13,797	4,336
Other Agencies	6,487	4,162
Hospital and Medical Care	-	325
Total Health and Welfare	**466,278**	**408,980**
Culture and Recreation -		
Public Library	81,566	82,046
Public Transportation	227,472	190,473
Civic, Senior, and Multi-purpose Centers	102,745	66,953
Economic Development	110,888	108,864
Boys and Girls Club	25,215	25,323
Agricultural Center	16,298	28,269
Recreation	205,000	230,000
Total Culture and Recreation	**769,184**	**731,928**
Sanitation -		
Solid Waste	765,614	625,981
Salaries	281,787	327,641
Benefits	98,215	103,453
Insurance	12,521	11,092
Supplies	14,951	9,778
Gas, Oil, and Repairs	77,342	87,199
Landfill Maintenance	26,545	10,530
Utilities	12,452	10,114
Professional services	26,868	6,678
Capital Outlay	23,000	-
Total Sanitation	**1,339,295**	**1,192,466**
TOTAL EXPENDITURES	**$ 13,509,770**	**$ 12,988,526**

Capital Projects Fund

CHATTOOGA COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECT - SALES TAX FUND
Year Ended December 31, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues				
Intergovernmental				
State Government - Special Project Local Option Sales Tax (SPLOST)	$ 3,781,483	$ 3,672,750	$ 3,672,750	$ -
Interest Income	-	7,777	7,777	-
Intergovernmental	637,529	1,093,414	1,093,414	-
Miscellaneous Income	10,000	38,703	38,703	-
Total Revenues	4,429,012	4,812,644	4,812,644	-
Expenditures				
Roads and Bridges				
Personnel	310,000	627,331	627,331	-
Benefits	96,000	182,651	182,651	-
Insurance	95,000	94,403	94,403	-
Professional fees	6,000	37,400	37,400	-
Capital Expenditures	1,030,000	459,806	459,806	-
Materials	188,500	237,708	237,708	-
Maintenance	32,000	207,925	207,925	-
Total Roads and Bridges	1,757,500	1,847,224	1,847,224	-
Intergovernmental Payments				
Municipal Contracts	1,200,000	1,671,100	1,671,100	-
Total Expenditures	2,957,500	3,518,324	3,518,324	-
Net Change in Fund Balance	$ 1,471,512	$ 1,294,320	1,294,320	$ -
Fund Balances - Beginning			900,638	
Fund Balances - Ending			$ 2,194,958	

See accompanying notes to basic financial statements.

Proprietary Fund

CHATTOOGA COUNTY, GEORGIA
COMPARATIVE STATEMENTS OF NET POSITION
WATER REVENUE FUND
Year Ended December 31, 2025

(with comparative totals for 2024)

	2025	2024
Assets		
Current Assets		
Cash and Cash Investments	$ 466,472	$ 348,013
Accounts Receivable	201,269	218,264
Inventory	119,936	53,702
Prepaid Expenses	5,500	5,500
Total Current Assets	793,177	625,479
Current Assets - Restricted		
Cash and Cash Investments	29,037	28,119
Total Current Restricted Assets	29,037	28,119
Noncurrent Assets		
Capital Assets		
Construction in Process	1,010,369	98,120
Land	56,899	56,899
Buildings	145,810	145,810
Infrastructure	22,557,354	22,512,354
Equipment	915,843	915,843
Accumulated Depreciation	(8,646,388)	(8,191,234)
Total Capital Assets, Net of Depreciation	16,039,887	15,537,792
Total Noncurrent Assets	16,039,887	15,537,792
Total Assets	$ 16,862,101	$ 16,191,390
Liabilities		
Current Liabilities		
Accounts Payable	$ 14,638	$ 36,473
Deposits	21,070	11,280
Due to general fund	1,080,748	534,246
Bonds and Notes Payable	242,265	236,733
Total Current Liabilities	1,358,721	818,732
Noncurrent Liabilities		
Compensated Absences	6,845	9,641
Notes and Bonds Payable	6,564,977	6,807,242
Total Noncurrent Liabilities	6,571,822	6,816,883
Total Liabilities	7,930,543	7,635,615
Net Position		
Net investment in capital assets	9,232,645	8,493,817
Unrestricted	(301,087)	61,958
Total Net Position	$ 8,931,558	$ 8,555,775

CHATTOOGA COUNTY, GEORGIA
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND NET POSITION
WATER REVENUE FUND
Year Ended December 31, 2025

(with comparative totals for 2024)

	2025	2024
Operating Revenues		
Charges for Services	$ 1,361,394	$ 1,539,989
Total Operating Revenues	1,361,394	1,539,989
Operating Expenses		
Personal Services	467,631	413,519
Supplies and Materials	677,199	595,324
Contractual Services	38,469	40,157
Depreciation	455,155	457,460
Total Operating Expenses	1,638,454	1,506,460
Income (Loss) from Operations	(277,060)	33,529
Nonoperating Revenues (Expenses)		
Interest Earned	10,978	14,568
Interest Expense	(237,759)	(243,078)
Grant and Donation Revenue	836,001	9,300
Total Nonoperating Revenue (Expenses)	609,220	(219,210)
Income (Loss) before other revenues	332,160	(185,681)
Capital Contributions	43,623	77,745
Total Other Revenues	43,623	77,745
Change in Net Position	375,783	(107,936)
Net Position - Beginning of Year	8,555,775	8,663,711
Net Position - End of Year	$ 8,931,558	$ 8,555,775

CHATTOOGA COUNTY, GEORGIA
COMPARATIVE STATEMENTS OF CASH FLOWS
WATER REVENUE FUND
Year Ended December 31, 2025

(with comparative totals for 2024)

	2025	2024
Cash Flows from Operating Activities		
Cash received from customers	$ 1,388,179	$ 1,520,154
Cash payments to supplies for goods and services	(803,737)	(621,248)
Cash payments to employees for services	(470,427)	(403,878)
Net Cash Provided (Used) by Operating Activities	114,015	495,028
Cash Flows from Noncapital Financing Activities		
Loan from (payment to) general fund	546,502	79,263
Cash Flows from Capital and Related Financing Activities		
Acquisition and construction of capital assets	(913,627)	-
Reduction of Bond Debt Principal - Net	(236,733)	(231,413)
Interest Paid on Bonds and Notes	(237,759)	(243,078)
Grant and Donation Revenue	836,001	9,300
Net Cash Provided (Used) by Capital and Related Financing Activities	(552,118)	(465,191)
Cash Flows from Investing Activities		
Interest or Cash and Cash Investments	10,978	14,568
Increase (Decrease) in Cash and Cash Investments	119,377	123,668
Cash and Cash Investments - January 1	376,132	252,464
Cash and Cash Investments - December 31	$ 495,509	$ 376,132

Non-cash capital contributions were received from the following:

Capital Project Sales Tax Funds -	$ 43,623
Total non-cash capital contributions	$ 43,623

CHATTOOGA COUNTY, GEORGIA
COMPARATIVE STATEMENTS OF CASH FLOWS
WATER REVENUE FUND
Year Ended December 31, 2025

(with comparative totals for 2024)

	2025	2024
Reconciliation of Income (Loss) from operations to net cash provided (used) by operating activities		
Income (Loss) from operations	$ (277,060)	$ 33,529
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities		
Depreciation	455,155	457,460
Change in assets and liabilities:		
(Increase) Decrease in Accounts Receivable	16,995	(11,225)
Increase (Decrease) in Accounts Payable	(21,835)	19,142
(Increase) Decrease in Inventory	(66,234)	(4,909)
Increase (Decrease) in Compensated Absences	(2,796)	9,641
Increase (Decrease) in Deposits	9,790	(8,610)
Net Cash Provided (Used) by Operating Activities	$ 114,015	$ 495,028
Reconciliation of Total Cash and Cash Investments		
Current Assets - Cash and Cash Investments	$ 466,472	$ 348,013
Restricted Assets - Cash and Cash Investments	29,037	28,119
Total Cash and Cash Investments	$ 495,509	$ 376,132

Custodial Funds

CHATTOOGA COUNTY, GEORGIA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
December 31, 2025

	Custodial Funds				
	Tax Commissioner	Clerk of Courts	Probate Judge	Magistrate Court	Total
Assets					
Cash	$ 186,701	$ 84,903	$ 27,664	$ 19,721	$ 318,989
Taxes Receivable (Net of Allowance for Uncollectible)	1,372,965	-	-	-	1,372,965
Total Assets	$ 1,559,666	$ 84,903	$ 27,664	$ 19,721	$ 1,691,954
Liabilities					
Accounts Payable	$ 113,088	$ -	$ -	$ -	$ 113,088
Due to Other Governments	1,446,578	-	-	-	1,446,578
Total Liabilities	1,559,666	-	-	-	1,559,666
Net Position					
Restricted for Individuals and other government	-	84,903	27,664	19,721	132,288
Total net position	$ -	$ 84,903	$ 27,664	$ 19,721	$ 132,288

CHATTOOGA COUNTY, GEORGIA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
Year Ended December 31, 2025

	Tax Commissioner	Clerk of Courts	Probate Judge	Magistrate Judge	Total
Additions					
Taxes Collected for other governments	$ 12,702,400	$ -	$ -	$ -	$ 12,702,400
Court fees collected for individuals	-	73,929	15,000	27,714	116,643
Court fees collected for other agencies	-	223,541	18,440	21,077	263,058
Court fees collected for other funds	8,243,821	978,332	74,433	70,172	9,366,758
Total Additions	20,946,221	1,275,802	107,873	118,963	22,448,859
Deductions					
Payments of taxes to other governments	12,702,400	-	-	-	12,702,400
Payments to individuals	-	83,113	15,000	29,776	127,889
Payments of court fees to other agencies	-	226,373	17,252	16,577	260,202
Payments of court fees to other funds	8,243,821	978,332	74,762	70,951	9,367,866
Total Deductions	20,946,221	1,287,818	107,014	117,304	22,458,357
Change in Net Position	-	(12,016)	859	1,659	(9,498)
Net Position - Beginning of Year	-	96,919	26,805	18,062	141,786
Net Position - End of Year	$ -	$ 84,903	$ 27,664	$ 19,721	$ 132,288

Compliance

CHRYSAN THOMAS
Certified Public Accountant
Professional Corporation
Member
American Institute of
Certified Public Accountants
Trion, Georgia

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 Honorable Commissioner
Chattooga County, Georgia

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Chattooga County, Georgia, as of and for the year ended December 31, 2025 and the related notes to the financial statements, which collectively comprise Chattooga County, Georgia's basic financial statements and have issued our report thereon dated September 30, 2026. Our report includes a reference to other auditors who audited the financial statements of the component unit, Chattooga County Health Department, as described in our report on Chattooga County, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matter that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Chattooga County, Georgia's internal control over financial reporting (internal control) to determine the 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 Chattooga County, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of Chattooga 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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, as described in the accompanying schedule of findings and questioned costs as items 25-01, 25-02, 25-03, and 25-04 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Chattooga County, Georgia's financial statements are free of 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 is required to be reported under *Government Auditing Standards.*

Chattooga County, Georgia's Response to Findings

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

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.

Chrysan Thomas
CHRYSAN THOMAS
Certified Public Accountant

Trion, Georgia
September 30, 2026

CHRYSAN THOMAS
Certified Public Accountant
Professional Corporation
Member
American Institute of
Certified Public Accountants
Trion, Georgia

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

To the Honorable Commissioner
Chattooga County, Georgia

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Chattooga County, Georgia's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Chattooga County, Georgia's major federal programs for the year ended December 31, 2025. Chattooga County, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Chattooga County, Georgia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Chattooga County, Georgia's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material

noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Chattooga County, Georgia's compliance with the requirements of each major federal program as a whole.

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Chrysan Thomas
CHRYSAN THOMAS
Certified Public Accountant

Dalton, Georgia
September 30, 2026

CHATTOOGA COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2025

GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	FEDERAL EXPENDITURE
U.S. Department of Housing & Urban Development			
Passed through Georgia Department of Community Affairs			
CDBG - Public Facility	14.218	23p-y-027-1-6335	$ 836,001
Total U.S. Department of Housing & Urban Development			836,001
U.S. Department of Justice			
Passed through Georgia Criminal Justice Coordinating Council			
Edward Byrne Memorial Justice Assistance	16.738	AW-BJAG-L24-001-008	152,838
Total U.S. Department of Justice			152,838
U.S.Department of Transportation			
Passed through Georgia Department of Transportation			
Transit Operating Assistance Grant	20.509	T008150	52,948
Transit Operating Assistance Grant	20.509	T008151	50,864
Total U.S. Department of Transportation			103,812
U.S. Department of Homeland Security			
Passed Through Georgia Emergency Management Agency			
Hazard Mitigation Planning Grant	97.039	HMGP-4501-0045	23,325
Emergency Management Performance Grant	97.042	OEM24-027	8,811
Total U.S. Department of Homeland Security			32,136
Total Federal Awards			$ 1,124,787

NOTE 1. BASIS OF PRESENTATION AND ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are recognized when the related fund liability is incurred.

Federal grant programs which are administered through State agencies(pass-through awards) have been included in this report.

The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and therefore, some amounts presented in this schedule may differ from amounts presented or used in the preparation of the financial statements.

The County elected not to utilize the 15% deminimus indirect cost rate.

CHATTOOGA COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2025

Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: **Unmodified**

Internal control over financial reporting:
- Material weakness(es) identified? **No**
- Significant deficiencies identified that are not considered to be material weakness(es)? **Yes**

Noncompliance material to the financial statements noted? **No**

Federal Awards

Internal control over major programs:
- Material weakness(es) identified: **No**
- Significant deficiencies identified that are not considered to be material weakness(es)? **None reported**

Type of Auditor's report issued on compliance for major programs: **Unmodified**

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a) : **No**

Major program:

U.S. Department of Housing & Urban Development
14.218 CDBG – Public Facility

Dollar threshold used to distinguish between Type A and Type B programs: **$1,000,000**

Auditee qualified as a low-risk auditee? **No**

Financial Statement Findings

FS25-01 **Criteria**: Custodial funds are used to account for resources held by the County, primarily by elected officials, in a purely custodial capacity, meaning all funds held are owed to other governments, organizations, or individuals. Because of the nature of these funds, adequate records must be maintained to account for receipts, disbursements, and residual funds held for later payment. Such listings should be reconciled with the respective cash balances maintained.

Condition: The bookkeeping function in the custodial funds is conducted without the use of general ledgers in the Probate Court, the Magistrate Court, and the Clerk of Superior Court. These departments also maintain lists of older outstanding funds being held that have not been paid out.

Cause: General ledger usage has not been implemented in these departments. No procedures are in place for routine reviews of reconciling balances on a monthly or annual basis, and no system exists to determine how older accounts should be paid out.

Effect: Accounting data could be misstated and amounts not disbursed in a timely manner.

Recommendation: We recommend a general ledger be used by all custodial funds and that procedures be implemented to require reports to be prepared and reconciled on a weekly, monthly, and annual basis. Reviews and monitoring of these procedures on a timely basis should also be implemented.

Views of Responsible Officials: We agree with the finding. We plan for all custodial funds to begin using general ledgers in the Harris software of the county. We are working on reconciling the detail listing to the cash balances and implementing an accounting system that will properly review and monitor our procedures. We will ensure that procedures are clearly conveyed to all employees.

FS25-02 **Criteria:** Segregation of employees' duties is a common practice in an effective internal control structure. Policies should be in place requiring the segregation of certain duties. Critical duties can be categorized into four functions: (1) authorization, (2) custody, (3) record keeping, and (4) reconciliation. In an ideal system, no one person should handle more than one type of function. When duties cannot be separated, compensating controls should be in place. A compensating control is an internal control intended to reduce the risk of an existing or potential control weakness.

Condition: There is a lack of appropriate segregation of duties and a lack of appropriate reviews and approvals of transactions in some offices of the County.

Cause: The limited number of employees in the various offices and the resulting overlapping of duties makes segregation of duties difficult.

Financial Statement Findings - Continued

Effect: Without the implementation of the above internal control functions, there is an increased risk of misappropriation of funds.

Recommendation: Procedures should be implemented that would provide for improved internal controls in the above areas. It is also recommended that these procedures be reviewed periodically on a continuous basis.

Views of Responsible Officials: We agree with the finding. We are implementing procedures to improve our accounting system as well as separating the duties of our employees when possible.

FS25-03 **Criteria:** General ledger balances must be supported by underlying documentation and agree to subsidiary records, bank reconciliations, and lender schedules. Negative balances in cash and expense accounts indicate posting errors. Financial records must be maintained by personnel with sufficient knowledge and skill, subject to appropriate supervisory review and controls.

Condition: The Water Department Fund activities are accounted for in two separate ledgers: the County's comprehensive ledger maintained by the Commissioner's Office, and a subsidiary ledger maintained at the Water Department, which records water billings, payments, and loan drafts. At the commencement of the audit, the unadjusted general ledger contained materially misstated balances, including several cash and expense accounts and the grant project activity.

Cause: New bookkeeping staff were unfamiliar with the structure of the County's fund ledgers and with the treatment of Water Department activity maintained in a separate ledger and deferred posting these accounts until year end rather than monthly. In the Water Department, the necessary accounting knowledge or skill required for the function is not present, and no one reviews or monitors the work during the year. No supervisory review, monthly reconciliation, or loan balance reconciliation process is in place.

Effect: The records could not support reliable financial statements without substantial reconstruction and numerous correcting entries.

Recommendation: We recommend that management provide formal training in the accounting software; require that all bank accounts, loan balances, and billing system revenue be reconciled to the general ledger monthly, with reconciliations documented and reviewed by a second individual with accounting knowledge; require that journal entries include descriptions and supporting documentation and that all accounts carry proper names; and provide supervision over the bookkeeping function or engage outside accounting support. Because similar conditions have been reported in prior years, we recommend a formal corrective action plan addressing staffing, training, and supervisory review rather than continued reliance on year-end correcting entries.

Views of Responsible Officials: Management has indicated that training will be provided by the software vendor to all employees and appropriate oversight will be provided to ensure that the entries into the software are accurate and timely.

Financial Statement Findings - Continued

FS25-04 **Criteria:** Internal control over cash receipts and disbursements requires segregation of incompatible duties and independent review by a second individual. Financial activity must be recorded in the proper fund, and interfund accounts must eliminate in the financial statements. Assets held in a fiduciary or custodial capacity should be accounted for separately from the funds to which they relate.

Condition: During the audit, several conditions were identified, indicating that cash handling and disbursement functions are concentrated in single individuals without independent review. Deposits are generally prepared and delivered to the bank by the bookkeeper alone, who prepares the deposit, places it in a sealed bag, and transports it to the bank without involvement of another employee. Because of the nature of the Sheriff's activity, audit journal entries were required in both the Special Revenue Fund and the General Fund to properly reflect 2025 operating activity and December 31, 2025, cash balances.

Cause: Cash handling duties are assigned to single employees without compensating review. The Sheriff's Office maintains a single ledger across multiple funds and reconciles to a subsidiary system without comparison to the general ledger.

Effect: The concentration of duties increases the risk that errors or misappropriations would not be detected in the ordinary course of operations. Accounting discrepancies and unreconciled interfund transfers resulted in misstatements requiring correction.

Recommendation: We recommend that an additional employee be involved in the deposit preparation and delivery process, and that steps be taken to safeguard public assets. We recommend that the Sheriff's Office maintain a separate general ledger for each fund, that commissary activity be recorded in a single complete ledger and that bank reconciliations be compared to that monthly ledger.

Views of Responsible Officials: We agree with the finding. We are implementing procedures to improve our accounting system as well as separating the duties of our employees and to safeguard all assets.

CHATTOOGA COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
December 31, 2025

Contracts 2020 - 2025	Original Estimated Cost	Prior Years	Current Year	Total	Current Non-SPLOST Expenditures on SPLOST Projects
Roads and Bridges Projects					
County	$ 4,708,800	$ 8,894,623	$ 652,514	$ 9,547,137	$ 1,132,117
Buildings					
County	1,569,600	232,641	-	232,641	-
Water System Improvements					
County	1,569,600	304,982	62,593	367,575	-
Summerville	3,960,000	4,475,276	1,010,009	5,485,285	-
Trion	1,512,000	1,708,741	385,635	2,094,376	-
Lyerly	540,000	610,414	137,728	748,142	-
Menlo	540,000	607,120	137,728	744,848	-
Total	$ 14,400,000	$ 16,833,797	$ 2,386,207	$ 19,220,004	$ 1,132,117

Note: Chattooga County, Georgia imposed a special purpose 1% local option sales and use tax with the proceeds limited to funding expenditures for specified water system improvements, building improvements,and roads and bridges projects. This is effective for a six year period from January 1, 2020 through December 31, 2025.