

UPSON COUNTY, GEORGIA



Annual Comprehensive Financial Report



For the Year Ended
December 31, 2021

UPSON COUNTY, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2021

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UPSON COUNTY BOARD OF
COMMISSIONERS
106 EAST LEE STREET, SUITE 110
THOMASTON, GA 30286
(706) 647-7012

Jason Tinsley –County Manager
The English Law Group – County Attorney

Norman Allen	- Chairman
Lorenzo Wilder	- District 1
James Ellington	- District 2
Paul Jones	- District 3
Benjamin Watson	- District 4

June 20, 2022

Honorable Members of the Upson County Board of Commissioners and the Citizens of Upson County, Georgia.

State law requires that all local governments publish, within six months of the close of each fiscal year, a complete set of financial statements based on accounting principles generally accepted in the United States of America and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. However, staff filed an extension with the Department of Audits that extended our filing deadline till December 31, 2022. Our intention is to file on or before August 31, 2022.

This report consists of management's representations concerning the finances of Upson County, Georgia. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of Upson County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Upson County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, Upson County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Upson County's financial statements have been audited by Driver Adams & Sharpe, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Upson County, Georgia for the year ended December 31, 2021, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Upson County's financial statements for the year ended December 31, 2021 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A. This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Upson County's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

Upson County, Georgia (incorporated in 1824) is located in west central Georgia, approximately 68 miles south of Atlanta, and serves a population of approximately 27,000. Upson County is an area approximately 333 square miles, ranked 84th in size among Georgia's 159 counties. Upson County is empowered to levy a property tax on both real and personal properties located within its boundaries.

The governing body (Upson County Board of Commissioners) of the County is responsible, among other things, for passing ordinances, adopting the budget, appointing department heads, making appointments to agencies and authorities within the county, and hiring the county manager, county attorney and county auditor. The Commission is elected to serve four-year terms.

The annual budget serves as the foundation for Upson County's financial planning and control. All departments and agencies funded by Upson County are required to submit requests for appropriation to the county's finance department each year. The commission is required to hold public hearings on the proposed budget and to adopt a final budget by no later than December 1, for the fiscal year commencing the following January 1. The appropriated budget is prepared by fund (e.g., general), function (e.g., public works), and department (e.g., Building and Zoning). Management is authorized to transfer budget amounts between expenditure character within individual departments. Transfers between departments or revisions which increase total expenditures of a fund must be approved by the County Commission.

Factors Affecting Financial Condition

Upson County is a rural county. Employment consists of a mix of small-scale manufacturing, healthcare, government to include the local school system, and agriculture to include the timber industry. The top two employers according to the number of employees is Upson Regional Medical Center and Thomaston-Upson School System. Per capita income was \$21,834, the median age of the County's residents was 43, and the unemployment rate was 6.5% for FY 2021. Metropolitan cities such as Atlanta, Macon and Columbus do provide employment opportunities for Upson County residents.

Although the County is small in population with low per capita income levels, the County is centrally located among other rural counties that benefit from large multi-national retailers located here such as Walmart and Home Depot. Additionally, we have popular, nationally recognized restaurants such as Chili's and Chick-fil-A with a Long Horn's that was recently opened in FY 2022. Both the retailers and restaurants bring consumers from several adjacent counties that add to our Local Option Sales Tax Revenues and Special Purpose Local Option Sales Taxes.

Our Local Option Sales Tax ("LOST") revenues are used to help fund the County's maintenance and operations thereby reducing the level of millage rate applied for our county-wide millage. Additionally, the County seeks to further moderate the level of millage rates and their impact on property taxes by conservative budgeting, responsible financial management, and the use of voter approved Special Purpose Local Option Sales Taxes ("SPLOST") and Transportation Special Local Optional Sales Tax ("TSPLOST").

SPLOST and TSPLOST tax revenues are the predominant sources of capital improvements. Without these special sales tax revenues, the County would have to rely more heavily on property taxes, which would impact property owners much more significantly. We believe special sales tax revenues are an equitable way to fund capital improvements as all residents of Upson and nonresidents benefit from well-maintained government facilities, roads, streets and bridges.

SPLOST and TSPLOST

The most significant use of SPLOST funds is for the maintenance and improvement of our roads, streets, and bridges. Starting in 2019, the County began the largest public works project in its recent history. Funded by 2019 Series TSPLOST bonds, we began a project of resurfacing, repaving and restriping roadways throughout the County. We have continued roadway restorations through 2021. For the three fiscal years ended December 31, 2021, the County has invested in the 79.2 miles of resurfacing, .24 miles of repaving, and 33.4 miles of restriping at a total cost of approximately \$11.9 million in road, streets and bridges. The following table shows totals and funding sources for those three fiscal years:

Funding Source	Amount (In Millions)
2019 Series TSPLOST	\$6.5
2019 and 2020 Local Maintenance & Improvement Grant (LMIG)	\$1.4
2016 SPLOST	<u>\$4.0</u>
Three-year total	<u>\$11.9</u>

Bond Rating

In 2021 Moody's Investors Service has upgraded Upson's general obligation and unlimited tax (GOULT) ratings to Aa3 from A1.

Moody's also assigned a Aa3 rating to the county's \$20.9 million revenue bonds (Upson County Projects), Series 2022 issued by the Thomaston-Upson County Office Building Authority and associated with the construction of a new judicial center. Upson County, a continuous trend of positive financial strategies causing healthy fund balances and liquid assets levels, backed by conservative budgeting procedures and adherence to formalized fiscal policies, contributed to the upgrade, according to county officials.

Although Upson is considered a smaller county, it has shown consistent and steady growth of the tax base. The county profits from its minimal debt and manageable fixed costs, the statement said.

In addition to an annual audit, Moody's Investors Service has conducted another thorough and independent review of Upson County finances. According to Moody's the decision to upgrade bond ratings for Upson is confirmation of sound financial management by the county, according to the release. The County's excellent credit rating has resulted in significant interest savings for Upson residents and has enabled the County to implement a strong capital improvement program.

Project Planning

The County has for many years used an informal capital improvement program to plan for upgrades and replacement of public infrastructure and the management of the related costs. Recently this planning process has expanded to include a comprehensive project planning dashboard model so Commissioners and staff can better plan for future fiscal impacts. This model was implemented in response to a strategic goal adopted by the County Commission and is intended to support the policy makers in making prudent decisions with a focus on the long-term fiscal health of the County. The budgetary philosophy of the County historically has been one of stability in budgets, taxes, and user charges.

There are three SPLOST initiatives currently underway. As of December 31, 2021, the Series 2011 SPLOST, Series 2016 SPLOST, and Series 2019 SPLOST were 96.1%, 66.7%, and 68.6% complete based on the revised estimated costs of projects in each of those SPLOST initiatives. The Series 2011 SPLOST was 100% complete in early 2022.

Financial Policies

The County has adopted several formal financial policies related to general fund balance, capital budgets and debt administration, and overall budget development to provide guidance for financial management of the County. These policies impact the County's financial condition and are reflected in the financial statements in a variety of ways. For example, the County's Fund Balance Policy was adopted to ensure that short-term borrowing is no longer needed to provide cash liquidity. As part of that policy, the County seeks to achieve hiring crediting ratings and eliminate the need for Tax Anticipation Notes (TAN's).

The County maintains a healthy general fund balance of undesignated funds of \$11.8 million that will be available as needed to address future budget challenges in this post-pandemic economic climate of high rates of inflation, property tax levy limitations imposed by the State of Georgia, or other factors.

Awards and Acknowledgments

The preparation of this report could not have been accomplished without the efficient and dedicated service of the entire finance office staff. I would like to express my appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit must also be given to the Upson County Board of Commissioners for their unfailing support for maintaining the highest standards of professionalism in the management of Upson County, Georgia's finances.

Respectfully submitted,



W. Jason Tinsley, County Manager

UPSON COUNTY, GEORGIA
List of Elected and Appointed
Officials

December 31, 2021

Elected Officials

Board of Commissioners

Norman Allen, Chairman

James Ellington

Paul Jones

Benjamin Watson

Lorenzo Wilder

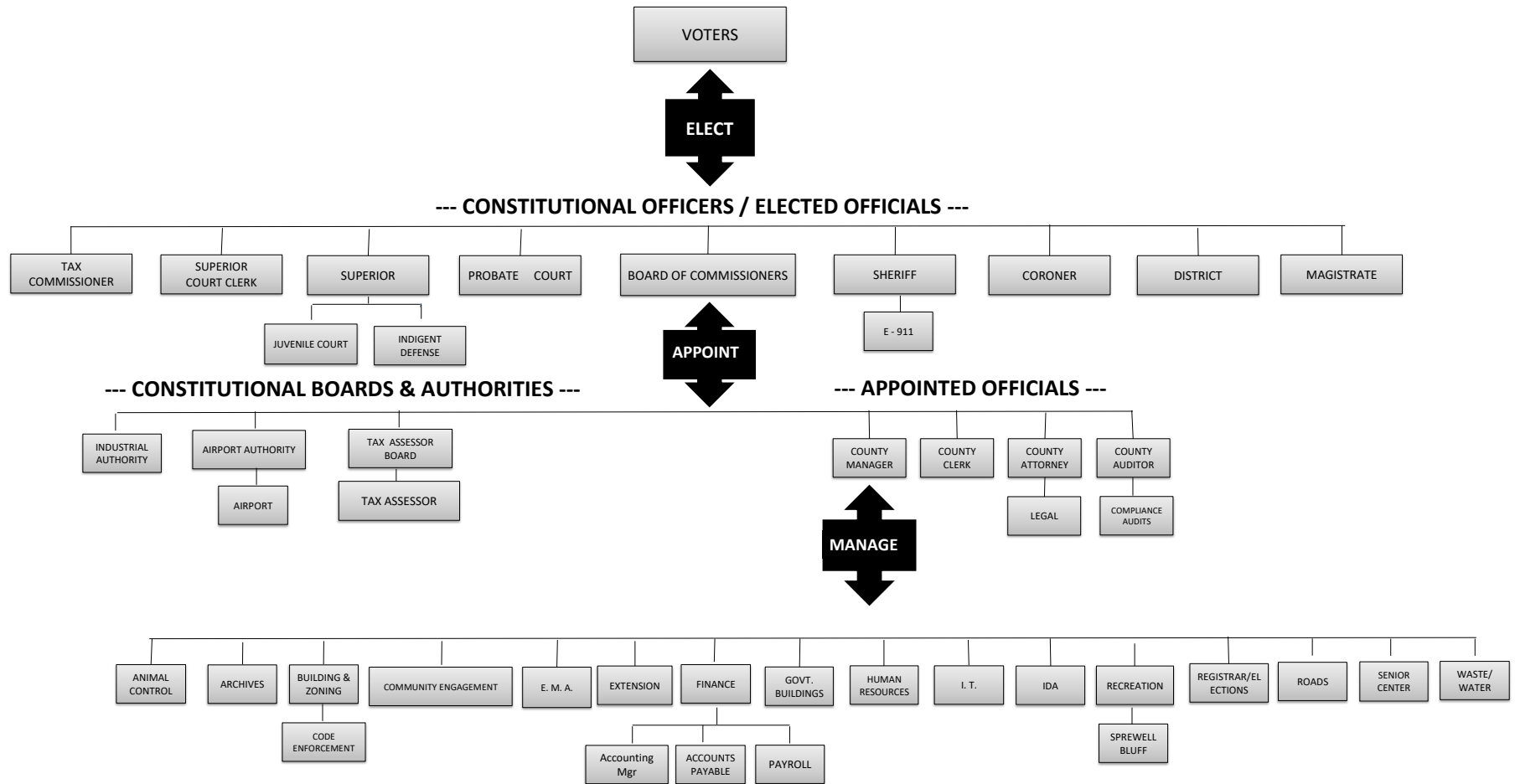
Constitutional Officers

Teresa Harper, Clerk of Superior Court

Andy Chastain, Tax Commissioner

Dan Kilgore, Sheriff

Danielle McRae, Probate Court Judge





Driver Adams + Sharpe
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

Reshann P. Adams, CPA
Sydney L. Sharpe, CPA

Kim C. Millen
Emily Means

Established 1977

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
of Upson County, Georgia
Thomaston, Georgia

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Upson County, Georgia for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Thomaston-Upson County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information Upson County, Georgia, as of December 31, 2021, and the changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, the 911 Fund, the Unincorporated Services Fund, and the Joint Projects 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 Upson County Board of Health, a nonmajor component unit, which represents 10.4%, 7.4%, and 12.7% , respectively, of the assets and deferred outflows of resources, net position, and revenues of the aggregate discretely presented component units as of December 31, 2021. 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 the Upson County Board of Health, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report. We are required to be independent of Upson County,

Georgia and to meet other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Upson County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about where the financial statements as a whole are free from material misstatements, 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 not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted 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 Upson County's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Upson County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 11-21 and 30-39 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Upson County, Georgia's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules, and the Schedule of Projects Funded Through Special Purpose Local Option Sales Tax, are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, the schedule of expenditures of special purpose local option sales tax proceeds, the

schedule of expenditures of transportation special purpose local option sales tax proceeds, are fairly stated, in all material respects in relation to the basic financial statements taken as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any other form of assurance thereon.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Audit Standards*, we have also issued our report dated June 20, 2022, on our consideration of Upson 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 solely 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 Upson County, Georgia's internal control over financial reporting and compliance.

Driver, Adams + Sharpe, CPAs

Thomaston, Georgia

June 20, 2022

Management's Discussion & Analysis

Management's Discussion & Analysis

As management for the Upson County Board of Commissioners ("the County" (referred to herein as "the County," "we," "us," or "our", we offer readers of the County's financial statement this narrative overview and analysis of the County for the year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-4 of this report.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The basic financial statements comprise three components: 1 government-wide financial statements, 2 fund financial statements, and 3 notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The statements within the first component are government-wide financial statements that provide both long-term and short-term information about the County's overall financial status in a manner similar to a private-sector business.

The statements within the second component are fund financial statements that focus on individual parts of the County government, reporting the County's operations in more detail than the government-wide statements.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances. These two statements are the 1 statement of Net Position and 2 statement of activities.

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

The *statement of activities* presents information showing how the government's Net Position changed during the most recent fiscal year. All changes in Net Position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes.

Both government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public safety, health and welfare, and culture and recreation. The business-type activities are the Northside, Sunset and Lincoln Park Water Systems and Waste Services.

The government-wide financial statements include not only Upson County government itself (known as the primary government, but also the component units of Upson County. Financial information for the component units is reported separately from the financial information presented for the primary government itself. The Thomaston- Upson County Airport Authority, the Thomaston-Upson County Recreation Department, and Industrial Development Authority are considered major component units and, as such, are presented in separate columns while data for the remaining two non-major component units are combined into a single aggregated presentation. Additional information for all non-major component units can be found in the combining statements on pages 90-91 of this report.

The government-wide financial statements can be found on pages 22-24 of this report.

Fund financial statements. The remaining statements are fund financial statements that focus on individual parts of the County government, reporting the County's operations in more detail than the government-wide statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Upson County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Upson County can be divided into three (3) categories: 1 governmental funds, 2 proprietary funds, and 3 fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Upson County maintains fourteen (14) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, the 911 Fund, S.P.L.O.S.T. Capital Projects Funds, Unincorporated Services Fund, the Joint Projects Fund and the Debt Service Fund, which are considered to be major funds. Data from the other five governmental funds are combined into a single, aggregated presentation. Detailed information on those funds can be found under Note 3 to the Financial Statements. Individual fund data for each of these non-major governmental funds is provided in the form of both combining statements and individual fund statements elsewhere in this report.

The County adopts an annual appropriated budget for its general fund, special revenue funds and capital projects. A budgetary comparison statement has been provided for each fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 25-39 of this report.

Proprietary funds. The County maintains two types of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses an enterprise fund to account for the County Water Districts and the Waste Services Fund. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages 40-42 of this report.

Fiduciary funds. *Fiduciary Funds* are used to account for resources held for the benefit of parties principally outside the government. *Fiduciary Funds* are **not** related in the Government-Wide Financial Statements because the resources of those funds are not available to support the county's own programs. The accounting used for *Fiduciary Funds* is much like that used for *Proprietary Funds*.

The basic fiduciary fund financial statements can be found on page 43 of this report.

Notes to the financial statements. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 44-76 of this report.

Government-wide Financial Analysis

Net Position may serve over time as a useful indicator of a government's financial position. In the case of Upson County, assets exceeded liabilities by \$48.5 million for governmental activities at December 31, 2021.

By far the largest portion of the County's net position reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and vehicles; less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although Upson County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following tables present an analysis of the County's net position and changes in net position at and for the years ended December 31, 2021 and 2020.

Upson County, Georgia
Net Position

	Governmental Activities		Business-type Activities		Total	
		(Restated)		(Restated)		(Restated)
	2021	2020	2021	2020	2021	2020
Assets						
Current and other assets	\$ 24,978,433	\$ 24,704,501	\$ 2,250,228	\$ 2,767,192	\$ 27,228,661	\$ 27,471,693
Capital assets	31,896,219	30,508,675	6,585,214	5,593,915	38,481,433	36,102,590
Total Assets	\$ 56,874,652	\$ 55,213,176	\$ 8,835,442	\$ 8,361,107	\$ 65,710,094	63,574,283
Deferred outflows of resources	270,132	3,454,893	-	-	270,132	3,454,893
Total assets and deferred outflows of resources	<u>\$ 57,144,784</u>	<u>\$ 58,668,069</u>	<u>\$ 8,835,442</u>	<u>\$ 8,361,107</u>	<u>\$ 65,980,226</u>	<u>\$ 67,029,176</u>
Liabilities						
Other liabilities	3,313,584	782,659	407,666	383,962	3,721,250	1,166,621
Long term liabilities	3,988,283	5,169,381	3,069,274	3,346,858	7,057,557	8,516,239
Total Liabilities	7,301,867	5,952,040	3,476,940	3,730,820	10,778,807	9,682,860
Deferred inflows of resources						
resources related to pensions	1,338,857	4,716,687	-	-	1,338,857	4,716,687
Total liabilities and deferred inflows of resources related to pensions	<u>\$ 8,640,724</u>	<u>\$ 10,668,727</u>	<u>\$ 3,476,940</u>	<u>\$ 3,730,820</u>	<u>\$ 12,117,664</u>	<u>\$ 14,399,547</u>
Net Position						
Net Investment in capital assets	\$ 29,127,771	\$ 25,928,675	\$ 2,924,545	\$ 2,547,057	\$ 32,052,316	\$ 28,475,732
Restricted	8,718,818	10,929,523	-	-	8,718,818	10,929,523
Unassigned	10,657,471	11,086,487	2,433,957	2,083,230	13,091,428	13,169,717
Total net position	<u>\$ 48,504,060</u>	<u>\$ 47,944,685</u>	<u>\$ 5,358,502</u>	<u>\$ 4,630,287</u>	<u>\$ 53,862,562</u>	<u>\$ 52,574,972</u>

Upson County, Georgia
Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
		(Restated)		(Restated)		(Restated)
	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues:						
Charges for services	\$ 2,755,233	\$ 2,768,955	\$ 2,929,716	\$ 2,614,944	\$ 5,684,949	\$ 5,383,899
Operating grants & contributions	2,110,116	2,291,654	-	-	2,110,116	2,291,654
Capital grants & contributions	248,000	24,625	306,734	-	554,734	24,625
General Revenues:					-	-
Property Taxes	8,196,375	9,151,875	-	-	8,196,375	9,151,875
Other taxes/revenues	13,407,626	11,351,083			13,407,626	11,351,083
Interest	28,906	18,082	275	895	29,181	18,977
Other	452,122	1,377,660	-	-	452,122	1,377,660
Total Revenues	\$ 27,198,378	\$ 26,983,934	\$ 3,236,725	\$ 2,615,839	\$ 30,435,103	\$ 29,599,773
Expenses						
General government	\$ 7,494,346	\$ 9,882,222	\$ -	\$ -	\$ 7,494,346	\$ 9,882,222
Judicial	2,172,222	2,221,952	-	-	2,172,222	2,221,952
Public safety	7,647,177	6,698,243	-	-	7,647,177	6,698,243
Public works	3,197,701	2,408,126	-	-	3,197,701	2,408,126
Health and welfare	904,165	534,622	-	-	904,165	534,622
Culture and recreation	3,914,295	206,697	-	-	3,914,295	206,697
Housing and development	1,101,787				1,101,787	
Interest on debt	207,310	247,519	-	-	207,310	247,519
Water Systems/Waste Services	-	-	2,508,509	2,297,867	2,508,509	2,297,867
Total Expenses	\$ 26,639,003	\$ 22,199,381	\$ 2,508,509	\$ 2,297,867	\$ 29,147,512	\$ 24,497,248
Increase in net position	<u>\$ 559,375</u>	<u>\$ 4,784,553</u>	<u>\$ 728,216</u>	<u>\$ 317,972</u>	<u>\$ 1,287,591</u>	<u>\$ 5,102,525</u>

Government-wide Financial Analysis

Governmental Activities

- Increase in net position of \$559,375 or 1.2%, to \$48,504,060 at December 31, 2021 compared to \$47,944,685 at December 31, 2020.
- Increase in total assets of \$1,661,476, or 3.0%, to \$56,874,652 at December 31, 2021 compared to \$55,213,176 at December 31, 2020. Of this increase, \$1,387,544 was related to capital assets.
- Increase in total liabilities of \$1,349,827, or 22.7%, to \$7,301,867 at December 31, 2021 compared to \$5,952,040 at December 31, 2020. Of this increase, other liabilities increased \$2,530,925, or 323.4%, to \$3,313,584 at December 31, 2021 compared to \$782,659 at December 31, 2020. The increase in other liabilities was primarily related to an increase in unearned revenue of approximately \$2,500,000 at December 31, 2021 as compared to \$0 at December 31, 2020. The unearned revenue relates to the first half of the \$5,265,000 in the Coronavirus State and Local Fiscal Recovery Funds ("SLFRF") received under the American Rescue Plan Act of 2021 ("ARPA").
- Decrease in long-term liabilities of \$1,181,098, or 22.8%, to \$3,988,283 at December 31, 2021 from \$5,169,381 at December 31, 2020.
- Total net position of the County's governmental funds increased to \$48,504,060 at December 31, 2021 from \$47,944,685 at December 31, 2020. Unassigned portions of net position at December 31, 2021 and 2020 were \$10,657,471 and \$11,086,487, respectively.

Business-Type Activities

- Increase in net position of \$728,215, or 15.7%, to \$5,358,502 at December 31, 2021 compared to \$4,630,287 at December 31, 2020.
- Increase in total assets of \$474,335, or 5.7%, to \$8,835,442 at December 31, 2021 compared to \$8,361,107 at December 31, 2020. Of this increase, \$991,229 was related to an increase in capital assets that was offset partially by a decrease in current and other assets of \$516,964.
- Decrease in long-term liabilities of \$277,584, or 8.29%, to \$3,069,274 at December 31, 2021 from \$3,346,858 at December 31, 2020.

Capital Assets and Debt Administration

Capital assets. Upson County's investment in capital assets for its governmental and business-type activities at December 31, 2021 was \$38,481,433 (net of accumulated depreciation). This investment includes land, buildings and systems, machinery, vehicles and infrastructure.

Information on the County's capital assets can be found in the notes to the financial statements on pages 55-56 of this report.

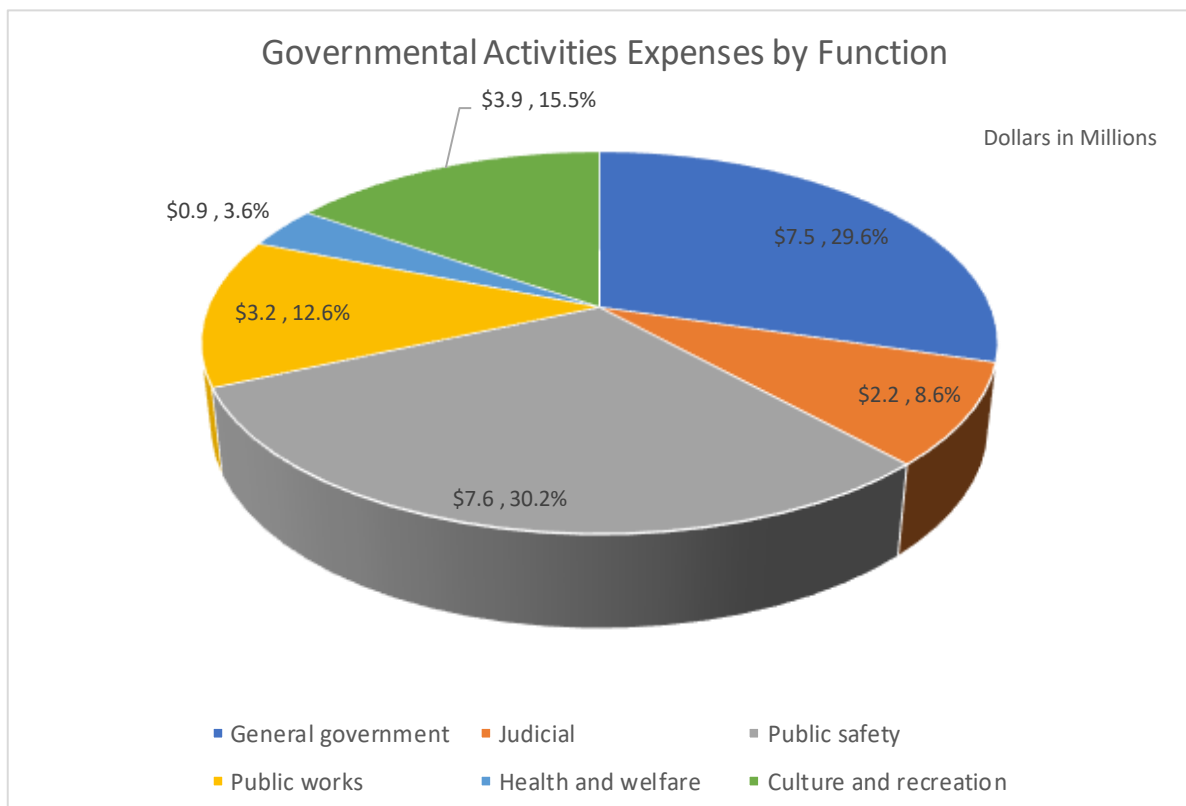
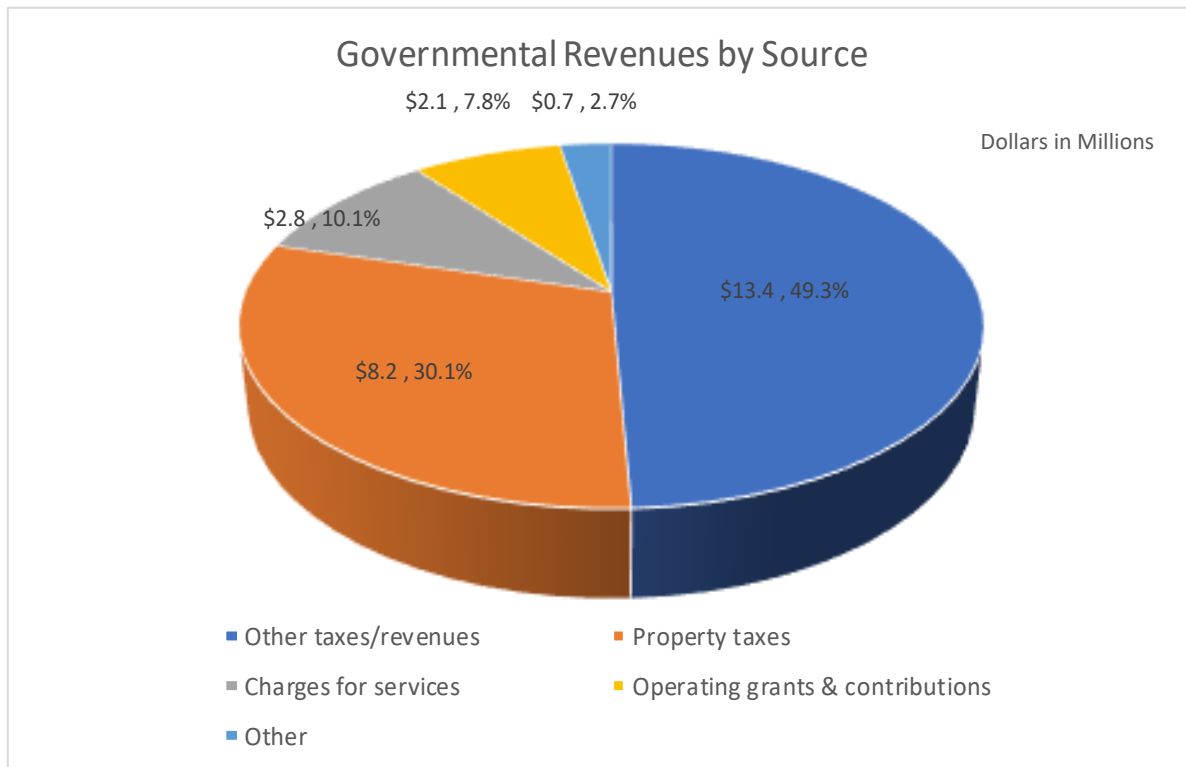
Long-term debt. At the end of the current year, the County had total debt outstanding of \$5,576,816, all of which is backed by the full faith and credit of the County. Information on the County's long-term debt can be found in the notes to the financial statements on pages 56-58.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of the assessed value of all taxable property (tax digest within said county). The current debt limitation for Upson County is significantly in excess of the County's outstanding general obligation debt.

Additional information surrounding the County's long-term debt can be found on the comparative schedule of general long-term debt and in the notes to the financial statements on page 92 and on pages 56-58 of this report, respectively.

Governmental Activities

The following charts illustrate governmental revenues and expenses for the year ended December 31, 2021. All dollar amounts are stated in millions.



Analysis of the Government's Funds

The fund financial statements provide more detailed information about the County's most significant funds, not the County as a whole. Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for specific purposes. Some funds are required by State law and by bond covenants. The Board of Commissioners establishes other funds to control and manage money for particular purposes (like the purchase or construction on major capital facilities within the County or to show that it is properly using certain taxes and grants. Fund financial statements are prepared using the modified accrual basis of accounting. The reader should review the fund financial statement pages 25-43 for more information regarding the accounting basis used for fund financial statements versus the financial statements prepared for the government as a whole.

The following table presents the fund balance total for all Governmental Funds:

Upson County, Georgia			
Governmental Funds			
	December 31,	December 31,	
	2021	2020	
Fund Balances			
Nonspendable	\$ 18,319	\$ 10,092	
Committed:			
Waste and Water Improvements	455,250	455,250	
Capital Outlay	741,888	741,888	
Technology Improvements - Superior Court	4,308	-	
Restricted:	-		
For capital outlay	4,265,224	8,059,341	
For Debt Service	2,492,089	1,903,604	
Restricted, as reported in	-		
Special Revenue Funds	912,321	644,732	
Unassigned	-		
American Rescue Plan Fund	125	-	
General Fund	11,841,578	11,552,338	
Total Fund Balance	<u>\$ 20,731,102</u>	<u>\$ 23,367,245</u>	

Governmental funds. Most of the County's basic services are included here, such as public safety, public works, judicial, culture and recreation, and general administration. These funds focus on (1) cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Such information is useful in assessing Upson County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The fund balances and changes in fund balance for FY 2021 are shown on the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance on pages 25 and 27-28 of the fund financial statements.

At December 31, 2021, Upson County's governmental funds reported combined ending fund balances of \$20,730,102, a decrease of \$2,636,143 or 11.3% over fund balances at December 31, 2020 of \$23,367,245. The decrease primarily relates to decreases in capital projects funds of \$3,794,117, offset partially by increases in the debt service fund of \$588,485 and the special revenue funds of \$267,589. The decrease in the capital projects funds reflect capital expenditures during FY 2023. The unassigned fund balance increased by \$289,240.

The following table contains selected financial information from the balance sheet and statement of revenues and expenses in the fund financial statements:

Upson County, Georgia
General Fund

	Fund Balance	
	2021	(Restated) 2020
Nonspendable		
Committed:		
Waste and Water Improvements	\$ 455,250	\$ 455,250
Capital Outlay	741,888	741,888
Technology Improvements - Superior Court	4,308	-
Unassigned	11,841,578	11,556,646
Total fund balances	\$ 13,043,024	\$ 12,753,784
Total liabilities and fund balances	<u><u>\$ 13,636,031</u></u>	<u><u>\$ 13,520,260</u></u>

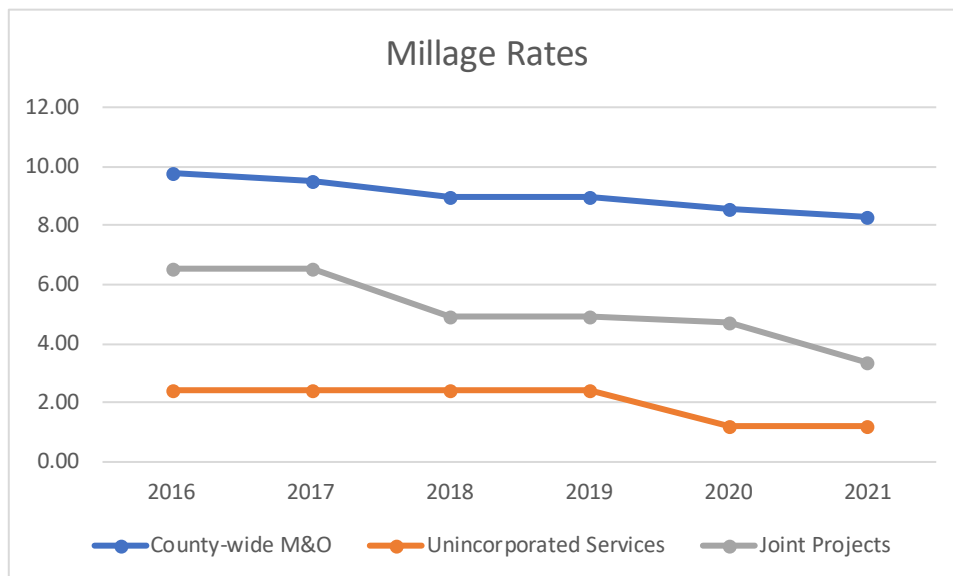
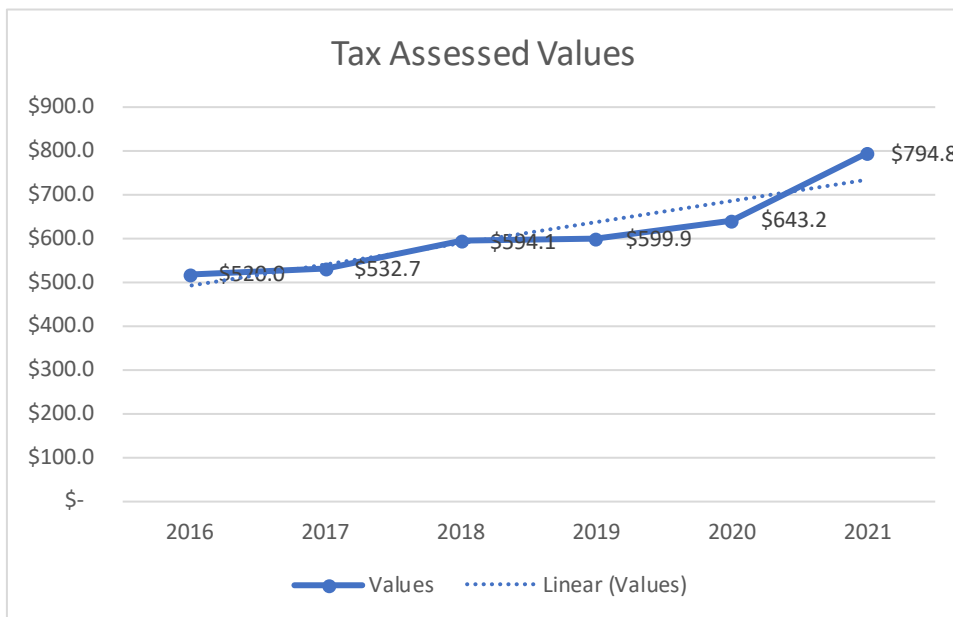
General Fund. The general fund is the chief operating fund of the County. Total fund balance at December 31, 2021 was \$13,043,024, an increase of \$289,240, or 2.3%, over the balance at December 31, 2020 of \$12,753,784. The unassigned portion of fund balance was \$11,841,578, or 80.0%, of total general fund expenditures of \$16,297,613. This measure provides a good estimate of the measure of the general fund's liquidity.

The restatement in fund balance described on page 76 of the financial statements includes a restatement of \$632,189 that represented the balances of the Jail Fund and Drug Abuse fund that were previously reported in the general fund that are now in their own separate funds. Unincorporated services such as roads, streets, and bridges, voluntary fire, animal control, building and zoning, and other smaller services provided only to residents in unincorporated areas of Upson County are reported in the General Fund. Tax revenues for unincorporated services are recorded in the Unincorporated Services Fund and are transferred to the General Fund to fund the operations of unincorporated services.

Economic Condition & Outlook

The economic condition of Upson County remains stable. Real and personal property values continue to trend upward. Over the past 5 years, the County has seen an average growth rate of 9.1% of tax assessed property values. The 2021 tax assessed value of \$794.8 million was an increase of \$274.8 million, or 52.8%, over the tax assessed value for 2016 of \$520.0 million. The increasing tax assessed values result in significant tax digest growth and has allowed the County to rollback its county-wide millage for maintenance and operations (“M&O”) for the past 6 years. The County’s unincorporated services and joint projects millage rates have remained unchanged or declined over the same period.

The charts below illustrate the increase in tax assessed values and declining millage rates:



Note: The County maintains three separate taxing districts with three separate net digests and millage rates. Those districts are: (1) County-wide M&O; 2) Joint projects; 3) Unincorporated services. Joint projects are special services provided to all citizens of the County that are funded by both the County and City of Thomaston. The County and City’s share of the costs to provide these services are based on a ratio of the net tax digest each year for joint projects, which typically results in a 65% to 35% sharing ratio, County and City respectively.

In this post-pandemic era, the private sector and governments are facing difficulties filling vacant positions. The County has been facing our own staffing challenges in our roads and recreation departments as well as the jail under the Sheriff's Office. To mitigate employee turnover and improve recruiting, the County increased its FY 2022 budget for wages and salaries by approving a 3.0% cost-of-living adjustment for most employees and a special salary adjustment to Sheriff's Office personnel of 15.0% to their base salaries. Additionally, employees not within the Sheriff's Office were paid a one-time bonus of \$1,500 for full-time employees and \$750 for part-time employees. These bonuses were funded by grant proceeds received under ARPA.

In addition to the salary increases and bonuses, the board approved a 401(a) defined contribution plan, closing the existing pension plan to new entrants in part to boost recruiting of new personnel. The creation of this new plan decreases future pension plan costs but provides a more appealing investment plan that provides portability, matching, and three-year vesting of matching for today's labor market that is more mobile than ever.

While uncertainty exists as to the future macro and micro economic conditions impacting Upson County, we believe that tax assessed values will continue to rise and remain stable for the foreseeable future, and we have a strong level of unassigned fund balance that strengthens our future fiscal security. The County's fiscal strength was noted in FY 2022 by Moody's upgrade in the County's credit rating from Aa3 from A1. Moody's assigned a Aa3 rating to the County's \$20.9 million Revenue Bonds (Upson County Projects), Series 2022 issued by the Thomaston-Upson County Office Building Authority, GA to fund the construction of a new judicial center. "Aa3 reflects a sustained trend of positive financial operations resulting in healthy fund balance and liquidity levels, supported by conservative budgeting practices and adherence to formalized fiscal policies. The rating also incorporates the county's limited sized but steadily growing and stable tax base and below average wealth and resident income levels. The county benefits from manageable long-term liabilities reflecting minimal debt and a moderate pension liability resulting in manageable fixed costs." —Moody's

Requests for Information

This financial report is designed to provide a general overview of Upson County, Georgia's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the County Commissioners, Governmental Complex, 106 East Lee Street, Suite 110, Thomaston, Georgia 30286.

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BASIC FINANCIAL STATEMENTS

UPSON COUNTY, GEORGIA
STATEMENT OF NET POSITION
December 31, 2021

	PRIMARY GOVERNMENT			COMPONENT UNITS			
	Governmental	Business-type	Total	Thomaston-Upson	Thomaston-Upson	Thomaston-Upson	Non-Major
	Activities	Activities	Primary Government	County Airport Authority	County Industrial Development Authority	County Recreation Department	
ASSETS							
Cash and cash equivalents	\$ 23,243,652	\$ 2,250,228	\$ 25,493,880	\$ 142,682	\$ 2,852,268	\$ 367,478	\$ 1,204,303
Inventory	18,319	-	18,319	55,524	-	-	-
Investments	-	-	-	-	-	-	236,518
Receivables (net of allowance for uncollectible):							
Taxes	649,330	-	649,330	-	-	-	-
Accounts	-	417,176	417,176	-	-	-	40,079
Internal balances	7,109	(7,109)	-				
Due from component units	10,839	-	10,839	-	-	-	-
Due from primary government	-	-	-	-	-	324	-
Restricted Assets:							
Cash and cash equivalents	-	188,786	188,786	-	-	-	-
Net OPEB Benefit	-	-	-	-	-	-	50,859
Net pension asset	1,049,184	-	1,049,184				-
Capital assets (net of accumulated depreciation):							
Nondepreciable	3,847,591	410,973	4,258,564	3,930,880	2,620,581	495,000	-
Depreciable, net	28,048,628	5,575,388	33,624,016	13,843,825	1,602,378	1,982,789	1,540,786
TOTAL ASSETS	\$ 56,874,652	\$ 8,835,442	\$ 65,710,094	\$ 17,972,912	\$ 7,075,227	\$ 2,845,592	\$ 3,072,545
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflows of resources related to OPEB benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,847
Deferred outflows of resources related pension benefits	270,132	-	270,132	-	-	-	109,886
TOTAL DEFERRED OUTFLOWS OF RESOURCES	270,132	-	270,132	-	-	-	154,733
Total assets and deferred outflows of resources related to pensions and OBEP benefits	\$ 57,144,784	\$ 8,835,442	\$ 65,980,226	\$ 17,972,912	\$ 7,075,227	\$ 2,845,592	\$ 3,227,278

The notes to financial statements are an integral part of this statement.
This financial statement continues on the next page.

UPSON COUNTY, GEORGIA
STATEMENT OF NET POSITION
December 31, 2021

	PRIMARY GOVERNMENT			COMPONENT UNITS			
	Governmental Activities	Business-type Activities	Total Primary Government	Thomaston-Upson County Airport Authority	Thomaston-Upson County Industrial Development Authority	Thomaston-Upson County Recreation Department	Non-Major Component Units
LIABILITIES							
Accounts payable	\$ 700,670	\$ 216,911	\$ 917,581	\$ 73,584	\$ 7,200	\$ 162,552	\$ 16,153
Due to component units	324	-	324	-	-	-	-
Due to primary government	-	-	-	2,453	1,632	6,754	-
Unearned revenue	2,497,152	-	2,497,152	-	-	-	-
Liabilities payable from restricted assets	-	188,786	188,786	-	-	-	-
Net pension liability	-	-	-	-	-	-	632,581
Net OPEB liability	-	-	-	-	-	-	148,417
Current portion of compensated absences payable	44,764	1,969	46,733	3,159	916	3,725	11,167
Current portion of long-term debt	1,115,000	289,788	1,404,788	11,221	-	-	-
Noncurrent portion of long-term debt	2,400,000	2,772,028	5,172,028	317,030	-	-	-
Accrued bond interest	73,674	-	73,674	-	-	-	-
Compensated absences payable	175,509	7,458	182,967	13,159	3,567	14,785	26,055
Bond premium unamortized	294,774	-	294,774	-	-	-	-
TOTAL LIABILITIES	\$ 7,301,867	\$ 3,476,940	\$ 10,778,807	\$ 420,605	\$ 13,316	\$ 187,816	\$ 834,373
DEFERRED INFLOWS OF RESOURCES							
Deferred inflows of resources related to OPEB benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 192,158
Deferred inflows of resources related pension benefits	1,338,857	-	1,338,857	-	-	-	9,989
TOTAL DEFERRED INFLOWS OF RESOURCES	1,338,857	-	1,338,857	-	-	-	202,147
Total liabilities and deferred inflows of resources related to pensions and OPEB benefits	\$ 8,640,724	\$ 3,476,940	\$ 12,117,664	\$ 420,605	\$ 13,316	\$ 187,816	\$ 1,036,520
NET POSITION							
Net investment in capital assets	\$ 29,127,771	\$ 2,924,545	\$ 32,052,316	\$ 17,446,455	\$ 4,209,643	\$ 2,477,789	\$ 1,540,786
Restricted for capital outlay	4,265,224	-	4,265,224	-	-	-	-
Restricted for debt service	2,492,089	-	2,492,089	-	-	-	-
Restricted for pension	1,049,184	-	1,049,184	-	-	-	-
Restricted for other purposes	912,321	-	912,321	-	-	-	22,233
Unrestricted	10,657,471	2,433,957	13,091,428	105,851	2,852,268	179,987	627,739
TOTAL NET POSITION	\$ 48,504,060	\$ 5,358,502	\$ 53,862,562	\$ 17,552,306	\$ 7,061,911	\$ 2,657,776	\$ 2,190,758
Total Liabilities, Deferred Inflows and Outflows and Net Position	\$ 57,144,784	\$ 8,835,442	\$ 65,980,226	\$ 17,972,911	\$ 7,075,227	\$ 2,845,592	\$ 3,227,278

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

UPSON COUNTY, GEORGIA

STATEMENT OF ACTIVITIES

December 31, 2021

	Program Revenues				Net (Expense) Revenue & Changes in Net Position			Component Units			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Thomaston-Upson County Airport Authority	Thomaston-Upson County Industrial Development Authority	Thomaston-Upson County Recreation Department	Total Non-Major Component Units
Primary Government											
Governmental activities:											
General government	\$ 7,494,346	\$ 1,011,245	\$ 2,072,431	\$ -	\$ (4,410,670)	\$ -	\$ (4,410,670)				
Judicial	2,172,222	972,764	-	-	(1,199,458)	-	(1,199,458)				
Public safety	7,647,177	511,242	15,685	-	(7,120,250)	-	(7,120,250)				
Public works	3,197,701	-	-	-	(3,197,701)	-	(3,197,701)				
Health and welfare	904,165	-	-	-	(904,165)	-	(904,165)				
Culture and recreation	3,914,295	259,982	22,000	248,000	(3,384,313)	-	(3,384,313)				
Housing and development	1,101,787	-	-	-	(1,101,787)	-	(1,101,787)				
Interest on short and long-term debt	207,310	-	-	-	(207,310)	-	(207,310)				
Total governmental activities	\$ 26,639,004	\$ 2,755,233	\$ 2,110,116	\$ 248,000	\$ (21,525,655)	\$ -	\$ (21,525,655)				
Business Type Activities:											
Water Systems	\$ 1,347,475	\$ 1,689,461	\$ -	\$ 306,734	\$ -	\$ 648,720	\$ 648,720				
Waste Systems	1,161,034	1,240,255	-	-	-	79,221	79,221				
Total business-type activities	\$ 2,508,509	\$ 2,929,716	\$ -	\$ 306,734	\$ -	\$ 727,941	\$ 727,941				
Total Primary Government	\$ 29,147,513	\$ 5,684,949	\$ 2,110,116	\$ 554,734	\$ (21,525,655)	\$ 727,941	\$ (20,797,714)				
Component Units											
Nonmajor Component Units:											
Upson County Dpt. Of Public Health	\$ 875,867	\$ 467,350	\$ 694,006	\$ -				\$ -	\$ -	\$ -	\$ 285,489
Thomaston-Upson County:											
Industrial Development Authority	285,420	49,116	450,847	42,987				-	257,530	-	-
Airport Authority	1,695,730	1,037,404	-	3,206,806				2,548,481	-	-	-
Recreation Department	1,720,171	104,556	1,160,971	1,862,933				-	-	1,408,288	-
Solid Waste Disposal Facility	37,092	-	-	-				-	-	-	(37,092)
Total Component Units	\$ 4,614,280	\$ 1,658,427	\$ 2,305,824	\$ 5,112,726				\$ 2,548,481	\$ 257,530	\$ 1,408,288	\$ 248,397
General Revenues and Transfers											
General Revenues:											
Property tax					\$ 8,196,375	\$ -	\$ 8,196,375	\$ -	\$ -	\$ -	-
Sales tax					10,416,891	-	10,416,891	-	-	-	-
Insurance premium tax					1,342,944	-	1,342,944	-	-	-	-
TAVT Tax					1,116,858	-	1,116,858	-	-	-	-
Franchise tax					215,815	-	215,815	-	-	-	-
Intangible tax					190,566	-	190,566	-	-	-	-
Real estate transfer tax					94,975	-	94,975	-	-	-	-
Other taxes					21,255	-	21,255	-	-	-	-
Hotel/Motel tax					8,321	-	8,321	-	-	-	-
Interest revenue					28,906	275	29,181	144	3,406	270	1,229
Gain on sale of assets					16,020	-	16,020	-	35,817	-	-
Miscellaneous					436,102	-	436,102	-	-	-	86
Transfers					-	-	-	-	-	-	-
Total General Revenues and Transfers					22,085,029	275	22,085,303	144	39,223	270	1,315
Change in net position					\$ 559,374	\$ 728,216	\$ 1,287,590	\$ 2,548,625	\$ 296,753	\$ 1,408,558	\$ 249,712
Net position - beginning of year (restated)					47,944,686	4,630,288	52,574,973	15,003,681	6,765,158	1,249,218	1,941,046
Net Position - Ending					\$ 48,504,060	\$ 5,358,503	\$ 53,862,563	\$ 17,552,306	\$ 7,061,911	\$ 2,657,776	\$ 2,190,758

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

UPSON COUNTY, GEORGIA
GOVERNMENTAL FUNDS BALANCE SHEET

December 31, 2021

	General Fund	Capital Projects Fund 2011 SPLOST Projects	Capital Projects Fund 2016 SPLOST Projects	Capital Projects Fund 2019 T SPLOST Projects	911 Fund	Unincorporated Services Fund	Joint Projects Fund	Debt Service Fund	American Rescue Plan Fund	Other Governmental Funds	Total Governmental Funds
ASSETS											
Cash in banks	\$ 13,029,686	\$ 87,746	\$ 4,177,478	\$ -	\$ 125,624	\$ -	\$ -	\$ 2,492,089	\$ 2,556,300	\$ 774,729	\$ 23,243,652
Inventory	-	-	-	-	-	-	-	-	-	18,319	18,319
Receivables (net of allowance for estimated uncollectible)	576,540	-	-	-	-	19,514	53,277	-	-	-	649,330
Due from other funds	18,966	-	-	-	-	-	-	-	-	2,088	21,054
Due from component units	10,839	-	-	-	-	-	-	-	-	-	10,839
TOTAL ASSETS	\$ 13,636,031	\$ 87,746	\$ 4,177,478	\$ -	\$ 125,624	\$ 19,514	\$ 53,277	\$ 2,492,089	\$ 2,556,300	\$ 795,136	\$ 23,943,195
LIABILITIES AND FUND BALANCES											
Liabilities											
Accounts payable	\$ 593,007	\$ -	\$ -	\$ -	\$ 40,020	\$ -	\$ -	\$ -	\$ 59,023	\$ 8,620	\$ 700,670
Unearned revenue	-	-	-	-	-	-	-	-	2,497,152	-	2,497,152
Due to other funds	-	-	-	-	9,916	-	-	-	-	4,030	13,946
Due to component units	-	-	-	-	-	-	-	-	-	324	324
TOTAL LIABILITIES	\$ 593,007	\$ -	\$ -	\$ -	\$ 49,936	\$ -	\$ -	\$ -	\$ 2,556,175	\$ 12,975	\$ 3,212,092
Fund Balances											
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,319	\$ 18,319
Committed:											
Waste/Water Improvements	455,250	-	-	-	-	-	-	-	-	-	455,250
Capital Outlay	741,888	-	-	-	-	-	-	-	-	-	741,888
Technology Improvements - Superior	4,308										4,308
Restricted:											
For capital outlay	-	87,746	4,177,478	-	-	-	-	-	-	-	4,265,224
For debt service	-	-	-	-	-	-	-	2,492,089	-	-	2,492,089
Restricted, as reported in											
Special Revenue funds	-	-	-	-	75,688	19,514	53,277	-	-	763,842	912,321
Unassigned:											
American Rescue Plan Fund	-	-	-	-	-	-	-	-	125	-	125
General Fund	11,841,578	-	-	-	-	-	-	-	-	-	11,841,578
TOTAL FUND BALANCES	\$ 13,043,024	\$ 87,746	\$ 4,177,478	\$ -	\$ 75,688	\$ 19,514	\$ 53,277	\$ 2,492,089	\$ 125	\$ 782,161	\$ 20,731,102
TOTAL LIABILITIES AND FUND BALANCES	\$ 13,636,031	\$ 87,746	\$ 4,177,478	\$ -	\$ 125,624	\$ 19,514	\$ 53,277	\$ 2,492,089	\$ 2,556,300	\$ 795,136	\$ 23,943,195

UPSON COUNTY, GEORGIA

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position to the Statement of Net Position

December 31, 2021

Total Fund Balances for Governmental Funds	\$ 20,731,102
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Amounts reported for governmental activities in the Statement of Net Position differ from amounts reported in the Balance Sheet of Governmental Funds due to the following:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Cost of the assets	83,970,948
Accumulated depreciation	(52,074,728)

Certain pension trust funds have been funded in excess of the annual required contributions, creating a year-end asset. This asset is not a financial resource and therefore is not reported in the funds.

1,049,184

Deferred outflows of resources represents a consumption of fund equity that will be reported as an outflow of resources in a future period and therefore are not reported in the funds.

270,132

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. Those liabilities consist of the following:

Bonds payable	(3,515,000)
Unamortized bond premium	(294,774)
Accrued interest payable	(73,674)
Compensated absences payable	(220,273)

Deferred inflows of resources represent an acquisition of fund equity that will be recognized as an inflow of resources in an a future period and therefore are not reported in the funds.

(1,338,857)

Deferred inflows of Pension Resources

Total Adjustments	\$ <u>27,772,958</u>
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Total Net Position and Governmental Activities	\$ <u><u>48,504,060</u></u>
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UPSON COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS

December 31, 2021

	General Fund	Capital Projects Fund 2011 SPLOST Fund	Capital Projects Fund 2016 SPLOST Fund	Capital Projects Fund 2019 T SPLOST Fund	911 Fund	Unincorporated Services Fund	Joint Projects Fund	American Rescue Plan Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues											
Taxes:											
General property tax	\$ 5,932,324	\$ -	\$ -	\$ -	\$ -	\$ 534,220	\$ 1,729,832	\$ -	\$ -	\$ -	\$ 8,196,375
Sales tax	2,287,498	-	4,158,159	-	-	-	-	-	3,971,234	-	10,416,891
Insurance premium tax	1,342,944	-	-	-	-	-	-	-	-	-	1,342,944
T.A.V.T. tax	1,116,858	-	-	-	-	-	-	-	-	-	1,116,858
Franchise tax	215,815	-	-	-	-	-	-	-	-	-	215,815
Intangible tax	190,566	-	-	-	-	-	-	-	-	-	190,566
Beer and wine tax	122,993	-	-	-	-	-	-	-	-	-	122,993
Real estate transfer tax	94,975	-	-	-	-	-	-	-	-	-	94,975
Other taxes	21,255	-	-	-	-	-	-	-	-	-	21,255
Hotel/Motel tax	-	-	-	-	-	-	-	-	-	8,321	8,321
Licenses and permits	230,358	-	-	-	-	-	-	-	-	-	230,358
Intergovernmental	1,718,550	-	-	-	114,915	-	179,943	59,023	-	-	2,072,431
Charges for services	672,379	-	-	-	511,242	-	-	-	-	259,982	1,443,603
Fines and forfeitures	854,286	-	-	-	-	-	-	-	-	114,170	968,456
Interest earnings	4,468	61	558	22,773	170	-	-	131	318	428	28,906
Contributions and donations	23,200	-	-	-	-	-	-	-	-	-	23,200
Other revenues	440,410	-	-	-	-	-	-	-	-	-	440,410
Total revenues	\$ 15,268,879	\$ 61	\$ 4,158,717	\$ 22,773	\$ 626,327	\$ 534,220	\$ 1,909,775	\$ 59,154	\$ 3,971,552	\$ 382,901	\$ 26,934,357
Expenditures											
Current:											
General government	\$ 3,557,353	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,029	\$ -	\$ -	\$ 3,616,382
Judicial	2,168,494	-	-	-	-	-	-	-	-	-	2,168,494
Public safety	5,743,125	-	-	-	811,600	-	-	-	-	-	6,554,725
Public works	1,275,940	-	-	-	-	-	-	-	-	-	1,275,940
Health and welfare	818,373	-	-	-	-	-	-	-	-	-	818,373
Culture and recreation	400,852	-	-	-	-	-	-	-	-	324,896	725,748
Housing and development	507,500	-	-	-	-	-	-	-	-	8,321	515,821
Intergovernmental	-	-	1,146,382	-	-	-	-	-	1,649,707	-	2,796,089
Debt service:											
Principal	-	-	-	-	-	-	-	-	1,065,000	-	1,065,000
Interest	-	-	-	-	-	-	-	-	229,000	-	229,000

UPSON COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS

December 31, 2021

	General Fund	Capital Projects Fund 2011 SPLOST Fund	Capital Projects Fund 2016 SPLOST Fund	Capital Projects Fund 2019 T SPLOST Fund	911 Fund	Unincorporated Services Fund	Joint Projects Fund	American Rescue Plan Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Capital outlay:											
General government	971,753	980,633	31,083	-	-	-	-	-	-	-	1,983,470
Public safety	76,171	30,092	304,782	-	-	-	-	-	-	-	411,046
Public works	778,052	-	4,136,732	1,596,453	-	-	-	-	-	-	6,511,237
Housing and development	-	-	42,987	-	-	-	-	-	-	-	42,987
Culture and recreation	-	-	145,883	-	-	-	-	-	-	-	145,883
Total expenditures	\$ 16,297,613	\$ 1,010,725	\$ 5,807,850	\$ 1,596,453	\$ 811,600	\$ -	\$ -	\$ 59,029	\$ 2,943,707	\$ 333,217	\$ 28,860,194
Excess (deficiency) of revenues over (under) expenditures	\$ (1,028,734)	\$ (1,010,665)	\$ (1,649,133)	\$ (1,573,680)	\$ (185,273)	\$ 534,220	\$ 1,909,775	\$ 125	\$ 1,027,845	\$ 49,684	\$ (1,925,836)
Other financing sources (uses)											
Transfers in											
Joint Projects Fund	\$ 1,957,335	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,957,335
Unincorporated Services Fund	546,697	-	-	-	-	-	-	-	-	-	546,697
Debt Service Fund	-	-	-	439,361	-	-	-	-	-	-	439,361
General Fund	-	-	-	-	209,704	-	-	-	-	19,151	228,855
Transfers out											
911 fund	(209,704)	-	-	-	-	-	-	-	-	-	(209,704)
Sprewell Bluff Fund	(19,151)	-	-	-	-	-	-	-	-	-	(19,151)
General Fund	-	-	-	-	-	(546,697)	(1,957,335)	-	-	-	(2,504,032)
2019 T Splost Fund	-	-	-	-	-	-	-	-	(439,361)	-	(439,361)
Transfer from (to) Component Units:											
Recreation Department	(682,951)	-	-	-	-	-	-	-	-	-	(682,951)
Industrial Dev Authority	(291,247)	-	-	-	-	-	-	-	-	-	(291,247)
Proceeds from sale of asset	16,995	-	-	-	-	-	-	-	-	-	16,995
Total other financing sources (uses)	\$ 1,317,974	\$ -	\$ -	\$ 439,361	\$ 209,704	\$ (546,697)	\$ (1,957,335)	\$ -	\$ (439,361)	\$ 19,151	\$ (957,202)
Net change in fund balance	\$ 289,240	\$ (1,010,665)	\$ (1,649,133)	\$ (1,134,319)	\$ 24,431	\$ (12,477)	\$ (47,560)	\$ 125	\$ 588,485	\$ 68,835	(2,883,038)
Fund balance - beginning of year (restated)	12,753,784	1,098,411	5,826,611	1,134,319	51,258	31,991	100,837	-	1,903,604	713,326	23,614,140
Fund balance - end of year	\$ 13,043,024	\$ 87,746	\$ 4,177,478	\$ -	\$ 75,688	\$ 19,514	\$ 53,277	\$ 125	\$ 2,492,089	\$ 782,161	\$ 20,731,102

UPSON COUNTY, GEORGIA

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Year Ended December 31, 2021

Net Change in Fund Balances - Total Governmental Funds \$ (2,883,038)

Amounts reported for governmental activities in the Statement of Activities differ from amounts reported in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances due to the following:

Capital Assets

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets are depreciated over their estimated useful lives and reported as depreciation expense.

Total capital outlays	\$ 8,933,013
Total depreciation expense	(4,910,286)
Net effect of other various transactions involving capital assets	(2,635,183)

Change in Deferred Outflows of Resources

Deferred outflows of resources are not due and payable in the current period and therefore are not reported in the funds. These deferred outflows of resources consist of pension related contributions.

(3,184,824)

Long-Term Debt

The issuance of bonds and similar long-term debt provides current financial resources to governmental funds and thus contributes to the change in fund balance. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability in the Statement of Net Position. The amounts of the items and make up these differences in the treatment of long-term debt and related items are as follows:

Principal repayments:	
Paid by governmental funds	1,065,000
Compensated absences	(4,312)
Accrued interest	21,690
Amortization of bond premium	115,723

Change in Deferred Inflows of Resources

Deferred inflows of resources are not available to pay for current expenditures and therefore are not reported in the funds. These deferred inflows of resources consist of pension related differences between projected and actual earnings on plan.

3,377,830

The net pension (liability)/asset is reported in the statement of activities but is not reported in governmental funds:

Beginning of year	\$ 385,424	
End of year	<u>1,049,184</u>	663,760
Other		<u>-</u>

Total adjustments \$ 3,442,411

Change in net position of governmental activities \$ 559,373

UPSON COUNTY, GEORGIA GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
COMPARED WITH BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 13,896,310	\$ 13,896,310	\$ 11,325,228	\$ (2,571,082)
Permits and licenses	203,299	203,299	230,358	27,059
Intergovernmental	1,401,018	1,523,209	1,718,550	195,341
Charges for service	558,728	558,728	672,379	113,651
Fines and forfeitures	658,668	660,515	854,286	193,771
Interest revenue	10,700	10,700	4,468	(6,232)
Contributions and Donations	16,000	16,000	23,200	7,200
Miscellaneous	66,365	409,632	440,410	30,778
Total Revenues	<u>16,811,088</u>	<u>17,278,393</u>	<u>15,268,879</u>	<u>(2,009,514)</u>
Expenditures				
Current				
General Government:				
Board of Commissioners	241,804	241,804	118,907	122,897
Legislative	17,568	17,884	17,884	-
Elections	183,919	183,919	182,423	1,496
Administration and finance	1,093,926	1,087,872	1,083,503	4,369
Tax commissioner	424,661	424,661	416,965	7,696
Tax assessor	642,070	642,070	612,200	29,870
Management information systems	308,204	308,204	304,997	3,207
General government buildings	623,711	877,691	820,473	57,218
Total General Government	<u>3,535,863</u>	<u>3,784,105</u>	<u>3,557,353</u>	<u>226,752</u>
Judicial:				
Superior court	924,490	972,372	972,372	-
Clerk of superior court	501,218	501,218	420,384	80,834
Magistrate court	282,765	282,765	263,312	19,453
Probate court	401,239	402,278	401,089	1,189
Juvenile Court	139,869	138,830	111,336	27,494
Total Judicial	<u>2,249,581</u>	<u>2,297,463</u>	<u>2,168,493</u>	<u>128,970</u>
Public Safety:				
Sheriff	2,901,179	3,186,541	3,056,134	130,407
Jail operations	2,482,786	2,275,123	2,235,229	39,894
Fire	73,215	73,215	67,318	5,897
EMS	2,500	2,500	2,500	-
Coroner	34,663	41,651	41,651	-
Animal control	287,363	287,636	245,158	42,478
Other protections	98,237	98,237	95,135	3,102
Total public safety	<u>5,879,943</u>	<u>5,964,903</u>	<u>5,743,125</u>	<u>221,778</u>
Public Works:				
Road, streets, and highways	1,040,861	1,109,447	928,789	180,658
Maintenance and shop	386,687	386,687	347,151	39,536
Total public works	<u>1,427,548</u>	<u>1,496,134</u>	<u>1,275,940</u>	<u>220,194</u>
Health and welfare:				
Health	200,873	200,873	200,873	-
Welfare	39,500	39,500	6,386	33,114
Community Service	539,760	608,353	611,114	(2,761)
Total health and welfare	<u>780,133</u>	<u>848,726</u>	<u>818,373</u>	<u>30,353</u>

UPSON COUNTY, GEORGIA GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
COMPARED WITH BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2021

	Budgeted Amounts			Variance With Final Budget
	Original	Final	Actual	
Culture and recreation:				
Parks	116,339	116,339	78,025	38,314
Library	120,167	127,320	127,230	90
Art	5,000	5,000	5,000	-
Archives	182,356	190,612	190,597	15
Total parks and recreation	423,862	439,271	400,852	38,419
Housing and development:				
Conservation	129,154	151,117	150,226	891
Planning and zoning	446,901	446,901	357,274	89,627
Total housing and development	576,055	598,018	507,500	90,518
Capital Outlay:				
General Government	997,647	997,647	971,753	25,894
Public Safety	73,819	73,819	76,171	(2,352)
Public Works	642,269	642,269	778,052	(135,783)
Total capital outlay	1,713,735	1,713,735	1,825,976	(112,241)
Total expenditures	16,586,720	17,142,355	16,297,613	844,742
Excess(deficiency) of revenues over (under) expenditures	224,368	136,038	(1,028,734)	(1,164,772)
Other financing sources (uses)				
Transfer from (to) Special Revenue Funds:				-
Joint projects fund	763,043	835,143	1,957,335	1,122,192
Unincorporated service fund	312,717	312,717	546,697	233,980
E-911 Fund	(209,704)	(209,704)	(209,704)	-
Sprewell Bluff Fund	(116,226)	(116,226)	(19,151)	97,075
Transfers from (to) Component Units:				
Recreation	(682,951)	(682,951)	(682,951)	-
Industrial Development Authority	(291,247)	(291,247)	(291,247)	-
Proceeds from sale of capital assets	-	16,230	16,995	765
Other financing (uses), net	(224,368)	(136,038)	1,317,974	1,454,012
Net change in fund balance	\$ -	\$ -	\$ 289,240	\$ 289,240
Fund balance - beginning of year (restated)	12,753,784	12,753,784	12,753,784	-
Fund balance - end of year	\$ 12,753,784	\$ 12,753,784	\$ 13,043,024	\$ 289,240

UPSON COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
For the Year Ended December 31, 2021

	911 Fund			
	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenue	114,915	114,915	114,915	-
Charges for services	506,816	506,816	511,242	4,426
Fines and forfeitures	-	-	170	170
Interest earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	\$ 621,731	\$ 621,731	\$ 626,327	\$ 4,596
Expenditures				
Current:				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	831,435	831,435	811,600	19,835
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Intergovernmental	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Total expenditures	\$ 831,435	\$ 831,435	\$ 811,600	\$ 19,835
Excess (deficiency) of revenues over (under) expenditures	\$ (209,704)	\$ (209,704)	\$ (185,273)	\$ 24,431
Other financing sources (uses)				
Transfer from Upson County	\$ 209,704	\$ 209,704	\$ 209,704	\$ -
Transfer to General Fund	-	-	-	-
Total other financing sources (uses)	\$ 209,704	\$ 209,704	\$ 209,704	\$ -
Net change in fund balance	\$ -	\$ -	\$ 24,431	\$ 24,431
Fund balance - beginning of year (restated)	51,258	51,258	51,258	-
Fund balance - end of year	\$ 51,258	\$ 51,258	\$ 75,688	\$ 24,431

UPSON COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS

For the Year Ended December 31, 2021

	Unincorporated Services Fund			
	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ -	\$ -	\$ 534,220	\$ 534,220
Licenses and permits	-	-	-	-
Intergovernmental revenue	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	\$ -	\$ -	\$ 534,220	\$ 534,220
Expenditures				
Current:				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Intergovernmental	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	\$ -	\$ -	\$ -	\$ -
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 534,220	\$ 534,220
Other financing sources (uses)				
Transfer to General Fund	\$ -	\$ -	\$ (546,697)	\$ (546,697)
Total other financing sources (uses)	\$ -	\$ -	\$ (546,697)	\$ (546,697)
Net change in fund balance	\$ -	\$ -	\$ (12,477)	\$ (12,477)
Fund balance - beginning of year	31,991	31,991	31,991	-
Fund balance - end of year	\$ 31,991	\$ 31,991	\$ 19,514	\$ (12,477)

UPSON COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS

For the Year Ended December 31, 2021

	Joint Projects Fund			
	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ -	\$ -	\$ 1,729,832	\$ 1,729,832
Licenses and permits	-	-	-	-
Intergovernmental revenue	-	-	179,943	179,943
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	\$ -	\$ -	\$ 1,909,775	\$ 1,909,775
Expenditures				
Current:				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Intergovernmental	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	\$ -	\$ -	\$ -	\$ -
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -
Other financing sources (uses)				
Transfer to General Fund	\$ -	\$ -	\$ (1,957,335)	\$ (1,957,335)
Total other financing sources (uses)	\$ -	\$ -	\$ (1,957,335)	\$ (1,957,335)
Net change in fund balance	\$ -	\$ -	\$ (47,560)	\$ (47,560)
Fund balance - beginning of year	100,837	100,837	100,837	-
Fund balance - end of year	\$ 100,837	\$ 100,837	\$ 53,277	\$ (47,560)

UPSON COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS

For the Year Ended December 31, 2021

	American Rescue Plan Fund			
	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenue	-	-	59,023	59,023
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest earnings	-	-	131	131
Miscellaneous	-	-	-	-
Total revenues	\$ -	\$ -	\$ 59,154	\$ 59,154
Expenditures				
Current:				
General government	\$ -	\$ -	\$ 59,029	\$ (59,029)
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Intergovernmental	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	\$ -	\$ -	\$ 59,029	\$ (59,029)
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -
Other financing sources (uses)				
Transfer to General Fund	\$ -	\$ -	\$ -	\$ -
Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	\$ -	\$ -	\$ 125	\$ 125
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ 125	\$ 125

UPSON COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DEBT SERVICE FUND

For the Year Ended December 31, 2021

	Debt Service Fund			
	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ -	\$ -	\$ 3,971,234	\$ 3,971,234
Licenses and permits	-	-	-	-
Intergovernmental revenue	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest earnings	-	-	318	318
Miscellaneous	-	-	-	-
Total revenues	\$ -	\$ -	\$ 3,971,552	\$ 3,971,552
Expenditures				
Current:				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Intergovernmental	-	-	-	-
Debt service:				
Principal	-	-	1,065,000	(1,065,000)
Interest	-	-	229,000	(229,000)
Capital outlay:				
General government	-	-	-	-
Public safety	-	-	-	-
Culture and recreation	-	-	-	-
Total expenditures	\$ -	\$ -	\$ 1,294,000	\$ (1,294,000)
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ 2,677,552	\$ 5,265,552
Other financing sources (uses)				
Transfer to City of Thomaston	\$ -	\$ -	\$ (1,649,707)	\$ (1,649,707)
Transfer to Capital Projects Fund	-	-	(439,361)	(439,361)
Total other financing sources (uses)	\$ -	\$ -	\$ (2,089,067)	\$ (439,361)
Net change in fund balance	\$ -	\$ -	\$ 588,485	\$ 588,485
Fund balance - beginning of year	1,903,604	1,903,604	1,903,604	-
Fund balance - end of year	\$ 1,903,604	\$ 1,903,604	\$ 2,492,089	\$ 588,485

UPSON COUNTY, GEORGIA CAPITAL PROJECTS FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
2019 T SPLOST PROJECTS

For the Year Ended December 31, 2021

Capital Projects Fund - 2019 T SPLOST Projects				
	Budget		Actual	Variance with
	Original	Final		Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenue	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest earnings	-	-	22,773	22,773
Miscellaneous	-	-	-	-
Total revenues	\$ -	\$ -	\$ 22,773	\$ 22,773
Expenditures				
Current:				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Intergovernmental	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay:				
General government	-	-	-	-
Public safety	-	-	-	-
Public Works	-	-	1,596,453	(1,596,453)
Bond issuance costs	-	-	-	-
Total expenditures	\$ -	\$ -	\$ 1,596,453	\$ (1,596,453)
Excess (deficiency) of revenues over				
 (under) expenditures	\$ -	\$ -	\$ (1,573,680)	\$ 1,619,226
Other financing sources (uses)				
Transfer from Debt Service Fund			439,361	
Total other financing sources (uses)	\$ -	\$ -	\$ 439,361	\$ -
Net change in fund balance	\$ -	\$ -	\$ (1,134,319)	\$ (1,134,319)
Fund balance - beginning of year	1,134,319	1,134,319	1,134,319	-
Fund balance - end of year	\$ 1,134,319	\$ 1,134,319	\$ -	\$ (1,134,319)

UPSON COUNTY, GEORGIA CAPITAL PROJECTS FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
2016 SPLOST PROJECTS

For the Year Ended December 31, 2021

Capital Projects Fund - 2016 SPLOST Projects				
	Budget		Actual	Variance with
	Original	Final		Final Budget
Revenues				
Taxes	\$ -	\$ -	\$ 4,158,159	\$ 4,158,159
Licenses and permits	-	-	-	-
Intergovernmental revenue	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest earnings	-	-	558	558
Miscellaneous	-	-	-	-
Total revenues	\$ -	\$ -	\$ 4,158,717	\$ 4,158,717
Expenditures				
Current:				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Intergovernmental	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay:				
General government	-	-	31,083	(31,083)
Public works	-	-	4,136,732	
Public safety	-	-	304,782	(304,782)
Culture and recreation	-	-	145,883	(145,883)
Housing and development	-	-	42,987	(42,987)
Total expenditures	\$ -	\$ -	\$ 4,661,467	\$ (524,736)
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ (502,750)	\$ 3,633,981
Other financing sources (uses)				
Transfer to City of Thomaston	\$ (700,000)	\$ (987,500)	\$ (1,104,801)	\$ 117,301
Transfer to City of Yatesville	(30,000)	(39,500)	(41,582)	2,082
Total other financing sources (uses)	\$ (730,000)	\$ (1,027,000)	\$ (1,146,382)	\$ 119,382
Net change in fund balance	\$ 730,000	\$ 1,027,000	\$ (1,649,133)	\$ 3,753,364
Fund balance - beginning of year (restated)	3,271,009	3,271,009	5,826,611	2,555,602
Fund balance - end of year	\$ 4,001,009	\$ 4,298,009	\$ 4,177,478	\$ (120,531)

UPSON COUNTY, GEORGIA CAPITAL PROJECTS FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
2011 SPLOST PROJECTS

For the Year Ended December 31, 2021

	Capital Projects Fund - 2011 SPLOST Projects			
	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenue	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest earnings	-	-	61	61
Miscellaneous	-	-	-	-
Total revenues	\$ -	\$ -	\$ 61	\$ 61
Expenditures				
Current:				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Intergovernmental	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay:				
General government	-	-	980,633	(980,633)
Public safety	-	-	30,092	(30,092)
Culture and recreation	-	-	-	-
Total expenditures	\$ -	\$ -	\$ 1,010,725	\$ (1,010,725)
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ (1,010,665)	\$ 1,010,786
Other financing sources (uses)	\$ -	\$ -	\$ -	\$ -
Total other financing sources (uses)	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	\$ -	\$ -	\$ (1,010,665)	\$ (1,010,665)
Fund balance - beginning of year	1,098,411	1,098,411	1,098,411	-
Fund balance - end of year	\$ 1,098,411	\$ 1,098,411	\$ 87,746	\$ (1,010,665)

UPSON COUNTY, GEORGIA
 PROPRIETARY FUNDS STATEMENT OF NET POSITION

December 31, 2021

	Business-type Activities - Enterprise Funds		
	Water Systems	Waste Services	Total
Assets			
Current assets:			
Petty Cash	\$ 100	\$ 230	\$ 330
Cash in banks	1,374,197	875,701	2,249,898
Restricted cash - deposits	188,786	-	188,786
Accounts receivable, net of allowance	120,490	296,686	417,176
Internal balances	44,465	-	44,465
Total current assets	<u>\$ 1,728,038</u>	<u>\$ 1,172,617</u>	<u>\$ 2,900,655</u>
Noncurrent assets:			
Capital Assets			
Land	\$ 410,973	\$ -	\$ 410,973
Water distribution and storage system	8,471,665	-	8,471,665
Equipment and vehicles	663,697	-	663,697
Less accumulated depreciation	(3,559,974)	-	(3,559,974)
Total noncurrent assets	<u>\$ 5,986,361</u>	<u>\$ -</u>	<u>\$ 5,986,361</u>
Total Assets	<u>\$ 7,714,399</u>	<u>\$ 1,172,617</u>	<u>\$ 8,887,016</u>
Liabilities			
Current liabilities			
Current portion of notes payable	\$ 63,713	\$ -	\$ 63,713
Current portion of capital lease payable	226,075	-	226,075
Current portion of compensated absences	1,969	-	1,969
Internal balances	5,621	45,954	51,574
Interest payable	6,809	-	6,809
Accounts payable	39,470	170,632	210,102
Customer deposits payable from restricted assets	188,786	-	188,786
Total current liabilities	<u>\$ 532,442</u>	<u>\$ 216,586</u>	<u>\$ 749,028</u>
Noncurrent liabilities			
Notes payable, net of current portion	\$ 756,508	\$ -	\$ 756,508
Compensated absences, net of current portion	7,458	-	7,458
Capital lease payable, net of current portion	2,015,520	-	2,015,520
Total noncurrent liabilities	<u>\$ 2,779,486</u>	<u>\$ -</u>	<u>\$ 2,779,486</u>
Total liabilities	<u>\$ 3,311,928</u>	<u>\$ 216,586</u>	<u>\$ 3,528,514</u>
Net Position			
Net investment in capital assets	\$ 2,924,545	\$ -	\$ 2,924,545
Unrestricted	1,477,926	956,031	2,433,957
Total Net Position	<u>\$ 4,402,471</u>	<u>\$ 956,031</u>	<u>\$ 5,358,502</u>

UPSON COUNTY, GEORGIA
 PROPRIETARY FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND NET POSITION/EQUITY

December 31, 2021

	Business-type Activities - Enterprise Funds		
	Water Systems	Waste Services	Total
Operating Revenues			
Charges for services:			
Water	\$ 1,440,047	\$ -	\$ 1,440,047
Sewer	164,754	-	164,754
Tap-on and other charges	84,660	-	84,660
Waste services	-	1,240,255	1,240,255
Total Operating Revenues	<u>1,689,461</u>	<u>1,240,255</u>	<u>2,929,716</u>
Operating Expenses			
Personnel services	425,186	60,511	485,697
Sewer fees	51,554	-	51,554
Purchases of water	132,608	-	132,608
Tranwaste payments	-	1,069,395	1,069,395
Vehicle expenses	9,930	-	9,930
Materials, supplies, and maintenance	243,233	-	243,233
Utilities and telephone	94,827	-	94,827
Bad debt expense	1,910	11,672	13,582
Administrative expenses and insurance	87,766	19,456	107,222
Depreciation	248,287	-	248,287
Total Operating Expenses	<u>1,295,301</u>	<u>1,161,034</u>	<u>2,456,335</u>
Operating Income (Loss)	<u>394,160</u>	<u>79,221</u>	<u>473,381</u>
Nonoperating Revenues (Expenses)			
Interest income	157	118	275
Interest expenses and fiscal charges	(52,174)	-	(52,174)
Total Nonoperating Revenues (Expenses)	<u>(52,017)</u>	<u>118</u>	<u>(51,899)</u>
Income (Loss) Before Capital Contributions and Transfers	<u>342,143</u>	<u>79,339</u>	<u>421,482</u>
Capital Contributions from Upson County	<u>306,734</u>	<u>-</u>	<u>306,734</u>
Change in net position	648,877	79,339	728,216
Total net position - beginning of year (Restated)	<u>3,753,594</u>	<u>876,694</u>	<u>4,630,288</u>
Total net position - end of year	<u><u>\$ 4,402,471</u></u>	<u><u>\$ 956,032</u></u>	<u><u>\$ 5,358,503</u></u>

UPSON COUNTY, GEORGIA
 PROPRIETARY FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND NET POSITION/EQUITY

December 31, 2021

	Business-type Activities - Enterprise Funds		
	Water Systems	Waste Services	Total
Cash flows from operating activities:			
Receipts from customers	\$ 1,733,725	\$ 1,139,218	\$ 2,872,943
Payments to employees	(430,553)	(62,252)	(492,805)
Payments to suppliers	(603,813)	(1,049,313)	(1,653,126)
Net cash provided (used) by operating activities	\$ 699,359	\$ 27,653	\$ 727,012
Cash flows from capital and related financing activities:			
Principal payments on notes & capital lease	\$ (285,042)	\$ -	\$ (285,042)
Acquisition of capital assets	(34,000)	-	(34,000)
Interest and fiscal charges	(52,174)	-	(52,174)
Net cash provided (used) by capital and related financing activities	\$ (371,215)	\$ -	\$ (371,215)
Cash flows from investing activities:			
Interest received	\$ 157	\$ 118	\$ 275
Net cash provided (used) by investing activities	\$ 157	\$ 118	\$ 275
Net increase (decrease) in cash and cash equivalents	\$ 328,301	\$ 27,771	\$ 356,073
Cash and cash equivalents - beginning of year	1,234,782	848,160	2,082,942
Cash and cash equivalents - end of year	\$ 1,563,083	\$ 875,931	\$ 2,439,015
Classified as:			
Current assets	\$ 1,374,297	\$ 875,931	\$ 2,250,228
Restricted assets	188,786	-	188,786
Total	\$ 1,563,083	\$ 875,931	\$ 2,439,014
Reconciliation of net operating income to net cash provided by operating activities:			
Net operating income (loss)	\$ 394,160	\$ 79,221	\$ 473,381
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	\$ 248,287	\$ -	\$ 248,287
Changes in assets and liabilities:			
(Increase) decrease in receivables	23,646	(101,037)	(77,391)
Increase (decrease) in payables	16,151	51,368	67,519
Increase (decrease) in compensated absences	(3,503)	(1,898)	(5,401)
Increase (decrease) in customer deposits payable	20,618	-	20,618
Other	-	-	-
Total adjustments	\$ 305,199	\$ (51,567)	\$ 253,632
Net cash provided (used) by operating activities	\$ 699,359	\$ 27,654	\$ 727,013

STATEMENT OF FIDUCIARY NET POSITION

AGENCY FUNDS

December 31, 2021

	Agency Funds
ASSETS	
Cash	\$ 516,587
Taxes receivable	<u>720,121</u>
Total Assets	\$ 1,236,708
LIABILITIES AND NET POSITION	
Liabilities	
Due to others	<u>\$ 1,236,708</u>
Total Liabilities	\$ 1,236,708
<u>Net Position</u>	
Total Net Position	<u>\$ -</u>

Notes to the Financial Statements

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

An act of the legislature created the County of Upson (the "County") on December 15 and 20, 1824. The Commissioners serve staggered terms of four years. Four are elected by district, and the Chairman is elected at large.

The Upson County Courthouse was built in 1908 and is considered a historical landmark by area residents and visitors throughout Georgia.

The County provides ambulance service, waste collection from bins, and water and sewer systems. The County also provides the full range of services contemplated by Charter, including public safety, road construction, paving and maintenance, court systems, and general administration.

Upson County is located approximately 68 miles south of Atlanta. The County has approximately 333 square miles, ranking it 84th in size among Georgia's 159 counties. In 2010, the County's census population was 27,153. Thomaston is the County seat. There are two municipalities within the County – Thomaston and Yatesville.

The accounting policies of the County conform to generally accepted accounting principles applicable to governments. The following is a summary of the more significant policies:

1. Reporting Entity:

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The decision to include a possible component unit in the reporting entity was made by applying the criteria outlined in Government Accounting Standards Board Statement No. 14, "The Financial Reporting Entity.":

- the organization is legally separate (can sue and be sued in their name)
- the County holds the corporate powers of the organization
- the County appoints a voting majority of the organization's board
- the County can 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

The accompanying financial statements of the reporting entity include those of Upson County, Georgia (the primary government) and its components units. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The component units discussed below are included in the County's reporting entity because of the significance of the operational and financial relationships with the County. In conformity with generally accepted accounting principles as outlined in Statement of Governmental Accounting Standards No. 14, *The Financial Reporting Entity*, which the County adopted as of July 1, 1993, the financial statements of the component units have been included as discretely presented component units. The component unit columns in the basic financial statements include the financial data for the County's component units, as reflected in their most recently audited financial statements. This data is reported in columns separate from the County's financial information to emphasize they are legally separate from the County.

Upson County Department of Public Health – The governing board consists of seven members, of which the Upson County Board of Commissioners appoints four members. The County contributes significant funding to the Board of Health. An annual budget must be submitted for approval, with annual audits required to monitor performance.

Thomaston-Upson County Industrial Development Authority – The Chairman of the County Commissioners and the Mayor of the City of Thomaston are members of the Authority and appoint additional members. The Authority receives significant appropriations from Upson County. Annual budget requests are submitted to the County for approval, with annual audits required to monitor performance.

Thomaston-Upson County Airport Authority – The governing board is appointed by Upson County and the City of Thomaston. Annual budget requests are submitted to the County for approval, with annual audits required to monitor performance.

Thomaston-Upson County Recreation Department – The County contributes significant funding to the Recreation Department. Annual budget requests are submitted to the County for approval, with annual audits required to monitor performance.

Thomaston-Upson County Solid Waste Disposal Facility – The entity's purpose is to account for closure and post-closure care of the Zorn Street landfill and provide an organizational structure for planning and constructing future landfills. The County contributes significant funding. Annual budget requests are submitted to the County for approval, with annual audits required to monitor performance.

Complete financial statements of the individual component units can be obtained directly from their administrative office as follows:

Upson County Department of
Public Health
East Lee Street
Thomaston, Georgia 30286

Thomaston-Upson County
Industrial Development Authority
213 East Gordon Street
Thomaston, Georgia 30286

Thomaston-Upson County
Recreation Department
101 Civic Center Drive
Thomaston, Georgia 30286

Thomaston-Upson County
Airport Authority
Delray Road
Thomaston, Georgia 30286

Thomaston-Upson County
Solid Waste Disposal Facility
East Lee Street
Thomaston, Georgia 30286

A joint venture has the following characteristics:

1. It is a legal entity that results from a contractual arrangement.
2. It is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control.
3. Participants retain an ongoing financial interest or an ongoing financial responsibility.

Although Upson County does not own an equity interest in the Three Rivers Regional Commission, membership is automatic for all counties and municipalities within its geographic boundaries. The board of directors includes a county commissioner from each county and the mayor or council member from the largest city of each county.

Under Georgia law, the County, in conjunction with other cities and counties in the five-county membership, is a member of the Three Rivers Regional Commission and must pay annual dues thereto. During the year 2020, the County paid \$17,568 in such dues.

O. C. G. A. §50-8-34 sets forth the organizational structure of RDC's, and O.C.G.A. §50-8-39-1 provides that member governments are liable for any debts or obligations of an RDC.

There have not been any related party transactions between Upson County and the Three Rivers Regional Commission.

The Three Rivers Regional Commission's most recent financial report reflects sufficient financial resources to continue its purpose without additional funding from its membership. Separate financial statements can be obtained by writing to Three Rivers Regional Commission, P.O. Box 818, Griffin, Georgia 30224.

2. Government-wide and Fund Financial Statements:

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Changes in Net Position) report information on all of the nonfiduciary activities of the primary government and its component units, if any. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, normally supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely significantly on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation:

Government-wide Financial Statements

The government-wide financial statements are reported using the flow of economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Agency funds have no measurement focus. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions.

Fund Financial Statements

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principle and interest expenditures on long-term debt, including lease liabilities, as well as expenditures related to compensated absences, and claims and judgments, postemployment benefits and environmental obligations are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered susceptible to accrual and have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when the government receives cash.

Proprietary funds distinguish *operating* revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise fund are charges to customers for sales and services. The County also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the System. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The fund financial statements provide more detailed information about the government's most significant funds, not the government as a whole. The activities of the government are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and how spending activities are controlled.

The government reports the following major governmental funds:

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

Special Revenue Fund - E-911 Fund - The E-911 Fund is used to account for E-911 fund receipts and qualified expenditures.

Special Revenue Fund – American Rescue (ARPA) – The American Rescue (ARPA) fund is used to account for the funds received and qualified expenditures.

Unincorporated Services Fund - This fund is used to account for receipts and disbursements specifically identified as benefiting only the county's unincorporated area.

Joint Projects Fund - This fund is used to account for county unincorporated tax receipts and associated Upson County disbursements to fund the county's portion of joint projects with the City of Thomaston.

Capital Projects Funds – 2011, 2016, and 2019 SPLOST Projects - These funds are used to account for SPLOST receipts and qualified SPLOST project expenditures.

Debt Service Fund – This fund is used to account for SPLOST Receipts used to service the annual principal and interest on the \$4,580,000 2020 General Obligation Transportation Sales Tax Bonds.

The government reports the following major proprietary funds:

Enterprise Fund - Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the governing authority intends that the costs (expenses, including depreciation) of providing goods or services to the general public continually be financed or recovered primarily through user charges; or (b) where the governing authority has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital, maintenance, public policy, management control, accountability, or other purposes. The Lincoln Park, Upson County, Sunset Water Districts, and the Waste Services Fund are accounted for using enterprise fund accounting.

Additionally, the government reports the following fund types:

Special Revenue Funds - Special Revenue Funds account for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. The Hotel/Motel Tax Fund, Law Library Fund, Sprewell Bluff Recreation Area, the Jail Construction Fund, and the Drug Abuse Fund are nonmajor funds.

FIDUCIARY FUNDS:

Agency Funds - Agency Funds are used to account for assets held by the County as an agent for others. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

4. Budgets and Budgetary Accounting:

An annual budget is prepared for all funds, except capital project funds. Annual budgets that are prepared may not be exceeded at the departmental level. The budget officer is authorized to transfer budget amounts between expenditure characters within individual departments. Transfers between departments or revisions, which increase the total expenditures of a Fund, must be approved by the County Commission.

Budgeted amounts are as originally adopted or as amended by the County Commission.

Budgets for all funds are adopted on the same basis, consistent with generally accepted accounting principles (GAAP) for governmental fund types. Budgets for the proprietary fund type are for management control purposes only and are not required to be reported.

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

1. On or about December 1, the County Budget Officer submits to the County Commissioners a proposed operating budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at the Thomaston-Upson Government Administration Complex to obtain taxpayer comments.
3. After revision by the Commissioners, the budget is legally enacted through the passage of a resolution.
4. Budgetary information is compared to actual revenue and expenditures every month and reported to the County Commissioners.
5. All budgetary appropriations lapse at year-end.

Excess of Expenditures Over Appropriations

- Transfers to the General Fund from the Joint Projects Funds exceeded the budgeted amount.
- Transfers to the General Fund from the Unincorporated services fund exceeded the budgeted amount.
- Transfers to the General Fund from the E-911 Fund exceeded the budgeted amount.
- Debt service expenditures, including principal and interest, transfer to the City of Yatesville, and transfers to the City of Thomaston, exceeded the budgeted amounts.

5. Encumbrances:

Encumbrances represented commitments related to contracts not yet performed. A governmental unit often issues purchase orders or signs contracts to purchase goods and services to be received in the future. These commitments, if any, are recorded as encumbrances for budgetary control. These encumbrances lapse at the end of the year and become part of the following year's budgetary amounts. All unencumbered budgeted appropriations lapse at the end of each fiscal year. No encumbrances existed at the end of December 31, 2021.

6. Cash and Cash Equivalents:

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

State statutes authorize the County to invest in U.S. Treasury obligations, other U.S. Government agencies, the State of Georgia, other states, prime bankers' acceptances, repurchase agreements, and other political subdivisions of the State of Georgia, and the Local Government Investment Pool.

7. Vacation, Sick Leave and Other Compensated Absences:

The County's policy allows employees meeting eligibility requirements to accumulate earned but unused vacation leave. Accordingly, the liability for compensated absences in the government-wide statements consists of unpaid, accumulated vacation leave. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is reported in the governmental funds only if the liability has matured, for example, due to employee resignations and retirements.

Accumulated sick leave lapses when employees leave the employ of Upson County and, upon separation from service, no monetary obligation exists.

The County does not provide post-employment healthcare benefits except those mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by employees who elect coverage under the Act, and the County incurs no direct costs.

8. Interfund Receivables, Payables and Transfers

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. For the most part, the effect of interfund activity has been removed from the government-wide statements of net position. Any residual balances outstanding between the governmental funds and business-type activities are reported in the governmental statement of net position as "internal balances." In the fund-level balance sheets or statements of net position, these receivables and payables are classified as "due from other funds" or "due to other funds."

The composition of interfund balances as of December 31, 2021, is as follows:

Due To/From Other Funds - Governmental Funds		
Receivable Fund	Payable Fund	Amount
General Fund	E-911 Fund	\$ 9,916
General Fund	Spewell Bluff Recreation Area Jail	1,942
Drug Abuse Fund	Construction Fund	2,088
Total Due To/From Other Funds - Governmental Funds		\$ 13,946

Due To/From Other Funds - Business-Type Activities		
Receivable Fund	Payable Fund	Amount
Water Fund	Waste Services	\$ 44,465
Total Due To/From Other Funds - Business-Type Activities		\$ 44,465

Internal Balances		
Receivable Fund	Payable Fund	Amount
General Fund	Water Fund	\$ 5,621
General Fund	Waste Services	1,489
Total Internal Balances		\$ 7,109

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

	Transfer In:				
	911 Fund	2019 T-SPLOST Fund	General Fund	Nonmajor Governmental Funds	Total
Transfer Out:					
General Fund Unincorporated	\$ 209,704	\$ -	\$ -	\$ 19,151	\$ 228,855
Services Fund Joint Projects		-	546,697		546,697
Fund		-	1,957,335		1,957,335
Debt Service Fund	-	439,361	-	-	439,361
Total	<u>\$ 209,704</u>	<u>\$ 439,361</u>	<u>\$ 2,504,032</u>	<u>\$ 19,151</u>	<u>\$ 3,172,248</u>

9. Inventories and Prepaid Items:

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of merchandise in the Sprewell Bluff fund and aviation fuel in the Airport fund. The cost of such inventories is recorded as expenditures/expenses when sold rather than when purchased.

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

10. Long-term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statement and the proprietary fund financial statements. All current payables and accrued liabilities from the governmental fund are reported in the governmental fund financial statements.

In the government-wide financial statements for the primary government, long-term debt and other long-term obligations are reported as liabilities on the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Issuance costs are expensed when incurred.

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

11. Risk Management

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

12. Capital Assets

Capital assets are tangible and intangible assets, including property, plant, equipment, and infrastructure assets, which are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, except for infrastructure assets, are defined by Upson County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years.

As Upson County constructs or acquires capital assets, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital

assets that do not increase the asset's capacity or efficiency or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

In accordance with the Governmental Accounting Standards Board Statement No. 89, "Accounting for Interest Cost Incurred before the End of a Construction Period," interest incurred during the construction period of capital assets is recorded as an expense and is not included as part of the capitalized value of the assets.

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment, and infrastructure of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	40
Vehicles	5-7
Equipment	5-10
Water and Sewer System	40
Infrastructure	40

13. Restricted and Unrestricted Net Position

The government's policy is that when both restricted and unrestricted net position is available, unrestricted resources are first applied, then restricted net position is applied based on their limited use.

14. Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County reports pension-related deferred outflows of resources in the government-wide statement of net position. Pension-related deferred outflows of resources are discussed more in Note G. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County reports pension-related deferred inflows of resources on the government-wide statement of net position.

15. Fund balance

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

Fund balances are classified as follows:

- Nonspendable – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted – amounts are restricted when constraints have been placed on the use of resources by (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by the Board of Commissioners' formal action through a motion and vote during the voting session of Board meetings. Only the Board of Commissioners can modify or rescind the commitment.

- Assigned – amounts constrained by the County's intent to be used for specific purposes but are neither restricted nor committed. By resolution, the Board of Commissioners has authorized the County Manager or designee to assign fund balance.
- Unassigned – amounts that have not been assigned to other funds and are not restricted, committed, or assigned to specific purposes within the General Fund.

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

- Committed
- Assigned
- Unassigned

The County does not have a formal minimum fund balance policy.

The following is a summary of the fund balance classifications as of December 31, 2021:

Fund Balances	General Fund	Capital Projects	E-911	Unincorp Services	Joint Projects	Debt Service	American Rescue Plan	Nonmajor Governmental	Total
Nonspendable:									
Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$18,319	\$ 18,319
Committed for:									
Superior Court Technology Improvements	4,308	-	-	-	-	-	-	-	4,308
Capital outlay	741,888	-	-	-	-	-	-	-	741,888
Waste/Water Improvements	455,250	-	-	-	-	-	-	-	455,250
Restricted for:									
Capital outlay	-	4,265,224	-	-	-	-	-	-	4,265,224
Debt services	-	-	-	-	-	2,492,089	-	-	2,492,089
Joint Projects with the City of Thomaston	-	-	-	-	53,277	-	-	-	53,277
Upson County's unincorporated area	-	-	-	19,514	-	-	-	-	19,514
Public Safety	-	-	75,688	-	-	-	-	-	75,688
Culture & Recreation	-	-	-	-	-	-	-	763,842	763,842
Unassigned	11,841,578	-	-	-	-	-	125	-	11,841,703
Total Fund Balances	\$13,043,024	\$4,265,224	\$75,688	\$19,514	\$53,277	\$2,492,089	\$125	\$782,161	\$20,731,102

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. Explanation of certain differences between governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds and net position - governmental activities* as reported in the government-wide statement of net position.

Capital assets used in net governmental activities are not financial resources and, therefore, are not reported in the funds.

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position.

2. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds and changes in net position - governmental activities* as reported in the government-wide statement of activities.

The details of these differences are as follows:

Capital outlay	\$ 8,933,014
Distributions of capital Contributed capital	(2,882,208)
Net book value of disposed assets	248,000
Depreciation expense	(975)
Depreciation expense	(4,910,287)
Payments on long-term debt	1,065,000
Deferred outflows of resources	(3,184,824)
Deferred inflows of resources Net pension fund asset Amortization of bond premium Accrued interest	3,377,830
Compensated absences payable	663,760
Net adjustment	115,724
	21,690
	(4,312)
	<u>\$ 3,442,412</u>

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Issuance of long-term debt provides current resources in the governmental funds. In the government-wide statements, issuance represents a liability rather than a resource. The total long-term debt issued in 2021 was \$ 0.

The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. In 2021, principal paid by governmental funds totaled \$ 1,065,000.

NOTE C - PROPERTY TAXES

All real and personal property (including motor vehicles) are valued as of January 1 of each year. Except for motor vehicles, which the State Revenue Department values, all assessments are made by the Upson County Board of Tax Assessors. The Upson County Commissioners appoint this Board. Exceptions are permitted for certain inventories, as well as homestead and age exemptions.

The following dates are applicable to property taxes:

	Lien date	November 19
	Levy date	September 18
***	Due dates	November 18
***	Collection date	November 18

Upon completing all assessments and tax returns, the information is compiled to form the tax digest, and then it is submitted to the State Revenue Commissioner for approval. The State Revenue Commissioner must ascertain that real property on the tax digest has been assessed at the State-mandated forty percent (40%) of fair market value. If not, the State Commissioner may reject the digest until such values are appropriately adjusted.

All property taxes are recognized in compliance with National Council on Governmental Accounting Interpretation No. 3 (Revenue Recognition - Property Taxes), which states that such revenue should be recorded when it becomes measurable and available. Available means due, past-due, and receivable within the current period and collected no longer than 60 days after the close of the current period.

Property Tax Calendar

Property taxes are levied each year based on assessed values determined the previous January 1. The County Commissioners officially set mill rates during September of each year, mail property tax bills on September 18, and establish November 18 as the due date. Unpaid property taxes are attached as an enforceable lien on the property as of November 19 (lien date). Judicial property sales are commenced on November 19 of the following year.

NOTE D - CAPITAL ASSETS:

Capital asset activity for the primary government for the year ended December 31, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 2,236,983	\$ 664,147	\$ 29,673	\$ 2,871,457
Construction in Progress - Buildings	150,661	976,133	150,661	976,133
Total capital assets, not being depreciated	<u>\$ 2,387,644</u>	<u>\$ 1,640,281</u>	<u>\$ 29,673</u>	<u>\$ 3,847,591</u>
Other capital assets:				
Buildings	\$ 26,706,150	\$ 814,075	\$ 1,433,003	\$ 26,087,222
Equipment	3,087,848	232,033	311,574	3,008,308
Vehicles	4,023,702	283,162	358,404	3,948,460
Infrastructure	42,797,600	6,362,123	2,080,357	47,079,366
Total capital assets, at cost	<u>\$ 76,615,300</u>	<u>\$ 7,691,393</u>	<u>\$ 4,183,337</u>	<u>\$ 80,123,357</u>
Less accumulated depreciation for:				
Buildings	\$ 15,362,771	\$ 1,088,892	\$ 933,846	\$ 15,517,817
Equipment	3,087,848	-	79,540	3,008,308
Vehicles	1,878,258	385,041	294,500	1,968,799
Infrastructure	28,165,393	3,436,353	21,942	31,579,804
Total accumulated depreciation	<u>\$ 48,494,270</u>	<u>\$ 4,910,286</u>	<u>\$ 1,329,828</u>	<u>\$ 52,074,728</u>
Other capital assets, net	<u>\$ 28,121,030</u>	<u>\$ 2,781,107</u>	<u>\$ 2,853,509</u>	<u>\$ 28,048,628</u>
Governmental activities capital assets, net	<u>\$ 30,508,674</u>	<u>\$ 4,421,388</u>	<u>\$ 2,883,182</u>	<u>\$ 31,896,219</u>
Business-Type Activities				
Capital assets, not being depreciated				
Land	\$ 381,300	\$ 29,673	\$ -	\$ 410,973
Total capital assets, not being depreciated	<u>\$ 381,300</u>	<u>\$ 29,673</u>	<u>\$ -</u>	<u>\$ 410,973</u>
Other capital assets				
Water distribution system	\$ 8,313,213	\$ 158,451	\$ -	\$ 8,471,664
Equipment and vehicles	356,463	307,235	-	663,698
Total other capital assets, at cost	<u>\$ 8,669,676</u>	<u>\$ 465,686</u>	<u>\$ -</u>	<u>\$ 9,135,362</u>
Less accumulated depreciation for:				
Water distribution system	\$ 2,947,459	\$ 232,123	\$ -	\$ 3,179,582
Equipment and vehicles	209,602	170,789	-	380,391
Total accumulated depreciation	<u>\$ 3,157,061</u>	<u>\$ 402,913</u>	<u>\$ -</u>	<u>\$ 3,559,974</u>
Other Capital assets, net	<u>\$ 5,512,615</u>	<u>\$ 62,773</u>	<u>\$ -</u>	<u>\$ 5,575,388</u>
Business-type activities capital assets, net	<u>\$ 5,893,915</u>	<u>\$ 92,446</u>	<u>\$ -</u>	<u>\$ 5,986,361</u>
Total governmental and business-type activities, net	<u>\$ 36,402,589</u>	<u>\$ 4,513,834</u>	<u>\$ 2,883,182</u>	<u>\$ 37,882,580</u>

Depreciation expense was charged to functions, as follows:

Governmental activities:

General government	\$ 2,090,663
Public safety	1,094,579
Culture & Recreation	180,982
Public works	1,483,483
Health and welfare	60,579
Total depreciation expense - governmental activities	4,910,286
Transfers out and disposals of assets	(1,329,828)
Total increase in accumulated depreciation	3,580,458

Business-type activities:

Water system	248,288
Total depreciation expense - business-type activities	248,288
Transfer in of assets from governmental activities	154,625
Total increase in accumulated depreciation	402,913

Total depreciation expense \$ 5,158,574

NOTE E - CHANGES IN LONG-TERM DEBT:

- The following is a summary of debt service requirements to maturity for the following notes payable due from the Water System proprietary fund on December 31, 2021:

ENTERPRISE FUND

A. Note Payable - Georgia Environmental Facilities Authority - Loan #4

Note dated August 15, 2012 – 1.13%
 Loan Commitment – \$ 1,800,000
 Less Principal
 Forgiveness - (500,000)
 Note Due - \$ 1,300,000

Loan Payment – \$6,054.32 Monthly

	Principal	Interest	Total
2022	\$ 63,713	\$ 8,939	\$ 72,652
2023	64,436	8,216	72,652
2024	65,168	7,484	72,652
2025	65,908	6,744	72,652
2026	66,657	5,995	72,652
2027-2031	344,816	18,443	363,259
2032-2034	149,523	1,832	151,355
Total	<u>\$ 820,221</u>	<u>\$ 57,653</u>	<u>\$ 877,874</u>
Total Enterprise Fund	<u>\$ 820,221</u>	<u>\$ 57,653</u>	<u>\$ 877,874</u>

GOVERNMENTAL FUNDS:**A. General Obligation Transportation Sales Tax Bonds – Series 2019**

	<u>Debt Service to Maturity</u>		
	PRINCIPAL	INTEREST	TOTAL
2022	1,115,000	175,750	1,290,750
2023	1,170,000	120,000	1,290,000
2024	1,230,000	61,500	1,291,500
TOTAL	\$ 4,580,000	\$ 586,250	\$ 5,166,250

Changes in Long-Term Liabilities

Long-term liability activity for December 31, 2021 year was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Business Type Activities</u>					
Notes payable - GEFA #4	\$ 883,217	\$ -	\$ (62,997)	\$ 820,221	\$ 63,713
Capital leases	2,463,640	-	(222,045)	2,241,595	226,075
Compensated absences	14,828	6,435	(11,836)	9,427	2,546
Total Business-Type Activities	\$ 3,361,685	\$ 6,435	\$ (296,878)	\$ 3,071,243	\$ 292,334
<u>Governmental Activities</u>					
General Obligation Sales Tax					
Bonds - Series 2019	\$ 4,580,000	\$ -	\$ (1,065,000)	\$ 3,515,000	\$ 1,115,000
Compensated absences	215,960	130,050	(125,738)	220,273	44,764
Total Business-Type Activities	\$ 4,795,960	\$ 130,050	\$ (1,190,738)	\$ 3,735,273	\$ 1,159,764
 Long-term liabilities	 <u>\$ 8,157,645</u>	 <u>\$ 136,486</u>	 <u>\$ (1,487,615)</u>	 <u>\$ 6,806,516</u>	 <u>\$ 1,452,098</u>

CAPITAL LEASES

Upson County leases certain capital assets from the Thomaston-Upson County Office Building Authority, a legislatively created entity created to provide capital lease arrangements pursuant to a Master Lease Agreement.

Under the terms of the program, Upson County is required to make lease payments to the Authority in sufficient amounts to pay the principal and interest due by the Authority to financial institutions. Upson County's obligation to pay such lease payments is conditioned on the annual appropriation of funds to make those payments. Accumulated depreciation on these leased assets was \$202,419 on December 31, 2021, and \$67,473 was recorded for depreciation in 2021.

These leases qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payment as of the inception date. The assets acquired through current outstanding capital leases are as follows:

	<u>Business Activities</u>
Water System Components	<u>\$ 2,241,595</u>
Total	<u>\$ 2,241,595</u>

Annual debt service requirements to maturity for capital leases are as follows:

Year ending December 31:	
2022	264,564
2023	264,564
2024	264,564
2025	264,564
2026	264,564
2026-2031	<u>918,775</u>
Total	\$ 2,241,595
Less amount	
representing interest	<u>(207,254)</u>
Total present value of	
minimum lease payments	<u>\$ 2,034,341</u>

NOTE F – CONTINGENCIES:

Upson County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of Upson County's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of Upson County.

As to pending litigation:

1. DANIEL ET AL. VS. UPSON COUNTY ET AL; This is a pending certiorari to Superior Court. Involves granting of a special exception to zoning.
2. FORTNER VS. UPSON COUNTY, ET AL.; this is an appeal/certiorari to the Superior Court of Upson County. It involves a zoning decision by the Board of Commissioners.

NOTE G - CONTINGENT LIABILITIES:

As to pending contingencies:

1. Proposed civil penalties for untimely or non-filing of payroll-related documents to Social Security Administration for the period ending December 31, 2012. A total penalty of \$584,328 and associated interest charges of \$72,177. A request for abatement has been made. Additionally, Upson County has evidence that the payroll-related documents were mailed timely by certified mail with return receipt. It is anticipated that abatement of penalties and interest charges will be received once an IRS agent is assigned to this case.
2. On the 26th day of August 2004, the Board of Commissioners of Upson County signed a resolution that Upson County will guarantee an approximate \$10,000,000 a twenty-year bond issue of the Upson Regional Medical Center, in accordance with OCGA 31-7-71 et seq. Such a guaranty would be conditioned such that Upson County would be obligated to make payment on such financing only if Upson Regional Medical Center was financially incapable of doing so. As of December 31, 2020, the bond payments are current, and all payments were made timely. The current balance of the outstanding bond is \$2,055,000.

3. On the 26th day of August 2004, the Board of Commissioners of Upson County signed a resolution that Upson County will guarantee an approximate \$6,000,000 a twenty-year bond issue of the Upson Regional Medical Center, in accordance with OCGA 31-7-71 et seq. Such a guaranty would be conditioned such that Upson County would be obligated to make payment on such financing only if Upson Regional Medical Center was financially incapable of doing so. As of December 31, 2020, the bond payments are current, and all payments were made timely. The current balance of the outstanding bond is \$1,235,000
4. On the 31st day of August 2010, the Board of Commissioners of Upson County entered into a Bundled Energy Solutions Agreement with Linc Mechanical, LLC. The agreement has a term of twelve years with an annual cost of \$232,029. The agreement will expire in 2022.

NOTE H - EMPLOYEE RETIREMENT PLAN:

A. Defined Benefit Plan

Plan Description

The County contributes to the Association of County Commissioners of Georgia ("ACCG") Defined Benefit Plan, an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating counties in Georgia. The specific benefit provisions of the County's plan were established by an adoption agreement executed by the County Board of Commissioners. The plan provides benefits upon retirement, death, disablement, and termination of employment if certain eligibility conditions are met. The Plan issues a publicly available financial report that is available at the Upson County Finance Department located at 106 East Lee Street, Suite 110, Thomaston, Georgia 30286.

On September 1, 2021, the Upson County Board of Commissioners adopted an agreement to amend the Defined Benefit Plan to close the Plan to employees who become initially employed or reemployed by the County on or after September 1, 2021. Employees who are in service with Upson County as of August 31, 2021, and have satisfied the eligibility conditions as of such date, shall continue to be eligible to participate in the Defined Benefit Plan on and after September 1, 2021.

Summary of Significant Accounting Policies

The Plan's financial statements are prepared on an accrual basis, modified to include unrealized gains or losses on marketable securities owned by the Plan.

Plan member contributions are recognized in the period in which contributions are due. County contributions are recognized when due, and the County has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable.

Investments in securities are valued at current market prices. The trust fund is invested approximately in 70% equities and 30% fixed income securities on a cost basis.

Contributions

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

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

Benefits Provided

CEPP provides retirement, disability, and death benefits. Retirement benefits for all employees are calculated as 2 percent of the employee's career earnings. General employees with 10 years of continuous service are eligible to retire at age 60. Public safety employees with 10 years of continuous service are eligible to retire at age 55. General employees may retire at any age after 30 years of service. Public safety employees may retire at any age after 20 years of service. All employees are eligible for non-duty disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits equal two times the employee's final full-year salary. An employee who leaves County service may withdraw his or her contributions, plus any accumulated interest.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The annual adjustments are one-half of the change in the Consumer Price Index, limited to a maximum increase in retirement allowance of 2 percent for general employees and 3 percent for public safety employees.

Net Pension Liability of the County

The County's net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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

Future Salary Increases	3.50% per year with an age-based scale
Investment rate of return	7.00%

Mortality rates were based on the mortality tables developed specifically for governmental employees by the Society of Actuaries, which were released late in 2018. The tables were projected to 2021 to reflect that mortality rates in Georgia are in the quartile in the nation.

The long-term rate of return was calculated using the estimated 65th percentile return based on UBS Capital Market Assumptions and a five-year performance in excess of benchmarks.

Discount Rate

The discount rate used to measure the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that County contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability, and a municipal bond rate was not used in determining the discount rate.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revisions as results are compared to past expectations, and new estimates are made about the future.

Participant Data

The County contributes to the Association County Commissioners of Georgia ("ACCG") Defined Benefit Plan, an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating counties in Georgia.

The specific benefit provisions of the County's plan were established by an adoption agreement executed by the county board of Commissioners. The Plan provided for benefits upon retirement, death disablement, and termination of employment if certain eligibility conditions are met.

The County contribution(s) to the Plan is determined using the actuarial basis described in the annual valuation report. The annual County contribution meets or exceeds the minimum funding requirements of Georgia Statute 47-20.

Participant counts as of January 1, 2021 (the most recent actuarial valuation date) and covered compensation (based on covered earnings for the preceding year) are shown below:

Retirees, Beneficiaries and Disabled participants receiving benefits	23
Terminated plan participants entitled to but not yet receiving benefits	37
Active employees participating in the Plan	<u>187</u>
Total number of Plan Participants	247
Part-time active employees not participating in the plan	3
Covered compensation for active participants	\$7,021,039
Average remaining future services for active participants	9.00

Sensitivity Analysis

The following presents the net pension liability, calculated using the discount rate of 7.0%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current discount rate (7.00%)	1% Increase (8.00%)
Employer's proportionate share of net pension liability	<u>\$ 399,931</u>	<u>\$(1,049,184)</u>	<u>\$(2,252,042)</u>

For the year ended December 31, 2021, Upson County recognized a pension expense of \$518,821. At December 31, 2021, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 270,132	\$ -
Changes in actuarial assumptions	-	157,051
Difference between projected and actual investment earnings	-	1,181,806
Total	<u>\$ 270,132</u>	<u>\$ 1,338,857</u>

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

Year ended December 31:

2022	\$ (749,877)
2023	(930,676)
2024	(345,782)
2025	337,615
2026	440,132
Thereafter	<u>179,860</u>
Total	<u>\$ (1,068,728)</u>

Summary of Actuarial Methods and Assumptions

1. Investment Return 7.0% per year

Based on an analysis performed by the Board of Trustees in 2019.

2. Future Salary Increases: 3.50% per year with an age-based scale as follows:

<u>Age</u>	<u>Salary Increase</u>
Under 30	3.5 % rate plus 1.0 %
30 – 39	3.5 % rate plus 0.5 %
40 – 49	3.5 % rate less 0.5 %
50+	3.5 % rate less 1.0 %

Based on the results of the February 2019 experience study.

3. Mortality: Pub-2010 GE (50%) & PS (50%) Amt-Weighted with Scale AA to 2021
(Pre-Retirement: Employee, Post-Retirement: Retiree)

This table reflects the mortality tables developed specifically for governmental employees by the Society of Actuaries released in late 2018. The tables were projected to 2020 to reflect that mortality rates in Georgia are in the highest quartile in the nation.

4. Termination Vaughan Select and Ultimate Table through age 54
Sample rates are as follows:

<u>Age</u>	<u>Years of Employment</u>			
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4 or more</u>
25	27.80%	22.50%	18.50%	13.60%
35	23.80%	17.80%	13.80%	7.90%
45	19.80%	14.10%	10.10%	5.50%
55	0.00%	0.00%	0.00%	0.00%

Based on results of February, 2019 experience study

5. Disability: Male and female rates derived from the 1985 CIDA Table Class 1.
Incidence of disability resulting in eligibility for both disability benefits under the County retirement plan and the Social Security.
Sample rates are as follows:

<u>Age</u>	<u>Probability of Disability</u>	<u>Probability of Disability</u>
20	0.0290%	0.0300%
25	0.0380%	0.0470%
30	0.0480%	0.0800%
35	0.0690%	0.1360%
40	0.1170%	0.2110%
45	0.2020%	0.3230%
50	0.3580%	0.5330%
55	0.7220%	0.9520%
60 & over	0.0000%	0.0000%

6. Retirement:

<u>Age</u>	<u>Probability of Retirement</u>
55 to 60	10%
61 to 64	20%
65 to 69	30%
70	100%

Based on the results of the February 2019 experience study.

- | | |
|--|--|
| 7. Administrative Expenses | The contribution payable as of the end of the Plan Year includes administrative fees set by contract between the Association County Commissioners of Georgia and ACCG Retirement Services. |
| 8. Actuarial Value of Assets: | Market value as of measurement date. |
| 9. Actuarial cost Method: | Entry Age Normal: A method under which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age(s). |
| 10. Beneficiary: | The plan provides either a lump-sum benefit or an annuity for a fixed period of time to the beneficiary of a deceased active or inactive participant. Therefore all participants are assumed to have a beneficiary and such beneficiary is assumed to be the opposite gender, with females three years younger than males. |
| 11. Participants on Sick Leave: | Participants that are currently on sick leave but still considered employees of the county are included in the valuation and a liability is maintained for such participants. |
| 12. Cost of Living Adjustment: | N/A |
| 13. Form of Benefit | Normal form is assumed. Since other available forms are actuarially equivalent to the normal form, a more refined assumption would not materially affect the results. |
| 14. Changes Since Prior Valuation: | The mortality improvements for the Pub-2010 GE (50%) & PS (50%) Amt-Weighted mortality table is projected to 2021 instead of 2020 with 2020 Scale AA. |
| 15. Investment Return Assumption: | |
| Estimated 65 th percentile return based on UBS Capital Market Assumptions | 6.10% |
| Five year performance in excess of benchmark | <u>0.90%</u> |
| Assumed annual investment return: | <u><u>7.00%</u></u> |

Reconciliation of TPL/FNP/NPL

For the Measurement Period Ended December 31, 2021

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balance at December 31, 2020	\$ 9,605,330	\$ 9,990,754	\$ (385,424)
Changes for the year:			
Service Cost	403,679	-	403,679
Interest	666,330	-	666,330
Liability Experience (Gain)/Loss	191,808	-	191,808
Assumption Change	18,217	-	18,217
Plan Change	-	-	-
Employer Contributions	-	518,821	(518,821)
Employee Contributions	-	-	-
Net Investment Income	-	1,523,748	(1,523,748)
Benefit Payments	(172,648)	(172,648)	-
Service Credit Transfer	-	-	-
Asset Transfer	-	-	-
Administrative Expense	-	(53,164)	53,164
Other Changes*	-	(45,611)	45,611
Net Changes	<u>1,107,386</u>	<u>1,771,146</u>	<u>(663,760)</u>
Balance at December 31, 2021	<u>\$ 10,712,716</u>	<u>\$ 11,761,900</u>	<u>\$ (1,049,184)</u>

* Other Changes include Post-Retirement Death Benefit Expense of \$0 and Investment Expense of \$45,611

Disclosure - Changes in the Net Pension Liability and Related Ratios

Changes in the Net Pension Liability and Related Ratios

	FISCAL YEAR ENDING:							
	2014	2015	2016	2017	2018	2019	2020	2021
Total Pension Liability								
Service Cost	N/A	\$ 481,598	\$ 524,767	\$ 895,262	\$ 344,138	\$ 384,209	\$ 431,714	\$ 403,679
Interest Cost	N/A	508,573	533,112	458,460	449,498	524,331	590,885	672,373
Changes in Benefit Terms	N/A	-	-	-	-	-	-	-
Differences Between Expected and Actual Experiences	N/A	-	343,771	(739,174)	291,361	(141,501)	194,429	191,808
Changes of Assumptions	N/A	-	3,810,318	(6,768,880)	226,921	346,912	23,819	18,217
Benefit Payments, Including Refunds of Member Contributions	N/A	(301,640)	(947,073)	(723,102)	(42,918)	(86,426)	(153,478)	(178,691)
Net Change in Total Pension Liability	N/A	\$ 688,531	\$ 4,264,895	\$ (6,877,434)	\$ 1,269,000	\$ 1,027,525	\$ 1,087,369	\$ 1,107,386
Total Pension Liability (Beginning)	N/A	8,145,444	8,833,975	13,098,870	6,221,436	7,490,436	8,517,961	9,605,330
Total Pension Liability (Ending)	\$ 8,145,444	\$ 8,833,975	\$ 13,098,870	\$ 6,221,436	\$ 7,490,436	\$ 8,517,961	\$ 9,605,330	\$ 10,712,716
Plan Fiduciary Net Position								
Contributions - Employer	N/A	\$ 742,247	\$ 321,506	\$ 483,495	\$ 276,772	\$ 269,458	\$ 532,961	\$ 518,821
Contributions - Member	N/A	-	-	-	-	-	-	-
Net Investment Income	N/A	254,668	242,512	342,463	(342,740)	1,464,648	1,213,717	1,523,748
Benefit Payments, Including Refunds of Member Contributions	N/A	(301,640)	(947,073)	(710,665)	(42,918)	(86,426)	(153,478)	(172,648)
Administrative Expense	N/A	-	-	(7,585)	(59,741)	(43,858)	(47,287)	(53,164)
Other	N/A	-	-	-	(33,310)	(36,505)	(37,341)	(45,611)
Net Change in Plan Fiduciary Net Position	N/A	\$ 695,275	\$ (383,055)	\$ 107,708	\$ (201,937)	\$ 1,567,317	\$ 1,508,572	\$ 1,771,146
Plan Fiduciary Net Position (Beginning)	N/A	6,696,874	7,392,149	7,009,094	7,116,802	6,914,865	8,482,182	9,990,754
Plan Fiduciary Net Position (Ending)	\$ 6,696,874	\$ 7,392,149	\$ 7,009,094	\$ 7,116,802	\$ 6,914,865	\$ 8,482,182	\$ 9,990,754	\$ 11,761,900
Net Pension Liability - Ending	\$ 1,448,570	\$ 1,441,826	\$ 6,089,776	\$ (895,366)	\$ 575,571	\$ 35,779	\$ (385,424)	\$ (1,049,184)
Net Position as a % of Pension Liability	82.2%	83.7%	53.5%	114.4%	92.3%	99.6%	104.0%	109.8%
Covered Payroll	\$ 4,867,632	\$ 5,037,999	\$ 5,552,055	\$ 5,418,930	\$ 5,553,314	\$ 5,886,813	\$ 6,493,337	\$ 7,021,039
Net Pension Liability as a % of Covered Payroll	29.8%	28.6%	109.7%	-16.5%	10.4%	0.6%	-5.9%	FALSE

Summary of Main Plan Provisions for Valuation Purposes

1. Effective Date: January 1, 1970; amended and restated July 1, 1984.
Amended and restated July 1, 2015. Amended September 01, 2021.
2. Participant: Any full-time employee meeting the provisions as set out in Article 4.
3. Eligibility: Upon date of hire. No age or service requirements.
4. Plan Year: Period from January 1 to the next December 31, inclusive.
5. Service: Hours of Service Method. One year of service for every calendar year in which participant works 1,000 hours.
6. Annual compensation: Total remuneration required to be reported as taxable income on Form W-2.
7. Eligibility for Benefits:
 - a. Normal Retirement Attained age 65.
 - b. Late Retirement Any date subsequent to Normal Retirement.
 - c. Early Retirement Attained age 55 and 7 years Vesting Service
 - d. Disability Retirement Ten years of Service and deemed to be totally and permanently disabled.
 - e. Vested Termination One hundred percent vested after seven years of Service.
 - f. Pre-Retirement Death Benefit Spouse of active participant after completion of 7 years of Vesting.
8. Accrued Benefit: 2.0% of Annual Compensation for current year plus prior year accrued benefit.
9. Benefit Amounts:
 - a. Normal Retirement A benefit payable monthly for life equal to the Participant's Accrued Benefit at Normal Retirement.
 - b. Late Retirement A benefit payable monthly for life equal to the Participant's Accrued Benefit at Late Retirement.

Summary of Main Plan Provisions for Valuation Purposes (continued)

c. Early Retirement	A benefit payable monthly for life equal to the Participant's Accrued Benefit reduced at Early Retirement.	
d. Disability Retirement	A benefit payable monthly for life equal to the Participant's Accrued Benefit at Disability Retirement.	
e. Vested Termination	A benefit payable monthly for life beginning at Normal Retirement equal to the Participant's Accrued Benefit at termination. Participants with 7 years of Service may elect to receive benefits at an Early Retirement date calculated in the same manner as an early retirement benefit.	
f. Pre-Retirement Death Benefit:	Life Annuity	The Spouse of active Participants eligible for this benefit will receive a monthly death benefit equal to 50% of the joint and 50% survivor benefit calculated as if the Participant retired on the day before his or her death.
10. Form of Benefit:	The normal form of benefit is a straight life annuity. Other forms of payment are available and are actuarially equivalent to the normal form.	
11. Contributions:	No contributions are required of or permitted by Participants. The County meets all costs of the plan.	
12. Changes Since Prior Valuation:	Effective September 1, 2021, the Plan was amended to close the Plan to employees who become employed on or after September 01, 2021.	

Defined Contribution Plan

On August 24, 2021, the Upson County Board of Commissioners adopted the Master Trust and the Association County Commissioners of Georgia 401(a) Defined Contribution Plan for Upson County employees (the "Plan"). Participation in the Plan is mandatory for all full-time employees beginning employment on or after September 1, 2021. The Plan requires a 2.0% employee contribution and 2.0% County contribution on behalf of the employee. Employees have the option to make additional voluntary contributions into the Plan up to 4.0% of their base salary. The County will match any voluntary contributions at 100% up to a maximum of 4.0% of an employee's salary. In total, the mandatory 2.0% contributions plus any voluntary contributions will result in a 100% match of employee contributions up to a maximum of 6.0%.

The 401(a) Defined Contribution Plan is not available for full-time employees that were employed before September 1, 2021. Employees employed before September 1, 2021, are still eligible for participation in the County's 457(b) Plan. Vesting in the 401(a) Defined Contribution Plan is based on a 3-year cliff vesting schedule. After three years of complete service, employees are vested 100% in the County's matching contributions.

Total County match expenses for the year ended December 31, 2021, for all funds was \$3,980.

NOTE I - RETIREMENT PLAN - UPSON COUNTY BOARD OF HEALTH (COMPONENT UNIT)

1. Plan Description

The Employee's Retirement System of Georgia, a cost-sharing, multiple-employer defined benefit pension plan, was established by the Georgia Assembly during the 1949 Legislative Session to provide retirement allowances for employees of the State of Georgia and its political subdivisions. ERS is directed by a Board of Trustees. Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. ERS issues a publicly available financial report that can be obtained at www.ers.ga.gov/financials.

2. Benefits Provided

The ERS Plan supports three benefits tiers: Old Plan, New Plan, and Georgia State Employees' Pension and Savings Plan (GSEPS). Employees under the old plan started membership prior to July 1, 1982, and are subject to plan provisions in effect prior to July 1, 1982. Members hired on or after July 1, 1982, but prior to January 1, 2009, are new plan members subject to modified plan provisions. Effective January 1, 2009, new state employees and rehired state employees who did not retain membership rights under the Old or New Plans are members of GSEPS. ERS members hired prior to January 1, 2009, also have the option to change their membership to GSEPS irrevocably.

Under the old plan, the new plan, and GSEPS, a member may retire and receive normal retirement benefits after completion of 10 years of creditable service and attainment of age 60 or 30 years of creditable service regardless of age. Additionally, some provisions allow for early retirement after 25 years of creditable service for members under age 60.

Retirement benefits paid to members are based upon the monthly average of the member's highest salary over a 24 consecutive calendar month period, multiplied by a number of years of creditable service, multiplied by the applicable benefit factor. Annually, post-retirement cost-of-living adjustments may also be made to members' benefits, provided the members were hired before July 1, 2009. The normal retirement pension is payable monthly for life; however, options are available to distribute the member's monthly pension, at reduced rates, to a designated beneficiary upon the member's death. Death and disability benefits are also available through ERS.

3. Contributions

Member contributions under the old plan are 4% of annual compensation, up to \$4,200, plus 6% of annual compensation in excess of \$4,200. Under the old plan, the state pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these state contributions are included in the members' accounts for refund purposes and are used to compute the members' earnable compensation for computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The Health Department's contractually required contribution rate, actuarially determined annually, for the year ended June 30, 2020, was 24.66% of annual covered payroll for old and new plan members and 21.64% for SEPGS members. The Health Department's contributions

to ERS totaled \$93,313 for the year ended June 30, 2020. Contributions are expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

4. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Inflows of Resources Related to Pensions

At June 30, 2021, the Health Department reported a liability of \$632,581 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2019. An expected total pension liability as of June 30, 2020, was determined using standard roll-forward techniques. The Health Department's proportion of the net pension liability was based on contributions to ERS during the fiscal year ended June 30, 2019. At June 30, 2020, The Health Department's proportion was .015008%, which was a decrease of .000170% from its proportion measured as of June 30, 2019.

For the year ended June 31, 2020, The Board recognized pension expense of \$82,217. At June 30, 2021, The Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$7,706	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	8,935	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	9,989
Employer contributions subsequent to the measurement date	93,245	-
Total	<u>\$ 109,866</u>	<u>\$ 9,989</u>

Board contributions subsequent to the measurement date of \$93,245 are reported as deferred outflows and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2022	\$ (14,946)
2023	3,413
2024	10,370
2025	7,815
2026	-
Thereafter	-

5. Actuarial Assumptions

The total pension liability as of June 30, 2020, was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary Increase	3.25-7.00%, including inflation
Investment rate of return	7.30%, net of pension plan investment expense, including inflation

Post-retirement mortality rates were based on the RP-2000 Combined Mortality Table with future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB and set forward two years for both males and females for service retirements and dependent beneficiaries. The RP-2000 Disable Mortality Table with future mortality improvement projected to 2025 with Society of Actuaries' projection scale BB and set back seven years for males and set forward three years for females was used for death after disability retirement. There is a margin for future mortality improvement in the tables used by the System. Based on the results of the most recent experience study adopted by the Board on December 17, 2015, the numbers of expected future deaths are 9-12% less than the actual number of deaths that occurred during the study period for service retirements and beneficiaries and disability retirements. Rates of mortality in active service were based on the RP-2000 Employee Mortality Table projected to 2025 with projection scale BB.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2009-June 30, 2014, except for the assumed investment rate of return.

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

Asset Class	Target Allocation	Long-term expected real rate of return*
Fixed Income	30.00%	-.10%
Domestic large equities	46.20%	8.90%
Domestic small equities	1.30%	13.20%
International developed market equities	12.40%	8.90%
International emerging market equities	5.10%	10.90%
Alternatives	<u>5.00%</u>	12.00%
Total	<u>100.00%</u>	

Rates shown are net of inflation.

6. Discount Rate

The discount rate used to measure the total pension liability was 7.30%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

7. Sensitivity of the Health Department's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability, calculated using the discount rate of 7.30%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.30%) or 1-percentage-rate higher (8.30%) than the current rate:

	1% Decrease (6.30%)	Current discount rate (7.30%)	1% Increase (8.30%)
Employer's proportionate share of net pension liability	<u>\$ 889,930</u>	<u>\$ 632,581</u>	<u>\$ 412,963</u>

NOTE J – SPECIAL FUNDING DEFINED BENEFIT PENSION PLANS

1. Employees' Retirement System

The County's tax commissioner can participate in the Employees' Retirement System (ERS), a voluntary pension system. The County makes no contributions to this plan. Pursuant to O.C.G.A. 47-2-292(a), the Department of Revenue receives an annual appropriation from the Georgia Central Assembly to be used to fund local tax commissioners' employer contributions. The Employees' Retirement System administers the plan, which issues a publicly available financial report that can be obtained at www.ers.ga.gov/formspubs/formspubs. This plan is considered immaterial to Upson County's financial statements.

2. Sheriff's Retirement Fund of Georgia

The County's Sheriff is covered by the Sheriff's Retirement Fund of Georgia. The County makes no contributions to this plan. The County collects contributions as the agent for this fund through its court systems. This plan is administered by the Georgia Sheriffs' Association (GSA), where separate financial statements may be obtained on their website. This plan is considered immaterial to Upson County's financial statements.

3. Judges on the Probate Courts Retirement Fund of Georgia

The County's Probate Judge is covered by the Judges of the Probate Courts Retirement Fund of Georgia. The County makes no contributions to this plan. The State of Georgia provides nonemployer contributions to the Fund through the collection of court fines and forfeitures. These nonemployer contributions are recognized as revenue by the Fund when collected from the courts. The Judges of the Probate Courts Retirement Fund of Georgia is a component unit of the State of Georgia. This plan is considered immaterial to Upson County's financial statements.

4. Magistrate Retirement Fund

The Magistrates Retirement Fund of Georgia covers the County's Magistrate Judge. The county makes no contributions to this plan. The State of Georgia provides nonemployer contributions to the Fund through the collection of court filing fees. These nonemployer contributions are recognized as revenue by the Fund when collected from the courts. The

Judges of the Magistrates Retirement Fund of Georgia is a component unit of the State of Georgia. This plan is considered immaterial to Upson County's financial statements.

5. Georgia's Judicial Retirement System

The Georgia Judicial Retirement System covers the County's Juvenile Court Judge. The County makes no contributions to this plan. The State of Georgia provides employer contributions for juvenile court judges. These nonemployer contributions are recognized as revenue by the Fund when collected from the State. The Georgia Judicial Retirement System of Georgia is a component unit of the State of Georgia. This plan is considered immaterial to Upson County's financial statements.

6. Georgia Firefighters' Pension Fund

The County's Volunteer Firemen can participate in the Georgia Firefighters' Pension Fund, a voluntary pension system. The County makes no contributions to this plan. Contributions are made through monthly dues by eligible firefighters electing to participate in the plan and nonemployer contributions which consist of insurance premium taxes collected and remitted by insurers directly to the pension fund in accordance with the law. The plan is administered by Georgia Firefighters' Pension Fund located at 2171 Eastview Parkway NE in Conyers, Georgia, where separate financial statements may be obtained. This plan is considered immaterial to Upson County's financial statements.

7. Peace Officers' Annuity and Benefit Fund of Georgia

The County's Sheriff's Deputies are covered by the State of Georgia Peace Officers' Annuity and Benefit Fund. The county makes no contributions to this plan. The County collects contributions as an agent for this fund through its court systems. This plan is administered through the Peace Officers' Annuity and Benefit Fund of Georgia, located at 1210 Greenbelt Parkway in Griffin, Georgia, where separate financial statements may be obtained. This plan is considered immaterial to Upson County's financial statements.

NOTE K – DEPOSITS

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that the government's deposits may not be returned to the government in the event of a bank failure. The government's deposit policy for custodial credit risk requires that the banking institution hold collateral in the County's name equal to 110% of the total government's deposits in excess of FDIC coverage. On December 31, 2021, the County's bank balances were either insured by FDIC or collateralized with collateral held by the County's custodial banks in the County's name.

Interest Rate Risk

Interest rate risk is the risk that debt investments' interest rates will adversely affect an investment's fair value. The County does not have a formal policy for managing interest rate risk.

Credit Quality Risk

Georgia law authorizes local governments to invest in the following types of obligations: obligations of the State of Georgia or any other states; obligations issued by the United States; obligations fully insured or guaranteed by the United States government or governmental agency; prime banker's acceptances; State of Georgia Local Government Investment Pool; repurchase agreements; and obligations of other political subdivisions of the State of Georgia.

NOTE L - SCHEDULE OF CASH DEPOSITS:

Total cash and cash equivalents as of December 31, 2021, are summarized as follows:

Statement of Net Position:

Cash and cash equivalents	\$ 25,493,880
Restricted cash	188,786
Component unit - cash and cash equivalents	<u>4,566,731</u>
	<u>\$ 30,249,397</u>

	Balance
Cash deposits - General Fund	\$ 13,029,686
Cash deposits - Special Revenue Funds	3,456,653
Cash deposits - Enterprise Funds	2,439,014
Cash deposits - Capital Projects Funds	4,265,224
Cash deposits - Debt Service Fund	2,492,089
Cash deposits - Component Units	<u>4,566,731</u>
Total cash deposits	<u>\$ 30,249,397</u>

Certain cash and cash equivalents of the County are legally restricted for specified purposes. Restrictions on December 31, 2021, represented amounts in connection with depository accounts for the Water Fund.

NOTE M – HOTEL/MOTEL TAX:

Hotel/Motel taxes received and expended amounted to \$8,321, an amount representing .001% of tax receipts for the year ended December 31, 2021. The County has complied with the expenditure requirements of OCGA §48-13-51 by expending or contractually committed for expenditure, as provided with this code section, for the year ending December 31, 2021.

NOTE N – RESTATEMENT OF NET POSITION-GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES:

An extensive analysis of the property tax receivables, accrued expenses, insurance payable, and the creation of new funds necessitates a restatement of the December 31, 2020 balances in the amount of \$926,481, decreasing the net position of the governmental funds:

The effect of the adjustment is as follows:

	Governmental Activities
Net Position - December 31, 2020	\$ 48,871,166
Due to/from other funds	6,285
Property taxes receivable	(878,109)
Accrued expenses	(216,541)
Employee HIS payable	71,307
Insurance payable	90,842
Hotel/Motel tax payable	<u>(265)</u>
Restated Net Position - December 31, 2020	<u>\$ 47,944,686</u>

An extensive analysis of the business-type activities (enterprise funds), compensated absences payable, and accounts receivable necessitates a restatement for an allowance for uncollectibles and compensated absences payable to the December 31, 2020 balances in the amount of \$138,540, decreasing the net position:

The effect of the adjustment is as follows:

	Business-Type Activities
Net Position - December 31, 2020	\$ 4,768,828
Due to/from other funds	(2,475)
Cash in bank	<u>(136,066)</u>
Restated Net Position - December 31, 2020	<u>\$ 4,630,288</u>

Restatement of Net Position – Component Units:

Analysis of due to/from other funds requires a restatement of December 31, 2020 balances for the Recreation Department, Airport Authority, and Industrial Development Authority:

	Recreation Department
Net Position - December 31, 2020	\$ 1,251,497
Due to/from other funds	<u>(2,279)</u>
Restated Net Position - December 31, 2020	<u>\$ 1,249,218</u>

	Industrial Development Authority
Net Position - December 31, 2020	\$ 6,763,177
Signage	2,600
Due to/from other funds	<u>(619)</u>
Restated Net Position - December 31, 2020	<u>\$ 6,765,158</u>

	Airport Authority
Net Position - December 31, 2019	\$ 15,004,595
Due to/from other funds	<u>(914)</u>
Restated Net Position - December 31, 2020	<u>\$ 15,003,681</u>

NOTE O – RESTATEMENT OF FUND BALANCES – GOVERNMENTAL FUNDS:

An extensive analysis of the property tax receivables, accrued expenses, insurance payable, and the creation of new funds necessitates a restatement of the December 31, 2020 balances in the amount of \$926,616, decreasing the fund balance of the governmental funds:

The effect of the adjustments are as follows:

	General Fund	911 Fund	Unincorp Services	Joint Projects	Jail Construction	Drug Abuse	Sprewell Bluff	Total Governmental Activities
Fund balance - 12/31/20	\$ 13,922,852	\$ 55,046	\$ 89,850	\$ 428,075	\$ -	\$ -	\$ 53,360	\$ 24,540,621
Due to/from other funds	10,790	(3,788)	-	-	-	-	(717)	6,285
Property taxes receivable	(493,012)	-	(57,859)	(327,238)	-	-	-	(878,109)
Accrued expenses	(216,541)	-	-	-	-	-	-	(216,541)
Hotel/Motel	(265)							(265)
Employee HIS	71,307	-	-	-	-	-	-	71,307
Insurance payable	90,842	-	-	-	-	-	-	90,842
New funds	<u>(632,189)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>463,993</u>	<u>168,197</u>	<u>-</u>	<u>-</u>
Restated fund balance - 12/31/20	<u>\$ 12,753,784</u>	<u>\$ 51,258</u>	<u>\$ 31,991</u>	<u>\$ 100,837</u>	<u>\$ 463,993</u>	<u>\$ 168,197</u>	<u>\$ 52,643</u>	<u>\$ 23,614,140</u>

NOTE P – SUBSEQUENT EVENTS:

Subsequent events have been evaluated through June 20, 2022 which is the date of the auditors' report.

On February 09, 2022, Upson County issued revenue bonds to finance the construction of new Judicial Center Complex. The County pledges tax revenues to meet the obligations beginning in December of 2022.

In February 01, 2022, Upson County was awarded \$4.43 million as part of the American Rescue Plan Act grant to be used toward providing more reliable broadband access to residents of Upson County.

Schedule of Required Supplementary Information

Disclosure - Changes in the Net Pension Liability and Related Ratios

Last Ten Fiscal Years

(Years Prior to 2014 Unavailable)

Changes in the Net Pension Liability and Related Ratios

GASB 68 is effective for fiscal year ending December 31, 2015. The following exhibit shows the change in Net Pension Liability in recent years ending in 2014, 2015, 2016, 2017, 2018, 2019, 2020, and 2021.

	FISCAL YEAR ENDING:							
	2014	2015	2016	2017	2018	2019	2020	2021
Total Pension Liability								
Service Cost	N/A	\$ 481,598	\$ 524,767	\$ 895,262	\$ 344,138	\$ 384,209	\$ 431,714	\$ 403,679
Interest Cost	N/A	508,573	533,112	458,460	449,498	524,331	596,257	672,373
Changes in Benefit Terms	N/A	-	-	-	-	-	-	-
Differences Between Expected and Actual Experiences	N/A	-	343,771	(739,174)	291,361	(141,501)	194,429	191,808
Changes of Assumptions	N/A	-	3,810,318	(6,768,880)	226,921	346,912	23,819	18,217
Benefit Payments, Including Refunds of Member Contributions	N/A	(301,640)	(947,073)	(723,102)	(42,918)	(86,426)	(158,850)	(178,691)
Net Change in Total Pension Liability	N/A	\$ 688,531	\$ 4,264,895	\$ (6,877,434)	\$ 1,269,000	\$ 1,027,525	\$ 1,087,369	\$ 1,107,386
Total Pension Liability (Beginning)	N/A	8,145,444	8,833,975	13,098,870	6,221,436	7,490,436	8,517,961	9,605,330
Total Pension Liability (Ending)	\$ 8,145,444	\$ 8,833,975	\$ 13,098,870	\$ 6,221,436	\$ 7,490,436	\$ 8,517,961	\$ 9,605,330	\$ 10,712,716
Plan Fiduciary Net Position								
Contributions - Employer	N/A	\$ 742,247	\$ 321,506	\$ 483,495	\$ 276,772	\$ 269,458	\$ 532,961	\$ 518,821
Contributions - Member	N/A	-	-	-	-	-	-	-
Net Investment Income	N/A	254,668	242,512	342,463	(342,740)	1,464,648	1,213,717	1,523,748
Benefit Payments, Including Refunds of Member Contributions	N/A	(301,640)	(947,073)	(710,665)	(42,918)	(86,426)	(153,478)	(172,648)
Administrative Expense	N/A	-	-	(7,585)	(59,741)	(43,858)	(47,287)	(53,164)
Other	N/A	-	-	-	(33,310)	(36,505)	(37,341)	(45,611)
Net Change in Plan Fiduciary Net Position	N/A	\$ 695,275	\$ (383,055)	\$ 107,708	\$ (201,937)	\$ 1,567,317	\$ 1,508,572	\$ 1,771,146
Plan Fiduciary Net Position (Beginning)	N/A	6,696,874	7,392,149	7,009,094	7,116,802	6,914,865	8,482,182	9,990,754
Plan Fiduciary Net Position (Ending)	\$ 6,696,874	\$ 7,392,149	\$ 7,009,094	\$ 7,116,802	\$ 6,914,865	\$ 8,482,182	\$ 9,990,754	\$ 11,761,900
Net Pension Liability - Ending	\$ 1,448,570	\$ 1,441,826	\$ 6,089,776	\$ (895,366)	\$ 575,571	\$ 35,779	\$ (385,424)	\$ (1,049,184)
Net Position as a % of Pension Liability	82.2%	83.7%	53.5%	114.4%	92.3%	99.58%	104.01%	109.79%
Covered Payroll	\$ 4,867,632	\$ 5,037,999	\$ 5,552,055	\$ 5,418,930	\$ 5,553,314	\$ 5,886,813	\$ 6,493,337	\$ 7,021,039
Net Pension Liability as a % of Covered Payroll	29.8%	28.6%	109.7%	-16.5%	10.4%	0.6%	-5.9%	-14.9%

Schedule of the Net Pension Liability

	2014	2015	2016	2017	2018	2019	2020	2020
Share of the net pension liability	\$ 1,448,570	\$ 1,441,826	\$ 6,089,776	\$ (895,366)	\$ 575,571	\$ 35,779	\$ (385,424)	\$ (1,049,184)
Covered employee payroll	\$ 4,867,632	\$ 5,037,999	\$ 5,552,055	\$ 5,418,930	\$ 5,553,314	\$ 5,886,813	\$ 6,493,337	\$ 7,021,039
Proportionate share of the net pension liability as a percentage of covered-employee payroll	29.8%	28.6%	109.7%	-16.5%	10.4%	0.6%	-5.9%	-14.9%
Plan fiduciary net position as a percentage of the total pension liability	82.2%	83.7%	53.5%	114.4%	92.3%	99.6%	104.0%	109.8%

Years prior to 2014 are not available.

Spirewell Bluff Recreation Area – to account for fees collected and the various expenditures of Spirewell Bluff Recreation Area.

Hotel/Motel Tax Fund – to account for funds collected from the hotel/motel tax and disbursed to other agencies.

Law Library Fund – to account for resources received from the various courts of Upson county and disbursements for the support of a centralized law library.

Drug Abuse Treatment Fund – to account for receipts from the various courts of Upson County and used specifically for drug abuse treatment and education programs

Jail Construction Fund – to account for collections from the various courts of Upson County required to be expended solely and exclusively for constructing, operating, and staffing county jails.

UPSON COUNTY, GEORGIA NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

For the Year Ended December 31, 2021

	Special Revenue Funds					
	Jail Construction Fund	Sprewell Bluff Recreation Area	Drug Abuse Fund	Hotel/Motel Tax Fund	Law Library Fund	Total 2021
ASSETS						
Cash in banks	\$ 541,568	\$ 18,162	\$ 182,478	\$ -	\$ 32,522	\$ 774,729
Inventory	-	18,319	-	-	-	18,319
Due from Jail Construction	-	-	2,088	-	-	2,088
Taxes Receivable	-	-	-	-	-	-
Total Assets	<u>\$ 541,568</u>	<u>\$ 36,481</u>	<u>\$ 184,565</u>	<u>\$ -</u>	<u>\$ 32,522</u>	<u>\$ 795,136</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ -	\$ 8,620	\$ -	\$ -	\$ -	\$ 8,620
Unearned Revenues	-	-	-	-	-	-
Due to Recreation Department	-	324	-	-	-	324
Due to Drug Abuse Fund	2,088	-	-	-	-	2,088
Due to General Fund	-	1,942	-	-	-	1,942
Total Liabilities	<u>\$ 2,088</u>	<u>\$ 10,887</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,975</u>
FUND BALANCES						
Restricted	<u>\$ 539,480</u>	<u>\$ 25,594</u>	<u>\$ 184,565</u>	<u>\$ -</u>	<u>\$ 32,522</u>	<u>\$ 782,161</u>
Total Fund Balances	<u>\$ 539,480</u>	<u>\$ 25,594</u>	<u>\$ 184,565</u>	<u>\$ -</u>	<u>\$ 32,522</u>	<u>\$ 782,161</u>
Total Liabilities and Fund Balances						
	<u>\$ 541,568</u>	<u>\$ 36,481</u>	<u>\$ 184,565</u>	<u>\$ -</u>	<u>\$ 32,522</u>	<u>\$ 795,136</u>

UPSON COUNTY, GEORGIA NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Year Ended December 31, 2021

	Special Revenue Funds					Total 2021
	Jail Construction Fund	Spirewell Bluff Recreation Area	Drug Abuse Fund	Hotel/Motel Tax Fund	Law Library fund	
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ 8,321	\$ -	\$ 8,321
Fines and forfeitures	75,059	-	16,368	-	22,742	114,170
Charges for services	-	259,982	-	-	-	259,982
Investment earnings	428	-	-	-	-	428
Total Revenues	75,487	259,982	16,368	8,321	22,742	382,901
Expenditures						
Current:						
General government	-	-	-	-	18,714	18,714
Culture and recreation	-	306,182	-	-	-	306,182
Payments to Chamber Tourism	-	-	-	8,321	-	8,321
Total Expenditures	-	306,182	-	8,321	18,714	333,217
Excess (Deficit) of Revenues Over (Under) Expenses	75,487	(46,200)	16,368	-	4,029	49,684
Other Financing Sources (Uses)						
Transfers From General Fund	-	19,151	-	-	-	19,151
Total Other Financing Sources (Uses)	-	19,151	-	-	-	19,151
Excess (Deficit) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	75,487	(27,049)	16,368	-	4,029	68,835
Fund Balance - Beginning of Year (Restated)	463,993	52,643	168,197	-	28,493	713,326
Fund Balance - End of Year	\$ 539,480	\$ 25,594	\$ 184,565	\$ -	\$ 32,522	\$ 782,161

UPSON COUNTY, GEORGIA JAIL CONSTRUCTION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL

For the Year Ending December 31, 2021

	Budget	Actual	Variance
Revenues			
Fines and Forfeitures	\$ -	\$ 75,059	\$ 75,059
Interest earnings	-	428	428
Total Revenues	<u>\$ -</u>	<u>\$ 75,487</u>	<u>\$ 75,487</u>
Expenditures			
	\$ -	\$ -	\$ -
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (Deficit) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 75,487</u>	<u>\$ 75,487</u>
Other Financing Sources (Uses)			
Transfers To General Fund	\$ -	\$ -	\$ -
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (Deficit) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 75,487</u>	<u>\$ 75,487</u>
Fund Balance - Beginning of Year (Restated)	<u>463,993</u>	<u>463,993</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 463,993</u>	<u>\$ 539,480</u>	<u>\$ 75,487</u>

UPSON COUNTY, GEORGIA SPREWELL BLUFF RECREATION AREA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL

For the Year Ending December 31, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Store sales and other revenue	\$ <u>196,590</u>	\$ <u>259,982</u>	\$ <u>63,392</u>
Total Revenues	\$ <u>196,590</u>	\$ <u>259,982</u>	\$ <u>63,392</u>
Expenditures			
Current:			
General government	\$ <u>335,816</u>	\$ <u>306,182</u>	\$ <u>29,634</u>
Total Expenditures	\$ <u>335,816</u>	\$ <u>306,182</u>	\$ <u>29,634</u>
Excess (Deficit) of Revenues Over (Under) Expenditures	\$ <u>(139,226)</u>	\$ <u>(46,200)</u>	\$ <u>93,026</u>
Other Financing Sources (Uses)			
Transfers From General Fund	\$ <u>-</u>	\$ <u>19,151</u>	\$ <u>19,151</u>
Total Other Financing Sources (Uses)	\$ <u>-</u>	\$ <u>19,151</u>	\$ <u>19,151</u>
Excess (Deficit) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ <u>(139,226)</u>	\$ <u>(27,049)</u>	\$ <u>112,177</u>
Fund Balance - Beginning of Year (Restated)	<u>52,643</u>	<u>52,643</u>	<u>-</u>
Fund Balance - End of Year	\$ <u><u>(86,583)</u></u>	\$ <u><u>25,594</u></u>	\$ <u><u>112,177</u></u>

UPSON COUNTY, GEORGIA HOTEL/MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL

For the Year Ending December 31, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Hotel/Motel taxes	\$ <u>7,369</u>	\$ <u>8,321</u>	\$ <u>952</u>
Total Revenues	\$ <u>7,369</u>	\$ <u>8,321</u>	\$ <u>952</u>
Expenditures			
Payments to Chamber - Tourism	\$ <u>7,369</u>	\$ <u>8,321</u>	\$ <u>(952)</u>
Total Expenditures	\$ <u>7,369</u>	\$ <u>8,321</u>	\$ <u>(952)</u>
Excess (Deficit) of Revenues Over (Under) Expenditures	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Other Financing Sources (Uses)			
Transfers From General Fund	\$ -	\$ -	\$ -
Transfers From City of Thomaston	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Excess (Deficit) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>

UPSON COUNTY, GEORGIA LAW LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL

For the Year Ending December 31, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Costs	\$ -	\$ 22,742	\$ 22,742
Interest earned	-	-	-
Total Revenues	<u>\$ -</u>	<u>\$ 22,742</u>	<u>\$ 22,742</u>
Expenditures			
Current:			
General government	\$ -	\$ 18,714	\$ (18,714)
Total Expenditures	<u>\$ -</u>	<u>\$ 18,714</u>	<u>\$ (18,714)</u>
Excess (Deficit) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 4,029</u>	<u>\$ 4,029</u>
Other Financing Sources (Uses)			
Transfers From General Fund	\$ -	\$ -	\$ -
Transfers From City of Thomaston	-	-	-
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (Deficit) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 4,029</u>	<u>\$ 4,029</u>
Fund Balance - Beginning of Year (Restated)	<u>28,493</u>	<u>28,493</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ 32,522</u>	<u>\$ 32,522</u>

UPSON COUNTY, GEORGIA DRUG ABUSE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL

For the Year Ending December 31, 2021

	Budget	Actual	Variance
Revenues			
Fines and Forfeitures	\$ -	\$ 16,368	\$ 16,368
Total Revenues	<u>\$ -</u>	<u>\$ 16,368</u>	<u>\$ 16,368</u>
Expenditures			
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (Deficit) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ 16,368</u>	<u>\$ 16,368</u>
Other Financing Sources (Uses)			
Transfers To General Fund	\$ -	\$ -	\$ -
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (Deficit) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 16,368</u>	<u>\$ 16,368</u>
Fund Balance - Beginning of Year (Restated)	<u>168,197</u>	<u>168,197</u>	<u>-</u>
Fund Balance - End of Year	<u><u>\$ 168,197</u></u>	<u><u>\$ 184,565</u></u>	<u><u>\$ 16,368</u></u>

AGENCY FUNDS

The following Agency Funds are used by the County:

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

Sheriff – to account for the collection and remittance of the county of fines, costs, bond forfeitures and various fees.

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

Superior Court – to account for the collection of charges for court costs, filings, and settlements and the subsequent remittances to the applicable parties.

Probate Court – to account for the receipt and disbursements of funds held on behalf of minors and others.

Magistrate Court – to account for the receipt and disbursement of bonds (posted to secure release of individuals charged with various crimes) and court-ordered fines and fees made on behalf of third parties.

Juvenile Court – to account for the collection and payment of fines and restitution as directed by the Juvenile Court.

UPSON COUNTY, GEORGIA
 AGENCY FUNDS
 COMBINING BALANCE SHEET
 FOR THE YEAR ENDING DECEMBER 31, 2021

	AGENCY FUNDS							
	PROBATE COURT	CLERK OF SUPERIOR COURT	SUPERIOR COURT	SHERIFF'S DEPARTMENT	MAGISTRATE COURT	JUVENILE COURT	TAX COMMISSIONER	2021 TOTAL
ASSETS								
Cash	\$ 4,726	\$ 67,940	\$ 13,984	\$ 389,216	\$ 15,207	\$ 25,514	\$ -	\$ 516,587
Taxes Receivable	-	-	-	-	-	-	720,121	720,121
Total Assets	\$ 4,726	\$ 67,940	\$ 13,984	\$ 389,216	\$ 15,207	\$ 25,514	\$ 720,121	\$ 1,236,708
LIABILITIES								
Due to others	\$ 4,726	\$ 67,940	\$ 13,984	\$ 389,216	\$ 15,207	\$ 25,514	\$ 720,121	\$ 1,236,708
Total Liabilities & Fund Equity	\$ 4,726	\$ 67,940	\$ 13,984	\$ 389,216	\$ 15,207	\$ 25,514	\$ 720,121	\$ 1,236,708

UPSON COUNTY, GEORGIA
 AGENCY FUNDS
 COMBINING STATEMENTS OF CHANGES IN
 ASSETS AND LIABILITIES
 FOR THE YEAR ENDING DECEMBER 31, 2021

	<u>December 31, 2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>December 31, 2021</u>
Probate Court				
<u>Assets</u>				
Cash	\$ 8,508	\$ 259,952	\$ 263,734	\$ 4,726
Total Assets	<u>\$ 8,508</u>	<u>\$ 259,952</u>	<u>\$ 263,734</u>	<u>\$ 4,726</u>
<u>Liabilities</u>				
Accounts Payable	\$ 8,508	\$ 259,952	\$ 263,734	\$ 4,726
Total Liabilities	<u>\$ 8,508</u>	<u>\$ 259,952</u>	<u>\$ 263,734</u>	<u>\$ 4,726</u>
Clerk of Superior Court				
<u>Assets</u>				
Cash	\$ 117,148	\$ 407,188	\$ 456,396	\$ 67,940
Total Assets	<u>\$ 117,148</u>	<u>\$ 407,188</u>	<u>\$ 456,396</u>	<u>\$ 67,940</u>
<u>Liabilities</u>				
Accounts Payable	\$ 117,148	\$ 407,188	\$ 456,396	\$ 67,940
Total Liabilities	<u>\$ 117,148</u>	<u>\$ 407,188</u>	<u>\$ 456,396</u>	<u>\$ 67,940</u>
Superior Court				
<u>Assets</u>				
Cash	\$ 13,114	\$ 56,859	\$ 55,989	\$ 13,984
Total Assets	<u>\$ 13,114</u>	<u>\$ 56,859</u>	<u>\$ 55,989</u>	<u>\$ 13,984</u>
<u>Liabilities</u>				
Accounts Payable	\$ 13,114	\$ 56,859	\$ 55,989	\$ 13,984
Total Liabilities	<u>\$ 13,114</u>	<u>\$ 56,859</u>	<u>\$ 55,989</u>	<u>\$ 13,984</u>
Sheriff's Office				
<u>Assets</u>				
Cash	\$ 311,390	\$ 419,097	\$ 341,271	\$ 389,216
Total Assets	<u>\$ 311,390</u>	<u>\$ 419,097</u>	<u>\$ 341,271</u>	<u>\$ 389,216</u>
<u>Liabilities</u>				
Accounts Payable	\$ 311,390	\$ 419,097	\$ 341,271	\$ 389,216
Total Liabilities	<u>\$ 311,390</u>	<u>\$ 419,097</u>	<u>\$ 341,271</u>	<u>\$ 389,216</u>

UPSON COUNTY, GEORGIA
 AGENCY FUNDS
 COMBINING STATEMENTS OF CHANGES IN
 ASSETS AND LIABILITIES
 FOR THE YEAR ENDING DECEMBER 31, 2021

	<u>December 31, 2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>December 31, 2021</u>
Magistrate Court				
<u>Assets</u>				
Cash	\$ 15,415	\$ 160,156	\$ 160,364	\$ 15,207
Total Assets	<u>\$ 15,415</u>	<u>\$ 160,156</u>	<u>\$ 160,364</u>	<u>\$ 15,207</u>
<u>Liabilities</u>				
Accounts Payable	\$ 15,415	\$ 160,156	\$ 160,364	\$ 15,207
Total Liabilities	<u>\$ 15,415</u>	<u>\$ 160,156</u>	<u>\$ 160,364</u>	<u>\$ 15,207</u>
Juvenile Court				
<u>Assets</u>				
Cash	\$ 23,724	\$ 6,468	\$ 4,678	\$ 25,514
Total Assets	<u>\$ 23,724</u>	<u>\$ 6,468</u>	<u>\$ 4,678</u>	<u>\$ 25,514</u>
<u>Liabilities</u>				
Accounts Payable	\$ 23,724	\$ 6,468	\$ 4,678	\$ 25,514
Total Liabilities	<u>\$ 23,724</u>	<u>\$ 6,468</u>	<u>\$ 4,678</u>	<u>\$ 25,514</u>
Tax Commissioner				
<u>Assets</u>				
Cash	\$ -	\$ -	\$ -	\$ -
Taxes receivable	1,640,048	14,224,858	15,144,785	\$ 720,121
Total Assets	<u>\$ 1,640,048</u>	<u>\$ 14,224,858</u>	<u>\$ 15,144,785</u>	<u>\$ 720,121</u>
<u>Liabilities</u>				
Accounts Payable	\$ 1,640,048	\$ 14,224,858	\$ 15,144,785	\$ 720,121
Total Liabilities	<u>\$ 1,640,048</u>	<u>\$ 14,224,858</u>	<u>\$ 15,144,785</u>	<u>\$ 720,121</u>
Totals - All Agency Funds				
<u>Assets</u>				
Cash	\$ 409,684	\$ 1,309,720	\$ 1,282,432	\$ 516,587
Taxes receivable	1,539,944	14,224,858	15,144,785	720,121
Total Assets	<u>\$ 1,949,628</u>	<u>\$ 15,534,578</u>	<u>\$ 16,427,217</u>	<u>\$ 1,236,708</u>
<u>Liabilities</u>				
Accounts Payable	\$ 1,949,628	\$ 15,534,578	\$ 16,427,217	\$ 1,236,708
Total Liabilities	<u>\$ 1,949,628</u>	<u>\$ 15,534,578</u>	<u>\$ 16,427,217</u>	<u>\$ 1,236,708</u>

Non-Major Component Units

UPSON COUNTY, GEORGIA
 COMBINING STATEMENT OF NET POSITION
 NONMAJOR COMPONENT UNITS
 DECEMBER 31, 2021

	Upon County Department of Public Health	Thomaston-Upon County Solid Waste Disposal Facility	Total Nonmajor Component Units
ASSETS			
Cash and cash equivalents	\$ 830,101	\$ 374,202	\$ 1,204,303
Investments	236,518	-	236,518
Receivable, net	29,043	-	29,043
Due from Georgia Department of Public Health	11,036	-	11,036
Capital assets, net of accumulated depreciation			
Other capital assets, net of depreciation	8,011	1,532,775	1,540,786
Net OPEB asset	50,859	-	50,859
Deferred outflows of resources:			
Deferred outflows related to OPEB benefits	44,847	-	44,847
Deferred outflows related to pension benefits	109,886	-	109,886
Total assets and deferred outflows of resources	<u>\$ 1,320,301</u>	<u>\$ 1,906,977</u>	<u>\$ 3,227,278</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$ 16,153	-	\$ 16,153
Compensated absences	37,222	\$ -	37,222
Net pension liability	632,581	-	632,581
Net OPEB liability	148,417	-	148,417
Deferred inflows of resources:			-
Deferred inflows related to pension benefits	9,989	-	9,989
Deferred inflows related to OPEB benefits	192,158	-	192,158
Total liabilities and deferred inflows of resources	<u>\$ 1,036,520</u>	<u>\$ -</u>	<u>\$ 1,036,520</u>
Net Position			
Invested in capital assets	\$ 8,011	\$ 1,532,775	\$ 1,540,786
Restricted	22,233	-	\$ 22,233
Unrestricted	253,537	374,202	627,739
Total Net Position	<u>\$ 283,781</u>	<u>\$ 1,906,977</u>	<u>\$ 2,190,758</u>

UPSON COUNTY, GEORGIA
 COMBINING STATEMENT OF ACTIVITIES
 NONMAJOR COMPONENT UNITS
 FOR THE YEAR ENDED DECEMBER 31, 2021

		PROGRAM REVENUES			Upson County Dept. of Public Health	Thomaston-	Total Nonmajor Component Units
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions		Upson County Solid Waste Disposal Facility	
	Expenses						
COMPONENT UNITS							
Upson County Dept. of Public Health	\$ 875,867	\$ 467,350	\$ 694,006	\$ -	\$ 285,489	\$ -	\$ 285,489
Thomaston-Upson Solid Waste Disposal Facility	37,092	-	-	-	-	(37,092)	(37,092)
Total Component Units	\$ 912,959	\$ 467,350	\$ 694,006	\$ -	\$ 285,489	\$ (37,092)	\$ 248,397
General Revenues							
Interest Income					\$ 886	\$ 343	\$ 1,229
Other Revenue					-	86	86
Transfers					-	-	-
Total General Revenues					\$ 886	\$ 429	\$ 1,315
Change in net position					\$ 286,375	\$ (36,663)	\$ 249,712
Net position - beginning of year					(2,594)	1,943,640	1,941,046
Net position - end of year					\$ 283,781	\$ 1,906,977	\$ 2,190,758

NOTE: This financial presentation continues on the next page.

Other Supplementary Schedules

UPSON COUNTY, GEORGIA
 COMPARATIVE SCHEDULE OF LONG-TERM DEBT
 December 31, 2021 and 2020

	2021	2020
Proprietary Funds		
Note Payable - Georgia Environmental Facilities Authority	\$ 820,221	\$ 883,218
Thomaston-Upson County O.B.A. Revenue Bonds, Series 2019	<u>2,241,595</u>	<u>2,463,827</u>
Total Proprietary Funds	<u>\$ 3,061,816</u>	<u>\$ 3,347,045</u>
Governmental Funds		
General Obligation Transportation Sales Tax Bonds, Series 2019	<u>\$ 3,515,000</u>	<u>\$ 4,580,000</u>
Total Governmental Funds	<u>\$ 3,515,000</u>	<u>\$ 4,580,000</u>
 Total Long-Term Debt	 <u><u>\$ 6,576,816</u></u>	 <u><u>\$ 7,927,045</u></u>

STATISTICAL SECTION

This part of Upson County's annual comprehensive financial report presents detailed information as context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	105-109
<i>These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.</i>	
Statistical Tables #1 - #4	
Revenue Capacity	110-113
<i>These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.</i>	
Statistical Tables #5 - #8	
Debt Capacity	114-119
<i>These schedules contain information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.</i>	
Statistical Tables #9 - #14	
Demographic and Economic Information	120-121
<i>These schedules offer demographic and economic indicators to help the reader understand the environment in which the County's financial activities take place.</i>	
Statistical Tables #15 - #16	
Operating Information	122-124
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services to the government provides and the activities it performs.</i>	
Statistical Tables #17 - #19	
Principal Property Tax Payers - Current Year and Nine Years Ago	125
Statistical Table #20	

Sources: Unless otherwise noted, the information in these schedules is derived from the annual annual comprehensive financial reports for the relevant year.

Schedule 1
UPSON COUNTY, GEORGIA
Net Position by Component
Last Ten Fiscal Years
(accrual basis accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>Governmental Activities</u>										
Net Investment in capital assets	\$ 33,112,589	\$ 32,380,606	\$ 32,688,422	\$ 31,866,060	\$ 32,548,859	\$ 27,488,338	\$ 29,680,469	\$ 27,627,664	\$ 25,928,675	\$ 29,127,771
Restricted	2,048,937	2,472,290	3,744,896	4,714,837	4,501,477	5,361,439	4,369,011	13,862,303	10,925,735	7,499,053
Committed	-	-	-	-	-	-	-	-	1,199,138	1,201,446
Nonspendable	-	-	-	-	-	-	-	-	10,092	18,319
Unrestricted	<u>2,467,326</u>	<u>2,921,486</u>	<u>39,880</u>	<u>2,793,669</u>	<u>3,111,141</u>	<u>4,533,855</u>	<u>6,912,914</u>	<u>1,670,164</u>	<u>9,881,046</u>	<u>10,657,471</u>
Total Governmental Activities Net Position	<u>\$ 37,628,852</u>	<u>\$ 37,774,382</u>	<u>\$ 36,473,198</u>	<u>\$ 39,374,566</u>	<u>\$ 40,161,477</u>	<u>\$ 37,383,632</u>	<u>\$ 40,962,394</u>	<u>\$ 43,160,131</u>	<u>\$ 47,944,686</u>	<u>\$ 48,504,060</u>
<u>Business-Type Activities</u>										
Net Investment in capital assets	\$ 1,410,945	\$ 2,064,488	\$ 2,120,546	\$ 2,180,892	\$ 2,240,367	\$ 2,311,944	\$ 2,392,638	\$ 2,383,651	\$ 2,547,057	\$ 2,924,545
Restricted	-	-	-	-	-	-	85,855	112,696	-	-
Unrestricted	<u>691,676</u>	<u>426,008</u>	<u>342,179</u>	<u>482,619</u>	<u>874,958</u>	<u>1,465,638</u>	<u>1,742,635</u>	<u>1,815,968</u>	<u>2,083,231</u>	<u>2,433,957</u>
Total Business-Type Activities Net Position	<u>\$ 2,102,621</u>	<u>\$ 2,490,496</u>	<u>\$ 2,462,725</u>	<u>\$ 2,663,511</u>	<u>\$ 3,115,325</u>	<u>\$ 3,777,582</u>	<u>\$ 4,221,128</u>	<u>\$ 4,312,315</u>	<u>\$ 4,630,288</u>	<u>\$ 5,358,502</u>
<u>Primary Government</u>										
Net investment capital assets	\$ 34,523,534	\$ 34,445,094	\$ 34,808,968	\$ 34,046,952	\$ 34,789,226	\$ 29,800,282	\$ 32,073,107	\$ 30,011,315	\$ 28,475,732	\$ 32,052,316
Restricted	2,048,937	2,472,290	3,744,896	4,714,837	4,501,477	5,361,439	4,454,866	13,974,999	10,925,735	7,499,053
Committed	-	-	-	-	-	-	-	-	1,199,138	1,201,446
Nonspendable	-	-	-	-	-	-	-	-	10,092	18,319
Unrestricted	<u>3,159,002</u>	<u>3,347,494</u>	<u>382,059</u>	<u>3,276,288</u>	<u>3,986,099</u>	<u>5,999,493</u>	<u>8,655,549</u>	<u>3,486,132</u>	<u>11,964,277</u>	<u>13,091,428</u>
Total Primary Government Net Position	<u>\$ 39,731,473</u>	<u>\$ 40,264,878</u>	<u>\$ 38,935,923</u>	<u>\$ 42,038,077</u>	<u>\$ 43,276,802</u>	<u>\$ 41,161,214</u>	<u>\$ 45,183,522</u>	<u>\$ 47,472,446</u>	<u>\$ 52,574,974</u>	<u>\$ 53,862,562</u>

Schedule 2
UPSON COUNTY, GEORGIA
Changes in net Position

Last Ten Fiscal Years
(accrual basis accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental Activities:										
General government	\$ 7,254,484	\$ 7,877,480	\$ 6,034,931	\$ 5,975,817	\$ 7,320,468	\$ 6,345,907	\$ 7,159,384	\$ 9,397,409	\$ 11,960,520	\$ 7,494,346
Judicial	-	-	-	-	-	-	-	-	-	2,172,222
Public safety	4,152,062	3,989,046	5,236,706	5,353,265	5,547,013	5,408,710	5,191,847	6,338,044	6,580,618	7,647,177
Public works	1,641,349	2,118,469	2,933,607	3,021,401	2,671,113	2,733,353	2,360,650	2,277,823	206,697	3,197,701
Health and welfare	-	-	-	-	-	-	-	-	-	904,165
Culture and recreation	-	-	-	-	-	-	-	-	-	3,914,295
Housing and development	-	-	-	-	-	-	-	-	-	1,101,787
Interest on short and long term debt	-	-	-	-	-	-	-	-	-	207,310
Total Governmental Activities Expenses	\$ 13,047,895	\$ 13,984,995	\$ 14,205,244	\$ 14,350,483	\$ 15,538,594	\$ 14,487,970	\$ 14,711,881	\$ 18,013,276	\$ 18,747,835	\$ 26,639,003
Business-Type Activities										
Water, sewer, and waste services	\$ 994,619	\$ 1,117,504	\$ 1,434,428	\$ 2,102,168	\$ 2,131,850	\$ 2,147,128	\$ 2,212,914	\$ 2,556,672	\$ 2,288,046	\$ 2,508,509
Total Business-Type Activities Expenses	994,619	1,117,504	1,434,428	2,102,168	2,131,850	2,147,128	2,212,914	2,556,672	2,288,046	2,508,509
Total Primary Government Expenses	14,042,514	15,102,499	15,639,672	16,452,651	17,670,444	16,635,098	16,924,795	20,569,948	21,035,881	29,147,512
Program Revenues										
Governmental Activities:										
Charges for services:										
General government	\$ 1,517,914	\$ 1,321,221	\$ 915,834	\$ 819,998	\$ 799,909	\$ 1,850,688	\$ 1,800,290	\$ 1,421,972	\$ 1,676,675	\$ 1,011,245
Public safety	567,891	617,547	1,064,346	1,040,877	1,025,980	435,355	444,336	1,290,364	864,390	511,242
Culture and Recreation	-	-	-	-	-	-	-	-	227,890	259,982
Judicial	-	-	-	-	-	-	-	-	-	972,764
Operating grants and contributions	97,859	407,466	1,409,948	929,296	1,768,929	1,270,274	1,617,420	646,888	2,291,654	2,110,116
Capital grants and contributions	473,278.00	5,000.00	-	-	-	3,773.00	9,392	-	24,625	248,000
Total Governmental Activities Program Revenues	\$ 2,656,942	\$ 2,351,234	\$ 3,390,128	\$ 2,790,171	\$ 3,594,818	\$ 3,560,090	\$ 3,871,438	\$ 3,359,224	\$ 5,085,234	\$ 5,113,349
Business-Type Activities:										
Water, sewer, and waste services	\$ 1,040,855	\$ 1,005,302	\$ 1,406,583	\$ 2,302,820	\$ 2,583,387	\$ 2,808,411	\$ 2,653,227	\$ 2,644,244	\$ 2,753,486	\$ 2,929,716
Capital grants and contributions	-	500,000	-	-	-	-	-	-	-	306,734
Total Business-Type Activities Program Revenues	\$ 1,040,855	\$ 1,505,302	\$ 1,406,583	\$ 2,302,820	\$ 2,583,387	\$ 2,808,411	\$ 2,653,227	\$ 2,644,244	\$ 2,753,486	\$ 3,236,450
Total Primary Government Revenues	\$ 3,697,797	\$ 3,856,536	\$ 4,796,711	\$ 5,092,991	\$ 6,178,205	\$ 6,368,501	\$ 6,524,665	\$ 6,003,468	\$ 7,838,720	\$ 8,349,799
Net (Expenses)/Revenue										
Governmental Activities	\$ (14,158,303)	\$ (15,428,305)	\$ (14,653,947)	\$ (14,558,093)	\$ (15,012,273)	\$ (14,334,883)	\$ (13,521,266)	\$ (17,210,724)	\$ (13,662,601)	\$ (21,525,654)
Business-Type Activities	46,236	387,798	(27,845)	200,652	451,537	661,283	440,313	87,572	465,440	727,941
Total Primary Government Net Expense	\$ (14,112,067)	\$ (15,040,507)	\$ (14,681,792)	\$ (14,357,441)	\$ (14,560,736)	\$ (13,673,600)	\$ (13,080,953)	\$ (17,123,152)	\$ (13,197,161)	\$ (20,797,713)

Schedule 2
UPSON COUNTY, GEORGIA
Changes in net Position

Last Ten Fiscal Years
(accrual basis accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Revenue & Other Changes in Net										
Governmental Activities:										
Taxes:										
Property taxes	\$ 4,862,876	\$ 9,800,914	\$ 9,074,785	\$ 10,221,992	\$ 9,995,662	\$ 9,709,088	\$ 9,437,777	\$ 10,778,003	\$ 10,023,699	\$ 8,196,375
Sales taxes	4,889,905	4,434,859	4,876,295	5,170,194	4,213,835	4,641,833	4,971,042	6,425,553	9,630,755	10,416,891
Franchise taxes	126,681	129,542	140,312	181,441	166,453	171,481	172,259	171,992	170,418	215,815
Insurance premiums taxes	787,601	818,585	863,778	924,972	984,541	1,054,410	1,136,937	1,218,479	1,293,165	1,342,944
Other taxes	267,488	231,469	197,337	233,828	232,894	255,875	242,281	266,131	273,742	1,431,975
Unrestricted grants and contributions	-	-	-	-	-	-	-	-	-	-
Interest revenue	2,585	628	2,442	1,134	4,868	32,245	69,735	62,674	18,082	28,906
Miscellaneous	116,097	157,838	197,792	204,470	90,260	234,738	264,836	624,357	760,167	452,122
Transfers	-	-	-	-	-	-	-	-	617,493	-
Total Governmental Activities	\$ 11,053,233	\$ 15,573,835	\$ 15,352,741	\$ 16,938,031	\$ 15,688,513	\$ 16,099,670	\$ 16,294,867	\$ 19,547,189	\$ 22,787,521	\$ 22,085,028
Business-Type Activities:										
Unrestricted grants and contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest revenue	92	77	74	134	278	974	3,233	3,615	895	275
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities Program Revenues	\$ 92	\$ 77	\$ 74	\$ 134	\$ 278	\$ 974	\$ 3,233	\$ 3,615	\$ 895	\$ 275
Total Primary Government	\$ 11,053,325	\$ 15,573,912	\$ 15,352,815	\$ 16,938,165	\$ 15,688,791	\$ 16,100,644	\$ 16,298,100	\$ 19,550,804	\$ 22,788,416	\$ 22,085,303
Change in Net Position										
Governmental Activities	\$ (3,105,070)	\$ 145,530	\$ 698,794	\$ 2,379,938	\$ 676,240	\$ 1,764,787	\$ 2,773,601	\$ 2,336,465	\$ 9,124,920	\$ 559,374
Business-Type Activities	46,328	387,875	(27,771)	200,786	451,815	662,257	443,546	91,187	466,335	728,216
Total Primary Government	\$ (3,058,742)	\$ 533,405	\$ 671,023	\$ 2,580,724	\$ 1,128,055	\$ 2,427,044	\$ 3,217,147	\$ 2,427,652	\$ 9,591,255	\$ 1,287,590

Schedule 3
UPSON COUNTY, GEORGIA
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>General Fund</u>										
Committed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 455,250	\$ 1,197,138	\$ 1,201,446
Restricted	-	-	-	-	-	-	-	-	-	-
Nonspendable	8,865.00	37,296.00	14,937.00	3,591.00	2,394.00	1,197.00	-	-	-	-
Unassigned	2,458,461	2,884,190	2,544,943	4,371,331	5,159,895	6,622,261	8,327,094	10,186,077	12,725,714	11,841,578
Total General Fund	\$ 2,467,326	\$ 2,921,486	\$ 2,559,880	\$ 4,374,922	\$ 5,162,289	\$ 6,623,458	\$ 8,327,094	\$ 10,641,327	\$ 12,753,784	\$ 13,043,024
<u>All Other Governmental Funds</u>										
Restricted:										
Capital Outlay	\$ 1,968,667	\$ 2,397,412	\$ 2,479,533	\$ 3,847,383	\$ 3,762,606	\$ 4,551,860	\$ 3,677,728	\$ 11,109,977	\$ 8,059,341	\$ 4,265,224
Special Revenue Funds	80,270	74,880	745,563	867,454	855,952	809,579	691,283	612,577	644,732	912,321
Debt Service	-	-	-	-	-	-	-	1,131,347	1,903,604	2,492,089
Unassigned:										
ARPA	-	-	-	-	-	-	-	-	-	125
Nonspendable:										
Inventory	-	-	-	-	-	-	-	-	10,092	18,319
Total All Other Governmental Funds	\$ 2,048,937	\$ 2,472,292	\$ 3,225,096	\$ 4,714,837	\$ 4,618,558	\$ 5,361,439	\$ 4,369,011	\$ 12,853,901	\$ 10,888,426	\$ 7,688,078

Schedule 4
UPSON COUNTY, GEORGIA
Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years
(modified accrual basis accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Property taxes	\$ 4,862,876	\$ 9,800,914	\$ 9,074,785	\$ 10,221,992	\$ 9,995,662	\$ 9,749,936	\$ 9,437,777	\$ 10,778,003	\$ 10,023,699	\$ 8,196,375
Sales taxes	4,889,905	4,434,859	4,876,295	5,170,194	4,213,835	4,641,833	4,971,042	6,425,553	9,630,755	10,416,891
Other taxes	1,181,770	1,179,596	1,200,964	1,340,241	1,383,888	1,481,766	1,551,477	1,656,602	1,720,328	3,113,727
Licenses and permits	173,491	124,685	124,819	122,733	158,371	243,325	163,420	185,375	234,781	230,358
Intergovernmental	581,135	412,466	1,409,948	929,296	1,768,929	1,270,274	1,617,420	646,888	2,405,868	2,072,431
Fines and forfeitures	567,891	617,547	554,255	572,959	565,401	732,258	800,236	750,683	839,453	968,456
Charges for services	1,344,423	1,196,536	1,301,106	1,211,069	1,100,175	1,310,460	1,280,970	1,724,792	1,694,721	1,443,603
Interest earnings	2,585	628	2,442	2,714	6,810	36,018	79,127	114,160	42,707	28,906
Other revenues	116,097	157,820	198,275	194,352	90,260	234,734	264,835	624,357	645,953	463,610
Total Revenue	\$ 13,720,173	\$ 17,925,051	\$ 18,742,889	\$ 19,765,550	\$ 19,283,331	\$ 19,700,604	\$ 20,166,304	\$ 22,906,413	\$ 27,238,265	\$ 26,934,357
Expenditures										
General government	\$ 6,833,274	\$ 6,875,100	\$ 5,609,977	\$ 5,550,872	\$ 6,316,146	\$ 5,905,442	\$ 6,549,694	\$ 6,673,531	\$ 7,145,949	\$ 3,616,382
Judicial	-	-	-	-	-	-	-	-	-	2,168,494
Public safety	3,754,762	3,593,314	4,826,117	4,942,676	5,136,424	4,959,552	5,070,899	5,782,703	6,115,668	6,554,725
Public works	913,049	1,213,635	1,981,006	2,068,800	1,718,512	1,746,696	1,794,979	1,264,353	1,274,255	1,275,940
Health and welfare	1,188,722	1,190,306	814,888	618,235	550,203	553,122	605,503	513,744	455,863	818,373
Culture and Recreation	-	-	-	-	-	-	-	-	-	725,748
Housing and development	-	-	-	-	-	-	-	-	-	515,821
Other	2,435,385	2,284,437	2,699,688	2,099,281	2,224,874	2,469,472	1,899,354	2,212,296	3,865,605	-
Capital outlay	2,077,242	1,687,521	2,275,792	1,141,251	2,613,934	1,818,941	3,634,468	1,405,325	6,663,330	9,094,623
Intergovernmental	-	-	-	-	-	-	-	-	-	2,796,086
Debt service:										
Interest	82,323	74,987	71,817	57,827	40,982	43,330	30,191	-	269,696	229,000
Principal	132,811	128,256	72,606	76,960	109,447	-	-	-	1,020,000	1,065,000
Total Expenditures	\$ 17,417,568	\$ 17,047,556	\$ 18,351,891	\$ 16,555,902	\$ 18,710,522	\$ 17,496,555	\$ 19,585,088	\$ 17,851,952	\$ 26,810,365	\$ 28,860,194
Excess of Revenues Over (Under) Expenditures	\$ (3,697,395)	\$ 877,495	\$ 390,998	\$ 3,209,648	\$ 572,809	\$ 2,204,049	\$ 581,216	\$ 5,054,461	\$ 427,900	\$ (1,925,837)
Other Financing Sources (Uses)										
Transfers from other funds	\$ 3,430,156	\$ -	\$ -	\$ 95,336	\$ 3,684,437	\$ 3,500,712	\$ 3,224,465	\$ 3,584,999	\$ 3,717,889	\$ 3,172,249
Transfers to other funds	(3,430,156)	-	1,817,488	3,402,045	(3,684,437)	(3,500,712)	(3,224,465)	(3,584,999)	(3,100,396)	(4,146,445)
Other proceeds	-	-	(1,817,488)	(3,402,045)	-	-	129,992	6,297,816	-	16,995
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ 95,336	\$ -	\$ -	\$ 129,992	\$ 6,297,816	\$ 617,493	\$ (957,201)
Net change in Fund Balances	\$ (3,697,395)	\$ 877,495	\$ 390,998	\$ 3,304,984	\$ 572,809	\$ 2,204,049	\$ 711,208	\$ 11,352,277	\$ 1,045,393	\$ (2,883,038)

Schedule 5
UPSON COUNTY, GEORGIA
Tax Revenues by Source, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis accounting)

TAX REVENUES

Year	General Property	Sales	Insurance Premiums	Intangible	Franchise	Real Estate Transfer	Beer & Wine	Hotel/Motel	Total
2012	4,862,876	4,889,905	787,601	55,591	126,681	62,665	147,236	1,996	10,934,551
2013	9,800,914	4,434,859	818,585	43,478	129,542	52,829	130,641	4,521	15,415,369
2014	9,074,785	4,876,295	863,778	24,044	140,312	44,745	123,678	4,890	15,152,527
2015	10,221,992	5,170,194	924,972	56,250	181,441	46,401	126,214	4,963	16,732,427
2016	9,995,662	4,213,835	984,541	49,310	166,453	20,337	157,948	5,299	15,593,385
2017	9,749,936	4,641,783	1,054,410	99,241	171,481	29,513	122,050	5,071	15,873,485
2018	9,437,777	4,971,042	1,136,937	90,897	172,259	26,058	120,870	4,456	15,960,296
2019	9,684,339	5,296,406	1,218,479	110,849	171,992	23,341	130,300	1,641	16,637,347
2020	8,951,297	6,153,611	1,293,165	137,556	170,418	281	133,257	2,648	16,842,233
2021	8,196,375	10,416,891	1,342,944	190,566	215,815	94,975	122,993	8,321	20,487,142

Schedule 6
 UPSON COUNTY, GEORGIA
 Assessed and Estimated Actual Value of Real and Personal Property
 Last Ten Fiscal Years

Fiscal Year	Real Property		Personal Property		Total Property		Ratio of Total Assessed to Total Estimated Actual Value
	Assessed Value (1)	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
2012	369,218,908	923,047,269	246,145,938	615,364,846	615,364,846	1,538,412,115	40%
2013	362,191,531	905,978,827	241,594,354	603,985,885	603,785,885	1,509,964,712	40%
2014	323,583,485	808,958,712	215,722,323	539,305,808	539,305,808	1,348,264,520	40%
2015	314,883,592	787,208,980	209,922,394	524,805,986	524,805,986	1,312,014,966	40%
2016	312,007,059	780,017,647	208,004,706	520,011,765	520,011,765	1,300,029,412	40%
2017	319,631,583	799,078,958	213,087,722	532,719,305	532,719,305	1,331,798,263	40%
2018	356,471,840	891,179,600	237,647,893	594,119,733	594,119,733	1,485,299,333	40%
2019	359,918,344	899,795,859	239,945,562	599,863,906	599,863,906	1,499,659,765	40%
2020	385,947,545	964,868,864	257,298,364	643,245,909	643,245,909	1,608,114,773	40%
2021	476,896,585	1,192,241,463	317,931,057	794,827,642	794,827,642	1,987,069,105	40%

SOURCE: Final Accounting Reports of Upson County Tax Commissioner

Schedule 7
UPSON COUNTY, GEORGIA
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Outstanding Taxes
2012	5,086,092	4,046,787	80%	1,876,353	5,923,140	1,278,179
2013	9,998,244	7,752,684	78%	1,448,804	9,201,488	2,101,853
2014	10,858,923	8,379,742	77%	2,383,322	10,763,064	1,664,222
2015	10,569,880	8,577,688	81%	2,510,119	11,087,807	1,459,377
2016	10,387,939	8,486,982	82%	2,362,761	10,849,743	1,958,074
2017	10,813,009	8,650,427	80%	2,212,256	10,862,683	1,907,799
2018	10,459,835	8,372,698	80%	2,621,388	10,994,086	1,330,383
2019	10,552,527	8,807,089	83%	2,310,207	11,119,296	1,539,944
2020	9,479,421	8,796,069	93%	1,786,059	10,582,128	1,336,614
2021	10,383,956	9,828,694	95%	506,424	10,335,118	1,336,614

SOURCE: Final Accounting Reports of Upson County Tax Commissioner

Schedule 8
 UPSON COUNTY, GEORGIA
 Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years

Fiscal Year	City of Thomaston	State of Georgia	Consolidated School System	Upton County			
				Incorporated	Unincorporated	Unincorporated Services	Joint Projects
2012	3.84	0.20	15.30	7.77	7.77	0.00	0.00
2013	3.84	0.15	15.34	16.50	16.50	0.00	0.00
2014	3.84	0.10	15.38	11.13	11.13	2.72	4.91
2015	3.80	0.05	15.38	9.76	9.76	2.72	6.28
2016	3.81	0.00	15.42	9.77	9.77	2.44	6.55
2017	3.77	0.00	15.11	9.52	9.52	2.44	6.55
2018	3.56	0.00	14.33	9.00	9.00	2.44	4.89
2019	3.56	0.00	14.32	8.99	8.99	2.44	4.89
2020	3.41	0.00	13.73	8.60	8.60	1.16	4.72
2021	3.32	0.00	13.21	8.28	8.28	1.16	3.37

NOTE: Tax per \$1,000 of assessed value

Schedule 9
 UPSON COUNTY, GEORGIA
 Ratio of Outstanding Debt by Type
 Last Ten Fiscal Years

Fiscal Year	Government Activities		Business-Type Activities		Total Primary Government	Per Capita
	General Obligation Bonds	Capital Leases	Water/Sewer Georgia Revolving Loan	Capital Leases		
2012	-	387,278	5,035,487	-	5,422,765	1.99
2013	-	259,022	5,021,682	-	5,280,704	1.94
2014	-	186,416	4,781,233	-	4,967,649	1.84
2015	-	109,447	4,536,497	-	4,645,944	1.71
2016	-	-	4,292,632	-	4,292,632	1.58
2017	-	-	4,036,666	-	4,036,666	1.48
2018	-	-	3,771,581	-	3,771,581	1.36
2019	5,600,000	-	914,451	2,681,727	9,196,178	3.39
2020	4,580,000	-	883,218	2,263,640	7,726,858	2.79
2021	3,515,000	-	820,221	2,241,595	6,576,816	2.37

Schedule 10
UPSON COUNTY, GEORGIA
Pledge-Revenue Coverage Public Utilities System Revenue Notes
Last Ten Fiscal Years

Fiscal Year	(1) Gross Revenue	(2) Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Per Capita
2011	1,089,790	737,036	352,754	35,900	23,326	59,226	5.96
2012	1,040,790	651,286	389,504	167,238	164,413	331,651	1.17
2013	1,005,302	762,424	242,878	191,378	170,690	362,068	(1.49)
2014	1,146,587	962,868	183,719	230,805	164,741	395,546	(2.15)
2015	1,279,519	770,311	509,208	244,736	157,247	401,983	1.25
2016	1,497,043	885,471	611,572	243,865	147,963	391,828	1.56
2017	1,551,927	867,437	684,490	255,966	139,043	395,009	1.73
2018	1,531,637	849,934	681,703	265,085	129,922	395,007	1.73
2019	1,527,251	979,713	547,538	2,874,330	113,092	2,987,422	11.00
2020	1,648,220	952,924	695,296	249,319	51,557	300,876	1.39
2021	1,689,461	1,295,301	394,160	229,000	51,557	280,557	1.39

NOTE: (1) Gross revenue equals operating revenues of the Public Utilities Water Revenue Fund.

(2) Expenses equal total operating expenses and excludes interest expenses, depreciation, and bond issuance costs.

Schedule 11
 UPSON COUNTY, GEORGIA
 Ratio of Net General Bonded Debt Per Capita
 and Net Bonded Debt Per Capita
 Last Ten Fiscal Years

Fiscal Year	Population	Assessed Tax Values	Gross General Bonded Debt	Less Debt Service Fund	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Debt Per Capita
2012	27153	615,364,846	0	0	0	0	0
2013	27153	603,785,885	0	0	0	0	0
2014	27153	539,305,808	0	0	0	0	0
2015	27153	524,805,986	0	0	0	0	0
2016	27153	520,011,765	0	0	0	0	0
2017	27153	532,719,305	0	0	0	0	0
2018	27153	594,119,733	0	0	0	0	0
2019	27153	599,863,906	5,600,000	1,131,347	4,468,653	0.74%	1.65
2020	26455	643,245,909	4,580,000	1,903,604	2,676,396	0.42%	1.01
2021	26725	794,827,642	3,515,000	1,903,604	1,611,396	0.20%	0.60

Schedule 12
UPSON COUNTY, GEORGIA
Ratio of Annual Debt Service for
General Bonded Debt to Total General Governmental Expenditures
Last Ten Fiscal Years

Fiscal Year	Principal	Interest	Total Debt Service	(1) Total General Governmental Expenditures	Ratio of Debt Service to Expenditures
2012	0	0	0	17,417,568	0
2013	0	0	0	17,047,556	0
2014	0	0	0	18,351,891	0
2015	0	0	0	16,555,902	0
2016	0	0	0	18,710,522	0
2017	0	0	0	17,496,555	0
2018	0	0	0	19,585,088	0
2019	0	0	0	17,851,952	0
2020	0	0	0	26,577,903	0
2020	0	0	0	29,147,513	0

Schedule 13
UPSON COUNTY, GEORGIA
Legal Debt Margin Information
Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net Assessed Value	\$ 615,364,846	\$ 603,985,885	\$ 539,305,808	\$ 524,805,986	\$ 520,011,765	\$ 532,719,305	\$ 594,119,733	\$ 599,863,906	\$ 643,245,909	\$ 794,827,642
Debt Limit - 10% of Assessed	\$ 61,536,485	\$ 60,398,589	\$ 53,930,581	\$ 52,480,599	\$ 52,001,177	\$ 53,271,931	\$ 59,411,973	\$ 59,986,391	\$ 64,324,591	\$ 79,482,764
Less Debt Applicable to Limit:										
General Obligation Debt	445,278	259,022	186,416	109,447	-	-	-	5,600,000	4,580,000	3,515,000
Legal Debt Margin	<u>\$ 61,091,207</u>	<u>\$ 60,139,567</u>	<u>\$ 53,744,165</u>	<u>\$ 52,371,152</u>	<u>\$ 52,001,177</u>	<u>\$ 53,271,931</u>	<u>\$ 59,411,973</u>	<u>\$ 54,386,391</u>	<u>\$ 59,744,591</u>	<u>\$ 75,967,764</u>
Legal Debt Margin as a Percentage										
of Debt Limit	<u>99%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>91%</u>	<u>93%</u>	<u>96%</u>

Schedule 14
Upson County, Georgia
Direct and Overlapping Governmental Activities Debt
As of December 31, 2021

Summary of Upson County Debt by Category and overlapping Debt

Set forth below is information concerning long-term tax supported debt of the County and the overlapping property tax supported debt of certain governmental entities that is attributable to property owners in the County based on proportion to which the jurisdiction of the County overlaps such entities. Although the County has attempted to obtain accurate information as to the outstanding overlapping debt, it does not warrant its completeness of accuracy, as there is no central reporting entity which has the information available, and the amounts are based on information supplied by others.

<u>Category of Debt</u>	<u>Amount of Outstanding Debt</u>
Direct Overlapping (3):	
Upson County - General Obligation Debt (1):	\$ 3,515,000
GEFA Loans (2)	820,221
Capital Leases (3)	2,241,595
Total Direct Debt	<u>\$ 6,576,816</u>
City's General Obligation Debt (1)	<u>\$ -</u>
Total Overlapping Debt	<u>\$ -</u>
Total Direct and Overlapping Debt	<u><u>\$ 6,576,816</u></u>

Notes:

- (1) Represents general obligations of the issuer to which its full faith and credit are pledged.
- (2) GEFA loans are general obligations of the issuer to which its full faith and credit and taxing power are pledged, but do not constitute debt for purposes of the constitutional debt limit. These loans are expected to be paid with moneys derived from the operation of the water and sewer system.
- (3) The financial obligation under capital leases do not constitute general obligations to which the taxing power is pledged, but are subject to and dependent upon lawful appropriations of general revenues being made to pay the capital lease payments due in such year. Obligations under capital leases do not constitute debt for purposes of the constitutional debt limit.

Schedule 15
 UPSON COUNTY, GEORGIA
 Demographic and Economic Statistics
 Last Ten Fiscal Years

Fiscal Year	Population	Per Capita Income	Median Age	Unemployment Rate
2012	27,153	N/A	N/A	N/A
2013	27,153	N/A	N/A	N/A
2014	27,153	N/A	N/A	N/A
2015	27,153	N/A	N/A	N/A
2016	27,153	N/A	N/A	N/A
2017	27,153	N/A	N/A	N/A
2018	27,153	N/A	N/A	N/A
2019	27,153	N/A	N/A	N/A
2020	26,785	20,894	42.2	6.30%
2021	26,924	21,834	42.7	6.50%

Sources: Three Rivers Commission
 N/A - Not available

Schedule 16
 UPSON COUNTY, GEORGIA
 Principal Employers
 Current Year and Nine Years Ago

2021		
Employer	Number of Employees	Rank
Upon Regional Medical Center	899	1
Thomaston-Upson School System	660	2
Quad/Graphics	399	3
DART Container	207	4
Upon County Government	189	5
Standard	184	6
Georgia Department of Transportation	152	7
Interfor	150	8
Tencate	101	9
City of Thomaston	89	10

2012		
Employer	Number of Employees	Rank
Thomaston-Upson County Schools	670	1
Upon Regional Medical Centr	520	2
Quad/Graphics	448	3
Walmart	381	4
Department of Transportation	280	5
Souther Crescent Tech	200	6
Upon County Government	195	7
ClearWater Paper	153	8
Solo-Cup Corporation	145	9
Standard Textiles	123	10

Source: Thomaston-Upson County Industrial Development Authority

Schedule 17
 UPSON COUNTY, GEORGIA
 Full-time Equivalent County Government Employees by Function/Program
 Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety:										
Sheriff	33	33	33	31	29	27	36	36	36	36
Jail	35	35	35	34	31	32	27	27	27	25
Public Works	24	24	24	21	23	22	23	23	23	21
General Government:										
Adminstration and Finance	5	5	6	7	7	8	8	9	9	10
Courts	17	17	17	17	17	17	18	18	18	19
All Other Departments	57	57	57	59	69	68	70	70	70	70
Water/Waste Water	8	8	8	7	6	6	7	7	7	8
Total	179	179	180	176	182	180	189	190	190	189

Schedule 18
UPSON COUNTY, GEORGIA
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2020
General Government:										
Building permits issued - commercial	15	8	12	4	9	24	41	15	18	14
Building permits issued - residential	239	193	202	330	403	433	369	421	400	449
Public Safety:										
Physical arrests	2,285	2,325	2,466	2,155	1,939	2,298	2,367	N/A	N/A	N/A
Citations	821	736	780	796	872	670	1109	N/A	N/A	N/A
Public Works:										
Road resurfaced (miles)	7.27	7.27	7.27	6.20	N/A	8.78	7.652	30.10	39.76	9.52
Road maintained (miles)	463.25	463.25	463.25	468.81	468.81	468.81	468.81	468.81	468.81	468.81
Water and Sewer:										
Average daily	420,000	420,000	420,000	384,548	372,602	350,000	362,920	242,260	N/A	403,657
Average daily consumption - water	51,000	51,000	51,000	50,633	57,000	50,000	47,619	46,945	N/A	66,173

N/A = Not Available

Schedule 19
UPSON COUNTY, GEORGIA
Capital Asset Statistics by Functions
Last Ten Fiscal Years

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety:										
Patrol Cars	44	44	44	44	44	43	43	43	47	53
Jail Facility Capacity	215	215	215	215	215	215	215	215	215	215
Stations	1	1	1	1	1	1	1	1	1	1
Public Works:										
Roads (miles)	463.25	463.25	463.25	468.81	468.81	468.81	468.81	468.81	468.81	468.81
Water/Waste Water:										
Water tanks	3	3	3	3	3	3	3	3	3	3
Water lines	482,550	482,550	482,550	444,328	444,328	444,328	444,328	444,328	482,550	482,550
Storage capacity	1,100,000	1,100,000	1,100,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000
Sewer lines (linear feet)	88,200	88,200	88,200	46,250	46,250	46,250	46,250	46,250	46,250	46,250

Schedule 20
 UPSON COUNTY, GEORGIA
 Principal Property Taxpayers
 Current Year and Nine Years Ago

2021					2012				
Taxpayer	Taxable	Rank	Percentage of	Tax	Taxpayer	Taxable	Rank	Percentage of	Tax
	Assessed		Total Taxable			Assessed		Total Taxable	
	Value		Assessed Value			Value		Assessed Value	
Southern Natural Gas	\$ 22,474,813	1	3.66%	\$ 297,649	West Georgia Generating	\$ 40,328,882	1	6.54%	\$ 313,355
Quad Graphics	17,210,719	2	2.83%	238,804	Quad Graphics	31,827,762	2	3.52%	168,875
Solo Cup	19,222,882	3	2.82%	229,497	Southern Mills	9,853,234	3	1.60%	76,560
West Georgia Generating	26,456,852	4	2.70%	219,063	Innoware Plastic	8,968,441	4	1.45%	69,685
Georgia Power	15,314,631	5	2.19%	177,835	Georgia Power	11,813,583	5	1.43%	68,316
Southern Mills	15,284,628	6	1.12%	91,395	Southern Natural Gas	877,530	6	1.13%	54,093
Interfor	6,972,325	7	0.98%	79,800	Cellu Tlssue	6,635,234	7	0.07%	51,556
Ranew's	542,816	8	0.86%	69,881	WalMart	17,109,602	8	0.04%	49,814
WalMart	6,476,698	9	0.66%	53,627	Keadle Lumber	5,923,575	9	0.68%	32,637
Upson EMC	3,469,636	10	0.53%	43,333	Home Depot	4,976,395	10	0.65%	30,897
Total	\$ 133,426,000		18.35%	\$ 1,500,884	Total	\$ 138,314,238		17.11%	\$ 915,788

Source: Provided by Upson County Tax Commissioner's Office

Governmental Reports



Driver Adams + Sharpe
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

Reshann P. Adams, CPA

Sydney L. Sharpe, CPA

Kim C. Millen

Emily Means

Established 1977

**Independent Auditors' Report over Internal Control over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed in Accordance with
*Government Auditing Standards***

To the Board of Commissioners
of Upson County
Thomaston, 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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Upson, Georgia as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise County of Upson, Georgia's basic financial statements, and have issued our report thereon dated June 20, 2022.

Our report includes reference to other auditors who audited the financial statements of the Board of Health, as described in our report on Upson County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we consider County of Upson, 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 County of Upson, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of County of Upson, 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 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. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

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 weakness or significant deficiencies and therefore material weakness or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2021-001, 2021-002, 2021-003 and 2021-004, that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether County of Upson, 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 statement. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Upson County, Georgia's Response to the Findings

Upson County, Georgia's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. Upson 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 result 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.

Driver Adams + Sharpe, CPAs

Thomaston, Georgia

June 20, 2022

UPSON COUNTY, GEORGIA

Year Ended December 31, 2021

Schedule of Projects Constructed With Special Sales Tax Proceeds

Series 2011

Project	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
County Level 2 Projects	\$ 3,200,000	\$ 2,415,977	\$ 1,937,265	\$ -	\$ 1,937,265	80.19%
Roads	4,855,321	5,075,925	4,410,126	-	4,410,126	86.88%
Water System Project	765,000	765,000	416,033	-	416,033	54.38%
Sheriff Vehicles	520,000	644,954	644,954	-	644,954	100.00%
Building Improvements and Equipment	2,300,000	2,857,940	2,725,241	1,010,725	3,735,966	130.72%
City of Thomaston	4,183,276	3,985,318	3,985,318	-	3,985,318	100.00%
City of Yatesville	176,403	157,567	157,567	-	157,567	100.00%
Totals	\$ 16,000,000	\$ 15,902,681	\$ 14,276,504	\$ 1,010,725	\$ 15,287,229	96.13%

UPSON COUNTY, GEORGIA

Year Ended December 31, 2021

Schedule of Projects Constructed With Special Sales Tax Proceeds

Series 2016

Project	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
County Level 2 Projects	\$ 3,600,000	\$ 4,175,587	\$ 1,226,333	\$ 241,974	\$ 1,468,307	35.16%
Roads	4,688,000	5,438,485	1,390,626	4,127,859	5,518,485	101.47%
Water System Project	865,000	1,003,301	256,399	-	256,399	25.56%
Sheriff and Jail	1,462,000	1,695,752	697,267	216,779	914,046	53.90%
Building Improvements and Equipment	1,863,000	2,160,865	1,074,882	39,955	1,114,837	51.59%
County Parks	842,000	976,610	434,659	34,900	469,559	48.08%
City of Thomaston	4,500,000	5,219,800	2,913,392	1,104,801	4,018,193	76.98%
City of Yatesville	180,000	208,790	116,536	41,581	158,117	75.73%
Totals	\$ 18,000,000	\$ 20,879,190	\$ 8,110,094	\$ 5,807,849	\$ 13,917,943	66.66%

UPSON COUNTY, GEORGIA

Year Ended December 31, 2021

Schedule of Projects Constructed With Transportation Special Sales Tax Proceeds

Series 2019

Project	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
Roads, Street, Bridge Construction	\$ 9,520,000	\$ 9,516,000	\$ 4,936,053	\$ 1,596,452	\$ 6,532,505	68.65%
Totals	\$ 9,520,000	\$ 9,516,000	\$ 4,936,053	\$ 1,596,452	\$ 6,532,505	68.65%

Certificate of 9-1-1 Expenditures

UPSON COUNTY, GEORGIA

Certification of 9-1-1 Expenditures

For the Year Ended December 31, 2021

Line No.	O.C.G.A. Reference:
1	Indicate UCOA Fund Type Used to Account for 9-1-1 Activity (choose one): <div style="display: flex; justify-content: space-between; width: 100%;"> <input checked="" type="checkbox"/> Special Revenue Fund <input type="checkbox"/> Enterprise Fund </div>
2	Expenditures (UCOA Activity 3800) Wireless service supplier cost recovery charges (identify each supplier individually on lines below - attach list, if necessary)
	46-5-134(e)
	\$ _____
	\$ _____
	\$ _____
3	Emergency telephone equipment, including necessary computer hardware, software, and data base provisioning, addressing, and nonrecurring costs of establishing a 9-1-1 system:
3a	Lease costs 46-5-134(f)(1)(A) \$ _____
3b	Purchase costs 46-5-134(f)(1)(A) \$ _____
3c	Maintenance costs 46-5-134(f)(1)(A) \$ _____
4	Rates associated with the service suppliers 9-1-1 service and other service suppliers recurring charges 46-5-134(f)(1)(B) \$ _____
5	Employees hired by the local government solely for the operation and maintenance of the emergency 9-1-1 system and employees who work as directors as defined in O.C.G.A. §46-5-138.2
5a	Salaries and wages 46-5-134(f)(1)(C) \$ 459,308
5b	Employee benefits 46-5-134(f)(1)(C) \$ 209,328
6	Cost of training of employees who work as dispatchers or directors 46-5-134(f)(1)(D) \$ _____
7	Office supplies of the public safety answering points used directly in providing emergency 9-1-1 system services 46-5-134(f)(1)(E) \$ _____
8	Building used as a public safety answering point:
8a	Lease costs 46-5-134(f)(1)(F) \$ _____
8b	Purchase costs 46-5-134(f)(1)(F) \$ _____
9	Computer hardware and software used at a public safety answering point, including computer assisted dispatch systems and automatic vehicle location systems:
9a	Lease costs 46-5-134(f)(1)(G) \$ _____
9b	Purchase costs 46-5-134(f)(1)(G) \$ _____
9c	Maintenance costs 46-5-134(f)(1)(G) \$ _____

UPSON COUNTY, GEORGIA

Certification of 9-1-1 Expenditures

For the Year Ended December 31, 2021

Line No.		O.C.G.A. Reference:	
10	Supplies directly related to providing emergency 9-1-1 system services, including the cost of printing emergency 9-1-1 public education materials	46-5-134(f)(1)(H)	\$ _____
11	Logging recorders used at a public safety answering point to record telephone and radio traffic:		
11a	Lease costs	46-5-134(f)(1)(I)	\$ _____
11b	Purchase costs	46-5-134(f)(1)(I)	\$ _____
11c	Maintenance costs	46-5-134(f)(1)(I)	\$ _____
12	Insurance purchased to insure against risks and liability in the operation and maintenance of the 9-1-1 system on behalf of the local government or on behalf of employees hired by the local government solely for the operation and maintenance of the 9-1-1 system and employees who work as directors	46-5-134(f)(2)(B)(i)	\$ _____
13	Mobile communications vehicle and equipment, if the primary purpose and designation of such vehicle is to function as a backup 9-1-1 system center		
13a	Lease costs	46-5-134(f)(2)(B)(ii)	\$ _____
13b	Purchase costs	46-5-134(f)(2)(B)(ii)	\$ _____
13c	Maintenance costs	46-5-134(f)(2)(B)(ii)	\$ _____
14	Allocation of indirect costs associated with supporting the 9-1-1 system center and operations as identified and outlined in an indirect cost allocation plan approved by the local governing authority that is consistent with the costs allocated within the local government to both governmental and business-type activities	46-5-134(f)(2)(B)(iii)	\$ _____
15	Mobile public safety voice and data equipment, geo-targeted test messaging alert systems, or towers necessary to carry out the function of 9-1-1 system operations		
15a	Lease costs	46-5-134(f)(2)(B)(iv)	\$ _____
15b	Purchase costs	46-5-134(f)(2)(B)(iv)	\$ _____
15c	Maintenance costs	46-5-134(f)(2)(B)(iv)	\$ _____
16	Public safety voice and data communications systems located in the 9-1-1 system facility that further the legislative intent of providing the highest level of emergency response service on a local, regional, and state-wide basis, including equipment and associated hardware and software that supports the use of public safety wireless voice and data communication systems		
16a	Lease costs	46-5-134(f)(2)(B)(v)	\$ _____
16b	Purchase costs	46-5-134(f)(2)(B)(v)	\$ _____
16c	Maintenance costs	46-5-134(f)(2)(B)(v)	\$ _____

UPSON COUNTY, GEORGIA


Certification of 9-1-1 Expenditures

For the Year Ended December 31, 2021

Line No.		O.C.G.A. Reference:
17	Other expenditures not included in Lines 2 through 16 above. Identify by object and purpose.	
	Telephone	\$ 87,746
	Miscellaneous	\$ 1,547
	Repairs and Maintenance	\$ 19,557
	Purchases of Equipment and Computers	\$ 3,734
	Insurance	\$ 3,564
	Administrative Expenses	\$ 26,816
		\$
		\$
18	Total Expenditures (total of all amounts reported on Lines 2 through 17 above)	\$ 811,600

Certification of Local Government Officials

I have reviewed the information presented in this report and certify that it is accurate and correct. I further certify that the 9-1-1 funds were expended in compliance with the expenditure requirements specified in the Official Code of Georgia Annotated (OCGA), Section 46-5-134. I understand that, in accordance with OCGA Section 46-5-134(m)(2), any local government which makes expenditures not in compliance with this Code section may be held liable for pro rata reimbursement to telephone and wireless telecommunications subscribers of amounts improperly expended. Further, the noncompliant local government shall be solely financially responsible for the reimbursement and for any costs associated with the reimbursement. Such reimbursement shall be accomplished by the service providers abating the imposition of the 9-1-1 charges and 9-1-1 wireless enhanced charges until such abatement equals the total amount of the rebate.

Signature of Chief Elected Official  Date Aug 29, 2022
Norman Allen (Aug 29, 2022 10:19 EDT)

Print Name of Chief Elected Official Norman Allen

Title of Chief Elected Official Chairman

Signature of Chief Financial Officer  Date Aug 29, 2022
H. Allen Salter

Print Name of Chief Financial Officer Allen Salter

**UPSON COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES**

SECTION I – FINANCIAL STATEMENT FINDINGS AND RESPONSES

CURRENT YEAR AUDIT FINDINGS

COMMENT 2021-001 EXCESS OF EXPENDITURES OVER APPROPRIATIONS

CRITERIA & CONDITION: OCGA Code Section 36-81-3 requires local governments to operate under an approved annual budget for the General Fund, special revenue funds, and debt service funds. The County had a material excess of expenditures over appropriations in the E-911 Fund. In addition, the County did not adopt a budget for the Joint Projects Fund, the Unincorporated Service Fund, or the Debt Service Fund.

EFFECT: Failure to properly adopt an annual budget for the Joint Projects Fund, Unincorporated Services Fund, and Debt Service Fund, as required by OCGA Code Section 36-81-3, will place the County in violation of state law.

CAUSE: The County did not adopt a budget for the Joint Projects Fund, the Unincorporated Services Fund, and the Debt Service Fund. As a result, transfers from those funds into the general fund exceeded budgeted amounts.

RECOMMENDATION: Budget to actual comparisons should be periodically reviewed by County management, and budgets amended as needed to ensure the County remains in compliance with state law. County management should also ensure that annual budgets are adopted for all funds legally required to operate under an approved annual budget.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS: Management agrees with the finding. The previous Finance Director retired at the end of 2020, and the County hired an experienced Finance Director who began employment in April of 2021. The current Finance Director and management is committed to routinely reviewing adopted budgets and making necessary amendments to comply with state law. All special revenue funds and debt service funds will have an approved annual budget in the future.

COMMENT 2021-02 GENERAL ACCOUNTING MATTERS

CRITERIA & CONDITION: GASB requires governments to report capital assets at their historical cost and to depreciate that historical cost in a systematic and rational manner over the estimated useful lives of the assets. Further, timely financial reporting is a fundamental principle in accounting.

CAUSE: During our audit, we noted some areas in which accounting for transactions was not timely performed, requiring audit adjustments and additional time to close the County's 2021 year.

UPSON COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended December 31, 2021

EFFECT: Audit adjustments for funds not properly reported in prior years, tax receivables and revenues, and unearned revenues from the American Rescue Plan funds were necessary.

RECOMMENDATION: We recommend the County look at the respective staffing of the accounting function, and determine if an adequate number of staff are currently available to address the condition. The County should also consider and evaluate its strengths and weaknesses relative to the accounting function and take measures to address the concerns noted above with a goal of providing timely recording, reconciling and reporting of County operations and financial and non-financial activities.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS:

Historically, our Jail and Drug Treatment accounting activities were accounted for within the General Fund. We made the adjustments to create those funds in FY 2021.

We consider this finding to be resolved.

Taxes receivable had always been a byproduct of the separate audit performed over the Tax Commissioner. However, the annual reporting period differed as the reporting period for the Tax Commissioner ended on November 30 versus December 31. This and other factors of not properly reviewing those balances resulted in prior year adjustments to the financial statements. We recognized the error in FY 2021 and made the adjustments ourselves.

We consider this finding to be resolved.

We are aware of personnel limitations due to size. However, we have been responding to a change in the Director of Finance position since March 2021. We have come a long way in correcting and improving our financial reporting processes. We made the corrections to accounts receivable for property taxes as well as the creation of the new funds.

We are planning to add additional staff to our Finance and Admin department for FY 2023 to mitigate future risks of misclassifications and errors in financial reporting.

We are aware of the adjusting entry to the ARPA grant funds received. We did record the entry; however, we were incorrect in the proper accounting for those funds as those grant funds are recognized as revenues when earned versus received.

The addition of more staff will help all staff members by reducing the work loads to levels that would permit more time for GASB research and attention to detail. We also acknowledge the need to incorporate more continuing education for our new Director of Finance.

The grant funds should have been either recorded as unearned revenues or reclassified as such as part of a year-end closing entry.

UPSON COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended December 31, 2021

COMMENT 2021-003 PURCHASE CARD & REIMBURSEMENTS

CRITERIA & CONDITION: The County has some ineffective controls affecting some key financial reporting processes including weaknesses in transactional and supervisory reviews over purchase cards and reimbursements.

EFFECT: The failure to properly review P-card purchases and reimbursements could result in errors and irregularities which may go undetected or not be timely detected. The lack of systematic monitoring also increases the likelihood of fraud, both from external sources and from within the organization which could lead to financial loss. Additionally, lack of monitoring card activity encourages noncompliance with established policy.

CAUSE: During our audit, we noted questionable, potentially unallowable, purchases and reimbursements.

- Transactional data showed frequent purchases from restaurant and eateries within the county and region, purchases of gift cards, and other high-risk purchases using P-cards.
- Proper documentation about the purpose of p-card transactions do not supply sufficient evidence to ensure transactions are allowable.
- Auditors noted a reimbursement to the Clerk of Superior Court for \$825, which had no documentation to substantiate its purpose. Additionally, this reimbursement did not go through the proper process of reimbursement from the County finance office, which circumvents normal reimbursement controls.

RECOMMENDATION: To adequately address the issue of ineffective controls related to purchase card and reimbursements:

- Establish a process to periodically review transactions to detect unallowable and personal purchases, and to deter cardholders from making inappropriate purchases.
- Establish reimbursement policies to ensure reimbursements only take place after going through the appropriate control processes within the County finance office.
- Establish required reports, including details of purchases, for each transaction to be provided and reconciled with monthly statements. According to the Association of Fraud Examiners (ACFE) 2020 Report to the Nations on Occupational Fraud and Abuse, the controls with the greatest associated reduction in fraud duration are those credited with increasing the perpetrator's perception of detection.
- Reemphasize to card holders the importance of complying with purchasing card policies and procedures and the possible consequences of violation.
- Reemphasize to individuals with signing authority on bank accounts the importance of complying with reimbursements policies and procedures and the possible consequences of violation.
- Implement and emphasize whistleblower policies and procedures

UPSON COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended December 31, 2021

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS:

We recognize the weaknesses we have with P-Card controls. We do have a policy; however, we have been aware of the need to change our policies to address certain points noted in your audit. We recognize the need to establish a formal documentation format for justifying expenditures.

Changes in policies and procedures will be implemented in FY 2023.

COMMENT 2021-004 FRAUD REPORTING MECHANISM

CRITERIA & CONDITION: The County has ineffective controls for communicating fraud reporting mechanisms to personnel.

EFFECT: Failure to communicate or to provide a safe reporting mechanism to employees reduces the chances of earlier fraud detection and can potentially increase the likelihood of financial losses.

CAUSE: During interviews with personnel, auditors received mixed answers regarding the existence of policies in place for reporting fraud.

RECOMMENDATION: The County should better communicate to employees at hiring and emphasize throughout their ongoing training the existence of the County's whistleblower policy. According to the Association of Fraud Examiners (ACFE) 2022 Report to the Nations on Occupational Fraud and Abuse, 42% of fraud is initially detected as a result of tips. The report also contains data on how organizations with mechanisms in place to protect employees who have witnessed fraud often detect fraud more quickly.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS:

We will update our Employee Handbook to specifically include the term "Fraud" and make clear the reporting mechanisms to allow employees to report actual or suspected incidents of fraud on an anonymous basis. We will provide and make mandatory the fraud reporting mechanism to be displayed prominently in each department's most common area.

UPSON COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES (PRIOR YEAR)
For the Year Ended December 31, 2021

COMMENT 2020-001 EXCESS OF EXPENDITURES OVER APPROPRIATIONS

CONDITION AND CRITERIA

The County had a material excess of expenditures over appropriations in the E-911 Fund. In addition, the County did not adopt a budget for the Joint Projects Fund, the Unincorporated Service Fund, or the Debt Service Fund. OCGA Code Section 36-81-3 requires local governments to operate under an approved annual budget for the General Fund, special revenue funds, and debt service funds. Failure to maintain expenditures within the balanced budget for the E-911 Fund, and failure to properly adopt an annual budget for the Joint Projects, Unincorporated Service, and Debt Service Funds, as required by OCGA Code Section 36-81-3, will place the County in violation of state law.

STATUS

See 2021-01.

COMMENT 2020-002 IMPROPER USE OF SPLOST FUNDS

CONDITION AND CRITERIA

The County transferred SPLOST funds to the Thomaston-Upson Development Authority, who then used the funds to pay for repairs to infrastructure not owned by the County or the Authority. OCGA 48-8-121 requires that SPLOST proceeds shall not be commingled with other funds prior to the expenditure and may only be used for assets owned or operated by either the county, a qualified municipality in the county, a local authority in the county, or some combination thereof. All SPLOST expenditures should be reviewed to ensure compliance with OCGA 48-8-121.

STATUS

Resolved.