

UPSON COUNTY, GEORGIA



Annual Comprehensive Financial Report

For the Year Ended
December 31, 2022

**UPSON COUNTY, GEORGIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2022**

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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

December 29, 2023

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, 2023. Our intention is to file on or before December 31, 2023.

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 Fulton & Kozak, LLC, 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, 2022, 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, 2022 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

The economic condition of Upson County continues to be stable. According to a report by the University of Georgia Cooperative Extension, Georgia's economy will do better than the U.S. economy in 2023, despite facing a mild recession caused by tight monetary policy and energy price shocks. The report predicts that Georgia's GDP will decrease by 0.2%, while the U.S. GDP will drop by 0.7%. The report also expects that Georgia's labor market will not be hit very hard by the recession, and that economic development projects will provide a solid push to the state's economy.

A news article by UGA Today summarizes the findings of the UGA Cooperative Extension report and adds some additional details. The article states that Georgia's inflation-adjusted gross domestic product is expected to decrease by 0.2%, which is smaller than the 0.7% drop expected for U.S. GDP. The article also cites some of the factors that will subtract from or add to GDP growth, such as spending on structures, inventory changes, government spending, and intellectual property.

A radio interview with WABE5 features Benjamin Ayres, dean of the Terry College of Business at UGA, who predicts a mild recession for Georgia in 2023 but says that despite the recession, Georgia could escape the worst effects compared to other states or countries.

Despite fears of cooling growth Upson County's real and personal property values continue to trend upward. Over the past 5 years, the County has seen an average growth rate of 6.5% of tax assessed property values. The 2022 tax assessed value of \$892.1 million was an increase of \$241.0 million, or 37.0%, over the tax assessed value for 2017 of \$651.2 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 7 years. The County's unincorporated services and joint projects millage rates have remained unchanged or declined over the same period.

In this post-pandemic era, the private sector and governments continue to face challenges 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

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.

Bond Rating

In 2021, Moody's Investors Service 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. Moody's cited 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, as reasons for the upgrade.

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, 2022, the Series 2022 SPLOST, Series 2016 SPLOST, and Series 2019 SPLOST were 6.0%, 70.9%, and 75.9% completed based on the revised estimated costs of projects in each of those SPLOST initiatives. The Series 2011 SPLOST was 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 \$10.9 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, 2022

Elected Officials

Board of Commissioners

Norman Allen, Chairman

James Ellington

Paul Jones

Benjamin Watson

Lorenzo Wilder

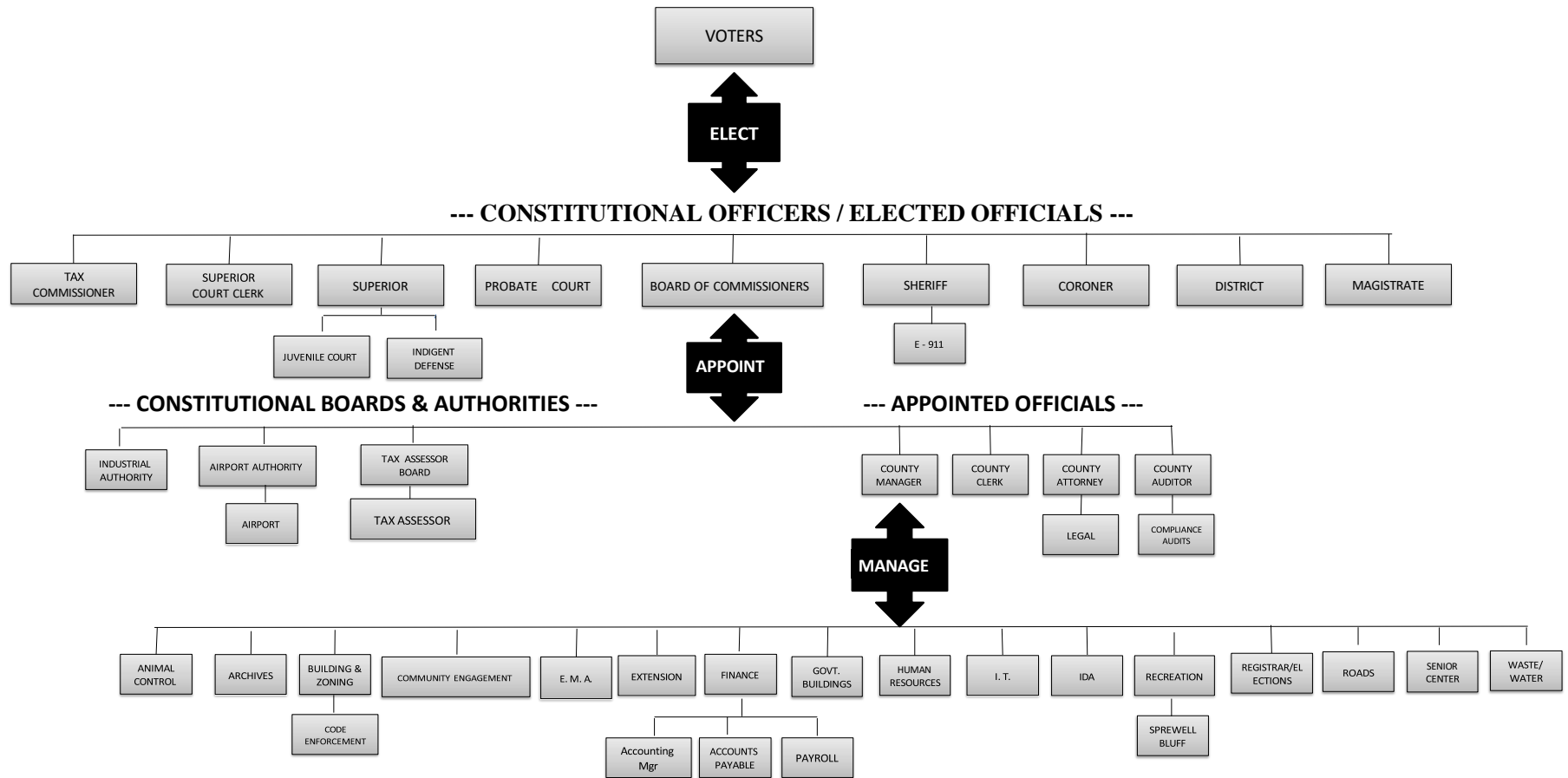
Constitutional Officers

Teresa Harper, Clerk of Superior Court

Andy Chastain, Tax Commissioner

Dan Kilgore, Sheriff

Danielle McRae, Probate Court Judge



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of 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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, the Joint Projects Fund, ARPA Fund, and the Debt Service Fund – Sales Tax Bonds 2019 Series 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 5.71%, 2.79%, and 33.58%, respectively, of the assets and deferred outflows of resources, net position, and revenues of the aggregate discretely presented component units as of December 31, 2022. 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 our report. We are required to be independent of Upson County, Georgia, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Restatements of net position

As discussed in Note 13 to the financial statements, there have been restatements of the December 31, 2021 net position due to taxes receivable, accrued expenses, and the Seizure Fund. Our opinions are not modified with respect to this matter.

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, Georgia's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise 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 is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedule of Changes in the Net Pension Liability and Related Ratios on pages 81-82, and the Schedule of Net Pension Liability on pages 83-84 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.

such opinions. The results of our tests disclosed no matters that are required to be reported under *Government Auditing Standards*.

Intended Purpose

The purpose of this examination report is solely to express an opinion on whether the County complied, in all material respects with the specified requirements referenced above during the year ended December 31, 2022. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in blue ink, appearing to read "J. F. & K. R. LLC".

Morrow, Georgia
December 29, 2023

Management's Discussion and 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, 2022. 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 and earned but unused vacation leave).

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 86-90 of this report.

The government-wide financial statements can be found on pages 25-28 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 nineteen (19) 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, Joint Projects Fund, American Rescue Plan (ARPA) Fund, 2022 SPLOST Fund, and the Debt Service Fund Sales Tax Bonds 2019 Series, which are considered to be major funds. Data from the other fourteen governmental funds are combined into a single, aggregated presentation. Detailed information on those funds can be found under Note C 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 as provided in the supplementary section of this report.

The County adopts an annual appropriated budget for its general fund, special revenue funds and the debt service funds. 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 29-39 of this report.

Proprietary funds. The County maintains two types of proprietary funds. *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 pages 43-44 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 45-80 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 \$60.1 million at December 31, 2022. The government-wide net position is comprised of \$54.1 million in governmental activities and \$6.0 million in business-type activities. The respective changes in net position for the governmental and business-type activities are \$4.7 million and \$0.7 million, respectively.

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 fund balance for governmental funds is \$45.7 million. The fund balance of the general fund is \$12.1 million, including \$10.9 million in unassigned fund balance.

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, 2022 and 2021.

Upson County, Georgia						
Net Position						
	Governmental Activities		Business-type Activities		Total	
	2022	2021(Restated)	2022	2021 (Restated)	2022	2021 (Restated)
Assets						
Current and other assets	\$ 51,701,521	\$ 26,024,019	\$ 3,132,977	\$ 2,250,228	\$ 54,834,498	\$ 28,274,247
Capital assets	<u>34,498,052</u>	<u>31,896,219</u>	<u>6,088,111</u>	<u>6,585,214</u>	<u>40,586,163</u>	<u>38,481,433</u>
Total assets	86,199,573	57,920,238	9,221,088	8,835,442	95,420,661	66,755,680
Deferred outflows of resources	<u>4,332,455</u>	<u>270,132</u>	-	-	<u>4,332,455</u>	<u>270,132</u>
Total assets and deferred outflows of resources	<u>90,532,028</u>	<u>58,190,370</u>	<u>9,221,088</u>	<u>8,835,442</u>	<u>99,753,116</u>	<u>67,025,812</u>
Liabilities						
Current liabilities	9,345,061	3,521,638	682,270	415,334	10,027,331	3,936,972
Long-term liabilities	<u>24,565,950</u>	<u>3,988,283</u>	<u>2,504,006</u>	<u>3,069,274</u>	<u>27,069,956</u>	<u>7,057,557</u>
Total liabilities	33,911,011	7,509,921	3,186,276	3,484,608	37,097,287	10,994,529
Deferred inflows of resources related to pensions	<u>2,542,872</u>	<u>1,338,857</u>	-	-	<u>2,542,872</u>	<u>1,338,857</u>
Total liabilities and deferred inflows of resources related to pensions	<u>35,691,119</u>	<u>8,848,778</u>	<u>3,186,276</u>	<u>3,484,608</u>	<u>39,640,159</u>	<u>12,333,386</u>
Net Position						
Net investment in capital assets	8,067,203	29,127,771	3,313,951	2,924,545	11,381,154	32,052,316
Restricted	33,554,328	8,718,818	-	-	33,554,328	8,718,818
Unrestricted	<u>12,456,614</u>	<u>11,495,003</u>	<u>2,720,861</u>	<u>2,426,289</u>	<u>15,177,475</u>	<u>13,921,292</u>
Total net position	<u>\$ 54,078,145</u>	<u>\$ 49,341,592</u>	<u>\$ 6,034,812</u>	<u>\$ 5,350,834</u>	<u>\$ 60,112,957</u>	<u>\$ 54,692,426</u>

Upson County, Georgia
Changes in Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues						
Program revenues:						
Charges for services	\$ 3,373,522	\$ 2,755,233	\$ 3,013,632	\$ 2,929,716	\$ 6,387,154	\$ 5,684,949
Operating grants and contributions	4,607,826	2,110,116	-	-	4,607,826	2,110,116
Capital grants and contributions	3,090,064	248,000	-	306,734	3,090,064	554,734
General revenues:						
Property taxes	8,875,222	8,196,375	-	-	8,875,222	8,196,375
Other taxes/revenues	15,320,040	14,316,162	-	-	15,320,040	14,316,162
Interest	326,902	28,906	31,407	275	358,309	29,181
Other	<u>408,256</u>	<u>589,170</u>	<u>-</u>	<u>-</u>	<u>408,256</u>	<u>589,170</u>
Total revenues	36,001,832	27,198,378	3,045,039	3,236,725	39,046,871	30,435,103
Expenses						
General government	6,032,210	7,702,400	-	-	6,032,210	7,702,400
Judicial	2,833,277	2,172,222	-	-	2,833,277	2,172,222
Public safety	11,176,141	7,647,177	-	-	11,176,141	7,647,177
Public works	5,532,355	3,197,701	-	-	5,532,355	3,197,701
Health and welfare	1,192,905	904,165	-	-	1,192,905	904,165
Culture and recreation	2,828,562	3,914,295	-	-	2,828,562	3,914,295
Housing and development	827,473	1,101,787	-	-	827,473	1,101,787
Interest on debt	710,600	207,310	-	-	710,600	207,310
Water systems/waste services	<u>-</u>	<u>-</u>	<u>2,492,818</u>	<u>2,516,177</u>	<u>2,492,818</u>	<u>2,516,177</u>
Total expenses	<u>31,133,523</u>	<u>26,639,003</u>	<u>2,492,818</u>	<u>2,508,509</u>	<u>33,626,341</u>	<u>29,147,512</u>
Transfers	<u>(131,756)</u>	<u>-</u>	<u>131,756</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in net position	\$ <u>4,736,553</u>	\$ <u>559,375</u>	\$ <u>683,977</u>	\$ <u>728,216</u>	\$ <u>5,420,530</u>	\$ <u>1,287,591</u>

Government-wide Financial Analysis

Governmental Activities

- Increase in net position of \$4.7 million, or 9.6%, to \$54.1 million at December 31, 2022 compared to \$49.3 million at December 31, 2021. Unassigned portions of net position at December 31, 2022 and 2021, were \$12.5 million and \$11.5 million, respectively. The increase in net position is primarily related to an increase in the restricted balance of net position of \$24.8 million offset by the decrease in net investment in capital assets of \$21.1 million.
- Increase in total assets of \$28.5 million, or 48.4%, to \$86.2 million at December 31, 2022 compared to \$57.9 million at December 31, 2021. Of this increase, \$2.6 million is related to capital assets and \$25.7 million is related to an increase in current assets. The increase in current assets is primarily related to the increase in cash and cash equivalents of \$25.5 million, of which \$22.4 million is related to our 2022 SPLOST Fund. These funds came from the financed purchase transaction with the Thomaston-Upson County Office Building Authority (the "TUCBOA"). See further discussion regarding long-term liabilities. The increase in capital assets includes the transfer of capital assets less accumulated depreciation of \$2.5 million from a component unit.
- Increase in total liabilities of \$26.4 million, or 351.5%, to \$33.9 million at December 31, 2022 compared to \$7.5 million at December 31, 2021. Of this increase, other liabilities increased \$5.8 million, or 165.4%, to \$9.3 million at December 31, 2022 compared to \$3.5 million at December 31, 2021. The increase in other liabilities was primarily related to an increase in intergovernmental payables and the net pension liability. The intergovernmental payables increased \$1.7 million and are primarily related to amounts owed to the City of Thomaston for project related expenses associated with a joint sewage infrastructure improvement project. The increase in net pension liability results from a change from a net pension asset at December 31, 2021 of \$1.0 million to a net pension liability of \$1.4 million at December 31, 2022.
- Long-term liabilities increased \$20.6 million, or 516.0%, to \$24.6 million at December 31, 2022 compared to \$4.0 million at December 31, 2021. The increase in long-term liabilities is primarily due to the increase in long-term debt related to a financed purchase through the TUCBOA for the financing of the construction of our new 57,000 square foot judicial center. The obligation under the financed purchase is \$21.1 million to be paid over a period of 20 years. The premium associated with the bonds issued in the name of and through the TUCBOA was \$2.3 million.

Business-Type Activities

- Increase in net position of \$684 thousand, or 12.8%, to \$6.0 million at December 31, 2022 compared to \$5.3 million at December 31, 2021.
- Increase in total assets of \$386 thousand, or 4.4%, to \$9.2 million at December 31, 2022 compared to \$8.8 million at December 31, 2021. Of this increase, \$883 thousand was related to an increase in current and other assets, offset by a decrease in capital assets of \$497 thousand.
- Total liabilities decreased by \$298 thousand, or 8.6%, to \$3.2 million at December 31, 2022 compared to \$3.5 million at December 31, 2021. The largest portion of this decrease was related to the decrease in long-term liabilities resulting of payments on outstanding obligations in the Water Systems Fund.

Capital Assets and Debt Administration

Capital assets. Upson County's investment in capital assets for its governmental and business-type activities at December 31, 2022 is \$40.6 million (net of accumulated depreciation). Capital assets include construction in progress for buildings, land, buildings, equipment, vehicles and infrastructure.

Information on the County's capital assets can be found in the notes to the financial statements on pages 59-60 of this report.

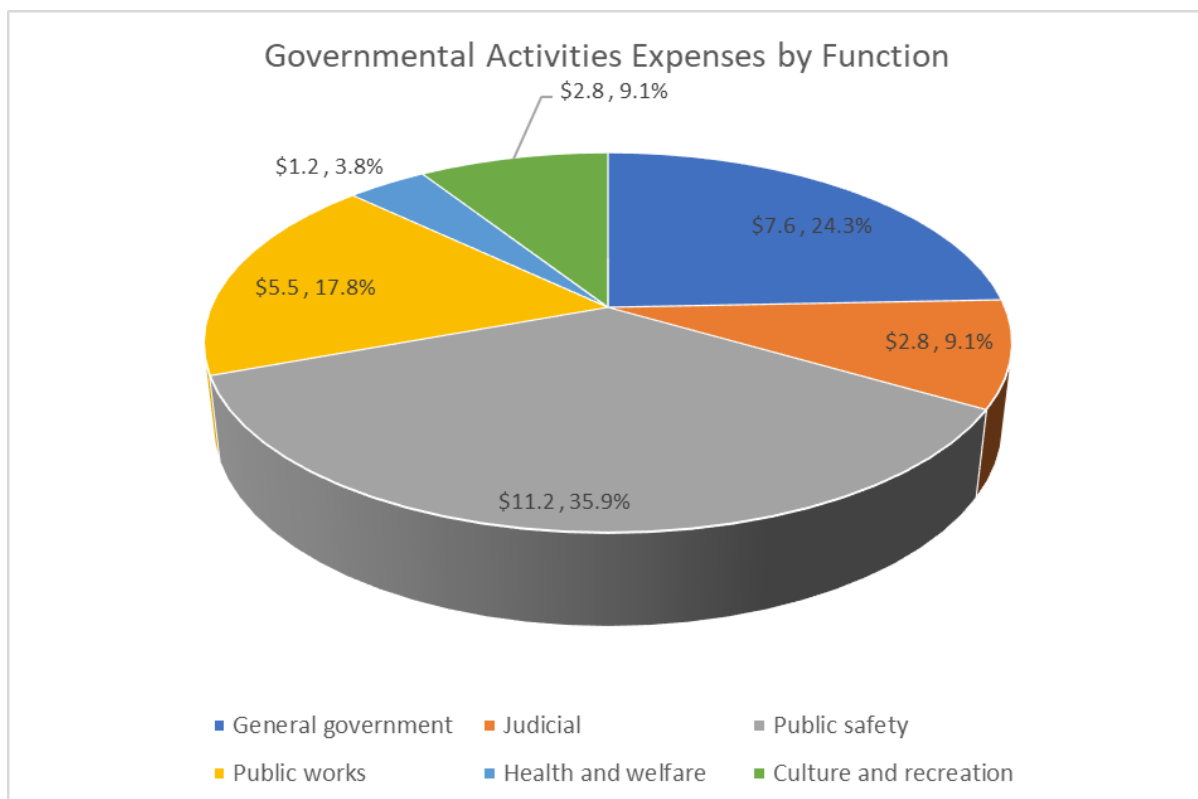
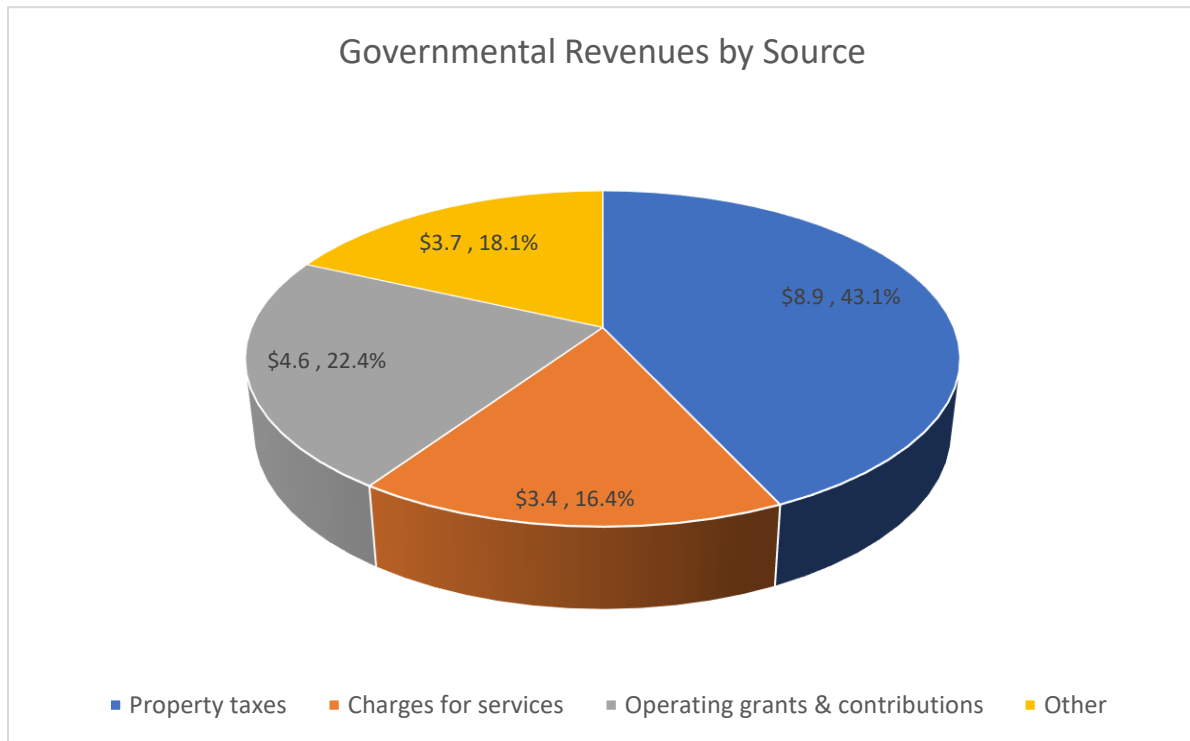
Long-term debt. At December 31, 2022, the County had a total of \$24.6 million in long-term obligations related to governmental activities and \$2.5 million in business-type activities. The net increase of \$20.0 million is related to the financed purchase with the TUCBOA to secure financing for the new judicial center offset by payments on long-term obligations. Total long-term obligations related to business-type activities decreased \$565 thousand from payments on outstanding obligations.

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. The financed purchase through TUCBOA does not represent general obligation debt of the County.

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 113 and on pages 61-63 of this report, respectively.

Governmental Activities

The following charts illustrate governmental revenues and expenses for the year ended December 31, 2022. 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 29-44 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		
	Fund Balance	
	2022	(Restated) 2021
Nonspendable	\$ -	\$ 18,319
Committed:		
Waste and water improvements	455,250	455,250
Capital outlay	741,888	741,888
Technology improvements – superior court	4,308	4,308
Restricted:		
For capital outlay	27,929,891	4,968,379
For debt service	4,232,960	2,492,089
Restricted, as reported in:		
Special revenue funds	1,391,477	1,049,369
Unassigned		
American Rescue Plan Fund	50,350	125
General Fund	<u>10,902,085</u>	<u>11,838,905</u>
Total Fund Balance	\$ <u>45,708,209</u>	\$ <u>21,568,632</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 2022 are shown on the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance on pages 29 and 31-33 of the fund financial statements.

At December 31, 2022, Upson County's governmental funds reported combined ending fund balances of \$45.7 million, an increase of \$24.1 million, or 111.9%, over fund balances at December 31, 2021 of \$21.6 million. The increase is primarily a result of the financed purchase that resulted in a net total increase of approximately \$23.4 million cash. The unassigned fund balance decreased by \$889 thousand to \$10.9 million at December 31, 2022 compared to \$11.8 million at December 31, 2021. The decrease is primarily attributed to the net decrease in the General Fund for the year of \$954 thousand.

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	
		(Restated)
	2022	2021
Committed:		
Waste and water improvements	\$ 455,250	\$ 455,250
Capital outlay	741,888	741,888
Technology improvements – superior court	4,308	4,308
Unassigned	<u>10,902,085</u>	<u>11,856,193</u>
Total fund balance	\$ <u>12,103,531</u>	\$ <u>13,057,639</u>

General Fund. The General Fund is the chief operating fund of the County. Total fund balance at December 31, 2022 was \$12.1 million, a decrease of \$954 thousand, or 7.3%, over the balance at December 31, 2021 of \$13.0 million. The unassigned portion of fund balance was \$10.9 million, or 71.8%, of total General Fund expenditures of \$15.2 million. This measure provides a good estimate of the measure of the General Fund’s liquidity. The total decrease in the General Fund reflects the deficiency of revenues over expenditures of \$899 thousand. Typically transfers in from other funds offset any operating deficiencies. For fiscal year 2022, the County recognized higher than usual transfers out. One of these transfers resulted from the transfer of the LMIG Fund cash balance out of the General Fund and into a separate LMIG Fund in the amount of \$516 thousand.

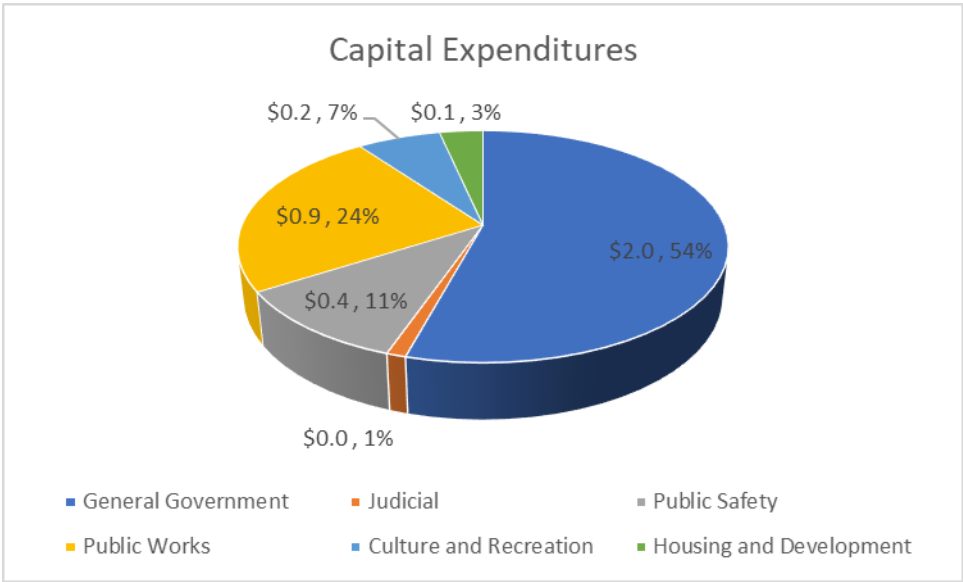
The restatement in fund balance described on pages 78-80 of the financial statements discloses a net restatement of approximately \$15 thousand to the December 31, 2021 fund balance of the General Fund.

Capital Expenditures

Most capital expenditures are funded by Special Local Option Sales Tax (“SPLOST”) SPLOST, Special Local Option Transportation Tax (“TSPLOST”) and Local Maintenance and Improvement Grants (“LMIG”). In total, we have four capital projects funds – 2022 SPLOST, 2016 SPLOST, 2019 TSPLOST, and LMIG. Historically, the voters have been supportive of SPLOST. Before the release of these financial statements, voters in November approved a continuation of the 2019 TSPLOST (1 penny sales tax) referred to as the 2023 TSPLOST. There will be no gap in collections of TSPLOT sales tax revenue as the 2019 TSPLOST will end on December 31, 2023 and the renewed TSPLOST collections will begin January of 2023.

SPLOST funds are critical sources of funding to upgrade old equipment, to make improvements to infrastructure such as roads, streets and bridges, and water and sewer upgrades, and to construct and renovate County facilities. Without these funds, the County would have to increase millage rates to fund critical capital improvements. For FY 2022, the County expended \$3.7 million in capital expenditures across all governmental funds.

The following chart shows our capital expenditures by function for all governmental funds. All dollar amounts are shown in millions.



Capital expenditures for General Government reflect the costs to complete the installation of the new cupola for our historical courthouse and construction costs incurred for our new judicial center. Total expenditures on the judicial center project was approximately \$1.0 million for the year ended December 31, 2022. The total budgeted costs for the judicial center are not expected to exceed \$22 million.

Economic Condition & Outlook

The economic condition of Upson County remains stable. Real and personal property values continue their upward trend. As of the date of these financial statements, the County had available gross tax digest amounts for the entire County. Millage rates for fiscal year 2023 have been set.

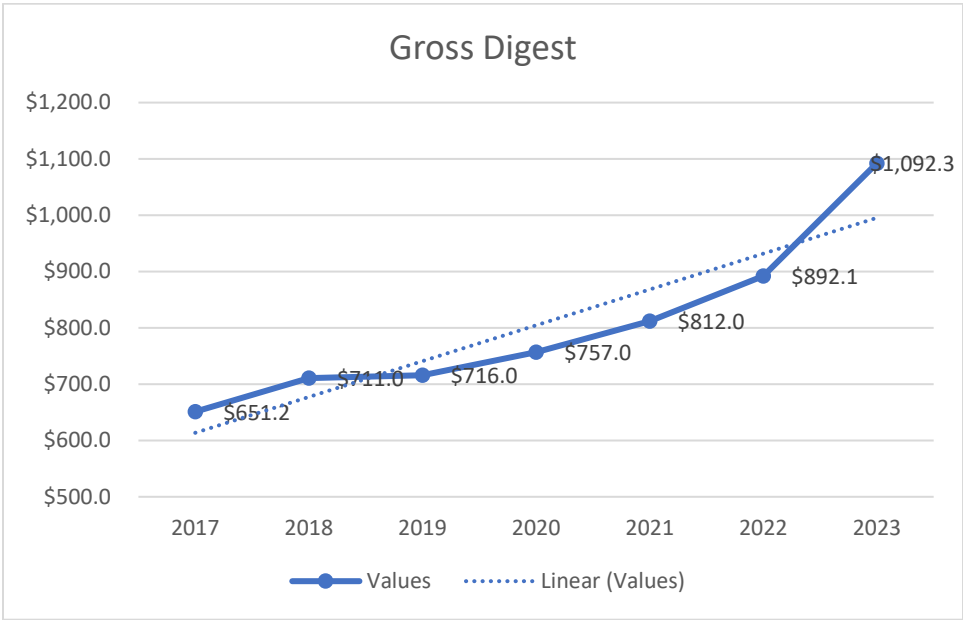
There was a remarkable increase in the gross digest values for fiscal year 2023, increasing 22.4% over fiscal year 2022. The average gross digest increased 9.2% over the past 5 years. From 2017 to 2023, the net digest has grown 67.7%. This increase has enabled the County to levy the calculated roll back rate or sometimes a little less in each of those years and adequately fund the County’s maintenance and operations (“M&O”) from 2017 to 2022. The significant rise in the gross digest from 2022 to 2023, however, did not yield as high of an increase in the net digest after exemptions. The higher exemptions for fiscal year 2023 result from an increase in exemptions for all property owners, scaled based on age and other factors. The Board of Commissioners approved a resolution to increase exemptions, and those new exemptions were approved by the State. These new exemption amounts resulted in an increase in total exemptions of approximately \$86.4 million. Or stated differently, a decrease in property tax revenues of approximately \$557,000.

The County does not anticipate future increases in the gross tax digest at the same rate for the foreseeable future. Most likely we will see a flattening of tax assessed property values. Contrast this with the historic inflation and the impact of increased exemptions, the County will most likely have to increase the County M&O millage.

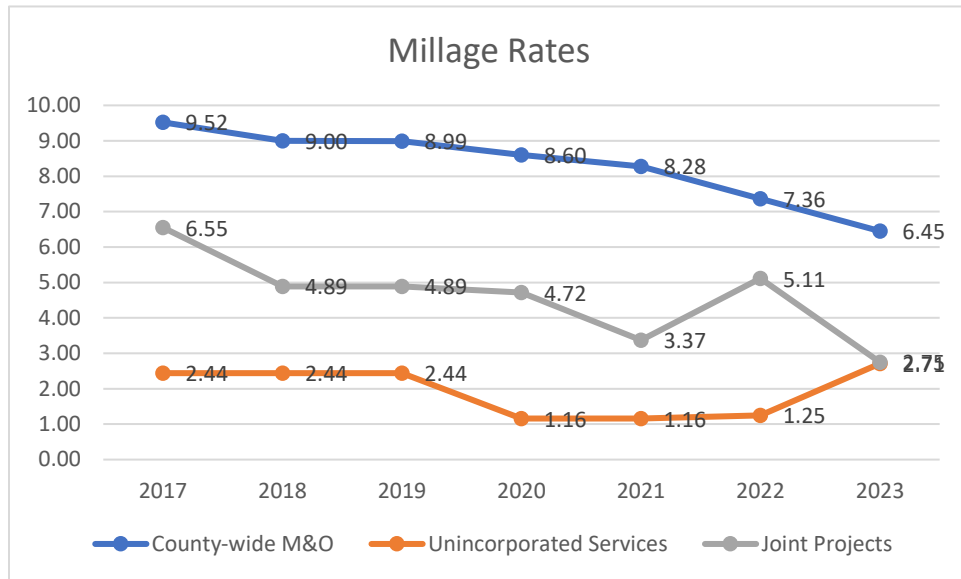
The County has a total of three taxing districts: County M&O, Joint Projects and Unincorporated Services. The Joint Projects taxing district and the Unincorporated taxing district are the same in that they both only apply to property owners in the unincorporated areas of Upson County. The Unincorporated Services taxing district tax levy is based upon the millage needed to fund the operations of services only provided for unincorporated residents. These primary services are roads, streets, and bridges, animal control, and building and zoning. The Joint Projects taxing district levy is based upon the millage needed to fund the County’s portion of joint projects with the City of Thomaston. These joint projects include recreation, 911, senior center activities, archives, regional library system, and a jointly owned closed landfill. These are ongoing joint projects guided by an intergovernmental agreement between both governments. The agreement calls for shared funding based on the ratio of each governments portion of Joint Projects net digest. Historically, the ratio has approximated a ratio of 65% to 35%, County to City. Based on the 2023 net digest, the ratio has shifted to approximately 68% to 32%, County to City.

The gross digest chart below focuses on the countywide total gross digest before exemptions. The gross digests of the Unincorporated and Joint Projects taxing districts are a subset of the county-wide digest. The county-wide digest is used to calculate the countywide M&O levied on all property owners of Upson County.

Dollar amounts are presented in millions.



The millage rate chart shows a 7-year history of millage rates levied on all taxing districts.



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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County Manager
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Basic Financial Statements

UPSON COUNTY, GEORGIA
STATEMENT OF NET POSITION
DECEMBER 31, 2022

	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 Commission	Non-Major Component Units
Assets							
Cash and cash equivalents	\$ 48,733,079	\$ 2,691,820	\$ 51,424,899	\$ 76,879	\$ 2,307,645	\$ -	\$ 1,305,894
Inventory	21,607	-	21,607	74,580	-	-	-
Investments	-	-	-	-	660,784	-	237,138
Receivables (net of allowance of uncollectible):							
Taxes	1,155,364	-	1,155,364	-	-	-	-
Accounts	446,122	402,164	848,286	-	-	-	-
Internal balances	155,655	(155,655)	-	-	-	-	-
Intergovernmental	1,025,805	-	1,025,805	-	43,481	-	-
Due from component units	96,473	-	96,473	-	-	-	-
Restricted assets:							
Cash and cash equivalents	67,416	194,648	262,064	-	-	-	-
Net OPEB benefit	-	-	-	-	-	-	123,362
Capital assets (net of accumulated depreciation):							
Nondepreciable	4,337,157	410,973	4,748,130	4,391,245	2,620,581	-	1,532,775
Depreciable, net	<u>30,160,895</u>	<u>5,677,138</u>	<u>35,838,033</u>	<u>13,022,904</u>	<u>1,570,672</u>	<u>-</u>	<u>4,428</u>
Total assets	<u>86,199,573</u>	<u>9,221,088</u>	<u>95,420,661</u>	<u>17,565,608</u>	<u>7,203,163</u>	<u>-</u>	<u>3,203,597</u>
Deferred Outflows of Resources							
Related to OPEB benefits	-	-	-	-	-	-	49,050
Related to pension benefits	<u>4,332,455</u>	<u>-</u>	<u>4,332,455</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>224,577</u>
Total deferred outflows of resources	<u>4,332,455</u>	<u>-</u>	<u>4,332,455</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>273,627</u>
Total assets and deferred outflows of resources	<u>\$ 90,532,028</u>	<u>\$ 9,221,088</u>	<u>\$ 99,753,116</u>	<u>\$ 17,565,608</u>	<u>\$ 7,203,163</u>	<u>\$ -</u>	<u>\$ 3,477,224</u>

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

UPSON COUNTY, GEORGIA
STATEMENT OF NET POSITION – CONTINUED
DECEMBER 31, 2022

	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 Commission	Non-Major Component Units
Liabilities							
Accounts payable	\$ 600,409	\$ 208,144	\$ 808,553	\$ 46,997	\$ -	\$ -	\$ 980
Intergovernmental payable	1,729,827	-	1,729,827	-	33,702	-	-
Accrued expenses	876,977	194,648	1,071,625	14,783	60,070	-	-
Accrued bond interest	167,732	-	167,732	-	-	-	-
Payroll deductions payable	27,389	-	27,389	-	-	-	-
Due to primary government	-	-	-	34,574	61,899	-	-
Unearned revenue	2,758,710	-	2,758,710	-	-	-	-
Current portion of compensated absences payable	55,663	2,404	58,067	2,787	1,757	-	16,433
Current portion of long-term debt	1,840,000	277,074	2,117,074	62,570	-	-	-
Net pension liability	1,456,086	-	1,456,086	-	-	-	368,939
Net OPEB liability	-	-	-	-	-	-	40,192
Noncurrent portion of long-term debt	21,685,000	2,494,954	24,179,954	-	-	-	-
Unamortized bond premium	2,507,121	-	2,507,121	-	-	-	-
Compensated absences payable	206,097	9,052	215,149	10,164	6,810	-	10,955
Total liabilities	<u>33,911,011</u>	<u>3,186,276</u>	<u>37,097,287</u>	<u>171,875</u>	<u>164,238</u>	<u>-</u>	<u>437,499</u>
Deferred Inflows of Resources							
Related to OPEB benefits	-	-	-	-	-	-	226,727
Related to pension benefits	2,542,872	-	2,542,872	-	-	-	342,363
Total deferred inflows of resources	<u>2,542,872</u>	<u>-</u>	<u>2,542,872</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>569,090</u>
Total liabilities and deferred inflows of resources	<u>36,453,883</u>	<u>3,186,276</u>	<u>39,640,159</u>	<u>171,875</u>	<u>164,238</u>	<u>-</u>	<u>1,006,589</u>
Net Position							
Net investment in capital assets	8,067,203	3,313,951	11,381,154	17,351,579	4,191,253	-	1,537,203
Restricted for capital outlay	27,929,891	-	27,929,891	-	-	-	-
Restricted for debt service	4,232,960	-	4,232,960	-	-	-	-
Restricted for other purposes	1,391,477	-	1,391,477	-	-	-	-
Unrestricted	<u>12,456,614</u>	<u>2,720,861</u>	<u>15,177,475</u>	<u>42,154</u>	<u>2,847,672</u>	<u>-</u>	<u>933,432</u>
Total net position	<u>\$ 54,078,145</u>	<u>\$ 6,034,812</u>	<u>\$ 60,112,957</u>	<u>\$ 17,393,733</u>	<u>\$ 7,038,925</u>	<u>\$ -</u>	<u>\$ 2,470,635</u>

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

UPSON COUNTY, GEORGIA
STATEMENT OF ACTIVITIES – PRIMARY GOVERNMENT
DECEMBER 31, 2022

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 6,032,210	\$ 699,814	\$ 91,634	\$ -	\$ (5,240,162)	\$ -	\$ (5,240,162)
Judicial	2,833,277	-	107,349	-	(2,725,928)	-	(2,725,928)
Public safety	11,176,141	1,851,244	590,427	-	(8,734,470)	-	(8,734,470)
Public works	5,532,355	151,500	2,539,263	612,275	(2,229,317)	-	(2,229,317)
Health and welfare	1,192,905	-	551,333	-	(641,572)	-	(641,572)
Culture and recreation	2,828,562	422,022	727,820	2,477,789	799,069	-	799,069
Housing and development	827,473	248,942	-	-	(578,531)	-	(578,531)
Interest	710,600	-	-	-	(710,600)	-	(710,600)
Total governmental activities	<u>31,133,523</u>	<u>3,373,522</u>	<u>4,607,826</u>	<u>3,090,064</u>	<u>(20,062,111)</u>	<u>-</u>	<u>(20,062,111)</u>
Business-type activities:							
Water systems	1,466,675	1,669,009	-	-	-	202,334	202,334
Waste systems	<u>1,026,143</u>	<u>1,344,623</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>318,480</u>	<u>318,480</u>
Total business-type activities	<u>2,492,818</u>	<u>3,013,632</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>520,814</u>	<u>520,814</u>
Total	<u>\$ 33,626,341</u>	<u>\$ 6,387,154</u>	<u>\$ 4,607,826</u>	<u>\$ 3,090,064</u>	<u>(20,062,111)</u>	<u>520,814</u>	<u>(19,541,297)</u>
General revenues and transfers:							
General revenues:							
Property tax					8,875,222	-	8,875,222
Sales tax					11,874,172	-	11,874,172
Insurance premium tax					1,328,843	-	1,328,843
TAVT tax					1,506,376	-	1,506,376
Franchise tax					172,377	-	172,377
Intangible tax					199,172	-	199,172
Beer and wine tax					113,966	-	113,966
Real estate transfer tax					74,039	-	74,039
Other taxes					38,937	-	38,937
Hotel/Motel tax					12,158	-	12,158
Interest revenue					326,902	31,407	358,309
Gain on sale of assets					325,915	-	325,915
Miscellaneous					82,341	-	82,341
Transfers					<u>(131,756)</u>	<u>131,756</u>	<u>-</u>
Total general revenues and transfers					<u>24,798,664</u>	<u>163,163</u>	<u>24,961,827</u>
Change in net position					4,736,553	683,977	5,420,530
Net position – beginning of year (restated)					<u>49,341,592</u>	<u>5,350,835</u>	<u>54,692,427</u>
Net position – ending of year					<u>\$ 54,078,145</u>	<u>\$ 6,034,812</u>	<u>\$ 60,112,957</u>

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

UPSON COUNTY, GEORGIA
STATEMENT OF ACTIVITIES – COMPONENT UNITS
DECEMBER 31, 2022

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Thomaston- Upson County Airport Authority	Thomaston- Upson County Industrial Development Authority	Thomaston- Upson County Recreation Department	Total Non-major Component Units
Component units:								
Thomaston-Upson County:								
Airport Authority	\$ 1,952,090	\$ 1,262,842	\$ 22,266	\$ 512,777	\$ (154,205)	\$ -	\$ -	\$ -
Industrial Development Authority	385,540	1,500	361,931	-	-	(22,109)	-	-
Recreation Commission	2,645,106	-	-	-	-	-	(2,645,106)	-
Nonmajor component units:								
Upson County Dept of Public Health	769,847	359,033	734,188	-	-	-	-	323,374
Solid Waste Disposal Facility	<u>44,357</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(44,357)</u>
Total	<u>\$ 5,796,940</u>	<u>\$ 1,623,375</u>	<u>\$ 1,118,385</u>	<u>\$ 512,777</u>	<u>(154,205)</u>	<u>(22,109)</u>	<u>(2,645,106)</u>	<u>279,017</u>
General revenues and transfers:								
General revenues:								
Interest revenue					<u>101</u>	<u>1,899</u>	<u>-</u>	<u>860</u>
Total general revenues and transfers					<u>101</u>	<u>1,899</u>	<u>-</u>	<u>860</u>
Change in net position					(154,104)	(20,210)	(2,645,106)	279,877
Net position – beginning of year (restated)					<u>17,547,837</u>	<u>7,059,135</u>	<u>2,645,106</u>	<u>2,190,758</u>
Net position – ending of year					<u>\$ 17,393,733</u>	<u>\$ 7,038,925</u>	<u>\$ -</u>	<u>\$ 2,470,635</u>

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

UPSON COUNTY, GEORGIA
GOVERNMENTAL FUNDS BALANCE SHEET
DECEMBER 31, 2022

	General Fund	Joint Projects Fund	American Rescue Plan Fund	Capital Projects Fund 2022 SPLOST Fund	Debt Service Fund Sales Tax Bonds 2019 Series	Other Governmental Funds	Total Governmental Funds
Assets							
Cash in bank	\$ 9,239,180	\$ 2,188,320	\$ 3,751,317	\$ 22,401,393	\$ 3,194,534	\$ 8,025,751	\$ 48,800,495
Inventory	-	-	-	-	-	21,607	21,607
Receivables (net of allowance for estimated uncollectible)	1,322,059	431,490	-	-	371,935	501,808	2,627,292
Due from other funds	2,878,911	66,225	50,187	-	600	136,527	3,132,450
Due from component units	<u>34,550</u>	<u>61,923</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>96,473</u>
Total assets	<u>13,474,700</u>	<u>2,747,958</u>	<u>3,801,504</u>	<u>22,401,393</u>	<u>3,567,069</u>	<u>8,685,693</u>	<u>54,678,317</u>
Liabilities							
Accounts payable	417,188	115,356	1,237,089	230,314	-	330,289	2,330,236
Accrued expenses	652,426	62,122	-	-	-	189,818	904,366
Unearned revenue	176,353	45,744	2,514,065	-	-	22,548	2,758,710
Due to other funds	<u>125,202</u>	<u>2,449,818</u>	<u>-</u>	<u>600</u>	<u>23,622</u>	<u>377,554</u>	<u>2,976,796</u>
Total liabilities	<u>1,371,169</u>	<u>2,673,040</u>	<u>3,751,154</u>	<u>230,914</u>	<u>23,622</u>	<u>920,209</u>	<u>8,970,108</u>
Fund Balances							
Committed:							
Waste/water improvements	455,250	-	-	-	-	-	455,250
Capital outlay	741,888	-	-	-	-	-	741,888
Technology improvements	4,308	-	-	-	-	-	4,308
Restricted:							
For capital outlay	-	-	-	22,170,479	-	5,759,412	27,929,891
For debt service	-	-	-	-	3,543,447	689,513	4,232,960
Restricted, as reported in Special Revenue Funds	-	74,918	-	-	-	1,316,559	1,391,477
Unassigned:							
American Rescue Plan Fund	-	-	50,350	-	-	-	50,350
General Fund	<u>10,902,085</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,902,085</u>
Total fund balances	<u>12,103,531</u>	<u>74,918</u>	<u>50,350</u>	<u>22,170,479</u>	<u>3,543,447</u>	<u>7,765,484</u>	<u>45,708,209</u>
Total liabilities and fund balances	\$ <u>13,474,700</u>	\$ <u>2,747,958</u>	\$ <u>3,801,504</u>	\$ <u>22,401,393</u>	\$ <u>3,567,069</u>	\$ <u>8,685,693</u>	\$ <u>54,678,317</u>

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

UPSON COUNTY, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2022

Total fund balances – total governmental funds	\$ 45,708,209
Amounts reported for government activities in the statement of net position of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Cost of the assets	93,877,891
Accumulated depreciation	(59,379,839)
Certain pension trust funds have been funded in excess of the annual required contributions, creating a year-end pension liability. This liability is not a financial resource and therefore is not reported in the funds.	
	(1,456,086)
Deferred outflows of resources represent 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.	
	4,332,455
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:	
Bond payable	(2,400,000)
Financed purchase	(23,632,121)
Accrued interest payable	(167,732)
Compensated absences payable	(261,760)
Deferred inflows of resources represent an acquisition of fund equity that will be recognized as an inflow of resources in a future period and therefore are not reported in the funds.	
Deferred inflows of pension resources	<u>(2,542,872)</u>
Net position of governmental activities	\$ <u>54,078,145</u>

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

UPSON COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
DECEMBER 31, 2022

	General Fund	Joint Projects Fund	American Rescue Plan Fund	Capital Projects Fund 2022 SPLOST Fund	Debt Service Fund Sales Tax Bonds 2019 Series	Other Governmental Funds	Total Governmental Funds
Revenues							
Taxes:							
General property tax	\$ 5,597,224	\$ 2,620,162	\$ -	\$ -	\$ -	\$ 657,836	\$ 8,875,222
Sales tax	2,682,012	-	-	-	4,497,404	4,694,756	11,874,172
Insurance premium tax	1,328,843	-	-	-	-	-	1,328,843
T.A.V.T tax	1,447,835	43,290	-	-	-	15,251	1,506,376
Franchise tax	172,377	-	-	-	-	-	172,377
Intangible tax	199,172	-	-	-	-	-	199,172
Beer and wine tax	113,966	-	-	-	-	-	113,966
Real estate transfer tax	74,039	-	-	-	-	-	74,039
Other taxes	36,078	2,859	-	-	-	-	38,937
Hotel/Motel tax	-	-	-	-	-	12,158	12,158
Licenses and permits	248,942	-	-	-	-	-	248,942
Intergovernmental	733,089	1,026,308	2,539,263	-	-	1,273,381	5,572,041
Charges for services	722,148	-	-	-	-	947,108	1,669,256
Fines and forfeitures	807,008	-	-	-	-	103,613	910,621
Interest earnings	66,242	2,332	50,225	115,603	324	92,176	326,902
Contributions and donations	-	16,936	-	-	-	296	17,232
Other revenues	54,476	-	-	-	-	17,569	72,045
Total revenues	<u>14,283,451</u>	<u>3,711,887</u>	<u>2,589,488</u>	<u>115,603</u>	<u>4,497,728</u>	<u>7,814,144</u>	<u>33,012,301</u>
Expenditures							
Current:							
General government	4,135,634	41,114	-	-	-	-	4,176,748
Judicial	2,339,416	-	-	441,795	-	21,170	2,802,381
Public safety	6,623,381	1,090,868	18,900	-	-	1,070,470	8,803,619
Public works	1,211,659	74,242	2,337,089	-	-	-	3,622,990
Health and welfare	53,603	783,427	-	-	-	-	837,030
Culture and recreation	58,931	343,909	-	-	-	1,967,623	2,370,463
Housing and development	592,429	-	-	-	-	12,158	604,587
Intergovernmental	-	-	-	-	1,794,401	1,829,087	3,623,488
Debt service:							
Principal	-	-	-	-	1,115,000	-	1,115,000
Interest	-	-	-	-	175,750	556,065	731,815

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

UPSON COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – CONTINUED
DECEMBER 31, 2022

	General Fund	Joint Projects Fund	American Rescue Plan Fund	Capital Projects Fund 2022 SPLOST Fund	Debt Service Fund Sales Tax Bonds 2019 Series	Other Governmental Funds	Total Governmental Funds
Capital outlay:							
General government	\$ 72,054	\$ -	\$ -	\$ 955,949	\$ -	\$ 916,536	\$ 1,944,539
Judicial	39,743	-	-	-	-	-	39,743
Public safety	7,528	40,855	-	-	-	341,640	390,023
Public works	46,824	-	-	-	-	927,366	974,190
Culture and recreation	-	30,047	-	-	-	211,645	241,692
Housing and development	1,000	-	-	-	-	124,851	125,851
Total expenditures	<u>15,182,202</u>	<u>2,404,462</u>	<u>2,355,989</u>	<u>1,397,744</u>	<u>3,085,151</u>	<u>7,978,611</u>	<u>32,404,159</u>
(Deficiency) Excess of revenues (under) over expenditures	<u>(898,751)</u>	<u>1,307,425</u>	<u>233,499</u>	<u>(1,282,141)</u>	<u>1,412,577</u>	<u>(164,467)</u>	<u>608,142</u>
Other financing sources (uses)							
Transfers in:							
Joint Projects Fund	-	-	-	-	-	1,194,053	1,194,053
Unincorporated Services Fund	625,964	-	-	-	-	-	625,964
General Fund	-	119,281	-	-	-	825,901	945,182
ARPA Fund	138,869	-	-	-	-	23,414	162,283
Debt Service Fund Sales Tax Bonds 2019 Series	-	-	-	-	-	692,681	692,681
LMIG Fund	-	-	-	-	-	507,240	507,240
Transfers out:							
Joint Projects Fund	(119,281)	-	-	-	-	-	(119,281)
911 Fund	-	(375,080)	-	-	-	-	(375,080)
Spewell Bluff Fund	(141,851)	-	(4,037)	-	-	-	(145,888)
General Fund	-	-	(138,868)	-	-	(625,964)	(764,832)
Recreation Fund	(167,947)	(818,973)	(19,377)	-	-	-	(1,006,297)
2019 T-SPLOST Fund	-	-	-	-	(692,681)	-	(692,681)
Water service	-	-	(10,496)	-	-	-	(10,496)
2016 SPLOST Fund	-	-	-	-	-	(507,241)	(507,241)
LMIG Fund	(516,103)	-	-	-	-	-	(516,103)
Transfer (to) from Component Units:							
Upson Health Department	(200,873)	-	-	-	-	-	(200,873)
Industrial Development Authority	-	(211,062)	(3,230)	-	-	-	(214,292)
Airport Authority	-	-	(7,266)	-	-	-	(7,266)
Recreation Commission	-	-	-	-	-	185,827	185,827
Proceeds from sale of asset	325,865	50	-	-	-	-	325,915
Proceeds from bond issuance	-	-	-	23,452,620	-	-	23,452,620
Total other financing (uses) sources	<u>(55,357)</u>	<u>(1,285,784)</u>	<u>(183,274)</u>	<u>23,452,620</u>	<u>(692,681)</u>	<u>2,295,911</u>	<u>23,531,435</u>

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

UPSON COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - CONTINUED
DECEMBER 31, 2022

	General Fund	Joint Projects Fund	American Rescue Plan Fund	Capital Projects Fund 2022 SPLOST Fund	Debt Service Fund Sales Tax Bonds 2019 Series	Other Governmental Funds	Total Governmental Funds
Net change in fund balance	\$ (954,108)	\$ 21,641	\$ 50,225	\$ 22,170,479	\$ 719,896	\$ 2,131,444	\$ 24,139,577
Fund balance – beginning of the year (restated)	<u>13,057,639</u>	<u>53,277</u>	<u>125</u>	<u>-</u>	<u>2,823,551</u>	<u>5,634,040</u>	<u>21,568,632</u>
Fund balance – end of year	<u>\$ 12,103,531</u>	<u>\$ 74,918</u>	<u>\$ 50,350</u>	<u>\$ 22,170,479</u>	<u>\$ 3,543,447</u>	<u>\$ 7,765,484</u>	<u>\$ 45,708,209</u>

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

UPSON COUNTY, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
DECEMBER 31, 2022

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

Net change in fund balances – total governmental funds \$ 24,139,577

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. This is the
amount by which capital outlays exceed depreciation in the current period.

Capital outlay for the current period	3,519,069
Depreciation expenses for the current period	(3,272,598)
Net effect of other various transactions involving capital assets	2,355,359

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.

4,062,323

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:

Financed purchase proceeds	(23,452,620)
Principal repayments – paid by governmental funds	1,115,000
Amortization of bond premium	115,273

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.

(1,204,015)

The net pension liability did not require the use of current financial resources and
therefore is not reported as expenditures in governmental funds.

(2,505,270)

Some expenses reported in the statement of activities do not require the use of
current financial resources and, therefore, are not reported as expenditures
in governmental funds.

Accrued interest	(94,058)
Compensated absences	<u>(41,487)</u>

Change in net position of governmental activities \$ 4,736,553

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

UPSON COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Taxes	\$ 12,561,389	\$ 12,631,321	\$ 11,651,546	\$ (979,775)
Licenses and permits	281,187	281,187	248,942	(32,245)
Intergovernmental	1,381,013	759,842	733,089	(26,753)
Charges for services	965,596	681,270	722,148	40,878
Fines and forfeitures	829,025	829,025	807,008	(22,017)
Interest revenue	1,630	1,630	66,242	64,612
Miscellaneous	104,868	104,868	54,476	(50,392)
Total revenues	<u>16,124,708</u>	<u>15,289,143</u>	<u>14,283,451</u>	<u>(1,005,692)</u>
Expenditures				
Current				
General government:				
Board of commissioners	119,416	119,416	134,870	(15,454)
Legislative	17,568	-	-	-
Elections	300,938	250,007	250,020	(13)
Administration and finance	1,063,563	1,307,976	1,303,340	4,636
Tax commissioner	435,342	453,842	459,838	(5,996)
Tax assessor	656,660	679,644	695,970	(16,326)
Management information systems	310,969	297,711	305,053	(7,342)
General government buildings	920,539	920,539	903,856	16,683
Intergovernmental	-	82,687	82,687	-
Total general government	<u>3,824,995</u>	<u>4,111,822</u>	<u>4,135,634</u>	<u>(23,812)</u>
Judicial:				
Superior court	85,347	85,347	77,087	8,260
Clerk of superior court	447,312	447,312	453,981	(6,669)
Magistrate court	302,789	302,789	296,103	6,686
Probate court	421,865	398,882	409,159	(10,277)
Juvenile court	133,277	133,277	130,530	2,747
Intergovernmental	917,912	971,427	972,556	(1,129)
Total judicial	<u>2,308,502</u>	<u>2,339,034</u>	<u>2,339,416</u>	<u>(382)</u>
Public safety:				
Sheriff	3,353,383	3,556,459	3,551,247	5,212
Jail operations	2,843,415	2,571,848	2,575,407	(3,559)
Fire	76,900	92,223	92,221	2
EMS	76,684	-	-	-
Coroner	37,390	36,678	32,666	4,012
Animal control	280,784	304,684	310,257	(5,573)
Intergovernmental	-	66,034	61,583	4,451
Total public safety	<u>6,668,556</u>	<u>6,627,926</u>	<u>6,623,381</u>	<u>4,545</u>
Public works:				
Road, streets, and highways	1,098,364	853,951	856,251	(2,300)
Maintenance and shop	383,964	383,964	352,908	31,056
Intergovernmental	1,200	1,200	2,500	(1,300)
Total public works	<u>1,483,528</u>	<u>1,239,115</u>	<u>1,211,659</u>	<u>27,456</u>

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

UPSON COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET (GAAP BASIS) AND ACTUAL – CONTINUED
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Health and welfare:				
Welfare	-	57,568	21,578	35,990
Community service	<u>573,506</u>	<u>29,981</u>	<u>32,025</u>	<u>(2,044)</u>
Total health and welfare	<u>573,506</u>	<u>87,549</u>	<u>53,603</u>	<u>33,946</u>
Culture and recreation:				
Parks	242,938	242,938	53,931	189,007
Library	329,398	-	-	-
Art	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Total culture and recreation	<u>577,336</u>	<u>247,938</u>	<u>58,931</u>	<u>189,007</u>
Housing and development:				
Conservation	175,112	175,112	179,040	(3,928)
Planning and zoning	623,865	499,145	398,829	100,316
Payments to chamber tourism	4,000	9,439	-	9,439
Intergovernmental	<u>15,000</u>	<u>15,000</u>	<u>14,560</u>	<u>440</u>
Total housing and development	<u>817,977</u>	<u>698,696</u>	<u>592,429</u>	<u>106,267</u>
Intergovernmental	<u>-</u>	<u>45,732</u>	<u>-</u>	<u>45,732</u>
Total intergovernmental	<u>-</u>	<u>45,732</u>	<u>-</u>	<u>45,732</u>
Capital outlay:				
General government	62,600	56,600	72,054	(15,454)
Judicial	41,000	41,755	39,743	2,012
Public safety	30,400	18,400	7,528	10,872
Public works	739,750	68,732	46,824	21,908
Health and welfare	1,000	-	-	-
Housing and development	<u>54,000</u>	<u>54,000</u>	<u>1,000</u>	<u>53,000</u>
Total capital outlay	<u>928,750</u>	<u>239,487</u>	<u>167,149</u>	<u>72,338</u>
Total expenditures	<u>17,183,150</u>	<u>15,637,299</u>	<u>15,182,202</u>	<u>455,097</u>
Deficiency of revenues under expenditures	<u>(1,058,442)</u>	<u>(348,156)</u>	<u>(898,751)</u>	<u>(550,595)</u>
Other financing sources (uses)				
Transfer from (to) special revenue funds:				
Joint projects fund	2,207,039	(119,281)	(119,281)	-
Unincorporated services fund	789,676	789,676	625,964	(163,712)
ARPA	-	-	138,869	138,869
911 fund	(337,189)	-	-	-
Sprewell Bluff fund	(121,360)	(121,360)	(141,851)	(20,491)
Recreation fund	(885,198)	-	(167,947)	(167,947)
LMIG fund	-	-	(516,103)	(516,103)
Transfer to component units:				
Upson Health Department	(200,873)	(200,874)	(200,873)	1
Industrial Development Authority	(272,985)	-	-	-
Proceeds from sale of capital assets	<u>-</u>	<u>-</u>	<u>325,865</u>	<u>325,865</u>
Total other financing sources (uses)	<u>1,179,110</u>	<u>348,161</u>	<u>(55,357)</u>	<u>(403,518)</u>
Net change in fund balance	\$ <u>120,668</u>	\$ <u>5</u>	(954,108)	\$ <u>(954,113)</u>
Fund balance – beginning of year (restated)			<u>13,057,639</u>	
Fund balance – ending of year			<u>\$ 12,103,531</u>	

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

UPSON COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET (GAAP BASIS) AND ACTUAL
SPECIAL REVENUE FUND
JOINT PROJECTS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues				
Taxes	\$ 2,003,996	\$ 2,962,214	\$ 2,666,311	\$ (295,903)
Intergovernmental	209,043	908,072	1,026,308	118,236
Interest revenue	-	-	2,332	2,332
Contributions and donations	-	18,000	16,936	(1,064)
Total revenues	<u>2,213,039</u>	<u>3,888,286</u>	<u>3,711,887</u>	<u>(176,399)</u>
Expenditures				
Current:				
General government	-	41,114	41,114	-
Public safety	-	1,272,182	1,090,868	181,314
Public works	-	74,242	74,242	-
Health and welfare	-	775,928	783,427	(7,499)
Culture and recreation	-	336,084	343,909	(7,825)
Capital outlay:				
Public safety	-	61,474	40,855	20,619
Health and welfare	-	1,000	-	1,000
Culture and recreation	-	35,477	30,047	5,430
Total expenditures	<u>-</u>	<u>2,597,501</u>	<u>2,404,462</u>	<u>193,039</u>
Excess of revenues over expenditures	<u>2,213,039</u>	<u>1,290,785</u>	<u>1,307,425</u>	<u>16,640</u>
Other financing sources (uses)				
Transfer (to) from special revenue funds:				
General fund	(2,213,039)	242,478	119,281	(123,197)
911 fund	-	(375,080)	(375,080)	-
Recreation fund	-	(885,198)	(818,973)	66,225
Transfer to component units:				
Industrial Development Authority	-	(272,985)	(211,062)	61,923
Proceeds from sale of capital assets	-	-	50	50
Total other financing uses	<u>(2,213,039)</u>	<u>(1,290,785)</u>	<u>(1,285,784)</u>	<u>5,001</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	21,641	\$ <u>21,641</u>
Fund balance – beginning of year			<u>53,277</u>	
Fund balance – ending of year			\$ <u>74,918</u>	

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

UPSON COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET (GAAP BASIS) AND ACTUAL
SPECIAL REVENUE FUND
AMERICAN RESCUE PLAN (ARPA) FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues				
Intergovernmental	\$ 2,556,176	\$ 3,323,668	\$ 2,539,263	\$ (784,405)
Interest revenue	<u>-</u>	<u>-</u>	<u>50,225</u>	<u>50,225</u>
Total revenues	<u>2,556,176</u>	<u>3,323,668</u>	<u>2,589,488</u>	<u>(734,180)</u>
Expenditures				
Current:				
Public safety	255,000	20,100	18,900	1,200
Public works	<u>-</u>	<u>3,068,668</u>	<u>2,337,089</u>	<u>731,579</u>
Total expenditures	<u>255,000</u>	<u>3,088,768</u>	<u>2,355,989</u>	<u>732,779</u>
Excess(deficiency) of revenues over (under) expenditures	<u>2,301,176</u>	<u>234,900</u>	<u>233,499</u>	<u>(1,401)</u>
Other financing sources (uses)				
Transfer to special revenue funds:				
General fund	-	(234,900)	(138,868)	51,626
Spirewell Bluff fund	-	(4,037)	(4,037)	-
Recreation	-	(19,377)	(19,377)	-
Water service	-	(10,496)	(10,496)	-
Transfer to component units:				
Industrial Development Authority	-	(3,230)	(3,230)	-
Airport Authority	<u>-</u>	<u>(7,266)</u>	<u>(7,266)</u>	<u>-</u>
Total other financing uses	<u>-</u>	<u>(234,900)</u>	<u>(183,274)</u>	<u>51,626</u>
Net change in fund balance	\$ <u>2,301,176</u>	\$ <u>-</u>	50,225	\$ <u>50,225</u>
Fund balance – beginning of year			<u>125</u>	
Fund balance – ending of year			<u>\$ 50,350</u>	

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

UPSON COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET (GAAP BASIS) AND ACTUAL
DEBT SERVICE FUND
SALES TAX BONDS 2019 SERIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues				
Taxes	\$ 3,885,294	\$ 4,019,341	\$ 4,497,404	\$ 478,063
Interest revenue	<u>304</u>	<u>304</u>	<u>324</u>	<u>20</u>
Total revenues	<u>3,885,598</u>	<u>4,019,645</u>	<u>4,497,728</u>	<u>478,083</u>
Expenditures				
Intergovernmental	1,710,355	1,794,402	1,794,401	1
Debt service:				
Principal	1,290,750	1,165,000	1,115,000	50,000
Interest	<u>-</u>	<u>175,750</u>	<u>175,750</u>	<u>-</u>
Total expenditures	<u>3,001,105</u>	<u>3,135,152</u>	<u>3,085,151</u>	<u>50,001</u>
Excess of revenues over expenditures	<u>884,493</u>	<u>884,493</u>	<u>1,412,577</u>	<u>528,084</u>
Other financing sources (uses)				
Transfer to special revenue funds:				
2019 T-SPLOST fund	<u>(884,493)</u>	<u>(884,493)</u>	<u>(692,681)</u>	<u>191,812</u>
Total other financing uses	<u>(884,493)</u>	<u>(884,493)</u>	<u>(692,681)</u>	<u>191,812</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	719,896	\$ <u>719,896</u>
Fund balance – beginning of year (restated)			<u>2,823,551</u>	
Fund balance – ending of year			<u>\$ 3,543,447</u>	

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

UPSON COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2022

	Business-Type Activities – Enterprise Funds		
	Water Systems	Waste Services	Total
Assets			
Current assets:			
Cash in banks	\$ 1,481,445	\$ 1,210,375	\$ 2,691,820
Restricted cash – deposits	194,648	-	194,648
Accounts receivable, net of allowance	102,376	299,786	402,162
Due from other funds	43,897	-	43,897
Total current assets	<u>1,822,366</u>	<u>1,510,161</u>	<u>3,332,527</u>
Noncurrent assets:			
Capital assets			
Land	29,673	-	29,673
Water distribution and storage system	5,664,724	-	5,664,724
Equipment and vehicles	4,039,452	-	4,039,452
Less accumulated depreciation	<u>(3,645,738)</u>	<u>-</u>	<u>(3,645,738)</u>
Total noncurrent assets	<u>6,088,111</u>	<u>-</u>	<u>6,088,111</u>
Total assets	<u>7,910,477</u>	<u>1,510,161</u>	<u>9,420,638</u>
Liabilities			
Current liabilities:			
Current portion of notes payable	64,436	-	64,436
Current portion of financed purchase	212,638	-	212,638
Current portion of compensated absences	2,404	-	2,404
Due to other funds	68,272	131,280	199,552
Accounts payable	116,341	91,801	208,142
Customer deposits payable from restricted assets	<u>194,648</u>	<u>-</u>	<u>194,648</u>
Total current liabilities	<u>658,739</u>	<u>223,081</u>	<u>881,820</u>
Noncurrent liabilities:			
Notes payable, net of current portion	692,072	-	692,072
Financed purchase, net of current portion	1,802,882	-	1,802,882
Compensated absences, net of current portion	<u>9,052</u>	<u>-</u>	<u>9,052</u>
Total noncurrent liabilities	<u>2,504,006</u>	<u>-</u>	<u>2,504,006</u>
Total liabilities	<u>3,162,745</u>	<u>223,081</u>	<u>3,385,826</u>
Net Position			
Net investment in capital assets	3,313,951	-	3,313,951
Unrestricted	<u>1,433,781</u>	<u>1,287,080</u>	<u>2,720,861</u>
Total net position	<u>\$ 4,747,732</u>	<u>\$ 1,287,080</u>	<u>\$ 6,034,812</u>

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

UPSON COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Business-Type Activities – Enterprise Funds		
	Water Systems	Waste Services	Total
Operating Revenues			
Charges for services:			
Water	\$ 1,378,633	\$ -	\$ 1,378,633
Sewer	162,110	-	162,110
Tap-on and other charges	128,266	-	128,266
Waste services	<u>-</u>	<u>1,344,623</u>	<u>1,344,623</u>
Total operating revenues	<u>1,669,009</u>	<u>1,344,623</u>	<u>3,013,632</u>
Operating Expenses			
Personnel services	460,655	41,852	502,507
Sewer fees	46,365	-	46,365
Purchases of water	363,047	-	363,047
Tranwaste payments	-	920,282	920,282
Vehicle expenses	14,546	-	14,546
Materials, supplies, and maintenance	280,457	1,836	282,293
Utilities and telephone	36,323	-	36,323
Bad debt expense	14,040	24,490	38,530
Administrative expenses and insurance	68,668	37,683	106,351
Depreciation	85,764	-	85,764
Intergovernmental	<u>49,335</u>	<u>-</u>	<u>49,335</u>
Total operating expenses	<u>1,419,200</u>	<u>1,026,143</u>	<u>2,445,343</u>
Operating Income	<u>249,809</u>	<u>318,480</u>	<u>568,289</u>
Nonoperating Revenues (Expenses)			
Interest income	18,840	12,567	31,407
Interest expenses and fiscal charges	<u>(47,475)</u>	<u>-</u>	<u>(47,475)</u>
Total nonoperating (expenses) revenues	<u>(28,635)</u>	<u>12,567</u>	<u>(16,068)</u>
Income Before Capital Contributions and Transfers	<u>221,174</u>	<u>331,047</u>	<u>552,221</u>
Capital Contributions from Upson County	<u>131,756</u>	<u>-</u>	<u>131,756</u>
Change in net position	352,930	331,047	683,977
Total net position – beginning of year (restated)	<u>4,394,802</u>	<u>956,033</u>	<u>5,350,835</u>
Total net position – ending of year	<u>\$ 4,747,732</u>	<u>\$ 1,287,080</u>	<u>\$ 6,034,812</u>

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

**UPSON COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Business-Type Activities – Enterprise Funds		
	Water Systems	Waste Services	Total
Cash flows from operating activities:			
Receipts from customers	\$ 1,692,986	\$ 1,341,523	\$ 3,034,509
Payments to employees	(314,102)	(27,788)	(341,890)
Payments to suppliers	(954,911)	(1,077,186)	(2,032,097)
Net cash provided by operating activities	<u>423,973</u>	<u>236,549</u>	<u>660,522</u>
Cash flows from investing activities:			
Interest received	<u>18,840</u>	<u>12,567</u>	<u>31,407</u>
Net cash (used in) provided by investing activities	<u>18,840</u>	<u>12,567</u>	<u>31,407</u>
Cash flows from noncapital financing activities:			
Transfers	<u>131,756</u>	<u>-</u>	<u>131,756</u>
Net cash provided by capital and related financing activities	<u>131,756</u>	<u>-</u>	<u>131,756</u>
Cash flows from capital and related financing activities:			
Principal payments on notes and financed purchase	(289,788)	-	(289,788)
Due from other funds	63,218	85,328	148,546
Interest and fiscal charges	(47,475)	-	(47,475)
Acquisition of capital assets	(187,514)	-	(187,514)
Net cash (used in) provided by capital and related financing activities	<u>(461,559)</u>	<u>85,328</u>	<u>(376,231)</u>
Net change in cash and cash equivalents	113,010	334,444	447,454
Cash and cash equivalents – beginning of year	<u>1,563,083</u>	<u>875,931</u>	<u>2,439,014</u>
Cash and cash equivalents – ending of year	<u>\$ 1,676,093</u>	<u>\$ 1,210,375</u>	<u>\$ 2,886,468</u>
Classified as:			
Current assets	\$ 1,481,445	\$ 1,210,375	\$ 2,691,820
Restricted assets	<u>194,648</u>	<u>-</u>	<u>194,648</u>
Total	<u>\$ 1,676,093</u>	<u>\$ 1,210,375</u>	<u>\$ 2,886,468</u>
Reconciliation of net operating income to net cash Provided by operating activities:			
Net operating income	\$ 249,809	\$ 318,480	\$ 568,289
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	85,764	-	85,764
Changes in assets and liabilities:			
Decrease (Increase) in receivables	18,114	(3,100)	15,014
Increase (Decrease) in payables	69,204	(78,831)	(9,627)
Decrease in interest payable	(6,809)	-	(6,809)
Increase in compensated absences	2,029	-	2,029
Increase in customer deposits payable	<u>5,862</u>	<u>-</u>	<u>5,862</u>
Total adjustments	<u>174,164</u>	<u>(81,931)</u>	<u>92,233</u>
Net cash provided by operating activities	<u>\$ 423,973</u>	<u>\$ 236,549</u>	<u>\$ 660,522</u>

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

UPSON COUNTY, GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2022

	<u>Custodial Funds</u>
Assets	
Cash	\$ 363,755
Taxes receivable	<u> 1,085,112</u>
Total assets	<u> 1,448,867</u>
 Liabilities and Net Position	
Liabilities	
Due to others	75,248
Uncollected taxes	<u> 1,085,112</u>
Total liabilities	<u> 1,160,360</u>
 Net position	
Restricted for individuals, organizations and other governments	 <u><u>\$ 288,507</u></u>

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

UPSON COUNTY, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2022

	<u>Custodial Funds</u>
Additions:	
Taxes	\$ 13,521,744
Intergovernmental	313,127
Fines and fees	<u>691,522</u>
Total assets	<u>14,526,393</u>
Deductions:	
Taxes and fees paid to other governments	13,834,871
Other custodial disbursements	<u>705,949</u>
Total liabilities	<u>14,540,820</u>
Net decrease in fiduciary net position	(14,427)
Net position – beginning of year (restated)	<u>302,934</u>
Net position – end of year	<u>\$ 288,507</u>

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

UPSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

Background

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 services, 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting entity

In evaluating how to define the County 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", as amended by Statement No. 61.

The accompanying financial statements of the reporting entity include those of the County and its components units.

The discretely presented 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. This data is reported in columns separate from the County's financial information to emphasize they are legally separate from the County.

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.

UPSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

A. Reporting entity – (Continued)

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 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 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.

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.

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
Solid Waste Disposal Facility
East Lee Street
Thomaston, Georgia 30286

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

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

UPSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

A. Reporting entity – (Continued)

Joint Venture

Upson County is a member of the Three Rivers Regional Commission (RC) along with other counties in the West Central Georgia area. Under Georgia law, the County must pay annual dues thereto. During the year 2022, the County paid \$17,568 in such dues. The RC Board membership includes at least one elected or appointed official of each county and municipality in the area.

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

Separate financial statements can be obtained by writing to Three Rivers Regional Commission, P.O. Box 818, Griffin, Georgia 30224.

B. 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. 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.

UPSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

C. 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. Custodial 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 expenditures, 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 longterm 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 County 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.

UPSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

C. Measurement focus, basis of accounting, and financial statement presentation – (Continued)

The fund financial statements provide more detailed information about the County's most significant funds, not the County as a whole. The activities of the County 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. County 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 County 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.

Joint Projects Fund – This special revenue fund is used to account for the fund receipts for all Joint Projects and qualified expenditures of the activities of the Thomaston-Upson County Archives, Thomaston-Upson County Senior Center, Pine Mountain Regional Library System (Hightower Memorial Library), Thomaston-Upson County Emergency Management, Thomaston-Upson County Landfill. Receipts used to fund the operations of the Thomaston-Upson County E-911, Thomaston-Upson County Recreation Commission, and Thomaston-Upson County Industrial Development Authority are transferred from the Joint Projects Fund to each of those respective funds.

American Rescue (ARPA) Fund – This special revenue fund is used to account for the funds received and qualified expenditures.

2022 SPLOST Projects Fund – This capital projects fund is used to account for SPLOST receipts and qualified SPLOST project expenditures.

Sales Tax Bonds 2019 Series – This debt service fund is used to account for SPLOST Receipts used to service the annual principal and interest on the 2020 General Obligation Transportation Sales Tax Bonds.

The County reports the following major proprietary funds:

Water Services Fund – accounts for the activities of the water and sewer services of Lincoln Park, Upson County, and Sunset Water Districts.

Waste Billing Services Fund – accounts for the activities of the solid waste billing services for Upson County residents provided through contracted services with a third-party contractor.

UPSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

C. Measurement focus, basis of accounting, and financial statement presentation – (Continued)

Additionally, the County 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.

Capital Projects Funds – Capital Projects Funds account for receipts and project expenditures for capital projects of the County.

Debt Service Funds – Debt service fund is used to account for accumulation resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of the governmental funds.

Custodial Funds – Custodial Funds are used to account for assets held by the County as an agent for others. Custodial Funds are used to account for the collection and disbursement of monies by the County on behalf of other governments and individuals, such as cash bonds, traffic fines, support payments and ad valorem and property taxes.

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

D. 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 accounts 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. Annual operating budgets are prepared for all governmental funds, except for capital project funds. Capital project funds use project-length budgets.

UPSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

D. Budgets and budgetary accounting – (Continued)

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 County Courthouse to obtain taxpayer comments.
3. After revision by the Commissioners, the budget is legally enacted through the passage of an ordinance.
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

The following departments/functions overspent the final 2022 budget:

General Fund – General government – Board of commissioners	\$	15,454
General Fund – General government – Tax commissioner		5,996
General Fund – General government – Tax assessor		16,326
General Fund – General government – Management information systems		7,342
General Fund – Judicial – Clerk of superior court		6,669
General Fund – Judicial – Probate court		10,277
General Fund – Judicial – Intergovernmental		1,129
General Fund – Public safety – Jail operations		3,559
General Fund – Public safety – Animal control		5,573
General Fund – Public works – Road, streets, and highways		2,300
General Fund – Public works – Intergovernmental		1,300
General Fund – Health and welfare – Community service		2,044
General Fund – Housing and development – Conservation		3,928
General Fund – Transfers		704,541
Joint Projects Fund – Current – Health and welfare		7,499
Joint Projects Fund – Current – Culture and recreation		7,825
Law Library Fund – Current – Judicial		20,506
Seizure Fund – Current – Public safety		72,780
Hotel/Motel Fund – Current – Housing and development		12,158

UPSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

E. 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, 2022.

F. 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.

G. Receivables

Amounts receivable are aggregated into a single accounts receivable (net of allowance for doubtful accounts) line for certain funds and aggregated columns. Below is the detail of receivables for the general and debt service funds and the nonmajor governmental funds in the aggregate, including the applicable allowances for doubtful accounts:

	General Fund	Joint Projects Fund	Debt Service Fund Sales Tax Bonds 2019 Series	Non-major Governmental Funds	Total
Receivables:					
Accounts	\$ 324,634	\$ 114,131	\$ -	\$ 7,357	\$ 446,122
Intergovernmental	248,605	-	371,934	405,266	1,025,805
Property taxes	<u>748,820</u>	<u>317,359</u>	<u>-</u>	<u>89,185</u>	<u>1,155,364</u>
Gross receivable	1,322,059	431,490	371,934	501,808	2,627,291
Less: allowance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net receivable	<u>\$ 1,322,059</u>	<u>\$ 431,490</u>	<u>\$ 371,934</u>	<u>\$ 501,808</u>	<u>\$ 2,627,291</u>
			Water Services Fund	Waste Billing Services Fund	Total
Receivables:					
Accounts			\$ 192,762	\$ 473,484	\$ 666,246
Less: allowance			<u>(90,386)</u>	<u>(173,698)</u>	<u>(264,084)</u>
Net receivable			<u>\$ 102,376</u>	<u>\$ 299,786</u>	<u>\$ 402,162</u>

UPSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

H. Inventories

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.

I. 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 GASB Standards, 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:

<u>Assets</u>	<u>Years</u>
Buildings	40
Vehicles	5-7
Equipment	5-10
Water and Sewer System	40
Infrastructure	40

J. 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.

UPSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

J. Vacation, sick leave and other compensated absences – (Continued)

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.

K. 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, 2022, is as follows:

Due To/From Other Funds – Governmental Funds		
Receivable Fund	Payable Fund	Amount
General Fund	Joint Projects Fund	\$ 2,411,927
General Fund	Non-major funds	311,329
Joint Projects Fund	Non-major funds	66,225
ARPA Fund	General Fund	50,187
2019 T-SPLOST Bond Sinking	2022 SPLOST Fund	600
Non-major funds	General Fund	75,015
Non-major funds	Joint Projects Fund	37,891
Non-major funds	2019 T-SPLOST Bond Sinking	<u>23,622</u>
Total Due To/From Other Funds – Governmental Funds		<u>\$ 2,976,796</u>
Due To/From Other Funds – Business-Type Activities		
Receivable Fund	Payable Fund	Amount
Water Fund	Waste Services	\$ <u>43,897</u>
Total Due To/From Other Funds – Business-Type Activities		<u>\$ 43,897</u>
Due To/From – Between Governmental Funds and Business-Type Activities		
Receivable Fund	Payable Fund	Amount
General Fund	Water Fund	\$ 68,272
General Fund	Waste Services	<u>87,383</u>
Total Internal Balances		<u>\$ 155,655</u>

UPSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

K. Interfund receivables, payables and transfers – (Continued)

Due To/From Other Funds – Component Units		
Receivable Fund	Payable Fund	Amount
General Fund	Thomaston-Upson County Airport Fund	\$ 34,550
Joint Projects Fund	Thomaston-Upson County Industrial Development Authority	61,923
Total Due To/From Other Funds – Component Units		<u>\$ 96,473</u>

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.

	Transfers in:				Total
	General Fund	Joint Projects Fund	Non-major Governmental Funds	Water Services	
Transfers out:					
General Fund	\$ -	\$ 119,281	\$ 825,901	\$ -	\$ 945,182
Joint Projects Fund	-	-	1,194,053	-	1,194,053
ARPA	138,869	-	23,414	10,496	172,779
2019 T-SPLOST Bond Sinking Fund	-	-	692,681	-	692,681
Unincorporated Fund	625,964	-	-	-	625,964
2016 SPLOST Fund	-	-	507,240	-	507,240
Total	<u>\$ 764,833</u>	<u>\$ 119,281</u>	<u>\$ 3,243,289</u>	<u>\$ 10,496</u>	<u>\$ 4,137,899</u>

During the year, transfers are used to 1) transfer revenue property tax revenues for Joint Projects out of the Joint Projects Fund to other nonmajor governmental funds such as the Thomaston-Upson County Recreation Fund and the Thomaston-Upson County 911 Fund, and 2) transfer property tax revenues collected from unincorporated services from the Unincorporated Services Fund to the General Fund where costs associated with unincorporated services are recorded.

Additionally, during the year 2022, one-time transfers were made from the ARPA Fund to other funds to fund employee incentive payments.

L. 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.

UPSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

M. 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.

When both restricted and unrestricted net position are available for use, it is the County's policy to use unrestricted resources first, then restricted resources as they are needed.

N. 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. 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. The governmental funds report unavailable revenues from property taxes which is a deferred inflow of resources.

O. 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.

UPSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

O. Fund balance – (Continued)

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

Minimum Fund Balance Policy – The County's maintains a minimum unassigned fund balance in its General Fund of 33% of the subsequent year's budgeted expenditures and outgoing transfers. This minimum fund balance is to protect against cash flow shortfalls related to timing of projected revenue receipts and to maintain a budget stabilization commitment.

Replenishing deficiencies – When the General Fund fund balance falls below the minimum 33%, the County will replenish shortages/deficiencies using the budget strategies and timeframes described below.

- The County will reduce recurring expenditures to eliminate any structural deficit or,
- The County will increase revenues or pursue other fund sources, or,
- A combination of the two options above.

Minimum fund balance deficiencies shall be replenished within the following time periods:

- A deficiency resulting in a minimum fund balance between 33% and 25% of the subsequent year's budgeted expenditures and outgoing transfers shall be replenished over a period not to exceed one year.
- A deficiency resulting in a minimum fund balance between 20% and 15% of the subsequent year's budgeted expenditures and outgoing transfers shall be replenished over a period not to exceed three years.
- A deficiency resulting in a minimum fund balance between 15% and 10% of the subsequent year's budgeted expenditures and outgoing transfers shall be replenished over a period not to exceed five years.

P. New Accounting Pronouncements

In June 2017, the GASB issued Statement No. 87, "Leases". This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this statement are effective for reporting periods beginning after June 15, 2021 (fiscal year 2022). The standard had no significant effect on the County's financial statements.

UPSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

P. New Accounting Pronouncements – (Continued)

In May 2020, GASB issued Statement No. 96, “Subscription-Based Information Technology Arrangements.” This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This statement (1) defines an SBITA; (2) establishes that an SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The effective date of this statement is for years beginning after June 15, 2022. The County is evaluating the impact of this standard but does not believe that its application will have a material effect on the financial statements.

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain difference 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 include 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. One element of that reconciliation explains that “governmental funds report capital outlays as expenditures”. The net effect of other various transactions involving capital assets is made up primarily of the following:

Capital assets, net transferred from component unit – Recreation Department	\$ 2,477,789
Capital assets transferred to business-type activities	<u>(122,430)</u>
Net adjustment	<u>\$ 2,355,359</u>

3. 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.

UPSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

3. PROPERTY TAXES – (Continued)

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 millage 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.

4. CAPITAL ASSETS

During 2022, the Thomaston-Upson County Recreation Commission component unit became a special revenue fund under the governmental activities. With this change, capital assets of \$6,532,701 and accumulated depreciation of \$4,054,912 were transferred into governmental activities.

Capital assets activity for the year ended December 31, 2022, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 2,871,457	\$ 495,000	\$ -	\$ 3,366,457
Construction in progress – buildings	<u>976,133</u>	<u>970,700</u>	<u>976,133</u>	<u>970,700</u>
Total capital assets, not being depreciated	<u>3,847,590</u>	<u>1,465,700</u>	<u>976,133</u>	<u>4,337,157</u>
Capital assets, being depreciated:				
Buildings	26,087,222	6,134,994	-	32,222,216
Equipment	3,008,308	585,771	22,437	3,571,642
Vehicles	3,948,460	623,102	122,430	4,449,132
Infrastructure	<u>47,079,366</u>	<u>2,218,340</u>	<u>-</u>	<u>49,297,706</u>
Total capital assets, being depreciated	<u>80,123,356</u>	<u>9,562,207</u>	<u>144,867</u>	<u>89,540,696</u>
Less accumulated depreciation for:				
Buildings	15,517,817	5,030,462	-	20,548,279
Equipment	3,008,308	572,529	22,437	3,558,400
Vehicles	1,968,799	428,285	-	2,397,084
Infrastructure	<u>31,579,804</u>	<u>1,296,234</u>	<u>-</u>	<u>32,876,038</u>
Total accumulated depreciation	<u>52,074,728</u>	<u>7,327,510</u>	<u>22,437</u>	<u>59,379,801</u>
Total capital assets being depreciated, net	<u>28,048,628</u>	<u>2,234,697</u>	<u>122,430</u>	<u>30,160,895</u>
Governmental activities capital assets, net	<u>\$ 31,896,218</u>	<u>\$ 3,700,396</u>	<u>\$ 1,098,563</u>	<u>\$ 34,498,052</u>

UPSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

4. CAPITAL ASSETS – (Continued)

Capital assets activity for the year ended December 31, 2022, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 410,973	\$ -	\$ -	\$ 410,973
Total capital assets, not being depreciated	<u>410,973</u>	<u>-</u>	<u>-</u>	<u>410,973</u>
Capital assets, being depreciated:				
Water distribution system	8,471,664	-	-	8,471,664
Equipment and vehicles	<u>663,698</u>	<u>187,514</u>	<u>-</u>	<u>851,212</u>
Total capital assets, being depreciated	<u>9,135,362</u>	<u>187,514</u>	<u>-</u>	<u>9,322,876</u>
Less accumulated depreciation for:				
Water distribution system	3,179,582	14,503	-	3,194,085
Equipment and vehicles	<u>380,392</u>	<u>71,261</u>	<u>-</u>	<u>451,653</u>
Total accumulated depreciation	<u>3,559,974</u>	<u>85,764</u>	<u>-</u>	<u>3,645,738</u>
Total capital assets being depreciated, net	<u>5,575,388</u>	<u>101,750</u>	<u>-</u>	<u>5,677,138</u>
Business-type activities capital assets, net	\$ <u>5,986,361</u>	\$ <u>101,750</u>	\$ <u>-</u>	\$ <u>6,088,111</u>
Total governmental and business-type activities, net	\$ <u>37,882,579</u>	\$ <u>3,802,147</u>	\$ <u>1,098,563</u>	\$ <u>40,586,163</u>

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

Governmental activities:	
General government	\$ 1,240,923
Public safety	550,179
Public works	847,803
Culture and recreation	477,749
Health and welfare	<u>155,944</u>
Total depreciation expense – governmental activities	3,272,598
Accumulated depreciation transferred from component unit	<u>4,054,912</u>
Total increase in current year accumulated depreciation	\$ <u>7,327,510</u>

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

Business-type activities:	
Water system	\$ <u>85,764</u>
Total depreciation expense – business-type activities	\$ <u>85,764</u>

UPSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

5. LONG-TERM OBLIGATIONS

Governmental activities

On August 1, 2019, the County issued \$5,600,000 in general obligation transportation sales tax bonds, the General Obligation Transportation Sales Tax Bonds Series 2019 (the “Sales Tax Bonds 2019 Series”). The Sales Tax Bonds 2019 Series were issued for the purpose of financing the resurfacing and other capital improvements to roads and bridges in Upson County. Principal and interest is to be paid from the proceeds of the 2019 Transportation Sales Tax. The term of the Sales Tax Bonds 2019 Series includes a five-year maturity with annual principal and interest payments. Annual interest rates range from 3.0% to 5.0%. Final maturity is August 1, 2024. The 2019 Sales Tax Series Bonds are secured by the taxing authority of the County.

Business-type activities

On August 15, 2012, the County entered into a loan agreement with the Georgia Environmental Finance Authority (“GEFA”) for water system infrastructure improvements in the amount of \$1,800,000 with a loan forgiveness of \$500,000. The loan’s term is 20 years with an annual interest rate of 1.13%. Final maturity is January 1, 2034. The loan is pledged with future water customer revenues.

Financed purchases

The Thomaston-Upson County Office Building Authority (the “TUCBOA”), a legislatively created entity, issued Series 2019 Revenue Bonds and Series 2022 Revenue Bonds. The funding arrangements were structured as installment sales (financed purchases) for both bond issuances. These arrangements consisted of the transfer of assets or assets to be constructed, in the case of the Series 2022 Revenue Bonds, to the TUCBOA and the TUCBOA conveyed these assets through deed back to the County upon the issuance of the bonds. The term of the contract associated with the Series 2022 Revenue Bonds is from March 1, 2022 to June 1, 2042, or until the bonds are paid in full. The assets associated with the judicial center are included in Construction in Progress in NOTE 4 CAPITAL ASSETS for governmental activities.

The term of the contract associated with the Series 2019 Revenue Bonds that consists of the purchase of water system components installments is from November 1, 2019 to December 31, 2021, or until the bonds are paid in full. The water system assets are included in water distribution system assets in NOTE 4 CAPITAL ASSETS.

Changes in long-term liabilities:

Long-term liability activity for the year ended December 31, 2022, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One year
Governmental activities:					
Revenue					
bonds – series 2019	\$ 3,515,000	\$ -	\$ 1,115,000	\$ 2,400,000	\$ 1,170,000
Premiums	294,774	-	115,273	179,501	-
Financed purchase	-	23,452,620	-	23,452,620	670,000
Compensated absences	265,537	260,368	264,145	261,760	55,663
Total	<u>\$ 4,075,311</u>	<u>\$ 23,712,988</u>	<u>\$ 1,494,418</u>	<u>\$ 26,293,881</u>	<u>\$ 1,895,663</u>

UPSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

5. LONG-TERM OBLIGATIONS – (Continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within One year</u>
Business-type activities:					
Notes payable – GEFA #4	\$ 820,221	\$ -	\$ 63,713	\$ 756,508	\$ 64,436
Financed purchase	2,241,595	-	226,075	2,015,520	212,638
Compensated absences	<u>11,973</u>	<u>6,609</u>	<u>7,126</u>	<u>11,456</u>	<u>2,404</u>
Total	<u>\$ 3,073,789</u>	<u>\$ 6,609</u>	<u>\$ 296,914</u>	<u>\$ 2,783,484</u>	<u>\$ 279,478</u>

The debt service requirements for the County's debt are as follows:

General Obligation Transportation Sales Tax Bonds – Series 2019

<u>Year ending December 31</u>	<u>Principal</u>	<u>Governmental Interest</u>	<u>Total</u>
2023	\$ 1,170,000	\$ 120,000	\$ 1,290,000
2024	<u>1,230,000</u>	<u>61,500</u>	<u>1,291,500</u>
Total	<u>\$ 2,400,000</u>	<u>\$ 181,500</u>	<u>\$ 2,581,500</u>

Financed Purchase

<u>Year ending December 31</u>	<u>Principal</u>	<u>Governmental Interest</u>	<u>Total</u>
2023	\$ 670,000	\$ 787,200	\$ 1,457,200
2024	705,000	752,825	1,457,825
2025	745,000	716,575	1,461,575
2026	780,000	678,450	1,458,450
2027	820,000	638,450	1,458,450
2028-2032	4,790,000	2,514,750	7,304,750
2033-2037	5,835,000	1,465,125	7,300,125
2038-2042	<u>6,780,000</u>	<u>520,800</u>	<u>7,300,800</u>
	<u>\$ 21,125,000</u>	<u>\$ 8,074,175</u>	<u>\$ 29,199,175</u>

UPSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

5. CHANGES IN LONG-TERM DEBT – (Continued)

Business-type activities

Note Payable – Georgia Environmental Facilities Authority – Loan #4

Year ending December 31	Business-type activities		
	Principal	Interest	Total
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	67,414	5,238	72,652
2028-2032	348,733	14,526	363,259
2033-2034	<u>78,192</u>	<u>515</u>	<u>78,707</u>
Total	<u>\$ 756,508</u>	<u>\$ 48,718</u>	<u>\$ 805,226</u>

Financed Purchase

Year ending December 31	Business-type activities		
	Principal	Interest	Total
2023	\$ 212,638	\$ 34,493	\$ 247,131
2024	211,431	30,713	242,144
2025	215,268	26,876	242,144
2026	219,175	22,969	242,144
2027	223,153	18,991	242,144
2028-2031	<u>933,855</u>	<u>34,723</u>	<u>968,578</u>
Total	<u>\$ 2,015,520</u>	<u>\$ 168,765</u>	<u>\$ 2,184,285</u>

6. CONTINGENT LIABILITIES

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

As to pending contingencies:

1. 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, 2022, the bond payments are current, and all payments were made timely. The current balance of the outstanding bond is \$2,055,000.

UPSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

6. CONTINGENT LIABILITIES

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 \$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, 2022, the bond payments are current, and all payments were made timely. The current balance of the outstanding bond is \$1,235,000

7. EMPLOYEE RETIRMENT PLAN

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.

UPSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

7. EMPLOYEE RETIRMENT PLAN – (Continued)

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, 2022, 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 2022 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.

UPSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

7. EMPLOYEE RETIRMENT PLAN – (Continued)

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, 2022, (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	25
Terminated plan participants entitled to but not yet receiving benefits	42
Active employees participating in the Plan	<u>174</u>
Total number of Plan Participants	241
Part-time active employees not participating in the plan	3
Covered compensation for active participants	\$6,730,746
Average remaining future services for active participants	8.44

UPSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

7. EMPLOYEE RETIRMENT PLAN – (Continued)

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%)
Total pension liability	\$ 13,268,006	\$ 11,696,492	\$ 10,391,694
Fiduciary net pension	<u>10,240,406</u>	<u>10,240,406</u>	<u>10,240,406</u>
Net pension liability	\$ <u>3,027,600</u>	\$ <u>1,456,086</u>	\$ <u>151,288</u>

For the year ended December 31, 2022, Upson County recognized a pension expense of \$456,349. At December 31, 2022, 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	\$ 2,018,673	\$ 897,606
Changes in assumptions	1,759,806	1,425,028
Net difference between projected and actual investment earnings	<u>553,976</u>	<u>220,238</u>
Total	\$ <u>4,332,455</u>	\$ <u>2,542,872</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:	
2023	\$ (415,507)
2024	169,386
2025	852,779
2026	946,072
2027	205,861
Thereafter	<u>30,991</u>
	\$ <u>1,789,583</u>

Summary of Actuarial Methods and Assumptions

1. Investment Return 7.00% per year

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

UPSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

7. EMPLOYEE RETIRMENT PLAN – (Continued)

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 2022
 (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 2022 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	27.8%	22.5%	18.5%	13.6%
35	23.8%	17.8%	13.8%	7.9%
45	19.8%	14.1%	10.1%	5.5%
55	0.0%	0.0%	0.0%	0.0%

Based on results of February 2019 experience study.

5. Disability: Male and female rates derived from the 1985 CIDA Table Class

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	0.029%	0.030%
25	0.038%	0.047%
30	0.048%	0.080%
35	0.069%	0.136%
40	0.117%	0.211%
45	0.202%	0.323%
50	0.358%	0.533%
55	0.722%	0.952%
60 & over	0.000%	0.000%

UPSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

7. EMPLOYEE RETIRMENT PLAN – (Continued)

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 2022 instead of 2021 with Scale AA. |

UPSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

7. EMPLOYEE RETIRMENT PLAN – (Continued)

15. Investment Return Assumption:

Estimated 65 th percentile return based on UBS Capital Market Assumptions	6.10%
Five year performances in excess of benchmark	<u>0.90%</u>
Assumed annual investment return	<u><u>7.00%</u></u>

Changes in the net pension liability

For the measurement period ended December 31, 2022:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at December 31, 2021	\$ 10,712,716	\$ 11,761,900	\$ (1,049,184)
Changes for the year:			
Service cost	354,241	-	354,241
Interest	742,271	-	742,271
Liability experience (gain) loss	85,089	-	85,089
Assumption change	19,858	-	19,858
Employer contributions	-	456,349	(456,349)
Net investment income	-	(1,666,482)	1,666,482
Benefit payments	(217,683)	(217,683)	-
Administrative expense	-	(50,757)	50,757
Other changes*	-	(42,921)	42,921
Net changes	<u>983,776</u>	<u>(1,521,494)</u>	<u>2,505,270</u>
Balances at December 31, 2022	<u>\$ 11,696,492</u>	<u>\$ 10,240,406</u>	<u>\$ 1,456,086</u>

*Other Changes include Post-Retirement Death Benefit Expense of \$0 and Investment Expense of \$42,921.

Summary of Main Plan Provisions for Valuation Purposes

- Effective Date: January 1, 1970; amended and restated July 1, 1984
Amended and restated July 1, 2015. Amended September 1, 2021
- Participant: Any full-time employee meeting the provisions as set out in Article 4.
- Eligibility: Upon date of hire. No age or service requirements.
Effective September 1, 2021, the Plan was amended to close the Plan to
Employees who become employed on or after September 1, 2021.
- Plan Year: Period from January 1 to the next December 31, inclusive.

UPSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

7. EMPLOYEE RETIRMENT PLAN – (Continued)

- | | |
|---|---|
| 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: | 2.00% 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. |
| 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 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. |

UPSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

7. EMPLOYEE RETIRMENT PLAN – (Continued)

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: There have been no substantive changes since the last actuarial valuation.

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, 2022, for all funds was \$37,799.

8. RETIREMENT PLAN – UPSON COUNTY BOARD OF HEALTH (COMPONENT UNIT)

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.

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.

UPSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

8. RETIREMENT PLAN – UPSON COUNTY BOARD OF HEALTH (COMPONENT UNIT)

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.

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 in the computation of the members' earnable compensation for computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The Board's total required contribution rate, actuarially determined annually, for the year ended June 30, 2022, was 24.63% of annual covered payroll for old and new plan members and 21.57% for SEPGS members. The Board's contributions to ERS totaled \$91,264 for the year ended June 30, 2022. 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.

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

At June 30, 2022, the Board reported a liability of \$368,939 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2020. An expected total pension liability as of June 30, 2021, was determined using standard roll-forward techniques. The Board's proportion of the net pension liability was based on contributions to ERS during the fiscal year ended June 30, 2021. At June 30, 2021, the Board's proportion was 0.015774%, which was an increase of 0.000766% from its proportion measured as of June 30, 2020.

UPSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

8. RETIREMENT PLAN – UPSON COUNTY BOARD OF HEALTH (COMPONENT UNIT) – (Continued)

For the year ended June 30, 2022, the Board recognized pension expense of \$51,525. At June 30, 2022, 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	\$ 8,731	\$ -
Changes in assumptions	106,244	-
Net difference between projected and actual earnings on pension plan investments	-	340,987
Changes in proportion and differences between employer contributions and proportionate share of contributions	18,338	1,376
Employer contributions subsequent to the measurement date	<u>91,264</u>	<u>-</u>
Total	\$ <u>224,577</u>	\$ <u>342,363</u>

Board contributions subsequent to the measurement date of \$91,264 are reported as deferred outflows and will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. 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:	
2023	\$ 7,221
2024	(42,324)
2025	(82,867)
2026	(91,080)

Actuarial Assumptions

The total pension liability as of June 30, 2021, was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increase	3.00-6.75%, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation

Mortality rates are as follows:

- The Pub-2010 General Employee Table, with no adjustments, projected generationally with the MP-2019 scale is used for both males and females while in active service.
- The Pub-2010 Family of Tables projected generationally with the MP-2019 Scale and with further adjustments are used for post-retirement mortality assumptions as follows:

UPSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

8. RETIREMENT PLAN – UPSON COUNTY BOARD OF HEALTH (COMPONENT UNIT) – (Continued)

<u>Participant Type</u>	<u>Membership Table</u>	<u>Set Forward (+)/ Set Back (-)</u>	<u>Adjustment to Rates</u>
Service Retirees	General Healthy Annuitant	Male: +1; Female: +1	Male 105%; Female 108%
Disability Retirees	General Disabled	Male: -3; Female: 0	Male 103%; Female 106%
Beneficiaries	General Contingent Survivors	Male: +2; Female: +2	Male 106%; Female 105%

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, 2014 – June 30, 2019.

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:

<u>Asset Class</u>	<u>Allocation</u>	<u>Long-term expected real rate of return*</u>
Fixed income	30.00%	-1.50%
Domestic large equities	46.40%	9.20%
Domestic small equities	1.10%	13.40%
International developed market	11.70%	9.20%
International emerging market	5.80%	10.40%
Alternatives	5.00%	10.60%
Total	<u>99.20%</u>	

* Rates shows are net of inflation.

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at 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.

UPSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

8. RETIREMENT PLAN – UPSON COUNTY BOARD OF HEALTH (COMPONENT UNIT) – (Continued)

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-point 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>676,072</u>	\$ <u>368,939</u>	\$ <u>109,190</u>

9. SPECIAL FUNDING DEFINED BENEFIT PENSION PLANS

A. 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.

B. 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.

C. 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.

D. 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.

UPSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

9. SPECIAL FUNDING DEFINED BENEFIT PENSION PLANS – (Continued)

E. 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.

F. 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.

G. 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.

10. 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 County'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, 2022, 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.

UPSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

11. SCHEDULE OF CASH DEPOSITS

Total cash and cash equivalents as of December 31, 2022, are summarized as follows:

Statement of net position:

Cash and cash equivalents	\$ 51,424,899
Restricted cash	262,064
Component unit – cash and cash equivalents	<u>3,690,418</u>
	<u>\$ 55,377,381</u>

Custodial Funds:

Cash	<u>\$ 9,239,180</u>
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All funds are in checking accounts. Water depository accounts are presented as restricted cash in the statement of net position.

12. HOTEL/MOTEL TAX

Hotel/Motel taxes received and expended amounted to \$12,158, an amount representing .005% of tax receipts for the year ended December 31, 2022. 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, 2022.

13. RESTATEMENT OF NET POSITION – GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES

Restatement of Net Position

The following table shows the impact to the statement of net position at December 31, 2021:

	Governmental Activities	Business-Type Activities	Total Primary Government
Net position – December 31, 2021	\$ 48,504,062	\$ 5,358,503	\$ 53,862,565
Taxes receivable	908,536	-	908,536
Accrued expenses	(208,054)	(7,668)	(215,722)
Seizure fund	<u>137,048</u>	<u>-</u>	<u>137,048</u>
Restated net position – December 31, 2021	<u>\$ 49,341,592</u>	<u>\$ 5,350,835</u>	<u>\$ 54,692,427</u>

UPSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

13. RESTATEMENT OF NET POSITION – GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES – (Continued)

	Thomaston- Upson County Airport Authority	Thomaston- Upson County Industrial Development Authority	Thomaston- Upson County Recreation Department
Net position – December 31, 2021	\$ 17,552,306	\$ 7,061,910	\$ 2,657,805
Accrued expenses	(4,469)	(2,775)	(12,699)
Restated net position – December 31, 2021	<u>\$ 17,547,837</u>	<u>\$ 7,059,135</u>	<u>\$ 2,645,106</u>

Restatement of Fund Balances

The following table shows the impact to the balance sheet by fund at December 31, 2021:

	General Fund	Joint Projects	Debt Service Fund Sales Tax Bonds 2019 Series	ARPA Fund	Nonmajor Funds	Total Governmental Activities
Fund balance –						
December 31, 2021	\$13,043,024	\$ 53,277	\$ 2,492,089	\$ 125	\$ 5,142,587	\$ 20,731,102
Intergovernmental receivables	205,381	-	331,462	-	371,693	908,536
Accrued salaries	(190,766)	-	-	-	(17,288)	(208,054)
Seizure fund	-	-	-	-	137,048	137,048
Restated fund balance –						
December 31, 2021	<u>\$13,057,639</u>	<u>\$ 53,277</u>	<u>\$ 2,823,551</u>	<u>\$ 125</u>	<u>\$ 5,634,040</u>	<u>\$ 21,568,632</u>

Taxes receivable – Historically, the County has accounted for taxes as revenues when received versus recognizing revenues when earned. Sales tax revenues typically lag one month between collection by the State and remittance to the County. December 2021 collections by the State for LOCAL Option Sales Taxes, 2019 TPSLOST and 2016 SPLOST were not accrued as of December 31, 2021 in accordance with GAAP. Therefore, the prior period taxes receivable and net position reported on the statement of net position and fund balances of each of these funds reported on the balance sheet in the fiscal year 2021 ACFR were understated. The impact to the statement of activities was an understatement of the change in net position for governmental activities of approximately \$130,000. The impact to the statement of revenues, expenditures, and changes to fund balance was also an understatement of approximately \$130,000 to net change in fund balance. The impact to the General Fund was approximately \$34,000. The understatements to the Capital Projects Fund 2016 SPLOST and Debt Service Fund Sales Tax Bonds 2019 Series were approximately \$61,000 and \$35,000, respectively.

Accrued expenses – Salary expenses for the year 2021 were understated as salaries earned in December 2021 but not paid until January 2022 were not accrued in 2021. As with taxes receivable, the County has not historically accrued for salaries earned and payable at year end. Typically, the unaccrued days average 8 days. The under-accrual of salaries expenses affected governmental activities and business-type activities net position as well as the net position of the major component units. The fund balances of all governmental funds for prior years were affected by the same amount. The impact to the statement of activities reported in our fiscal year 2021 ACFR was an overstatement of changes in net position of approximately \$11,000 for all governmental activities, \$300 for business-type activities, and \$3,000 for both major component units.

UPSON COUNTY, GEORGIA
NOTES TO FINANCIAL STATEMENTS – (Continued)

**13. RESTATEMENT OF NET POSITION – GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES –
(Continued)**

The restatement associated with the seizure fund resulted from activity in the accounts formerly reported as custodial funds were material to the financial statements. Therefore, this fund was recharacterized as a special revenue fund and is now included as part of the County's total governmental funds.

14. SUBSEQUENT EVENTS

Subsequent events have been evaluated through December 29, 2023, which is the date the financial statements were available to be issued.

UPSON COUNTY, GEORGIA
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS

	2022	2021	2020	2019	2018
Total pension liability					
Service cost	\$ 354,241	\$ 403,679	\$ 431,714	\$ 384,209	\$ 344,138
Interest cost	749,890	672,373	590,885	524,331	449,498
Differences between expected and actual experience	85,089	191,808	194,429	(141,501)	291,361
Changes of assumptions	19,858	18,217	23,819	346,912	226,921
Benefit payments, including refunds of member contributions	(225,302)	(178,691)	(153,478)	(86,426)	(42,918)
Net change in total pension liability	983,776	1,107,386	1,087,369	1,027,525	1,269,000
Total pension liability – beginning	<u>10,712,716</u>	<u>9,605,330</u>	<u>8,517,961</u>	<u>7,490,436</u>	<u>6,221,436</u>
Total pension liability – ending (a)	<u>\$ 11,696,492</u>	<u>\$ 10,712,716</u>	<u>\$ 9,605,330</u>	<u>\$ 8,517,961</u>	<u>\$ 7,490,436</u>
Plan fiduciary net position					
Contributions – employer	\$ 456,349	\$ 518,821	\$ 532,961	\$ 269,458	\$ 276,772
Net investment income	(1,666,482)	1,523,748	1,213,717	1,464,648	(342,740)
Benefit payments, including refunds of employee contributions	(217,683)	(172,648)	(153,478)	(86,426)	(42,918)
Administrative expenses	(50,757)	(53,164)	(47,287)	(43,858)	(59,741)
Other	(42,921)	(45,611)	(37,341)	(36,505)	(33,310)
Net change in plan fiduciary net pension	(1,521,494)	1,771,146	1,508,572	1,567,317	(201,937)
Plan fiduciary net position – beginning	<u>11,761,900</u>	<u>9,990,754</u>	<u>8,482,182</u>	<u>6,914,865</u>	<u>7,116,802</u>
Plan fiduciary net position – ending (b)	<u>\$ 10,240,406</u>	<u>\$ 11,761,900</u>	<u>\$ 9,990,754</u>	<u>\$ 8,482,182</u>	<u>\$ 6,914,865</u>
County's net pension liability – ending (a) - (b)	<u>\$ 1,456,086</u>	<u>\$ (1,049,184)</u>	<u>\$ (385,424)</u>	<u>\$ 35,779</u>	<u>\$ 575,571</u>
Plan fiduciary net position as a percentage of the total pension liability	87.6%	109.8%	104.0%	99.6%	92.3%
Covered payroll	\$ 6,730,746	\$ 7,021,039	\$ 6,493,337	\$ 5,886,813	\$ 5,553,314
County's net pension liability as a percentage of covered payroll	21.6%	-14.9%	-5.9%	0.6%	10.4%

Notes to the Schedule

The schedule will present 10 years of information once it is accumulated.

UPSON COUNTY, GEORGIA
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS – CONTINUED

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability			
Service cost	\$ 895,262	\$ 524,767	\$ 481,598
Interest	458,460	533,112	508,573
Differences between expected and actual experience	(739,174)	343,771	-
Changes of assumptions	(6,768,880)	3,810,318	-
Benefit payments, including refunds of employee contributions	<u>(723,102)</u>	<u>(947,073)</u>	<u>(301,640)</u>
Net change in total pension liability	(6,877,434)	4,264,895	688,531
Total pension liability – beginning	<u>13,098,870</u>	<u>8,833,975</u>	<u>8,145,444</u>
Total pension liability – ending (a)	<u>\$ 6,221,436</u>	<u>\$ 13,098,870</u>	<u>\$ 8,833,975</u>
Plan fiduciary net position			
Contributions – employer	\$ 483,495	\$ 321,506	\$ 742,247
Net investment income	342,463	242,512	254,668
Benefit payments, including refunds of employee contributions	(710,665)	(947,073)	(301,640)
Administrative expenses	(7,585)	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Net change in plan fiduciary net pension	107,708	(383,055)	695,275
Plan fiduciary net position – beginning	<u>7,009,094</u>	<u>7,392,149</u>	<u>6,696,874</u>
Plan fiduciary net position – ending (b)	<u>\$ 7,116,802</u>	<u>\$ 7,009,094</u>	<u>\$ 7,392,149</u>
City's net pension liability – ending (a) - (b)	<u>\$ (895,366)</u>	<u>\$ 6,089,776</u>	<u>\$ 1,441,826</u>
Plan fiduciary net position as a percentage of the total pension liability	114.4%	53.5%	83.7%
Covered payroll	\$ 5,418,930	\$ 5,552,055	\$ 5,037,999
City's net pension liability as a percentage of covered payroll	-16.5%	109.7%	28.6%

Notes to the Schedule

The schedule will present 10 years of information once it is accumulated.

UPSON COUNTY, GEORGIA
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 442,375	\$ 506,204	\$ 519,691	\$ 416,244	\$ 416,244
Contributions in relation to the actuarially Determined contribution	<u>(456,349)</u>	<u>(518,821)</u>	<u>(532,961)</u>	<u>(269,458)</u>	<u>(276,772)</u>
Contribution deficiency (excess)	\$ <u>(13,974)</u>	\$ <u>(12,617)</u>	\$ <u>(13,270)</u>	\$ <u>146,786</u>	\$ <u>139,472</u>
Covered payroll	6,730,746	7,021,039	6,493,337	5,886,813	5,553,314
Contributions as a percentage of covered payroll	6.8%	7.4%	8.2%	4.6%	5.0%

UPSON COUNTY, GEORGIA
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 329,432	\$ 276,772	\$ 742,247	\$ N/A
Contributions in relation to the actuarially Determined contribution	<u>(483,495)</u>	<u>(321,506)</u>	<u>(742,247)</u>	<u>N/A</u>
Contribution deficiency (excess)	\$ <u>(154,063)</u>	\$ <u>(44,734)</u>	\$ <u>-</u>	\$ <u>N/A</u>
Covered payroll	5,418,930	5,552,055	5,037,999	4,867,632
Contributions as a percentage of covered payroll	8.9%	5.8%	14.7%	N/A

Combining and Individual Fund Statements and Schedules

**UPSON COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022**

	Special Revenue Funds							
	Law Library	Unincorporated Services	Seizure Fund	Drug Abuse Funds	911 Fund	Jail Construction Funds	Hotel/Motel Fund	Recreation Fund
Assets								
Cash and cash equivalents	\$ 24,923	\$ 14,467	\$ 67,416	\$ 194,355	\$ 385,112	\$ 459,295	\$ -	\$ 613,837
Inventory	-	-	-	-	-	-	-	-
Receivables (net of allowance for estimated uncollectible)	-	89,185	-	2,066	-	5,291	-	-
Due from other funds	-	-	-	1,176	37,891	4,941	-	-
Total assets	<u>24,923</u>	<u>103,652</u>	<u>67,416</u>	<u>197,597</u>	<u>423,003</u>	<u>469,527</u>	<u>-</u>	<u>613,837</u>
Liabilities and Fund Balances								
Liabilities								
Accounts payable	-	-	-	-	64,750	-	-	91,484
Accrued expenses	-	-	-	-	45,128	-	-	33,169
Unearned revenue	-	22,548	-	-	-	-	-	-
Due to other funds	-	14,436	-	-	109,769	-	-	253,349
Total liabilities	<u>-</u>	<u>36,984</u>	<u>-</u>	<u>-</u>	<u>219,647</u>	<u>-</u>	<u>-</u>	<u>378,002</u>
Fund Balances								
Restricted	<u>24,923</u>	<u>66,668</u>	<u>67,416</u>	<u>197,597</u>	<u>203,356</u>	<u>469,527</u>	<u>-</u>	<u>235,835</u>
Total fund balances	<u>24,923</u>	<u>66,668</u>	<u>67,416</u>	<u>197,597</u>	<u>203,356</u>	<u>469,527</u>	<u>-</u>	<u>235,835</u>
Total liabilities and fund balances	<u>\$ 24,923</u>	<u>\$ 103,652</u>	<u>\$ 67,416</u>	<u>\$ 197,597</u>	<u>\$ 423,003</u>	<u>\$ 469,527</u>	<u>\$ -</u>	<u>\$ 613,837</u>

UPSON COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS – (CONTINUED)
DECEMBER 31, 2022

	Special Revenue Funds	Capital Projects Funds				Debt Service Fund	
	Sprewell Bluff Recreation Area	2011 SPLOST Fund	2016 SPLOST Fund	2019 T-SPLOST Fund	LMIG Fund	2022 T-SPLOST Bond Sinking Fund	Total
Assets							
Cash and cash equivalents	\$ 42,062	\$ -	\$ 5,209,865	\$ -	\$ 586,896	\$ 427,523	\$ 8,025,751
Inventory	21,607	-	-	-	-	-	21,607
Receivables (net of allowance for estimated uncollectible)	-	-	-	-	-	405,266	501,808
Due from other funds	<u>797</u>	<u>-</u>	<u>61,342</u>	<u>23,622</u>	<u>6,758</u>	<u>-</u>	<u>136,527</u>
Total assets	<u>64,466</u>	<u>-</u>	<u>5,271,207</u>	<u>23,622</u>	<u>593,654</u>	<u>832,789</u>	<u>8,685,693</u>
Liabilities and Fund Balances							
Liabilities							
Accounts payable	5,257	-	1,900	23,622	-	143,276	330,289
Accrued expenses	7,972	-	103,549	-	-	-	189,818
Unearned revenue	-	-	-	-	-	-	22,548
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>377,554</u>
Total liabilities	<u>13,229</u>	<u>-</u>	<u>105,449</u>	<u>23,622</u>	<u>-</u>	<u>143,276</u>	<u>920,209</u>
Fund Balances							
Restricted	<u>51,237</u>	<u>-</u>	<u>5,165,758</u>	<u>-</u>	<u>593,654</u>	<u>689,513</u>	<u>7,765,484</u>
Total fund balances	<u>51,237</u>	<u>-</u>	<u>5,165,758</u>	<u>-</u>	<u>593,654</u>	<u>689,513</u>	<u>7,765,484</u>
Total liabilities and fund balances	<u>\$ 64,466</u>	<u>\$ -</u>	<u>\$ 5,271,207</u>	<u>\$ 23,622</u>	<u>\$ 593,654</u>	<u>\$ 832,789</u>	<u>\$ 8,685,693</u>

UPSON COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Special Revenue Funds				
	Law Library	Unincorporated Services	Seizure Fund	Drug Abuse Funds	911 Fund
REVENUES:					
Taxes	\$ -	\$ 673,087	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	182,363
Charges for services	-	-	-	5,997	528,379
Fines and forfeitures	12,907	-	3,148	6,523	-
Interest earnings	-	31	-	1,176	3,558
Contributions and donations	-	-	-	-	-
Other revenues	-	-	-	-	-
Total revenues	<u>12,907</u>	<u>673,118</u>	<u>3,148</u>	<u>13,696</u>	<u>714,300</u>
EXPENDITURES:					
Current					
Judicial	20,506	-	-	664	-
Public safety	-	-	72,780	-	946,761
Public works	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Housing and development	-	-	-	-	-
Total current expenditures	<u>20,506</u>	<u>-</u>	<u>72,780</u>	<u>664</u>	<u>946,761</u>
Intergovernmental	-	-	-	-	-
Debt service: Interest	-	-	-	-	-
Capital outlay:					
General government	-	-	-	-	-
Public safety	-	-	-	-	130
Public works	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Housing and	-	-	-	-	-
Total capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>130</u>
Total expenditures	<u>20,506</u>	<u>-</u>	<u>72,780</u>	<u>664</u>	<u>946,891</u>
(Deficiency) Excess of revenues (under) over expenditures	(7,599)	673,118	(69,632)	13,032	(232,591)
Other financing sources (uses)					
Transfers in	-	-	-	-	375,080
Transfers out	-	(625,964)	-	-	-
Total other financing (uses) sources	<u>-</u>	<u>(625,964)</u>	<u>-</u>	<u>-</u>	<u>375,080</u>
Net change in fund balance	(7,599)	47,154	(69,632)	13,032	142,489
Fund balance – beginning of year (restated)	<u>32,522</u>	<u>19,514</u>	<u>137,048</u>	<u>184,565</u>	<u>60,867</u>
Fund balance – ending of year	<u>\$ 24,923</u>	<u>\$ 66,668</u>	<u>\$ 67,416</u>	<u>\$ 197,597</u>	<u>\$ 203,356</u>

UPSON COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS – (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

	Special Revenue Funds				Capital Projects Funds
	Jail Construction Funds	Hotel/Motel Fund	Recreation Fund	Spewell Bluff Recreation Area	2011 SPLOST Fund
REVENUES:					
Taxes	\$ -	\$ 12,158	\$ -	\$ -	\$ -
Intergovernmental	-	-	478,743	-	-
Charges for services	-	-	156,872	255,860	-
Fines and forfeitures	81,035	-	-	-	-
Interest earnings	4,941	-	6,108	173	1
Contributions and donations	-	-	-	296	-
Other revenues	-	-	17,569	-	-
Total revenues	<u>85,976</u>	<u>12,158</u>	<u>659,292</u>	<u>256,329</u>	<u>1</u>
EXPENDITURES:					
Current					
Judicial	-	-	-	-	-
Public safety	50,929	-	-	-	-
Culture and recreation	-	-	1,601,188	366,435	-
Housing and development	-	12,158	-	-	-
Total current expenditures	<u>50,929</u>	<u>12,158</u>	<u>1,601,188</u>	<u>366,435</u>	<u>-</u>
Intergovernmental	-	-	-	-	-
Debt service: Interest	-	-	-	-	-
Capital outlay:					
General government	-	-	-	-	87,747
Public safety	105,000	-	-	-	-
Public works	-	-	-	-	-
Culture and recreation	-	-	14,393	7,672	-
Housing and	-	-	-	-	-
Total capital outlay	<u>105,000</u>	<u>-</u>	<u>14,393</u>	<u>7,672</u>	<u>87,747</u>
Total expenditures	<u>155,929</u>	<u>12,158</u>	<u>1,615,581</u>	<u>374,107</u>	<u>87,747</u>
Excess (Deficiency) of revenues over expenditures	(69,953)	-	(956,289)	(117,778)	(87,746)
Other financing sources (uses)					
Transfers in	-	-	1,006,297	145,888	-
Transfers out	-	-	-	-	-
Transfers in from component units	-	-	185,827	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,192,124</u>	<u>145,888</u>	<u>-</u>
Net change in fund balance	(69,953)	-	235,835	28,110	(87,746)
Fund balance – beginning of year (restated)	<u>539,480</u>	<u>-</u>	<u>-</u>	<u>23,127</u>	<u>87,746</u>
Fund balance – ending of year	<u>\$ 469,527</u>	<u>\$ -</u>	<u>\$ 235,835</u>	<u>\$ 51,237</u>	<u>\$ -</u>

UPSON COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS – (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

	Capital Projects Fund			Debt Service Fund	Total Nonmajor Governmental Funds
	2016 SPLOST Fund	2019 T-SPLOST Fund	LMIG Fund	Revenue Bonds Series 2022	
REVENUES:					
Taxes	\$ 2,537,445	\$ -	\$ -	\$ 2,157,311	\$ 5,380,001
Intergovernmental	-	-	612,275	-	1,273,381
Charges for services	-	-	-	-	947,108
Fines and forfeitures	-	-	-	-	103,613
Interest earnings	61,446	-	12,517	2,225	92,176
Contributions and donations	-	-	-	-	296
Other revenues	-	-	-	-	17,569
Total revenues	<u>2,598,891</u>	<u>-</u>	<u>624,792</u>	<u>2,159,536</u>	<u>7,814,144</u>
EXPENDITURES:					
Current					
Judicial	-	-	-	-	21,170
Public safety	-	-	-	-	1,070,470
Culture and recreation	-	-	-	-	1,967,623
Housing and development	-	-	-	-	12,158
Total current expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,020,274</u>
Intergovernmental	<u>915,129</u>	<u>-</u>	<u>-</u>	<u>913,958</u>	<u>1,829,087</u>
Debt service: Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>556,065</u>	<u>556,065</u>
Capital outlay:					
General government	828,789	-	-	-	916,536
Public safety	236,510	-	-	-	341,640
Public works	194,685	692,681	40,000	-	927,366
Culture and recreation	189,580	-	-	-	211,645
Housing and development	124,851	-	-	-	124,851
Total capital outlay	<u>1,574,415</u>	<u>604,492</u>	<u>40,000</u>	<u>-</u>	<u>2,433,849</u>
Total expenditures	<u>2,489,544</u>	<u>692,681</u>	<u>40,000</u>	<u>1,470,023</u>	<u>7,978,611</u>
Excess (Deficiency) of revenues over expenditures	109,347	(692,681)	584,792	689,513	(164,467)
Other financing sources (uses)					
Transfers in	507,240	692,681	516,103	-	3,243,289
Transfers out	-	-	(507,241)	-	(1,133,205)
Transfers in from component units	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>185,827</u>
Total other financing sources (uses)	<u>507,240</u>	<u>692,681</u>	<u>8,862</u>	<u>-</u>	<u>2,295,911</u>
Net change in fund balance	616,587	-	593,654	689,513	2,131,444
Fund balance – beginning of year (restated)	<u>4,549,171</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,634,040</u>
Fund balance – ending of year	<u>\$ 5,165,758</u>	<u>\$ -</u>	<u>\$ 593,654</u>	<u>\$ 689,513</u>	<u>\$ 7,765,484</u>

UPSON COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET (GAAP BASIS) AND ACTUAL
SPECIAL REVENUE FUND
LAW LIBRARY
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues				
Fines and forfeitures	\$ <u> -</u>	\$ <u> -</u>	\$ <u>12,907</u>	\$ <u>12,907</u>
Total revenues	<u> -</u>	<u> -</u>	<u>12,907</u>	<u>12,907</u>
Expenditures				
Current:				
Judicial	<u> -</u>	<u> -</u>	<u>20,506</u>	<u>(20,506)</u>
Total expenditures	<u> -</u>	<u> -</u>	<u>20,506</u>	<u>(20,506)</u>
Net change in fund balance	\$ <u> -</u>	\$ <u> -</u>	(7,599)	\$ <u>(7,599)</u>
Fund balance – beginning of year			<u>32,522</u>	
Fund balance – ending of year			\$ <u>24,923</u>	

UPSON COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET (GAAP BASIS) AND ACTUAL
SPECIAL REVENUE FUND
UNINCORPORATED SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues				
Taxes	\$ 588,432	\$ 625,964	\$ 673,087	\$ 47,123
Interest revenue	<u>-</u>	<u>-</u>	<u>31</u>	<u>31</u>
Total revenues	<u>588,432</u>	<u>625,964</u>	<u>673,118</u>	<u>47,154</u>
Excess of revenues over expenditures	<u>588,432</u>	<u>625,964</u>	<u>673,118</u>	<u>47,154</u>
Other financing sources (uses)				
Transfers out	<u>(588,432)</u>	<u>(625,964)</u>	<u>(625,964)</u>	<u>-</u>
Total other financing uses	<u>(588,432)</u>	<u>(625,964)</u>	<u>(625,964)</u>	<u>-</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	47,154	\$ <u>47,154</u>
Fund balance – beginning of year			<u>19,514</u>	
Fund balance – ending of year			\$ <u>66,668</u>	

UPSON COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET (GAAP BASIS) AND ACTUAL
SPECIAL REVENUE FUND
SEIZURE FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and forfeitures	\$ <u> -</u>	\$ <u> -</u>	\$ <u> 3,148</u>	\$ <u> 3,148</u>
Total revenues	<u> -</u>	<u> -</u>	<u> 3,148</u>	<u> 3,148</u>
Expenditures				
Current:				
Public safety	<u> -</u>	<u> -</u>	<u> 72,780</u>	<u> (72,780)</u>
Total expenditures	<u> -</u>	<u> -</u>	<u> 72,780</u>	<u> (72,780)</u>
Net change in fund balance	\$ <u> -</u>	\$ <u> -</u>	(69,632)	\$ <u> (69,632)</u>
Fund balance – beginning of year (restated)			<u> 137,048</u>	
Fund balance – ending of year			\$ <u> 67,416</u>	

UPSON COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET (GAAP BASIS) AND ACTUAL
SPECIAL REVENUE FUND
DRUG ABUSE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for services	\$ -	\$ 12,300	\$ 5,997	\$ (6,303)
Fines and forfeitures	-	-	6,523	6,523
Interest revenue	-	-	<u>1,176</u>	<u>1,176</u>
Total revenues	<u>-</u>	<u>12,300</u>	<u>13,696</u>	<u>1,396</u>
Expenditures				
Current:				
Judicial	-	<u>12,300</u>	<u>664</u>	<u>11,636</u>
Total expenditures	<u>-</u>	<u>12,300</u>	<u>664</u>	<u>11,636</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	13,032	<u>\$ 13,032</u>
Fund balance – beginning of year			<u>184,565</u>	
Fund balance – ending of year			<u>\$ 197,597</u>	

UPSON COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET (GAAP BASIS) AND ACTUAL
SPECIAL REVENUE FUND
911 FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues				
Intergovernmental	\$ 182,363	\$ 182,363	\$ 182,363	\$ -
Charges for services	480,000	480,000	528,379	48,379
Interest revenue	-	-	3,558	3,558
Total revenues	<u>662,363</u>	<u>662,363</u>	<u>714,300</u>	<u>51,937</u>
Expenditures				
Current:				
Public safety	982,152	982,152	946,761	35,391
Capital outlay:				
Public safety	<u>17,400</u>	<u>17,400</u>	<u>130</u>	<u>17,270</u>
Total expenditures	<u>999,552</u>	<u>999,552</u>	<u>946,891</u>	<u>52,661</u>
Deficiency of revenues under expenditures	<u>(337,189)</u>	<u>(337,189)</u>	<u>(232,591)</u>	<u>104,598</u>
Other financing sources (uses)				
Transfers in	<u>337,189</u>	<u>337,189</u>	<u>375,080</u>	<u>37,891</u>
Total other financing sources	<u>337,189</u>	<u>337,189</u>	<u>375,080</u>	<u>37,891</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	142,489	\$ <u>142,489</u>
Fund balance – beginning of year (restated)			<u>60,867</u>	
Fund balance – ending of year			<u>\$ 203,356</u>	

UPSON COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET (GAAP BASIS) AND ACTUAL
SPECIAL REVENUE FUND
JAIL CONSTRUCTION FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and forfeitures	\$ -	\$ 192,593	\$ 81,035	\$ (111,558)
Interest revenue	<u>-</u>	<u>-</u>	<u>4,941</u>	<u>4,941</u>
Total revenues	<u>-</u>	<u>192,593</u>	<u>85,976</u>	<u>(106,617)</u>
Expenditures				
Current:				
Public safety	-	192,593	50,929	141,664
Capital outlay:				
Public safety	<u>-</u>	<u>-</u>	<u>105,000</u>	<u>(105,000)</u>
Total expenditures	<u>-</u>	<u>192,593</u>	<u>155,929</u>	<u>36,664</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	(69,953)	\$ <u>(69,953)</u>
Fund balance – beginning of year			<u>539,480</u>	
Fund balance – ending of year			\$ <u>469,527</u>	

UPSON COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET (GAAP BASIS) AND ACTUAL
SPECIAL REVENUE FUND
HOTEL/MOTEL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ _____ -	\$ _____ -	\$ <u>12,158</u>	\$ <u>12,158</u>
Total revenues	_____ -	_____ -	<u>12,158</u>	<u>12,158</u>
Expenditures				
Current:				
Housing and development	_____ -	_____ -	<u>12,158</u>	<u>(12,158)</u>
Total expenditures	_____ -	_____ -	<u>12,158</u>	<u>(12,158)</u>
Net change in fund balance	\$ <u>_____ -</u>	\$ <u>_____ -</u>	-	\$ <u>_____ -</u>
Fund balance – beginning of year			_____ -	
Fund balance – ending of year			\$ <u>_____ -</u>	

UPSON COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET (GAAP BASIS) AND ACTUAL
SPECIAL REVENUE FUND
RECREATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues				
Intergovernmental	\$ 478,743	\$ 478,743	\$ 478,743	\$ -
Charges for services	90,315	90,315	156,872	66,557
Interest revenue	-	-	6,108	6,108
Other revenues	<u>16,000</u>	<u>16,000</u>	<u>17,569</u>	<u>1,569</u>
Total revenues	<u>585,058</u>	<u>585,058</u>	<u>659,292</u>	<u>74,234</u>
Expenditures				
Current:				
Culture and recreation	1,602,703	1,602,703	1,601,188	1,515
Capital outlay:				
Culture and recreation	<u>35,500</u>	<u>35,500</u>	<u>14,393</u>	<u>21,107</u>
Total expenditures	<u>1,638,203</u>	<u>1,638,203</u>	<u>1,615,581</u>	<u>22,622</u>
Deficiency of revenues under expenditures	<u>(1,053,145)</u>	<u>(1,053,145)</u>	<u>(956,289)</u>	<u>96,856</u>
Other financing sources (uses)				
Transfers in	1,053,145	1,053,145	1,006,297	(46,848)
Transfers in from component units	<u>-</u>	<u>-</u>	<u>185,827</u>	<u>185,827</u>
Total other financing sources	<u>1,053,145</u>	<u>1,053,145</u>	<u>1,192,124</u>	<u>138,979</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	235,835	\$ <u>235,835</u>
Fund balance – beginning of year			<u>-</u>	
Fund balance – ending of year			\$ <u>235,835</u>	

UPSON COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET (GAAP BASIS) AND ACTUAL
SPECIAL REVENUE FUND
SPREWELL BLUFF RECREATION AREA
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues				
Charges for services	\$ 208,500	\$ 208,500	\$ 255,860	\$ 47,360
Interest revenue	-	-	173	173
Contributions and donations	800	800	296	(504)
Total revenues	<u>209,300</u>	<u>209,300</u>	<u>256,329</u>	<u>47,029</u>
Expenditures				
Current:				
Culture and recreation	330,660	369,981	366,435	3,546
Capital outlay:				
Culture and recreation	-	-	7,672	(7,672)
Total expenditures	<u>330,660</u>	<u>369,981</u>	<u>374,107</u>	<u>(4,126)</u>
Deficiency of revenues under expenditures	<u>(121,360)</u>	<u>(160,681)</u>	<u>(117,778)</u>	<u>42,903</u>
Other financing sources (uses)				
Transfers in	121,360	160,681	145,888	(14,793)
Total other financing sources	<u>121,360</u>	<u>160,681</u>	<u>145,888</u>	<u>(14,793)</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	28,110	\$ <u>28,110</u>
Fund balance – beginning of year (restated)			<u>23,127</u>	
Fund balance – ending of year			<u>\$ 51,237</u>	

UPSON COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET (GAAP BASIS) AND ACTUAL
CAPITAL PROJECTS FUND
LMIG FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues				
Intergovernmental	\$ -	\$ 612,275	\$ 612,275	\$ -
Interest revenue	-	-	12,517	12,517
Total revenues	-	612,275	624,792	12,517
Expenditures				
Capital outlay:				
Public works	-	612,275	40,000	572,275
Total expenditures	-	612,275	40,000	572,275
Excess of revenues over expenditures	-	-	584,792	584,792
Other financing sources (uses)				
Transfers in	-	-	516,103	516,103
Transfers out	-	-	(507,241)	(507,241)
Total other financing sources	-	-	8,862	8,862
Net change in fund balance	\$ -	\$ -	593,654	\$ 593,654
Fund balance – beginning of year			-	
Fund balance – ending of year			\$ 593,654	

UPSON COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – BUDGET (GAAP BASIS) AND ACTUAL
DEBT SERVICE FUND
REVENUE BONDS SERIES 2022
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues				
Taxes	\$ -	\$ 1,514,082	\$ 2,157,311	\$ 643,229
Interest revenue	-	-	2,225	2,225
Total revenues	-	1,514,082	2,159,536	645,454
Expenditures				
Intergovernmental	-	913,958	913,958	-
Debt service: Interest	-	600,124	556,065	44,059
Total expenditures	-	1,514,082	1,470,023	44,059
Net change in fund balance	\$ -	\$ -	689,513	\$ 689,513
Fund balance – beginning of year			-	
Fund balance – ending of year			\$ 689,513	

UPSON COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
SERIES 2011
DECEMBER 31, 2022

Project	Original Estimated Cost	Revised Estimated Cost	Prior Years	Current Year	Total	Estimated Percentage of Completion
County Level 2 Projects	\$ 3,200,000	\$ 1,937,265	\$ 1,937,265	\$ -	\$ 1,937,265	100.00%
Roads	4,855,321	4,410,126	4,410,126	-	4,410,126	100.00%
Water System Project	765,000	416,033	416,033	-	416,033	100.00%
Sheriff Vehicles	520,000	644,954	644,954	-	644,954	100.00%
Building Improvements and Equipment	2,300,000	2,812,988	2,725,241	87,747	2,812,988	100.00%
City of Thomaston	4,183,276	3,985,318	3,985,318	-	3,985,318	100.00%
City of Yatesville	<u>176,403</u>	<u>157,567</u>	<u>157,567</u>	<u>-</u>	<u>157,567</u>	<u>100.00%</u>
Totals	<u>\$ 16,000,000</u>	<u>\$ 14,364,251</u>	<u>\$ 14,276,504</u>	<u>\$ 87,747</u>	<u>\$ 14,364,251</u>	<u>100.00%</u>

UPSON COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
SERIES 2016
DECEMBER 31, 2022

<u>Project</u>	<u>Original Estimated Cost</u>	<u>Revised Estimated Cost</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>	<u>Estimated Percentage of Completion</u>
County Level 2 Projects	\$ 3,600,000	\$ 4,788,614	\$ 1,468,307	\$ 68,181	\$ 1,536,488	32.08%
Roads	4,688,000	6,009,616	5,438,485	37,340	5,475,825	91.12%
Water System Project	865,000	1,108,856	256,399	55,850	312,249	28.16%
Sheriff and Jail	1,462,000	2,079,523	914,046	198,714	1,112,760	53.51%
Building Improvements and Equipment	1,863,000	2,857,324	1,114,837	1,193,130	2,307,967	80.77%
County Parks	842,000	1,079,372	469,559	21,200	490,759	45.47%
City of Thomaston	4,500,000	4,907,175	4,018,193	888,982	4,907,175	100.00%
City of Yatesville	<u>180,000</u>	<u>184,264</u>	<u>158,117</u>	<u>26,147</u>	<u>184,264</u>	<u>100.00%</u>
Totals	<u>\$ 18,000,000</u>	<u>\$ 23,014,744</u>	<u>\$ 13,837,943</u>	<u>\$ 2,489,544</u>	<u>\$ 16,327,487</u>	<u>70.94%</u>

UPSON COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
SERIES 2019
DECEMBER 31, 2022

<u>Project</u>	<u>Original Estimated Cost</u>	<u>Revised Estimated Cost</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>	<u>Estimated Percentage of Completion</u>
Roads, Street, Bridge Construction	\$ <u>9,520,000</u>	\$ <u>9,516,000</u>	\$ <u>6,532,505</u>	\$ <u>692,681</u>	\$ <u>7,225,186</u>	<u>75.93%</u>
Totals	\$ <u>9,520,000</u>	\$ <u>9,516,000</u>	\$ <u>6,532,505</u>	\$ <u>692,681</u>	\$ <u>7,225,186</u>	<u>75.93%</u>

UPSON COUNTY, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
SERIES 2022
DECEMBER 31, 2022

<u>Project</u>	<u>Original Estimated Cost</u>	<u>Revised Estimated Cost</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>	<u>Estimated Percentage of Completion</u>
Constructing and Improving Government Buildings	\$ 11,451,000	\$ 11,451,000	\$ -	\$ 1,397,744	\$ 1,397,744	12.21%
Roads	1,550,000	1,550,000	-	-	-	0.00%
Vehicles	500,000	500,000	-	-	-	0.00%
Machinery and Equipment	1,225,000	1,225,000	-	-	-	0.00%
Office Equipment and Telecom	250,000	250,000	-	-	-	0.00%
City of Thomaston	8,190,000	8,190,000	-	-	-	0.00%
City of Yatesville	<u>234,000</u>	<u>234,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.00%</u>
Totals	\$ <u>23,400,000</u>	\$ <u>23,400,000</u>	\$ <u>-</u>	\$ <u>1,397,744</u>	\$ <u>1,397,744</u>	<u>5.97%</u>

**UPSON COUNTY, GEORGIA
CUSTODIAL FUNDS**

The following Custodial 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
CUSTODIAL FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2022**

	<u>Tax Commissioner</u>	<u>Juvenile Court</u>	<u>Clerk of Superior Court</u>	<u>Superior Court</u>	<u>Sheriff's Department</u>	<u>Probate Court</u>	<u>Magistrate Court</u>	<u>Total</u>
Assets								
Cash and cash equivalents	\$ -	\$ 25,405	\$ 7,795	\$ 26,081	\$ 281,349	\$ 11,288	\$ 11,837	\$ 363,755
Taxes receivable	<u>1,085,112</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,085,112</u>
Total assets	<u>1,085,112</u>	<u>25,405</u>	<u>7,795</u>	<u>26,081</u>	<u>281,349</u>	<u>11,288</u>	<u>11,837</u>	<u>1,448,867</u>
Liabilities and Fund Balances								
Liabilities								
Due to others	-	25,405	7,795	26,081	-	11,288	4,679	75,248
Uncollected taxes	<u>1,085,112</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,085,112</u>
Total liabilities	<u>1,085,112</u>	<u>25,405</u>	<u>7,795</u>	<u>26,081</u>	<u>-</u>	<u>11,288</u>	<u>4,679</u>	<u>1,160,360</u>
Net Position								
Restricted for individuals, Organizations, and other governments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>281,349</u>	<u>-</u>	<u>7,158</u>	<u>288,507</u>
Total Net Position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>281,349</u>	<u>-</u>	<u>7,158</u>	<u>288,507</u>

**UPSON COUNTY, GEORGIA
CUSTODIAL FUNDS
COMBINING STATEMENT CHANGES IN FIDUCIARY NET POSITION
DECEMBER 31, 2022**

	<u>Tax Commissioner</u>	<u>Juvenile Court</u>	<u>Clerk of Superior Court</u>	<u>Superior Court</u>	<u>Sheriff's Department</u>	<u>Probate Court</u>	<u>Magistrate Court</u>	<u>Total</u>
Additions:								
Taxes	\$ 13,521,744	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,521,744
Intergovernmental	-	-	313,127	-	-	-	-	313,127
Fines and fees	<u>-</u>	<u>12,194</u>	<u>38,806</u>	<u>154,007</u>	<u>125,541</u>	<u>203,838</u>	<u>157,136</u>	<u>691,522</u>
Total additions	<u>13,521,744</u>	<u>12,194</u>	<u>351,939</u>	<u>154,007</u>	<u>125,541</u>	<u>203,838</u>	<u>157,136</u>	<u>14,526,393</u>
Deductions:								
Taxes and fees paid to other governments	13,521,744	-	313,127	-	-	-	-	13,834,871
Other custodial distributions	<u>-</u>	<u>12,194</u>	<u>38,806</u>	<u>154,007</u>	<u>147,126</u>	<u>203,838</u>	<u>149,978</u>	<u>705,949</u>
Total deductions	<u>13,521,744</u>	<u>12,194</u>	<u>351,933</u>	<u>154,007</u>	<u>147,126</u>	<u>203,838</u>	<u>149,978</u>	<u>14,540,820</u>
Net decrease in fiduciary net position	-	-	-	-	(21,585)	-	7,158	(14,427)
Net Position, Beginning of year (restated)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>302,934</u>	<u>-</u>	<u>-</u>	<u>302,934</u>
Net Position, End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 281,349</u>	<u>\$ -</u>	<u>\$ 7,158</u>	<u>\$ 288,507</u>

Non-Major Component Units

UPSON COUNTY, GEORGIA
COMBINING STATEMENTS OF NET POSITION
NONMAJOR COMPONENT UNITS
DECEMBER 31, 2022

	Upton County Department of Public Health	Thomaston-Upton County Solid Waste Disposal Facility	Total Nonmajor Component Units
Assets			
Cash and cash equivalents	\$ 974,922	\$ 330,972	\$ 1,305,894
Investments	237,138	-	237,138
Capital assets, net of accumulated depreciation			
Other capital assets, net of depreciation	4,428	1,532,775	1,537,203
Net OPEB asset	<u>123,362</u>	<u>-</u>	<u>123,362</u>
Total Assets	<u>1,339,850</u>	<u>1,863,747</u>	<u>3,203,597</u>
Deferred Outflows of Resources			
Deferred outflows related to OPEB benefits	49,050	-	49,050
Deferred outflows related to pension benefits	<u>224,577</u>	<u>-</u>	<u>224,577</u>
Total deferred outflows of resources	<u>273,627</u>	<u>-</u>	<u>273,627</u>
Total assets and deferred outflows of resources	<u>1,613,477</u>	<u>1,863,747</u>	<u>3,477,224</u>
Liabilities			
Accounts payable	-	980	980
Compensated absences	27,388	-	27,388
Net pension liability	368,939	-	368,939
Net OPEB liability	<u>40,192</u>	<u>-</u>	<u>40,192</u>
Total Liabilities	<u>436,519</u>	<u>980</u>	<u>437,499</u>
Deferred Inflows of Resources			
Deferred inflows related to OPEB benefits	226,727	-	226,727
Deferred inflows related to pension benefits	<u>342,363</u>	<u>-</u>	<u>342,363</u>
Total deferred inflows of resources	<u>569,090</u>	<u>-</u>	<u>569,090</u>
Total liabilities and deferred inflows of resources	<u>1,005,609</u>	<u>980</u>	<u>1,006,589</u>
Net Position			
Net investment in capital assets	4,428	1,532,775	1,537,203
Unrestricted	<u>603,440</u>	<u>329,992</u>	<u>933,432</u>
Total net position	<u>\$ 607,868</u>	<u>\$ 1,876,767</u>	<u>\$ 2,470,635</u>

UPSON COUNTY, GEORGIA
COMBINING STATEMENT OF ACTIVITIES
NONMAJOR COMPONENT UNITS
DECEMBER 31, 2022

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Upson County Department of Public Health	Thomaston- Upson County Solid Waste Disposal Facility	Total Nonmajor Component Units
Component units:							
Upson County Department of Public Health	\$ 769,847	\$ 359,033	\$ 734,188	\$ -	\$ 323,374	\$ -	\$ 323,374
Thomaston-Upson Solid Waste Disposal Facility	<u>44,357</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(44,357)</u>	<u>(44,357)</u>
Total component units	<u>\$ 814,204</u>	<u>\$ 359,033</u>	<u>\$ 734,188</u>	<u>\$ -</u>	<u>323,374</u>	<u>(44,357)</u>	<u>279,017</u>
General revenues:							
Interest revenue					713	147	860
Total general revenues					<u>713</u>	<u>147</u>	<u>860</u>
Change in net position					324,087	(44,210)	279,877
Net position – beginning of year (restated)					<u>283,781</u>	<u>1,906,977</u>	<u>2,190,758</u>
Net position – ending of year					<u>\$ 607,868</u>	<u>\$ 1,862,767</u>	<u>\$ 2,470,635</u>

Other Supplementary Schedules

UPSON COUNTY, GEORGIA
COMPARATIVE SCHEDULE OF LONG-TERM DEBT
DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Proprietary Funds		
Note Payable – Georgia Environmental Facilities Authority	\$ 756,507	\$ 820,221
Financed purchase	<u>2,015,520</u>	<u>2,241,595</u>
Total proprietary funds	<u>2,772,027</u>	<u>3,061,816</u>
Governmental Funds		
General Obligation Transportation Sales Tax Bonds, Series 2019	2,400,000	3,515,000
Financed purchase	<u>21,125,000</u>	<u>-</u>
Total governmental funds	<u>23,525,000</u>	<u>3,515,000</u>
Total long-term debt	\$ <u>26,297,027</u>	\$ <u>6,576,816</u>

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends..... <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>	115-119
Statistical Tables #1 - 4	
Revenue Capacity..... <i>These schedules contain information to help the reader assess the County's most significant local revenue sources.</i>	120-123
Statistical Tables #5 - 8	
Debt Capacity..... <i>These schedules present 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>	124-129
Statistical Tables #9 - 14	
Demographic and Economic Information..... <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.</i>	130-131
Statistical Tables #15 - 16	
Operating Information..... <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 the County provides and the activities it performs.</i>	132-134
Statistical Tables #17 - 19	
Principal Property Taxpayers – Current Year and Nine Years Ago.....	135
Statistical Table #20	

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

Upson County, Georgia
Net Position by Component
Last Ten Fiscal Years
(accrual basis accounting)
Schedule #1

For the Fiscal Year Ended December 31											
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Governmental Activities:											
Net Investment in capital assets	\$ 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	\$ 8,067,203	
Restricted	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	33,554,328	
Committed	-	-	-	-	-	-	-	1,199,138	1,201,446	-	
Nonspendable	-	-	-	-	-	-	-	10,092	18,319	-	
Unrestricted	2,921,486	39,880	2,793,669	3,111,141	4,533,855	6,912,914	1,670,164	9,881,046	10,657,471	12,456,614	
Total Governmental Activities Net Position	37,774,382	36,473,198	39,374,566	40,161,477	37,383,632	40,962,394	43,160,131	47,944,686	48,504,060	54,078,145	
Business-Type Activities:											
Net Investment in capital assets	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	3,313,951	
Restricted	-	-	-	-	-	85,855	112,696	-	-	-	
Unrestricted	426,008	342,179	482,619	874,958	1,465,638	1,742,635	1,815,968	2,083,231	2,433,957	2,720,861	
Total Business-Type Activities Net Position	2,490,496	2,462,725	2,663,511	3,115,325	3,777,582	4,221,128	4,312,315	4,630,288	5,358,502	6,034,812	
Primary Government:											
Net investment capital assets	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	11,381,154	
Restricted	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	33,554,328	
Committed	-	-	-	-	-	-	-	1,199,138	1,201,446	-	
Nonspendable	-	-	-	-	-	-	-	10,092	18,319	-	
Unrestricted	3,347,494	382,059	3,276,288	3,986,099	5,999,493	8,655,549	3,486,132	11,964,277	13,091,428	15,177,475	
Total Primary Government Net Position	\$ 40,264,878	\$ 38,935,923	\$ 42,038,077	\$ 43,276,802	\$ 41,161,214	\$ 45,183,522	\$ 47,472,446	\$ 52,574,974	\$ 53,862,562	\$ 60,112,957	

UPSON COUNTY, GEORGIA
Changes in Net Position
Last Ten Fiscal Years
(accrual basis accounting)
Schedule #2

For the Fiscal Year Ended December 31											
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Expenses											
Governmental Activities:											
General government	\$ 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	\$ 6,031,610	
Judicial	-	-	-	-	-	-	-	-	2,172,222	2,833,277	
Public safety	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	11,176,141	
Public works	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	5,532,355	
Health and welfare	-	-	-	-	-	-	-	-	904,165	1,192,905	
Culture and recreation	-	-	-	-	-	-	-	-	3,914,295	2,829,162	
Housing and development	-	-	-	-	-	-	-	-	1,101,787	827,473	
Interest on short and long term debt	-	-	-	-	-	-	-	-	207,310	710,600	
Total Governmental Activities Expenses	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	31,133,523	
Business-Type Activities											
Water, sewer, and waste services	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	2,492,818	
Total Business-Type Activities Expenses	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	2,492,818	
Total Primary Government Expenses	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	33,626,341	
Program Revenues											
Governmental Activities:											
Charges for services:											
General government	1,321,221	915,834	819,998	799,909	1,850,688	1,800,290	1,421,972	1,676,675	1,011,245	699,814	
Judicial	-	-	-	-	-	-	-	-	972,764	-	
Public safety	617,547	1,064,346	1,040,877	1,025,980	435,355	444,336	1,290,364	864,390	511,242	1,851,244	
Public works	-	-	-	-	-	-	-	-	-	151,500	
Culture and recreation	-	-	-	-	-	-	-	227,890	259,982	422,022	
Housing and development	-	-	-	-	-	-	-	-	-	248,942	
Operating grants and contributions	407,466	1,409,948	929,296	1,768,929	1,270,274	1,617,420	646,888	2,291,654	2,110,116	4,607,826	
Capital grants and contributions	5,000.00	-	-	-	3,773.00	9,392	-	24,625	248,000	3,090,064	
Total Governmental Activities Program Revenues	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	11,071,412	
Business-Type Activities:											
Water, sewer, and waste services	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	3,013,632	
Capital grants and contributions	500,000	-	-	-	-	-	-	-	306,734	-	
Total Business-Type Activities Program Revenues	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	3,013,632	
Total Primary Government Revenues	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	14,085,044	
Net (Expenses)/Revenue											
Governmental Activities	(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)	(20,062,111)	
Business-Type Activities	387,798	(27,845)	200,652	451,537	661,283	440,313	87,572	465,440	727,941	520,814	
Total Primary Government Net Expense	\$ (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)	\$ (19,541,297)	

UPSON COUNTY, GEORGIA
Changes in Net Position
Last Ten Fiscal Years
(accrual basis accounting)
Schedule #2

For the Fiscal Year Ended December 31										
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>General Revenue & Other Changes in Net</u>										
Governmental Activities:										
Taxes:										
Property taxes	\$ 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	\$ 8,875,222
Sales taxes	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	11,874,172
Insurance premiums taxes	818,585	863,778	924,972	984,541	1,054,410	1,136,937	1,218,479	1,293,165	1,342,944	1,328,843
Franchise taxes	129,542	140,312	181,441	166,453	171,481	172,259	171,992	170,418	215,815	172,377
Other taxes	231,469	197,337	233,828	232,894	255,875	242,281	266,131	273,742	1,431,975	1,944,648
Interest revenue	628	2,442	1,134	4,868	32,245	69,735	62,674	18,082	28,906	326,902
Miscellaneous	157,838	197,792	204,470	90,260	234,738	264,836	624,357	760,167	452,122	408,256
Transfers	-	-	-	-	-	-	-	617,493	-	(131,756)
Total Governmental Activities	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	24,798,664
Business-Type Activities:										
Interest revenue	77	74	134	278	974	3,233	3,615	895	275	31,407
Transfers	-	-	-	-	-	-	-	-	-	131,756
Total Business-Type Activities Program Revenues	77	74	134	278	974	3,233	3,615	895	275	163,163
Total Primary Government	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	24,961,827
<u>Change in Net Position</u>										
Governmental Activities	145,530	698,794	2,379,938	676,240	1,764,787	2,773,601	2,336,465	9,124,920	559,374	4,736,553
Business-Type Activities	387,875	(27,771)	200,786	451,815	662,257	443,546	91,187	466,335	728,216	683,977
Total Primary Government	\$ 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	\$ 5,420,530

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

For the Fiscal Year Ended December 31											
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
General Fund											
Committed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 455,250	\$ 1,197,138	\$ 1,201,446	\$ 1,201,446	
Restricted	-	-	-	-	-	-	-	-	-	-	
Nonspendable	37,296.00	14,937.00	3,591.00	2,394.00	1,197.00	-	-	-	-	-	
Unassigned	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	10,902,085	
Total General Fund	\$ 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	\$ 12,103,531	
All Other Governmental Funds											
Restricted:											
Capital Outlay	\$ 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	\$ 27,929,891	
Special Revenue Funds	74,880	745,563	867,454	855,952	809,579	691,283	612,577	644,732	912,321	1,391,477	
Debt Service	-	-	-	-	-	-	1,131,347	1,903,604	2,492,089	4,232,960	
Unassigned:											
ARPA	-	-	-	-	-	-	-	-	125	50,350	
Nonspendable:											
Inventory	-	-	-	-	-	-	-	10,092	18,319	-	
Total All Other Governmental Funds	\$ 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	\$ 33,604,678	

UPSON COUNTY, GEORGIA
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis accounting)
Schedule #4

For the Fiscal Year Ended December 31											
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Revenues											
Property taxes	\$ 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	\$ 8,875,222	
Sales taxes	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	11,874,172	
Other taxes	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	3,445,868	
Licenses and permits	124,685	124,819	122,733	158,371	243,325	163,420	185,375	234,781	230,358	248,942	
Intergovernmental	412,466	1,409,948	929,296	1,768,929	1,270,274	1,617,420	646,888	2,405,868	2,072,431	5,572,041	
Fines and forfeitures	617,547	554,255	572,959	565,401	732,258	800,236	750,683	839,453	968,456	910,621	
Charges for services	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	1,669,256	
Interest earnings	628	2,442	2,714	6,810	36,018	79,127	114,160	42,707	28,906	326,902	
Other revenues	157,820	198,275	194,352	90,260	234,734	264,835	624,357	645,953	463,610	89,277	
Total Revenue	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	33,012,301	
Expenditures											
General government	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	4,176,748	
Judicial	-	-	-	-	-	-	-	-	2,168,494	2,802,381	
Public safety	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	8,803,619	
Public works	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	3,711,179	
Health and welfare	1,190,306	814,888	618,235	550,203	553,122	605,503	513,744	455,863	818,373	837,030	
Culture and Recreation	-	-	-	-	-	-	-	-	725,748	2,370,463	
Housing and development	-	-	-	-	-	-	-	-	515,821	604,587	
Other	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	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	3,627,849	
Intergovernmental	-	-	-	-	-	-	-	-	2,796,086	3,623,488	
Debt service:											
Interest	74,987	71,817	57,827	40,982	43,330	30,191	-	269,696	229,000	731,815	
Principal	128,256	72,606	76,960	109,447	-	-	-	1,020,000	1,065,000	1,115,000	
Total Expenditures	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	32,404,159	
Excess of Revenues Over (Under) Expenditures	877,495	390,998	3,209,648	572,809	2,204,049	581,216	5,054,461	427,900	(1,925,837)	608,142	
Other Financing Sources (Uses)											
Transfers from other funds	-	-	95,336	3,684,437	3,500,712	3,224,465	3,584,999	3,717,889	3,172,249	4,127,403	
Transfers to other funds	-	1,817,488	3,402,045	(3,684,437)	(3,500,712)	(3,224,465)	(3,584,999)	(3,100,396)	(4,146,445)	(4,137,899)	
Transfers from component units	-	-	-	-	-	-	-	-	-	185,827	
Transfers to component units	-	-	-	-	-	-	-	-	-	(422,431)	
Other proceeds	-	(1,817,488)	(3,402,045)	-	-	129,992	6,297,816	-	16,995	23,778,535	
Total Other Financing Sources (Uses)	-	-	95,336	-	-	129,992	6,297,816	617,493	(957,201)	23,531,435	
Net change in Fund Balances	\$ 877,495	\$ 390,998	\$ 3,304,984	\$ 572,809	\$ 2,204,049	\$ 711,208	\$ 11,352,277	\$ 1,045,393	\$ (2,883,038)	\$ 24,139,577	

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

TAX REVENUES

Year	General Property	Sales	Insurance Premiums	Intangible	Franchise	Real Estate Transfer	Beer & Wine	Hotel/Motel	Total
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	44,725	123,678	4,890	15,152,507
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	4,641,833	1,054,410	99,241	171,481	29,513	122,050	5,071	15,873,535
2018	9,437,776	4,971,042	1,136,937	90,897	172,259	26,058	120,870	4,456	15,960,295
2019	10,778,003	6,425,553	1,218,479	110,849	171,992	23,341	130,300	1,641	18,860,158
2020	10,023,699	9,630,755	1,293,165	120,559	170,418	281	133,257	2,648	21,374,782
2021	9,313,233	10,416,891	1,342,944	190,566	215,815	94,975	144,248	8,321	21,726,993
2022	10,381,598	11,874,172	1,328,843	199,172	172,377	74,039	152,903	12,158	24,195,262

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

Fiscal Year	<u>Real Property</u>		<u>Personal Property</u>		<u>Total Property</u>		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	
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%
2022	535,245,505	1,338,113,763	356,830,337	892,075,842	892,075,842	2,230,189,605	40%

SOURCE: Final Accounting Reports of Upson County Tax Commissioner

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

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Outstanding Taxes
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
2022	11,185,075	10,079,364	90%	650,661	10,730,025	1,204,326

SOURCE: Final Accounting Reports of Upson County Tax Commissioner

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

Fiscal Year	City of Thomaston	State of Georgia	Consolidated School System	Upson County			
				Incorporated	Unincorporated	Unincorporated Services	Joint Projects
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
2022	3.08	0.00	14.01	7.36	7.36	1.13	5.11

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

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

Fiscal Year	Government Activities		Business-Type Activities		Total Primary Government	Per Capita
	General Obligation Bonds	Financed Purchases	Water/Sewer Georgia Revolving Loan	Financed Purchases		
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
2022	2,400,000	21,125,000	756,508	2,015,520	26,297,028	9.36

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

Fiscal Year	(1) Gross Revenue	(2) Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Per Capita
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
2022	1,669,009	1,419,200	249,809	2,772,028	217,483	2,989,511	1.06

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.

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

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	27,153	615,364,846	-	-	-	0	0
2013	27,153	603,785,885	-	-	-	0	0
2014	27,153	539,305,808	-	-	-	0	0
2015	27,153	524,805,986	-	-	-	0	0
2016	27,153	520,011,765	-	-	-	0	0
2017	27,153	532,719,305	-	-	-	0	0
2018	27,153	594,119,733	-	-	-	0	0
2019	27,153	599,863,906	5,600,000	1,131,347	4,468,653	0.74%	1.65
2020	26,455	643,245,909	4,580,000	1,903,604	2,676,396	0.42%	1.01
2021	26,725	794,827,642	3,515,000	1,903,604	1,611,396	0.20%	0.60
2022	28,086	892,075,842	23,525,000	4,399,858	19,125,142	2.14%	6.81

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

Fiscal Year	Principal	Interest	Total Debt Service	(1) Total General Governmental Expenditures	Ratio of Debt Service to Expenditures
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
2021	0	0	0	29,147,513	0
2022	0	0	0	35,177,359	0

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

	For the Fiscal Year Ended December 31									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net Assessed Value	<u>\$ 603,985,885</u>	<u>\$ 539,305,808</u>	<u>\$ 524,805,986</u>	<u>\$ 520,011,765</u>	<u>\$ 532,719,305</u>	<u>\$ 594,119,733</u>	<u>\$ 599,863,906</u>	<u>\$ 643,245,909</u>	<u>\$ 794,827,642</u>	<u>\$ 892,075,842</u>
Debt Limit - 10% of Assessed	\$ 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	\$ 89,207,584
Less Debt Applicable to Limit:										
General Obligation Debt	<u>259,022</u>	<u>186,416</u>	<u>109,447</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,600,000</u>	<u>\$ 4,580,000</u>	<u>\$ 3,515,000</u>	<u>\$ 23,525,000</u>
Legal Debt Margin	<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>	<u>\$ 65,682,584</u>
Legal Debt Margin as a Percentage										
of Debt Limit	<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>	<u>74%</u>

UPSON COUNTY, GEORGIA
Direct and Overlapping Governmental Activities Debt
As of December 31, 2022
Schedule #14

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:	
Upson County - General Obligation Debt (1)	\$ 2,400,000
GEFA Loans (2)	756,508
Financed Purchases (3)	23,140,520
Total Direct Debt	<u>26,297,028</u>
City's General Obligation Debt (1)	-
Total Overlapping Debt	<u>-</u>
Total Direct and Overlapping Debt	<u>\$ 26,297,028</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 financed purchases do not constitute general obligations to which the taxing power is pledged, but are not subject to and dependent upon lawful appropriations of general revenues being made to pay the financed purchase payments due in such year. Obligations under financed purchases do not constitute debt for purposes of the constitutional debt limit.

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

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%
2022	28,086	27,906	42.2	2.70%

Sources: Three Rivers Commission
N/A - Not available

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

2022			2013		
Employer	Number of Employees	Rank	Employer	Number of Employees	Rank
<i>Information not available for 2022</i>			Upton Regional Medical Centr	623	1
			Thomaston-Upson County Schools	620	2
			Quad/Graphics	474	3
			Wal-mart	271	4
			Department of Transportation	220	5
			Upton County Government	219	6
			DART Container	200	7
			Standard Textiles	147	8
			Souther Crescent Tech	127	9
			Tencate	102	10

Source: Thomaston-Upson County Industrial Development Authority

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety:										
Sheriff	33	33	31	29	27	36	36	36	36	38
Jail	35	35	34	31	32	27	27	27	25	26
Public Works	24	24	21	23	22	23	23	23	21	22
General Government:										
Adminstration and Finance	5	6	7	7	8	8	9	9	10	11
Courts	17	17	17	17	17	18	18	18	19	20
All Other Departments	57	57	59	69	68	70	70	70	70	108
Water/Waste Water	8	8	7	6	6	7	7	7	8	9
Total	179	180	176	182	180	189	190	190	189	234

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

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government:										
Building permits issued - commercial	8	12	4	9	24	41	15	18	14	2
Building permits issued - residential	193	202	330	403	433	369	421	400	449	420
Public Safety:										
Physical arrests	2,325	2,466	2,155	1,939	2,298	2,367	N/A	N/A	N/A	N/A
Citations	736	780	796	872	670	1109	N/A	N/A	N/A	N/A
Public Works:										
Road resurfaced (miles)	7.27	7.27	6.20	N/A	8.78	7.652	30.10	39.76	9.52	18.70
Road maintained (miles)	463.25	463.25	468.81	468.81	468.81	468.81	468.81	468.81	468.81	468.81
Water and Sewer:										
Average daily	420,000	420,000	384,548	372,602	350,000	362,920	242,260	N/A	403,657	N/A
Average daily consumption - water	51,000	51,000	50,633	57,000	50,000	47,619	46,945	N/A	66,173	N/A

N/A = Not Available

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

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety:										
Patrol Cars	44	44	44	44	43	43	43	47	53	49
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	468.81	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	444,328	444,328	444,328	444,328	444,328	482,550	482,550	482,550
Storage capacity	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	1,150,000
Sewer lines (linear feet)	88,200	88,200	46,250	46,250	46,250	46,250	46,250	46,250	46,250	46,250

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

2022					2013				
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Tax	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Tax
<i>Information not available for 2022</i>					West Georgia Generating	\$ 35,874,920	1	5.86%	\$ 591,936
					Quad Graphics	22,544,289	2	3.68%	371,882
					Georgia Power	9,591,095	3	1.57%	158,269
					Southern Natural Gas	9,006,906	4	1.47%	148,617
					Clearwater Paper Co.	9,537,940	5	1.35%	135,960
					Southern Mills	19,002,612	6	1.18%	119,072
					Wal-Mart	6,745,276	7	1.10%	111,297
					Solo - Innaware	8,291,582	8	1.00%	101,347
					Keadle Lumber	5,750,552	9	71.00%	71,710
					Home Depot	3,837,584	10	63.00%	63,320
Total	<u>\$ -</u>		<u>0.00%</u>	<u>\$ -</u>	Total	<u>\$ 130,182,756</u>		<u>151.21%</u>	<u>\$ 1,873,410</u>

Source: Provided by Upson County Tax Commissioner's Office

Certificate of 9-1-1 Expenditures

UPSON COUNTY, GEORGIA
Certification of 9-1-1 Expenditures
For the Year Ended December 31, 2022

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; margin-top: 5px;"> <u> X </u> Special Revenue Fund <u> </u> 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)	
	<hr style="border: 0.5px solid black;"/>		\$ <hr style="border: 0.5px solid black;"/>
	<hr style="border: 0.5px solid black;"/>		\$ <hr style="border: 0.5px solid black;"/>
	<hr style="border: 0.5px solid black;"/>		\$ <hr style="border: 0.5px solid black;"/>
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)	\$ <hr style="border: 0.5px solid black;"/>
3b	Purchase costs	46-5-134(f)(1)(A)	\$ <hr style="border: 0.5px solid black;"/>
3c	Maintenance costs	46-5-134(f)(1)(A)	\$ <hr style="border: 0.5px solid black;"/> 130
4	Rates associated with the service suppliers 9-1-1 service and other service suppliers recurring charges	46-5-134(f)(1)(B)	\$ <hr style="border: 0.5px solid black;"/>
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)	\$ <hr style="border: 0.5px solid black;"/> 531,871
5b	Employee benefits	46-5-134(f)(1)(C)	\$ <hr style="border: 0.5px solid black;"/> 222,205
6	Cost of training of employees who work as dispatchers or directors	46-5-134(f)(1)(D)	\$ <hr style="border: 0.5px solid black;"/> 1,294
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)	\$ <hr style="border: 0.5px solid black;"/>
8	Building used as a public safety answering point:		
8a	Lease costs	46-5-134(f)(1)(F)	\$ <hr style="border: 0.5px solid black;"/>
8b	Purchase costs	46-5-134(f)(1)(F)	\$ <hr style="border: 0.5px solid black;"/>
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)	\$ <hr style="border: 0.5px solid black;"/>
9b	Purchase costs	46-5-134(f)(1)(G)	\$ <hr style="border: 0.5px solid black;"/>
9c	Maintenance costs	46-5-134(f)(1)(G)	\$ <hr style="border: 0.5px solid black;"/>
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)	\$ <hr style="border: 0.5px solid black;"/> 2,448

UPSON COUNTY, GEORGIA
Certification of 9-1-1 Expenditures
For the Year Ended December 31, 2022

Line No.		O.C.G.A. Reference:	
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)	\$ 3,886
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)	\$ _____
17	Other expenditures not included in Lines 2 through 16 above. Identify by object and purpose.		
	Telecommunications		\$ 85,827
	Uniforms		\$ 555
	Repairs and maintenance		\$ 6,966

UPSON COUNTY, GEORGIA
Certification of 9-1-1 Expenditures
For the Year Ended December 31, 2022

Line
No.

O.C.G.A.
Reference:

Bank fees	\$	16
Administrative costs		26,943
	\$	
	\$	
18 Total Expenditures (total of all amounts reported on Lines 2 through 17 above)	\$	882,141

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 Norman Allen Date Dec 19, 2023
Norman Allen (Dec 19, 2023 15:19 EST)

Print Name of Chief Elected Official Norman Allen

Title of Chief Elected Official Upson County Board of Commissioners, Chairman

Signature of Chief Financial Officer H. Allen Salter Date Dec 19, 2023

Print Name of Chief Financial Officer H. Allen Salter

Compliance Section



**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 Upson County, Georgia as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Upson County, Georgia's basic financial statements, and have issued our report thereon dated December 29, 2023.

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

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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2022-001, 2022-002, 2022-003, and 2022-004 to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2022-005 and 2022-006 to be significant deficiencies.

Report on Compliance and Other Matters

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

Upson County, Georgia's Response to the Findings

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

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.

7.14.23 10:25 AM

Morrow, Georgia
December 29, 2023

Report on Compliance for the U.S. Department of Treasury Coronavirus State and Local Fiscal Recovery Funds Program (CSLFRF) Requirements for an Alternative CSLFRF Compliance Examination Engagement

Independent Accountant's Report

To the Honorable Members of the Upson County Board of Commissioners
Upson County, Georgia

We have examined Upson County, Georgia's (the "County") compliance with the compliance requirements "activities allowed or unallowed" and "allowable cost/cost principles" (the specified requirements) as described in Part IV "Requirements for an Alternative Compliance Examination Engagement for Recipients That Would Otherwise be Required to Undergo a Single Audit or Program-Specific Audit as a Result of Receiving Coronavirus State and Local Fiscal Recovery Funds" of the CSLFRF section of the 2022 OMB *Compliance Supplement* (referred to herein as "Requirements for an Alternative CSLFRF Compliance Examination Engagement") during the year ended December 31, 2022. Management of the County is responsible for the County's compliance with the specified requirements. Our responsibility is to express an opinion on the County's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA; the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in the "Requirements for an Alternative CSLFRF Compliance Examination Engagement." Those standards and requirements require that we plan and perform the examination to obtain reasonable assurance about whether the County complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the County complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the County's compliance with specified requirements.

In our opinion, the County complied, in all material respects, with the specified requirements referenced above during the year ended December 31, 2022.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud, and noncompliance with provisions of laws, regulations, contracts, or grant agreements that have a material effect on the County's compliance with the specified requirements and any other instances that warrant the attention of those charged with governance. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. We performed our examination to express an opinion on the County's compliance with the specified requirements and not for the purpose of expressing an opinion on the internal control over the specified requirements or on compliance and other matters; accordingly, we express

such opinions. The results of our tests disclosed no matters that are required to be reported under *Government Auditing Standards*.

Intended Purpose

The purpose of this examination report is solely to express an opinion on whether the County complied, in all material respects with the specified requirements referenced above during the year ended December 31, 2022. Accordingly, this report is not suitable for any other purpose.

Julia G. Kozak LLC

Morrow, Georgia
December 29, 2023

**UPSON COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2022**

Material Weaknesses:

2022-001: Improper Reporting of Payroll Reports

Criteria:	Timely filings for payroll related compliance matters reflect properly functioning internal controls and follow-up on matters that are unusual or infrequent.
Condition:	There was a late filing related to 2021 W-2s. This also affects the 941s for that year. At the time of the beginning of audit field work, the corrected 941s and W-2s had not yet been completed and filed.
Effect:	The County is out of compliance with its fiduciary duty to its employees and the Internal Revenue Service to report and correct errors. When the IRS reconciles the 941 remittances for that year to the W-2s that were filed, it will result in a notice to the county as well as put the employees at risk of notices from the IRS noting the withholdings discrepancy to the remittances.
Recommendation:	We recommend the county file the amended reports as soon as possible. Consider using a third-party payroll service to enhance the controls around timing filings.
View of Responsible Officials and Corrective Actions:	<p>We agree with the finding and understand the current deficiency we have with our payroll function. We have since filed Form 941X for each quarter of that year. They were scanned and sent certified mail to the IRS. We have also assigned Lacy Crain as the direct supervisor for our payroll staff. Ms. Crain has general payroll experience and the aptitudes necessary to see that all matters concerning payroll are carried out accurately and timely.</p> <p>Additionally, we have made an offer for a part-time staff to work for the County Clerk as her assistant and to serve as payroll backup. This person has over 30 years of payroll experience in one of the state universities of Georgia. She will certainly help with ensuring W-2s are processed timely and filed timely with the IRS.</p> <p>To address the long term, we have placed our current payroll person under a performance improvement plan to be administered by Ms. Crain. Our hope is that through her guidance and direction we will see marked improvement in performance. Nonetheless: Ms. Crain has begun, along with the HR Director, to coordinate training with Harris on the payroll module. The training will also cover other features that would relate to quarterly Form 941 and W-2 processing & reporting. To complement that, we will create a calendar to note the dates of each significant period of reporting for all payroll matters. Prompt processing of W-2s, and timely filing of Form 941, will be corrected by December 31, 2023.</p>

**UPSON COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES – (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022**

2022-002: Significant Number of Proposed Adjustments

Criteria: The auditor proposed material journal entries during the audit for property taxes receivable.

Condition: These misstatements were not discovered during the course of closing the books and records of the County indicating a deficiency in year-end closing procedures.

Effect: Without the adjustments made at year-end, the property tax revenue were incorrectly stated.

Recommendation: We recommend the County review the financials and work with the appropriate personnel to close out the books, making any necessary adjustments

**View of Responsible
Officials and Corrective
Actions:**

Given that the sales tax receivable, accrued wages, and interfund transactions are addressed separately in their findings, management intends to respond to the more significant audit adjustments proposed.

We understand that the number of adjustments proposed versus the dollar value of each adjustment can also be viewed as a material weakness in overall financial reporting controls. We do not disagree that numerous entries were proposed. Some were small dollar adjustments.

The following represent known significant adjustments proposed:

- a) Property taxes – GASB requires that any property taxes not received within 60 days of the deadline for payment have to be recognized as unearned revenue versus revenue. Management had not properly adjusted revenues to reflect those balances. We are uncertain as to whether this was a consideration by the previous Finance Director. However, we do not believe an adjustment of this nature has ever been made in the past.
- b) Expenditures/Accrued Expenditures ARPA Fund – Finance staff had improperly accrued an amount due to the City of Thomaston for the joint sewer project. These expenditures per closer examination of the documentation revealed that the work was performed between Jan and March of 2023. Another invoice was received for similar expenditures for services performed in fiscal year 2022. The former was judged incorrectly as a 2022 expenditure.

UPSON COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES – (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

- c) Vacation Accrual Expenses – Prior to learning that our accounting system had dual ledger capabilities, journal entries that only applied to balances of accounts reported on the countywide financial statements were made directly to the fund ledger. In past audits, the audit firm would remove those as part of their preparation of the financial statements. These amounts were reversed this year and all previous accrued balances and recorded in our system's government wide or GASB 34 ledger.
- d) Recreation Fund Transfer – It was deemed by our auditors that the appropriate way to recharacterize the Recreation Fund as a special revenue fund versus a component unit was to record it as a transfer into the General Fund and transfer out of the Recreation Fund as presented on the countywide statement of net assets. Finance staff had not made any adjustments as of the start of the audit. The County Manager and current CFO both noted in prior year that the reporting of the Recreation Fund as a component unit to be a mischaracterization in the statement of net position.
- e) LMIG Transfer – The transfer of the balance in the LMIG cash account as of December 31, 2021 was treated by finance staff as a prior period adjustment. The auditors determined that the proper treatment would be to show the creation of a separate LMIG Fund as a current year transfer out of the General Fund and into the LMIG Fund.

Management has no disagreement with any of the above adjustments. Items c & d were somewhat unique given the creation of new funds. Nonetheless, we agree with the accounting treatment of both. Other adjustments were made for smaller dollar amounts that are not enumerated here. We agreed with all of those as well.

Implementation of corrective actions has already begun. The addition of Lacy Crain in late 2021 and the addition of a new position to take on accounts payable have both served to spread the level of responsibility more equally among all staff. Also, the inclusion of a closing checklist for the year end in particular will help mitigate risks of these types of errors in the future. We will be using a closing checklist effective fiscal year 2023-year end.

2022-003: Prior Year Restatement

Criteria:	The auditor proposed material journal entries during the audit for sales taxes receivable and accrued wages related to the prior year.
Condition:	These misstatements were not discovered during the course of closing the books and records of the County indicating a deficiency in year-end closing procedures.
Effect:	Without the adjustments made at year-end, the sales tax revenues were incorrectly stated.
Recommendation:	We recommend the County review the financials and work with the appropriate personnel to close out the books, making any necessary adjustments.

UPSON COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES – (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

**View of Responsible
Officials and Corrective
Actions:**

We agree with the finding. The lack of accrued revenues for property taxes apparently was an internal management policy that appears to have been acceptable under past audits of the County's financial statements. The sales taxes involved included the local option sales tax (LOST), SPLOST and TSPLOST accounts. The one cent sales tax levied at the point of sale for these taxes are collected by the State and remitted to local governments within approximately 45 days. The "internal policy" of recognizing this revenue when received does not follow GAAP, which requires revenues to be recognized as soon as they are both measurable and available. The receipt of these funds in the subsequent month or the information available on the Georgia Department of Revenue website provide enough information to properly recognize sales tax revenue in the proper period.

We note that the total adjustment to the prior period fund balance needed was \$908,000. However, the net effect of improperly recognizing sales tax revenues was an understatement of approximately \$130,000 for governmental activities. The impact to the total revenues for the following funds was as follows: General Fund was approximately \$34,000, the Capital Projects Fund 2016 SPLOST was approximately \$61,000, and the Debt Service Fund Sales Tax Bonds 2019 Series was approximately \$35,000.

Accrued wages correlate with taxes receivable in that historically, the County had not recorded accrued wages for the days when wages were earned, which are actually paid in the subsequent year. The total impact to all governmental funds was a decrease to the prior year fund balance of \$208,054. The impact to the fiscal year 2021 financial statements was the understatement of expenditures by approximately \$14,000 for governmental and business-type activities and approximately \$300 each for our two major component units.

Management will add to a year end closing checklist that is currently in process the necessary steps to ensure that all revenues that meet the definition of revenue in accordance with GAAP are properly recognized in the correct period and all expenditures are properly recognized in the correct period in accordance with GAAP. This finding will be resolved by December 31, 2023.

UPSON COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES – (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

2022-004: Cash Receipt Documentation

Criteria:	Cash receipts should be supported by proper documentation.
Condition:	The Recreation Department is not providing documentation to support cash deposits. Finance has asked repeatedly (per interviews with finance staff) for the director to provide substantiation for the cash deposits made by the department, but no progress has been made. Cash receipts are not properly being recorded in their systems and reconciliation is impossible.
Effect:	We were unable to verify the accuracy of cash receipted by the recreation department.
Recommendation:	Require the recreation department's staff to maintain adequate records of all transactions, including cash, and post all receipts into their system.
View of Responsible Officials and Corrective Actions:	<p>Management agrees with this assessment. The Recreation Department should maintain its own separate ledgers to record all cash receipts related to special events and sports activities. They do use Civic Plus to record cash receipts; however, the process and timing of entry does not coincide with the physical deposit at the bank or there is no entry at all.</p> <p>Management will provide the necessary training and procedures for cash collection, documentation, and deposit to include the proper segregation of duties between those functions. We have not noted anything to suggest possible theft of assets. However, we do acknowledge the proper recordkeeping and segregation of duties are paramount to good internal controls sufficient to mitigate risks of material error or fraud. This finding will be resolved by June 30, 2024.</p>

UPSON COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES – (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

Significant Deficiencies:

2022-005: Bank Reconciliations Improperly Completed

Criteria: Bank reconciliations should be the bridge from the bank account balance to the general ledger balance. -

Condition: We noted several accounts where the general ledger balance was not properly reconciled to the bank balance. For instance, GL 100-0000-111115 General fund – Coloney Bank; GL 505-0000-111140 Synovus, GL 542-0000-111145 Synovus (off by over \$237K); GL 100-0000-111112 – Synovus; GL 555-0000-111115 – Synovus. Additionally, many reconciliations were performed in a timely manner, however they were not reviewed for two or three months after the original reconciliation.

Effect: The underlying data reported for cash is incorrect.

Recommendation: We recommend the reconciliations be reviewed in a timely manner to allow for a quick resolution of the discrepancies.

**View of Responsible
Officials and Corrective
Actions:**

Management agrees with the findings. The format of the bank reconciliation was incorrect, leaving some items as reconciling items that should have been adjusted to cash. The review of the reconciliations by the CFO was untimely.

Reconciliations are fundamental to mitigating risks of error and fraud. Other controls such as reviewing account activity period over period and budget to actual results are generally performed throughout the year, which help reduce risks of a material nature; however, the proper and timely reconciliation of cash balances between our ledgers and the bank accounts including their timely review are fundamental and paramount to strong internal controls.

The finance staff has historically worked with minimal staff across several different functions such as procurement and special projects. The Finance area has begun strengthening its department by adding Ms. Crain in October of 2022 and adding a new position, Accounts Payable Clerk, in March of 2023. The Finance staff is striving to meet the challenges of getting new staff properly trained as well as reassigning duties to adequately cover all areas under the CFO's assigned responsibilities. The duties of reviewing bank reconciliations have been reallocated to Ms. Crain. We have also changed the format of the former bank reconciliation to ensure that there are no reconciling items that should be adjusted are remaining at any period end. The CFO will also do a secondary higher-level review of the bank reconciliations monthly. This matter will be resolved by December 31, 2023.

UPSON COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES – (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

2022-006: Interfund Transfers and Reconciliations

Criteria: Receivables and payable to and from the same party within the same fund cause both assets and liabilities to be overstated at the fund level.

Condition: We noted many of the funds had balances both to and from the same funds. Though immaterial, interfund balances also did not balance to zero, indicating inadequate attention to the interfund balances.

Effect: The fund financial statements for several of the departments are misstated (the General Fund's assets and liabilities are overstated by approximately \$243,000). The County does not appear to be considering the need for settlements between funds during monthly or annual close-out procedures.

Recommendation: We recommend the County review and reconcile all interfund balances monthly and consider the need for timely settlements between funds.

**View of Responsible
Officials and Corrective
Actions:**

Management principally agrees with the finding. The County has 5 major and 14 nonmajor funds. Most of the typical interfund activity occurs between the General Fund and certain of the separate special revenue funds where salaries and employee benefits are recognized. All payroll activity occurs in one account maintained in the General Fund. Interfund transactions are needed to reimburse to the General Fund for payroll pertaining to another fund, Recreation Fund for example. Additionally, P-Card activity clears through one account, our main general fund account. As with payroll, the General Fund has to be reimbursed from separate funds.

In 2022 we had more than the usual amount of interfund transactions and ending payable and receivable balances between funds. We transferred amounts due between funds related to surpluses/deficits pertaining to our joint projects where we over or underfunded each joint project from previous years. We did that at year end, creating additional payable and receivable amounts. There were a number of other transfers during the as we paid employee incentive payments out of our ARPA fund to other funds.

It is not that management ignores the need to settle transactions as part of closing, we do. We simply had more than usual, and we did not have the procedures in place to eliminate some of the interfund payables and receivables to and from the same funds.

We will perform all procedures necessary to avoid having both a payable and a receivable between funds as part of our closing process, and we will reconcile those to ensure they effectively net to zero. This matter will be resolved by December 31, 2023.



UPSON COUNTY BOARD OF
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The English Law Group – County Attorney

Norman Allen	- Chairman
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James Ellington	- District 2
Paul Jones	- District 3
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The following are management's responses and corrective actions to the material weaknesses and significant deficiencies noted during the fiscal year 2022 audit:

Material Weaknesses

2022-001: Improper Reporting of Payroll Reports

View of Responsible Officials and Corrective Actions:

We agree with the finding and understand the current deficiency we have with our payroll function. We have since filed Form 941X for each quarter of that year. They were scanned and sent certified mail to the IRS. We have also assigned Lacy Crain as the direct supervisor for our payroll staff. Ms. Crain has general payroll experience and the aptitudes necessary to see that all matters concerning payroll are carried out accurately and timely.

Additionally, we have made an offer for a part-time staff to work for the County Clerk as her assistant and to serve as payroll backup. This person has over 30 years of payroll experience in one of the state universities of Georgia. She will certainly help with ensuring W-2s are processed timely and filed timely with the IRS.

To address the long term, we have placed our current payroll person under a performance improvement plan to be administered by Ms. Crain. Our hope is that through her guidance and direction we will see marked improvement in performance. Nonetheless: Ms. Crain has begun, along with the HR Director, to coordinate training with Harris on the payroll module. The training will also cover other features that would relate to quarterly Form 941 and W-2 processing & reporting. To complement that, we will create a calendar to note the dates of each significant period of reporting for all payroll matters. Prompt processing of W-2s, and timely filing of Form 941, will be corrected by December 31, 2023.

2022-002: Significant Number of Proposed Adjustments

Auditor Proposed Multiple Journal Entries Affecting Revenues, Receivables, Accounts payable/Accruals, Expenditures, and Interfund activities.

Given that the sales tax receivable, accrued wages, and interfund transactions are addressed separately in their findings, management intends to respond to the more significant audit adjustments proposed.

We understand that the number of adjustments proposed versus the dollar value of each adjustment can also be viewed as a material weakness in overall financial reporting controls. We do not disagree that numerous entries were proposed. Some were small dollar adjustments.

The following represent known significant adjustments proposed:

- a) Property taxes – GASB requires that any property taxes not received within 60 days of the deadline for payment have to be recognized as unearned revenue versus revenue. Management had not properly adjusted revenues to reflect those balances. We are uncertain as to whether this was a consideration by the previous Finance Director. However, we do not believe an adjustment of this nature has ever been made in the past.
- b) Expenditures/Accrued Expenditures ARPA Fund – Finance staff had improperly accrued an amount due to the City of Thomaston for the joint sewer project. These expenditures per closer examination of the documentation revealed that the work was performed between Jan and March of 2023. Another invoice was received for similar expenditures for services performed in fiscal year 2022. The former was judged incorrectly as a 2022 expenditure.
- c) Vacation Accrual Expenses – Prior to learning that our accounting system had dual ledger capabilities, journal entries that only applied to balances of accounts reported on the countywide financial statements were made directly to the fund ledger. In past audits, the audit firm would remove those as part of their preparation of the financial statements. These amounts were reversed this year and all previous accrued balances and recorded in our system's government wide or GASB 34 ledger.
- d) Recreation Fund Transfer – It was deemed by our auditors that the appropriate way to recharacterize the Recreation Fund as a special revenue fund versus a component unit was to record it as a transfer into the General Fund and transfer out of the Recreation Fund as presented on the countywide statement of net assets. Finance staff had not made any adjustments as of the start of the audit. The County Manager and current CFO both noted in prior year that the reporting of the Recreation Fund as a component unit to be a mischaracterization in the statement of net position.
- e) LMIG Transfer – The transfer of the balance in the LMIG cash account as of December 31, 2021 was treated by finance staff as a prior period adjustment. The auditors determined that the proper treatment would be to show the creation of a separate LMIG Fund as a current year transfer out of the General Fund and into the LMIG Fund.

Management has no disagreement with any of the above adjustments. Items c & d were somewhat unique given the creation of new funds. Nonetheless, we agree with the accounting treatment of both.

Other adjustments were made for smaller dollar amounts that are not enumerated here. We agreed with all of those as well.

Implementation of corrective actions has already begun. The addition of Lacy Crain in late 2021 and the addition of a new position to take on accounts payable have both served to spread the level of responsibility more equally among all staff. Also, the inclusion of a closing checklist for the year end in particular will help mitigate risks of these types of errors in the future. We will be using a closing checklist effective fiscal year 2023-year end.

2022-003: Sales Taxes Receivable & Accrued Wages

Material Adjusting Entries Proposed by Auditor Related to Sales Taxes and Accrued Wages

We agree with the finding. The lack of accrued revenues for property taxes apparently was an internal management policy that appears to have been acceptable under past audits of the County's financial statements. The sales taxes involved included the local option sales tax (LOST), SPLOST

and TSPLOST accounts. The one cent sales tax levied at the point of sale for these taxes are collected by the State and remitted to local governments within approximately 45 days. The “internal policy” of recognizing this revenue when received does not follow GAAP, which requires revenues to be recognized as soon as they are both measurable and available. The receipt of these funds in the subsequent month or the information available on the Georgia Department of Revenue website provide enough information to properly recognize sales tax revenue in the proper period.

We note that the total adjustment to the prior period fund balance needed was \$908,000. However, the net effect of improperly recognizing sales tax revenues was an understatement of approximately \$130,000 for governmental activities. The impact to the total revenues for the following funds was as follows: General Fund was approximately \$34,000, the Capital Projects Fund 2016 SPLOST was approximately \$61,000, and the Debt Service Fund Sales Tax Bonds 2019 Series was approximately \$35,000.

Accrued wages correlate with taxes receivable in that historically, the County had not recorded accrued wages for the days when wages were earned, which are actually paid in the subsequent year. . The total impact to all governmental funds was a decrease to the prior year fund balance of \$208,054. The impact to the fiscal year 2021 financial statements was the understatement of expenditures by approximately \$14,000 for governmental and business-type activities and approximately \$300 each for our two major component units.

Management will add to a year end closing checklist that is currently in process the necessary steps to ensure that all revenues that meet the definition of revenue in accordance with GAAP are properly recognized in the correct period and all expenditures are properly recognized in the correct period in accordance with GAAP. This finding will be resolved by December 31, 2023.

2022-004: Cash Receipt Documentation

Cash Receipts Documentation Inadequately Supported.

Management agrees with this assessment. The Recreation Department should maintain its own separate ledgers to record all cash receipts related to special events and sports activities. They do use Civic Plus to record cash receipts; however, the process and timing of entry does not coincide with the physical deposit at the bank or there is no entry at all.

Management will provide the necessary training and procedures for cash collection, documentation, and deposit to include the proper segregation of duties between those functions. We have not noted anything to suggest possible theft of assets. However, we do acknowledge the proper recordkeeping and segregation of duties are paramount to good internal controls sufficient to mitigate risks of material error or fraud. This finding will be resolved by June 30, 2024.

Significant Deficiencies:

2022-005: Bank Reconciliations Improperly Completed

Management agrees with the findings. The format of the bank reconciliation was incorrect, leaving some items as reconciling items that should have been adjusted to cash. The review of the reconciliations by the CFO was untimely.

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reconciliation of cash balances between our ledgers and the bank accounts including their timely review are fundamental and paramount to strong internal controls.

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2022-005: Interfund Transfers and Reconciliations

Receivables and Payables to and from the Same Funds Should be Offset. The Assets and Liabilities in Interfund Payable and Receivables Accounts were Overstated.

Management principally agrees with the finding. The County has 5 major and 14 nonmajor funds. Most of the typical interfund activity occurs between the General Fund and certain of the separate special revenue funds where salaries and employee benefits are recognized. All payroll activity occurs in one account maintained in the General Fund. Interfund transactions are needed to reimburse to the General Fund for payroll pertaining to another fund, Recreation Fund for example. Additionally, P-Card activity clears through one account, our main general fund account. As with payroll, the General Fund has to be reimbursed from separate funds.

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H. Allen Salter, CPA
CFO & Internal Services Director