



UPSON COUNTY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ending
December 31, 2016

Prepared By:
Finance Office

Introductory Section

UPSON COUNTY, GEORGIA
Comprehensive Annual Financial Report
For the Year Ended December 31, 2016

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

Rusty Blackston - Chairman
Lorenzo Wilder - District 1
Steve Hudson - District 2
Ralph Ellington - District 3
Frank Spraggins - District 4

June 15, 2017

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. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Upson County, Georgia for the year ended December 31, 2016.

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

Upson County's financial statements have been audited by Driver & Adams, 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, 2016, 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 principals 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, 2016, 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., engineering). 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 information provided in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Upson County operates.

Upson County, Georgia is located in west central Georgia, approximately 68 miles south of Atlanta, 45 miles west of Macon and 57 miles northeast of Columbus.

Underway is the continuing enhancement of our \$18 million airport facility for our area to serve existing air traffic capabilities for new and existing industry. The new airport became operational during 1994. The airport facility continues to expand due to F.A.A., D.O.T., and local financial efforts to purchase additional adjacent land, and the widening and strengthening of the runway and taxiway to accommodate larger aircraft. Airport grants totaling \$1,756,206 were received during 2016. \$563,304 for reimbursement for hangar construction and \$1,192,902 for runway primary surface obstruction removal and land acquisition.

There are two S.P.L.O.S.T. initiatives currently underway. The Series 2011 S.P.L.O.S.T. projects are 76% complete and the 2016 S.P.L.O.S.T. projects are 2.3% complete. Schedule of Projects Constructed with special Sales Tax Proceeds can be found on pages 130 and 131 of this report.

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,



Jim Wheelless
County Manager

UPSON COUNTY, GEORGIA
List of Elected and Appointed Officials
December 31, 2016

Elected Officials

BOARD OF COMMISSIONERS

Rusty Blackston, Chairman

Steve Hudson

Ralph Ellington

Frank Spraggins

Lorenzo Wilder

CONSTITUTIONAL OFFICERS

Teresa Harper, Clerk of Superior Court

Angela Raines, Tax Commissioner

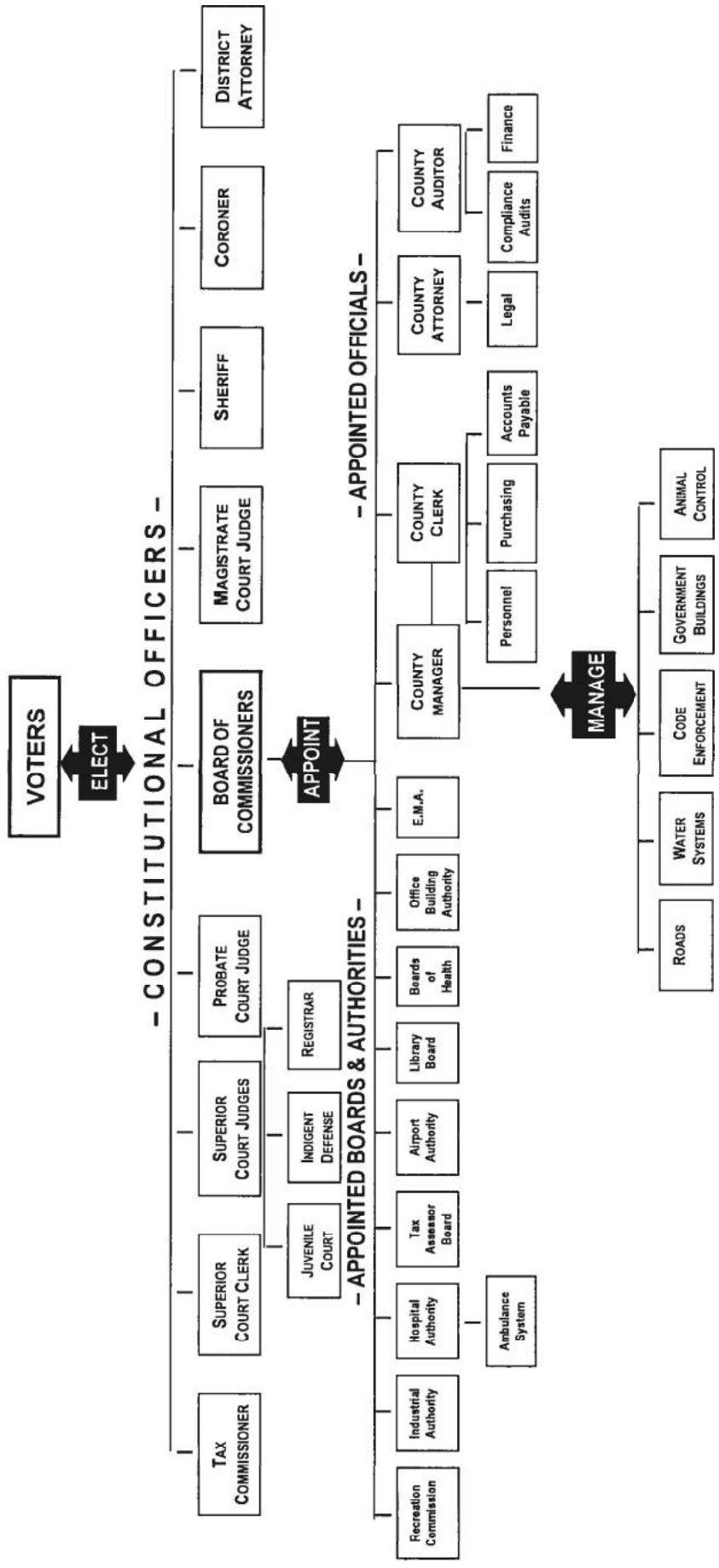
Dan Kilgore, Sheriff

Danielle McRae, Probate Court Judge

Danny Bentley, Magistrate Court Judge

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UPSON COUNTY, GEORGIA ORGANIZATIONAL CHART



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**AUDITOR'S REPORT – REPORT OF
INDEPENDENT CERTIFIED PUBLIC
ACCOUNTANTS**



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Upson County Board of Health, a nonmajor component unit, which represents 2.10% of the net position and 5.08% of the revenues of Upson County, Georgia. 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 each of these component units, is based solely on the report of the other auditors. We conducted our audit in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and

the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Upson County, Georgia, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the 911 Fund, the Unincorporated Services Fund and the Joint Projects Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America, and the respective budgetary comparison of the General Fund and major special revenue fund budgets.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information, Disclosure of Changes in the Net Pension Liability and Related Ratios, Schedule of the Net Pension Liability and Schedule of Contractually Established Employee Contributions on pages 8 through 14 and pages 67 through 69 be presented to supplement the basic financial statements. Such information, although not 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 operation, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express such an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Upson, Georgia's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, budgetary comparison schedules, the schedule of projects constructed with special sales tax proceeds, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying statement of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost, Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements of the County.

The combining and individual nonmajor fund financial statements and schedules, the budgetary comparison schedules, the schedule of projects constructed with special sales tax proceeds, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied to the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, the budgetary comparison schedules, the schedule of projects constructed with special sales tax proceeds, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2017, on our consideration of the County of Upson, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and other compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Upson, Georgia's internal control over financial reporting and compliance.

Thomaston, Georgia
June 15, 2017

Management's Discussion & Analysis

Management's Discussion and Analysis

As management of Upson County, Georgia, we offer readers of the County's financial statement this narrative overview and analysis of the financial activities of the County for the year ended December 31, 2016. 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 1-2 of this report.

Financial Highlights

- The assets of the County exceeded its liabilities as of December 31, 2016, by \$ 43,276,803 (Net Position).
- The government's total Net Position increased by \$ 1,238,726 for year 2016.
- As of December 31, 2016, the County's governmental funds reported combined ending fund balances of \$ 9,661,372, an increase of \$ 572,809 from prior year fund balances. Approximately 53% or \$ 5,159,895 of this total amount is available at the County's discretion (unassigned fund balance).
- At December 31, 2016, unassigned fund balance of the General Fund increased by \$ 788,584 to \$ 5,162,289 or 35% of total General Fund expenditures.
- Upson County's total long-term debt decreased by \$ 353,312 during year 2016. The main components of this decrease was a \$ 243,865 principal payment on existing G.E.F.A. loans and principal payments on capital leases totaling \$ 109,447.

Overview of the Financial Statements

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

1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

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

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

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

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

The government-wide financial statements include not only Upson County government itself (known as the primary government), but also the component units of Upson County. Financial information for the component units is reported separately from the financial information presented for the primary government itself. The Thomaston-Upson County Airport Authority, the Thomaston-Upson County Recreation Commission, 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 106-107 of this report.

The government-wide financial statements can be found on pages 15-18 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 eight (8) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, the 911 Fund and S.P.L.O.S.T. Capital Projects Funds, Unincorporated Services Fund and the Joint Projects Fund are considered to be major funds. Data from the other two (2) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of both combining statements and individual fund statements elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 19-27 of this report.

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages 28-30 of this report.

Fiduciary funds. Fiduciary fund statements provide information about the financial relationships such as the pension plan for Upson County employees, in which the County acts solely as a trustee or agent for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Individual fund data for the fiduciary funds is provided in the form of both combining statements and individual fund statements elsewhere in 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 33-65 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 \$ 43,276,803 at the close of the most recent fiscal year.

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.

Upson County, Georgia's Net Position

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 10,383,535	\$ 9,337,515	\$ 1,073,805	\$ 642,480	\$ 11,457,340	\$ 9,979,995
Capital assets	<u>32,548,859</u>	<u>31,975,507</u>	<u>6,532,999</u>	<u>6,717,389</u>	<u>39,081,858</u>	<u>38,692,896</u>
Total assets	<u>\$ 42,932,394</u>	<u>\$ 41,313,022</u>	<u>\$ 7,606,804</u>	<u>\$ 7,359,869</u>	<u>\$ 50,539,198</u>	<u>\$ 48,672,891</u>
Deferred outflows of resources	\$ 4,041,022	\$ 0	\$ 0	\$ 0	\$ 4,041,022	\$ 0
<u>Liabilities:</u>						
Other liabilities	\$ 722,163	\$ 357,203	\$ 458,446	\$ 415,071	\$ 1,180,609	\$ 772,274
Long term liabilities	<u>6,089,776</u>	<u>1,441,826</u>	<u>4,033,033</u>	<u>4,281,287</u>	<u>10,122,809</u>	<u>5,723,113</u>
Total liabilities	<u>\$ 6,811,939</u>	<u>\$ 1,799,029</u>	<u>\$ 4,491,479</u>	<u>\$ 4,696,358</u>	<u>\$ 11,303,418</u>	<u>\$ 6,495,387</u>
Deferred inflows of resources	\$ 0	\$ 139,427	\$ 0	\$ 0	\$ 0	\$ 139,427
<u>Net position:</u>						
Net investment in capital assets	\$ 32,548,859	\$ 31,866,060	\$ 2,240,367	\$ 2,180,892	\$ 34,789,726	\$ 34,046,952
Restricted	4,501,477	4,714,837	-	-	4,051,477	4,714,837
Unrestricted	<u>3,111,141</u>	<u>2,793,669</u>	<u>874,958</u>	<u>482,619</u>	<u>3,986,099</u>	<u>3,276,288</u>
Total net position	<u>\$ 40,161,477</u>	<u>\$ 39,374,566</u>	<u>\$ 3,115,326</u>	<u>\$ 2,663,511</u>	<u>\$ 43,276,803</u>	<u>\$ 42,038,077</u>

Upson County, Georgia's Changes in Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program Revenues:						
Charges for services	\$ 1,825,889	\$ 1,860,875	\$ 2,583,387	\$ 2,302,820	\$ 4,409,276	\$ 4,163,695
Operating grants & contributions	1,768,929	929,296	-	-	1,768,929	929,296
Capital grants & contributions	-	-	-	-	-	-
General Revenues:						
Property Taxes	9,995,662	10,221,992	-	-	9,995,662	10,221,992
Other Taxes/Revenue	5,597,713	6,510,435	-	-	5,597,713	6,510,435
Interest	4,868	1,134	278	134	5,146	1,268
Other	90,270	204,470	-	-	90,270	204,470
Total Revenues	<u>\$ 19,283,331</u>	<u>\$ 19,728,202</u>	<u>\$ 2,583,665</u>	<u>\$ 2,302,954</u>	<u>\$ 21,866,996</u>	<u>\$ 22,031,156</u>
Expenses:						
General government	\$ 2,209,797	\$ 5,975,817	\$ -	\$ -	\$ 7,209,797	\$ 5,975,817
Public safety	5,547,013	5,353,265	-	-	5,547,013	5,353,265
Public works	2,671,113	3,021,401	-	-	2,671,113	3,021,401
Health and welfare	588,391	656,423	-	-	588,391	656,423
Culture and recreation	317,917	341,345	-	-	317,917	341,345
Intergovernmental	2,121,207	2,519,556	-	-	2,121,207	1,972,186
Interest on debt	40,982	57,827	-	-	40,982	57,827
Water Systems/Waste Services	-	-	2,131,850	2,102,168	2,131,850	2,102,168
Total Expenses	<u>\$ 18,496,420</u>	<u>\$ 17,925,634</u>	<u>\$ 2,131,850</u>	<u>\$ 2,102,168</u>	<u>\$ 20,628,270</u>	<u>\$ 19,480,432</u>
Increase in net position	<u>\$ 786,911</u>	<u>\$ 2,349,938</u>	<u>\$ 451,815</u>	<u>\$ 200,786</u>	<u>\$ 1,238,726</u>	<u>\$ 2,550,724</u>

Governmental Activities:

Property taxes, which are the largest source of revenue for financing governmental activities, decreased by \$ 226,330 for the year 2016. Property tax revenue included collections of delinquent taxes and T.A.V.T. taxes. The property tax millage rate remained the same. However, the taxable tax digest decreased by \$ 4,794,221 during 2016. A special tax district was established to fund joint city and county projects and activities. Whereas in prior years these funds were raised by applying a millage rate to the unincorporated digest, beginning in 2015, the joint funds were raised applying a millage rate to both the unincorporated county digest as well as the city digest. This new methodology reduces the amount of taxes levied by the county equal to the amount levied by the City of Thomaston. The City of Thomaston reimbursed the County in the amount of \$567,346, as reported under intergovernmental revenues within the General Fund as of December 31, 2016.

Business-type activities.

The County charges fees to customers of the Water System Enterprise and Waste Services Funds for costs of services it provides. These activities increased the County's Net Position by \$ 451,815 as compared to an increase of \$ 200,786 in the prior year.

Financial 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 particular 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.

Governmental funds. Most of the County's basic services are included here, such as public safety, public works, culture and recreation, and general administration. These 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, restricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Upson County's governmental funds reported combined ending fund balances of \$ 9,661,372, an increase of \$ 572,613. Approximately 53 percent of this amount (\$ 5,159,895) constitutes unrestricted fund balance which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to be used for capital outlay or other restricted purposes (\$ 4,501,477).

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unrestricted fund balance of the general fund was \$ 5,159,895. As a measure of the general fund's liquidity, it may be useful to compare unrestricted fund balance to total fund expenditures. Unrestricted fund balance represents 35 percent of total general fund expenditures.

The fund balance of the County's general fund increased by \$ 788,564 during the current year due to increase in transfers from Waste Services and Special Tax District Funds from the Joint Projects Fund and Unincorporated Services Fund.

Proprietary funds. Upson County's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail. Factors concerning the finances of this fund have been previously discussed with the County's business-type activities.

Capital Assets and Debt Administration

Capital assets. Upson County's investment in capital assets for its governmental and business-type activities as of December 31, 2016, amounts to \$ 39,081,858 (net of accumulated depreciation). This investment includes land, buildings and systems, machinery, vehicles and infrastructure.

Information on the County's capital assets can be found in the notes to the financial statements on pages 41-42 of this report.

Long-term debt. At the end of the current year, the County had total debt outstanding of \$ 4,292,632, all of which is backed by the full faith and credit of the County. Information on the County's long-term debt can be found in the notes to the financial statements on pages 42-44.

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

Additional information surrounding the County's long-term debt can be found on the comparative schedule of general long-term debt and in the notes to the financial statements on page 108 and on pages 42-44 of this report, respectively.

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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UPSON COUNTY, GEORGIA
STATEMENT OF NET POSITION
DECEMBER 31, 2016

	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	\$ 8,346,704	\$ 742,572	\$ 9,089,276	\$ 83,961	\$ 767,730	\$ 236,696	\$ 780,852
Inventory	811	-	811	-	-	-	-
Receivables (net of allowance for uncollectibles):							
Taxes	1,958,074	-	1,958,074	11,546	-	-	-
Accounts	-	205,013	205,013	7,385	-	-	95,224
Grants	-	-	-	-	-	-	-
Internal Balances	75,552	(75,552)	-	-	-	-	-
Prepaid Items	2,394	-	2,394	-	-	-	-
Restricted Assets:							
Temporarily restricted:							
Cash and cash equivalents	-	201,772	201,772	24,479	-	-	-
Capital assets (net of accumulated depreciation):							
Land	2,149,190	381,300	2,530,490	3,721,363	2,620,396	523,000	173,772
Other capital assets, net of depreciation	30,399,669	6,151,699	36,551,368	10,593,454	3,116,459	487,457	1,712,516
TOTAL ASSETS	\$ 42,932,394	\$ 7,606,804	\$ 50,539,198	\$ 14,442,188	\$ 6,504,585	\$ 1,247,153	\$ 2,762,364
Deferred outflows of resources related to pensions	4,041,022	-	4,041,022	-	-	-	108,300
Total assets and deferred outflows of resources related to pensions	\$ 46,973,416	\$ 7,606,804	\$ 54,580,220	\$ 14,442,188	\$ 6,504,585	\$ 1,247,153	\$ 2,870,664

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

UPSON COUNTY, GEORGIA
STATEMENT OF NET POSITION
DECEMBER 31, 2016

	PRIMARY GOVERNMENT				COMPONENT UNITS			
	Governmental Activities	Business-type Activities	Total		Thomaston-Upson		Thomaston-Upson	
			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	\$ 722,163	\$ 64,867	\$ 787,030	\$ 47,948	\$ 3,932	\$ 242,993	\$ 109,118	
Liabilities payable from restricted assets	-	133,980	133,980	-	-	-	-	
Net pension liability	6,089,776	-	6,089,776	-	-	-	693,802	
Current portion of long-term debt	-	259,599	259,599	-	215,000	-	-	
Non-current portion of long-term debt	-	4,033,033	4,033,033	317,906	928,244	-	-	
TOTAL LIABILITIES	\$ 6,811,939	\$ 4,491,479	\$ 11,303,418	\$ 365,854	\$ 1,147,176	\$ 242,993	\$ 802,920	
Deferred inflows of resources related to pensions	-	-	-	-	-	-	128,112	
Total liabilities and deferred inflows of resources related to pensions	\$ 6,811,939	\$ 4,491,479	\$ 11,303,418	\$ 365,854	\$ 1,147,176	\$ 242,993	\$ 931,032	
NET POSITION								
Net investment in capital assets	\$ 32,548,859	\$ 2,240,367	\$ 34,789,226	\$ 13,996,911	\$ 4,593,611	\$ 1,010,457	\$ 1,866,288	
Restricted for capital outlay	3,643,131	-	3,643,131	-	-	-	-	
Restricted for other purposes	858,346	-	858,346	-	-	-	394,286	
Unrestricted	3,111,141	874,958	3,986,099	79,423	763,798	(6,297)	(340,942)	
TOTAL NET POSITION	\$ 40,161,477	\$ 3,115,325	\$ 43,276,802	\$ 14,076,334	\$ 5,357,409	\$ 1,004,160	\$ 1,939,632	
Total Liabilities, Deferred Inflows and Outflows and Net Position	\$ 46,973,416	\$ 7,606,804	\$ 54,580,220	\$ 14,442,188	\$ 6,504,585	\$ 1,247,153	\$ 2,870,664	

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

UPSON COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
DECEMBER 31, 2016

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
General government	\$ 7,209,797	\$ 799,909	\$ 1,243,547	\$ -
Public safety	5,547,013	1,025,980	111,766	-
Public works	2,671,113	-	413,616	-
Health and welfare	588,391	-	-	-
Culture and recreation	317,917	-	-	-
Intergovernmental	2,121,207	-	-	-
Interest on short and long-term debt	40,982	-	-	-
Total governmental activities	\$ 18,496,420	\$ 1,825,889	\$ 1,768,929	\$ -
Business Type Activities:				
Water Systems	\$ 1,217,824	\$ 1,497,043	\$ -	\$ -
Waste Systems	914,026	1,086,344	-	-
Total business-type activities	\$ 2,131,850	\$ 2,583,387	\$ -	\$ -
Total Primary Government	\$ 20,628,270	\$ 4,409,276	\$ 1,768,929	\$ -
Component Units				
Upson County Dpt. Of Public Health	\$ 879,457	\$ 434,428	\$ 566,977	\$ -
Thomaston-Upson County:				
Industrial Development Authority	217,949	1,800	496,217	-
Airport Authority	1,185,842	736,083	77,185	-
Recreation Commission	942,534	25,478	1,139,174	-
Solid Waste Disposal Facility	308,606	-	-	-
Total Component Units	\$ 3,534,388	\$ 1,197,789	\$ 2,279,553	\$ -

General Revenues

Property tax
Sales tax
Insurance premium tax
Beer and wine tax
Franchise tax
Intangible tax
Real estate transfer tax
Hotel/Motel tax
Interest revenue
Miscellaneous
Transfers

Total General Revenues and Transfers

Change in net position
Net position - beginning of year (restated)
Net Position - Ending

UPSON COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
DECEMBER 31, 2016

Net (Expense) Revenue & Changes in Net Position						
Primary Government			Component Units			
Governmental Activities	Business-Type Activities	Total	Thomaston- Upson County Airport Authority	Thomaston- Upson County Industrial Development Authority	Thomaston- Upson County Recreation Commission	Total Non-Major Component Units
\$ (5,166,341)	\$ -	\$ (5,166,341)				
(4,409,267)	-	(4,409,267)				
(2,257,497)	-	(2,257,497)				
(588,391)	-	(588,391)				
(317,917)	-	(317,917)				
(2,121,207)	-	(2,121,207)				
(40,982)	-	(40,982)				
<u>\$ (14,901,602)</u>	<u>\$ -</u>	<u>\$ (14,901,602)</u>				
\$ -	\$ 279,219	\$ 279,219				
-	<u>172,318</u>	<u>172,318</u>				
<u>\$ -</u>	<u>\$ 451,537</u>	<u>\$ 451,537</u>				
<u>\$ (14,901,602)</u>	<u>\$ 451,537</u>	<u>\$ (14,450,065)</u>				
			\$ -	\$ -	\$ -	\$ 121,948
			-	280,068	-	-
			1,393,631	-	-	-
			-	-	222,118	-
			<u>-</u>	<u>-</u>	<u>-</u>	<u>(93,124)</u>
			<u>\$ 1,393,631</u>	<u>\$ 280,068</u>	<u>\$ 222,118</u>	<u>\$ 28,824</u>
\$ 9,995,662	\$ -	\$ 9,995,662	\$ -	\$ -	\$ -	\$ -
4,213,835	-	4,213,835	-	-	-	-
984,541	-	984,541	-	-	-	-
157,948	-	157,948	-	-	-	-
166,453	-	166,453	-	-	-	-
49,310	-	49,310	-	-	-	-
20,337	-	20,337	-	-	-	-
5,299	-	5,299	-	-	-	-
4,868	278	5,146	124	892	215	1,204
90,260	-	90,260	-	-	-	-
-	-	-	-	-	-	-
<u>15,688,513</u>	<u>278</u>	<u>15,688,791</u>	<u>124</u>	<u>892</u>	<u>215</u>	<u>1,204</u>
\$ 786,911	\$ 451,815	\$ 1,238,726	\$ 1,393,755	\$ 280,960	\$ 222,333	\$ 30,028
<u>39,374,566</u>	<u>2,663,511</u>	<u>42,038,077</u>	<u>12,682,579</u>	<u>5,076,449</u>	<u>-</u>	<u>1,909,604</u>
<u>\$ 40,161,477</u>	<u>\$ 3,115,326</u>	<u>\$ 43,276,803</u>	<u>\$ 14,076,334</u>	<u>\$ 5,357,409</u>	<u>\$ 1,004,160</u>	<u>\$ 1,939,632</u>

UPSON COUNTY, GEORGIA

Balance Sheet

Governmental Funds

December 31, 2016

	General Fund	Sprewell Bluff Recreation Area Fund	Capital Projects Fund 2011 SPLOST Projects	Capital Projects Fund 2016 SPLOST Projects	911 Fund	Unincorporated Services Fund	Joint Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS									
Cash in banks	\$ 4,421,755	\$ 65,210	\$ 3,048,932	\$ 594,199	\$ 196,498	\$ -	\$ -	\$ 20,110	\$ 8,346,704
Inventory	-	811	-	-	-	-	-	-	811
Receivables (net of allowance for estimated uncollectibles)	1,245,200	-	-	-	-	214,144	498,730	-	1,958,074
Due from 911 Fund	99,077	-	-	-	-	-	-	-	99,077
Due from Water System Enterprise Fund	75,552	-	-	-	-	-	-	-	75,552
Prepaid items	2,394	-	-	-	-	-	-	-	2,394
TOTAL ASSETS	\$ 5,843,978	\$ 66,021	\$ 3,048,932	\$ 594,199	\$ 196,498	\$ 214,144	\$ 498,730	\$ 20,110	\$ 10,482,612
LIABILITIES AND FUND BALANCES									
Liabilities									
Accounts payable	\$ 681,689	\$ 4,562	\$ -	\$ -	\$ 35,912	\$ -	\$ -	\$ -	\$ 722,163
Due to other funds	-	-	-	-	99,077	-	-	-	99,077
TOTAL LIABILITIES	\$ 681,689	\$ 4,562	\$ -	\$ -	\$ 134,989	\$ -	\$ -	\$ -	\$ 821,240
Fund Balances									
Nonspendable:									
Prepaid Items	\$ 2,394	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,394
Restricted:									
For capital outlay	-	-	3,048,932	594,199	-	-	-	-	3,643,131
Restricted, as reported in Special Revenue funds	-	61,459	-	-	61,509	214,144	498,730	20,110	855,952
Unassigned:									
General Fund	5,159,895	-	-	-	-	-	-	-	5,159,895
TOTAL FUND BALANCES	\$ 5,162,289	\$ 61,459	\$ 3,048,932	\$ 594,199	\$ 61,509	\$ 214,144	\$ 498,730	\$ 20,110	\$ 9,661,372
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,843,978	\$ 66,021	\$ 3,048,932	\$ 594,199	\$ 196,498	\$ 214,144	\$ 498,730	\$ 20,110	\$ 10,482,612

UPSON COUNTY, GEORGIA
Reconciliation of the Balance Sheet
of Governmental Funds to the
Statement of Net Position
December 31, 2016

Total Fund Equity per Balance Sheet of Governmental Funds	<u>\$ 9,661,372</u>
<p>Amounts reported for governmental activities in the Statement of Net Position differ from amounts reported in the Balance Sheet of Governmental Funds due to the following:</p>	
<p>Capital Assets</p>	
<p>Capital assets used in governmental activities are not financial resources are not reported in the governmental fundss but are reported in the Statement of Net Position.</p>	
Cost of the assets	\$ 71,933,177
Accumulated depreciation	(39,384,318)
<p>Deferred Outflows of Resources</p>	
Employer Pension Contributions	4,041,022
<p>Long-Term Liabilities</p>	
<p>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. All liabilities both current and long-term are reported in the Statement of Net Position. Long-term libailities at year-end consist of the following:</p>	
Capital leases payable	0
<p>The Net Pension Liability is not due and payable in the current period is not reported as a liability (asset) on the governemnt-wide Statement of Net Position</p>	
	<u>(6,089,776)</u>
Total Adjustments	<u>\$ 30,500,105</u>
Total Net Position and Governmental Activities	<u>\$ 40,161,477</u>

UPSON COUNTY, GEORGIA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
December 31, 2016

	General Fund	Sprewell Bluff Recreation Fund	Capital Projects Fund 2011 SPLOST	Capital Projects Fund 2016 SPLOST	911 Fund	Unincorporated Services Fund	Joint Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues									
Taxes:									
General property tax	\$ 5,985,443	\$ -	\$ -	\$ -	\$ -	\$ 891,343	\$ 2,470,905	\$ -	\$ 9,347,691
Sales tax	1,497,143	-	1,720,321	996,371	-	-	-	-	4,213,835
Insurance premium tax	984,541	-	-	-	-	-	-	-	984,541
T.A.V.T. tax	647,971	-	-	-	-	-	-	-	647,971
Beer & wine tax	157,948	-	-	-	-	-	-	-	157,948
Franchise tax	166,453	-	-	-	-	-	-	-	166,453
Intangible tax	49,310	-	-	-	-	-	-	-	49,310
Real estate transfer tax	20,337	-	-	-	-	-	-	-	20,337
Hotel/Motel tax	-	-	-	-	-	-	-	5,299	5,299
Licenses and permits	158,371	-	-	-	-	-	-	-	158,371
Intergovernmental	1,669,774	-	-	-	99,155	-	-	-	1,768,929
Charges for services	573,457	66,139	-	-	460,579	-	-	-	1,100,175
Fines	553,981	-	-	-	-	-	-	11,420	565,401
Interest earnings	4,658	-	1,942	68	142	-	-	-	6,810
Other revenues	90,260	-	-	-	-	-	-	-	90,260
Total revenues	\$12,559,647	\$ 66,139	\$ 1,722,263	\$ 996,439	\$ 559,876	\$ 891,343	\$ 2,470,905	\$ 16,719	\$19,283,331
Expenditures									
Current:									
General government	\$ 6,225,607	\$ 71,820	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,719	\$ 6,316,146
Public safety	4,396,536	-	-	-	739,888	-	-	-	5,136,424
Public works	1,718,512	-	-	-	-	-	-	-	1,718,512
Health and welfare	550,203	-	-	-	-	-	-	-	550,203
Culture and recreation	103,667	-	-	-	-	-	-	-	103,667
Intergovernmental	1,376,607	-	537,355	207,245	-	-	-	-	2,121,207
Debt service:									
Principal	109,447	-	-	-	-	-	-	-	109,447
Interest	40,982	-	-	-	-	-	-	-	40,982
Capital outlay:									
General government	100,760	-	1,390,158	56,254	-	-	-	-	1,547,172
Public safety	125,675	-	142,356	-	34,114	-	-	-	302,145
Public works	175,030	-	-	-	-	-	-	-	175,030
Health and welfare	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	450,846	138,741	-	-	-	-	589,587
Total expenditures	\$14,923,026	\$ 71,820	\$ 2,520,715	\$ 402,240	\$ 774,002	\$ -	\$ -	\$ 18,719	\$18,710,522
Excess (deficiency) of revenues over (under) expenditures	\$ (2,363,379)	\$ (5,681)	\$ (798,452)	\$ 594,199	\$ (214,126)	\$ 891,343	\$ 2,470,905	\$ (2,000)	\$ 572,809

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

UPSON COUNTY, GEORGIA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
December 31, 2016

	General Fund	Sprewell Bluff Recreation Fund	Capital Projects Fund 2011 SPLOST Fund	Capital Projects Fund 2016 SPLOST Fund	911 Fund	Unincorporated Services Fund	Joint Projects Fund	Other Governmental Funds	Total Governmental Funds
<u>Other financing sources (uses)</u>									
Transfer from:									
Joint Projects Fund	\$ 2,504,462	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,504,462
Unincorporated Services Fund	913,728	-	-	-	-	-	-	-	913,728
General Fund	-	-	-	-	266,247	-	-	-	266,247
Transfer to:									
General Fund	-	-	-	-	-	(913,728)	(2,504,462)	-	(3,418,190)
911 Fund	(266,247)	-	-	-	-	-	-	-	(266,247)
Total other financing sources (uses)	\$ 3,151,943	\$ -	\$ -	\$ -	\$ 266,247	\$ (913,728)	\$ (2,504,462)	\$ -	\$ -
Net change in fund balance	\$ 788,564	\$ (5,681)	\$ (798,452)	\$ 594,199	\$ 52,121	\$ (22,385)	\$ (33,557)	\$ (2,000)	\$ 572,809
Fund balance - beginning of year	4,374,922	67,140	3,847,383	-	9,388	236,529	532,287	22,110	9,089,759
Fund balance - end of year	\$ 5,162,289	\$ 61,459	\$ 3,048,931	\$ 594,199	\$ 61,509	\$ 214,144	\$ 498,730	\$ 20,110	\$ 9,661,371

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

UPSON COUNTY, GEORGIA
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balances of Governmental Funds to the
 Statement of Activities
 For the Year Ended December 31, 2016

Excess (deficit) of revenues and other financing sources over (under) expenditures and other uses per Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances		<u>\$ 572,809</u>
<p>Amounts reported for governmental activities in the Statement of Activities differ from amounts reported in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances due to the following:</p>		
Capital Assets		
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets are depreciated over their estimated useful lives and reported as depreciation expense.		
Total capital outlays		\$ 2,613,934
Total depreciation		(2,040,582)
Deferred Outflows of Resources		
Beginning of Year	\$	-
End of Year	<u>4,041,022</u>	4,041,022
Long-Term Debt		
The issuance of bonds and similar long-term debt provides current financial resources to governmental funds and thus contributes to the change in fund balance. In the Statement of Net Position, however, issuing debt increases long-term liabilities and does not affect the Statement of Activities. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability in the Statement of Net Position. The amounts of the items and make up these differences in the treatment of long-term debt and related items are as follows:		
Debt issued or incurred		-
Principal repayments:		
Paid by governmental funds		(109,447)
Deferred Inflows of Resources		
Beginning of year	\$ 357,125	
End of year	<u>-</u>	357,125
The net pension liability is reported in the statement of activities but is not reported in governmental funds:		
Beginning of year	\$ 1,441,826	
End of year	<u>(6,089,776)</u>	<u>(4,647,950)</u>
Total adjustments		<u>\$ 214,102</u>
Change in net position of governmental activities		<u>\$ 786,911</u>

UPSON COUNTY, GEORGIA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
General Fund and Major Special Revenue Funds
For the Year Ended December 31, 2016

	General Fund			
	Budget		Actual	Variance with
	Original	Final		Final Budget
Revenues				
Taxes	\$ 9,593,677	\$ 9,722,833	\$ 9,509,146	\$ (213,687)
Licenses and permits	107,117	107,117	158,371	51,254
Intergovernmental revenue	891,356	891,356	1,669,774	778,418
Charges for services	475,422	475,422	573,457	98,035
Fines and forfeitures	580,600	580,600	553,981	(26,619)
Interest earnings	4,340	4,340	4,658	318
Miscellaneous	128,584	281,164	90,260	(190,904)
Total revenues	\$ 11,781,096	\$ 12,062,832	\$ 12,559,647	\$ 496,815
Expenditures				
Current:				
General government	\$ 6,041,013	\$ 6,227,000	\$ 6,225,607	\$ 1,393
Public safety	4,275,783	4,378,286	4,396,536	(18,250)
Public works	1,663,487	1,745,894	1,718,512	27,382
Health and welfare	598,813	616,499	550,203	66,296
Culture and recreation	182,138	182,138	103,667	78,471
Intergovernmental	1,322,095	1,403,030	1,376,607	26,423
Debt service:				-
Principal	109,447	109,447	109,447	-
Interest	72,648	72,648	40,982	31,666
Capital outlay:				-
General government	100,920	100,920	100,760	160
Public safety	6,200	125,675	125,675	-
Public works	175,030	175,030	175,030	-
Total expenditures	\$ 14,547,574	\$ 15,136,567	\$ 14,923,026	\$ 213,541
Excess (deficiency) of revenues over (under) expenditures	\$ (2,766,478)	\$ (3,073,735)	\$ (2,363,379)	\$ 283,274
Other financing sources (uses)				
Transfer from (to) Special Revenue Funds:				
Joint Projects Fund	\$ 2,300,000	\$ 2,300,000	\$ 2,504,462	\$ 204,462
Unincorporated Services Fund	900,000	900,000	913,728	13,728
911 Fund	(166,247)	(266,247)	(266,247)	-
Total other financing sources (uses)	\$ 3,033,753	\$ 2,933,753	\$ 3,151,943	\$ 218,190
Net change in fund balance	\$ 267,275	\$ (139,982)	\$ 788,564	\$ 927,349
Fund balance - beginning of year	4,374,922	4,374,922	4,374,922	-
Fund balance - end of year	\$ 4,642,197	\$ 4,234,940	\$ 5,162,289	\$ 927,349

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

UPSON COUNTY, GEORGIA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
General Fund and Major Special Revenue Funds
For the Year Ended December 31, 2016

	911 Fund			
	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenue	99,155	99,155	99,155	-
Charges for services	510,724	510,724	460,579	(50,145)
Fines and forfeitures	-	-	-	-
Interest earnings	80	80	142	62
Miscellaneous	-	-	-	-
Total revenues	\$ 609,959	\$ 609,959	\$ 559,876	\$ (50,083)
Expenditures				
Current:				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	742,092	742,092	739,888	2,204
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Intergovernmental	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay:				
General government	-	-	-	-
Public safety	34,114	34,114	34,114	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Total expenditures	\$ 776,206	\$ 776,206	\$ 774,002	\$ 2,204
Excess (deficiency) of revenues over (under) expenditures	\$ (166,247)	\$ (166,247)	\$ (214,126)	\$ (52,287)
Other financing sources (uses)				
Transfer from Upson County	\$ 166,247	\$ 266,247	\$ 266,247	\$ -
Total other financing sources (uses)	\$ 166,247	\$ 266,247	\$ 266,247	\$ -
Net change in fund balance	\$ -	\$ 100,000	\$ 52,121	\$ (47,879)
Fund balance - beginning of year	9,388	9,388	9,388	-
Fund balance - end of year	\$ 9,388	\$ 109,388	\$ 61,509	\$ (47,879)

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

UPSON COUNTY, GEORGIA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
General Fund and Major Special Revenue Funds
For the Year Ended December 31, 2016

	Unincorporated Services Fund			
	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 940,000	\$ 940,000	\$ 891,343	\$ (48,657)
Licenses and permits	-	-	-	-
Intergovernmental revenue	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	\$ 940,000	\$ 940,000	\$ 891,343	\$ (48,657)
Expenditures				
Current:				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Intergovernmental	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	\$ -	\$ -	\$ -	\$ -
Excess (deficiency) of revenues over (under) expenditures	\$ 940,000	\$ 940,000	\$ 891,343	\$ (48,657)
Other financing sources (uses)				
Transfer to General Fund	\$ (940,000)	\$ (940,000)	\$ (913,728)	\$ 26,272
Total other financing sources (uses)	\$ (940,000)	\$ (940,000)	\$ (913,728)	\$ 26,272
Net change in fund balance	\$ -	\$ -	\$ (22,385)	\$ (22,385)
Fund balance - beginning of year	236,529	236,529	236,529	-
Fund balance - end of year	\$ 236,529	\$ 236,529	\$ 214,144	\$ (22,385)

UPSON COUNTY, GEORGIA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
General Fund and Major Special Revenue Funds
For the Year Ended December 31, 2016

	Joint Projects Fund			
	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 2,400,000	\$ 2,400,000	\$ 2,470,905	\$ 70,905
Licenses and permits	-	-	-	-
Intergovernmental revenue	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Interest earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	\$ 2,400,000	\$ 2,400,000	\$ 2,470,905	\$ 70,905
Expenditures				
Current:				
General government	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-
Public works	-	-	-	-
Health and welfare	-	-	-	-
Culture and recreation	-	-	-	-
Intergovernmental	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	\$ -	\$ -	\$ -	\$ -
Excess (deficiency) of revenues over (under) expenditures	\$ 2,400,000	\$ 2,400,000	\$ 2,470,905	\$ 70,905
Other financing sources (uses)				
Transfer to General Fund	\$ (2,400,000)	\$ (2,400,000)	\$ (2,504,462)	\$ (104,462)
Total other financing sources (uses)	\$ (2,400,000)	\$ (2,400,000)	\$ (2,504,462)	\$ (104,462)
Net change in fund balance	\$ -	\$ -	\$ (33,557)	\$ (33,557)
Fund balance - beginning of year	532,287	532,287	532,287	-
Fund balance - end of year	\$ 532,287	\$ 532,287	\$ 498,730	\$ (33,557)

UPSON COUNTY, GEORGIA

Statement of Net Position

Proprietary Funds

December 31, 2016

	Business-type Activities - Enterprise Funds		
	Water Systems	Waste Services	Total
Assets			
Current assets			
Petty Cash	\$ 100	\$ -	\$ 100
Cash in banks	348,653	393,819	742,472
Restricted cash - deposits	201,772	-	201,772
Accounts receivable, net of allowance	94,194	110,819	205,013
Total current assets	\$ 644,719	\$ 504,638	\$ 1,149,357
Capital Assets			
Land	\$ 381,300	\$ -	\$ 381,300
Water distribution and storage system	8,313,213	-	8,313,213
Equipment and vehicles	254,937	-	254,937
Less accumulated depreciation	(2,416,451)	-	(2,416,451)
Total capital assets, net of accumulated depreciation	\$ 6,532,999	\$ -	\$ 6,532,999
Total Assets	\$ 7,177,718	\$ 504,638	\$ 7,682,356
Liabilities			
Current liabilities			
Current portion of notes payable	\$ 259,599	\$ -	\$ 259,599
Due to general fund	75,552	-	75,552
Accounts payable	60,575	4,292	64,867
Total	\$ 395,726	\$ 4,292	\$ 400,018
Current liabilities payable from restricted assets			
Customer deposits	\$ 133,980	\$ -	\$ 133,980
Total current liabilities payable from restricted assets	\$ 133,980	\$ -	\$ 133,980
Total current liabilities	\$ 529,706	\$ 4,292	\$ 533,998
Noncurrent liabilities			
Notes payable	\$ 4,033,033	\$ -	\$ 4,033,033
Total noncurrent liabilities	\$ 4,033,033	\$ -	\$ 4,033,033
Total liabilities	\$ 4,562,739	\$ 4,292	\$ 4,567,031
Net Position			
Net investment in capital assets, net of related debt	\$ 2,240,367	\$ -	\$ 2,240,367
Unassigned	374,612	500,346	874,958
Total Net Position	\$ 2,614,979	\$ 500,346	\$ 3,115,325

UPSON COUNTY, GEORGIA

Statement of Revenues, Expenditures, and Changes in Fund Net Position/Equity

Proprietary Funds

December 31, 2016

	Business-type Activities - Enterprise Funds		
	Water Systems	Waste Services	Total
Operating Revenues			
Charges for sales and services	\$ 1,497,043	\$ 1,086,344	\$ 2,583,387
Total Operating Revenues	\$ 1,497,043	\$ 1,086,344	\$ 2,583,387
Operating Expenses			
Administration	\$ 885,471	\$ 914,026	\$ 1,799,497
Depreciation	184,390	-	184,390
Total Operating Expenses	\$ 1,069,861	\$ 914,026	\$ 1,983,887
Operating Income (Loss)	\$ 427,182	\$ 172,318	\$ 599,500
Nonoperating Revenues (Expenses)			
Interest income	\$ 278	\$ -	\$ 278
Interest expenses and fiscal charges	(147,963)	-	(147,963)
Total Nonoperating Revenues (Expenses)	\$ (147,685)	\$ -	\$ (147,685)
Change in net position	\$ 279,497	\$ 172,318	\$ 451,815
Total net position - beginning of year	2,335,482	328,029	2,663,511
Total net position - end of year	\$ 2,614,979	\$ 500,347	\$ 3,115,326

UPSON COUNTY, GEORGIA

Statement of Cash Flows

Proprietary Funds

December 31, 2016

	Business-type Activities - Enterprise Funds		
	Water Systems	Waste Services	Total
Cash flows from operating activities:			
Receipts from customers	\$ 1,468,805	\$ 1,086,355	\$ 2,555,160
Payments to employees	(305,034)	(51,055)	(356,089)
Payments to suppliers	(490,417)	(974,857)	(1,465,274)
Net cash provided (used) by operating activities	\$ 673,354	\$ 60,443	\$ 733,797
Cash flows from capital and related financing activities:			
Increase (decrease) from General Fund advances	\$ (170,748)	\$ -	\$ (170,748)
Principal payments on notes	(243,865)	-	(243,865)
Interest and fiscal charges	(147,963)	-	(147,963)
Acquisition of capital assets	-	-	-
Net cash provided (used) by capital and related financing activities	\$ (562,576)	\$ -	\$ (562,576)
Cash flows from investing activities:			
Interest received	\$ 278	\$ -	\$ 278
Net cash provided (used) by investing activities	\$ 278	\$ -	\$ 278
Net increase (decrease) in cash and cash equivalents	\$ 111,056	\$ 60,443	\$ 171,499
Cash and cash equivalents - beginning of year	439,369	333,376	772,745
Cash and cash equivalents - end of year	\$ 550,425	\$ 393,819	\$ 944,244
Classified as:			
Current assets	\$ 348,653	\$ 393,819	\$ 742,472
Restricted assets	201,772	-	201,772
Total	\$ 550,425	\$ 393,819	\$ 944,244
Reconciliation of net operating income to net cash provided by operating activities:			
Net operating income (loss)	\$ 427,182	\$ 172,318	\$ 599,500
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	\$ 184,390	\$ -	\$ 184,390
Changes in assets and liabilities			
(Increase) decrease in receivables	25,238	(110,819)	(85,581)
Increase (decrease) in payables	31,213	(1,056)	30,157
Increase (decrease) in customer deposits	5,331	-	5,331
Other	-	-	-
Total adjustments	\$ 246,172	\$ (111,875)	\$ 134,297
Net cash provided (used) by operating activities	\$ 673,354	\$ 60,443	\$ 733,797

UPSON COUNTY, GEORGIA
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2016

	Employee Pension Trust Fund	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 7,169,847	\$ 161,200
Taxes receivable	-	1,245,200
Total Assets	\$ 7,169,847	\$ 1,406,400
LIABILITIES AND NET POSITION		
Liabilities		
Due to others	\$ -	\$ 1,406,400
Total Liabilities	\$ -	\$ 1,406,400
Net Position		
Held in trust for pension benefits	\$ 7,169,847	\$ -
Total Net Position	\$ 7,169,847	\$ -

UPSON COUNTY, GEORGIA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended December 31, 2016

	Employee Pension Trust Fund
<u>Additions</u>	
Employer contributions	\$ 482,258
Investment income	242,512
Total Additions	<u>\$ 724,770</u>
<u>Deductions</u>	
Benefits paid retirees	\$ 922,072
Administrative expenses	25,000
Total Deductions	<u>\$ 947,072</u>
Change in net position	\$ (222,302)
<u>Net Position</u>	
Beginning of Year	<u>7,392,149</u>
End of Year	<u>\$ 7,169,847</u>

Notes to Financial Statements

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Upson was created by act of the legislature 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 the State of Georgia.

The County provides ambulance service, waste collection from bins and water and sewer systems. The County also provides the full range of services contemplated by Charter. These include 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 an area of approximately 333 square miles, ranking it 84th in size among Georgia's 159 counties. In 1998, the County's census population was 27,075. Thomaston is the County seat. There are two municipalities within the County – Thomaston and Yatesville.

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

1. Reporting Entity:

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

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

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

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

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

Thomaston-Upson County Industrial Development Authority – The Chairman of the County Commissioners and the Mayor of the City of Thomaston are members of the Authority and they 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.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:(CONTINUED)

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

Thomaston-Upson County Recreation Commission – The governing board is appointed by Upson County and the City of Thomaston. The County contributes significant funding to the Recreation Commission. 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 governing board is the Upson County Board of Commissioners. The purpose of the entity is to account for closure and post-closure care of the Zorn Street landfill, as well as provide an organizational structure for planning and constructing future landfills. The County contributes significant funding. Annual budget requests are submitted to the County for approval, with annual audits required to monitor performance.

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

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

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

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

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

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

A joint venture has the following characteristics:

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

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

Under Georgia law, the County, in conjunction with other cities and counties in the five county membership, is a member of the Three Rivers Regional Commission and is required to pay annual dues thereto. During the year 2016, the County paid \$17,336 in such dues.

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

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

2. Government-wide and Fund Financial Statements:

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

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

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

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

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

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

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

FUND FINANCIAL STATEMENTS

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, are recorded only when the obligations are expected to be liquidated with expendable available financial resources.

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

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

County's enterprise fund, are charges to customers for sales and services. The County also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The County applies all applicable Governmental Accounting Standards Board (GASB) pronouncements in accounting and reporting for its proprietary operations as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, APB opinions, and ARBS.

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

The government reports the following major governmental funds:

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

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

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

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

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

The government reports the following major proprietary funds:

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

Additionally, the government reports the following fund types:

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Hotel/Motel Tax Fund, Law Library Fund, the Unincorporated Services Fund, and the Joint Projects Fund are currently established as Special Revenue Funds.

FIDUCIARY FUNDS:

Trust and Agency Funds - Trust and Agency Funds are used to account for assets held by the County in a trustee capacity or as an agent for others. The pension trust fund is accounted for in essentially the same manner as proprietary funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

4. Budgets and Budgetary Accounting:

An annual budget is prepared for all funds. Annual budgets that are prepared may not be exceeded at the departmental level. The budget officer 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.

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:(CONTINUED)

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

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

1. On or about December 1, the County Budget Officer submits to the County Commissioners a proposed operating budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at the County Courthouse to obtain taxpayer comments.
3. After revision, if any, by the Commissioners, the budget is legally enacted through passage of an ordinance.
4. Budgetary information is compared to actual revenue and expenditures on a monthly basis and reported to the County Commissioners.
5. All budgetary appropriations lapse at year end.

5. Encumbrances:

Encumbrances represented commitments related to contracts not yet performed. A governmental unit often issues purchase orders or signs contracts for the purchase of 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, 2016.

6. Cash and Investments:

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

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

7. Vacation, Sick Leave and Other Compensated Absences:

County employees are entitled to vacation and sick leave. These benefits are non-accruing and do not carry over to subsequent years. Accordingly, no accruals are made for accumulated vacation or sick leave.

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 no direct costs are incurred by the County.

8. Interfund Receivables, Payables and Transfers

During the course of 2016, the county's normal operations consisted of numerous transactions between funds. Interfund transfers are recorded as "other financing sources and uses". Interfund receivables/payables are transfers to advance operating funds on a short term basis and are recorded in "due to/from accounts".

Interfund receivable and payable balances as of December 31, 2016 are as follows:

Due To:	General Fund	<u>\$ 75,552</u>
Due From:	Water Systems Enterprise Fund	<u>\$ 75,552</u>

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:(CONTINUED)

Interfund transfers for the year ended December 31, 2016 consisted of the following:

Transfer To:	911 Fund	<u>\$ 266,247</u>
Transfer From:	General Fund	<u>\$ 266,247</u>

9. Inventories and Prepaid Items:

Inventories of all funds are accounted for as expenditures at the time of purchase and are not inventoried at year end due to a lack of materiality.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

10. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. 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 sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

11. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions. 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 year. The County had no significant reduction in insurance coverage from coverage in the prior year.

12. Capital Assets

Capital assets, which include property, plant and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

13. Restricted and Unrestricted Net Position

The government's policy when both restricted and unrestricted Net Position are available, unrestricted resources are first applied, then restricted Net Position are applied based on their limited use.

14. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period or periods and so will not be recognized as an outflow of resources (expenses/expenditures) until then. The government has items that qualifies for report in this category. It is the deferred charge on pensions reported in the government-wide statement of net position. The deferred charge on pensions is the accumulation of contributions subsequent to the measurement date and the changes in the proportionate share of contributions.

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

1. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Position

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

Capital assets used in net governmental activities are not financial resources, and, therefore, are not reported in the funds. Capital assets net of accumulated depreciation as of December 31, 2016.

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

2. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances 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.

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

Capital outlay	\$ 2,613,934
Depreciation expense	(2,040,582)
Principal repayments on long term debt	(109,447)
Deferred outflows of resources	4,041,022
Deferred inflows of resources - pension	357,125
Net pension fund liability	<u>(4,649,950)</u>
Net adjustment	<u>\$ (955,045)</u>

Issuance of long-term debt provides current resources in the governmental funds. In the government-wide statements, issuance represents a liability rather than a resource. Total long-term debt issued in 2016 was \$ -0-.

The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. However, principal payments do not affect Net Position in the government-wide statement of activities. During 2016, principal paid by governmental funds totaled \$ 109,447.

NOTE C - PROPERTY TAXES

All real and personal property (including motor vehicles) are valued as of January 1 of each year. With the exception of motor vehicles which are valued by the State Revenue Department, all assessments are made by the Upson County Board of Tax Assessors. This Board is appointed by the Upson County Commissioners. 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 completion of all assessments and tax returns, the information is compiled to form the tax digest, which is submitted to the State Revenue Commissioner for approval. The State Revenue Commissioner must ascertain that real property on the tax digest has been assessed at the State mandated forty percent (40%) of fair market value. If not, the State Commissioner may reject the digest until such values are appropriately adjusted.

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

Property Tax Calendar

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



NOTE D - CAPITAL ASSETS:

Capital asset activity for the primary government for the year ended December 31, 2016 was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 2,149,190	\$ -	\$ -	\$ 2,149,190
Total capital assets, not being depreciated	<u>\$ 2,149,190</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,149,190</u>
Other capital assets:				
Buildings	\$ 28,133,741	\$ 1,007,861	\$ -	\$ 29,141,602
Equipment	3,004,188	300,123	-	3,304,311
Vehicles	1,864,067	295,945	-	2,160,012
Infrastructure	34,168,057	1,010,005	-	35,178,062
Total capital assets, at cost	<u>\$ 67,170,053</u>	<u>\$ 2,613,934</u>	<u>\$ -</u>	<u>\$ 69,783,987</u>
Less accumulated depreciation for:				
Buildings	\$ 11,185,519	\$ 658,629	\$ -	\$ 11,844,148
Equipment	2,097,280	238,878	-	2,336,158
Vehicles	1,828,311	153,331	-	1,981,642
Infrastructure	22,232,626	989,744	-	23,222,370
Total accumulated depreciation	<u>\$ 37,343,736</u>	<u>\$ 2,040,582</u>	<u>\$ -</u>	<u>\$ 39,384,318</u>
Other capital assets, net	<u>\$ 29,826,317</u>	<u>\$ 573,352</u>	<u>\$ -</u>	<u>\$ 30,399,669</u>
Governmental activities capital assets, net	<u>\$ 31,975,507</u>	<u>\$ 573,352</u>	<u>\$ -</u>	<u>\$ 32,548,859</u>
Business-Type Activities				
Capital assets, not being depreciated				
Land	\$ 381,300	\$ -	\$ -	\$ 381,300
Total capital assets, not being depreciated	<u>\$ 381,300</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 381,300</u>
Other capital assets				
Water distribution system	\$ 8,336,182	\$ -	\$ -	\$ 8,336,182
Equipment and vehicles	231,969	-	-	231,969
Total other capital assets, at cost	<u>\$ 8,568,151</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,568,151</u>
Less accumulated depreciation for:				
Water distribution system	\$ 2,046,759	\$ 180,140	\$ -	\$ 2,226,899
Equipment and vehicles	185,302	4,250	-	189,552
Total accumulated depreciation	<u>\$ 2,232,061</u>	<u>\$ 184,390</u>	<u>\$ -</u>	<u>\$ 2,416,451</u>
Other Capital assets, net	<u>\$ 6,336,090</u>	<u>\$ (184,390)</u>	<u>\$ -</u>	<u>\$ 6,151,700</u>
Business-type activities capital assets, net	<u>\$ 6,717,390</u>	<u>\$ (184,390)</u>	<u>\$ -</u>	<u>\$ 6,533,000</u>
Total governmental and business-type activities, net	<u>\$ 38,692,897</u>	<u>\$ 388,962</u>	<u>\$ -</u>	<u>\$ 39,081,859</u>

NOTE D – CAPITAL ASSETS: (CONTINUED)

Depreciation expense was charged to functions, as follows:

Governmental activities:	
General government	\$ 424,954
Public safety	410,589
Public works	952,601
Health and welfare	38,188
Culture and recreation	<u>214,250</u>
Total depreciation expense - governmental activities	<u>\$ 2,040,582</u>
Business-type activities:	
Water system	<u>\$ 184,390</u>
Total depreciation expense - business-type activities	<u>\$ 184,390</u>
Total depreciation expense	<u>\$ 2,224,972</u>

NOTE E - CHANGES IN LONG-TERM DEBT:

- The following is a summary of debt service requirements to maturity for the following notes payable due from the proprietary fund at December 31, 2016:

ENTERPRISE FUND

- Note Payable - Georgia Environmental Facilities Authority - Loan #2**
 Upson County Water System
 Project: Grand Monde' (\$145,488) & Logan's Landing (\$112,895) Water Lines
 Original loan amount - \$265,768
 Annual Interest Rate - 5.15%
 Quarterly Payments – \$5,687.19

	<u>Debt Service to Maturity:</u>		
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2017	12,738	4,324	17,062
2018	17,744	5,005	22,749
2019	18,676	4,073	22,749
2020	19,655	3,094	22,749
2020	20,690	2,059	22,749
2022-2023	<u>27,013</u>	<u>1,043</u>	<u>28,056</u>
TOTAL	<u>\$116,516</u>	<u>\$19,598</u>	<u>\$136,114</u>

NOTE E - CHANGES IN LONG-TERM DEBT: (CONTINUED)

B. Note Payable - Georgia Environmental Facilities Authority - Loan #1

Sunset Water System
 Note dated April 1, 2000
 4.760% - Term 20 Years
 First payment due - June 1, 2000
 With quarterly payments of \$8,868.39 thereafter
 Original Loan Amount – \$454,311
 Purpose of Loan – Water Line Construction

Debt Service to Maturity			
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2017	38,939	5,403	44,342
2018	32,852	2,622	35,474
2019	<u>34,419</u>	<u>1,030</u>	<u>35,449</u>
TOTAL	<u>\$ 106,210</u>	<u>\$ 9,055</u>	<u>\$ 115,265</u>

All proprietary fund debt is expected to be paid with resources of the proprietary fund, and is appropriately reported in this fund.

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

Note dated August 15, 2012 – 1.13%
 Loan Commitment – \$ 1,800,000
 Less Principal
 Forgiveness - (500,000)
 Note Due - \$ 1,300,000
 Loan Payment – \$6,054.32 Monthly

Debt Service to Maturity			
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2017	60,555	12,097	72,652
2018	61,243	11,409	72,652
2019	61,939	10,713	72,652
2020	62,642	10,010	72,652
2021	63,354	9,298	72,652
2022-2031	<u>788,455</u>	<u>53,095</u>	<u>841,550</u>
TOTAL	<u>\$ 1,098,188</u>	<u>\$ 106,622</u>	<u>\$ 1,204,810</u>

D. Note Payable - Georgia Environmental Facilities Authority - Loan #3

Loan Agreement dated December 1, 2011 - 4.02%
 Loan Amount - \$3,626,025 - 20 year note
 Loan Payment - \$22,011.23 monthly

Debt Service to Maturity			
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2017	147,367	116,768	264,135
2018	153,402	110,733	264,135
2019	159,683	104,452	264,135
2020	166,222	97,913	264,135
2021	173,029	91,106	264,135
2022-2031	<u>2,172,015</u>	<u>469,332</u>	<u>2,641,347</u>
TOTAL	<u>\$ 2,971,718</u>	<u>\$ 990,304</u>	<u>\$ 3,962,022</u>

NOTE E - CHANGES IN LONG-TERM DEBT: (CONTINUED)

The following is a summary of long-term debt transactions of the County for the year ending December 31, 2016:

	Business Activities				Governmental	
					Activities	
	Note Payable -	Note Payable -		Note Payable -		
	Upson &	Upson &		Upson &		
	GEFA - Sunset	GEFA - Sunset	Note Payable -	GEFA #4	Capital	
	Systems #1	Systems #2	GEFA #3	Loan Draw	Leases	Total
Amounts payable at 1/1/2015	\$ 128,491	\$ 136,655	\$ 3,113,288	\$ 1,158,063	\$ 109,447	\$ 4,645,944
Loan Proceeds	-	-	-	-	-	-
Principal Payments	(22,281)	(20,139)	(141,570)	(59,875)	(109,447)	(353,312)
Long-Term Debt payable at 12/31/2016	\$ 106,210	\$ 116,516	\$ 2,971,718	\$ 1,098,188	\$ -	\$ 4,292,632
Amounts Due Within 1 Year from 12/31/2016	\$ 38,939	\$ 12,738	\$ 147,367	\$ 60,555	\$ -	\$ 259,599

CAPITAL LEASES

Upson County leases certain capital assets from the Thomaston-Upson County Office Building Authority, a legislatively created entity created to provide capital lease arrangements pursuant to a Master Lease Agreement. There are no new leases for 2016. There were no outstanding capital leases at December 31, 2016.

Under the terms of the program, Upson County is required to make lease payments to the Authority in sufficient amounts to pay the principal and interest due by the Authority to financial institutions. Upson County's obligation to pay such lease payments is conditioned on the annual appropriation of funds to make those payments.

These leases qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. All capital leases were paid in full during 2016.

	Governmental
	<u>Activities</u>
Real Estate	\$ 0
Total	<u>\$ 0</u>

Annual debt service requirements to maturity for capital leases are as follows (in thousands):

Year ending December 31:

2016	\$ 0
Total	\$ 0
Less amount representing interest	<u>0</u>
Total present value of minimum Lease payments	<u>\$ 0</u>

NOTE F - RISK MANAGEMENT AND LITIGATION:

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has obtained coverage from commercial insurance companies and does not retain risk. There has been no significant reduction in insurance coverage during 2016 from coverage in the prior year. There were no settlements that exceeded insurance coverage for the past three fiscal years. All risk management activities are accounted for in the General Fund. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered.

The County Attorney estimates that the amount of actual or potential claims against the County as of December 31, 2016 will not materially affect the financial condition of the County.

As to pending litigation:

Letter from County Attorney

- (1) East Estate vs. UCSO (settled recently); Settlement documents waiting on release from medical malpractice insurance carrier.
- (2) Hicks vs. UCSO (autistic child - bomb threat); No lawsuit has been filed yet, but anticipate one in the near future. This likely will be in Federal Court.
- (3) Joiner vs. UCSO (high speed chase - death); ante-litem notice received. No lawsuit yet, but one definitely on the way.
- (4) Kyle Thompson vs. UCSO (taser injury); In preliminary stages of Plaintiff's attorney investigating case; this will likely be a lawsuit.
- (5) Cory Vaughn vs. UCSO (actually this was TPD); although we have been notified that UCSO is a party, the Sheriff advised they had nothing to do with this. It was Thomaston Police Department. There has been no acknowledgement of this by Plaintiff's attorney.
- (6) Estate of Teague vs. UCSO (death at lail - lawsuit filed);
- (7) Stubbs vs. Upson County (still at EEOC level);
- (8) Hughley vs. Upson County (waiting for dismissal); Upson County has been dismissed, but we are waiting on appeal time to run and order from court.
- (9) Williams vs. UCSO (waiting on ruling from fed. Court RE appeal); UCSO has been "let out" on motion; still waiting on order from the "newly appointed" (2015) federal judge.
- (10) Tidwell vs. Upson County (Health Dept.); waiting on ruling on Notice of Appeal from Favorable Summ. Judgment Action. This is in the Georgia Court of Appeals.
- (11) Upson County vs. City of Thomaston; we received favorable ruling on this (last portion of L.O.S.T. litigation – involving powers of Sheriff), but city filed notice of appeal to Supreme Court of Georgia. City finally filed a dismissal on its appeal to the Georgia Supreme Court. Technically, this case is completed.
- (12) Bobbette Harper vs. Upson County School Superintendent's Office, BOE and UCSO In October, 2015, the County received ante litem notice that Ms. Harper would likely be filing a civil rights (and other related claims) action in the federal court. There has been nothing further to report.

NOTE G - EMPLOYEE RETIREMENT PLAN:

A. Plan Description

The County primary government participates in one single-employer, defined-benefit, public employee retirement system. The plan name is the "Upson County Employee Retirement Plan." Assets are held separately and may be used only for the payment of benefits to the members of the plan. The Public Retirement Systems Standard Law (Georgia Code Section 47-20-10) assigned the authority to establish and amend the retirement plan of Upson County, Georgia. Georgia Farm Bureau is the administrator of the plan and issues a publicly available financial report. The report may be obtained at the office of the County Manager of Upson County.

Summary of Significant Accounting Policies

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County Employees Pension Plan (CEPP) and additions to/deductions from CEPP's fiduciary net position have been determined on the same basis as they are reported by CEPP. For this

NOTE G - EMPLOYEE RETIREMENT PLAN: (CONTINUED)

purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at their fair value.

Basis of Accounting

The accrual basis of accounting is used in the pension trust fund. The accrual basis of accounting recognizes revenues when earned. Expenses are recorded when incurred. Employer contributions to the plan are recognized when due and the County has made a formal commitment to provide the contribution. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Investment Values

Investments of the pension trust fund are reported at their fair value, which is determined using selected bases. Short-term investments are reported at cost, which approximates market value. Securities traded on a national or international exchange are valued at last reported sales price at current exchange rates. Investments that do not have an established market value are reported at estimated fair value, and the carrying amount of cash deposits reasonable estimates fair value.

B. Contributions and Funding Policies

The County’s employees’ participation is non-contributory. The County is required to contribute at an actuarially determined rate; the current rate is 3.5% of covered payroll. The contribution requirements of plan members and the County are established and may be amended by the Board of County Commissioners.

The County Employee’s Pension Plan provides retirement benefits for substantially all full-time employees except certain employees in the State Court, Agriculture Agent’s Office, and the Tax Commissioner.

Actuarial valuations are performed biannually. There are no loans to any County officials nor are there any other “party-in-interest” or prohibited transactions. The funds are managed by Southern Farm Bureau Life Insurance Company. A financial report is issued and filed with the Georgia Department of Audits bi-annually.

C. 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, 2016 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:

Inflation	3.5%
Salary Increases	3.7%, including inflation
Investment rate of return	6%, net pension plan investment expense, including inflation

NOTE G - EMPLOYEE RETIREMENT PLAN: (CONTINUED)

Mortality rates were based on the 1994 Group Annuity Mortality Table set forward two years for the period after service retirement and for dependent beneficiaries as well as for deaths in active service. The RP-2000 Disability Mortality Table set forward three years is used for the period after disability retirement.

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of an actuarial experience study for the five year period ended December 31, 2014.

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Plan investment expenses 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. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2016 are 6% per year.

Discount Rate. The discount rate used to measure the total pension liability was 6%. 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 projected future benefit payments of current plan members until 2016 to determine the total pension liability. Based on the assumptions used in the most recent actuarial valuation, the 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 revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect long-term perspective.

NOTE G - EMPLOYEE RETIREMENT PLAN: (CONTINUED)

Development of GASB 68 Net Pension Expense

Calculation Details

The following table illustrates the Net Pension Liability under GASB 68.

	Fiscal Year Ending	Fiscal Year Ending
	12/31/2015	12/31/2016
(1) Total Pension Liability	\$ 8,833,975	\$ 13,098,870
(2) Plan Fiduciary Net Position	7,392,149	\$ 7,009,094
(3) Net Pension Liability	\$ 1,441,826	\$ 6,089,776
(4) Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.68%	53.51%
(5) Deferred Outflow of Resources for contributions made after measurement date	\$ 0	\$ 0

Expense

The following table illustrates the pension expense under GASB 68.

	Fiscal Year Ending	Fiscal Year Ending
	12/31/2015	12/31/2016
(1) Service Cost	\$ 481,598	\$ 524,767
(2) Interest Cost	\$ 508,573	\$ 533,112
(3) Expected Investment Return	\$ (415,436)	\$ (424,762)
(4) Admin Expense	\$ 0	\$ 0
(5) Plan Changes	\$ 0	\$ 0
(6) Amortization of Unrecognized		
(a) Liability (Gain)/Loss	\$ 0	\$ 30,076
(b) Asset (Gain)/Loss	\$ 34,857	\$ 71,307
(c) Assumption Change	\$ 0	\$ 333,361
(7) Total Expense	\$ 609,592	\$ 1,067,861

NOTE G - EMPLOYEE RETIREMENT PLAN: (CONTINUED)

Shown below are details regarding the calculation of Service and Interest Cost components of the Expense.

	Fiscal Year Ending 12/31/2015	Fiscal Year Ending 12/31/2016
(1) Development of Service Cost:		
(a) Service Cost at Measurement Date	\$ 481,598	\$ 524,767
(2) Development of Interest Cost:		
(a) Total Pension Liability at Measurement Date	8,145,444	8,833,975
(b) Service Cost at Measurement Date	481,598	524,767
(c) Benefit Payments	(301,640)	(947,073)
(d) Discount Rate	6.00%	6.00%
(e) Interest Cost	<u>\$ 508,573</u>	<u>\$ 533,112</u>
(3) Development of Expected Investment Return:		
(a) Plan Fiduciary Net Position at Measurement Date	\$ 6,696,874	\$ 7,392,149
(b) Actual Contributions—Employer	755,763	321,506
(c) Benefit Payments	(301,640)	(947,073)
(d) Administrative Expenses	0	0
(e) Other	0	0
(f) Expected Return on Assets	6.00%	6.00%
(g) Expected Return	<u>\$ 415,436</u>	<u>\$ 424,762</u>

NOTE G - EMPLOYEE RETIREMENT PLAN: (CONTINUED)**Reconciliation of Net Pension Liability**

Shown below are details regarding the Total Pension Liability, Plan Fiduciary Net Position, and Net Pension Liability for the Measurement Period from December 31, 2015 to December 31, 2016.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a) - (b)
Balance recognized at 12/31/2015	\$ 8,833,975	\$ 7,392,149	\$ 1,441,826
Changes recognized for the fiscal year:			
▪ Service Cost	524,767	N/A	524,767
▪ Interest on the total pension liability	533,122	N/A	533,112
▪ Changes of benefit terms	0	N/A	0
▪ Differences between expected and actual experience	343,771	N/A	343,771
▪ Changes of assumptions	3,810,318	N/A	3,810,318
▪ Contributions from the employer	N/A	\$ 321,506	(321,506)
▪ Net investment income	N/A	\$ 242,512	(242,512)
▪ Benefit payments	(947,073)	\$ (947,073)	0
▪ Administrative expense	N/A	0	0
Net Changes	4,264,895	(383,055)	4,647,950
Balance recognized at 12/31/2016	\$ 13,098,870	\$ 7,009,094	\$ 6,089,776

NOTE G - EMPLOYEE RETIREMENT PLAN: (CONTINUED)**Liability (Gain)/Loss**

The following table illustrates the liability gain/loss under GASB 68.

	Fiscal Year Ending 12/31/2015	Fiscal Year Ending 12/31/2016
(1) Pension Liability Prior Measurement Date	\$ 8,145,444	\$ 8,833,975
(2) Service Cost	481,598	524,767
(3) Interest Cost	508,573	533,112
(4) Plan Changes	0	0
(5) Benefit Payments	(301,640)	(947,073)
(6) Expected Pension Liability	\$ 8,833,975	\$ 8,944,781
(7) Actual Pension Liability	8,833,975	9,288,552
(8) Pension Liability (Gain)/Loss	\$ 0	\$ 343,771
(9) Average Future working Life Expectancy	N/A	11.43
(10) Pension Liability (Gain)/Loss Amortization	N/A	\$ 30,076

Asset (Gain)/Loss

The following table illustrates the asset gain loss under GASB 68.

	Fiscal Year Ending 12/31/2015	Fiscal Year Ending 12/31/2016
(1) Pension Asset Prior Measurement Date	\$ 6,696,874	\$ 7,392,149
(2) Contributions—Employer	\$ 755,763	\$ 321,506
(3) Expected Investment Income	\$ 415,436	\$ 424,762
(4) Benefit Payments	\$ (301,640)	\$ (947,073)
(5) Administrative Expense	0	0
(6) Other	0	0
(7) Expected Pension Asset	\$ 7,566,433	\$ 7,191,344
(8) Actual Pension Asset	\$ 7,392,149	\$ 7,009,094
(9) Pension Asset (Gain)/Loss	\$ 174,284	\$ 182,250
(10) Amortization Factor	5	5
(11) Pension Asset (Gain)/Loss Amortization	\$ 34,857	\$ 36,450

NOTE G - EMPLOYEE RETIREMENT PLAN: (CONTINUED)

Deferred Outflows/Inflows

The following table illustrates the Deferred Inflows and Outflows at the end of the fiscal year under GASB 68.

	Deferred Outflows	Deferred Inflows
(1) Difference between actual and expected experience		
(a) Measurement Date December 31, 2015	\$ 0	\$ 0
(2) Net Difference Between Expected and Actual Earnings on Pension Plan Investments		
(a) Measurement Date December 31, 2015	\$ 104,570	\$ 0
(3) Difference between actual and expected experience		
(a) Measurement Date December 31, 2016	\$ 313,695	\$ 0
(4) Net Difference Between Expected and Actual Earnings on Pension Plan Investments		
(a) Measurement Date December 31, 2016	\$ 145,800	\$ 0
(5) Changes of Assumptions		
(a) Measurement Date December 31, 2016	\$ 3,476,957	\$ 0
(6) Total	\$ 4,041,022	\$ 0

Amortization of Deferred Inflows/Outflows

The table below lists the amortization bases included in the deferred inflows/outflows as of December 31, 2016.

Date Established	Type of Base	Period		Balance		Annual Payment
		Original	Remaining	Original	Remaining	
12/31/2015	Liability (Gain)/Loss	N/A	N/A	\$ 0	\$ 0	\$ 0
12/31/2015	Asset (Gain)/Loss	5	3	\$ 174,284	\$ 104,570	\$ 34,857
12/31/2016	Liability (Gain)/Loss	11.43	10.43	\$ 343,771	\$ 313,695	\$ 30,076
12/31/2016	Asset (Gain)/Loss	5	4	\$ 182,250	\$ 145,800	\$ 36,450
12/31/2016	Assumption Change	11.43	10.43	\$ 3,810,318	\$ 3,476,957	\$ 333,361
	Total Charges			\$ 4,510,623	\$ 4,041,022	\$ 434,744

NOTE G - EMPLOYEE RETIREMENT PLAN: (CONTINUED)

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

Year End December 31:

2017	\$	434,744
2018	\$	434,744
2019	\$	434,743
2020	\$	399,887
2021	\$	363,437
Thereafter	\$	1,973,467

NOTE G - EMPLOYEE RETIREMENT PLAN: (CONTINUED)

Sensitivity

The following table illustrates the impact of interest rate sensitivity on the Net Pension Liability for fiscal year ending December 31, 2015:

	1% Decrease (5.00%)	Current Rate (6.00%)	1% Increase (7.00%)
(1) Total Pension Liability	\$ 10,600,770	\$ 8,833,975	\$ 7,361,646
(2) Plan Fiduciary Net Position	\$ 7,392,149	\$ 7,392,149	\$ 7,392,149
(3) Net Pension Liability	\$ 3,208,621	\$ 1,441,826	\$ (30,503)

The following table illustrates the impact of interest rate sensitivity on the Net Pension Liability for fiscal year ending December 31, 2016:

	1% Decrease (2.50%)	Current Rate (3.50%)	1% Increase (4.50%)
(1) Total Pension Liability	\$ 15,685,218	\$ 13,098,870	\$ 10,985,239
(2) Plan Fiduciary Net Position	\$ 7,009,094	\$ 7,009,094	\$ 7,009,094
(3) Net Pension Liability	\$ 8,676,124	\$ 6,089,776	\$ 3,976,145

NOTE G - EMPLOYEE RETIREMENT PLAN: (CONTINUED)

Disclosure—Changes in the Net Pension Liability and Related Ratios
Changes in the Net Pension Liability and Related Ratios

	Fiscal Year Ending		
	2014	2015	2016
Total Pension Liability			
Service Cost	N/A	\$ 481,598	\$ 524,767
Interest Cost	N/A	\$ 508,573	\$ 533,112
Changes of Benefit Terms	N/A	\$ 0	\$ 0
Differences Between Expected and Actual Experiences	N/A	\$ 0	\$ 343,771
Changes of Assumptions	N/A	\$ 0	\$ 3,810,318
Benefit Payments, Including Refunds of Member Contributions	N/A	\$ (301,640)	\$ (947,073)
Net Change in Total Pension Liability	N/A	\$ 688,531	\$ 4,264,895
Total Pension Liability (Beginning)	N/A	\$ 8,145,444	\$ 8,833,975
Total Pension Liability (Ending)	\$ 8,145,444	\$ 8,833,975	\$ 13,098,870
Plan Fiduciary Net Position			
Contributions—Employer	N/A	\$ 755,763	\$ 321,506
Contributions—Member	N/A	\$ 0	\$ 0
Net Investment Income	N/A	\$ 241,152	\$ 242,512
Benefit Payments, Including Refunds of Member Contributions	N/A	\$ (301,640)	\$ (947,073)
Administrative Expense	N/A	\$ 0	\$ 0
Other	N/A	\$ 0	\$ 0
Net Change in Plan Fiduciary Net Position	N/A	\$ 695,275	\$ (383,055)
Plan Fiduciary Net Position (Beginning)	N/A	\$ 6,696,874	\$ 7,392,149
Plan Fiduciary Net Position (Ending)	\$ 6,696,874	\$ 7,392,149	\$ 7,009,094
Net Pension Liability (Ending)	\$ 1,448,570	\$ 1,441,826	\$ 6,089,776
Net Position as a % of Pension Liability	82.22%	83.68%	53.51%
Covered Payroll	\$ 4,867,632	\$ 5,037,999	\$ 5,552,055
Net Pension Liability as a % of Covered Payroll	29.76%	28.62%	109.69%

NOTE G - EMPLOYEE RETIREMENT PLAN: (CONTINUED)

Participant Data

The actuarial valuation was based on personnel information from Upson County as of January 1, 2016. Following are some of the pertinent characteristics from the personnel data as of that date. Prior year characteristics are also provided for comparison purposes.

	January 1, 2015	January 1, 2016
Active Participants		
Number	180	183
Average Age	46.9	46.3
Average Service	9.8	9.8
Inactives With Deferred Benefits		
Number	18	18
Average Age	47.7	48.7
Average Monthly Benefit	\$ 587	\$ 587
Inactives Receiving Payment		
Number	1	4
Average Age	67.1	59.2
Average Monthly Benefit	\$ 452	\$ 517
Total Participants		
Number	199	205

NOTE G - EMPLOYEE RETIREMENT PLAN: (CONTINUED)

Actuarial Assumptions and Methods

Measurement Date	December 31, 2016.
Measurement Period	January 1, 2016 to December 31, 2016.
Valuation Date	January 1, 2016.
Discount Rate	3.50%
Pre-Retirement	
Mortality Table	2000 Annuity for Male and Female.
Turnover/Disability	T04-Actuary's Table T4.
Salary Scale	3.50%
Expense Load	None
Ancillary Ben Load	None
Postretirement	
Mortality Table	2000 Annuity for Male and Female.
Cost of Living	None
Lump Sum Interest Rate	3.50%
Census Data	As of January 1, 2016. January 1, 2016 results were rolled forward to December 31, 2016 using Standard Methodology.

Changes in Actuarial Assumptions

The discount rate and lump sum interest rate were reduced to 3.50%.

NOTE G - EMPLOYEE RETIREMENT PLAN: (CONTINUED)

Plan Provisions

Effective Date	The plan was initially established January 1, 1970, and was last amended and restated effective July 1, 2015.
Eligibility	All employees excluding non-resident aliens, members of an excluded class and union.
Minimum age	N/A
Months of service	N/A
Hours Required	Eligibility – 0 Benefit accrual – 0 Vesting – 1000
Plan Entry	Date on which eligibility satisfied.
Retirement	
Normal	First of month coincident with or next following attainment of age 65.
Early	Attainment of age 55 with 7 years of service.
Average Compensation	Current compensation.
Plan Benefit	
Retirement	Derived from the accumulation benefit formula below: <ul style="list-style-type: none">▪ 2% of average monthly compensation per year of service beginning year 1 plus Fresh Start Accrued Benefit.
Accrued Benefit	2% of current compensation per year of service plus prior year accrued benefit. <ul style="list-style-type: none">▪ Minimum Benefit–None▪ Maximum Benefit–None Maximum allowable distribution is lump sum equivalent of normal form not to exceed 415 maximum allowable distribution which is the lesser amount computed using: <ul style="list-style-type: none">a) 5.5% interest and the Applicable Mortality Table; orb) the greater of plan actuarial equivalence interest and mortality or 417(e) Minimum.
Death Benefit	Present Value of Accrued Benefit.
Top Heavy Minimum	None

NOTE G - EMPLOYEE RETIREMENT PLAN: (CONTINUED)

IRS Limitations	415 Limits Percent: 100 Dollar: \$210,000 Maximum--401(a)(17) Compensation \$265,000
Normal Form	Life Annuity
Optional forms	Life Annuity Guaranteed for 10 Years Joint with 50%, 75% or 100% Survivor Benefit
Vesting Schedule	100% vested in 7 years. Service is calculated using all years of service.
Present Value of Accrued Benefit	Based on Actuarial Equivalence.
Actuarial Equivalence	
Prior to January 1, 2000	
Interest	PBGC Interest Rates
Mortality Table	PBGC Mortality Table for Male
After December 31, 1999	
Interest	30-year Treasury rate (as prescribed by the Internal Revenue Service) for the month of November that immediately precedes the first day of the Plan Year in which the distribution occurs
Mortality Table	Commissioners' standard mortality table (as described in Code section 807(d)(5)(A)) used to determine reserves for group annuity contracts issued on the date on which the present value is being determined
Changes in Plan Provisions	
None.	

NOTE H - RETIREMENT PLAN - UPSON COUNTY BOARD OF HEALTH (COMPONENT UNIT)**A. 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 for the purpose of providing retirement allowances for employees of the State of Georgia and its political subdivisions. ERS is directed by a Board of Trustees and has the powers and privileges of a corporation. The Plan is administered by the Employees' Retirement System of Georgia. The ERS is being funded in conformity with the minimum funding standard set forth in Code Section 47-20-10 of the Public Retirement Systems Standards Law and the funding policy adopted by the Board of Trustees. Each plan and fund, including benefit contribution provisions, was established and can be amended by state law. The Plan issues a publicly available financial report that can be obtained www.ers.ga.gov.

B. 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 irrevocably change their membership to GSEPS.

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 years of creditable service regardless of age. Additionally, there are some provisions allowing 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 24 consecutive calendar months, multiplied by a number of years of creditable service, multiplied by the applicable benefit factor. Annually, postretirement cost-of-living adjustments may also be made to members' benefits, provided the members were hired prior to July 1, 2009. The normal retirement pension is payable monthly for life; however, options are available for distribution of 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.

C. 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 the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The Health Department's contractually required contribution rate, actuarially determined annually, for the year ended June 30, 2016 was 24.72% of annual covered payroll for old and new plan members and 21.69% for SEPS members. The Health Department's contributions to ERS totaled \$108,300 for the year ended June 30, 2016. 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.

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

At June 30, 2016, the Health Department reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2014. An expected total pension liability as of June 30, 2015 was determined using standard roll-forward techniques. The Health Department's proportion of the net pension liability was based on contributions to ERS during the fiscal year ended June 30, 2015. At June 30, 2015, The Health Department's proportion was .0117125%, which was an increase (decrease) of (.001874)% from its proportion measured as of June 30, 2014.

NOTE H - RETIREMENT PLAN - UPSON COUNTY BOARD OF HEALTH (COMPONENT UNIT): (CONTINUED)

For the year ended June 30, 2016, The Health Department recognized pension expense of \$85,984. At June 30, 2016, The Health Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$ 5,543
Changes of assumptions	0	0
Net difference between projected and actual earnings on pension plan investments	0	50,059
Changes in proportion and differences between employer contributions and proportionate share of contributions	0	72,510
Employer contributions subsequent to the measurement date	<u>108,300</u>	<u>0</u>
Total	<u>\$ 108,300</u>	<u>\$ 128,112</u>

The Health Department's contributions subsequent to the measurement date of \$108,300 are reported as deferred outflows and will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred in flows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$ (81,030)
2017	\$ (41,648)
2018	\$ (22,312)
2019	\$ (16,878)
2020	\$ 0
Thereafter	\$ 0

F. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2015, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary Increase	5.45-9.25%, including inflation
Investment rate of return	7.50%, net pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table for the periods after service retirement, for dependent beneficiaries, and for deaths in active service, and the RP-2000 Disable Mortality Table set back eleven years for males for the period after disability retirement.

NOTE H - RETIREMENT PLAN - UPSON COUNTY BOARD OF HEALTH (COMPONENT UNIT): (CONTINUED)

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2004-June 30, 2009.

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

Asset Class	Target Allocation	Long-term expected real rate of return*
Fixed Income	30.00%	3.00%
Domestic large stocks	39.70%	6.50%
Domestic mid stocks	3.70%	10.00%
Domestic small stocks	1.60%	13.00%
International developed market stocks	18.90%	6.50%
International emerging market stocks	<u>6.10%</u>	11.00%
Total	<u>100.00%</u>	

*Rates shown are net of the 3.00% assumed rate of inflation

G. Discount Rate

The discount rate used to measure the total pension liability was 7.50%. 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.

H. 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 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-rate higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current discount rate (7.50%)	1% Increase (8.50%)
Employer’s proportionate share of net pension liability	<u>\$ 983,489</u>	<u>\$ 693,802</u>	<u>\$ 446,832</u>

NOTE I – SPECIAL FUNDING DEFINED BENEFIT PENSION PLANS

1. Employees' Retirement System

The County's Tax Commissioner is eligible to 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 the employer contributions for local Tax Commissioners. The plan is administered by the Employees' Retirement System who issues a publicly available financial report that can be obtained at www.ers.ga.gov/formspubs/formspubs. This plan is considered immaterial to Upson County's financial statements.

2. Sheriff's Retirement Fund of Georgia

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

3. Judges on the Probate Courts Retirement Fund of Georgia

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

4. Magistrate Retirement Fund

The County's Magistrate Judge is covered by the Magistrates 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 filing fees. These nonemployer contributions are recognized as revenue by the Fund when collected from the courts. The Judges of the Magistrates Retirement Fund of Georgia is a component unit of the State of Georgia. This plan is considered immaterial to Upson County's financial statements.

5. Georgia's Judicial Retirement System

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

6. Georgia Firefighters' Pension Fund

The County's Volunteer Firemen are eligible to 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 non-employer contributions which consist of insurance premium taxes collected and remitted by insurers directly to the pension fund in accordance with the law. The plan is administered by Georgia Firefighters' Pension Fund located at 2171 Eastview parkway NE in Conyers, Georgia where separate financial statements may be obtained. This plan is considered immaterial to Upson County's financial statements.

7. Peace Officers' Annuity and Benefit Fund of Georgia

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

NOTE J- CONTINGENT LIABILITIES:

There are no known contingent liabilities to report at December 31, 2016.

NOTE K - SCHEDULE OF CASH AND INVESTMENTS:

The County of Upson's deposits at December 31, 2016 were entirely covered by Federal depository insurance or by collateral held by the County's custodial banks in the County's name.

The County's investment policy requires investing in low risk investments. Accordingly, all investments are recorded at cost. The type of investments purchased preclude the purchase of financial instruments that would require the reporting at amortized cost.

During the year 2016 and at December 31, 2016, the County's cash was held in interest earning money market accounts and certificates of deposits. There were no uncollateralized deposits held during the current year.

BALANCE SHEET - The captions on the combined balance sheet related to cash and in the Total columns are as follows:

	<u>Total</u>
Cash in Banks	\$ 2,926,613
Restricted Cash	<u>12,193,453</u>
TOTAL	<u>\$15,120,066</u>

Deposits - All deposits are carried at cost.

NOTE L - SCHEDULE OF CASH AND INVESTMENTS:

	<u>CARRYING AMOUNT</u>	<u>BANK BALANCE</u>	<u>FUND</u>
Insured Cash & Certificates	\$ 161,200	\$ 161,200	Agency Funds
Insured Cash & Certificates	4,421,755	4,421,755	General Fund
Insured Cash & Certificates	281,818	281,818	Special Revenue Funds
Insured Cash & Certificates	944,244	944,244	Enterprise Funds
Insured Cash & Certificates	7,169,847	7,169,847	Fiduciary Fund
Insured Cash & Certificates	<u>3,762,606</u>	<u>3,762,606</u>	Capital Project Fund
Total	<u>\$ 16,741,470</u>	<u>\$ 16,741,470</u>	

NOTE M – HOTEL/MOTEL TAX:

Hotel/Motel taxes received and expended amounted to \$5,299, an amount representing .0054% of tax receipts for the year ended December 31, 2016. 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, 2016.

NOTE N – RESERVATIONS OF FUND EQUITY:

Reserved for Employees' Retirement System – Fiduciary Funds – This reserve indicates the portion of fund balance legally restricted for pension payments.

NOTE O – FUND EQUITY:

In the fund financial statements, governmental funds report the following classifications of fund balance:

- Nonspendable – amounts cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted – amounts are restricted when constraints have been placed on the use of resources by (a) externally imposed by creditors, grantors, contributors or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Commissioners through adoption of a resolution. Commissioners also may modify or rescind the commitment.
- Assigned – amounts that are constrained by the Commissioners intent to be used for specific purposes, but are neither restricted nor committed. By resolution, the Commissioners has authorized the Manager to assign fund balances.
- Unassigned – amounts that have not been assigned to other funds and that are not restricted, committed or assigned to specific purposes within the General Fund.

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

- Committed
- Assigned
- Unassigned

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

NOTE P – RESTATEMENT OF EQUITY BALANCES FOR THE THOMASTON-UPSON COUNTY AIRPORT AUTHORITY (A COMPONENT UNIT):

A prior period adjustment – an adjustment was needed for the Thomaston-Upson County Airport Authority (a component unit) to reclassify engineering fees paid in 2015 that should have been capitalized.

The effect of the adjustment is as follows:

	Business-Type Activities
Net position - December 31, 2015 as previously reported	\$ 12,603,107
Correction of engineering fees	<u>79,472</u>
Net position - December 31, 2015, restated	<u>\$ 12,682,579</u>

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Schedule of Required Supplementary Information

Disclosure - Changes in the Net Pension Liability and Related Ratios

Last Ten Fiscal Years

(Years Prior to 2014 Unavailable)

Changes in the Net Pension Liability and Related Ratios

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

	FISCAL YEAR ENDING:		
	2014	2015	2016
Total Pension Liability			
Service Cost	N/A	\$ 481,598	\$ 524,767
Interest Cost	N/A	508,573	533,112
Changes in Benefit Terms	N/A	-	-
Differences Between Expected and Actual Expenses	N/A	-	343,771
Changes of Assumptions	N/A	-	3,810,318
Benefit Payments	N/A	(301,640)	(947,073)
Net Change in Total Pension Liability	N/A	\$ 688,531	\$ 4,264,895
Total Pension Liability - Beginning	N/A	8,145,444	8,833,975
Total Pension Liability - Ending	\$ 8,145,444	\$ 8,833,975	\$ 13,098,870
Plan Fiduciary Net Position			
Contributions - Employer	N/A	\$ 742,247	\$ 321,506
Contributions - Member	N/A	-	-
Net Investment Income	N/A	241,152	242,512
Benefit Payments, Including Refunds of Member Contributions	N/A	(301,640)	(947,073)
Administrative Expense	N/A	-	-
Other	N/A	-	-
Net Change in Plan Fiduciary Net Position	N/A	\$ 695,275	\$ (383,055)
Plan Fiduciary Net Position - Beginning	N/A	6,696,874	7,392,149
Plan Fiduciary Net Position - Ending	\$ 6,696,874	\$ 7,392,149	\$ 7,009,094
Net Pension Liability - Ending	\$ 1,448,570	\$ 1,441,826	\$ 6,089,776
Net Position as a % of Pension Liability	82.22%	83.68%	53.51%
Covered Payroll	\$ 4,867,632	\$ 5,037,999	\$ 5,552,055
Net Pension Liability as a % of Covered Payroll	29.76%	28.62%	109.69%

Covered payroll for year ending December 31, 2016 based on January 1, 2016 payroll increased by 3.5%; actual payroll at December 31, 2016 not available at the time of this report and may differ.

Schedule of the Net Pension Liability

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Share of the net pension liability	\$ 1,448,570	\$ 1,441,826	\$ 6,089,776
Covered employee payroll	\$ 4,867,632	\$ 5,037,999	\$ 5,552,055
Proportionate share of the net pension liability as a percentage of covered-employee payroll	29.76%	29.76%	109.69%
Plan fiduciary net position as a percentage of the total pension liability	82.22%	83.68%	53.51%

Years prior to 2014 are not available.

**SCHEDULE OF CONTRACTUALLY
ESTABLISHED EMPLOYER CONTRIBUTIONS
LAST TEN FISCAL YEARS
(YEARS PRIOR TO 2014 UNAVAILABLE)**

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$ 742,247	\$ 591,646	\$ 482,258
Contributions made in relation to the contractually required contribution	<u>(742,247)</u>	<u>(591,646)</u>	<u>(482,258)</u>
Contribution deficit (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Covered-employee payroll	 <u>\$ 5,037,999</u>	 <u>\$ 4,867,632</u>	 <u>\$ 5,552,055</u>
Contributions made as a percentage of covered-employee payroll	14.73%	12.62%	8.69%

Non-Major Governmental Funds

UPSON COUNTY, GEORGIA
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2016

	Special Revenue Funds		Total Nonmajor
	Hotel/Motel Tax	Law Library Fund	Governmental Funds
ASSETS			
Cash in banks	\$ -	\$ 20,110	\$ 20,110
Total Assets	\$ -	\$ 20,110	\$ 20,110
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Due to general fund	-	-	-
Total Liabilities	\$ -	\$ -	\$ -
Fund Balance			
Restricted as reported in Special Revenue Funds	\$ -	\$ 20,110	\$ 20,110
Total Fund Balance	\$ -	\$ 20,110	\$ 20,110
Total Liabilities and Fund Balance	\$ -	\$ 20,110	\$ 20,110

UPSON COUNTY, GEORGIA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
December 31, 2016

	Special Revenue Funds		Total Nonmajor Governmental Funds
	Hotel/Motel Tax	Law Library Fund	
Revenues			
Taxes			
Hote/Motel Tax	\$ 5,299	\$ -	\$ 5,299
Charges for services	-	-	-
Investment earnings	-	-	-
Fines and forfeitures	-	11,420	11,420
Total revenues	\$ 5,299	\$ 11,420	\$ 16,719
Expenditures			
Current:			
General government	\$ 5,299	\$ 13,420	\$ 18,719
Public safety	-	-	-
Capital outlay	-	-	-
Total expenditures	\$ 5,299	\$ 13,420	\$ 18,719
Excess of revenues and other financing sources (uses) over (under) expenditures	\$ -	\$ (2,000)	\$ (2,000)
Other financing sources (uses)			
Transfer from General Fund	\$ -	\$ -	\$ -
Total other financing sources (uses)	\$ -	\$ -	\$ -
Net change in fund balance	\$ -	\$ (2,000)	\$ (2,000)
Fund balance - beginning of year	-	22,110	22,110
Fund balance - end of year	\$ -	\$ 20,110	\$ 20,110

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General Fund – to account for general operations of the county, including all financial transactions not required to be accounted for in another method.

UPSON COUNTY, GEORGIA
 General Fund
 Comparative Balance Sheet
 December 31, 2016

	2016	2015
ASSETS		
Cash in banks	\$ 4,421,755	\$ 2,926,613
Receivables (net of allowances for estimated uncollectibles):		
Taxes	1,245,200	1,459,377
Due from other funds:		
Water Systems Enterprise Fund	75,552	246,300
911 Fund	99,077	-
Prepays	2,394	3,591
Total Assets	\$ 5,843,978	\$ 4,635,881
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	\$ 681,689	\$ 260,959
Total Liabilities	\$ 681,689	\$ 260,959
Fund Balance		
Nonspendable	\$ 2,394	\$ 3,591
Unassigned	5,159,895	4,371,331
Total Fund Balance	\$ 5,162,289	\$ 4,374,922
Total Liabilities and Fund Balance	\$ 5,843,978	\$ 4,635,881

UPSON COUNTY, GEORGIA
 General Fund
 Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance
 December 31, 2016

	<u>2016</u>	<u>2015</u>
Revenues		
Taxes	\$ 9,509,146	\$ 10,355,165
Licenses and permits	158,371	122,733
Intergovernmental revenue	1,541,406	929,296
Charges for services	573,457	695,685
Fines and forfeitures	553,981	561,748
Interest earnings	4,658	1,017
Miscellaneous	80,260	194,352
Total revenues	\$ 12,421,279	\$ 12,859,996
Expenditures		
Current:		
General government	\$ 6,121,596	\$ 5,497,058
Public safety	4,362,179	4,265,337
Public works	1,718,512	2,068,800
Health and welfare	550,203	618,235
Culture and recreation	104,864	127,095
Payments to other governmental agencies	1,376,607	1,134,653
Debt service:		
Principal	109,447	76,969
Interest	40,982	57,827
Capital outlay:		
Public works	175,030	9,580
General government	100,760	-
Public safety	125,675	-
Total expenditures	\$ 14,785,855	\$ 13,855,554
Other financing sources (uses)		
Transfer from (to) Special Revenue Funds:		
Joint Projects Fund	\$ 2,504,462	\$ 2,098,013
Unincorporated Services Fund	913,728	987,046
Sprewell Bluff Recreation Area Fund	-	(55,538)
Waste Services Enterprise Fund	-	118,932
911 Fund	(266,247)	(337,852)
Total other financing sources (uses)	\$ 3,151,943	\$ 2,810,601
Excess of revenues and other financing sources (uses) over (under) expenditures	\$ 787,367	\$ 1,815,043
Fund balance - beginning of year	4,374,922	2,559,879
Fund balance - end of year	\$ 5,162,289	\$ 4,374,922

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UPSON COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
COMPARED WITH BUDGET

FOR THE YEAR ENDED DECEMBER 31, 2016

	Estimated Budget 12 Months	Additional Estimated Revenues	Total Estimated Revenues	2016 Actual Revenues	Variance	2015 Actual Revenues
Taxes						
General property taxes	\$ 5,972,063	\$ -	\$ 5,972,063	\$ 5,985,443	\$ 13,380	\$ 6,520,220
Local option sales tax	1,697,807	-	1,697,807	1,497,143	(200,664)	1,834,720
Other taxes:						
Insurance premium tax	850,000	129,156	979,156	984,541	5,385	924,972
T.A.V.T. tax	663,191	-	663,191	647,971	(15,220)	664,947
Beer and wine tax	124,408	-	124,408	157,948	33,540	126,214
Franchise tax	181,441	-	181,441	166,453	(14,988)	181,441
Intangible personal tax reporting	58,463	-	58,463	49,310	(9,153)	56,250
Real estate transfer tax	46,304	-	46,304	20,337	(25,967)	46,401
Total taxes	\$ 9,593,677	\$ 129,156	\$ 9,722,833	\$ 9,509,146	\$ (213,687)	\$ 10,355,165
Licenses and permits						
Business licenses	\$ 78,324	\$ -	\$ 78,324	\$ 128,582	\$ 50,258	\$ 93,940
Bank licenses	28,793	-	28,793	29,789	996	28,793
Total licenses and permits	\$ 107,117	\$ -	\$ 107,117	\$ 158,371	\$ 51,254	\$ 122,733
Intergovernmental revenues						
Community service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,335
LMIG Proceeds	419,877	-	419,877	413,616	(6,261)	576,635
F.E.M.A. Grants	-	-	-	97,923	97,923	-
C.D.B.G. Housing Grant	3,800	-	3,800	273,573	269,773	34,700
City of Thomaston reimbursements	383,996	-	383,996	567,346	183,350	313,626
BYRNE - JAG Grant	-	-	-	111,766	111,766	-
CHIP Grant	83,683	-	83,683	205,550	121,867	-
Total intergovernmental revenues	\$ 891,356	\$ -	\$ 891,356	\$ 1,669,774	\$ 778,418	\$ 929,296
Charges for services						
Tax commissioner - costs, commissions, and fees	\$ 324,512	\$ -	\$ 324,512	\$ 417,574	\$ 93,062	\$ 538,131
Prisoner expense reimbursements	17,000	-	17,000	10,398	(6,602)	16,438
Sheriff - costs and fees	74,037	-	74,037	77,223	3,186	79,099
Clerk of Superior Court - costs and fees	59,873	-	59,873	68,262	8,389	62,017
Total charges for services	\$ 475,422	\$ -	\$ 475,422	\$ 573,457	\$ 98,035	\$ 695,685

NOTE: This financial presentation continues on the next page.

UPSON COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
COMPARED WITH BUDGET

FOR THE YEAR ENDED DECEMBER 31, 2016

	Estimated Budget 12 Months	Additional Estimated Revenues	Total Estimated Revenues	2016 Actual Revenues	Variance	2015 Actual Revenues
Fines and forfeitures						
Probate Court	\$ 308,454	\$ -	\$ 308,454	\$ 306,745	\$ (1,709)	\$ 293,857
Superior Court	127,026	-	127,026	101,440	(25,586)	122,968
Juvenile Court	2,475	-	2,475	4,285	1,810	1,660
Magistrate Court	142,645	-	142,645	141,511	(1,134)	143,263
Total fines and forfeitures	\$ 580,600	\$ -	\$ 580,600	\$ 553,981	\$ (26,619)	\$ 561,748
Interest earnings						
Finance office	\$ 4,340	\$ -	\$ 4,340	\$ 4,658	\$ 318	\$ 1,017
Total interest earnings	\$ 4,340	\$ -	\$ 4,340	\$ 4,658	\$ 318	\$ 1,017
Miscellaneous						
Miscellaneous	\$ 96,753	\$ 152,580	\$ 249,333	\$ 59,550	\$ (189,783)	\$ 162,886
Archives contributions	31,831	-	31,831	30,710	(1,121)	31,466
Total miscellaneous	\$ 128,584	\$ 152,580	\$ 281,164	\$ 90,260	\$ (190,904)	\$ 194,352
TOTAL REVENUES	\$ 11,781,096	\$ 281,736	\$ 12,062,832	\$ 12,559,647	\$ 496,815	\$ 12,859,996
Other financing sources						
Transfer from Special Revenue Funds:						
Joint Projects Fund	\$ 2,300,000	\$ -	\$ 2,300,000	\$ 2,504,462	\$ 204,462	\$ 2,098,013
Waste Services Enterprise Fund	-	-	-	-	-	118,932
Unincorporated Services Fund	900,000	-	900,000	913,728	13,728	987,046
Total other financing sources	\$ 3,200,000	\$ -	\$ 3,200,000	\$ 3,418,190	\$ 218,190	\$ 3,203,991
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 14,981,096	\$ 281,736	\$ 15,262,832	\$ 15,977,837	\$ 715,005	\$ 16,063,987

NOTE: This financial presentation continues on the next page.

UPSON COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
COMPARED WITH BUDGET
FOR THE YEAR ENDED DECEMBER 31, 2016

Description	Initial Annual Budget	Additional Appropriations	Total Appropriations	2016		2015 Actual Expenditures
				Actual Expenditures	Variance	
General government						
Superior Court	\$ 226,879	\$ 7,550	\$ 234,429	\$ 234,429	\$ -	\$ 246,385
Indigent Defense/Public Defender	368,769	-	368,769	368,769	-	484,681
District Attorney	242,249	-	242,249	242,249	-	200,143
Clerk of Superior Court	430,129	-	430,129	414,304	15,825	396,419
Probate Court	249,679	-	249,679	239,796	9,883	237,252
Magistrate Court	249,300	2,193	251,493	251,493	-	260,558
Juvenile court	135,635	542	136,177	136,177	-	141,928
Coroner	38,647	-	38,647	35,206	3,441	45,628
Board of Elections/Registrar	167,413	-	167,413	166,800	613	111,541
Finance and administrative	1,088,866	24,767	1,113,633	1,105,942	7,691	927,475
Senior Center	180,229	-	180,229	119,224	61,005	151,803
Tax Assessors	510,793	-	510,793	464,071	46,722	475,018
Information Technology	167,131	-	167,131	157,895	9,236	149,303
Tax Commissioner	359,515	-	359,515	339,711	19,804	395,264
General government buildings	889,046	47,396	936,442	936,442	-	860,863
Agricultural Resources	82,794	-	82,794	79,660	3,134	67,259
Archives	181,004	-	181,004	151,659	29,345	136,951
Building & Zoning/Code Enforcement	195,975	-	195,975	179,735	16,240	186,343
Conservation expenditures	20,938	892	21,830	21,830	-	22,253
Grant expenditures	230,000	-	230,000	554,193	(324,193)	-
Other	26,022	-	26,022	26,022	-	-
Total Taxes	\$ 6,041,013	\$ 83,340	\$ 6,124,353	\$ 6,225,607	\$ (101,254)	\$ 5,497,067
Public Safety						
Sheriff administration, patrol and crime	\$ 2,053,178	\$ -	\$ 2,053,178	\$ 2,087,485	\$ (34,307)	\$ 2,043,933
Custody of prisoners	2,134,765	102,417	2,237,182	2,237,182	-	2,175,800
Emergency management	49,545	-	49,545	33,488	16,057	7,792
Volunteer fire departments	38,295	86	38,381	38,381	-	37,812
Total Public Safety	\$ 4,275,783	\$ 102,503	\$ 4,378,286	\$ 4,396,536	\$ (18,250)	\$ 4,265,337

Note: This financial presentation continues on the next page.

UPSON COUNTY, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
COMPARED WITH BUDGET

FOR THE YEAR ENDED DECEMBER 31, 2016

Description	Initial Annual Budget	Additional Appropriations	Total Appropriations	2016		2015 Actual Expenditures
				Actual Expenditures	Variance	
Public Works						
Roads construction and maintenance	\$ 1,285,241	\$ 82,407	\$ 1,367,648	\$ 1,367,648	\$ -	\$ 1,724,570
Shop and garage	378,246	-	378,246	350,864	27,382	344,230
Total Public Works	\$ 1,663,487	\$ 82,407	\$ 1,745,894	\$ 1,718,512	\$ 27,382	\$ 2,068,800
Health and Welfare						
Animal Control	\$ 182,940	\$ 17,686	\$ 200,626	\$ 200,624	\$ 2	\$ 159,525
Family and Children Services	40,000	-	40,000	15,087	24,913	17,966
Physical and mental health	275,873	-	275,873	275,873	-	275,873
EMS operations	-	-	-	-	-	112,595
Gilmore Center	100,000	-	100,000	58,619	41,381	52,276
Total Health and Welfare	\$ 598,813	\$ 17,686	\$ 616,499	\$ 550,203	\$ 66,296	\$ 618,235
Culture and Recreation						
Hightower Memorial Library	\$ 176,138	\$ -	\$ 176,138	\$ 100,864	\$ 75,274	\$ 123,095
Thomaston-Upson Arts Council	4,000	-	4,000	4,000	-	4,000
Total Culture and Recreation	\$ 180,138	\$ -	\$ 180,138	\$ 104,864	\$ 75,274	\$ 127,095
Payments to Other Governmental Agencies						
Thomaston-Upson County:						
Recreation Commission	\$ 713,579	\$ 80,903	\$ 794,482	\$ 794,482	\$ -	\$ 499,741
Airport Authority	48,349	-	48,349	48,349	-	44,103
Solid Waste Disposal Facility	215,482	-	215,482	215,482	-	201,108
Industrial Development Authority	327,381	-	327,381	300,958	26,423	372,397
Three Rivers Regional Commission	17,304	32	17,336	17,336	-	17,304
Total payments to Other Governmental Agencies	\$ 1,322,095	\$ 80,935	\$ 1,403,030	\$ 1,376,607	\$ 26,423	\$ 1,134,653
TOTAL OPERATING EXPENDITURES	\$ 14,081,329	\$ 366,871	\$ 14,448,200	\$ 14,372,329	\$ 75,871	\$ 14,416,770

UPSON COUNTY, GEORGIA
GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
COMPARED WITH BUDGET

FOR THE YEAR ENDED DECEMBER 31, 2016

Description	Initial Annual Budget	Additional Appropriations	Total Appropriations	2016 Actual Expenditures	Variance	2015 Actual Expenditures
Debt Service						
Local government lease pool - O.B.A.:						
Principal	\$ 109,447	\$ -	\$ 109,447	\$ 109,447	\$ -	\$ 76,960
Interest	12,648	-	12,648	12,648	-	8,697
Tax Anticipation Note:						
Interest	60,000	-	60,000	28,334	31,666	49,130
Total Debt Service	\$ 182,095	\$ -	\$ 182,095	\$ 150,429	\$ 31,666	\$ 134,787
Capital Outlay						
General Government	\$ 100,920	\$ -	\$ 100,920	\$ 100,760	\$ 160	\$ -
Public Safety	6,200	119,475	125,675	125,675	-	-
Public Works	175,030	-	175,030	175,030	-	-
Health and Welfare	-	-	-	-	-	9,580
Culture and Recreation	-	-	-	-	-	-
Total Capital Outlay	\$ 282,150	\$ 119,475	\$ 401,625	\$ 401,465	\$ 160	\$ 9,580
Other financing uses						
Transfer to Sprewell Bluff Recreation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,538
Transfer to 911 Fund	166,247	100,000	266,247	266,247	-	337,852
Total other financing uses	\$ 166,247	\$ 100,000	\$ 266,247	\$ 266,247	\$ -	\$ 393,390
TOTAL OPERATING EXPENDITURES, DEBT SERVICE, CAPITAL OUTLAY, AND OTHER FINANCING USES	\$ 14,711,821	\$ 586,346	\$ 15,298,167	\$ 15,190,470	\$ 107,697	\$ 13,955,554

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

911 Fund – to account for funds collected and disbursed from the 911 Fund for the safety and security of Upson County, Georgia

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

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

Unincorporated Services Fund – to account for receipts and disbursements specifically identified as benefiting only the unincorporated area of the county

Joint Projects Fund – to account for county Unincorporated tax receipts and associated county disbursements to fund the county's portion of joint projects with the City of Thomaston.

**UPSON COUNTY, GEORGIA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2016
With Comparative Totals for December 31, 2015**

	SPREWELL BLUFF RECRE- ATION AREA	911 FUND	HOTEL/ MOTEL TAX FUND	LAW LIBRARY FUND	UNINCOR- PORATED SERVICES FUND	JOINT PROJECTS FUND	TOTALS	
							2016	2015
ASSETS:								
Cash in banks	\$ 65,210	\$ 196,498	\$ 0	\$ 20,110	\$ 0	\$ 0	\$ 281,818	\$ 236,816
Inventory	811	0	0	0	0	0	811	0
Taxes Receivable	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>214,144</u>	<u>498,730</u>	<u>712,874</u>	<u>768,816</u>
Total Assets	<u>\$ 66,021</u>	<u>\$ 196,498</u>	<u>\$ 0</u>	<u>\$ 20,110</u>	<u>\$ 214,144</u>	<u>\$ 498,730</u>	<u>\$ 995,503</u>	<u>\$ 1,005,632</u>
LIABILITIES AND FUND BALANCES:								
Accounts payable	\$ 4,562	\$ 35,912	\$ 0	\$ 0	\$ 0	\$ 0	\$ 40,474	\$ 2,083
Due to General Fund	<u>0</u>	<u>99,077</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>99,077</u>	<u>136,095</u>
Total Liabilities	<u>\$ 4,562</u>	<u>\$ 134,989</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 139,551</u>	<u>\$ 138,178</u>
FUND BALANCES:								
Restricted	<u>\$ 61,459</u>	<u>\$ 61,509</u>	<u>\$ 0</u>	<u>\$ 20,110</u>	<u>\$ 214,144</u>	<u>\$ 498,730</u>	<u>\$ 855,952</u>	<u>\$ 867,454</u>
Total Fund Balances	<u>\$ 61,459</u>	<u>\$ 61,509</u>	<u>\$ 0</u>	<u>\$ 20,110</u>	<u>\$ 214,144</u>	<u>\$ 498,730</u>	<u>\$ 855,952</u>	<u>\$ 867,454</u>
Total Liabilities and Fund Balances	<u>\$ 66,021</u>	<u>\$ 196,498</u>	<u>\$ 0</u>	<u>\$ 20,110</u>	<u>\$ 214,144</u>	<u>\$ 498,730</u>	<u>\$ 995,503</u>	<u>\$ 1,005,632</u>

UPSON COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the year ending December 31, 2016
With Comparative Totals for December 31, 2015

	SPREWELL BLUFF RECRE- ATION AREA	911 FUND	HOTEL/ MOTEL TAX FUND	LAW LIBRARY FUND	UNINCOR- PORATED SERVICES FUND	JOINT PROJECTS FUND	TOTALS	
							2016	2015
REVENUES:								
Taxes	\$ 0	\$ 0	\$ 5,299	\$ 0	\$ 891,343	\$ 2,470,905	\$ 3,367,547	\$ 3,042,788
Fines and forfeitures	0	0	0	11,420	0	0	11,420	11,211
Charges for services	66,139	460,579	0	0	0	0	526,718	515,384
Intergovernmental revenue	0	99,155	0	0	0	0	99,155	0
Investment earnings	0	142	0	0	0	0	142	117
Total Revenues	<u>\$ 66,139</u>	<u>\$ 559,876</u>	<u>\$ 5,299</u>	<u>\$ 11,420</u>	<u>\$ 891,343</u>	<u>\$ 2,470,905</u>	<u>\$ 4,004,982</u>	<u>\$ 3,644,904</u>
EXPENDITURES:								
Current:								
General government	\$ 71,820	\$ 0	\$ 0	\$ 13,420	\$ 0	\$ 0	\$ 85,240	\$ 48,842
Public safety	0	739,888	0	0	0	0	739,888	677,339
Capital Outlay Expenditures	0	34,114	0	0	0	0	34,114	0
Payments to Chamber Tourism	0	0	5,299	0	0	0	5,299	4,963
Total Expenditures	<u>\$ 71,820</u>	<u>\$ 774,002</u>	<u>\$ 5,299</u>	<u>\$ 13,420</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 864,541</u>	<u>\$ 731,144</u>
Excess (Deficit) of Revenues over (Under) Expenses	<u>\$ (5,681)</u>	<u>\$ (214,126)</u>	<u>\$ 0</u>	<u>\$ (2,000)</u>	<u>\$ 891,343</u>	<u>\$ 2,470,905</u>	<u>\$ 3,140,441</u>	<u>\$ 2,913,760</u>
OTHER FINANCING SOURCES (USES)								
Transfers (to) from General Fund	\$ 0	\$ 266,247	\$ 0	\$ 0	\$ (913,728)	\$ (2,504,462)	\$ (3,151,943)	\$ (2,791,669)
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 266,247</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (913,728)</u>	<u>\$ (2,504,462)</u>	<u>\$ (3,151,943)</u>	<u>\$ (2,791,669)</u>
Excess (Deficit) of Revenues and Other Sources over (Under) Expenditures and Other Uses	<u>\$ (5,681)</u>	<u>\$ 52,121</u>	<u>\$ 0</u>	<u>\$ (2,000)</u>	<u>\$ (22,385)</u>	<u>\$ (33,557)</u>	<u>\$ (11,502)</u>	<u>\$ 122,091</u>
Fund Balances - Beginning of Year	<u>67,140</u>	<u>9,388</u>	<u>0</u>	<u>22,110</u>	<u>236,529</u>	<u>532,287</u>	<u>867,454</u>	<u>745,363</u>
Fund Balances - End of Year	<u>\$ 61,459</u>	<u>\$ 61,509</u>	<u>\$ 0</u>	<u>\$ 20,110</u>	<u>\$ 214,144</u>	<u>\$ 498,730</u>	<u>\$ 855,952</u>	<u>\$ 867,454</u>

UPSON COUNTY, GEORGIA
SPREWELL BLUFF RECREATIONAL AREA
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2016 and December 31, 2015

	TOTALS	
	2016	2015
<u>ASSETS:</u>		
Cash in banks	\$ 65,210	\$ 69,056
Inventory	811	0
Total Assets	\$ 66,021	\$ 69,056
 <u>LIABILITIES AND FUND BALANCES:</u>		
<u>LIABILITIES:</u>		
Accounts payable	\$ 4,562	\$ 1,661
Due to General Fund	0	255
Total Liabilities	\$ 4,562	\$ 1,916
 <u>FUND BALANCE:</u>		
Restricted	\$ 61,459	\$ 67,140
Total Fund Balance	\$ 61,459	\$ 67,140
 Total Liabilities and Fund Balance	 \$ 66,021	 \$ 69,056

**UPSON COUNTY, GEORGIA
SPREWELL BLUFF RECREATIONAL AREA
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL**

For the year ending December 31, 2016

	BUDGET	ACTUAL	VARIANCE
<u>REVENUES:</u>			
Fees	\$ 48,000	\$ 62,084	\$ 14,084
Store sales	0	4,055	4,055
Interest earned	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	<u>\$ 48,000</u>	<u>\$ 66,139</u>	<u>\$ 18,139</u>
<u>EXPENDITURES:</u>			
Current:			
General Government	\$ 72,000	\$ 71,820	\$ 180
Total Expenditures	<u>\$ 72,000</u>	<u>\$ 71,820</u>	<u>\$ 180</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (24,000)</u>	<u>\$ (5,681)</u>	<u>\$ 18,319</u>
<u>OTHER FINANCING SOURCES (USES):</u>			
Transfer from General Fund	\$ 0	\$ 0	\$ 0
Total Other Financing Sources and (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ (24,000)	\$ (5,681)	\$ 18,319
Fund Balance - Beginning of Year	<u>67,140</u>	<u>67,140</u>	<u>0</u>
Fund Balance - End of Year	<u>\$ 43,140</u>	<u>\$ 61,459</u>	<u>\$ 18,319</u>

UPSON COUNTY, GEORGIA
911 FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2016 and December 31, 2015

	TOTALS	
	2016	2015
<u>ASSETS:</u>		
Cash in banks	\$ 196,498	\$ 145,650
Total Assets	<u>\$ 196,498</u>	<u>\$ 145,650</u>
 <u>LIABILITIES AND FUND BALANCES:</u>		
<u>LIABILITIES:</u>		
Accounts payable	\$ 35,912	\$ 422
Due to General Fund	<u>99,077</u>	<u>135,840</u>
Total Liabilities	<u>\$ 134,989</u>	<u>\$ 136,262</u>
 <u>FUND BALANCE:</u>		
Restricted	<u>\$ 61,509</u>	<u>\$ 9,388</u>
Total Fund Balance	<u>\$ 61,509</u>	<u>\$ 9,388</u>
 Total Liabilities and Fund Balance	 <u>\$ 196,498</u>	 <u>\$ 145,650</u>

UPSON COUNTY, GEORGIA
911 FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
For the year ending December 31, 2016

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<u>REVENUES:</u>			
Charges for services	\$ 510,724	\$ 460,579	\$ (50,145)
Intergovernmental revenue	99,155	99,155	0
Interest earned on investments	<u>80</u>	<u>142</u>	<u>62</u>
Total Revenues	<u>\$ 609,959</u>	<u>\$ 559,876</u>	<u>\$ (50,083)</u>
<u>EXPENDITURES:</u>			
Public Safety	\$ 742,092	\$ 739,888	\$ 2,204
Capital Outlay Expenditures	<u>34,114</u>	<u>34,114</u>	<u>0</u>
Total Expenditures	<u>\$ 776,206</u>	<u>\$ 774,002</u>	<u>\$ 2,204</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (166,247)</u>	<u>\$ (214,126)</u>	<u>\$ (47,879)</u>
<u>OTHER FINANCING SOURCES</u>			
<u>(USES):</u>			
Transfer from Upson County	<u>\$ 266,247</u>	<u>\$ 266,247</u>	<u>\$ 0</u>
Total Other Financing Sources and (Uses)	<u>\$ 266,247</u>	<u>\$ 266,247</u>	<u>\$ 0</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ 100,000	\$ 52,121	\$ (47,879)
Fund Balance - Beginning of Year	<u>9,388</u>	<u>9,388</u>	<u>0</u>
Fund Balance - End of Year	<u>\$ 109,388</u>	<u>\$ 61,509</u>	<u>\$ (47,879)</u>

UPSON COUNTY, GEORGIA
HOTEL/MOTEL TAX FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2016 and December 31, 2015

	<u>TOTALS</u>	
	<u>2016</u>	<u>2015</u>
<u>ASSETS:</u>		
Cash in banks	\$ <u>0</u>	\$ <u>0</u>
Total Assets	\$ <u>0</u>	\$ <u>0</u>
 <u>LIABILITIES AND FUND BALANCES:</u>		
<u>LIABILITIES:</u>		
Total Liabilities	\$ <u>0</u>	\$ <u>0</u>
 <u>FUND BALANCE:</u>		
Total Fund Balance	\$ <u>0</u>	\$ <u>0</u>
 Total Liabilities and Fund Balance	 \$ <u>0</u>	 \$ <u>0</u>

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

For the year ending December 31, 2016

	BUDGET	ACTUAL	VARIANCE
<u>REVENUES:</u>			
Hotel/Motel taxes	\$ 5,300	\$ 5,299	\$ (37)
Total Revenues	\$ 5,300	\$ 5,299	\$ (1)
<u>EXPENDITURES:</u>			
Payments to Chamber - Tourism	\$ 5,300	\$ 5,299	\$ 1
Total Expenditures	\$ 5,300	\$ 5,299	\$ 1
Excess (Deficiency) of Revenues over (Under) Expenditures	\$ 0	\$ 0	\$ 0
<u>OTHER FINANCING SOURCES (USES):</u>			
Transfers to General Fund	\$ 0	\$ 0	\$ 0
Total Other Financing Sources and (Uses)	\$ 0	\$ 0	\$ 0
Excess (Deficiency) of Revenues over (Under) Expenditures	\$ 0	\$ 0	\$ 0
Fund Balance - Beginning of Year	0	0	0
Fund Balance - End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

UPSON COUNTY, GEORGIA
LAW LIBRARY FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2016 and December 31, 2015

	TOTALS	
	2016	2015
<u>ASSETS:</u>		
Cash in banks	\$ 20,110	\$ 22,110
Total Assets	<u>\$ 20,110</u>	<u>\$ 22,110</u>
 <u>LIABILITIES AND FUND BALANCES:</u>		
<u>LIABILITIES:</u>		
Total Liabilities	\$ 0	\$ 0
 <u>FUND BALANCE:</u>		
Restricted	\$ 20,110	\$ 22,110
Total Fund Balance	<u>\$ 20,110</u>	<u>\$ 22,110</u>
 Total Liabilities and Fund Balance	 <u>\$ 20,110</u>	 <u>\$ 22,110</u>

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

For the year ending December 31, 2016

	BUDGET	ACTUAL	VARIANCE
<u>REVENUES:</u>			
Costs	\$ 11,000	\$ 11,420	\$ 420
Interest earned	0	0	0
Total Revenues	<u>\$ 11,000</u>	<u>\$ 11,420</u>	<u>\$ 420</u>
<u>EXPENDITURES:</u>			
Current:			
General Government	\$ 14,000	\$ 13,420	\$ 580
Total Expenditures	<u>\$ 14,000</u>	<u>\$ 13,420</u>	<u>\$ 580</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>\$ (3,000)</u>	<u>\$ (2,000)</u>	<u>\$ 1,000</u>
<u>OTHER FINANCING SOURCES (USES):</u>			
Total Other Financing Sources and (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	<u>\$ (3,000)</u>	<u>\$ (2,000)</u>	<u>\$ 1,000</u>
Fund Balance - Beginning of Year	<u>22,110</u>	<u>22,110</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$ 19,110</u></u>	<u><u>\$ 20,110</u></u>	<u><u>\$ 1,000</u></u>

UPSON COUNTY, GEORGIA
UNINCORPORATED SERVICES FUND
 COMPARATIVE BALANCE SHEET
 DECEMBER 31, 2016 and December 31, 2015

	<u>TOTALS</u>	
	2016	2015
<u>ASSETS:</u>		
Cash in banks	\$ 0	\$ 0
Taxes receivable	<u>214,144</u>	<u>236,529</u>
Total Assets	<u>\$ 214,144</u>	<u>\$ 236,529</u>
 <u>LIABILITIES AND FUND BALANCES:</u>		
<u>LIABILITIES:</u>		
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>
 <u>FUND BALANCE:</u>		
Restricted	<u>\$ 214,144</u>	<u>\$ 236,529</u>
Total Fund Balance	<u>\$ 214,144</u>	<u>\$ 236,529</u>
 Total Liabilities and Fund Balance	 <u>\$ 214,144</u>	 <u>\$ 236,529</u>

**UPSON COUNTY, GEORGIA
UNINCORPORATED SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL**

For the year ending December 31, 2016

	BUDGET	ACTUAL	VARIANCE
<u>REVENUES:</u>			
Property Taxes	\$ 940,000	\$ 891,343	\$ (48,657)
Total Revenues	\$ 940,000	\$ 891,343	\$ (48,657)
<u>EXPENDITURES:</u>			
Total Expenditures	\$ 0	\$ 0	\$ 0
Excess (Deficiency) of Revenues over (Under) Expenditures	\$ 940,000	\$ 891,343	\$ (48,657)
<u>OTHER FINANCING SOURCES (USES):</u>			
Transfers to General Fund	\$(940,000)	\$ (913,728)	\$ 2,954
Total Other Financing Sources and (Uses)	\$(940,000)	\$ (913,728)	\$ 26,272
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	\$ 0	\$ (22,385)	\$ 10,200
Fund Balance - Beginning of Year	236,529	236,529	0
Fund Balance - End of Year	\$ 236,529	\$ 214,144	\$ 10,200

UPSON COUNTY, GEORGIA
JOINT PROJECTS FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2016 and December 31, 2015

	TOTALS	
	2016	2015
<u>ASSETS:</u>		
Cash	\$ 0	\$ 0
Taxes Receivable	<u>498,730</u>	<u>532,287</u>
Total Assets	<u>\$ 498,730</u>	<u>\$ 532,287</u>
 <u>LIABILITIES AND FUND BALANCES:</u>		
<u>LIABILITIES:</u>		
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>
 <u>FUND BALANCE:</u>		
Restricted	<u>\$ 498,730</u>	<u>\$ 532,287</u>
Total Fund Balance	<u>\$ 498,730</u>	<u>\$ 532,287</u>
 Total Liabilities and Fund Balance	 <u>\$ 498,730</u>	 <u>\$ 532,287</u>

**UPSON COUNTY, GEORGIA
JOINT PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL
For the year ending December 31, 2016**

	BUDGET	ACTUAL	VARIANCE
<u>REVENUES:</u>			
Property Taxes	<u>\$2,400,000</u>	<u>\$ 2,470,905</u>	<u>\$ 70,905</u>
Total Revenues	<u>\$2,400,000</u>	<u>\$ 2,470,905</u>	<u>\$ 70,905</u>
<u>EXPENDITURES:</u>			
Total Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>\$2,400,000</u>	<u>\$ 2,470,905</u>	<u>\$ 70,905</u>
<u>OTHER FINANCING SOURCES (USES):</u>			
Transfers to General Fund	<u>\$(2,400,000)</u>	<u>\$(2,504,462)</u>	<u>\$ (18,013)</u>
Total Other Financing Sources and (Uses)	<u>\$(2,400,000)</u>	<u>\$(2,504,462)</u>	<u>\$ (18,013)</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	<u>\$ 0</u>	<u>\$ (33,557)</u>	<u>\$ (33,557)</u>
Fund Balance - Beginning of Year	<u>532,287</u>	<u>532,287</u>	<u>0</u>
Fund Balance - End of Year	<u>\$ 532,287</u>	<u>\$ 498,730</u>	<u>\$ (33,557)</u>

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Capital Projects Fund – to account for the funds provided by the 2011 and 2016 S.P.L.O.S.T. proceeds

UPSON COUNTY, GEORGIA
Capital Projects Funds
Balance Sheet
December 31, 2016
With Comparative Totals as of December 31, 2015

	2016	2011		
	Special Local	Special Local		
	Options Sales Tax	Options Sales Tax		
	Projects Fund	Projects Fund	2016	2015
Assets				
Cash - construction account	\$ 594,199	\$ 3,168,407	\$ 3,762,606	\$ 3,847,383
Total Assets	\$ 594,199	\$ 3,168,407	\$ 3,762,606	\$ 3,847,383
Liabilities and Fund Balances				
Total liabilities	\$ -	\$ -	\$ -	\$ -
Fund balances				
Restricted for project completion	\$ 594,199	\$ 3,168,407	\$ 3,762,606	\$ 3,847,383
Total fund balances	\$ 594,199	\$ 3,168,407	\$ 3,762,606	\$ 3,847,383
Total liabilities and fund balances	\$ 594,199	\$ 3,168,407	\$ 3,762,606	\$ 3,847,383

UPSON COUNTY, GEORGIA
Capital Projects Funds

Statement of Revenues, Expenditures, and Changes in Fund Balances

Budget and Actual

For the Year Ended December 31, 2016

With Comparative Totals as of December 31, 2015

	2016 Special Local Option			2011 Special Local Option			Totals	
	2016	2016	2016	2016	2016	2016	2015	
	Budget	Actual	Variance	Budget	Actual	Variance	Actual	Actual
Revenues								
SPLOST proceeds	\$ 950,000	\$ 996,371	\$ 46,371	\$ 1,800,000	\$ 1,839,797	\$ 39,797	\$ 2,836,168	\$ 3,335,474
Interest earned on investments	100	68	(32)	2,000	1,942	(58)	2,010	1,580
Total revenues	\$ 950,100	\$ 996,439	\$ 46,339	\$ 1,802,000	\$ 1,841,739	\$ 39,739	\$ 2,838,178	\$ 3,337,054
Expenditures								
General government:								
Current	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Outlay	200,000	194,995	5,005	2,000,000	1,983,360	16,640	2,178,355	1,131,671
Total general government	\$ 200,000	\$ 194,995	\$ 5,005	\$ 2,000,000	\$ 1,983,360	\$ 16,640	\$ 2,178,355	\$ 1,131,671
Total expenditures	\$ 200,000	\$ 194,995	\$ 5,005	\$ 2,000,000	\$ 1,983,360	\$ 16,640	\$ 2,178,355	\$ 1,131,671
Excess (deficiency) of revenues over (under) expenditures	\$ 750,100	\$ 801,444	\$ 51,344	\$ (198,000)	\$ (141,621)	\$ 56,379	\$ 659,823	\$ 2,205,383
Other financing sources (uses)								
Transfer to City of Thomaston	\$ (200,000)	\$ (199,274)	\$ 726	\$ (525,000)	\$ (515,583)	\$ 9,417	\$ (714,857)	\$ (807,171)
Transfer to City of Yatesville	(8,000)	(7,971)	29	(25,000)	(21,772)	3,228	(29,743)	(30,362)
Total other financing sources (uses)	\$ (208,000)	\$ (207,245)	\$ 755	\$ (550,000)	\$ (537,355)	\$ 12,645	\$ (744,600)	\$ (837,533)
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 542,100	\$ 594,199	\$ 52,089	\$ (748,000)	\$ (678,976)	\$ 69,024	\$ (84,777)	\$ 1,367,850
Fund balance - beginning of year	-	-	-	3,048,931	3,847,383	798,452	3,847,383	2,479,533
Fund balance - end of year	\$ 542,100	\$ 594,199	\$ 52,089	\$ 2,300,931	\$ 3,168,407	\$ 867,476	\$ 3,762,606	\$ 3,847,383

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

Water Systems Enterprise Fund – to account for the provision of water services to the residents and customers of the:

- (A) Upson County Water District
- (B) Sunset Water District
- (C) Lincoln Park Water District

UPSON COUNTY, GEORGIA
Comparative Statement of Net Position
Water System Enterprise Fund
December 31, 2016 and 2015

	2016	2015
Assets		
Current assets		
Petty Cash	\$ 100	\$ 100
Cash in banks	348,653	264,842
Accounts receivable	94,194	119,432
Total current assets	\$ 442,947	\$ 384,374
Restricted Assets		
Customer deposits	\$ 201,772	\$ 174,527
Total restricted assets	\$ 201,772	\$ 174,527
Total Current Assets	\$ 644,719	\$ 558,901
 Property, Plant, and Equipment		
Land	\$ 381,300	\$ 381,300
Water distribution and storage system	8,313,213	8,313,213
Equipment and vehicles	254,937	254,937
Total property, plant, and equipment	\$ 8,949,450	\$ 8,949,450
Less accumulated depreciation	(2,416,451)	(2,232,061)
Net Property, Plant, and Equipment	\$ 6,532,999	\$ 6,717,389
 Total Assets	 \$ 7,177,718	 \$ 7,276,290
Liabilities		
Current liabilities (payable from current assets)		
Current portion of notes payable	\$ 259,599	\$ 255,210
Due to general fund	75,552	246,300
Accounts payable	60,575	29,362
Total current liabilities (payable from current assets)	\$ 395,726	\$ 530,872
Current liabilities (payable from restricted assets)		
Customer deposits	\$ 133,980	\$ 128,649
Total current liabilities (payable from restricted assets)	\$ 133,980	\$ 128,649
Total current liabilities	\$ 529,706	\$ 659,521
 Long-term liabilities		
Notes payable (net of current portion)	\$ 4,033,033	\$ 4,281,287
Total long-term liabilities	\$ 4,033,033	\$ 4,281,287
 Total Liabilities	 \$ 4,562,739	 \$ 4,940,808
Net Position		
Net investment in capital assets	\$ 2,240,367	\$ 2,180,892
Unassigned	374,612	154,590
Total Net Position	\$ 2,614,979	\$ 2,335,482

UPSON COUNTY, GEORGIA
Comparative Statement of Revenues, Expenditures, and Changes in Fund Net Positions
Water System Enterprise Fund
December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<u>Operating Revenues</u>		
Charges for services:		
Water	\$ 1,305,765	\$ 1,110,374
Sewer	165,764	113,774
Tap-on and other charges	25,514	55,371
Total Operating Revenues	<u>\$ 1,497,043</u>	<u>\$ 1,279,519</u>
<u>Operating Expenses</u>		
Personnel services	\$ 305,034	\$ 297,556
Purchases of water	155,320	234,962
Sewer fees	93,877	89,608
Vehicle expenses	10,632	11,490
Materials, supplies, and maintenance	203,257	167,236
Utilities and telephone	66,685	72,666
Administrative expenses	50,666	54,174
Depreciation	184,390	184,390
Total Operating Expenses	<u>\$ 1,069,861</u>	<u>\$ 1,112,082</u>
Operating Income (Loss)	<u>\$ 427,182</u>	<u>\$ 167,437</u>
<u>Nonoperating Revenues (Expenses)</u>		
Interest income	\$ 278	\$ 134
Interest expense and fiscal charges	(147,963)	(157,247)
Total Nonoperating Revenues (Expenses)	<u>\$ (147,685)</u>	<u>\$ (157,113)</u>
Change in net position	\$ 279,497	\$ 10,324
Net position at beginning of year	<u>2,335,482</u>	<u>2,325,158</u>
Net position at end of year	<u>\$ 2,614,979</u>	<u>\$ 2,335,482</u>

UPSON COUNTY, GEORGIA
Comparative Statement of Cash Flows
Water System Enterprise Fund
December 31, 2016

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Receipts from customers	\$ 1,468,805	\$ 1,291,377
Payments to employees	(305,034)	(297,556)
Payments to suppliers	(490,417)	(643,240)
Net cash provided (used) by operating activities	<u>\$ 673,354</u>	<u>\$ 350,581</u>
Cash flows from capital and related financing activities:		
Principal payments on notes	\$ (243,865)	\$ (244,736)
Interest and fiscal charges on revenue bonds and notes	(147,963)	(157,247)
Increase (decrease) in general fund advances	(170,748)	170,541
Net cash provided (used) by capital and related financing activities	<u>\$ (562,576)</u>	<u>\$ (231,442)</u>
Cash flows from investing activities:		
Interest income	\$ 278	\$ 134
Net cash provided (used) by investing activities	<u>\$ 278</u>	<u>\$ 134</u>
Net increase (decrease) in cash and cash equivalents	\$ 111,056	\$ 119,273
Cash and cash equivalents - beginning of year	439,369	320,096
Cash and cash equivalents - end of year	<u>\$ 550,425</u>	<u>\$ 439,369</u>
Classified as:		
Current assets	\$ 348,653	\$ 264,842
Restricted assets	201,772	174,527
Total	<u>\$ 550,425</u>	<u>\$ 439,369</u>
Reconciliation of net operating income to net cash provided by operating activities:		
Net operating income (loss)	\$ 427,182	\$ 167,437
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	\$ 184,390	\$ 184,390
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable/prepays	25,238	5,640
Increase (decrease) in payables	31,213	(2,536)
Increase (decrease) in customer deposits	5,331	19,299
Other	-	(23,649)
Total adjustment	<u>\$ 246,172</u>	<u>\$ 183,144</u>
Net cash provided (used) by operating activities	<u>\$ 673,354</u>	<u>\$ 350,581</u>

Waste Systems Enterprise Fund – to account for the provision of waste services to the residents and customers of Upson County

UPSON COUNTY, GEORGIA
Comparative Statement of Net Position
Waste Services Enterprise Fund
December 31, 2016 and 2015

	2016	2015
Assets		
Current assets		
Petty Cash	\$ -	\$ -
Cash in banks	393,819	333,376
Accounts receivable	110,819	-
Total current assets	\$ 504,638	\$ 333,376
Restricted Assets, Cash, and Investments		
Total restricted assets	\$ -	\$ -
Total Current Assets	\$ 504,638	\$ 333,376
Property, Plant, and Equipment		
Total property, plant, and equipment	\$ -	\$ -
Less accumulated depreciation	-	-
Net Property, Plant, and Equipment	\$ -	\$ -
Total Assets	\$ 504,638	\$ 333,376
Liabilities		
Current liabilities (payable from current assets)		
Due to general fund	\$ -	\$ 3,497
Accounts payable	4,292	1,850
Total current liabilities (payable from current assets)	\$ 4,292	\$ 5,347
Total Liabilities	\$ 4,292	\$ 5,347
Net Position		
Net investment in capital assets	\$ -	\$ -
Unassigned	500,346	328,029
Total Net Position	\$ 500,346	\$ 328,029

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

UPSON COUNTY, GEORGIA
Comparative Statement of Revenues, Expenditures, and Changes in Fund Net Positions
Waste Services Enterprise Fund
December 31, 2016 and 2015

	2016	2015
<u>Operating Revenues</u>		
Charges for services	\$ 1,086,343	\$ 1,023,301
Total Operating Revenues	\$ 1,086,343	\$ 1,023,301
<u>Operating Expenses</u>		
Personnel services	\$ 51,055	\$ 44,768
Transwaste payments	830,973	756,832
Materials, supplies, and maintenance	31,998	31,239
Total Operating Expenses	\$ 914,026	\$ 832,839
Operating Income (Loss)	\$ 172,317	\$ 190,462
<u>Nonoperating Revenues (Expenses)</u>		
Total Nonoperating Revenues (Expenses)	\$ -	\$ -
Change in net position	\$ 172,317	\$ 190,462
Net position at beginning of year	328,029	137,567
Net position at end of year	\$ 500,346	\$ 328,029

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

UPSON COUNTY, GEORGIA
Comparative Statement of Cash Flows
Waste Services Enterprise Fund
December 31, 2016

	2016	2015
Cash flows from operating activities:		
Receipts from customers	\$ 1,086,355	\$ 1,023,301
Payments to employees	(51,055)	(44,768)
Payments to suppliers	(974,857)	(802,980)
Net cash provided (used) by operating activities	\$ 60,443	\$ 175,553
Cash flows from capital and related financing activities:		
Transfer (to) from General Fund	\$ -	\$ (118,932)
Principal payments on notes	-	-
Interest and fiscal charges	-	-
Acquisition of capital assets	-	-
Net cash provided (used) by capital and related financing activities	\$ -	\$ (118,932)
Cash flows from investing activities:		
Net cash provided (used) by investing activities	\$ -	\$ -
Net increase (decrease) in cash and cash equivalents	\$ 60,443	\$ 56,621
Cash and cash equivalents - beginning of year	333,376	276,755
Cash and cash equivalents - end of year	\$ 393,819	\$ 333,376
Classified as:		
Current assets	\$ 393,819	\$ 333,376
Restricted assets	-	-
Total	\$ 393,819	\$ 333,376
Reconciliation of net operating income to net cash provided by operating activities:		
Net operating income (loss)	\$ 172,318	\$ 190,462
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	\$ -	\$ -
Changes in assets and liabilities:		
(Increase) decrease in receivables	(110,819)	51,496
Increase (decrease) in payables	(1,056)	(66,405)
Increase (decrease) in customer deposits	-	-
Total adjustments	\$ (111,875)	\$ (14,909)
Net cash provided (used) by operating activities	\$ 60,443	\$ 175,553

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

Fiduciary Funds

The following Fiduciary Funds are used by the County:

Pension Trust Funds - to account for a single employer public employee retirement system administered by Upson County for all eligible employees of the County.

Agency Funds

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

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

Clerk of Superior Court - to account for the receipt and disbursement 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
EMPLOYEE PENSION FUND
COMPARATIVE STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2016 AND 2015

ASSETS

Investments:

Short-term investments:

	<u>2016</u>	<u>2015</u>
Certificates of deposit		
Southern Farm Bureau Life		
Insurance Company	\$ 7,169,847	\$ 7,392,149
Total Assets	<u>\$ 7,169,847</u>	<u>\$ 7,392,149</u>

LIABILITIES AND NET POSITION

<u>LIABILITIES:</u>	\$ -0-	\$ -0-
<u>NET POSITION:</u>		
Net position held in trust for pension benefits	<u>7,169,847</u>	<u>7,392,149</u>
Total Liabilities and Net Position	<u>\$ 7,169,847</u>	<u>\$ 7,392,149</u>

UPSON COUNTY, GEORGIA
EMPLOYEE PENSION FUND
COMPARATIVE STATEMENT OF CHANGES IN PLAN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
<u>ADDITIONS:</u>		
Employer Contributions	\$ 482,258	\$ 614,662
Investment Income	<u>242,512</u>	<u>241,152</u>
TOTAL ADDITIONS	\$ <u>724,770</u>	\$ <u>855,814</u>
<u>DEDUCTIONS:</u>		
Benefits paid retirees	\$ 922,072	\$ 301,640
Administrative expenses	<u>25,000</u>	<u>9,500</u>
TOTAL DEDUCTIONS	\$ <u>947,072</u>	\$ <u>311,140</u>
NET INCREASE (DECREASE) IN PLAN NET POSITION	\$ (222,302)	\$ 544,674
NET POSITION - Beginning of Year	<u>7,392,149</u>	<u>6,847,475</u>
NET POSITION - End of Year	<u><u>\$ 7,169,847</u></u>	<u><u>\$ 7,392,149</u></u>

UPSON COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2016

	AGENCY FUNDS								TOTAL
	PROBATE COURT	CLERK OF SUPERIOR COURT	SUPERIOR COURT	SHERIFF'S DEPARTMENT	MAGISTRATE COURT	JUVENILE COURT	TAX COMMISSIONER	2016	
ASSETS:									
Petty Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 0
Cash	53,979	4,260	10,211	61,330	29,210	2,210	-	-	161,200
Taxes Receivable	-	-	-	-	-	-	1,245,200	-	1,245,200
TOTAL ASSETS	\$ 53,979	\$ 4,260	\$ 10,211	\$ 61,330	\$ 29,210	\$ 2,210	\$ 1,245,200	\$ 1,406,400	
LIABILITIES:									
Due to Others	\$ 53,979	4,260	10,211	61,330	29,210	2,210	1,245,200	-	\$ 1,406,400
TOTAL LIABILITIES	\$ 53,979	\$ 4,260	\$ 10,211	\$ 61,330	\$ 29,210	\$ 2,210	\$ 1,245,200	\$ 1,406,400	

**UPSON COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENTS OF CHANGES IN
ASSETS AND LIABILITIES
FOR THE YEAR ENDING DECEMBER 31, 2016**

	DECEMBER 31, 2015	ADDITIONS	DEDUCTIONS	DECEMBER 31, 2016
<u>PROBATE COURT</u>				
<u>Assets</u>				
Cash	\$ 34,610	\$ 585,220	\$ 565,851	\$ 53,979
<u>Liabilities</u>				
Accounts Payable	\$ 34,610	\$ 585,220	\$ 565,851	\$ 53,979
Total Liabilities	\$ 34,610	\$ 585,220	\$ 565,851	\$ 53,979
<u>CLERK OF SUPERIOR COURT</u>				
<u>Assets</u>				
Cash	\$ 6,850	\$ 446,590	\$ 449,180	\$ 4,260
<u>Liabilities</u>				
Accounts Payable	\$ 6,850	\$ 446,590	\$ 449,180	\$ 4,260
Total Liabilities	\$ 6,850	\$ 446,590	\$ 449,180	\$ 4,260
<u>SUPERIOR COURT</u>				
<u>Assets</u>				
Cash	\$ 13,210	\$ 266,211	\$ 269,210	\$ 10,211
<u>Liabilities</u>				
Accounts Payable	\$ 13,210	\$ 266,211	\$ 269,210	\$ 10,211
Total Liabilities	\$ 13,210	\$ 266,211	\$ 269,210	\$ 10,211
<u>SHERIFF'S OFFICE</u>				
<u>Assets</u>				
Cash	\$ 71,111	\$ 736,687	\$ 746,468	\$ 61,330
<u>Liabilities</u>				
Accounts Payable	\$ 71,111	\$ 736,687	\$ 746,468	\$ 61,330
Total Liabilities	\$ 71,111	\$ 736,687	\$ 746,468	\$ 61,330

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**UPSON COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENTS OF CHANGES IN
ASSETS AND LIABILITIES
FOR THE YEAR ENDING DECEMBER 31, 2016**

	DECEMBER 31, 2015	ADDITIONS	DEDUCTIONS	DECEMBER 31, 2016
<u>MAGISTRATE COURT</u>				
<u>Assets</u>				
Cash	\$ 34,300	\$ 421,211	\$ 426,301	\$ 29,210
<u>Liabilities</u>				
Accounts Payable	\$ 34,300	\$ 421,211	\$ 426,301	\$ 29,210
Total Liabilities	\$ 34,300	\$ 421,211	\$ 426,301	\$ 29,210
<u>JUVENILE COURT</u>				
<u>Assets</u>				
Cash	\$ 12,110	\$ 12,292	\$ 22,192	\$ 2,210
<u>Liabilities</u>				
Accounts Payable	\$ 12,110	\$ 12,292	\$ 22,192	\$ 2,210
Total Liabilities	\$ 12,110	\$ 12,292	\$ 22,192	\$ 2,210
<u>TAX COMMISSIONER</u>				
<u>Assets</u>				
Cash	\$ -	\$ -	\$ -	\$ -
Taxes Receivable	1,957,067	22,491,838	22,706,815	1,245,200
Total Assets	\$ 1,957,067	\$22,491,838	\$22,706,815	\$ 1,245,200
<u>Liabilities</u>				
Accounts Payable	\$ 1,957,067	\$22,491,838	\$22,706,815	\$ 1,245,200
Total Liabilities	\$ 1,957,067	\$22,491,838	\$22,706,815	\$ 1,245,200

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UPSON COUNTY, GEORGIA
AGENCY FUNDS
COMBINING STATEMENTS OF CHANGES IN
ASSETS AND LIABILITIES
FOR THE YEAR ENDING DECEMBER 31, 2016

	DECEMBER 31, 2015	ADDITIONS	DEDUCTIONS	DECEMBER 31, 2016
<u>TOTALS - ALL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash	\$ 172,191	\$ 2,468,211	\$ 2,479,202	\$ 161,200
Taxes Receivable	<u>1,459,377</u>	<u>22,491,838</u>	<u>22,706,015</u>	<u>1,245,200</u>
Total Assets	<u>\$ 1,631,568</u>	<u>\$24,960,049</u>	<u>\$25,185,217</u>	<u>\$ 1,406,400</u>
<u>Liabilities</u>				
Accounts Payable	\$ 1,631,568	\$24,960,049	\$25,185,217	\$ 1,406,400
Total Liabilities	<u>\$ 1,631,568</u>	<u>\$24,960,049</u>	<u>\$25,185,217</u>	<u>\$ 1,406,400</u>

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Non-Major Component Units

UPSON COUNTY, GEORGIA
Combining Statement of Net Position
Nonmajor Component Units
December 31, 2016

	Upson County Department of Public Health	Thomaston-Upson County Solid Waste Disposal Facility	Total Nonmajor Component Units
ASSETS			
Cash and cash equivalents	\$ 777,835	\$ 3,017	\$ 780,852
Receivables:			
Accounts	95,224	-	95,224
Capital assets, net of accumulated depreciation			
Land	-	173,772	173,772
Other capital assets, net of depreciation	68,471	1,644,045	1,712,516
Deferred outflows of resources:			
Employee pension contributions	108,300	-	108,300
Total assets and deferred outflows of resources	\$ 1,049,830	\$ 1,820,834	\$ 2,870,664
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	\$ 109,118	\$ -	\$ 109,118
Long-term liabilities:			
Due within one year	-	-	-
Due beyond one year	-	-	-
Deferred inflows of resources:			
Net difference between projected and actual investment earnings on pension plan investments	128,112	-	128,112
Pension plan liability	693,802	-	693,802
Total liabilities and deferred inflows of resources	\$ 931,032	\$ -	\$ 931,032
Net Position			
Invested in capital assets	\$ 68,471	\$ 1,817,817	\$ 1,886,288
Restricted	391,269	3,017	
Unrestricted	(340,942)	-	(340,942)
Total Net Position	\$ 118,798	\$ 1,820,834	\$ 1,939,632

UPSON COUNTY, GEORGIA
COMBINING STATEMENT OF ACTIVITIES
NONMAJOR COMPONENT UNITS
FOR THE YEAR ENDED DECEMBER 31, 2016

	PROGRAM REVENUES				Thomaston-		Total Nonmajor Component Units
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Upson County Dept. of Public Health	Upson County Solid Waste Disposal Facility	
COMPONENT UNITS							
Upson County Dept. of Public Health	\$ (879,457)	\$ 434,428	\$ 566,977	\$ -	\$ 121,948	\$ -	\$ 121,948
Thomaston-Upson Solid Waste Disposal Facility	(308,606)	-	215,482	-	-	(93,124)	(93,124)
Total Component Units	\$ (1,188,063)	\$ 434,428	\$ 782,459	\$ -	\$ 121,948	\$ (93,124)	\$ 28,824
General Revenues							
Interest Income					\$ 1,149	\$ 55	\$ 1,204
Total General Revenues					\$ 1,149	\$ 55	\$ 1,204
Change in net position					\$ 123,097	\$ (93,069)	\$ 30,028
Net position - beginning of year					(4,299)	1,913,903	1,909,604
Net position - end of year					\$ 118,798	\$ 1,820,834	\$ 1,939,632

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends	109-113
<i>These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.</i>	
Statistical Tables #1 - #4	
Revenue Capacity	114-117
<i>These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.</i>	
Statistical Tables #5 - #8	
Debt Capacity	118-121
<i>These schedules contain information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.</i>	
Statistical Tables #9 - #12	
Demographic and Economic Information	122-123
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within the County's financial activities take place.</i>	
Statistical Tables #13 - #14	
Operating Information	124-126
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services to the government provides and the activities it performs.</i>	
Statistical Tables #15 - #17	
Principal Property Tax Payers - Current Year and Nine Years Ago	127

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

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**Other
Supplementary
Schedules**

Long Term Debt Schedule – this schedule provides detailed debt of Upson County, Georgia.

UPSON COUNTY, GEORGIA
Comparative Schedule of Long-Term Debt
December 31, 2016 and 2015

	2016	2015
Governmental Funds		
Other Long-term liabilities:		
Capital leases	\$ -	\$ 109,447
Total Assets	\$ -	\$ 109,447
 Proprietary Funds		
Note Payable - Georgia Environmental Facilities Authority	\$ 116,516	\$ 136,655
Note Payable - Georgia Environmental Facilities Authority	106,210	128,491
Note Payable - Georgia Environmental Facilities Authority	2,971,718	3,113,288
Note Payable - Georgia Environmental Facilities Authority	1,098,188	1,158,063
Total Proprietary Funds	\$ 4,292,632	\$ 4,536,497
 Total Net Position	\$ 4,292,632	\$ 4,645,944

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities										
Net investment in capital assets	\$ 31,158,580	\$ 29,859,796	\$ 31,829,427	\$ 32,402,303	\$ 32,510,266	\$ 33,112,589	\$ 32,380,606	\$ 32,688,422	\$ 31,866,060	\$ 32,548,859
Restricted	4,654,553	5,220,714	4,098,783	4,419,484	4,790,696	2,048,937	2,472,290	3,744,896	4,714,837	4,501,477
Unrestricted	3,557,566	2,981,071	2,894,516	3,144,501	3,422,962	2,457,326	2,921,486	39,880	2,793,669	3,111,141
Total Governmental Activities Net Position	\$ 39,370,699	\$ 38,061,581	\$ 38,822,726	\$ 39,966,288	\$ 40,723,924	\$ 37,628,852	\$ 37,774,382	\$ 36,473,198	\$ 39,374,566	\$ 40,161,477
Business-type Activities										
Net investment in capital assets	\$ 1,108,793	\$ 1,123,193	\$ 1,332,341	\$ 1,430,396	\$ 1,415,928	\$ 1,410,945	\$ 2,064,488	\$ 2,120,546	\$ 2,180,892	\$ 2,240,367
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	378,447	473,916	202,681	487,997	640,365	691,676	426,008	342,179	482,619	874,958
Total Business-type Activities Net Position	\$ 1,487,240	\$ 1,597,109	\$ 1,535,022	\$ 1,918,393	\$ 2,056,293	\$ 2,102,621	\$ 2,490,496	\$ 2,462,725	\$ 2,663,511	\$ 3,115,325
Primary Government										
Net investment in capital assets	\$ 32,267,373	\$ 30,982,969	\$ 33,161,768	\$ 33,832,699	\$ 33,926,194	\$ 34,523,534	\$ 34,445,094	\$ 34,808,968	\$ 34,046,952	\$ 34,789,226
Restricted	4,654,553	5,220,714	4,098,783	4,419,484	4,790,696	2,048,937	2,472,290	3,744,896	4,714,837	4,501,477
Unrestricted	3,936,013	3,454,987	3,097,197	3,632,498	4,063,327	3,159,002	3,347,494	2,382,059	3,276,288	3,986,099
Total Governmental Activities Net Position	\$ 40,857,939	\$ 39,656,690	\$ 40,357,748	\$ 41,884,661	\$ 42,780,217	\$ 39,731,473	\$ 40,264,878	\$ 40,935,923	\$ 42,038,077	\$ 43,276,802

Schedule 2
Upson County, Georgia
Changes in Net Position, Last Ten Fiscal Years
 (accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental activities:										
General Government	\$ 6,529,384	\$ 6,797,886	\$ 7,275,699	\$ 6,901,756	\$ 6,666,811	\$ 7,254,484	\$ 7,877,480	\$ 6,034,931	\$ 5,975,817	\$ 7,209,797
Public Safety	4,022,190	4,340,711	4,245,847	3,943,478	3,976,264	4,152,062	3,989,046	5,236,706	5,353,265	5,547,013
Public Works	1,688,663	1,609,243	1,542,130	1,593,621	1,598,385	1,641,349	2,118,469	2,933,607	3,021,401	2,671,113
Miscellaneous general government	3,949,585	3,957,835	3,709,910	3,621,254	3,024,534	3,767,350	3,794,544	3,838,831	2,997,781	3,068,497
Total Governmental Activities Expenses	\$ 16,189,822	\$ 16,705,675	\$ 16,773,586	\$ 16,060,109	\$ 15,265,994	\$ 16,815,245	\$ 17,779,539	\$ 18,044,075	\$ 17,378,264	\$ 18,496,420
Business-type Activities										
Water, Sewer, and Waste Services	\$ 1,023,637	\$ 1,142,216	\$ 1,157,284	\$ 1,019,375	\$ 952,021	\$ 994,619	\$ 1,117,504	\$ 1,434,428	\$ 2,102,168	\$ 2,131,850
Total Business-type Activities Expenses	\$ 1,023,637	\$ 1,142,216	\$ 1,157,284	\$ 1,019,375	\$ 952,021	\$ 994,619	\$ 1,117,504	\$ 1,434,428	\$ 2,102,168	\$ 2,131,850
Total Primary Government Expenses	\$ 17,213,459	\$ 17,847,891	\$ 17,930,870	\$ 17,079,484	\$ 16,218,015	\$ 17,809,864	\$ 18,897,043	\$ 19,478,503	\$ 19,480,432	\$ 20,628,270
Program Revenues										
Governmental activities:										
Charges for Services:										
General Government	\$ 1,408,440	\$ 1,221,001	\$ 1,717,719	\$ 1,821,741	\$ 1,653,075	\$ 1,517,914	\$ 1,321,221	\$ 915,834	\$ 819,998	\$ 799,909
Public Safety	715,912	1,088,878	659,488	648,548	682,968	567,891	617,547	1,064,346	1,040,877	1,025,980
Operating Grants and Contributions	109,445	505,420	157,067	44,107	53,727	97,859	407,466	1,409,948	929,296	1,768,929
Capital Grants and Contributions	-	-	-	-	-	473,278	5,000	-	-	-
Total Governmental Activities Net Position	\$ 2,233,797	\$ 2,815,299	\$ 2,534,274	\$ 2,514,396	\$ 2,399,770	\$ 2,666,940	\$ 2,351,234	\$ 3,390,128	\$ 2,790,171	\$ 3,594,818
Business-type activities:										
Water, Sewer, and Waste Services	\$ 1,004,273	\$ 1,013,821	\$ 989,518	\$ 1,163,468	\$ 1,089,790	\$ 1,040,855	\$ 1,005,302	\$ 1,406,583	\$ 2,302,820	\$ 2,583,387
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions	47,330	237,790	105,437	239,074	-	-	500,000	-	-	-
Total Business-type Activities Program	\$ 1,051,603	\$ 1,251,611	\$ 1,094,955	\$ 1,402,562	\$ 1,089,790	\$ 1,040,855	\$ 1,505,302	\$ 1,406,583	\$ 2,302,820	\$ 2,583,387
Total Primary Government Program Revenues	\$ 3,285,400	\$ 4,066,910	\$ 3,629,229	\$ 3,916,958	\$ 3,489,560	\$ 3,707,795	\$ 3,856,536	\$ 4,796,711	\$ 5,092,991	\$ 6,178,205

Schedule 2
Upson County, Georgia
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net (Expenses)/Revenue										
Governmental Activities	\$ (13,956,025)	\$ (13,890,376)	\$ (14,239,312)	\$ (13,542,713)	\$ (12,866,224)	\$ 14,148,305	\$ (15,428,305)	\$ (14,653,947)	\$ (14,588,093)	\$ (14,901,602)
Business-type Activities	27,956	109,395	(62,329)	383,187	137,769	46,236	387,798	(27,845)	200,652	451,537
Total Primary Government Net Expense	\$ (13,928,059)	\$ (13,780,981)	\$ (14,301,641)	\$ (13,159,526)	\$ (12,728,455)	\$ (14,102,069)	\$ (15,040,507)	\$ (14,681,792)	\$ (14,387,441)	\$ (14,450,065)
General Revenue & Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property Taxes	\$ 8,441,520	\$ 8,052,832	\$ 8,821,475	\$ 8,535,057	\$ 8,816,472	\$ 4,862,876	\$ 9,800,914	\$ 9,074,785	\$ 10,221,992	\$ 9,995,662
Sales Taxes	5,486,587	5,012,710	4,842,702	4,980,673	3,672,882	4,889,905	4,434,859	4,876,295	5,170,194	4,213,835
Franchise Taxes	115,339	117,853	117,702	90,501	90,804	126,681	129,542	140,312	181,441	166,453
Insurance Premiums Taxes	862,930	883,964	871,289	847,392	737,236	787,601	818,585	863,778	924,972	984,541
Other Taxes	314,921	245,426	229,668	217,697	224,984	267,488	231,469	197,337	233,828	232,894
Unrestricted grants and contributions	-	-	-	-	-	-	-	-	-	-
Interest Revenue	289,654	241,884	7,947	6,123	2,319	2,585	628	2,442	1,134	4,868
Miscellaneous	186,728	195,341	109,674	102,065	79,331	116,097	157,838	197,792	204,470	90,260
Transfers	-	-	-	-	-	-	-	-	-	-
Total Government Activities	\$ 15,697,679	\$ 14,750,010	\$ 15,000,457	\$ 14,707,508	\$ 13,624,028	\$ 11,053,233	\$ 15,573,835	\$ 15,352,741	\$ 16,938,031	\$ 15,688,513
Business-type Activities:										
Unrestricted Grants and Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest Revenue	764	808	242	184	131	92	77	74	134	278
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total Business-type Activities	\$ 764	\$ 808	\$ 242	\$ 184	\$ 131	\$ 92	\$ 77	\$ 74	\$ 134	\$ 278
Total Primary Government	\$ 15,698,443	\$ 14,750,818	\$ 15,000,699	\$ 14,707,692	\$ 13,624,159	\$ 11,053,325	\$ 15,573,912	\$ 15,352,815	\$ 16,938,165	\$ 15,688,791
Change in Net Position										
Governmental Activities	\$ 1,741,654	\$ 859,634	\$ 761,145	\$ 1,164,795	\$ 757,636	\$ (3,095,072)	\$ 145,530	\$ 698,794	\$ 2,349,938	\$ 786,911
Business-type Activities	28,730	109,868	(62,087)	383,371	137,900	46,328	387,895	(27,771)	200,786	451,815
Total Primary Government	\$ 1,770,384	\$ 969,502	\$ 699,058	\$ 1,548,166	\$ 895,536	\$ (3,048,744)	\$ 533,405	\$ 671,023	\$ 2,550,724	\$ 1,238,726

Schedule 3
Upson County, Georgia
Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<u>General Fund</u>										
Non-spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,865	\$ 37,296	\$ 14,937	\$ 3,591	\$ 2,394
Unassigned	<u>3,557,566</u>	<u>2,981,071</u>	<u>2,894,516</u>	<u>3,144,501</u>	<u>3,422,962</u>	<u>2,458,461</u>	<u>2,884,190</u>	<u>2,544,943</u>	<u>4,371,331</u>	<u>5,159,895</u>
Total General Fund	<u>\$3,557,566</u>	<u>\$ 2,981,071</u>	<u>\$2,894,516</u>	<u>\$3,144,501</u>	<u>\$3,422,962</u>	<u>\$2,467,326</u>	<u>\$2,921,486</u>	<u>\$2,559,880</u>	<u>\$4,374,922</u>	<u>\$5,162,289</u>
<u>All Other Governmental Funds</u>										
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted										
Capital Outlay	4,461,541	5,018,007	4,049,239	4,378,950	4,728,765	1,968,667	2,397,412	2,479,533	3,847,383	3,643,131
Unrestricted										
Special Revenue Funds	193,012	202,707	49,544	40,534	61,931	80,270	74,880	745,563	867,454	855,952
Capital Projects Funds	-	-	-	-	-	-	-	-	-	-
Total All Other Government Funds	<u>\$4,654,553</u>	<u>\$ 5,220,714</u>	<u>\$4,098,783</u>	<u>\$4,419,484</u>	<u>\$4,790,696</u>	<u>\$2,048,937</u>	<u>\$2,472,292</u>	<u>\$3,225,096</u>	<u>\$4,714,837</u>	<u>\$4,499,083</u>

Schedule 4
Upson County, Georgia
Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Property Taxes	\$ 8,441,520	\$ 8,052,832	\$ 8,821,475	\$ 8,535,057	\$ 8,816,472	\$ 4,862,876	\$ 9,800,914	\$ 9,074,785	\$ 10,221,992	\$ 9,995,662
Sales Taxes	5,486,587	5,012,710	4,842,702	4,908,673	3,672,882	4,889,905	4,434,859	4,876,295	5,170,194	4,213,835
Other Taxes	1,293,190	1,247,243	1,218,659	1,155,590	1,053,024	1,181,770	1,179,596	1,200,964	1,340,241	1,383,888
Licenses and Permits	138,841	140,448	140,772	167,795	149,488	173,491	124,685	124,819	122,733	158,371
Intergovernmental	109,445	505,420	157,067	44,107	53,727	581,135	412,466	1,409,948	929,296	1,768,929
Fines and Forfeitures	715,912	637,978	659,488	648,548	692,968	567,891	617,547	554,255	572,959	565,401
Charges for Services	1,269,599	1,531,453	1,576,947	1,656,946	1,503,587	1,344,423	1,195,536	1,301,106	1,211,069	1,100,175
Interest Earnings	289,654	241,884	7,947	6,123	2,319	2,585	628	2,442	2,714	6,810
Other Revenues	186,728	195,341	109,674	102,065	79,331	116,097	157,820	198,275	194,352	90,260
Total Revenue	\$ 17,931,476	\$ 17,565,309	\$ 17,534,731	\$ 17,224,904	\$ 16,023,798	\$ 13,720,173	\$ 17,925,051	\$ 18,742,889	\$ 19,765,550	\$ 19,283,331
Expenditures										
General Government	\$ 6,102,801	\$ 6,370,665	\$ 6,854,764	\$ 6,480,821	\$ 6,281,017	\$ 6,833,274	\$ 6,875,100	\$ 5,609,977	\$ 5,550,872	\$ 6,316,146
Public Safety	3,615,363	3,933,866	3,840,502	3,533,228	3,600,442	3,754,762	3,593,314	4,826,117	4,942,676	5,136,424
Public Works	1,016,180	933,833	858,782	874,143	939,119	913,049	1,213,635	1,981,006	2,068,800	1,718,512
Health & Welfare	1,006,573	1,102,974	1,085,131	1,097,160	1,267,619	1,188,722	1,190,306	814,888	618,235	550,203
Other	2,656,359	2,615,003	2,390,384	2,378,041	1,612,828	2,435,385	2,284,437	2,699,688	2,099,281	2,224,874
Capital Outlay	1,182,678	2,243,185	3,353,580	2,066,030	1,448,958	2,077,242	1,687,521	2,275,792	1,141,251	2,613,934
Debt Service										
Interest	232,403	196,332	185,005	96,663	98,631	82,323	74,987	71,817	57,827	40,982
Principal	173,991	179,765	175,069	128,132	125,511	132,811	128,256	72,606	76,960	109,447
Total Expenditures	\$ 15,986,348	\$ 17,575,643	\$ 18,743,217	\$ 16,654,218	\$ 15,374,125	\$ 17,417,568	\$ 17,047,556	\$ 18,351,891	\$ 16,555,902	\$ 18,710,522
Excess of Revenues Over (Under)	\$ 1,945,128	\$ (10,334)	\$ (1,208,486)	\$ 570,686	\$ 649,673	\$ (3,697,395)	\$ 877,515	\$ 390,988	\$ 3,209,648	\$ 572,809
Other Financing Sources (Uses)										
Transfers from other funds	\$ 0	\$ 0	\$ 48,890	\$ 0	\$ 0	\$ 3,430,156	\$ 0	\$ 0	\$ 95,336	\$ 3,684,437
Transfers to other funds	0	0	(48,890)	0	0	(3,430,156)	0	1,817,488	3,402,045	(3,684,437)
Other Proceeds	0	0	0	0	0	0	0	(1,817,488)	(3,402,045)	0
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 95,336	\$ 572,809
Net Change in Fund Balances	\$ 1,945,128	\$ (10,334)	\$ (1,208,486)	\$ 570,686	\$ 649,673	\$ (3,697,395)	\$ 877,515	\$ 390,988	\$ 3,304,984	\$ 572,809

**Schedule 5
Upson County, Georgia
Tax Revenues By Source, Governmental Funds
Last Ten Years**
(modified accrual basis of accounting)

TAX REVENUES

YEAR	GENERAL PROPERTY	LOCAL OPTION (LOST) SALES	SPECIAL LOCAL OPTION (SPLOST) SALES	INSURANCE PREMIUM	INTANGIBLE	FRANCHISE	REAL ESTATE TRANSFER	BEER & WINE	HOTEL/ MOTEL	TOTAL
2007	8,441,520	1,936,545	3,550,042	862,930	127,886	115,339	28,507	149,294	9,234	15,221,297
2008	8,052,832	1,780,815	3,231,895	883,964	87,065	117,853	27,777	125,971	4,613	14,312,785
2009	8,821,475	1,719,553	3,123,149	871,289	69,678	117,702	12,784	141,135	6,071	14,882,836
2010	8,535,057	1,739,340	3,241,333	847,392	59,905	90,501	12,683	138,097	7,012	14,671,320
2011	8,816,472	1,596,149	2,076,733	737,236	49,224	90,804	32,558	139,389	3,813	13,542,378
2012	4,862,876	1,737,889	3,152,016	787,601	55,591	126,681	62,665	147,236	1,996	10,934,551
2013	9,800,914	1,570,138	2,864,721	818,585	43,478	129,542	52,829	130,641	4,521	15,415,369
2014	9,074,785	1,731,610	3,144,685	863,778	24,044	140,312	44,745	123,678	4,890	15,152,527
2015	10,221,992	1,834,720	3,335,474	924,972	56,250	181,441	46,401	126,214	4,963	16,732,427
2016	9,995,662	1,497,143	2,716,692	984,541	49,310	166,453	20,337	157,948	5,299	15,593,385

Schedule 6

**UPSON COUNTY, GEORGIA
 ASSESSED AND ESTIMATED ACTUAL VALUE OF REAL AND PERSONAL PROPERTY
 LAST TEN YEARS**

FISCAL YEAR	REAL PROPERTY		PERSONAL PROPERTY		TOTAL PROPERTY		RATIO OF TOTAL ASSESSED TO TOTAL ESTIMATED ACTUAL VALUE
	ASSESSED VALUE (1)	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	
2007	383,716,309	959,290,772	255,810,873	639,527,183	639,527,182	1,598,817,955	40%
2008	432,528,271	1,081,320,677	288,352,180	720,880,045	720,880,451	1,802,201,128	40%
2009	394,415,751	986,039,377	262,943,834	657,359,585	657,359,585	1,643,398,962	40%
2010	387,605,087	969,012,720	258,403,392	646,008,480	646,008,479	1,615,021,200	40%
2011	381,072,816	952,682,040	254,048,544	635,121,360	635,121,360	1,587,803,400	40%
2012	369,218,908	923,047,269	246,145,938	615,364,846	615,364,846	1,538,412,115	40%
2013	362,391,531	905,978,827	241,594,354	603,985,885	603,985,885	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	1,312,014,965	40%
2016	312,007,059	780,017,647	208,004,706	520,011,765	520,011,765	1,300,029,412	40%

SOURCE: Final Accounting reports of Upson County Tax Commissioner

Schedule 7

UPSON COUNTY, GEORGIA
PROPERTY TAX LEVIES AND COLLECTIONS
 LAST TEN YEARS

FISCAL YEAR	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	PERCENT OF LEVY COLLECTED	DELINQUENT TAX COLLECTIONS	TOTAL TAX COLLECTIONS	OUTSTANDING TAXES
2007	8,384,733	7,228,418	86%	1,743,141	8,971,559	1,368,006
2008	8,744,562	6,516,748	75%	2,126,767	8,643,515	2,075,434
2009	8,425,654	6,816,975	81%	2,286,200	10,711,854	1,829,688
2010	8,999,153	7,544,290	84%	1,732,613	9,276,903	1,824,437
2011	8,471,861	6,888,299	81%	2,454,567	10,926,428	1,779,030
2012	5,086,092	4,046,787	80%	1,876,353	5,923,140	1,278,179
2013	9,998,244	7,752,684	78%	1,448,804	9,201,488	2,101,853
2014	10,858,923	8,379,742	77%	2,383,322	10,763,064	1,664,222
2015	10,598,880	8,577,688	81%	2,510,119	11,087,807	1,459,377
2016	10,492,798	8,591,841	82%	2,545,919	11,137,760	1,245,200

SOURCE: Final Accounting reports of Upson County Tax Commissioner

Schedule 8

**UPSON COUNTY, GEORGIA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS**

FISCAL YEAR	CITY OF THOMASTON	STATE OF GEORGIA	CONSOLIDATED SCHOOL SYSTEM	UPSON COUNTY			
				INCORPORATED	UNINCORPORATED	UNINCORPORATED SERVICES	JOINT PROJECTS
2007	3.66	0.25	15.03	12.72	12.72	-	-
2008	3.62	0.25	14.30	12.72	12.72	-	-
2009	3.62	0.25	14.30	12.72	12.72	-	-
2010	3.62	0.25	14.30	12.72	12.72	-	-
2011	3.62	0.03	14.3	12.72	12.72	-	-
2012	3.84	0.20	15.30	7.77	7.77	-	-
2013	3.84	0.15	15.34	16.50	16.50	-	-
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

NOTE: TAX PER \$1,000 OF ASSESSED VALUE

Schedule 9
UPSON COUNTY, GEORGIA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS

FISCAL YEAR	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL PRIMARY GOVERNMENT	PER CAPITA
	GENERAL OBLIGATION BONDS	CAPITAL LEASES	WATER/SEWER GEORGIA REVOLVING LOAN			
2007	0	1,128,566	562,168		1,690,734	0.62
2008	0	948,801	722,920		1,671,721	0.62
2009	0	773,732	3,585,086		4,358,818	1.61
2010	0	645,600	3,747,580		4,393,180	1.64
2011	0	520,089	3,752,002		4,272,091	1.56
2012	0	387,278	5,035,487		5,422,765	1.99
2013	0	259,022	5,021,682		5,280,704	1.94
2014	0	186,416	4,781,233		4,967,649	1.84
2015	0	109,447	4,536,497		4,645,944	1.71
2016	0	0	4,292,632		4,292,632	1.58

Schedule 10

**UPSON COUNTY, GEORGIA
PLEDGE-REVENUE COVERAGE
PUBLIC UTILITIES SYSTEM REVENUE NOTES
LAST TEN YEARS**

FISCAL YEAR	(1) GROSS REVENUE	(2) DIRECT OPERATING EXPENSES	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			TOTAL	COVERAGE
				PRINCIPAL	INTEREST			
2007	1,004,273	919,629	84,644	29,618	28,605	58,223	1.45	
2008	1,013,821	1,002,024	11,797	31,095	25,728	56,823	(2.08)	
2009	989,518	1,050,385	(60,867)	32,644	25,578	58,222	(3.38)	
2010	1,163,488	803,651	359,837	37,725	24,056	61,781	5.82	
2011	1,089,790	737,036	352,754	35,900	23,326	59,226	5.96	
2012	1,040,790	651,286	389,504	167,238	164,413	331,651	1.17	
2013	1,005,302	762,424	242,878	191,378	170,690	362,068	(1.49)	
2014	1,146,587	962,868	183,719	230,805	164,741	395,546	(2.15)	
2015	1,279,519	770,311	509,208	244,736	157,247	404,983	1.25	
2016	1,497,043	855,471	641,572	243,865	147,963	391,828	1.64	

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

(2) Expenses equal total operating expenses and excludes interest expense and depreciation.

**Schedule 11
Upson County, Georgia
Legal Debt Margin Information
Last Ten Years**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net Assessed Value	\$ 639,527,182	\$ 720,880,451	\$ 667,359,585	\$ 646,008,479	\$ 635,121,360	\$ 615,364,846	\$ 603,985,885	\$ 539,305,808	\$ 524,805,986	\$ 520,011,765
Debt Limit - 10% of Assessed	\$ 63,952,718	\$ 72,088,045	\$ 65,735,959	\$ 64,600,848	\$ 63,512,136	\$ 61,536,485	\$ 60,398,589	\$ 53,930,580	\$ 52,480,599	\$ 52,001,177
Debt Applicable to Limit:										
General Obligation Debt	1,128,566	948,801	773,732	645,600	520,089	445,278	259,022	186,416	109,447	0
Legal Debt Margin	\$ 62,824,152	\$ 71,139,244	\$ 64,962,227	\$ 63,955,248	\$ 62,992,047	\$ 61,091,207	\$ 60,139,567	\$ 53,744,164	\$ 52,371,152	\$ 52,001,177
Legal Debt Margin as a percentage of the debt limit	98%	98%	98%	99%	99%	99%	99%	99%	99%	100%

Schedule 12
Upson County, Georgia
Direct and Overlapping Governmental Activities Debt
As of December 31, 2016

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 or accuracy, as there is no central reporting entity which has the information available, and the amounts are based on information supplied by others.

<u>Category of Debt</u>	<u>Amount of Outstanding Debt</u>
Direct Overlapping (3):	
Upson County - General Obligation Debt (1)	
GEFA Loans (2)	\$ 4,292,632
Capital Leases (4)	<u>0</u>
Total Direct Debt	<u>\$ 4,292,632</u>
City's General Obligation Debt (1)	\$ <u>0</u>
Total Overlapping Debt	<u>\$ 0</u>
Total Direct and Overlapping Debt	<u>\$ 4,292,632</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) Approximately 36% of Upson County's debt is allocable to the City.
- (4) The financial obligations under capital leases do not constitute general obligations to which the taxing power is pledged, but are subject to and dependent upon lawful appropriations of general revenue being made to pay the capital lease payments due in such year. Obligations under capital leases do not constitute debt for purposes of the constitutional debt limit.

Schedule 13

UPSON COUNTY, GEORGIA
DEMOGRAPHIC & ECONOMIC STATISTICS
LAST TEN YEARS

FISCAL YEAR	POPULATION	PER CAPITA INCOME	MEDIAN AGE	UNEMPLOYMENT RATE
2007	27,075	N/A	N/A	N/A
2008	27,075	N/A	N/A	N/A
2009	27,075	N/A	N/A	N/A
2010	27,243	26,133	N/A	N/A
2011	27,243	N/A	N/A	N/A
2012	27,243	N/A	N/A	N/A
2013	27,243	N/A	N/A	N/A
2014	27,243	N/A	N/A	N/A
2015	27,243	N/A	N/A	N/A
2016	27,243	N/A	N/A	N/A

Sources:

McIntosh Trail Regional Development Commission

N/A - Not available

Schedule 14
UPSON COUNTY, GEORGIA
Principal Employers
Current Year and Nine Years Ago

	2016			2007		
	Employer	Number of Employees	Rank	Employer	Number of Employees	Rank
Thomaston-Upson County Schools	Thomaston-Upson County Schools	631	1	Thomaston-Upson County Schools	687	1
Upson Regional Medical Center	Upson Regional Medical Center	508	2	Quad/Graphics of Georgia	620	2
Department of Transportation	Department of Transportation	463	3	Upson Regional Medical Center	464	3
Quad/Graphics of Georgia	Quad/Graphics of Georgia	350	4	Standard Textiles	225	4
Standard Textiles	Standard Textiles	239	5	Yamaha Music Mfg.	240	5
Upson County Government	Upson County Government	218	6	Department of Transportation	210	6
DART Container	DART Container	184	7	1888 Mills, LLC	185	7
Walmart	Walmart	129	8	Royal Cord, Inc.	172	8
Interfor	Interfor	115	9	Duni Corporation	170	9
Tencate	Tencate	101	10	City of Thomaston	129	10

Source: Thomaston-Upson County Industrial Development Authority

Schedule 15
Upson County, Georgia
Full-Time Equivalent County Government
Employees by Function/Program
Last Ten Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public Safety:										
Sheriff	43	44	44	44	44	33	33	33	31	29
Jail	32	34	34	34	34	35	35	35	34	31
Public Works	26	24	24	24	24	24	24	24	21	23
General Government:										
Administration and Finance	6	6	6	6	6	5	5	6	7	7
Courts	22	22	22	22	22	17	17	17	17	17
All Other Departments	51	52	52	52	52	57	57	57	59	69
Water / Waste Water	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>7</u>	<u>6</u>
Total	<u>178</u>	<u>180</u>	<u>180</u>	<u>190</u>	<u>190</u>	<u>179</u>	<u>179</u>	<u>180</u>	<u>176</u>	<u>182</u>

Schedule 16
UPSON COUNTY, GEORGIA
Operating Indicators by Function/Program
Last Ten Years

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government:										
Building permits issued - commercial	16	27	13	12	11	15	8	12	4	9
Building permits issued - residential	372	320	275	257	273	239	193	202	330	403
Public safety:										
Physical arrests	2,466	2,623	2,726	2,810	2,922	2,285	2,325	2,466	2,155	1,939
Citations	875	921	796	842	833	821	736	780	796	872
Public works:										
Road resurfaced (miles)	3.65	5.65	12.20	13.90	6.00	7.27	7.27	7.27	6.20	N/A
Road maintained (miles)	463.25	463.25	463.25	463.25	463.25	463.25	463.25	463.25	468.81	468.81
Water and sewer:										
Average daily	375,200	375,200	385,220	408,000	410,000	420,000	420,000	420,000	384,548	372,602
Average daily consumption - sewer	43,100	43,100	46,210	48,000	51,000	51,000	51,000	51,000	50,633	57,000

Schedule 17
UPSON COUNTY, GEORGIA
Capital Asset Statistics by Function
Last Ten Years

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public Safety:										
Patrol Cars	38	36	36	41	44	44	44	44	44	44
Jail Facility Capacity	200	200	200	200	200	215	215	215	215	215
Stations	1	1	1	1	1	1	1	1	1	1
Public Works:										
Roads (miles)	463.25	463.25	463.25	463.25	463.25	463.25	463.25	463.25	468.81	468.81
Water/Waste Water:										
Water tanks	3	3	3	3	3	3	3	3	3	3
Water lines	482,550	482,550	482,550	482,550	482,550	482,550	482,550	482,550	444,328	444,328
Storage capacity	835,000	835,000	835,000	835,000	835,000	1,100,000	1,100,000	1,100,000	1,150,000	1,150,000
Sewer lines (linear feet)	88,200	88,200	88,200	88,200	88,200	88,200	88,200	88,200	46,250	46,250

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

		2016				2007			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable		Taxable Assessed Value	Rank	Percentage of Total Taxable		Tax
			Assessed Value	Tax			Assessed Value	Tax	
West Georgia Generating Company	\$ 28,381,822	1	3.24%	\$ 277,291	\$ 36,423,598	1	5.40%	\$ 503,091	
QuadGraphics, Inc.	22,204,478	2	4.65%	398,501	15,902,487	2	2.26%	188,979	
Southern Mills	16,333,018	3	1.55%	132,447	9,416,088	3	1.23%	84,113	
Solo-Innoware	10,916,701	4	1.86%	158,995	7,921,569	4	1.17%	99,796	
Georgia Power Company	10,278,385	5	2.61%	223,495	7,386,278	5	1.10%	104,015	
Southern Natural Gas	9,009,980	6	1.99%	170,167	7,136,190	6	1.02%	85,443	
Walmart	7,899,217	7	0.90%	77,175	14,743,318	7	0.87%	72,214	
Interfor	7,363,271	8	1.46%	125,549	6,529,953	8	0.77%	55,220	
Home Depot	3,717,341	9	0.42%	36,318	5,612,268	9	0.74%	63,439	
Upson EMC	2,790,691	10	0.69%	58,768	5,600,023	10	0.83%	56,134	
Total	\$ 118,894,904		19.37%	\$ 1,658,706	\$ 116,671,772		15.39%	\$ 1,312,444	

Source: Provided by Upson County Tax Commissioner's Office.

Governmental Reports

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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*

Honorable Board of Commissioners
Thomaston, Georgia

We have audited in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits, contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Upson, Georgia as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise County of Upson, Georgia's basic financial statements, and have issued our report thereon dated June 15, 2017.

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.

Our report includes reference to other auditors who audited the financial statements of the Upson County 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.

Internal Control Over Financial Reporting

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

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 responses, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a

material weakness, yet important enough to merit attention by those charged with governance. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether County of Upson, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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.

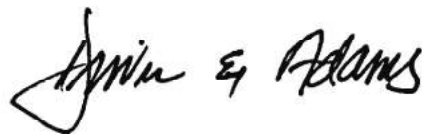
County of Upson, Georgia's Response to Findings

County of Upson, Georgia's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned responses on pages 121-122. County of Upson, Georgia's response was not subjected to the auditing procedures applied in our audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Thomaston, Georgia
June 15, 2017



UPSON COUNTY, GEORGIA
Year ended Dcember 31, 2016
Schedule of Projects Constructed
With Special Sales Tax Proceeds
Series 2011

Project	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
County Level 2 Projects	\$ 3,200,000	\$ 2,541,684	\$ 879,858	\$ 636,812	\$ 1,516,670	59.7%
Roads	4,855,321	4,855,321	3,027,437	361,840	3,389,277	69.8%
Water System Project	765,000	765,000	291,582	4,191	295,773	38.7%
Sheriff Vehicles	520,000	525,479	502,598	22,881	525,479	100.0%
Building Improvements and Equipment	2,300,000	2,952,837	1,377,646	957,636	2,335,282	79.1%
City of Thomaston	4,183,276	4,183,276	3,469,735	515,583	3,985,318	95.3%
City of Yatesville	176,403	176,403	135,795	21,772	157,567	89.3%
Totals	\$ 16,000,000	\$ 16,000,000	\$ 9,684,651	\$ 2,520,715	\$ 12,205,366	76.3%

UPSON COUNTY, GEORGIA
Year ended Dcember 31, 2016
Schedule of Projects Constructed
With Special Sales Tax Proceeds
Series 2016

Project	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
County Level 2 Projects	\$ 3,600,000	\$ 3,600,000	\$ -	\$ 13,205	\$ 13,205	0.37%
Roads	4,688,000	4,688,000	-	-	-	0.00%
Water System Project	865,000	865,000	-	-	-	0.00%
Sheriff Vehicles	1,462,000	1,462,000	-	-	-	0.00%
Building Improvements and Equipment	1,863,000	1,863,000	-	43,048	43,048	2.31%
County Parks	842,000	842,000	-	138,742	138,742	16.48%
City of Thomaston	4,500,000	4,500,000	-	199,274	199,274	4.43%
City of Yatesville	180,000	180,000	-	7,971	7,971	4.43%
Totals	\$ 18,000,000	\$ 18,000,000	\$ -	\$ 402,240	\$ 402,240	2.23%

Single Audit Report



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, Georgia
Thomaston, Georgia

We have audited in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits, contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Upson, Georgia as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise County of Upson, Georgia's basic financial statements, and have issued our report thereon dated June 15, 2017.

Our report includes reference to other auditors who audited the financial statements of the Upson County 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. This report does not include the results of our testing of internal control over financial reporting or compliance and other matters that have been reported in the separately issued financial statements and reports of the discretely presented component unit, the Upson County Board of Health.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be

material weakness or significant deficiencies and therefore material weakness or significant deficiencies may exist that were not identified.

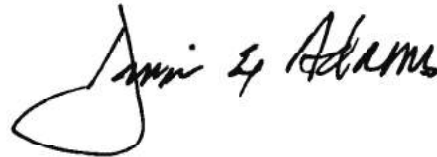
Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.

Thomaston, Georgia
June 15, 2017

A handwritten signature in black ink, appearing to read "James L. Adams". The signature is written in a cursive style with a large, looped initial "J".



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Board of Commissioners of
Upson County, Georgia
Thomaston, Georgia

Report on Compliance for Each Major Federal Program

We have audited the County of Upson, Georgia's compliance with the types of compliance requirements described in the Uniform Guidance that could have a direct and material effect on each of the county of Upson, Georgia's major federal programs for the year ended December 31, 2016. The County of Upson, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County of Upson, Georgia's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance required that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County of Upson, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County of Upson, Georgia's compliance.

Opinion on Each Major Federal Program

In our opinion, the County of Upson, Georgia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2016.

Report on Internal Control Over Compliance

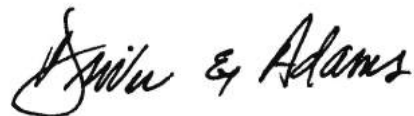
Management of the County of Upson, Georgia is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County of Upson, Georgia's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County of Upson, Georgia's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Thomaston, Georgia
June 15, 2017



UPSON COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Grant Identification Number	Total Expenditures	Passed Through to Subrecipients
U.S. Department of Transportation				
<u>(Pass Through Program - Georgia Department of Transportation)</u>				
Airport Improvement Program				
Reimbursement - Construct Hangar 73-103-Phase III	20-106	APO16-9019-40 (293)	\$ 563,304	\$ -
Runway 12/30 Primary Surface Obstruction Removal and Land Acquisition	20-106	APO16-9029-39 (293)	<u>1,192,902</u>	<u>-</u>
Total U.S. Department of Transportation			<u>\$ 1,756,206</u>	<u>\$ -</u>
U.S. Department of Housing and Urban Development				
Community Development Block Grant	14.218	13h-y-145-1-5608	\$ 277,773	\$ -
Home Investment Partnership Program	14.239	2014-929	<u>176,430</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 454,203</u>	<u>\$ -</u>
U.S. Department of Justice				
<u>Pass Through Program - Criminal Justice Coordinating Council</u>				
Edward Byrne Memorial Justice Assistance Grant	16.738	B14-8-021	<u>98,641</u>	<u>-</u>
Total U.S. Department of Justice			<u>\$ 98,641</u>	<u>\$ -</u>
Total Expenditures and Federal Awards			<u>\$ 2,309,050</u>	<u>\$ -</u>

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016

Note 1. Basis of Presentation

The Schedule of Expenditures of Federal Awards includes the federal grant activity of Upson County, Georgia and is presented on the accrual basis of accounting.

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

Note 2. De Minimis Indirect Cost Rate

The County chose not to use the ten percent de minimis cost rate for the year ended December 31, 2016.

Note 3. Non-cash Awards

The County did not receive non-cash federal awards during the year ended December 31, 2016.

**Schedule of Findings and Questioned Costs
For the Year ended December 31, 2016**

**Section I
Summary of Audit Results**

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:
Material weakness identified? ___ Yes x No

Significant deficiencies identified not considered
to be material weakness? ___ Yes x None reported

Noncompliance material to financial statements noted? ___ Yes x No

Federal Awards

Internal Control over major programs:
Material weakness identified? ___ Yes x No

Significant deficiencies identified not considered
to be material weakness? ___ Yes x None reported

Type of auditor's report issued on compliance for
major programs Unmodified

Any audit findings disclosed that are required to
be reported in accordance with the Uniform Guidance? ___ Yes x No

Identification of major programs:

CFDA Number
20-106

Name of Federal Program or Cluster
Airport Improvement Program

Dollar threshold used to distinguish between
Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? x Yes ___ No

**Schedule of Findings and Questioned Costs
For the Year ended December 31, 2016**

**Section II
Financial Statement Findings and Responses**

None reported.

**Section III
Federal Awards Findings and Questioned Costs**

None reported.