



UPSON COUNTY, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2023

Prepared by:
Upson County Finance Department

**UPSON COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2023**

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INTRODUCTORY SECTION

(Unaudited)

The introductory section includes a list of principal officers, and general government organization chart.

**UPSON COUNTY, GEORGIA
LIST OF PRINCIPAL OFFICIALS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Board of Commissioners

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

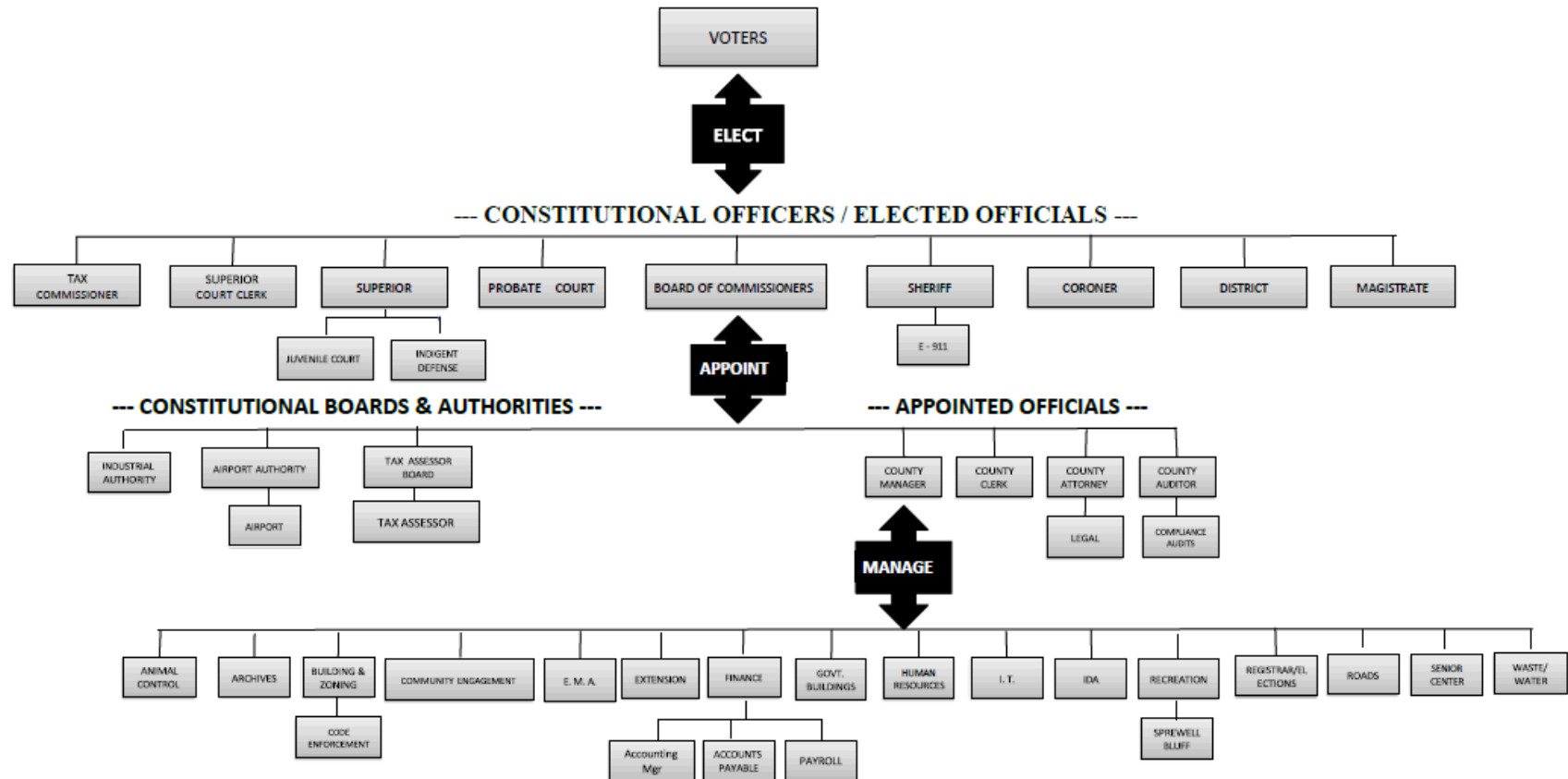
Constitutional Officers

Tax Commissioner	Andy Chastain
Clerk of Superior Court	Teresa Harper
Sheriff	Dan Kilgore
Probate Court Judge	Danielle McRae

Administrative

County Manager	Jason Tinsley
County Clerk	Jessica Jones
County Attorney	R. Heath English
Chief Financial Officer and Director of Internal Services	H. Allen Salter

**UPSON COUNTY, GEORGIA
ORGANIZATIONAL CHART
FOR THE YEAR ENDED DECEMBER 31, 2023**





FINANCIAL SECTION

The financial section includes the independent auditor's report on the financial statement audit, the Management's Discussion and Analysis (MD&A), which provides a narrative introduction, overview and analysis of the financial statements, and the basic financial statements including notes, required supplementary information, and supplementary information.



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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Upson County, Georgia (the "County"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements 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 the County, as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Thomaston-Upson County Industrial Development Authority, which represents 28 percent, 29 percent, and 13 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Thomaston-Upson County Industrial Development Authority, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (on pages 9 through 20), budgetary comparison information (on pages 65-66), the Schedule of Changes in the County's Net Pension Liability and Related Ratios (on page 67) and the Schedule of County Contributions – Pension Plan (on page 68) be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the schedules of expenditures of special purpose local sales tax proceeds, as required by the Official Code of Georgia ("O.C.G.A.") § 48-8-121, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules and the schedules of expenditures of special purpose local sales tax proceeds is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Report

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2024 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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's internal control over financial reporting and compliance.

Richards, Cauley + Associates, LLC

Dublin, Georgia
June 28, 2024



MANAGEMENT'S DISCUSSION AND ANALYSIS

(Unaudited)

Management's Discussion and Analysis (MD&A) is a narrative introduction, overview and analysis of the basic financial statements prepared by the Finance Director.

UPSON COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
FOR THE YEAR ENDED DECEMBER 31, 2023

As management of Upson County, Georgia (the "County"), we offer the readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended December 31, 2023.

2023 FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$65.1 million (net position). The unrestricted net position, which represents the amounts available to meet the County's ongoing obligations to citizens and creditors, was a deficit of \$2.2 million. Restrictions of certain funds to specific use and for debt service, including \$17.7 million related to capital projects funds results in a deficit balance.
- The County's total net position increased \$4.8 million primarily due to the increase in governmental revenues related to increases in property tax revenues, sales tax revenues, and insurance premium revenues.
- At the close of the current fiscal year, the County's governmental funds reported combined fund balances of \$35.7 million, a decrease of \$10.3 million in comparison with the prior year. Of this amount, \$8.5 million, or 82.5%, of the decrease was in the 2022 SPLOST Capital Projects Fund and 13.2% was related to a decrease in the General Fund. The decrease in the 2022 SPLOST Capital Projects Fund reflects spending on construction of the County's new judicial center. The decrease in the General Fund balance reflects higher expenditures for fiscal year 2023 than revenues and transfers in combined. The decrease in revenues reflects assessing property taxes for County maintenance and operations at the roll back millage rate.
- At the end of the current fiscal year, unrestricted fund balance (the total of the *committed*, *assigned*, and *unassigned* components of *fund balance*) for the general fund was \$9.6 million, or approximately 50.7% of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management's Discussion and Analysis document introduces the County's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The County also includes in this report additional information to supplement the basic financial statements. Comparative data is presented to allow comparison to the prior fiscal year.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the County's finances, in a manner similar to private-sector businesses.

The *statement of net position* presents financial information on all the County's assets, liabilities, and deferred inflows/outflows of resources, with the difference 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 County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the 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, judicial, public safety, public works, health and welfare, culture and recreation and housing and development. The business-type activities of the County include water system and waste services.

UPSON COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
FOR THE YEAR ENDED DECEMBER 31, 2023

The government-wide financial statements include not only the County itself (known as the primary government), but also a three legally separate discretely presented component units for which the County is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 22-23 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the County can be divided into three categories: governmental funds, proprietary funds, and 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 assessing 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.

The County maintains 20 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, 2022 SPLOST Capital Projects Fund, 2019 TSPLOST Capital Projects Fund, 2022 SPLOST Debt Service Fund, and 2019 TSPLOST Debt Service Fund. Data from the other 15 governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The County adopts an annual appropriated budget for its general fund and special revenue funds. Budgetary comparison statements have been provided to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 24-27 of this report.

Proprietary Funds. The County maintains only one type 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. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water System and Waste System, both of which are major funds of the County.

The basic proprietary fund financial statements can be found on pages 28-31 of this report.

UPSON COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
FOR THE YEAR ENDED DECEMBER 31, 2023

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

The fiduciary fund financial statements can be found on pages 31-32 of this report.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire 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 36-63 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the County's progress in funding its obligations to provide pension and OPEB benefits to its employees. Required supplementary information can be found immediately after the notes to the financial statements on pages 65-68.

The combining statements referred to earlier in connection with nonmajor governmental funds and custodial funds are presented immediately following the required supplementary information on pensions and OPEB. Combining and individual fund statements and schedules can be found on pages 75-95 of this report.

UPSON COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
FOR THE YEAR ENDED DECEMBER 31, 2023

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$65.0 million at December 31, 2023.

Upson County, Georgia - Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 41,465,520	\$ 51,701,521	\$ 2,848,943	\$ 3,132,977	\$ 44,314,463	\$ 54,834,498
Capital assets	46,941,653	34,498,052	6,039,121	6,088,111	52,980,774	40,586,163
Total assets	88,407,173	86,199,573	8,888,064	9,221,088	97,295,237	95,420,661
Deferred outflows of resources	2,100,046	4,332,455	69,734	-	2,169,780	4,332,455
Noncurrent liabilities	22,350,538	27,749,967	2,248,110	2,783,484	24,598,648	30,533,451
Other liabilities	8,437,329	6,161,044	759,848	402,792	9,197,177	6,563,836
Total liabilities	30,787,867	33,911,011	3,007,958	3,186,276	33,795,825	37,097,287
Deferred inflows of resources	590,982	2,542,872	19,624	-	610,606	2,542,872
Net position:						
Net investment in capital assets	36,982,754	30,468,596	6,039,120	3,313,951	43,021,874	33,782,547
Restricted	24,269,947	33,554,328	-	-	24,269,947	33,554,328
Unrestricted	(2,124,331)	(9,944,779)	(108,904)	2,720,861	(2,233,235)	(7,223,918)
Total net position	\$ 59,128,370	\$ 54,078,145	\$ 5,930,216	\$ 6,034,812	\$ 65,058,586	\$ 60,112,957

Governmental Activities

Current and other assets decreased by \$10.2 million from the prior year. The decrease primarily reflects a decrease in cash balances mainly within the County's capital projects funds. Specifically, the 2022 SPLOST Fund cash balance decreased by approximately \$7.2 million reflecting payments to vendors for the construction of the County's new judicial center. General Fund cash balance decreased as well by approximately \$1.7 million reflecting the use of cash reserves for current year expenditures versus increasing fiscal year 2023 property taxes.

Total liabilities decreased by approximately \$3.1 million reflecting decreases in noncurrent liabilities of \$5.4 million, which offset the increase in other liabilities of \$2.2 million. The decrease in noncurrent liabilities reflects primarily the decrease in unearned revenue associated with unearned grant funds from our ARPA grant. ARPA grant funds were used in fiscal year 2023 toward the County's broadband project with Highline and toward the intergovernmental sewer project with the City of Thomaston to expand sewage capacity at the industrial park. Other liabilities in governmental activities increased \$2.3 million primarily due to an increase in accounts payable in our capital projects fund for payments due to vendors at year end.

UPSON COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
FOR THE YEAR ENDED DECEMBER 31, 2023

By far, the largest portion of the County's total net position, \$59.1 million, reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), net of accumulated depreciation and less any related outstanding debt that was used to acquire those assets. The County uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Total capital assets for the County increased \$12.4 million, all of which was related to governmental activities. The judicial center project represents most of that capital spending.

Business-Type Activities

Current and other assets decreased slightly by approximately \$300 thousand from the prior year. Capital assets decreased by \$49 thousand, the result of depreciation that exceeded additions to capital assets.

Total liabilities decreased by approximately \$178,000 largely reflecting the decrease in notes payable of \$567 thousand offset partially by an increase in other liabilities of approximately \$357 thousand.

The change in net position reflects net losses of approximately \$106 thousand for fiscal year 2023, resulting from higher costs to deliver water, sewer and solid waste services. The County had not increased rates for these services in nearly a decade through fiscal year 2023. However, the County has increased rates and water and sewer services and on solid waste services for fiscal year 2024.

UPSON COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
FOR THE YEAR ENDED DECEMBER 31, 2023

The County's overall net position decreased \$4,841,757 from the prior fiscal year. The reasons for this overall decrease are discussed in the following sections for governmental activities and business-type activities.

Upson County, Georgia - Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 3,177,902	\$ 3,373,522	\$ 2,813,399	\$ 3,013,632	\$ 5,991,301	\$ 6,387,154
Operating grants and contribution	4,739,540	4,607,826	-	-	4,739,540	4,607,826
Capital grants and contributions	3,910,225	3,090,064	52,394	-	3,962,619	3,090,064
General revenues:						
Property taxes	9,435,276	8,875,222	-	-	9,435,276	8,875,222
Sales taxes	12,949,457	11,874,172	-	-	12,949,457	11,874,172
Other taxes	3,572,294	3,445,868	-	-	3,572,294	3,445,868
Investment earnings	731,954	326,902	164,988	31,407	896,942	358,309
Miscellaneous	533,803	408,256	66	-	533,869	408,256
Total revenues	39,050,451	36,001,832	3,030,847	3,045,039	42,081,298	39,046,871
Expenses:						
General government	8,482,697	5,929,796	-	-	8,482,697	5,929,796
Judicial	2,666,275	2,833,277	-	-	2,666,275	2,833,277
Public safety	10,511,432	11,176,141	-	-	10,511,432	11,176,141
Public works	6,988,926	5,532,355	-	-	6,988,926	5,532,355
Health and welfare	1,041,142	1,192,905	-	-	1,041,142	1,192,905
Culture and recreation	3,184,658	2,828,562	-	-	3,184,658	2,828,562
Housing and development	775,260	827,473	-	-	775,260	827,473
Interest on long-term debt	452,250	710,600	-	-	452,250	710,600
Water systems	-	-	1,886,936	1,465,217	1,886,936	1,465,217
Waste systems	-	-	1,249,965	1,026,143	1,249,965	1,026,143
Total expenses	34,102,640	31,031,109	3,136,901	2,491,360	37,239,541	33,522,469
Increase (decrease) in net position before transfers	4,947,811	4,970,723	(106,054)	553,679	4,841,757	5,524,402
Transfers	-	(131,756)	-	131,756	-	-
Change in position	4,947,811	4,838,967	(106,054)	685,435	4,841,757	5,524,402
Net position, beginning, as restated	54,180,559	49,341,592	6,036,270	5,350,835	60,216,829	54,692,427
Net position, ending	\$ 59,128,370	\$ 54,180,559	\$ 5,930,216	\$ 6,036,270	\$ 65,058,586	\$ 60,216,829

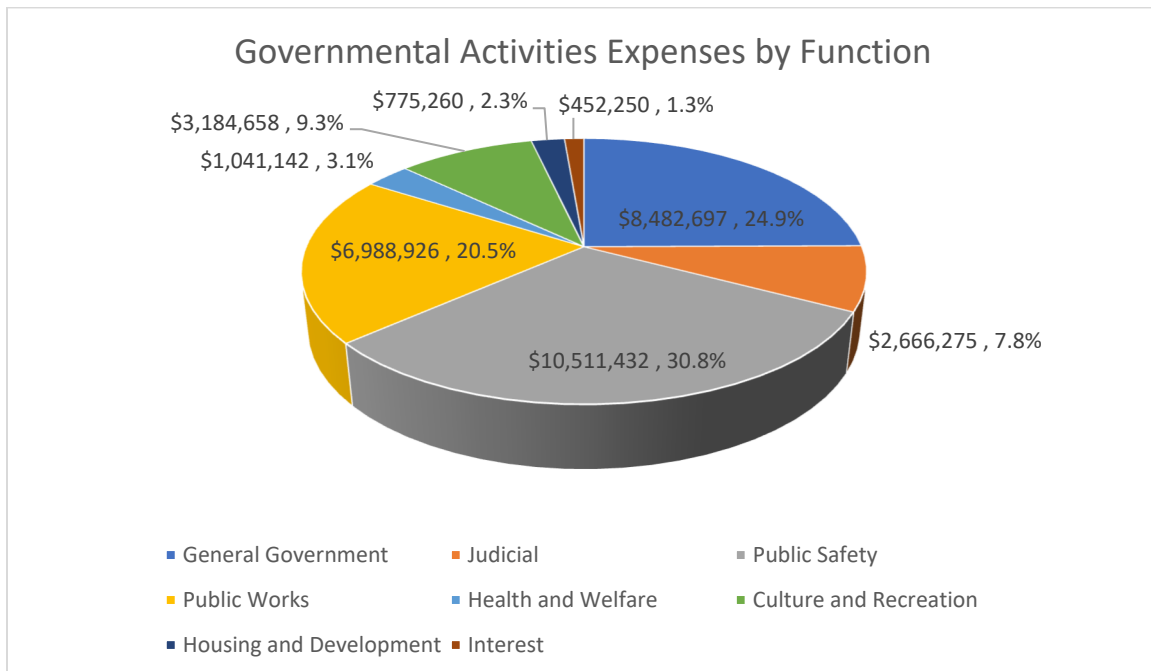
UPSON COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
FOR THE YEAR ENDED DECEMBER 31, 2023

Governmental Activities.

The County's governmental activities total net position increased by \$4.9 million, or 8.1%, for the year ended December 31, 2023 as compared to the increase of \$5.5 million for the year ended December 31, 2022. Total revenues increased \$2.4 million with most of the increase coming from property taxes, sales taxes and investment earnings. The increase in net position for 2023 was approximately \$700 thousand lower than the increase for 2022 of \$5.5 million. Inflation resulting in higher costs of services, primarily in wages and other forms of compensation are the most significant factors in the increase in total expenses, which increased \$3.7 million, or 11.1%, to \$37.2 million for the year ended December 31, 2023 from \$33.5 million for the year ended December 31, 2022. The County made a conscious decision in 2023 based on its fund balance level in the General Fund to limit the millage rate on County M&O to the rollback rate for 2023 as it has done every other previous year.

Governmental Activities

	Total Cost of Services	Percentage of Total	Net Cost of Services	Percentage of Total
General government	\$ 8,482,697	24.9%	\$ (4,222,252)	19.0%
Judicial	2,666,275	7.8%	(1,508,459)	6.8%
Public safety	10,511,432	30.8%	(9,539,543)	42.8%
Public works	6,988,926	20.5%	(3,077,201)	13.8%
Health and welfare	1,041,142	3.1%	(366,615)	1.6%
Culture and recreation	3,184,658	9.3%	(2,333,393)	10.5%
Housing and development	775,260	2.3%	(775,260)	3.5%
Interest	452,250	1.3%	(452,250)	2.0%
Total	\$ 34,102,640	100.0%	\$ (22,274,973)	100.0%



UPSON COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
FOR THE YEAR ENDED DECEMBER 31, 2023

Business-type Activities. The County had not raised rates on water and sewer services for nearly a decade. Higher costs to deliver those services, including higher costs associated with water purchases from the City of Thomaston for some communities in the unincorporated areas of Upson County resulted in an overall net decrease in net position of \$106 thousand for the year ended December 31, 2023. The total net position of both our water and solid waste funds remains strong; however, to ensure a continued strong net position and to maintain adequate net position to fund future water system improvements, the County increased water and sewer rates as well as rates for solid waste services.

Financial Analysis of Governmental Funds

Governmental Funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the County itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the County's Board of Commissioners.

Total fund balance for all governmental funds at December 31, 2023 was \$35.6 million. The restricted portion of this total was \$24.3 million, which primarily consists of the balances in the County's capital projects funds and debt service funds and to a lesser extent other special revenue funds. The remainder of the fund balance is either nonspendable or committed for specific purposes related to capital expenditures. The total of these categories at December 31, 2023 was \$1.9 million. The total unassigned fund balance at December 31, 2023 was \$9.4 million.

Total governmental fund balance decreased by \$10.2 million for the year ended December 31, 2023. A significant portion of the decrease relates to expenditures out of the County's capital projects funds. Total fund balance for the General Fund decreased by \$1.3 million for the year ended December 31, 2023.

Analysis of Individual Funds

General Fund. The general fund is the chief operating fund of the County. Total fund balance at December 31, 2023 was \$10.7 million with \$9.5 million of that total classified as unassigned. The unassigned fund balance decreased \$1.3 million from the balance at December 31, 2022 of \$10.9 million. The decrease reflects both an increase in expenditures for fiscal year 2023 as compared to 2022 and the County's decision to assess property taxes at the rollback millage rate for County M&O for fiscal year 2023 as opposed to increasing millage. Deciding to use the rollback rate was a conscious decision of the County to avoid raising property taxes to cover all operating expenditures. The healthy fund balance within the General Fund made that possible.

As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents 50.1% of total general fund expenditures, while total fund balance represents 57.0% of that same amount.

Capital Projects Funds. The County has three capital projects funds, all of which are related to Special Purpose Local Option Sales Taxes (SPLOST), including one Transportation SPLOST or TSPLOST. The total fund balances of these capital projects funds at December 31, 2023 was \$17.2 million. The 2022 TSPLOST Fund is the primary source for the construction of the County's new judicial center. To allow for immediate construction, the County through the Thomaston-Upson County Office Building Authority issued \$21.1 million in 20- year revenue bonds. The primary source of repayment of these bonds will be from sales taxes collected under the 2022 SPLOST Fund. The 2016 SPLOST Fund has a remaining fund balance of \$3.4 million as planned projects under that SPLOST have not yet been completed. The 2019 TSPLOST Fund has no fund balance; however, excess collections over the remaining debt service payment remain in the 2019 TSPLOST Debt Service Fund and are transferred to the 2019 TSPLOST capital projects fund as necessary for road, street, and bridge repairs and maintenance are needed. SPLOST

UPSON COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
FOR THE YEAR ENDED DECEMBER 31, 2023

funds are the County's primary capital projects funds. The County does maintain the balances of Local Area Maintenance Improvement Grant ("LMIG") funds in a separate LMIG Fund. The balance of that fund at December 31, 2023 was \$351,000.

Debt Service Funds. The County maintains two debt service funds, 2022 SPLOST Debt Service Fund and 2019 TSPLOST Debt Service Fund. Each of these funds was established to record the debt service payments associated with bond funding to finance the construction of the new judicial center and to finance a series of road, street and bridge projects. More information regarding the County's outstanding debt can be found in Note 6 of the notes to the financial statements.

Proprietary funds. The County maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses an enterprise funds to account for the County Water Districts and the Solid Waste Services. 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 29-31 of this report.

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

The basic fiduciary fund financial statements can be found on pages 32-33 of this report.

General Fund Budgetary Highlights

The following table presents the General Fund expenditure budget and actual for 2023:

	Budget		Variance	
	Original Budget	Amendments	Final Budget	with Final Budget
General government	\$ 4,140,749	\$ 179,500	\$ 4,320,249	\$ 4,132,974
Judicial	2,554,802	218,015	2,772,817	2,648,989
Public safety	8,455,314	456,524	8,911,838	8,626,555
Public works	1,322,454	1,027,048	2,349,502	2,337,540
Health and welfare	323,709	-	323,709	236,628
Culture and recreation	154,000	(26,987)	127,013	126,017
Housing and development	932,588	-	932,588	731,805
Debt service	-	-	-	9,252
Total	<u>\$ 17,883,616</u>	<u>\$ 1,854,100</u>	<u>\$ 19,737,716</u>	<u>\$ 18,849,760</u>
				<u>\$ (887,956)</u>

Total final budgeted expenditures for the General Fund reflected an increase of \$1.8 million. Of that amount, \$1.0 million was attributed to an increase in the total budget for public works, specifically in roads, streets and bridges. This is a result of unplanned expenditures incurred with roads and small bridges and culverts from severe flooding in the Spring of 2023. The total cost of repairs was approximately \$1.2 million. The County did receive approximately \$300 thousand from the Georgia Department of Transportation in a special grant to offset these costs. To further offset the increased costs, the County also increased millage on its Unincorporated Millage Rate, which is the millage rate applied only to residents in unincorporated areas of Upson County. Taxes collected in the Unincorporated Services Fund are transferred in each year to the General Fund

UPSON COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
FOR THE YEAR ENDED DECEMBER 31, 2023

where the activities of all unincorporated services are accounted. The other \$900 thousand of the increase is largely comprised of increases in the total public safety budget of \$457 thousand, \$218 in the judicial budget, and \$179 thousand in the general government budget.

The \$456 thousand increase in public safety reflects increases in salaries for the Sheriff's office and Jail for raises not anticipated in the original budget, extraordinary increases in medical care of inmates in the jail. The increases in the judicial budget reflect increases in the superior court budget as these costs are for the Griffin Judicial Circuit, the public defender budget and the district attorney's budget. Given that their budgets are based on a July 1 to June 30 fiscal year, significant increases in their budgets require the County to amend its budget. Other increases in judicial reflect increased costs for supplies over expected and the addition of one new staff to the probate office. The increase in the general government reflects some employee promotions not reflected in the original budget and higher costs associated with certain repairs of facilities.

Capital Expenditures

Most of the County's capital expenditures are funded via SPLOST and TSPLOST. The County, beginning in 2019, began debt funding road resurfacing projects to expedite the repair and restoration of roadways throughout the County. TSPLOST combined with LMIG and SPLOST have enabled the County to maintain its roads, streets and bridges in good and safe condition. In 2022, the County issued bonds through the Thomaston-Upson County Office Building Authority to fund the construction of the new judicial center, a \$22 million dollar project. The 2022 SPLOST and future renewals of SPLOST, if voter approved, will be used to service the debt.

The following table lists capital expenditures by asset class:

	<u>2023</u>	<u>2022</u>
Governmental Activities:		
Construction in progress - buidlings	\$ 9,710,966	\$ 970,700
Buildings	49,893	860,098
Infrastructure	4,707,393	632,831
Equipment	559,387	374,369
Vehicles	759,641	556,522
Total Governmental Activities	<u>\$ 15,787,280</u>	<u>\$ 3,394,520</u>
Business-Type Activities:		
Capital assets not being depreciated		
Construction in progress - buidlings	\$ 45,035	\$ -
Water distribution system	76,260	-
Equipment and vehicles	107,552	187,514
Total Business-Type Activities	<u>\$ 228,847</u>	<u>\$ 187,514</u>

Construction in progress of \$9.7 million for governmental activities reflects the construction of the new judicial center. The infrastructure of \$4.7 million primarily reflects road resurfacing and repair in 2023. The construction in progress for business-type activities relates to the costs associated with design and engineering of a new well in our Thurston Community of Upson County.

UPSON COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
FOR THE YEAR ENDED DECEMBER 31, 2023

Long-term Debt. At December 31, 2023, the County has \$28.8 million in outstanding bonds, notes, leases and financed purchases as illustrated in the following table:

Upson County, Georgia's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenue bonds	\$ 1,293,777	\$ 2,579,501	\$ -	\$ -	\$ 1,293,777	\$ 2,579,501
Notes payable	-	-	692,072	756,508	692,072	756,508
Financed purchases	23,668,273	23,306,296	1,802,722	2,015,520	25,470,995	25,321,816
Leases	89,873	96,508	-	-	89,873	96,508
	<u>\$ 25,051,923</u>	<u>\$ 25,982,305</u>	<u>\$ 2,494,794</u>	<u>\$ 2,772,028</u>	<u>\$ 27,546,717</u>	<u>\$ 28,754,333</u>

The County's total debt decreased by \$2.5 million, or 8.70% to \$26.2 million at December 31, 2023 from \$28.6 million at December 31, 2022. The decrease resulted from principal payments and amortization of bond and financed purchases premiums. The current legal debt limitation for the County is \$88.5 million.

Additional information on the County's long-term debt and other long-term obligations can be found in Note 6 of this report.

Economic Condition & Outlook

The economic condition of Upson County remains stable. However, the growth in the County's digest for real and personal property has slowed based on estimates for 2024. Real property inflationary growth at 100% is approximately \$74 million and at 40% \$30 million.

Census Bureau information through 2022 indicates that household median income has risen by 24.2% since 2000. There's been a very slight increase in population over the past 5 years, an average growth rate of 1.3%. The median home value in Upson County has risen sharply over the past 5 years, 95.0%. This inflationary growth helped to increase the County's digest dramatically over the same period. However, do not anticipate this level of growth into the future as evidenced by the 2024 growth estimates.

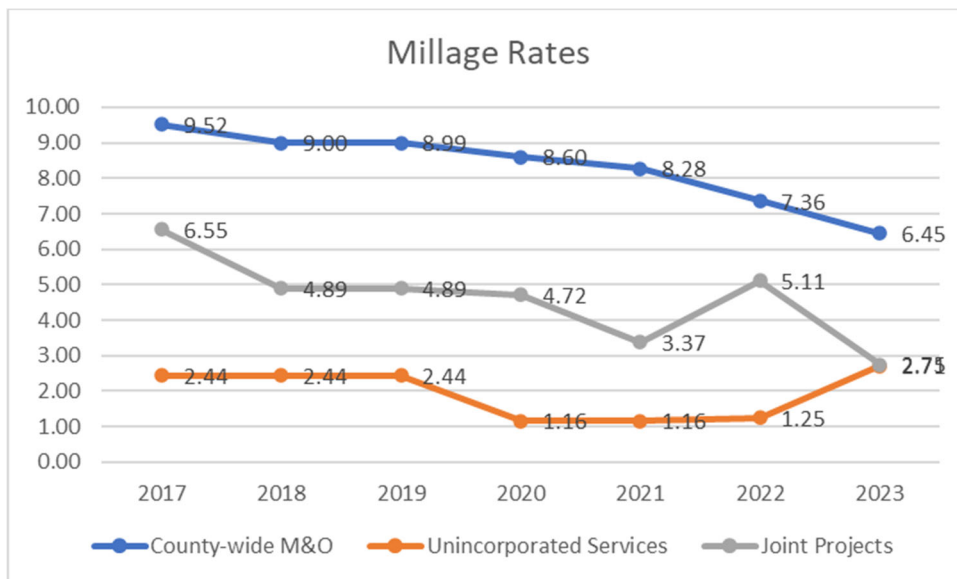
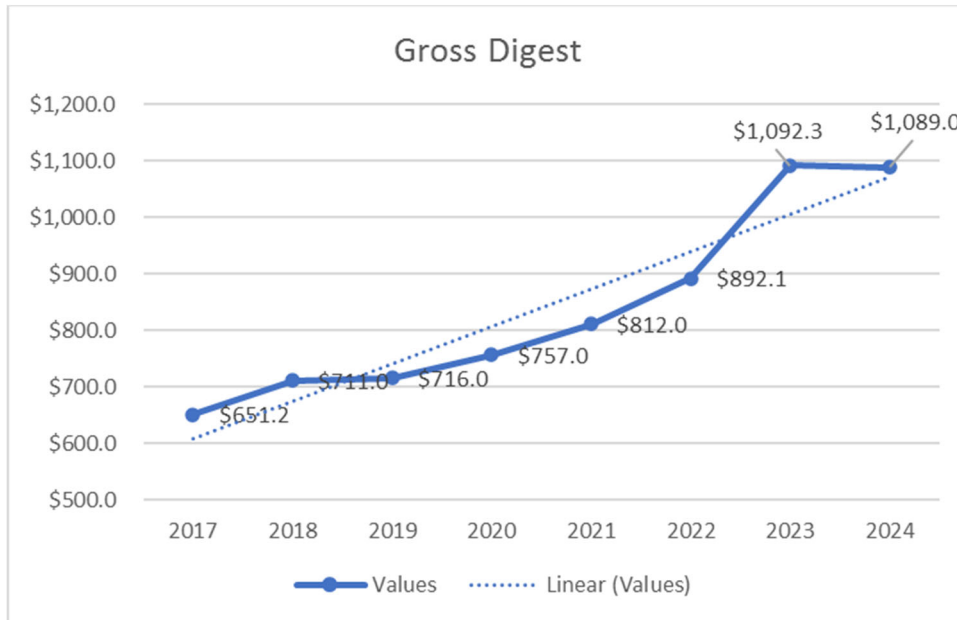
The County will be challenged to keep millage rates low and using the rollback rate may not be feasible given the size of our budget. The County has a total of three taxing districts: County M&O, Joint Projects and Unincorporated Services. The Joint Projects taxing district and the Unincorporated taxing district are the same in that they both only apply to property owners in the unincorporated areas of Upson County. The Unincorporated Services taxing district tax levy is based upon the millage needed to fund the operations of services only provided for unincorporated residents. These primary services are roads, streets, and bridges, animal control, and building and zoning. The Joint Projects taxing district levy is based upon the millage needed to fund the County's portion of joint projects with the City of Thomaston. These joint projects include recreation, 9-11, senior center activities, archives, regional library system, and a jointly owned closed landfill.

Joint projects with the City of Thomaston are ongoing and represent a venture between both governing bodies whereby each contributes to the funding of these joint projects. The County manages all the joint projects except for the closed landfill facility and the regional library system. These ongoing joint projects are guided by an intergovernmental agreement between both governments. The agreement calls for shared funding based on the ratio of each governments' portion of the Joint Projects net digest. Historically, the ratio has been approximately 65% to 35%, County to City. Based on the 2023 net digest, the ratio has shifted to approximately 68% to 32%, County to City.

UPSON COUNTY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
FOR THE YEAR ENDED DECEMBER 31, 2023

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

Dollar amounts are presented in millions.



CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the County'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 financial information should be addressed to the Chief Financial Officer, Upson County, 106 East Lee Street, Suite 110, Thomaston, Georgia 30286.



BASIC FINANCIAL STATEMENTS

The basic financial statements include the government-wide statement of net position and government-wide statement of activities which include all the primary government's governmental activities, business-type activities and component units. In addition, the basic financial statements include the fund financial statements and the notes to the financial statements

UPSON COUNTY, GEORGIA
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Assets				
Cash and cash equivalents	\$ 36,010,121	\$ 2,672,401	\$ 38,682,522	\$ 3,307,058
Investments	-	-	-	899,026
Receivables, net	2,765,012	459,141	3,224,153	275
Intergovernmental receivables	2,306,061	-	2,306,061	-
Due from component units	71,377	-	71,377	-
Internal balances	282,599	(282,599)	-	-
Inventories	30,350	-	30,350	29,444
Land held for resale	-	-	-	4,270,196
Capital assets				
Nondepreciable	14,033,372	456,008	14,489,380	4,475,800
Depreciable, net	32,908,281	5,583,113	38,491,394	12,514,371
Net OPEB asset	-	-	-	73,065
Total assets	88,407,173	8,888,064	97,295,237	25,569,235
Deferred Outflows of Resources				
Related to OPEB	-	-	-	82,118
Related to pension	2,100,046	69,734	2,169,780	531,803
Total deferred outflows of resources	2,100,046	69,734	2,169,780	613,921
Liabilities				
Accounts payable	5,124,037	262,625	5,386,662	58,742
Accrued expenses	323,273	-	323,273	-
Accrued interest	87,689	-	87,689	-
Due to other governments	96,481	-	96,481	39,033
Due to primary government	-	-	-	142,962
Due to component units	586	-	586	-
Customer deposits	-	199,338	199,338	-
Unearned revenue	49,312	-	49,312	-
Noncurrent liabilities				
Due within one year				
Bonds, notes and financed purchases	2,183,431	276,599	2,460,030	-
Other	144,604	5,971	150,575	21,916
Due in more than one year				
Bonds, notes and financed purchases	21,484,842	2,218,195	23,703,037	35,112
Total OPEB liability	-	-	-	61,979
Net pension liability	721,092	23,944	745,036	1,046,254
Other	572,520	21,286	593,806	-
Total liabilities	30,787,867	3,007,958	33,795,825	1,405,998
Deferred Inflows of Resources				
Related to OPEB	-	-	-	86,252
Related to pension	590,982	19,624	610,606	51,859
Total deferred inflows of resources	590,982	19,624	610,606	138,111
Net Position				
Net investment in capital assets	36,982,754	6,039,121	43,021,875	16,990,171
Restricted for				
County services	664,441	-	664,441	-
Law enforcement	126,680	-	126,680	-
Emergency 911	37,677	-	37,677	-
Law library	22,696	-	22,696	-
Drug abuse treatment	208,390	-	208,390	-
Debt service	5,544,596	-	5,544,596	-
Capital projects	17,665,467	-	17,665,467	-
OPEB benefits	-	-	-	73,065
Unrestricted	(2,124,331)	(108,905)	(2,233,236)	7,575,811
Total net position	\$ 59,128,370	\$ 5,930,216	\$ 65,058,586	\$ 24,639,047

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

UPSON COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business-type Activities	Total	
Primary government								
Governmental activities								
General government	\$ 8,482,697	\$ 1,250,639	\$ 3,009,806	\$ -	\$ (4,222,252)	\$ -	\$ (4,222,252)	\$ -
Judicial	2,666,275	715,041	442,775	-	(1,508,459)	-	(1,508,459)	-
Public safety	10,511,432	791,391	180,498	-	(9,539,543)	-	(9,539,543)	-
Public works	6,988,926	-	1,500	3,910,225	(3,077,201)	-	(3,077,201)	-
Health and welfare	1,041,142	-	674,527	-	(366,615)	-	(366,615)	-
Culture and recreation	3,184,658	420,831	430,434	-	(2,333,393)	-	(2,333,393)	-
Housing and development	775,260	-	-	-	(775,260)	-	(775,260)	-
Interest	452,250	-	-	-	(452,250)	-	(452,250)	-
Total governmental activities	34,102,640	3,177,902	4,739,540	3,910,225	(22,274,973)	-	(22,274,973)	-
Business-type activities								
Water systems	1,886,936	1,712,104	-	52,394	-	(122,438)	(122,438)	-
Waste systems	1,249,965	1,101,295	-	-	-	(148,670)	(148,670)	-
Total business-type activities	3,136,901	2,813,399	-	52,394	-	(271,108)	(271,108)	-
Total primary government	\$ 37,239,541	\$ 5,991,301	\$ 4,739,540	\$ 3,962,619	(22,274,973)	(271,108)	(22,546,081)	-
Component units	\$ 3,486,226	\$ 1,805,533	\$ 859,050	\$ 395,986				(425,657)
General revenues and transfers								
General revenues								
Property taxes					9,435,276	-	9,435,276	-
Sales taxes					12,949,457	-	12,949,457	-
Insurance premium taxes					1,435,896	-	1,435,896	-
Other taxes					2,136,398	-	2,136,398	-
Unrestricted investment earnings					731,954	164,988	896,942	27,538
Gain on sale of capital assets					180,332	-	180,332	-
Miscellaneous					353,471	66	353,537	-
Total general revenues and transfers					27,222,784	165,054	27,387,838	27,538
Change in net position								
Net position - beginning - as restated					54,180,559	6,036,270	60,216,829	25,037,166
Net position - ending					\$ 59,128,370	\$ 5,930,216	\$ 65,058,586	\$ 24,639,047

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

**UPSON COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

		Capital Projects Funds		Debt Service Funds		Nonmajor	Total
		2022	2019	2022	2019	Governmental	Governmental
	General	SPLOST	TSPLOST	SPLOST	TSPLOST	Funds	Funds
				Debt Service	Debt Service		
Assets							
Cash and cash equivalents	\$ 7,541,014	\$ 15,294,459	\$ -	\$ 2,020,825	\$ 3,968,004	\$ 7,185,819	\$ 36,010,121
Receivables, net	2,388,451	-	-	-	11,022	365,539	2,765,012
Intergovernmental receivables	510,186	-	-	860,446	807,026	128,403	2,306,061
Due from component units	71,377	-	-	-	-	-	71,377
Due from other funds	1,475,529	-	1,819,129	-	600	426,598	3,721,856
Inventories	-	-	-	-	-	30,350	30,350
Total assets	<u>\$ 11,986,557</u>	<u>\$ 15,294,459</u>	<u>\$ 1,819,129</u>	<u>\$ 2,881,271</u>	<u>\$ 4,786,652</u>	<u>\$ 8,136,709</u>	<u>\$ 44,904,777</u>
Liabilities							
Accounts payable	\$ 775,127	\$ 1,585,085	\$ 1,819,129	\$ 304,198	\$ -	\$ 640,498	\$ 5,124,037
Accrued expenses	323,273	-	-	-	-	-	323,273
Due to other governments	-	-	-	-	-	96,481	96,481
Due to component units	586	-	-	-	-	-	586
Due to other funds	-	600	-	-	1,819,129	1,619,528	3,439,257
Unearned revenue	-	-	-	-	-	49,312	49,312
Total liabilities	<u>1,098,986</u>	<u>1,585,685</u>	<u>1,819,129</u>	<u>304,198</u>	<u>1,819,129</u>	<u>2,405,819</u>	<u>9,032,946</u>
Deferred Inflows of Resources							
Unavailable revenues	134,274	-	-	-	-	79,619	213,893
Total deferred inflows of resources	<u>134,274</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>79,619</u>	<u>213,893</u>
Fund Balances							
Nonspendable	-	-	-	-	-	30,350	30,350
Restricted	-	13,708,774	-	2,577,073	2,967,523	5,016,577	24,269,947
Committed	1,197,138	-	-	-	-	709,939	1,907,077
Assigned	-	-	-	-	-	-	-
Unassigned	9,556,159	-	-	-	-	(105,595)	9,450,564
Total fund balances	<u>10,753,297</u>	<u>13,708,774</u>	<u>-</u>	<u>2,577,073</u>	<u>2,967,523</u>	<u>5,651,271</u>	<u>35,657,938</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 11,986,557</u>	<u>\$ 15,294,459</u>	<u>\$ 1,819,129</u>	<u>\$ 2,881,271</u>	<u>\$ 4,786,652</u>	<u>\$ 8,136,709</u>	<u>\$ 44,904,777</u>

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

UPSON COUNTY, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2023

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - governmental funds		\$ 35,657,938
Capital assets used in governmental activities are not current financial resources, and therefore are not reported in the funds.		
Cost of capital assets	\$ 109,250,606	
Less accumulated depreciation	<u>(62,308,953)</u>	46,941,653
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds		
Property taxes		213,893
Differences between expected and actual experiences, actuarial changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.		
Deferred outflows related to pension	2,100,046	
Deferred inflows related to pension	<u>(590,982)</u>	1,509,064
Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the funds.		
Accrued interest payable	(87,689)	
Bonds payable	(1,293,777)	
Financed purchases	(22,374,496)	
Leases	(89,873)	
Compensated absences	(627,251)	
Net pension liability	<u>(721,092)</u>	<u>(25,194,178)</u>
Net position of governmental activities		<u><u>\$ 59,128,370</u></u>

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

UPSON COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	General	2022 SPLOST	2019 TSPLOST	2022 SPLOST Debt Service	2019 TSPLOST Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
Revenues							
Taxes	\$ 12,294,796	\$ -	\$ -	\$ 5,098,465	\$ 4,820,688	\$ 3,529,185	\$ 25,743,134
Licenses and permits	401,684	-	-	-	-	-	401,684
Intergovernmental	915,239	-	-	-	-	6,788,423	7,703,662
Charges for services	957,249	-	-	-	-	976,091	1,933,340
Fines and forfeitures	682,091	-	-	-	-	160,787	842,878
Investment earnings	315,180	622,229	-	48,781	91,523	582,484	1,660,197
Contributions and donations	444	-	-	-	-	17,416	17,860
Miscellaneous	189,677	-	-	-	-	160,606	350,283
Total revenues	15,756,360	622,229	-	5,147,246	4,912,211	12,214,992	38,653,038
Expenditures							
Current							
General government	4,132,974	-	-	-	-	17,193	4,150,167
Judicial	2,648,989	-	-	-	-	32,678	2,681,667
Public safety	8,626,555	-	-	-	-	1,371,602	9,998,157
Public works	2,337,540	-	-	-	-	4,542,535	6,880,075
Health and welfare	236,628	-	-	-	-	723,967	960,595
Culture and recreation	126,017	-	-	-	-	2,543,847	2,669,864
Housing and development	731,805	-	-	-	-	19,255	751,060
Debt service							
Principal	6,635	-	-	931,800	1,170,000	-	2,108,435
Interest	2,617	-	-	525,400	120,000	-	648,017
Capital outlay	-	9,083,934	2,156,151	-	-	3,203,626	14,443,711
Intergovernmental	-	-	-	1,802,486	2,041,984	-	3,844,470
Total expenditures	18,849,760	9,083,934	2,156,151	3,259,686	3,331,984	12,454,703	49,136,218
Excess of revenues over (under) expenditures	(3,093,400)	(8,461,705)	(2,156,151)	1,887,560	1,580,227	(239,711)	(10,483,180)
Other Financing Sources (Uses)							
Transfers in	1,673,159	-	2,156,151	-	-	1,927,400	5,756,710
Transfers out	(155,720)	-	-	-	(2,156,151)	(3,444,839)	(5,756,710)
Insurance recoveries	-	-	-	-	-	3,188	3,188
Sale of capital assets	225,727	-	-	-	-	-	225,727
Total other financing sources (uses)	1,743,166	-	2,156,151	-	(2,156,151)	(1,514,251)	228,915
Net change in fund balances	(1,350,234)	(8,461,705)	-	1,887,560	(575,924)	(1,753,962)	(10,254,265)
Fund balances - beginning - as restated	12,103,531	22,170,479	-	689,513	3,543,447	7,405,233	45,912,203
Fund balances - ending	\$ 10,753,297	\$ 13,708,774	\$ -	\$ 2,577,073	\$ 2,967,523	\$ 5,651,271	\$ 35,657,938

The notes to the 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, 2023

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

Total changes in fund balances - total governmental funds	\$ (10,254,265)
---	-----------------

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 as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.

Depreciation expense	\$ (3,380,041)	
Capital outlay	15,772,529	12,392,488

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins and donations) is to decrease net position	(45,395)
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Revenues in the statement of activities that do not provide current financial resources are reported as deferred inflows of resources in the funds.

Property taxes	213,893
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Principal payments on bonds	1,170,000	
Principal payments on financed purchases	931,800	
Principal payments on leases	6,635	
Premium	115,724	2,224,159

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

Change in accrued interest payable	80,043	
Change in compensated absences	(135,956)	
Pension expense	472,844	416,931

Change in net position of governmental activities	\$ 4,947,811
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The notes to the financial statements are an integral part of this statement.

UPSON COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2023

	Business-type Activities		
	Water System	Waste System	Total Enterprise Funds
Assets			
Current assets			
Cash and cash equivalents	\$ 1,484,099	\$ 1,188,302	\$ 2,672,401
Receivables, net	145,156	313,985	459,141
Due from other funds	44,425	-	44,425
Total current assets	1,673,680	1,502,287	3,175,967
Noncurrent Assets			
Capital assets			
Land	410,973	-	410,973
Water distribution and storage system	8,547,924	-	8,547,924
Machinery and equipment	958,764	-	958,764
Construction in progress	45,035	-	45,035
Less accumulated depreciation	(3,923,575)	-	(3,923,575)
Total capital assets	6,039,121	-	6,039,121
Total assets	7,712,801	1,502,287	9,215,088
Deferred Outflows of Resources			
Related to pensions	69,734	-	69,734
Total deferred outflows of resources	69,734	-	69,734
Liabilities			
Current liabilities			
Accounts payable	156,121	106,504	262,625
Due to other funds	143,989	183,035	327,024
Customer deposits	199,338	-	199,338
Compensated absences	5,971	-	5,971
Notes payable	276,599	-	276,599
Total current liabilities	782,018	289,539	1,071,557
Noncurrent liabilities			
Compensated absences	21,286	-	21,286
Notes payable	2,218,195	-	2,218,195
Net pension liability	23,944	-	23,944
Total noncurrent liabilities	2,263,425	-	2,263,425
Total liabilities	3,045,443	289,539	3,334,982
Deferred Inflows of Resources			
Related to pensions	19,624	-	19,624
Total deferred inflows of resources	19,624	-	19,624
Net Position			
Net investment in capital assets	6,039,121	-	6,039,121
Unrestricted	(1,321,653)	1,212,748	(108,905)
Total net position	\$ 4,717,468	\$ 1,212,748	\$ 5,930,216

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

UPSON COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Business-type Activities		
	Water System	Waste System	Total Enterprise Funds
Operating Revenues			
Charges for services			
Water	\$ 1,419,718	\$ -	\$ 1,419,718
Sewer	172,804	-	172,804
Tap and other charges	119,582	-	119,582
Waste services	-	1,101,295	1,101,295
Miscellaneous	-	66	66
Total operating revenues	<u>1,712,104</u>	<u>1,101,361</u>	<u>2,813,465</u>
Operating Expenses			
Cost of sales and services	480,056	-	480,056
Personal services	463,817	45,921	509,738
Contractual services	362,224	1,192,324	1,554,548
Supplies	260,456	11,720	272,176
Depreciation	277,838	-	277,838
Total operating expenses	<u>1,844,391</u>	<u>1,249,965</u>	<u>3,094,356</u>
Operating income (loss)	<u>(132,287)</u>	<u>(148,604)</u>	<u>(280,891)</u>
Nonoperating Revenues (Expenses)			
Interest income	90,716	74,272	164,988
Interest expense	(42,545)	-	(42,545)
Total nonoperating revenues (expenses), net	<u>48,171</u>	<u>74,272</u>	<u>122,443</u>
Income (loss) before capital contributions and transfers	(84,116)	(74,332)	(158,448)
Capital contributions	<u>52,394</u>	<u>-</u>	<u>52,394</u>
Change in net position	(31,722)	(74,332)	(106,054)
Net position - beginning	4,749,190	1,287,080	6,036,270
Net position - ending	<u>\$ 4,717,468</u>	<u>\$ 1,212,748</u>	<u>\$ 5,930,216</u>

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

UPSON COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Business-type Activities		
	Water System	Waste System	Total Enterprise Funds
Cash Flows from Operating Activities			
Receipts from customers	\$ 1,674,014	\$ 1,087,162	\$ 2,761,176
Payments to suppliers and service providers	(987,767)	(1,137,586)	(2,125,353)
Payments to employees for salaries and benefits	(472,724)	(45,921)	(518,645)
Net cash provided (used) by operating activities	<u>213,523</u>	<u>(96,345)</u>	<u>117,178</u>
Cash Flows from Capital and Related Financing Activities			
Principal paid on capital debt	(277,234)	-	(277,234)
Interest paid on capital debt	(42,545)	-	(42,545)
Acquisition and construction of capital assets	(176,454)	-	(176,454)
Net cash used for capital and related financing activities	<u>(496,233)</u>	<u>-</u>	<u>(496,233)</u>
Cash Flows from Investing Activities			
Interest income on investments	90,716	74,272	164,988
Net cash provided by investing activities	<u>90,716</u>	<u>74,272</u>	<u>164,988</u>
Net change in cash and cash equivalents	(191,994)	(22,073)	(214,067)
Cash and cash equivalents beginning of year	1,676,093	1,210,375	2,886,468
Cash and cash equivalents end of year	<u>\$ 1,484,099</u>	<u>\$ 1,188,302</u>	<u>\$ 2,672,401</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating income (loss)	\$ (132,287)	\$ (148,604)	\$ (280,891)
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	277,838	-	277,838
Net change in receivables, net	(42,780)	(14,199)	(56,979)
Net change in due from other funds	(528)	-	(528)
Net change in deferred outflows of resources	74,908	-	74,908
Net change in accounts payable	156,121	106,504	262,625
Net change in accrued expenses	(116,342)	(91,802)	(208,144)
Net change in due to other funds	75,718	51,756	127,474
Net change in customer deposits	4,690	-	4,690
Net change in compensated absences	6,126	-	6,126
Net change in net pension liability	(24,669)	-	(24,669)
Net change in deferred inflows of resources	(65,272)	-	(65,272)
Total adjustments	<u>345,810</u>	<u>52,259</u>	<u>398,069</u>
Net cash provided (used) by operating activities	<u>\$ 213,523</u>	<u>\$ (96,345)</u>	<u>\$ 117,178</u>
Schedule of non-cash capital and related financing activities:			
Contributions of capital assets	<u>\$ 52,394</u>	<u>\$ -</u>	<u>\$ 52,394</u>

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

UPSON COUNTY, GEORGIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2023

	Custodial Funds
Assets	
Cash and cash equivalents	\$ 577,165
Taxes receivable	1,755,920
	<hr/>
Total assets	<u>2,333,085</u>
Liabilities	
Due to others	265,984
Total liabilities	<u>265,984</u>
Net Position	
Restricted for	
Individuals, organizations and other governments	2,067,101
Total net position	<u><u>\$ 2,067,101</u></u>

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

UPSON COUNTY, GEORGIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Custodial Funds</u>
Additions	
Taxes	\$ 31,655,762
Fines and fees	2,557,943
Investment earnings	45,837
Total additions	<u>34,259,542</u>
Deductions	
Taxes and fees paid to other governments	<u>33,441,745</u>
Total deductions	<u>33,441,745</u>
Net increase in fiduciary net position	817,797
Net position - beginning - as restated	<u>1,249,304</u>
Net position - ending	<u><u>\$ 2,067,101</u></u>

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

UPSON COUNTY, GEORGIA
STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
DECEMBER 31, 2023

	Airport Authority	Industrial Development Authority	Board of Public Health	Total
Assets				
Cash and cash equivalents	\$ 106,858	\$ 2,044,125	\$ 1,156,075	\$ 3,307,058
Investments	-	660,913	238,113	899,026
Receivables, net	-	-	275	275
Inventories	29,444	-	-	29,444
Land held for resale	-	4,270,196	-	4,270,196
Capital assets				
Nondepreciable	4,475,800	-	-	4,475,800
Depreciable, net	12,302,869	201,654	9,848	12,514,371
Net OPEB asset	-	-	73,065	73,065
Total assets	<u>16,914,971</u>	<u>7,176,888</u>	<u>1,477,376</u>	<u>25,569,235</u>
Deferred Outflows of Resources				
Related to OPEB	-	-	82,118	82,118
Related to pension	103,295	-	428,508	531,803
Total deferred outflows of resources	<u>103,295</u>	<u>-</u>	<u>510,626</u>	<u>613,921</u>
Liabilities				
Accounts payable	25,186	25,556	8,000	58,742
Due to other governments	-	39,033	-	39,033
Due to primary government	71,377	71,585	-	142,962
Noncurrent liabilities				
Due within one year				
Long-term obligations	6,901	-	15,015	21,916
Due in more than one year				
Long-term obligations	25,102	-	10,010	35,112
Total OPEB liability	-	-	61,979	61,979
Net pension liability	35,468	-	1,010,786	1,046,254
Total liabilities	<u>164,034</u>	<u>136,174</u>	<u>1,105,790</u>	<u>1,405,998</u>
Deferred Outflows of Resources				
Related to OPEB	-	-	86,252	86,252
Related to pension	29,069	-	22,790	51,859
Total deferred outflows of resources	<u>29,069</u>	<u>-</u>	<u>109,042</u>	<u>138,111</u>
Net Position				
Net investment in capital assets	16,778,669	201,654	9,848	16,990,171
Restricted for				
OPEB benefits	-	-	73,065	73,065
Unrestricted	46,494	6,839,060	690,257	7,575,811
Total net position	<u>\$ 16,825,163</u>	<u>\$ 7,040,714</u>	<u>\$ 773,170</u>	<u>\$ 24,639,047</u>

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

UPSON COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED DECEMBER 31, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Airport Authority	Industrial Development Authority	Board of Public Health	Total
Primary government								
Airport Authority	\$ 2,047,340	\$ 1,360,802	\$ 40,000	\$ 81,217	\$ (565,321)	\$ -	\$ -	\$ (565,321)
Industrial Development Authority	413,602	1,500	72,992	314,769	-	(24,341)	-	(24,341)
Board of Public Health	1,025,284	443,231	746,058	-	-	-	164,005	164,005
Total component units	<u>\$ 3,486,226</u>	<u>\$ 1,805,533</u>	<u>\$ 859,050</u>	<u>\$ 395,986</u>	<u>(565,321)</u>	<u>(24,341)</u>	<u>164,005</u>	<u>(425,657)</u>
General revenues								
Unrestricted investment earnings					111	26,130	1,297	27,538
Total general revenues					<u>111</u>	<u>26,130</u>	<u>1,297</u>	<u>27,538</u>
Change in net position					(565,210)	1,789	165,302	(398,119)
Net position - beginning - as restated					17,390,373	7,038,925	607,868	25,037,166
Net position - ending					<u>\$ 16,825,163</u>	<u>\$ 7,040,714</u>	<u>\$ 773,170</u>	<u>\$ 24,639,047</u>

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



NOTES TO THE FINANCIAL STATEMENTS

UPSON COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Upson County, Georgia (the “County”) have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the standard-setting body for governmental accounting and financial reporting. The County’s most significant accounting policies are described below.

Reporting Entity

The County is a political subdivision of the State of Georgia governed by an elected five-member commission. There are certain elected officials whose operations are wholly included within the financial records and financial statements of the County. These elected officials include the Tax Commissioner, Probate Court Judge, Sheriff and Clerk of Superior Court. The County’s major services include general government, courts, public safety, public works, health and welfare, parks, recreation and culture and planning and community development.

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government’s operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. There were no blended component units during 2023. The discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are both legally and substantively separate from the government.

Discretely Presented Component Units

The **Thomaston-Upson County Airport Authority** (the “Airport Authority”) has responsibility over all activities related to the airport in Thomaston Georgia. The Airport Authority is governed by a six member board appointed by the Upson County, Georgia and the City of Thomaston, Georgia. The Airport Authority receives most of its operating revenues from rental income and fuel sales. The Airport Authority is reported as an enterprise fund with a December 31 year end. Separately issued financial statements for the Airport Authority may be obtained from its administrative office at 2347 Delray Road, Thomaston, Georgia 30286.

The **Thomaston-Upson County Industrial Development Authority** (the “Industrial Development Authority”) is charged with developing industry in the City of Thomasville and Upson County and for improving the general welfare of the City and County. It is governed by a six member board, which include the Chairman of Upson County, the Mayor of the City of Thomaston, two members appointed by Upson County and two members appointed by the Mayor and Council of the City of Thomaston, Georgia. The Industrial Development Authority receives significant appropriations from Upson County. Annual budgets are required to be submitted to the County for approval, with annual audits required to monitor performance. Separately issued financial statements for the Industrial Development Authority may be obtained from its administrative office at 106 East Lee Street, Suite 230, Thomaston, Georgia 30286.

The **Upson County Board of Health** (the “Board of Health”) is charged with determining the health needs and resources of its jurisdiction, developing programs, activities, and facilities responsive to those needs, and enforcing all laws related to health matters unless they fall under the jurisdiction of other agencies. The Board of Health consists of seven members, four of these members are appointed by the Upson County Board of Commissioners. Although the County does not have the authority to approve or modify the Board of Health’s budgets, it does have the ability to control the amount of funding it provides to the Board of Health and such funding is significant to the overall operations of the Board of Health. The Board of Health has a June 30 fiscal year end. Separately issued financial statements for the Board of Health may be obtained from its administrative office at 314 E Lee Street, Thomaston, Georgia 30286.

UPSON COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Joint Ventures

The **Three Rivers Regional Commission** (the "TRRC") was created as a regional planning organization and is managed by its member governments in accordance with Georgia law. Membership in the TRCC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides the organizational structure of the TRCC. Membership in the TRCC includes the chief elected official of each county and municipality of the area. During 2023 payments to the ARC from the County amounted to \$17,904. OCGA Section 50-8-39.1 provides that the member governments are liable for obligations of the TRRC. The financial requirements of the County related to the TRRC are limited to the amount of its annual dues. Separately issued financial statements may be obtained from its administrative office at 120 North Hill Street, Griffin, Georgia 30224.

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fiduciary fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the County's enterprise funds. 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.

As discussed earlier, the County has three discretely presented component units. None are considered to be major component units.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided, and other charges between the County's Water System and Waste System and various other functions of the County. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – governmental, proprietary and fiduciary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

UPSON COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County reports the following major governmental funds:

The *General Fund* is the primary operating fund of the County. It is used to account for all financial resources of the general government, except those accounted for in another fund.

The *2022 SPLOST Capital Projects Fund* (SPLOST) accounts for expenditures related to the 1% Special Purpose Local Option Sales Tax (SPLOST) passed by voter referendum for construction of various capital projects throughout the County. The projects were initially funded by the Series 2022 Revenue bonds. Any sales tax collections over the debt service requirements are transferred from the 2022 SPLOST Debt Service Fund to provide funding for projects approved in the referendum.

The *2019 TSPLOST Fund* accounts for capital improvements associated with the County's roads streets and bridges funded by the Transportation Special Purpose Local Option Sales Tax proceeds.

The *2022 SPLOST Debt Service Fund* accounts for the County's portion of the 1% sales taxes collected under the 2022 SPLOST, which are used to service the principal and interest on the Series 2022 Revenue Bonds. Excess collections above the amounts needed for principal and interest are transferred to the 2022 SPLOST Capital Projects Fund as needed.

The *2019 TSPLOST Debt Service Fund* accounts for the County's portion of the 1% sales taxes collected under the 2019 TSPLOST, which are used to service the annual principal and interest on the General Obligation Transportation Sales Tax Bonds, Series 2019. Excess collections above the amounts needed for principal and interest are transferred to the 2019 TSPLOST Capital Projects Fund as needed.

The County reports the following major enterprise funds:

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

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

Additionally, the County reports the following fund types:

The *special revenue funds* account for revenue sources that are legally restricted or committed to expenditure for specific purposes.

The *capital projects funds* account for the acquisition of capital assets and construction or improvement of major capital projects such as construction of new roads.

The *debt service funds* account for the accumulation of resources that are restricted, committed or assigned for the payment of principal and interest on long-term obligations of the governmental funds.

The *custodial funds* account for the collection and disbursement of monies by the County on behalf of other governments and individuals, such as cash bonds, traffic fines, support payments and property taxes.

UPSON COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of recognition in the financial statements of various kinds of transactions or events.

The government-wide, proprietary, and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. 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.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and 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 principal and interest expenditures on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences, and claims and judgments, postemployment benefits and environmental obligations are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the County the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

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

UPSON COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

The County's cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. For purposes of the statement of cash flows, the County's proprietary funds consider their demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Receivables

All trade and property tax receivables have been reduced to their estimated net realizable value, and are shown net of an allowance for uncollectible accounts. Estimated uncollectible accounts are based upon historical experience rates.

"Intergovernmental receivables" represents funds to be received from other local governments, state grant-in-aid, state contracts, or federal funds. No allowance is deemed necessary for these receivables.

Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds consists of merchandise in the Spirewell Bluff Fund and aviation fuel in the Airport fund. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

Capital assets are tangible and intangible assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years.

As the County constructs or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost (except for intangible right-to-use assets, the measurement of which is discussed in the Leases section of Note 1). The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset's capacity or efficiency or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

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

Buildings	40 years
Infrastructure	40 years
Water and Sewer System	40 years
Machinery and equipment	5 – 10 years
Vehicles	5-7 years
Leased machinery and equipment	5 – 10 years

UPSON COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 are deferred and amortized over the life of the bonds using the straight-line method, which is not materially different than the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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 and 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.

Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation benefits, which may be eligible for payment upon resignation or retirement from government service. Employees are also eligible to accumulate earned but unused sick leave benefits, which may also be eligible for payment upon resignation or retirement from government service. A liability for vacation and sick leave benefits is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for *deferred outflows of resources*. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has one item that qualifies for reporting in this category. The deferred amounts related to pension are reported in the government-wide and proprietary fund statement of net position.

In addition to liabilities, the statement of financial position includes a separate section for *deferred inflows of resources*. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has two items that qualify for reporting in this category. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the government-wide and proprietary fund financial statements the County reports deferred amounts related to pension.

UPSON COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Net Position

For government-wide reporting as well as in proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- *Net investment in capital assets* consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- *Restricted* net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- *Unrestricted* net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called "fund balance." The County's governmental funds report the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes.

- *Nonspendable* fund balance represents amounts that are either not in a spendable form or are legally or contractually required to remain intact.
- *Restricted* fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers such as grantors or enabling federal, state, or local legislation. Restrictions may be changed or lifted only with the consent of the resource providers.
- *Committed* fund balance represents amounts that can be used only for the specific purposes determined by the adoption of an ordinance committing fund balance for a specified purpose by the Board of Commissioners prior to the end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until the resources have been spent for the specified purpose or the Board of Commissioners adopts another resolution to remove or revise the limitation.
- *Assigned* fund balance represents amounts that are intended to be used by the County for specific purposes but do not meet the criteria to be classified as committed. Through resolution, the Board of Commissioners has authorized the County's County Manager or designee to assign fund balances. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.
- *Unassigned* fund balance represents the residual amount for the general fund that is not contained in the other classifications. The general fund is the only fund that reports a positive unassigned fund balance. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

UPSON COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The County maintains a minimum unassigned fund balance in its General Fund of 33% of the subsequent year's budgeted expenditures and outgoing transfers. This minimum fund balance is to protect against cash flow shortfalls related to the timing of projected revenue receipts and to maintain a budget stabilization commitment. When the General Fund falls below the minimum 33%, the County will replenish shortages/deficiencies using the budget strategies and timeframes described below:

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

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

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

Leases

Lessee: The County is a lessee for several noncancellable leases. The County recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The County recognizes lease liabilities with an initial, individual value of \$10,000 or more.

At the commencement of the lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

UPSON COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Key estimates and judgements related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure its lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt in the statement of net position.

Use of Estimates

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

Pension Plan

For purposes of measuring the net pension liability, deferred outflows of resource and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County's pension plan and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefits payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Program Revenues

Amounts reported as program revenues include (1) charges to customers or others who purchase, use, or directly benefit from goods or services 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. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Taxes

State law requires that property taxes be based on an assessed value, which is 40% of market value. All real and personal property (including motor vehicles) are valued as of January 1 of each year and must be returned for tax purposes by April 1. With the exception of motor vehicles and the property of public utilities, which are valued by the State Revenue Department, all assessments are made by the Board of Tax Assessors of Upson County.

UPSON COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Upon completion of all assessments and tax returns, the information is turned over to the Upson County Tax Commissioner for compilation of the tax digest. A completed tax digest must be submitted to the State Revenue Commissioner for approval. The State Revenue Commissioner must ascertain that the real property on the tax digest has been assessed at the state mandated 40% of fair market value.

The Upson County Tax Commissioner bills and collects those property taxes levied by the County. The County also collects property taxes for the Upson County Board of Education. Collections and remittances to the County and other governmental agencies are accounted for in an Custodial Fund. Property taxes were levied and billed on September 1, however the actual due date was November 15. On November 16 the bills became delinquent, the applicable property is subject to lien, and penalties and interest may be assessed by the County.

All property taxes levied for the current and any previous years, but not received as of December 31, 2023, are shown as property taxes receivable at that date. Any of those taxes, which are determined to be unavailable to pay liabilities of the current period, are classified as "Unavailable Revenue" on the Governmental Fund Statements.

Proprietary Funds Operating and Nonoperating Revenues and Expenses

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 water fund, solid waste fund, and internal service funds are charges to customers for sales and services. The water fund 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 and internal service 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.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Basis of Accounting

The County adopts an annual operating budget for all governmental funds except the capital projects funds, which have an adopted project length budget. The budget resolution reflects the total of each department's appropriation in each fund.

On or about December 1 of each year, all agencies of the County submit requests for appropriation to the County's administrator so that a budget may be prepared. The budget is prepared by fund, function and department, and includes information on the past year, current year estimates, and requested appropriations for the next fiscal year.

The proposed budget is then presented to the Board of Commissioners for review. The Board of Commissioners holds public hearings and may add to, subtract from, or change appropriations but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the government's administrator, or the revenue estimates must be changed by an affirmative vote of a majority of the Board of Commissioners.

**UPSON COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

Any change in total to a fund or changes between department appropriations within a fund requires approval of the Board of County Commissioners. The County's Finance Director is authorized to transfer appropriations between line items within a department within a fund.

Budgets are adopted on a basis consistent with GAAP with the exception of the capital projects funds, which have project length budgets, rather than annual budgets.

The original 2023 budget was amended during the year. Encumbrance accounting is not used by the County.

Budgetary Basis of Accounting

The following General Fund departments and other governmental funds had actual expenditures that exceeded final appropriations for the year ended December 31, 2023.

General Fund

General government	
Management information systems	\$ 2,315
Culture and recreation	
Library	9
Debt Service	
Principal	6,635
Interest	2,617
Law Library	2,227

NOTE 3 – CASH AND CASH EQUIVALENTS

Custodial Credit Risk for demand deposits is the risk that, in the event of the failure of a depository financial institution, the County will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes and our bond resolutions require all deposits and investments (other than federal or state government instruments) be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties or municipalities. The County does not have a policy for custodial credit risk. As of December 31, 2023, the County had no uncollateralized deposits.

The carrying amount of the deposits as of December 31, 2023 was \$39,259,687 and is reported in the financial statements as follows:

Government-wide Statement of Net Position	
Governmental activities - cash and cash equivalents	\$ 36,010,121
Business-type activities - cash and cash equivalents	2,672,401
Fiduciary Funds Statement of Net Position	
Custodial funds - cash and cash equivalents	577,165
Total	<u>\$ 39,259,687</u>

UPSON COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 3 – CASH AND CASH EQUIVALENTS

Custodial Credit Risk - Deposits. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be covered by depository insurance or pledged securities. Amounts that exceed standard depository insurance limits are required to be collateralized either (1) individually by the financial institutions through pledged obligations of the U.S. Government, obligations backed by the full faith and credit of the U.S. Government, obligations of the State of Georgia or other states, or obligations of counties, municipalities, or public authorities of the State of Georgia, or (2) by participation in the State of Georgia Secure Deposit Program. As of December 31, 2023, the financial institutions holding all of the County's deposits are participants of the State of Georgia Secure Deposit Program, which is administered by the Office of the State Treasurer, and requires participating banks holding deposits of public funds to pledge collateral at varying rates depending on tier assigned by the State. As of December 31, 2023, all of the County's bank balances were insured and/or collateralized as defined by GASB and required by State Statutes.

NOTE 4 - RECEIVABLES

Amounts other than leases receivable are aggregated into a single receivables (net of allowance for doubtful accounts) line for certain funds and aggregated columns. Below is the detail of receivables for receivables as of December 31, 2023, including applicable allowances for uncollectible accounts:

	General	2019 TSPLOST Debt Service	Nonmajor Governmental Funds	Water System	Waste System	Total
Receivables:						
Taxes	\$ 1,748,862	\$ -	\$ 320,344	\$ -	\$ -	\$ 2,069,206
Accounts	617,383	-	8,122	238,010	501,349	1,364,864
Interest	22,206	11,022	37,073	8,244	6,534	85,079
Other	-	-	-	-	-	-
Gross receivables	2,388,451	11,022	365,539	246,254	507,883	3,519,149
Less allowance for uncollectible	-	-	-	(101,098)	(193,898)	(294,996)
Net receivables	<u>\$ 2,388,451</u>	<u>\$ 11,022</u>	<u>\$ 365,539</u>	<u>\$ 145,156</u>	<u>\$ 313,985</u>	<u>\$ 3,224,153</u>

(This page is continued on the subsequent page)

UPSON COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 5 - CAPITAL ASSETS

Governmental Activities capital asset activity for the year ended December 31, 2023 was as follows:

	Restated Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 3,366,457	\$ -	\$ -	\$ 3,366,457
Construction in progress	970,700	9,710,966	(14,751)	10,666,915
Total capital assets not being depreciated	<u>4,337,157</u>	<u>9,710,966</u>	<u>(14,751)</u>	<u>14,033,372</u>
Capital assets, being depreciated:				
Buildings	32,222,216	49,893	-	32,272,109
Infrastructure	49,297,706	4,707,393	-	54,005,099
Equipment	3,571,642	559,387	-	4,131,029
Vehicles	4,449,132	759,641	(496,284)	4,712,489
Leased equipment	96,508	-	-	96,508
Total capital assets being depreciated	<u>89,637,204</u>	<u>6,076,314</u>	<u>(496,284)</u>	<u>95,217,234</u>
Less accumulated depreciation for:				
Buildings	20,548,279	1,034,443	-	21,582,722
Infrastructure	32,876,038	1,426,239	-	34,302,277
Equipment	3,558,400	469,810	-	4,028,210
Vehicles	2,397,084	440,776	(450,889)	2,386,971
Leased equipment	-	8,773	-	8,773
Total accumulated depreciation	<u>59,379,801</u>	<u>3,380,041</u>	<u>(450,889)</u>	<u>62,308,953</u>
Total capital assets being depreciated, net	<u>30,257,403</u>	<u>2,696,273</u>	<u>(45,395)</u>	<u>32,908,281</u>
Governmental activities capital assets, net	<u>\$ 34,594,560</u>	<u>\$ 12,407,239</u>	<u>\$ (60,146)</u>	<u>\$ 46,941,653</u>

UPSON COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 5 - CAPITAL ASSETS

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

Governmental activities:	
General government	\$ 548,230
Judicial	22,832
Public safety	677,805
Public works	1,465,324
Health and welfare	80,547
Culture and recreation	539,841
Housing and development	<u>45,462</u>
Total depreciation expense - governmental activities	<u><u>\$ 3,380,041</u></u>

Business-Type Activities capital asset activity for the year ended December 31, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 410,973	\$ -	\$ -	\$ 410,973
Construction in progress	<u>-</u>	<u>45,035</u>	<u>-</u>	<u>45,035</u>
Total capital assets not being depreciated	<u>410,973</u>	<u>45,035</u>	<u>-</u>	<u>456,008</u>
Capital assets, being depreciated:				
Water distribution system	8,471,664	76,260	-	8,547,924
Equipment and vehicles	<u>851,212</u>	<u>107,553</u>	<u>-</u>	<u>958,765</u>
Total capital assets being depreciated	<u>9,322,876</u>	<u>183,813</u>	<u>-</u>	<u>9,506,689</u>
Less accumulated depreciation for:				
Water distribution system	3,194,085	180,774	-	3,374,859
Equipment and vehicles	<u>451,653</u>	<u>97,064</u>	<u>-</u>	<u>548,717</u>
Total accumulated depreciation	<u>3,645,738</u>	<u>277,838</u>	<u>-</u>	<u>3,923,576</u>
Total capital assets being depreciated, net	<u>5,677,138</u>	<u>(94,025)</u>	<u>-</u>	<u>5,583,113</u>
Business-type activities capital assets, net	<u><u>\$ 6,088,111</u></u>	<u><u>\$ (48,990)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,039,121</u></u>

UPSON COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 6 - LONG-TERM OBLIGATIONS

The following is a summary of long-term obligations activity for the year ended December 31, 2023:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds, notes and financed purchases					
General obligation bonds	\$ 2,400,000	\$ -	\$ (1,170,000)	\$ 1,230,000	\$ 1,230,000
Premium on issuance	179,501	-	(115,724)	63,777	-
Financed purchases	23,306,296	-	(931,800)	22,374,496	953,431
Total bonds, notes and financed purchases	25,885,797	-	(2,217,524)	23,668,273	2,183,431
Other liabilities					
Net pension liability	1,375,884	-	654,792	721,092	-
Compensated absences	491,295	718,933	(582,977)	627,251	138,368
Leases	96,508	-	(6,635)	89,873	6,236
Total other liabilities	1,963,687	718,933	65,180	1,438,216	144,604
Total	\$ 27,849,484	\$ 718,933	\$ (2,152,344)	\$ 25,106,489	\$ 2,328,035
	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Business-type Activities					
Bonds, notes and financed purchases					
Notes payable	\$ 756,508	\$ -	\$ (64,436)	\$ 692,072	\$ 65,168
Financed purchases	2,015,520	-	(212,798)	1,802,722	211,431
Total bonds, notes and financed purchases	2,772,028	-	(277,234)	2,494,794	276,599
Other liabilities					
Net pension liability	48,613	24,669	-	23,944	-
Compensated absences	21,131	22,791	(16,665)	27,257	5,971
Total other liabilities	69,744	47,460	(16,665)	51,201	5,971
Total	\$ 2,841,772	\$ 47,460	\$ (293,899)	\$ 2,545,995	\$ 282,570

UPSON COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 6 - LONG-TERM OBLIGATIONS

For governmental activities, net pension liability and compensated absences are generally liquidated by the General Fund. For business-type activities, net pension liability and compensated absences are generally liquidated by the Water System fund.

Governmental Activities

Revenue Bonds

As certain construction needs arise that cannot be paid for out of existing cash reserves, the County issues revenue bonds to raise the necessary monies to fund those capital projects. With revenue bonds, the government pledges income derived from the acquired asset to pay debt service. The various bond indentures may contain significant limitations and restrictions on annual debt service requirements, maintenance of and flow of moneys through various restricted accounts, minimum amounts to be maintained in various sinking funds, and minimum revenue bond coverages. Management believes the County is in compliance with all such significant financial limitations and restrictions.

General Obligation Transportation Sales Tax Bonds, Series 2019

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

Annual debt service requirements to maturity for the revenue obligation bonds as of December 31, 2023, are as follows:

<u>Fiscal year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,230,000	\$ 61,500	\$ 1,291,500
Total	<u>\$ 1,230,000</u>	<u>\$ 61,500</u>	<u>\$ 1,291,500</u>

Financed Purchases

The Thomaston-Upson County Office Building Authority (the "TUCOBA"), a legislatively created entity, issued \$21,125,000 of Series 2022 Revenue Bonds. The funding arrangement was structured as an installment sale (financed purchase) between the TUCOBA and the County. This arrangement consisted of the transfer of assets to the TUCOBA and the TUCOBA conveyed these assets through deed back to the County upon the issuance of the bonds. The contract associated with the Series 2022 Revenue Bonds consists of semi-annual interest and principal payments from March 1, 2022 to June 1, 2042, or until the bonds are paid in full. Interest rates range from 3.0% to 5.0%.

UPSON COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 6 - LONG-TERM OBLIGATIONS

Annual debt service requirements to maturity for the financed purchases as of December 31, 2023, are as follows:

<u>Fiscal year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 953,431	\$ 504,394	\$ 1,457,825
2025	978,674	482,901	1,461,575
2026	997,612	460,838	1,458,450
2027	1,020,101	438,349	1,458,450
2028	1,045,972	415,353	1,461,325
2029 - 2033	5,593,074	1,712,301	7,305,375
2034 - 2038	6,244,169	1,053,281	7,297,450
2039 - 2043	5,541,463	300,062	5,841,525
Total	<u>\$ 22,374,496</u>	<u>\$ 5,367,479</u>	<u>\$ 27,741,975</u>

Leases

The County has entered into various lease agreements as lessee:

On December 31, 2022, the County entered into an 11 year lease for telecommunications tower equipment. An initial lease liability was recorded in the amount of \$96,507. As of December 31, 2023, the value of the lease liability was \$89,873. The County is required to make quarterly fixed payments of \$2,313 which increase 3% annually. The lease has an interest rate of 3.75%. The estimated useful life was 11 years as of the contract commencement date. The value of the right-to-use asset as of December 31, 2023 was \$96,508 with accumulated amortization of \$8,773.

The future principal and interest lease payments as of December 31, 2023, were as follows:

<u>Fiscal year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 6,236	\$ 3,293	\$ 9,529
2025	6,764	3,051	9,815
2026	7,320	2,790	10,110
2027	7,907	2,506	10,413
2028	8,526	2,199	10,725
2029 - 2033	53,120	5,530	58,650
Total	<u>\$ 89,873</u>	<u>\$ 19,369</u>	<u>\$ 109,242</u>

Business-Type Activities

Notes Payable

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

UPSON COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 6 - LONG-TERM OBLIGATIONS

Annual debt service requirements to maturity for notes payable as of December 31, 2023, are as follows:

<u>Fiscal year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 65,168	\$ 7,484	\$ 72,652
2025	65,908	6,744	72,652
2026	66,657	5,995	72,652
2027	67,414	5,238	72,652
2028	68,180	4,472	72,652
2029 - 2033	352,694	10,565	363,259
2034	6,051	6	6,057
Total	<u>\$ 692,072</u>	<u>\$ 40,504</u>	<u>\$ 732,576</u>

Financed Purchases

On November 6, 2019, the TUCOBA issued \$2,698,925 of Series 2019 Revenue Bonds as a debt refunding for the Water System. The annual interest rate is 1.8%. The funding arrangement was structured as an installment sale (financed purchase) between TUCBOA and the County. This arrangement consisted of the transfer of assets to the TUCBOA and the TUCBOA conveyed these assets through deed back to the County upon the issuance of the bonds. The term of the contract associated with the Series 2019 Revenue Bonds is from November 6, 2019 to December 1, 2031, or until the bonds are paid in full.

Annual debt service requirements to maturity for financed purchases as of December 31, 2023, are as follows:

<u>Fiscal year ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 211,431	\$ 30,713	\$ 242,144
2025	215,268	26,876	242,144
2026	219,175	22,969	242,144
2027	223,153	18,991	242,144
2028	227,203	14,941	242,144
2029 - 2031	706,492	19,781	726,273
Total	<u>\$ 1,802,722</u>	<u>\$ 134,271</u>	<u>\$ 1,936,993</u>

NOTE 7 - PENSION PLAN

Plan Description

The County, as authorized by the County Commission, has established a defined benefit pension plan, The Upson County Defined Benefit Plan (the "Plan"). The County's pension plan is administered through the Association County Commissioners of Georgia Third Restated Defined Benefit Plan (the "ACCG Plan"), an agent multiple-employer pension plan administered by GEBCorp and affiliated with the Association of County Commissioners of Georgia (ACCG). The Plan provides retirement, disability, and death benefits to plan members and beneficiaries. The ACCG Plan issues a publicly available financial report that includes financial statements and required supplementary information for the pension trust. That report may be obtained at www.gebcorp.com or by writing to Association of County Commissioners of Georgia, Retirement Services, 191 Peachtree Street, NE, Atlanta, Georgia 30303.

**UPSON COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 7 - PENSION PLAN

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

Benefit Provided – The Plan 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.

Employees Covered by Benefit Terms

As of January 1, 2023, the date of the most recent actuarial valuation, the Plan's membership consisted of the following:

	<u>Primary Government</u>	<u>Airport Authority</u>	<u>Total Participants</u>
Inactive employees or beneficiaries currently receiving benefits	33	-	33
Inactive employees entitled to but not yet receiving benefits	43	-	43
Active employees	141	3	144
Total membership in the plan	<u>217</u>	<u>3</u>	<u>220</u>

Contributions

The County is required to contribute at an actuarially determined rate. Section 47-20-10 of the Georgia code sets forth minimum funding standards for state and local government pension plans. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. No contributions are made by plan participants. County contributions to the Plan were \$419,110.

Net Pension Liability

The County's net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of January 1, 2023.

UPSON COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 7 - PENSION PLANS

Actuarial Assumptions

The total pension liability in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Future payroll growth	4.50% per year
Salary increases	4.00% to 6.50%
Investment rate of return	7.00% per year

Mortality rates were based on the Pub-2010 Amount weighted mortality table with a blend of 50% of the General Employees Table and 50% of the Public Safety Employees with Scale AA to 2023.

The actuarial assumptions used in the January 1, 2023 valuation were based on the results of a February, 2019 actuarial experience study.

The long-term expected rate of return on pension plan investments was determined through a blend of using a building-block method based on 20-year benchmarks (33.33%) and 30-year benchmarks(33.33%), as well as forward-looking capital market assumptions for a moderate asset allocation (33.34%), as determined by UBS. Expected future 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
US Fixed Income	30%	3.60%
US Equity Large Core	30%	8.20%
International Core	15%	8.90%
Mid Cap Core	10%	9.10%
Private Real Estate	5%	8.50%
Global Core	5%	8.50%
US Equity Core	5%	8.30%
	100%	

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee 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 active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

UPSON COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 7 - PENSION PLANS

Changes in the Net Pension Liability (Asset) of the County

The Changes in the components of the net pension liability (asset) of the primary government for the year ended December 31, 2023, were as follows:

	Schedule of Changes in Net Pension Liability		
	Increase (Decrease)		
Primary Government	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at December 31, 2022	\$ 11,442,739	\$ 10,018,242	\$ 1,424,497
Changes for the year:			
Service cost	285,041	-	285,041
Interest	773,245	-	773,245
Liability experience (gain)/loss	(903)	-	(903)
Assumption change	74,682	-	74,682
Contributions-employer	-	400,064	(400,064)
Net investment income	-	1,470,733	(1,470,733)
Benefit payments, including refunds of employee contributions	(237,216)	(237,216)	-
Administrative expense	-	(49,349)	49,349
Other changes	-	(9,922)	9,922
Net changes	894,849	1,574,310	(679,461)
Balance December 31, 2023	\$ 12,337,588	\$ 11,592,552	\$ 745,036

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UPSON COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 7 - PENSION PLANS

The Changes in the components of the net pension liability (asset) of the Airport Authority, a discretely-presented component unit) for the year ended December 31, 2023, were as follows:

	Schedule of Changes in Net Pension Liability		
	Increase (Decrease)		
Component Unit - Airport Authority	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at December 31, 2022	\$ 253,753	\$ 222,164	\$ 31,589
Changes for the year:			
Service cost	13,570	-	13,570
Interest	36,811	-	36,811
Liability experience (gain)/loss	(43)	-	(43)
Assumption change	3,555	-	3,555
Contributions-employer	-	19,046	(19,046)
Net investment income	-	70,016	(70,016)
Benefit payments, including refunds of employee contributions	(11,293)	(11,293)	-
Administrative expense	-	(2,349)	2,349
Other changes	-	(36,699)	36,699
Net changes	42,600	38,721	3,879
Balance December 31, 2023	\$ 296,353	\$ 260,885	\$ 35,468
Plan fiduciary net position as a percentage of the total pension liability			93.96%

The required schedule of changes in the County's net pension liability (asset) and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to total pension liability.

Sensitivity of the County's Proportional Share of the Net Pension Liability (Asset) to Changes in the Discount Rate – The following presents the net pension liability (asset) of the County, calculated using the discount rate of 7.00 percent, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease 6.00%	Discount Rate 7.00%	1% Increase 8.00%
Primary Government	\$ 2,339,716	\$ 745,036	\$ (586,153)
Component Unit:			
Airport Authority	111,384	35,468	(27,904)
Total OPEB Liability	\$ 2,451,100	\$ 780,504	\$ (614,057)

UPSON COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 7 - PENSION PLANS

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 a long-term perspective. Calculations are based on the substantive plan in effect as of December 31, 2022 and the current sharing pattern of costs between employer and employee.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - For the year ended December 31, 2023, the County recognized pension expense of (\$100,289). At December 31, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Primary Government		Component Unit Airport Authority	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 397,834	\$ 100,504	\$ 18,939	\$ 4,785
Changes of assumptions	1,341,293	510,102	63,854	24,284
Net difference between projected and actual earnings on pension plan investments	430,653	-	20,502	-
Total	<u>\$ 2,169,780</u>	<u>\$ 610,606</u>	<u>\$ 103,295</u>	<u>\$ 29,069</u>

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

Year Ended September 30,	Primary Government	Airport Authority
2024	\$ (5,082)	\$ (242)
2025	673,169	32,047
2026	744,352	35,436
2027	87,707	4,175
2028	23,278	1,108
Thereafter	35,750	1,702

**UPSON COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE 7 - PENSION PLANS

Other Pension Plans

Certain employees, elected officials, and appointed officials are eligible for participation in various multi-employer cost-sharing defined benefit plans. The County does not make contributions to the plans, qualifying the plans as special funding situations under the requirements of GASB guidance. Management has determined the related impact on the financial statements to be immaterial. Further information may be obtained from the individual plans, as listed below:

Georgia Firefighters Pension Plan	Judges of the Probate Courts Retirement Fund of Georgia
Georgia Judicial Retirement System	Magistrates' Retirement Fund of Georgia
Employees' Retirement System of Georgia	Superior Court Clerks' Retirement Fund of Georgia
Peace Officers' Annuity and Benefit Fund of Georgia	Sheriffs' Retirement Fund of Georgia

NOTE 8 – DEFINED CONTRIBUTION PENSION PLAN

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

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

Total County match expenses for the year ended December 31, 2023, for all funds was \$46,943.

UPSON COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 9 - INTERFUND BALANCES AND TRANSFERS

Interfund receivable and payable balances as of December 31, 2023, are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 1,192,930
General Fund	Water System Fund	143,989
General Fund	Waste System Fund	138,610
2019 T-SPLOST Fund	2019 T-SPLOST Debt Service Fund	1,819,129
2019 T-SPLOST Debt Service Fund	2022 SPLOST Fund	600
Nonmajor Governmental Funds	Nonmajor Governmental Funds	426,598
Water System Fund	Waste System Fund	44,425

These remaining balances resulted from the time lag between the dates that (1) interfund goods or services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting period, and (3) payments between funds are made. These interfund balances are expected to be collected in the subsequent year.

Interfund transfers for the year ended December 31, 2023 consisted of the following:

Transfer In	Transfer Out	Amount
General Fund	Nonmajor Governmental Funds	\$ 1,673,159
2019 T-SPLOST Fund	2019 T-SPLOST Debt Service Fund	2,156,151
Nonmajor Governmental Funds	Nonmajor Governmental Funds	1,771,680
Nonmajor Governmental Funds	General Fund	155,720

During the year ended December 31, 2023, the County made the following one-time transfers:

1. A transfer of \$1,664,387 from the Unincorporated Services Fund to the General Fund for transfers of property taxes collected under the unincorporated tax district.
2. A transfer of \$342,206 from the Joint Projects Fund to the Emergency 911 Telephone Fund for annual funding. Taxes collected under the Joint Projects tax district are collected in the Joint Projects Fund and then disbursed to other funds for joint projects.
3. A transfer of \$2,156,151 from the 2019 T-SPLOST Debt Service Fund to the 2019 T-SPLOST Fund for road resurfacing projects.
4. A transfer of \$1,000,716 from the Joint Projects Fund to the Recreation Fund to for annual funding. Taxes collected under the Joint Projects tax district are collected into the Joint Projects Fund and then disbursed to other funds for joint projects.
5. A transfer of \$222,182 from the 911 Fund to the Joint Projects Fund for prior year over funding of 911.
6. A transfer of \$204,416 from the Recreation Fund to the Joint Projects Fund for prior year over funding of 911.

UPSON COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 10 - FUND BALANCE

The composition of the County's fund balances as of December 31, 2023 is as follows:

	General	2022 SPLOST	2019 TSPLOST	2022 SPLOST Debt Service	2019 TSPLOST Debt Service	Nonmajor Funds	Total Governmental Funds
Nonspendable:							
Inventories	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,350	\$ 30,350
Restricted for:							
County services	-	-	-	-	-	664,441	664,441
Law enforcement	-	-	-	-	-	126,680	126,680
Emergency 911	-	-	-	-	-	37,677	37,677
Law library	-	-	-	-	-	22,696	22,696
Drug abuse treatment	-	-	-	-	-	208,390	208,390
Debt service	-	-	-	2,577,073	2,967,523	-	5,544,596
Capital projects	-	13,708,774	-	-	-	3,956,693	17,665,467
Committed for:							
Waste/water improvements	455,250	-	-	-	-	-	455,250
Technology	741,888	-	-	-	-	-	741,888
Law enforcement	-	-	-	-	-	235,489	235,489
Jail	-	-	-	-	-	434,710	434,710
Recreation	-	-	-	-	-	39,740	39,740
Assigned	-	-	-	-	-	-	-
Unassigned	9,556,159	-	-	-	-	(105,595)	9,450,564
	<u>\$10,753,297</u>	<u>\$13,708,774</u>	<u>\$ -</u>	<u>\$ 2,577,073</u>	<u>\$ 2,967,523</u>	<u>\$ 5,651,271</u>	<u>\$ 35,657,938</u>

NOTE 11 - NET INVESTMENT IN CAPITAL ASSETS

The "net investment in capital assets" reported in the government-wide financial statement of net position as of December 31, 2023 are as follows:

	Governmental Activities	Business-type Activities	Total
Cost of capital assets	\$ 109,250,606	\$ 9,962,697	\$ 119,213,303
Less accumulated depreciation	(62,308,953)	(3,923,576)	(66,232,529)
Book value	46,941,653	6,039,121	52,980,774
Plus unspent debt proceeds	15,294,459	-	15,294,459
Less accounts payable	(1,585,085)	-	(1,585,085)
Less bonds payable	(1,293,777)	-	(1,293,777)
Less financed purchases	(22,374,496)	-	(22,374,496)
Net investment in capital assets	<u>\$ 36,982,754</u>	<u>\$ 6,039,121</u>	<u>\$ 43,021,875</u>

UPSON COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 12 - HOTEL/MOTEL LODGING TAX

Upson County levies an 5% lodging tax, allocated as required by O.C.G.A. §48-13-51(a)(3). The County has complied with the expenditure requirements of O.C.G.A. §48-13-51(a)(3). Total Hotel/Motel taxes collected was \$19,255, all of which was disbursed to the Thomaston-Upson County Chamber of Commerce for tourism and product development.

NOTE 13 - CONTINGENCIES

The County participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the County's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the County anticipates such amounts, if any, will be immaterial.

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

NOTE 14 – RESTATEMENT OF NET POSITION

Management has determined that a restatement of beginning net position of the governmental activities, business-type activities and the Airport Authority discretely presented component unit is necessary to properly allocate pension related balances to the Water System enterprise fund and the Airport Authority. In the prior year, the pension related balances were only reported in governmental activities but should also be included in the Water System and Airport Authority as both have employees in the pension plan.

Management determined that due to employee participation in the Upson County pension plan, a restatement of opening net position is necessary to properly allocate pension-related balances to the Water System Enterprise Fund and the Thomaston-Upson County Airport Authority. reflect the deferred inflows and outflows and the net pension liability at the end of the prior year.

Management has determined that a restatement of beginning net position of the governmental activities, business-type activities and the Airport Authority discretely presented component unit is necessary to properly report compensated absences. The restatement pertains to sick leave accruals not being included in the compensated absences balances as required by GASB Statement Number 16.

Management has determined that a restatement of beginning net position of the governmental activities is necessary to properly allocate principal and interest on financed purchases. The restatement pertains to the prior year debt service payment being fully allocated to interest instead of principal and interest.

Management has determined that a restatement of beginning net position of governmental activities and custodial funds is necessary to reclassify non-custodial funds reported in the Sheriff custodial fund. The restatement pertains to certain balances being reported in the Sheriff Custodial Fund were not fiduciary in nature in accordance with GASB Statement No. 84 and are now being reported in the Sheriff Programs Special Revenue Fund.

Management has determined that a restatement of beginning net position of custodial funds is necessary to remove the Thomaston-Upson County Solid Waste Disposal Facility (Solid Waste Facility) from the discretely presented component units. The restatement pertains to the Solid Waste Facility did not meet the definition of a component unit as described in GASB Statement No. 84.

UPSON COUNTY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 17 – RESTATEMENT OF NET POSITION

Management has determined that a restatement of the beginning net position of custodial funds is necessary to properly report balances under the accrual method of accounting as required by GASB Statement No. 84. The restatement pertains to the Tax Commissioner and Juvenile Court funds.

The net effect of these restatements to beginning net position and fund balances is as follows:

	Governmental Activities	Business-Type Activities	Component Units
Beginning Net Position, as previously reported	\$ 54,078,145	\$ 6,034,812	\$ 26,903,293
Changes in the balances of the net pension liability and related amounts	(18,369)	11,133	7,236
Changes in the balances of compensated absences	(229,535)	(9,675)	(10,596)
Changes in the balances of financed purchases	146,324	-	-
To reclassify Sheriff balances	203,994	-	-
Changes to Solid Waste Facility component unit	-	-	(1,862,767)
Beginning Net Position, as restated	<u>\$ 54,180,559</u>	<u>\$ 6,036,270</u>	<u>\$ 25,037,166</u>

	Total Governmental Funds	Sheriff Programs Fund
Beginning Fund Balance, as previously reported	\$ 45,708,209	\$ -
To reclassify Sheriff balances	203,994	203,994
Beginning Fund Balance, as restated	<u>\$ 45,912,203</u>	<u>\$ 203,994</u>

	Custodial Funds
Beginning Net Position, as previously reported	\$ 288,507
To reclassify Sheriff balances	(203,994)
To reclassify balances for full accrual	1,164,791
Beginning Net Position, as restated	<u>\$ 1,249,304</u>



REQUIRED SUPPLEMENTARY INFORMATION

UPSON COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 14,001,612	\$ 14,081,627	\$ 12,294,796	\$ (1,786,831)
Licenses and permits	248,164	248,164	401,684	153,520
Intergovernmental	670,200	970,200	915,239	(54,961)
Charges for services	768,505	768,505	957,249	188,744
Fines and forfeitures	839,400	839,400	682,091	(157,309)
Investment earnings	103,000	231,000	315,180	84,180
Contributions and donations	1,600	1,600	444	(1,156)
Miscellaneous	43,199	123,443	189,677	66,234
Total revenues	16,675,680	17,263,939	15,756,360	(1,507,579)
Expenditures				
Current				
General government				
Commissioners	317,003	317,003	185,633	131,370
Elections	277,914	277,914	236,305	41,609
Administration and finance	1,216,682	1,267,182	1,265,884	1,298
Management information systems	345,610	351,110	353,425	(2,315)
Tax commissioner	473,518	522,018	520,576	1,442
Tax assessor	720,014	720,014	707,369	12,645
General government buildings	790,008	865,008	863,782	1,226
Total general government	4,140,749	4,320,249	4,132,974	187,275
Judicial				
Superior court	1,102,298	1,190,813	1,183,836	6,977
Clerk of superior court	463,770	463,770	409,876	53,894
Magistrate court	348,115	372,115	345,060	27,055
Probate court	447,172	552,672	552,632	40
Juvenile court	193,447	193,447	157,585	35,862
Total judicial	2,554,802	2,772,817	2,648,989	123,828
Public safety				
Sheriff	3,904,428	4,153,672	3,876,646	277,026
Jail	2,902,455	3,067,455	3,064,733	2,722
Fire	77,640	77,740	73,227	4,513
Emergency medical services	1,213,430	1,238,010	1,237,948	62
Coroner	42,531	45,131	45,047	84
Animal control	314,830	329,830	328,954	876
Total public safety	8,455,314	8,911,838	8,626,555	285,283
Public works				
Roads, streets and bridges	1,024,536	2,051,584	2,047,943	3,641
Maintenance and shop	297,918	297,918	289,597	8,321
Total public works	1,322,454	2,349,502	2,337,540	11,962
Health and welfare				
Health	200,873	200,873	200,873	-
Welfare	92,568	92,568	24,166	68,402
Community service	30,268	30,268	11,589	18,679
Total health and welfare	323,709	323,709	236,628	87,081

(continued on the following page)

UPSON COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Culture and recreation				
Parks	149,000	120,013	119,008	1,005
Library	-	-	9	(9)
Art	5,000	7,000	7,000	-
Total culture and recreation	<u>154,000</u>	<u>127,013</u>	<u>126,017</u>	<u>996</u>
Housing and development				
Conservation	231,329	231,329	195,142	36,187
Planning and zoning	691,259	691,259	536,663	154,596
Tourism	10,000	10,000	-	10,000
Total housing and development	<u>932,588</u>	<u>932,588</u>	<u>731,805</u>	<u>200,783</u>
Debt service				
Principal	-	-	6,635	(6,635)
Interest	-	-	2,617	(2,617)
Total debt service	<u>-</u>	<u>-</u>	<u>9,252</u>	<u>(9,252)</u>
Total expenditures	<u>17,883,616</u>	<u>19,737,716</u>	<u>18,849,760</u>	<u>887,956</u>
Excess of revenues over (under) expenditures	<u>(1,207,936)</u>	<u>(2,473,777)</u>	<u>(3,093,400)</u>	<u>(619,623)</u>
Other Financing Sources (Uses)				
Transfers in	1,185,793	2,358,621	1,673,159	685,462
Transfers out	(97,857)	(148,844)	(155,720)	6,876
Sale of capital assets	120,000	264,000	225,727	38,273
Total other financing sources (uses)	<u>1,207,936</u>	<u>2,473,777</u>	<u>1,743,166</u>	<u>730,611</u>
Net change in fund balances	-	-	(1,350,234)	(1,350,234)
Fund balance - beginning	12,103,531	12,103,531	12,103,531	-
Fund balance - ending	<u>\$ 12,103,531</u>	<u>\$ 12,103,531</u>	<u>\$ 10,753,297</u>	<u>\$ (1,350,234)</u>

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

UPSON COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED SEPTEMBER 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability									
Service cost	\$ 298,611	\$ 354,241	\$ 403,679	\$ 431,714	\$ 384,209	\$ 344,138	\$ 895,262	\$ 524,767	\$ 481,598
Interest	810,056	749,890	672,373	590,885	524,331	449,498	458,460	533,112	508,573
Differences between expected and actual experience	(946)	85,089	191,808	194,429	(141,501)	291,361	(739,174)	343,771	-
Changes of assumptions	78,237	19,858	18,217	23,819	346,912	226,921	(6,768,880)	3,810,318	-
Benefit payments, including refund of employee contributions	(248,509)	(225,302)	(178,691)	(153,478)	(86,426)	(42,918)	(723,102)	(947,073)	(301,640)
Other changes	-	-	-	-	-	-	-	-	-
Net change in total pension liability	937,449	983,776	1,107,386	1,087,369	1,027,525	1,269,000	(6,877,434)	4,264,895	688,531
Total pension liability-beginning	11,696,492	10,712,716	9,605,330	8,517,961	7,490,436	6,221,436	13,098,870	8,833,975	8,145,444
Total pension liability-ending (a)	\$ 12,633,941	\$ 11,696,492	\$ 10,712,716	\$ 9,605,330	\$ 8,517,961	\$ 7,490,436	\$ 6,221,436	\$ 13,098,870	\$ 8,833,975
Plan fiduciary net position									
Contributions-employer	\$ 419,110	\$ 456,349	\$ 518,821	\$ 532,961	\$ 269,458	\$ 276,772	\$ 483,495	\$ 321,506	\$ 742,247
Contributions-employee	-	-	-	-	-	-	-	-	-
Net investment income	1,540,749	(1,666,482)	1,523,748	1,213,717	1,464,648	(342,740)	342,463	242,512	254,668
Employee contribution refunds	-	-	-	-	-	-	-	-	-
Benefit payments	(248,509)	(217,683)	(172,648)	(153,478)	(86,426)	(42,918)	(710,665)	(947,073)	(301,640)
Administrative expense	(51,698)	(50,757)	(53,164)	(47,287)	(43,858)	(59,741)	(7,585)	-	-
Other	(46,621)	(42,921)	(45,611)	(37,341)	(36,505)	(33,310)	-	-	-
Net change in plan fiduciary net position	1,613,031	(1,521,494)	1,771,146	1,508,572	1,567,317	(201,937)	107,708	(383,055)	695,275
Plan fiduciary net position-beginning	10,240,406	11,761,900	9,990,754	8,482,182	6,914,865	7,116,802	7,009,094	7,392,149	6,696,874
Plan fiduciary net position-ending (b)	\$ 11,853,437	\$ 10,240,406	\$ 11,761,900	\$ 9,990,754	\$ 8,482,182	\$ 6,914,865	\$ 7,116,802	\$ 7,009,094	\$ 7,392,149
County's net pension liability (assets) - ending (a) - (b)	\$ 780,504	\$ 1,456,086	\$ (1,049,184)	\$ (385,424)	\$ 35,779	\$ 575,571	\$ (895,366)	\$ 6,089,776	\$ 1,441,826
Plan fiduciary net position as a percentage of the total pension liability (asset)	93.82%	87.55%	109.79%	104.01%	99.58%	92.32%	114.39%	53.51%	83.68%
Covered payroll	\$ 6,679,865	\$ 6,730,746	\$ 7,021,039	\$ 6,493,337	\$ 5,886,813	\$ 5,553,314	\$ 5,418,930	\$ 5,552,055	\$ 5,037,999
County's net pension liability (asset) as a percentage of covered payroll	11.68%	21.63%	-14.94%	-5.94%	0.61%	10.36%	-16.52%	109.69%	28.62%

This schedule will present 10 years of information once its accumulated.

UPSON COUNTY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY CONTRIBUTIONS - PENSION PLAN
FOR THE YEAR ENDED SEPTEMBER 30

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 456,349	\$ 442,375	\$ 506,204	\$ 519,691	\$ 416,244	\$ 416,244	\$ 329,432	\$ 276,772	\$ 742,247
Contributions in relation to the actuarially determined contribution	430,144	456,349	518,821	532,961	269,458	276,772	483,495	321,506	742,247
Contribution deficiency (excess)	<u>\$ 26,205</u>	<u>\$ (13,974)</u>	<u>\$ (12,617)</u>	<u>\$ (13,270)</u>	<u>\$ 146,786</u>	<u>\$ 139,472</u>	<u>\$ (154,063)</u>	<u>\$ (44,734)</u>	<u>\$ --</u>
Covered payroll	\$ 6,679,865	\$ 6,730,746	\$ 7,021,039	\$ 6,493,337	\$ 5,886,813	\$ 5,553,314	\$ 5,418,930	\$ 5,552,055	\$ 5,037,999
Contributions as a percentage of covered payroll	6.44%	6.78%	7.39%	8.21%	4.58%	4.98%	8.92%	5.79%	14.73%

This schedule will present 10 years of information once its accumulated.



SUPPLEMENTARY INFORMATION



COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted or committed to expenditures for a particular purpose.

Joint Projects Fund – To account for the activities of certain joint projects between Upson County and the City of Thomaston. The County and City both have separate joint projects taxing districts. Property taxes collected by the County under the joint projects millage are recorded in this fund. Other joint projects maintained in separate funds are funded annually by the County through transfers from the Joint Projects Fund. The County and the City of Thomaston share in funding of joint projects based on the ratio of the joint projects tax digest, typically 65% to 35%, County and City.

Unincorporated Services Fund – To account for the property tax revenues levied under the unincorporated services millage rate. Unincorporated services of the county are accounted for in the General Fund. As such, the property taxes collected in the Unincorporated Services Fund are transferred to the General Fund. No other activities are accounted for in the Unincorporated Services Fund.

American Rescue Plan Act Fund – To account for the proceeds of direct funding through the American Rescue Plan Act (ARPA).

Law Library Fund – To account for funds collected from fines and forfeitures to be used to maintain the Law Library as provided in Title 36, Chapter 15 of the Official Code of Georgia Annotated.

Seizure Fund – To account for cash received from the confiscation of assets of individuals convicted of drug offences which is restricted to law enforcement purposes.

Drug Abuse Treatment Education (DATE) Fund – to account for funds collected from fines and forfeitures to be used for drug abuse, treatment, and education.

Sheriff's Programs Fund – to account for other committed funding in the Sheriff's Office for law enforcement purposes.

Emergency 911 Telephone Fund – To account for the cost of providing service to the County as provided in Title 46, Chapter 5 of the Official Code of Georgia Annotated.

Jail Construction Fund – To account for capital improvements on the Upson County Jail.

Hotel/Motel Fund – to account for taxes charged on rental of hotel/motel rooms as provided in Title 48, Chapter 13 of the Official Code of Georgia Annotated. These funds are used for the promotion of tourism, conventions and trade shows in the County.

Recreation Fund – To account for the activities of the recreation department. The Recreation Fund is a joint project with the City of Thomaston. Funding required for operations is provided by both governing bodies based on a ratio of the joint projects net digest.

Sprewell Bluff Recreation Area Fund – to account for the activities of the Sprewell Bluff Recreation Area "Sprewell Bluff". Sprewell Bluff is not totally self-supportive and requires funding annually from the General Fund. Transfers are made from the General Fund to the Sprewell Bluff Recreation Area Fund.

Telecom Grant Fund – to account for the pass through of grant funds received from the State of Georgia from the County's Broadband Grant to the County's partner under a Public Private Partnership, Highline. Highline is a subrecipient of the grant.

NONMAJOR GOVERNMENTAL FUNDS

Capital Projects Funds

Capital project funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary or trust funds.

2016 SPLOST Fund – to account for capital project expenditures funded from the 2016 SPLOST sales tax revenues collected.

LMIG Fund – to account for grant funds under Georgia’s Local Area Improvement Grant funded through the Georgia Department of Transportation. The grant revenues and expenditures for road, street and bridge improvements are accounted for in this fund.

**UPSON COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	Special Revenue Funds					
	Joint Projects	Unincorporated Services	American Rescue Plan	Law Library	Seizure Fund	DATE Fund
Assets						
Cash and cash equivalents	\$ 647,942	\$ 997	\$ 333,719	\$ 22,696	\$ 126,680	\$ 207,076
Receivables, net	167,694	158,008	1,231	-	-	1,314
Intergovernmental receivables	128,403	-	-	-	-	-
Due from other funds	426,598	-	-	-	-	-
Inventories	-	-	-	-	-	-
Total assets	<u>\$ 1,370,637</u>	<u>\$ 159,005</u>	<u>\$ 334,950</u>	<u>\$ 22,696</u>	<u>\$ 126,680</u>	<u>\$ 208,390</u>
Liabilities						
Accounts payable	\$ 73,029	\$ -	\$ 136,218	\$ -	\$ -	\$ -
Due to other governments	17,193	-	-	-	-	-
Due to other funds	695,360	-	-	-	-	-
Unearned revenue	-	-	49,312	-	-	-
Total liabilities	<u>785,582</u>	<u>-</u>	<u>185,530</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources						
Unavailable revenues	<u>42,118</u>	<u>37,501</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances						
Nonspendable	-	-	-	-	-	-
Restricted	542,937	121,504	149,420	22,696	126,680	208,390
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>542,937</u>	<u>121,504</u>	<u>149,420</u>	<u>22,696</u>	<u>126,680</u>	<u>208,390</u>
Total liabilities and fund balances	<u>\$ 1,370,637</u>	<u>\$ 159,005</u>	<u>\$ 334,950</u>	<u>\$ 22,696</u>	<u>\$ 126,680</u>	<u>\$ 208,390</u>

(continued on the following page)

**UPSON COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	Special Revenue Funds					
	Sheriff Programs	Emergency 911 Telephone	Jail Construction	Hotel/Motel Fund	Recreation Fund	Sprewell Bluff Recreation Area
Assets						
Cash and cash equivalents	\$ 235,489	\$ 460,359	\$ 428,900	\$ -	\$ 551,179	\$ 16,277
Receivables, net	-	2,705	8,479	-	3,468	921
Intergovernmental receivables	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Inventories	-	-	-	-	-	30,350
Total assets	<u>\$ 235,489</u>	<u>\$ 463,064</u>	<u>\$ 437,379</u>	<u>\$ -</u>	<u>\$ 554,647</u>	<u>\$ 47,548</u>
Liabilities						
Accounts payable	\$ -	\$ 500	\$ 2,669	\$ -	\$ 60,588	\$ 5,624
Due to other governments	-	79,288	-	-	-	-
Due to other funds	-	345,599	-	-	454,319	117,169
Unearned revenue	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>425,387</u>	<u>2,669</u>	<u>-</u>	<u>514,907</u>	<u>122,793</u>
Deferred Inflows of Resources						
Unavailable revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances						
Nonspendable	-	-	-	-	-	30,350
Restricted	-	37,677	-	-	-	-
Committed	235,489	-	434,710	-	39,740	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(105,595)
Total fund balances	<u>235,489</u>	<u>37,677</u>	<u>434,710</u>	<u>-</u>	<u>39,740</u>	<u>(75,245)</u>
Total liabilities and fund balances	<u>\$ 235,489</u>	<u>\$ 463,064</u>	<u>\$ 437,379</u>	<u>\$ -</u>	<u>\$ 554,647</u>	<u>\$ 47,548</u>

(continued on the following page)

**UPSON COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2023**

	Special Revenue Fund	Capital Projects Funds		Total Nonmajor Governmental Funds
	Telecom Grant	2016 SPLOST	LMIG Fund	
Assets				
Cash and cash equivalents	\$ -	\$ 3,806,627	\$ 347,878	\$ 7,185,819
Receivables, net	-	18,415	3,304	365,539
Intergovernmental receivables	-	-	-	128,403
Due from other funds	-	-	-	426,598
Inventories	-	-	-	30,350
Total assets	<u>\$ -</u>	<u>\$ 3,825,042</u>	<u>\$ 351,182</u>	<u>\$ 8,136,709</u>
Liabilities				
Accounts payable	\$ -	\$ 361,870	\$ -	\$ 640,498
Due to other governments	-	-	-	96,481
Due to other funds	-	7,081	-	1,619,528
Unearned revenue	-	-	-	49,312
Total liabilities	<u>-</u>	<u>368,951</u>	<u>-</u>	<u>2,405,819</u>
Deferred Inflows of Resources				
Unavailable revenues	-	-	-	79,619
Fund Balances				
Nonspendable	-	-	-	30,350
Restricted	-	3,456,091	351,182	5,016,577
Committed	-	-	-	709,939
Assigned	-	-	-	-
Unassigned	-	-	-	(105,595)
Total fund balances	<u>-</u>	<u>3,456,091</u>	<u>351,182</u>	<u>5,651,271</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 3,825,042</u>	<u>\$ 351,182</u>	<u>\$ 8,136,709</u>

UPSON COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Special Revenue Funds					
	Joint Projects	Unincorporated Services	American Rescue Plan	Law Library	Seizure Fund	DATE Fund
Revenues						
Taxes	\$ 1,791,853	\$ 1,718,077	\$ -	\$ -	\$ -	\$ -
Intergovernmental	766,554	-	2,464,753	-	-	-
Charges for services	-	-	-	-	-	4,123
Fines and forfeitures	-	-	-	20,623	70,000	8,204
Investment earnings	70,502	1,146	99,069	-	-	8,294
Contributions and donations	12,802	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>2,641,711</u>	<u>1,719,223</u>	<u>2,563,822</u>	<u>20,623</u>	<u>70,000</u>	<u>20,621</u>
Expenditures						
Current						
General government	17,193	-	-	-	-	-
Judicial	-	-	-	22,850	-	9,828
Public safety	115,634	-	-	-	8,576	-
Public works	25,253	-	2,464,752	-	-	-
Health and welfare	723,967	-	-	-	-	-
Culture and recreation	385,385	-	-	-	-	-
Housing and development	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>1,267,432</u>	<u>-</u>	<u>2,464,752</u>	<u>22,850</u>	<u>8,576</u>	<u>9,828</u>
Excess of revenues over (under) expenditures	<u>1,374,279</u>	<u>1,719,223</u>	<u>99,070</u>	<u>(2,227)</u>	<u>61,424</u>	<u>10,793</u>
Other Financing Sources (Uses)						
Transfers in	433,474	-	-	-	-	-
Transfers out	(1,342,922)	(1,664,387)	-	-	(2,160)	-
Insurance recoveries	3,188	-	-	-	-	-
Total other financing sources (uses)	<u>(906,260)</u>	<u>(1,664,387)</u>	<u>-</u>	<u>-</u>	<u>(2,160)</u>	<u>-</u>
Net change in fund balances	468,019	54,836	99,070	(2,227)	59,264	10,793
Fund balances - beginning - as restated	74,918	66,668	50,350	24,923	67,416	197,597
Fund balances - ending	<u>\$ 542,937</u>	<u>\$ 121,504</u>	<u>\$ 149,420</u>	<u>\$ 22,696</u>	<u>\$ 126,680</u>	<u>\$ 208,390</u>

UPSON COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Special Revenue Funds					
	Sheriff Programs	Emergency 911 Telephone	Jail Construction	Hotel/Motel Fund	Recreation Fund	Sprewell Bluff Recreation Area
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ 19,255	\$ -	\$ -
Intergovernmental	-	148,639	-	-	426,495	-
Charges for services	48,491	518,507	-	-	170,342	234,628
Fines and forfeitures	-	-	61,960	-	-	-
Investment earnings	8	24,405	21,462	-	30,569	4,994
Contributions and donations	675	-	-	-	800	3,139
Miscellaneous	140,832	-	-	-	19,774	-
Total revenues	190,006	691,551	83,422	19,255	647,980	242,761
Expenditures						
Current						
General government	-	-	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	160,671	977,254	109,467	-	-	-
Public works	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	1,691,362	467,100
Housing and development	-	-	-	19,255	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	160,671	977,254	109,467	19,255	1,691,362	467,100
Excess of revenues over (under) expenditures	29,335	(285,703)	(26,045)	-	(1,043,382)	(224,339)
Other Financing Sources (Uses)						
Transfers in	2,160	342,206	-	-	1,051,703	97,857
Transfers out	-	(222,182)	(8,772)	-	(204,416)	-
Insurance recoveries	-	-	-	-	-	-
Total other financing sources (uses)	2,160	120,024	(8,772)	-	847,287	97,857
Net change in fund balances	31,495	(165,679)	(34,817)	-	(196,095)	(126,482)
Fund balances - beginning - as restated	203,994	203,356	469,527	-	235,835	51,237
Fund balances - ending	\$ 235,489	\$ 37,677	\$ 434,710	\$ -	\$ 39,740	\$ (75,245)

UPSON COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Special Revenue Fund	Capital Projects Funds		Total Nonmajor Governmental Funds
	Telecom Grant	2016 SPLOST	LMIG Fund	
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ 3,529,185
Intergovernmental	2,052,530	-	929,452	6,788,423
Charges for services	-	-	-	976,091
Fines and forfeitures	-	-	-	160,787
Investment earnings	-	257,233	64,802	582,484
Contributions and donations	-	-	-	17,416
Miscellaneous	-	-	-	160,606
Total revenues	<u>2,052,530</u>	<u>257,233</u>	<u>994,254</u>	<u>12,214,992</u>
Expenditures				
Current				
General government	-	-	-	17,193
Judicial	-	-	-	32,678
Public safety	-	-	-	1,371,602
Public works	2,052,530	-	-	4,542,535
Health and welfare	-	-	-	723,967
Culture and recreation	-	-	-	2,543,847
Housing and development	-	-	-	19,255
Capital outlay	-	1,966,900	1,236,726	3,203,626
Total expenditures	<u>2,052,530</u>	<u>1,966,900</u>	<u>1,236,726</u>	<u>12,454,703</u>
Excess of revenues over (under) expenditures	<u>-</u>	<u>(1,709,667)</u>	<u>(242,472)</u>	<u>(239,711)</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	1,927,400
Transfers out	-	-	-	(3,444,839)
Insurance recoveries	-	-	-	3,188
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,514,251)</u>
Net change in fund balances	-	(1,709,667)	(242,472)	(1,753,962)
Fund balances - beginning - as restated	-	5,165,758	593,654	7,405,233
Fund balances - ending	<u>\$ -</u>	<u>\$ 3,456,091</u>	<u>\$ 351,182</u>	<u>\$ 5,651,271</u>

UPSON COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
JOINT PROJECTS FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Taxes	\$ 1,892,014	\$ 1,898,791	\$ 1,791,853	\$ (106,938)
Intergovernmental	715,210	722,760	766,554	43,794
Investment earnings	-	66,374	70,502	4,128
Contributions and donations	19,594	19,594	12,802	(6,792)
Total revenues	<u>2,626,818</u>	<u>2,707,519</u>	<u>2,641,711</u>	<u>(65,808)</u>
Expenditures				
Current				
General government	-	-	17,193	(17,193)
Public safety	122,978	122,978	115,634	7,344
Public works	-	75,000	25,253	49,747
Health and welfare	781,144	781,144	723,967	57,177
Culture and recreation	379,774	392,351	385,385	6,966
Total expenditures	<u>1,283,896</u>	<u>1,371,473</u>	<u>1,267,432</u>	<u>104,041</u>
Excess of revenues over (under) expenditures	<u>1,342,922</u>	<u>1,336,046</u>	<u>1,374,279</u>	<u>38,233</u>
Other Financing Sources (Uses)				
Transfers in	-	6,876	433,474	426,598
Transfers out	(1,342,922)	(1,342,922)	(1,342,922)	-
Insurance recoveries	-	-	3,188	3,188
Total other financing sources (uses)	<u>(1,342,922)</u>	<u>(1,336,046)</u>	<u>(906,260)</u>	<u>429,786</u>
Net change in fund balances	-	-	468,019	468,019
Fund balance - beginning	74,918	74,918	74,918	-
Fund balance - ending	<u>\$ 74,918</u>	<u>\$ 74,918</u>	<u>\$ 542,937</u>	<u>\$ 468,019</u>

UPSON COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
UNINCORPORATED SERVICES FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Taxes	\$ 754,244	\$ 754,244	\$ 1,718,077	\$ 963,833
Investment earnings	-	-	1,146	1,146
Total revenues	<u>754,244</u>	<u>754,244</u>	<u>1,719,223</u>	<u>964,979</u>
Excess of revenues over (under)				
expenditures	<u>754,244</u>	<u>754,244</u>	<u>1,719,223</u>	<u>964,979</u>
Other Financing Sources (Uses)				
Transfers out	<u>(754,244)</u>	<u>(754,244)</u>	<u>(1,664,387)</u>	<u>(910,143)</u>
Total other financing sources (uses)	<u>(754,244)</u>	<u>(754,244)</u>	<u>(1,664,387)</u>	<u>(910,143)</u>
Net change in fund balances	-	-	54,836	54,836
Fund balance - beginning	<u>66,668</u>	<u>66,668</u>	<u>66,668</u>	<u>-</u>
Fund balance - ending	<u><u>\$ 66,668</u></u>	<u><u>\$ 66,668</u></u>	<u><u>\$ 121,504</u></u>	<u><u>\$ 54,836</u></u>

UPSON COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
AMERICAN RESCUE PLAN FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Intergovernmental	\$ 2,556,176	\$ 2,556,176	\$ 2,464,753	\$ (91,423)
Investment earnings	-	-	99,069	99,069
Miscellaneous	1,195,124	1,195,124	-	(1,195,124)
Total revenues	<u>3,751,300</u>	<u>3,751,300</u>	<u>2,563,822</u>	<u>(1,187,478)</u>
Expenditures				
Current				
Public works	3,751,300	3,751,300	2,464,752	1,286,548
Total expenditures	<u>3,751,300</u>	<u>3,751,300</u>	<u>2,464,752</u>	<u>1,286,548</u>
Net change in fund balances	-	-	99,070	99,070
Fund balance - beginning	50,350	50,350	50,350	-
Fund balance - ending	<u>\$ 50,350</u>	<u>\$ 50,350</u>	<u>\$ 149,420</u>	<u>\$ 99,070</u>

UPSON COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LAW LIBRARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Fines and forfeitures	\$ -	\$ 20,623	\$ 20,623	\$ -
Total revenues	-	20,623	20,623	-
Expenditures				
Current				
Judicial	-	20,623	22,850	(2,227)
Net change in fund balances	-	-	(2,227)	(2,227)
Fund balance - beginning	24,923	24,923	24,923	-
Fund balance - ending	<u>\$ 24,923</u>	<u>\$ 24,923</u>	<u>\$ 22,696</u>	<u>\$ (2,227)</u>

UPSON COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SEIZURE FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Fines and forfeitures	\$ -	\$ 10,000	\$ 70,000	\$ 60,000
Total revenues	-	10,000	70,000	60,000
Expenditures				
Current				
Public safety	-	10,000	8,576	1,424
Total expenditures	-	10,000	8,576	1,424
Excess of revenues over (under) expenditures	-	-	61,424	61,424
Other Financing Sources (Uses)				
Transfers out	-	-	(2,160)	(2,160)
Total other financing sources (uses)	-	-	(2,160)	(2,160)
Net change in fund balances	-	-	59,264	59,264
Fund balance - beginning	67,416	67,416	67,416	-
Fund balance - ending	\$ 67,416	\$ 67,416	\$ 126,680	\$ 59,264

UPSON COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DRUG ABUSE FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Charges for services	\$ 1,000	\$ 2,796	\$ 4,123	\$ 1,327
Fines and forfeitures	-	8,204	8,204	-
Investment earnings	-	-	8,294	8,294
Total revenues	<u>1,000</u>	<u>11,000</u>	<u>20,621</u>	<u>9,621</u>
Expenditures				
Current				
Judicial	<u>1,000</u>	<u>11,000</u>	<u>9,828</u>	<u>1,172</u>
Total expenditures	<u>1,000</u>	<u>11,000</u>	<u>9,828</u>	<u>1,172</u>
Net change in fund balances	-	-	10,793	10,793
Fund balance - beginning	<u>197,597</u>	<u>197,597</u>	<u>197,597</u>	<u>-</u>
Fund balance - ending	<u>\$ 197,597</u>	<u>\$ 197,597</u>	<u>\$ 208,390</u>	<u>\$ 10,793</u>

UPSON COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SHERIFF PROGRAMS FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Charges for services	\$ -	\$ 49,000	\$ 48,491	\$ (509)
Investment earnings	-	10,000	8	(9,992)
Contributions and donations	-	700	675	(25)
Miscellaneous	-	141,000	140,832	(168)
Total revenues	-	200,700	190,006	(10,694)
			.	
Expenditures				
Public safety	-	200,700	160,671	40,029
Excess of revenues over (under) expenditures	-	-	29,335	29,335
Other Financing Sources (Uses)				
Transfers in	-	-	2,160	2,160
Total other financing sources (uses)	-	-	2,160	2,160
Net change in fund balances	-	-	31,495	31,495
Fund balance - beginning	203,994	203,994	203,994	-
Fund balance - ending	\$ 203,994	\$ 203,994	\$ 235,489	\$ 31,495

UPSON COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
E911 FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Intergovernmental	\$ 185,076	\$ 185,076	\$ 148,639	\$ (36,437)
Charges for services	529,633	529,633	518,507	(11,126)
Investment earnings	20	20	24,405	24,385
Total revenues	<u>714,729</u>	<u>714,729</u>	<u>691,551</u>	<u>(23,178)</u>
			.	
Expenditures				
Public safety	<u>1,056,935</u>	<u>1,056,935</u>	<u>977,254</u>	<u>79,681</u>
Excess of revenues over (under) expenditures	<u>(342,206)</u>	<u>(342,206)</u>	<u>(285,703)</u>	<u>56,503</u>
Other Financing Sources (Uses)				
Transfers in	342,206	342,206	342,206	-
Transfers out	-	-	(222,182)	(222,182)
Total other financing sources (uses)	<u>342,206</u>	<u>342,206</u>	<u>120,024</u>	<u>(222,182)</u>
Net change in fund balances	-	-	(165,679)	(165,679)
Fund balance - beginning	203,356	203,356	203,356	-
Fund balance - ending	<u>\$ 203,356</u>	<u>\$ 203,356</u>	<u>\$ 37,677</u>	<u>\$ (165,679)</u>

UPSON COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
JAIL CONSTRUCTION FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Fines and forfeitures	\$ 59,000	\$ 89,000	\$ 61,960	\$ (27,040)
Investment earnings	-	21,000	21,462	462
Total revenues	59,000	110,000	83,422	(26,578)
Expenditures				
Public safety	59,000	110,000	109,467	533
Total expenditures	59,000	110,000	109,467	533
Excess of revenues over (under) expenditures	-	-	(26,045)	(26,045)
Other Financing Sources				
Transfers out	-	-	(8,772)	(8,772)
Total other financing sources (uses)	-	-	(8,772)	(8,772)
Net change in fund balances	-	-	(34,817)	(34,817)
Fund balance - beginning	469,527	469,527	469,527	-
Fund balance - ending	\$ 469,527	\$ 469,527	\$ 434,710	\$ (34,817)

UPSON COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HOTEL/MOTEL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Taxes	\$ -	\$ 20,000	\$ 19,255	\$ (745)
Total revenues	-	20,000	19,255	(745)
Expenditures				
Current				
Housing and development	-	20,000	19,255	745
Net change in fund balances	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -

UPSON COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
RECREATION FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Intergovernmental	\$ 541,219	\$ 541,219	\$ 426,495	\$ (114,724)
Charges for services	116,733	116,733	170,342	53,609
Investment earnings	220	220	30,569	30,349
Contributions and donations	-	-	800	800
Miscellaneous	15,000	15,000	19,774	4,774
Total revenues	<u>673,172</u>	<u>673,172</u>	<u>647,980</u>	<u>(25,192)</u>
Expenditures				
Current				
Culture and recreation	<u>1,724,875</u>	<u>1,724,875</u>	<u>1,691,362</u>	<u>33,513</u>
Total expenditures	<u>1,724,875</u>	<u>1,724,875</u>	<u>1,691,362</u>	<u>33,513</u>
Excess of revenues over (under) expenditures	<u>(1,051,703)</u>	<u>(1,051,703)</u>	<u>(1,043,382)</u>	<u>8,321</u>
Other Financing Sources (Uses)				
Transfers in	1,051,703	1,051,703	1,051,703	-
Transfers out	-	-	(204,416)	(204,416)
Total other financing sources (uses)	<u>1,051,703</u>	<u>1,051,703</u>	<u>847,287</u>	<u>(204,416)</u>
Net change in fund balances	-	-	(196,095)	(196,095)
Fund balance - beginning	<u>235,835</u>	<u>235,835</u>	<u>235,835</u>	<u>-</u>
Fund balance - ending	<u>\$ 235,835</u>	<u>\$ 235,835</u>	<u>\$ 39,740</u>	<u>\$ (196,095)</u>

UPSON COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPREWELL BLUFF RECREATION AREA FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Charges for services	\$ 297,905	\$ 297,905	\$ 234,628	\$ (63,277)
Investment earnings	-	-	4,994	4,994
Contributions and donations	379	379	3,139	2,760
Total revenues	<u>298,284</u>	<u>298,284</u>	<u>242,761</u>	<u>(55,523)</u>
Expenditures				
Current				
Culture and recreation	396,141	476,141	467,100	9,041
Total expenditures	<u>396,141</u>	<u>476,141</u>	<u>467,100</u>	<u>9,041</u>
Excess of revenues over (under) expenditures	<u>(97,857)</u>	<u>(177,857)</u>	<u>(224,339)</u>	<u>(46,482)</u>
Other Financing Sources (Uses)				
Transfers in	97,857	177,857	97,857	(80,000)
Total other financing sources (uses)	<u>97,857</u>	<u>177,857</u>	<u>97,857</u>	<u>(80,000)</u>
Net change in fund balances	-	-	(126,482)	(126,482)
Fund balance - beginning	51,237	51,237	51,237	-
Fund balance - ending	<u>\$ 51,237</u>	<u>\$ 51,237</u>	<u>\$ (75,245)</u>	<u>\$ (126,482)</u>

UPSON COUNTY, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TELECOM GRANT FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Intergovernmental	\$ -	\$ 2,052,530	\$ 2,052,530	\$ -
Total revenues	-	2,052,530	2,052,530	-
Expenditures				
Current				
Culture and recreation	-	2,052,530	2,052,530	-
Total expenditures	-	2,052,530	2,052,530	-
Net change in fund balances	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -



FIDUCIARY FUNDS

CUSTODIAL FUNDS

Custodial funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds.

Tax Commissioner – to account for the collection of property taxes, motor vehicle tag and title fees and mobile home fees, etc. which are disbursed to various taxing units.

Sheriff – to account for the collection of cash bonds, fines, forfeitures, fifas, etc. which are disbursed to various taxing units and other parties.

Clerk of Superior Court – to account for the collection of various fines, forfeitures, jury fund receipts, real estate transfer taxes, recording of intangibles, fees, civil awards, etc. which are disbursed to various taxing units and other parties.

Magistrate Court – to account for the collection of fees for garnishments and small claims, etc. which are disbursed to various taxing units and other parties.

Probate Court – to account for the collection of fees for firearms, licenses, certificates, marriage licenses, etc. which are disbursed to various taxing units and other parties.

Juvenile Court – to account for the collection of restitution which are disbursed to other parties.

UPSON COUNTY, GEORGIA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2023

	Tax Commissioner	Sheriff	Clerk of Superior Court	Magistrate Court	Probate Court	Juvenile Court	Total
Assets							
Cash and cash equivalents	\$ 136,714	\$ 240,520	\$ 92,693	\$ 28,093	\$ 53,473	\$ 25,672	\$ 577,165
Taxes receivable	1,755,920	-	-	-	-	-	1,755,920
Total assets	<u>1,892,634</u>	<u>240,520</u>	<u>92,693</u>	<u>28,093</u>	<u>53,473</u>	<u>25,672</u>	<u>2,333,085</u>
Liabilities							
Due to others	-	150,523	48,456	17,911	49,094	-	265,984
Total liabilities	<u>-</u>	<u>150,523</u>	<u>48,456</u>	<u>17,911</u>	<u>49,094</u>	<u>-</u>	<u>265,984</u>
Net Position							
Restricted							
Individuals, organizations, and other governments	1,892,634	89,997	44,237	10,182	4,379	25,672	2,067,101
Total net position	<u>\$ 1,892,634</u>	<u>\$ 89,997</u>	<u>\$ 44,237</u>	<u>\$ 10,182</u>	<u>\$ 4,379</u>	<u>\$ 25,672</u>	<u>\$ 2,067,101</u>

UPSON COUNTY, GEORGIA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Tax Commissioner	Sheriff	Superior Court	Magistrate Court	Probate Court	Juvenile Court	Total
Additions							
Taxes	\$ 31,655,762	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,655,762
Fines and fees	-	787,854	825,897	307,226	626,629	10,337	2,557,943
Investment earnings	45,750	-	70	17	-	-	45,837
Total additions	<u>31,701,512</u>	<u>787,854</u>	<u>825,967</u>	<u>307,243</u>	<u>626,629</u>	<u>10,337</u>	<u>34,259,542</u>
Deductions							
Taxes and fees paid to other governments	30,947,373	775,212	781,730	304,219	622,250	10,961	33,441,745
Total deductions	<u>30,947,373</u>	<u>775,212</u>	<u>781,730</u>	<u>304,219</u>	<u>622,250</u>	<u>10,961</u>	<u>33,441,745</u>
Net increase (decrease) in fiduciary net position	754,139	12,642	44,237	3,024	4,379	(624)	817,797
Net position, beginning of year, as restated	1,138,495	77,355	-	7,158	-	26,296	1,249,304
Net position, end of year	<u>\$ 1,892,634</u>	<u>\$ 89,997</u>	<u>\$ 44,237</u>	<u>\$ 10,182</u>	<u>\$ 4,379</u>	<u>\$ 25,672</u>	<u>\$ 2,067,101</u>



COMPLIANCE SECTION

The Compliance Section includes schedules related to schedules of projects constructed with Special Purpose Local Option Sales Tax and the Independent Auditor's Reports on Internal Control.

UPSON COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
SERIES 2016
FOR THE YEAR ENDED DECEMBER 31, 2023

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
County Level 2 Projects	\$ 3,600,000	\$ 4,788,614	\$ 1,536,488	\$ 578,016	\$ 2,114,504
Roads	4,688,000	6,009,616	5,475,825	321,701	5,797,526
Water System Project	865,000	1,108,856	312,249	6,600	318,849
Sheriff and Jail	1,462,000	2,079,523	1,112,760	642,993	1,755,753
Building Improvements and Equipment	1,863,000	2,857,324	2,307,967	398,090	2,706,057
County Parks	842,000	1,079,372	490,759	19,500	510,259
Intergovernmental					
Thomaston	4,500,000	4,907,175	4,907,175	-	4,907,175
Yatesville	180,000	184,264	184,264	-	184,264
Total	<u>\$ 18,000,000</u>	<u>\$ 23,014,744</u>	<u>\$ 16,327,487</u>	<u>\$ 1,966,900</u>	<u>\$ 18,294,387</u>

UPSON COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
SERIES 2022
FOR THE YEAR ENDED DECEMBER 31, 2023

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
Constructing and Improving					
Government Buildings	\$ 11,451,000	\$ 11,451,000	\$ 1,397,744	\$ 9,083,934	\$ 10,481,678
Roads	1,550,000	1,550,000	-	-	-
Vehicles	500,000	500,000	-	-	-
Machinery and Equipment	1,225,000	1,225,000	-	-	-
Office Equipment and Telecom	250,000	250,000	-	-	-
Intergovernmental					
Thomaston	8,190,000	8,190,000	-	1,802,486	1,802,486
Yatesville	234,000	234,000	-	-	-
Total	<u>\$ 23,400,000</u>	<u>\$ 23,400,000</u>	<u>\$ 1,397,744</u>	<u>\$ 10,886,420</u>	<u>\$ 12,284,164</u>

Note: The 2022 SPLOST Fund and 2022 SPLOST Debt Service Fund also made debt service payments in the amount of \$1,457,200 for SPLOST funded construction of government buildings already included in the expenditures above.

UPSON COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF TRANSPORTATION SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS
SERIES 2019
FOR THE YEAR ENDED DECEMBER 31, 2023

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
Roads, Streets and Bridge Construction	<u>\$ 9,520,000</u>	<u>\$ 9,516,000</u>	<u>\$ 7,225,186</u>	<u>\$ 2,156,151</u>	<u>\$ 9,381,337</u>



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

Upson County Board of Commissioners
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 Upson County, Georgia (the "County") as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 28, 2024. Our report includes a reference to other auditors who audited the financial statements of Thomaston-Upson County Industrial Development Authority, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2023-001 and 2023-002 that we consider to be significant deficiencies.

Report on Compliance and Other Matters

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

The County's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County'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.

Richels, Cauley + Associates, LLC

Dublin, Georgia
June 28, 2024

**UPSON COUNTY, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2023**

Finding 2023-001

Significant Deficiency in Internal Control over Financial Reporting—Pension Plan Accounting

Criteria: Pension liability and related balances should be recorded to reflect the County's obligations for employee pension benefits in accordance with GASB Statement No. 68.

Condition: During our audit procedures we noted the Airport Authority and Industrial Development Authority participate in the County's pension plan but pension related balances were not being recorded in those component units. Management recorded a prior period adjustment during the current year to record prior year pension balances in the Airport Authority.

Effect or Potential Effect: Deferred Inflows and Outflows of Resources and the Net Pension Liability balances were understated in the prior year

Recommendation: We recommend the County properly record pension related balances in accordance with GASB Statement No. 68 and that the pension related balances are reflected in each reporting unit.

Views of Responsible Official(s) and Planned Corrective Actions: Management concurs with the finding. The County corrected the accounting for the pension plan during the current year. Management will ensure procedures are implemented in the next fiscal year to allocate pension related balances across the opinion units.

Finding 2023-002

Significant Deficiency in Internal Control over Financial Reporting—Compensated Absences

Criteria: Vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by employees but only to the extent it is probable that the employer will compensate the employees for benefits through cash payments conditioned on the employees' termination or retirement.

Condition: During our audit procedures we noted the County only accrues compensated absences for vacation leave and not for sick leave even though employees are compensated for a portion of sick leave upon resignation or retirement. Management recorded a prior period adjustment during the current year to record prior year compensated absences related to sick leave.

Effect or Potential Effect: Compensated absences was understated in the prior year

Recommendation: We recommend management review GASB Statement No. 16 and ensure all leave that meets the definition under the GASB guidance is accrued.

Views of Responsible Official(s) and Planned Corrective Actions: Management concurs with the finding. The County immediately took action to calculate the leave amounts for sick leave and an adjustment was made in the current year report. Management will ensure leave amounts are properly calculated going forward.