UNION COUNTY, GEORGIA

Annual Financial Report

For the year ended December 31, 2019

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UNION COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
For the year ended December 31, 2019

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Independent Auditor's Report

Honorable Commissioner
Union County, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Union County, Georgia, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise Union County, Georgia's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Union County Health Department, a discretely presented component unit of Union County, which represents 27.2% of the assets, 2.6% of the net position, and 84.2% of the revenues of the aggregate discretely presented component units for the year ended December 31, 2019. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Union County Health Department, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Union County, Georgia, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons of the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Union County, Georgia's basic financial statements. The combining and individual fund financial statements and schedules and the schedule of projects financed with special purpose local option sales tax are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and the schedule of projects financed with special purpose local option sales tax are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied 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 fund financial statements and schedules and the schedule of projects financed with special purpose local option sales tax are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2020, on our consideration of Union County, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Union County, Georgia's internal control over financial reporting and compliance.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
June 24, 2020

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Lamar Paris
Union County Commissioner
65 Courthouse Street, Box 1• Blairsville, Georgia 30512

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Union County management is proud to present this narrative discussion and analysis of Union County's financial performance, making available an overview of the activities for the year ended December 31, 2019. This report is drafted annually to provide readers of financial statements with information that will help them make timely and meaningful financial decisions or draw conclusions about Union County. As required by the Governmental Accounting Standards Board (GASB) Statement No. 34, this discussion and analysis affords comparisons with the previous fiscal year.

Financial Highlights

- Union County's assets exceeded its liabilities at December 31, 2019 by $51,912,889 (*net position*). Of this amount, $2,917,324 is reported as unrestricted net position. This is a decrease of $539,611 from the previous year for unrestricted. Total net position increased by $1,617,139 from the previous year.

- As of December 31, 2019, Union County's governmental funds reported combined ending fund balances of $9,141,091. Approximately 19% of this total amount, or $1,772,539, is reported as unassigned and available for spending at the County's discretion. Approximately 43%, or $3,915,493, is reported as restricted for capital outlay. Information about Union County's policy on fund balance can be found in Note 2R in the *Notes to the Financial Statements* beginning on page 42.

More detailed information regarding these activities and funds begins on page 15.

Overview of the Financial Statements

This discussion and analysis narrative is intended to serve as an introduction to Union County's basic financial statements. Union County's basic financial statements are composed of three elements: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains required supplementary information in addition to our basic financial statements.

Government-wide Financial Statements (Reporting the County as a whole). The focus of the government-wide financial statements is on the overall financial position and activities of Union County and is designed to provide a broad overview of the County's financial activities in a manner similar to a private business enterprise.

The County's government-wide financial statements include the Statement of Net Position and the Statement of Activities. These two statements report information about Union County using the accrual basis of accounting, which is similar to the accounting used by non-public businesses. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The purpose of the ***Statement of Net Position*** (pages 15-16) is to report all of the assets held and liabilities owed by the County. The County reports all of its assets when it acquires ownership over the assets and reports all of its liabilities when they are incurred. The difference between the total assets and total liabilities is labeled *net position*. While the purpose of County Government is not to accumulate net position, as this amount increases it can indicate the strength of the County's financial position as a whole. When this amount decreases it can indicate a weakening of the County's financial position.

The ***Statement of Activities*** (page 17) presents the revenues and expenses of the County. Under the accrual basis of accounting, revenues are recognized when earned and expenses when incurred in this statement. Thus, revenues are reported even when they may not be collected for several weeks after the end of the accounting period and expenses are recorded even though they may not have used cash during the current period. The difference is described as *change in net position*. The Statement of Activities primary focus is on the *net cost* of various activities provided by the County and identifies the extent to which each function of the County draws from general revenues or is self-financing through user fees, special revenues, grants, or other sources.

In the Statement of Net Position and the Statement of Activities, we divide Union County into three types of activities:

- ***Governmental activities*** – Most of the County's basic services are reported under this category which includes: judicial, public safety, public works, and general administration. Taxes such as real property, sales, insurance premium and intangible finance most of these services.

- ***Business-type or Enterprise activities*** – The County charges fees to customers to assist in recovering the cost for providing certain services. The County's Golf Course and Meeks Park are reported in this category.

- ***Discretely Presented Component Units*** – A component unit is a legally separate organization for which the elected officials of the County can be financially accountable. The Development Authority of Union County and the Union County Health Department, although legally separate, function for all practical purposes as departments of Union County and have been included as an integral part of the government.

The County's government-wide financial statements are presented on pages 15-17.

Fund Financial Statements (Reporting the County's Major Funds).
The focus of fund financial statements is directed at specific activities of the County and its most significant funds, not the County as a whole. A fund is an entity with a self-balancing set of accounts that the County uses to track specific resources and expenditures, either for management purposes or because of legal mandates. In addition to the major funds, individual fund data for the County's non-major funds can be found beginning on page 66. The County's funds are divided into three broad categories: governmental, proprietary, and fiduciary. They use different prescribed accounting methodologies.

- ***Governmental Funds*** – These funds account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on the short-term view of the County's general government operations and the basic services it provides. Governmental funds are reported using an accounting method called modified accrual, which measures cash and all other financial assets that can readily be converted to cash.

  Because the focus of the governmental fund financial statements is narrower than that of the government-wide financial statements and because of the different accounting methods used to prepare them, there are often significant differences between the totals presented in these 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 so doing, readers may better understand the long-term impact of the government's near-term financing decisions. An analysis of the balance sheet and the statement of revenues, expenditures, and changes in fund balances that reconciles the two statements are provided following each statement.

  Union County maintains seventeen individual governmental funds. Information is presented separately in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund and SPLOST IV Capital Projects Fund, which are considered major governmental funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 66-69 of this report.

  Union County adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been included for the General Fund to show the final result of actual revenues and expenditures as compared to the initial projections.

  The County's basic governmental fund financial statements are presented on pages 18-23 of this report.

- ***Proprietary Funds*** – When the County charges customers for the services it provides, whether to outside customers or internally to departments of the County, these services are generally reported in proprietary funds. The County maintains one type of proprietary funds: Enterprise Funds. These proprietary funds are prepared using the same accrual basis of accounting as the government-wide financial statements.

  Enterprise fund statements report the same functions presented in the business-type activities columns of the government-wide financial statements. Union County uses enterprise funds to account for its Golf Course and Meeks Park functions.

  The County's proprietary fund financial statements are presented on pages 24-26.

  Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs and services. The accounting used for fiduciary funds is similar to that used for proprietary funds. Fiduciary funds are presented in the fund financial statements but are not reported in the government-wide financial statements. The fiduciary fund financial statements are presented on page 27.

Notes to the financial statements.
The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30-65 of this report.

Other Supplementary Information.
Other supplementary information includes combining financial statements for non-major governmental, proprietary, and fiduciary funds. These funds are added together by fund type and presented in single columns in the basic financial statements but are not reported individually, as with major funds, on the government-wide financial statements.

This report includes two schedules (pages 19 and 21) which reconcile the amounts reported on the governmental fund financial statements (modified accrual basis of accounting) with the governmental activities reported on the government-wide financial statements (accrual basis of accounting). The following summarizes the impact of transitioning from modified accrual to accrual accounting:

- Capital assets used in governmental activities on the government-wide statements are not reported on fund financial statements.
- Certain tax revenues that are earned, but not available, are reported as revenue on the government-wide statements but as deferred inflows of resources on the fund statements.
- Unless due and payable, long-term liabilities, such as lease obligations, compensated absences, bonds and notes payable, and others only appear as liabilities in the government-wide statements.

- Capital outlay spending results in capital assets on the government-wide statements but is reported as expenditures on the governmental fund financial statements.
- Certain other outflows represent either increases or decreases in liabilities on the government-wide statements but are reported as expenditures on the governmental fund financial statements.

Overview of the County's Financial Position and Operations

The County's overall financial position and operations for this fiscal year is summarized as follows based on the information included in the government-wide financial statements (see pages 15-17):

Union County
Net Position
Fiscal Years 2019 and 2018

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets:						
Current	$ 18,599,201	$ 19,001,524	$ 164,106	$ 155,841	$ 18,763,307	$ 19,157,365
Noncurrent	40,325,090	38,850,231	5,948,987	6,187,968	46,274,077	45,038,199
Total assets	58,924,291	57,851,755	6,113,093	6,343,809	65,037,384	64,195,564
Liabilities:						
Current	3,183,551	2,835,610	110,580	174,675	3,294,131	3,010,285
Noncurrent	2,057,454	3,244,689	0	35,564	2,057,454	3,280,253
Total liabilities	5,241,005	6,080,299	110,580	210,239	5,351,585	6,290,538
Deferred inflows of resources	7,772,910	7,609,276	0	0	7,772,910	7,609,276
Net position:						
Net investment in capital assets	36,801,957	34,516,798	5,907,495	6,027,911	42,709,452	40,544,709
Restricted	6,286,113	6,294,106	0	0	6,286,113	6,294,106
Unrestricted	2,822,306	3,351,276	95,018	105,659	2,917,324	3,456,935
Total net position	$ 45,910,376	$ 44,162,180	$ 6,002,513	$ 6,133,570	$ 51,912,889	$ 50,295,750

Net position may serve over time as a useful indicator of a government's financial position. Assets for Union County exceeded liabilities by $51,912,889 at the close of 2019. Approximately 82% of Union County's net position is reflected in its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure), less any related debt outstanding that was needed to construct or acquire them. This is an increase from 81% at December 31, 2018. The County uses capital assets to provide services to citizens. Consequently, 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 needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Restricted net position comprises 12% of total net position. This amount represents resources that are subject to external restrictions or enabling legislation on how they may be used. Unrestricted net position makes up the remaining 6%.

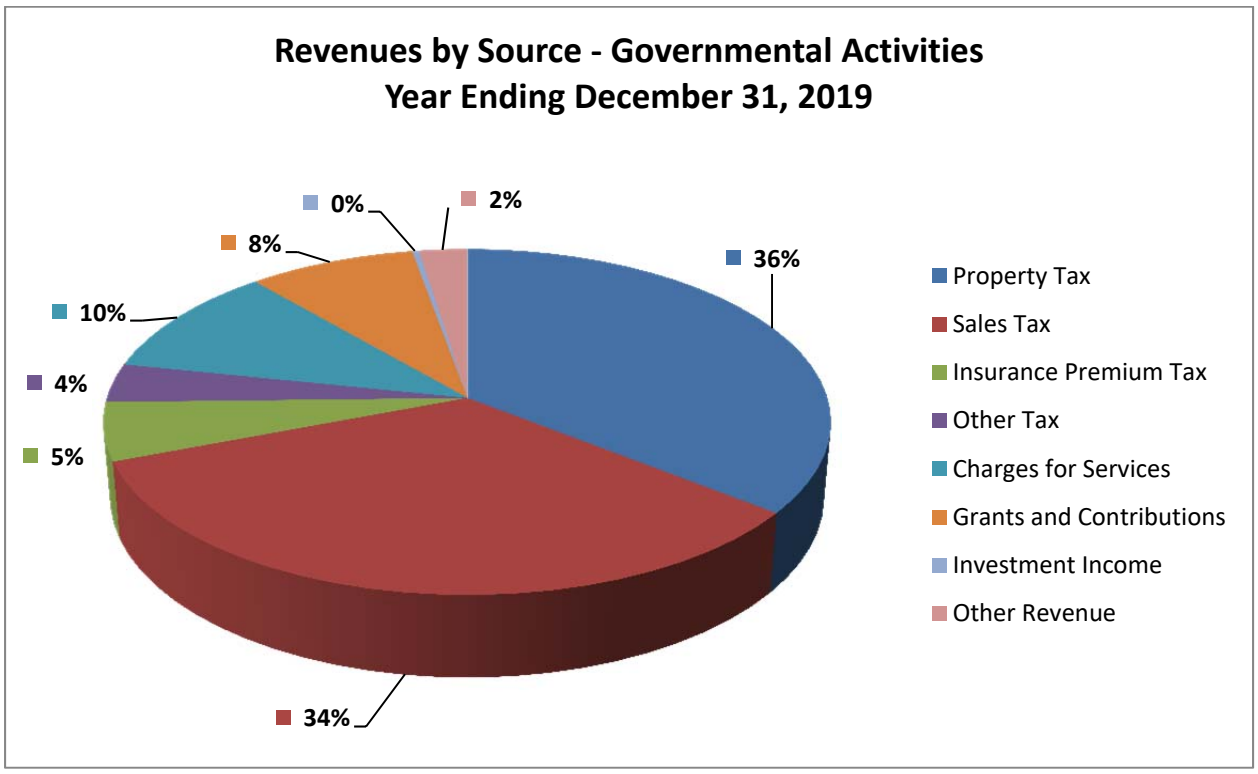
The following condensed financial information was derived from the government-wide Statement of Activities and reflects how Union County's net position changed during the year.

Union County
Changes in Net Position
Fiscal Years 2019 and 2018

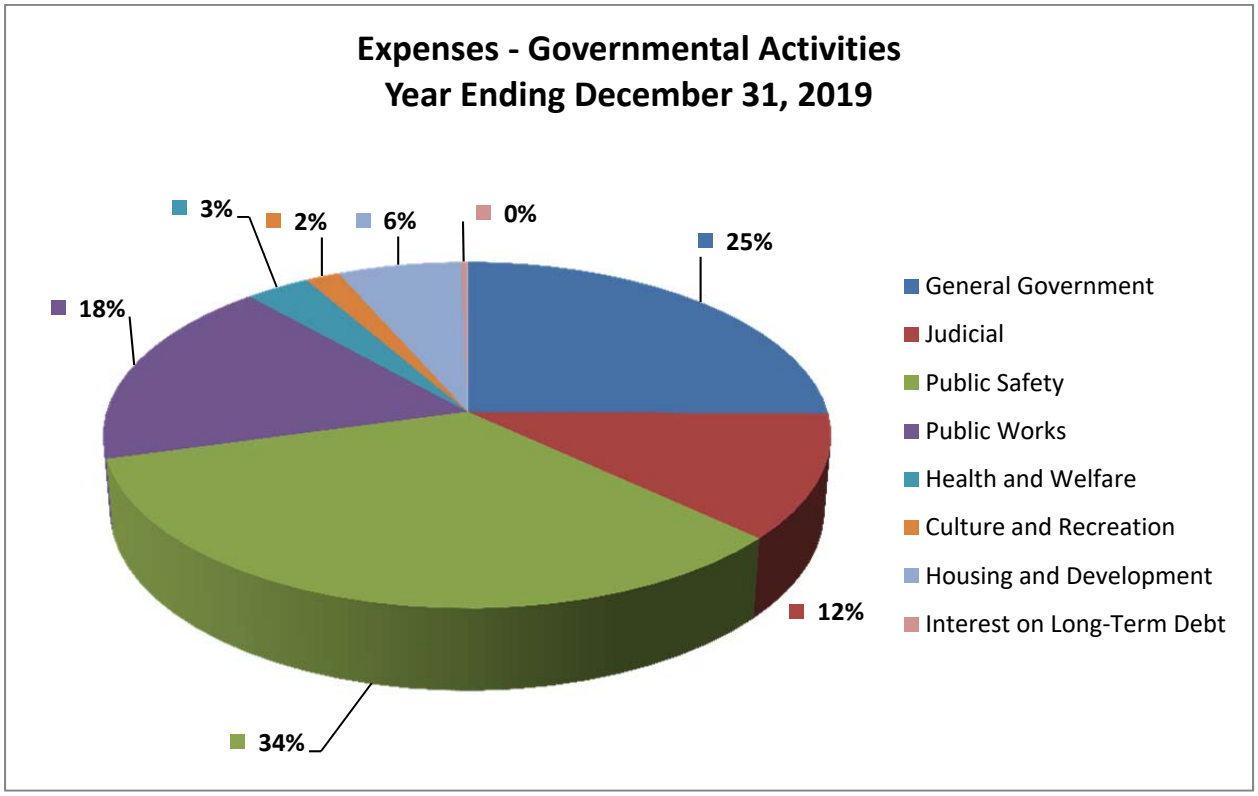
	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenues:						
Charges for services	$ 2,748,514	$ 2,722,306	$ 1,621,656	$ 1,281,001	$ 4,370,170	$ 4,003,307
Operating grants and contributions	1,223,406	1,512,748	0	0	1,223,406	1,512,748
Capital grants and contributions	1,011,576	931,946	64,618	0	1,076,194	931,946
General revenues:						
Property tax	9,378,966	8,727,199	0	0	9,378,966	8,727,199
Sales tax	8,816,596	7,969,090	0	0	8,816,596	7,969,090
Insurance premium tax	1,430,821	1,335,005	0	0	1,430,821	1,335,005
Other taxes	954,137	902,406	0	0	954,137	902,406
Interest & investment earnings	92,392	85,208	0	0	92,392	85,208
Other revenue	645,211	268,662	155,516	135,265	800,727	403,927
Total revenues	26,301,619	24,454,570	1,841,790	1,416,266	28,143,409	25,870,836
Expenses						
General Government	5,734,864	6,516,301	0	0	5,734,864	6,516,301
Judicial	2,654,418	2,609,255	0	0	2,654,418	2,609,255
Public Safety	7,711,169	7,466,944	0	0	7,711,169	7,466,944
Public Works	4,036,121	3,689,749	0	0	4,036,121	3,689,749
Health and Welfare	743,743	753,569	0	0	743,743	753,569
Culture and Recreation	393,433	388,514	0	0	393,433	388,514
Housing and Development	1,427,825	1,410,083	0	0	1,427,825	1,410,083
Interest on long-term debt	74,161	81,465	0	0	74,161	81,465
Golf Course	0	0	1,415,399	1,143,172	1,415,399	1,143,172
Meeks Park	0	0	2,335,137	2,026,076	2,335,137	2,026,076
Total expenses	22,775,734	22,915,880	3,750,536	3,169,248	26,526,270	26,085,128
Increase (decrease) in net position before transfers	3,525,885	1,538,690	(1,908,746)	(1,752,982)	1,617,139	(214,292)
Transfers	(1,777,689)	(2,366,042)	1,777,689	2,366,042	0	0
Increase (decrease) in net position	1,748,196	(827,352)	(131,057)	613,060	1,617,139	(214,292)
Net position - beginning (original)	44,162,180	44,926,632	6,133,570	5,520,510	50,295,750	50,447,142
Prior period adjustments	0	62,900	0	0	0	62,900
Net position - beginning (restated)	44,162,180	44,989,532	6,133,570	5,520,510	50,295,750	50,510,042
Net position - ending	$ 45,910,376	$ 44,162,180	$ 6,002,513	$ 6,133,570	$ 51,912,889	$ 50,295,750

Governmental Activities –

The following chart illustrates revenues of the governmental activities for the fiscal year:



The following chart illustrates the expenses of the governmental activities for the fiscal year:



Business-Type Activities –

Aside from transfers from other funds, business-type activities did not contribute to an increase in Union County's net position. The net loss before transfers was $1,908,746. After transfers in of $1,777,689, the decrease in net position was $131,057, or 2%.

Financial Analysis of the County's Funds

Union County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The main focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of unrestricted 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 spending at the end of the fiscal year.

1) As the County completed this year, its governmental funds reported a combined ending fund balance of $9,141,091. Of this amount, $1,772,539 (19%) constitutes unassigned fund balance, which is available for appropriation for the general purposes of the funds in accordance with the Union County policy on fund balance.

The General Fund is the chief operating fund of the County. At the end of the current year, fund balance of the General Fund was $2,224,413. Unassigned fund balance represents approximately 81% of total fund balance in the General Fund. As a measure of the General Fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 11% of total General Fund expenditures, while total fund balance represents approximately 13% of that same amount. The County ended the year realizing a decrease in the overall fund balance in the General Fund by $140,488, or approximately 6%. The County decreased unassigned fund balance in the General Fund by $120,343, or 6%. This decrease was less than the prior year due in large part to decreased expenditures and increased revenues, predominantly taxes.

General Fund Budget Highlights

The original budget for the General Fund was amended by various appropriations approved after the beginning of the year. Budgeted revenues and other financing sources in total increased $1,364,839 and expenditures and other financing uses in total increased $1,364,839 from original to final budgets. The County experienced an increase in revenues from the prior fiscal year. The County experienced a decrease in expenditures from the prior fiscal year. The County ended the fiscal year with a decrease in the fund balance.

Proprietary Funds. Union County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Total net position of the County's two proprietary funds totaled as follows:

- Golf Course $ 2,704,765
- Meeks Park $ 3,297,748

The Golf Course Fund increased net position by $108,270. Prior to transfers from other funds, the change in net position was a decrease of $345,264. The Meeks Park Fund decreased net position by $239,327. The decrease is due to the operating loss exceeding transfers from other funds.

Capital Assets and Debt Administration

Capital Assets. Union County has invested $45,038,199 in capital assets (net of accumulated depreciation) compared to $45,017,210 in the previous year. This represents an increase of 0.004%. Approximately 86% of this investment is related to governmental activities and includes infrastructure, land, buildings, equipment and vehicles. Capital assets held by the County at year-end are summarized as follows:

Union County
Capital Assets (net of accumulated depreciation)
Fiscal Years 2019 and 2018

	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Land	$ 5,498,744	$ 5,318,980	$ 2,435,497	$ 2,447,010	$ 7,934,241	$ 7,765,990
Construction in progress	3,543,433	957,655	0	24,386	3,543,433	982,041
Land improvements	0	0	1,128,773	1,058,072	1,128,773	1,058,072
Buildings and improvements	32,511,813	32,387,121	3,238,672	3,201,715	35,750,485	35,588,836
Machinery and equipment	4,477,046	5,721,949	2,544,939	2,386,245	7,021,985	8,108,194
Vehicles	5,908,014	6,828,585	120,856	119,506	6,028,870	6,948,091
Infrastructure	21,610,049	21,343,811	0	0	21,610,049	21,343,811
Total	73,549,099	72,558,101	9,468,737	9,236,934	83,017,836	81,795,035
Accumulated depreciation	(33,224,009)	(33,707,870)	(3,519,750)	(3,048,966)	(36,743,759)	(36,756,836)
Net Capital Assets	$ 40,325,090	$ 38,850,231	$ 5,948,987	$ 6,187,968	$ 46,274,077	$ 45,038,199

Major capital asset purchases during the current year for governmental activities included the following:

- Completion of various SPLOST projects
- Purchase of vehicles and heavy equipment for various departments
- Purchase of land for continued growth for the County
- Continuing road construction, road improvements, culvert repairs and bridge repairs

Major capital asset purchases during the current year for business-type activities included the following:

- Continued improvements to Meeks Park facilities
- Purchase of vehicles and equipment for Meeks Park
- Continued improvements to Butternut Creek Golf Course
- Purchase of equipment for Butternut Creek Golf Course

Additional information on Union County's capital assets can be found in Note 9 on pages 50-53 of this report.

Debt/Capital Leases. On December 31, 2019, Union County had a total debt balance outstanding for governmental activities in the amount of $3,164,560, as compared to $4,233,419 the previous year. Union County's outstanding debt for governmental activities has decreased by $1,068,859 due to regular scheduled payments in excess of issuance of new capital leases. On December 31, 2019, Union County had a total debt balance outstanding for business-type activities in the amount of $41,492, as compared to $106,693 the previous year. Union County's outstanding debt for business-type activities has decreased by $65,201 due to regular scheduled payments.

Additional information on the County's long-term debt can be found in Notes 12 and 13 on pages 56-57 of this report.

Economic Condition and Outlook

Union County is determined to maintain a healthy fund balance each year while continuing to provide exceptional services to our citizens. Moving forward the County will continue to face challenges as a result of past slow economic growth, but we are encouraged at the very positive direction of the current economy along with our strong fiscal county policies. Housing starts and retail sales related to residential and commercial construction are all increasing. Hotel stays and cabin rentals are strong. Most shops and restaurants continue to show an increase in business. Our average unemployment rate is the lowest in many years and continues to be among the lowest in our 13 county region.

We remain cautiously optimistic that the growth in revenues and business in Union County will continue. This stronger economy helps verify that the economic development policies Union County Government has pursued over the years has proved to be successful. These and many key factors were considered in preparation of the budget for 2020 and 2021. Our strong financial position and continued strong credit rating helps insure that Union County is ready to meet any future challenges:

- Continued reliance on residential taxes as an overall part of the tax base
- Strong recovery in countywide retail sales
- Reliance on Special Purpose Local Option Sales Tax for capital improvements to continue improving our quality of life and limit requirements for more property tax dollars
- Union County's unemployment rate remaining near record low levels in the 4% range, exceeding state and national averages in most months

- With continued growth there will eventually be a need for additional personnel, development, and training
- Rising cost of healthcare and other insurance benefits must always be considered as to how it will impact budgets
- We continue to actively pursue construction of SPLOST projects from our 2015 SPLOST (SPLOST IV)

Contacting the County

This financial report is designed to provide County citizens, taxpayers, customers, and creditors with a general overview of Union County's finances and to demonstrate the County's high level of accountability for the revenue it receives and the services it provides. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Union County
65 Courthouse Street
Blairsville, GA 30512
706-439-6000
unioncounty@uniongov.com
http://www.unioncountyga.gov

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BASIC FINANCIAL STATEMENTS

UNION COUNTY, GEORGIA
STATEMENT OF NET POSITION
December 31, 2019

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash and cash equivalents	$ 13,607,065	$ 468,709	$ 14,075,774	$ 1,322,963
Restricted cash and cash equivalents	2,090,903	0	2,090,903	0
Accounts receivable (net)	475,613	9,562	485,175	55,633
Intergovernmental receivables	226,092	0	226,092	3,574
Taxes receivable (net)	1,777,810	0	1,777,810	0
Prepaid items	40,602	0	40,602	0
Inventories	25,380	41,571	66,951	0
Internal balances	355,736	(355,736)	0	0
Total current assets	18,599,201	164,106	18,763,307	1,382,170
Noncurrent assets				
Land held for resale	0	0	0	1,635,919
Capital assets				
Non-depreciable	9,042,177	2,435,497	11,477,674	0
Depreciable (net)	31,282,913	3,513,490	34,796,403	192,946
Total noncurrent assets	40,325,090	5,948,987	46,274,077	1,828,865
Total assets	58,924,291	6,113,093	65,037,384	3,211,035
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources - pension	0	0	0	127,188
Deferred outflows of resources - OPEB	0	0	0	75,343
Total deferred outflows of resources	0	0	0	202,531
LIABILITIES				
Current liabilities				
Accounts payable	679,458	20,199	699,657	5,196
Retainages payable	107,336	0	107,336	0
Accrued interest payable	6,000	0	6,000	0
Accrued salaries and payroll liabilities	198,832	9,103	207,935	8,320
Accrued expenses	0	13,907	13,907	0
Compensated absences	131,530	25,879	157,409	36,500
Capital leases payable	65,699	41,492	107,191	0
Notes payable	10,541	0	10,541	0
Bonds payable	1,400,000	0	1,400,000	0
Landfill post-closure care costs	31,431	0	31,431	0
Other current liabilities	552,724	0	552,724	0
Total current liabilities	3,183,551	110,580	3,294,131	50,016
Noncurrent liabilities				
Compensated absences	0	0	0	10,333
Proportionate share of net pension liability	0	0	0	521,320
Proportionate share of net OPEB liability	0	0	0	255,023
Capital leases payable	245,681	0	245,681	0
Notes payable	12,639	0	12,639	0
Bonds payable	1,430,000	0	1,430,000	0
Landfilll post-closure care costs	369,134	0	369,134	0
Total noncurrent liabilities	2,057,454	0	2,057,454	786,676
Total liabilities	5,241,005	110,580	5,351,585	836,692

See accompanying notes to the financial statements.

Exhibit A-1, continued

UNION COUNTY, GEORGIA
STATEMENT OF NET POSITION
December 31, 2019

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - pension	$ 0	$ 0	$ 0	$ 20,965
Deferred inflows of resources - OPEB	0	0	0	165,575
Property taxes levied for subsequent year	7,772,910	0	7,772,910	0
Total deferred inflows of resources	7,772,910	0	7,772,910	186,540
NET POSITION				
Net investment in capital assets	36,801,957	5,907,495	42,709,452	192,946
Restricted for:				
Law library operations	60,857	0	60,857	0
Judicial activities	949,545	0	949,545	0
Public safety activities	421,441	0	421,441	0
Capital outlay	3,915,493	0	3,915,493	0
Debt service	938,777	0	938,777	0
Unrestricted	2,822,306	95,018	2,917,324	2,197,388
Total net position	$ 45,910,376	$ 6,002,513	$ 51,912,889	$ 2,390,334

See accompanying notes to the financial statements.

Exhibit A-1, continued

UNION COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For the year ended December 31, 2019

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue
Primary government					
Governmental activities					
General Government	$ 5,734,864	$ 513,031	$ 0	$ 4,322	$ (5,217,511)
Judicial	2,654,418	137,752	1,012,300	0	(1,504,366)
Public Safety	7,711,169	1,592,615	134,818	10,901	(5,972,835)
Public Works	4,036,121	473,724	51,291	996,353	(2,514,753)
Health and Welfare	743,743	31,392	0	0	(712,351)
Culture and Recreation	393,433	0	237	0	(393,196)
Housing and Development	1,427,825	0	24,760	0	(1,403,065)
Interest on long-term debt	74,161	0	0	0	(74,161)
Total governmental activities	22,775,734	2,748,514	1,223,406	1,011,576	(17,792,238)
Business-type activities					
Golf Course	1,415,399	1,068,429	0	0	(346,970)
Meeks Park	2,335,137	553,227	0	64,618	(1,717,292)
Total business-type activities	3,750,536	1,621,656	0	64,618	(2,064,262)
Total primary government	26,526,270	4,370,170	1,223,406	1,076,194	(19,856,500)
Component Units					
Union County Health Department					
Health and Welfare	803,067	493,251	419,073	0	109,257
Development Authority of Union County					
Housing and Development	192,078	20,000	2,500	0	(169,578)
Total component units	995,145	513,251	421,573	0	(60,321)

	Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units
Change in net position				
Net (expense) revenue	$ (17,792,238)	$ (2,064,262)	$ (19,856,500)	$ (60,321)
General revenues				
Taxes				
Property	9,378,966	0	9,378,966	0
Sales	8,816,596	0	8,816,596	0
Insurance premium	1,430,821	0	1,430,821	0
Other	954,137	0	954,137	0
Interest and investment earnings	92,392	0	92,392	1,023
Payments from Union County	0	0	0	287,512
Gain on sale of capital assets	557,474	5,000	562,474	0
Other	87,737	150,516	238,253	0
Transfers	(1,777,689)	1,777,689	0	0
Total general revenues and transfers	19,540,434	1,933,205	21,473,639	288,535
Change in net position	1,748,196	(131,057)	1,617,139	228,214
Net position - beginning	44,162,180	6,133,570	50,295,750	2,162,120
Net position - ending	$ 45,910,376	$ 6,002,513	$ 51,912,889	$ 2,390,334

See accompanying notes to the financial statements.

UNION COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2019

	General	SPLOST IV	Nonmajor Governmental Funds	Totals
ASSETS				
Cash and cash equivalents	$ 8,972,885	$ 2,707,422	$ 1,926,758	$ 13,607,065
Restricted cash and cash equivalents	0	1,152,126	938,777	2,090,903
Receivables (net)				
Accounts	432,129	0	43,484	475,613
Intergovernmental	28,441	0	197,651	226,092
Taxes	1,304,223	423,297	50,290	1,777,810
Due from other funds	47,071	0	36,000	83,071
Prepaid items	34,752	0	5,850	40,602
Inventories	25,380	0	0	25,380
Advances to other funds	358,352	0	0	358,352
Total assets	$ 11,203,233	$ 4,282,845	$ 3,198,810	$ 18,684,888
LIABILITIES				
Accounts payable	$ 272,834	$ 260,016	$ 146,608	$ 679,458
Retainages payable	0	107,336	0	107,336
Accrued salaries and payroll liabilities	194,886	0	3,946	198,832
Due to other funds	38,616	0	47,071	85,687
Other liabilities	552,724	0	0	552,724
Total liabilities	1,059,060	367,352	197,625	1,624,037
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied for subsequent year	7,772,910	0	0	7,772,910
Unavailable revenue - property taxes	146,850	0	0	146,850
Total deferred inflows of resources	7,919,760	0	0	7,919,760
FUND BALANCES				
Nonspendable:				
Prepaid items	34,752	0	5,850	40,602
Inventories	25,380	0	0	25,380
Advances to other funds	358,352	0	0	358,352
Restricted for:				
Law library operations	0	0	60,857	60,857
Judicial activities	0	0	949,545	949,545
Public safety activities	0	0	421,441	421,441
Capital outlay	0	3,915,493	0	3,915,493
Debt service	0	0	938,777	938,777
Assigned for:				
Emergency 911 system operations	0	0	34,360	34,360
Tourism	0	0	168,969	168,969
Capital outlay	0	0	454,776	454,776
Unassigned	1,805,929	0	(33,390)	1,772,539
Total fund balances	2,224,413	3,915,493	3,001,185	9,141,091
Total liabilities, deferred inflows of resouces, and fund balances	$ 11,203,233	$ 4,282,845	$ 3,198,810	$ 18,684,888

See accompanying notes to the financial statements.

UNION COUNTY, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
December 31, 2019

Total fund balance - total governmental funds		$ 9,141,091
Amounts reported for governmental activities in the statement of net position are different because:		
Some assets are not financial resources and therefore are not reported in the funds. These are:		
Capital assets, net of accumulated depreciation		40,325,090
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		146,850
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These are:		
Accrued interest payable	$ (6,000)	
Compensated absences	(131,530)	
Capital leases payable	(311,380)	
Notes payable	(23,180)	
Bonds payable	(2,830,000)	
Landfill post-closure care costs	(400,565)	(3,702,655)
Net position of governmental activities		$ 45,910,376

UNION COUNTY, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended December 31, 2019

	General	SPLOST IV	Nonmajor Governmental Funds	Totals
REVENUES				
Taxes	$ 15,344,491	$ 4,894,410	$ 315,333	$ 20,554,234
Licenses and permits	402,777	0	0	402,777
Fines, fees and forfeitures	447,949	0	112,831	560,780
Charges for services	691,698	0	622,272	1,313,970
Intergovernmental	552,022	894,901	1,120,173	2,567,096
Interest	91,770	77,735	2,307	171,812
Contributions	25,712	22,034	11,711	59,457
Other	87,737	0	0	87,737
Total revenues	17,644,156	5,889,080	2,184,627	25,717,863
EXPENDITURES				
Current				
General Government	5,341,224	0	0	5,341,224
Judicial	1,434,171	0	1,199,042	2,633,213
Public Safety	6,380,956	0	776,609	7,157,565
Public Works	1,700,328	0	0	1,700,328
Health and Welfare	669,455	0	0	669,455
Culture and Recreation	295,425	0	0	295,425
Housing and Development	831,889	0	233,345	1,065,234
Capital outlay	0	5,129,657	80,528	5,210,185
Debt service	10,791	52,905	1,429,434	1,493,130
Intergovernmental	0	379,642	0	379,642
Total expenditures	16,664,239	5,562,204	3,718,958	25,945,401
Excess (deficiency) of revenues over (under) expenditures	979,917	326,876	(1,534,331)	(227,538)
Other financing sources (uses)				
Transfers in	72,616	274	1,636,126	1,709,016
Transfers out	(1,887,554)	(1,526,535)	(72,616)	(3,486,705)
Sale of capital assets	694,533	73,000	35,718	803,251
Issuance of capital leases	0	351,161	0	351,161
Total other financing sources (uses)	(1,120,405)	(1,102,100)	1,599,228	(623,277)
Net change in fund balances	(140,488)	(775,224)	64,897	(850,815)
Fund balances, January 1	2,364,901	4,690,717	2,936,288	9,991,906
Fund balances, December 31	$ 2,224,413	$ 3,915,493	$ 3,001,185	$ 9,141,091

See accompanying notes to the financial statements.

UNION 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, 2019

Net change in fund balances - total governmental funds			$ (850,815)
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.			
Capital outlays	$ 3,898,876		
Depreciation	(2,165,551)		1,733,325
In the statement of activities, gains and losses on the sale of capital assets are reported, whereas in the governmental funds, the proceeds from the sale of capital assets increases financial resources.			
Cost of assets disposed	$ (2,907,878)		
Related accumulated depreciation	2,649,412		(258,466)
The proceeds of debt issuance, net of premiums, discounts and issuance costs provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In addition, interest on long-term debt is not recognized in the governmental funds until due, but is recognized in the statement of activities as it accrues.			
Debt proceeds	$ (351,161)		
Debt principal payments	1,420,020		
Net change in interest payable	(1,050)		1,067,809
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. These include recognition of unavailable revenue.			26,280
Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.			
Compensated absences	$ (1,368)		
Landfill post-closure care costs	31,431		30,063
Change in net position of governmental activities			$ 1,748,196

UNION COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the year ended December 31, 2019

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 14,161,347	$ 15,344,000	$ 15,344,491	$ 491
Licenses and permits	460,000	402,000	402,777	777
Fines, fees and forfeitures	482,000	447,000	447,949	949
Charges for services	368,900	691,000	691,698	698
Intergovernmental	606,551	552,000	552,022	22
Interest	53,000	91,000	91,770	770
Contibutions	45,000	25,000	25,712	712
Other	276,600	87,000	87,737	737
Total revenues	16,453,398	17,639,000	17,644,156	5,156
EXPENDITURES				
Current				
General Government				
Executive	326,683	395,000	394,775	225
Elections	126,995	123,000	122,542	458
General administration	738,835	866,000	865,254	746
Financial administration	189,681	186,000	185,461	539
Tax commissioner	328,430	328,000	327,423	577
Tax assessor	342,750	400,000	399,974	26
Risk management	240,000	2,715,000	2,714,756	244
General government buildings	289,800	332,000	331,039	961
Judicial				
Judicial administration	3,700	5,000	4,132	868
Superior court	97,500	63,000	62,548	452
Drug court	13,500	28,000	27,725	275
Clerk of superior court	281,744	297,000	296,077	923
District attorney	102,850	154,000	153,479	521
Magistrate court	196,888	195,000	194,099	901
Probate court	246,746	251,000	250,878	122
Juvenile court	197,500	266,000	265,403	597
Grand jury	1,200	2,000	1,537	463
Public defender	105,000	133,000	132,385	615
Community service	44,838	46,000	45,908	92
Public Safety				
Sheriff	2,789,726	3,071,000	3,070,809	191
Jail operations	1,635,132	1,840,000	1,839,670	330
School resource officer	5,000	10,000	9,270	730
Fire and emergency management	1,092,450	1,206,000	1,205,937	63
Fire stations and buildings	89,800	89,000	88,977	23
Coroner	31,197	34,000	33,326	674
Animal control	153,900	133,000	132,967	33
Public Works				
Highways and streets	1,238,350	1,444,000	1,443,836	164
Solid waste	49,320	45,000	44,987	13
Public education	10,000	12,000	11,858	142
Maintenance and shop	139,400	200,000	199,647	353

UNION COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the year ended December 31, 2019

	Budget			Variance with
	Original	Final	Actual	Final Budget
EXPENDITURES (continued)				
Current				
Health and Welfare				
Public health administration	$ 280,386	$ 328,000	$ 327,475	$ 525
Health department	3,600	0	0	0
Ambulance contract	300,000	11,000	10,879	121
Intergovernmental welfare	20,000	21,000	20,309	691
Senior citizens	172,524	154,000	153,196	804
Community center	59,250	59,000	58,316	684
Transportation services	83,850	100,000	99,280	720
Culture and Recreation				
Participant recreation	31,100	54,000	53,563	437
Library admission	262,200	242,000	241,862	138
Housing and Development				
Conservation	52,363	52,000	51,817	183
Agricultural	78,150	80,000	79,497	503
Building inspection	239,400	316,000	315,919	81
Planning and zoning	160,423	159,000	158,092	908
Economic development	203,000	227,000	226,564	436
Debt service				
Principal	10,000	11,000	10,239	761
Interest	0	1,000	552	448
Total expenditures	13,065,161	16,684,000	16,664,239	19,761
Excess (deficiency) of revenues over expenditures	3,388,237	955,000	979,917	24,917
Other financing sources (uses)				
Transfers in	526,763	72,000	72,616	616
Transfers out	(3,925,000)	(1,721,000)	(1,887,554)	(166,554)
Contingency	(50,000)	0	0	0
Sale of capital assets	60,000	694,000	694,533	533
Total other financing sources (uses)	(3,388,237)	(955,000)	(1,120,405)	(165,405)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	(140,488)	(140,488)
Fund balance, January 1	0	0	2,364,901	2,364,901
Fund balance, December 31	$ 0	$ 0	$ 2,224,413	$ 2,224,413

UNION COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2019

	Business-Type Activities		
	Golf Course	Meeks Park	Totals
ASSETS			
Current assets			
Cash and cash equivalents	$ 246,143	$ 222,566	$ 468,709
Accounts receivable (net)	0	9,562	9,562
Inventories	38,457	3,114	41,571
Due from other funds	57,313	2,616	59,929
Total current assets	341,913	237,858	579,771
Noncurrent assets			
Capital assets			
Non-depreciable	1,690,345	745,152	2,435,497
Depreciable (net)	1,101,287	2,412,203	3,513,490
Total noncurrent assets	2,791,632	3,157,355	5,948,987
Total assets	3,133,545	3,395,213	6,528,758
LIABILITIES			
Current liabilities			
Accounts payable	11,980	8,219	20,199
Accrued expenses	4,550	9,357	13,907
Accrued salaries and payroll liabilities	2,604	6,499	9,103
Due to other funds	0	57,313	57,313
Compensated absences	9,802	16,077	25,879
Capital leases payable	41,492	0	41,492
Total current liabilities	70,428	97,465	167,893
Noncurrent liabilities			
Advances from other funds	358,352	0	358,352
Total liabilities	428,780	97,465	526,245
NET POSITION			
Net investment in capital assets	2,750,140	3,157,355	5,907,495
Unrestricted	(45,375)	140,393	95,018
Total net position	$ 2,704,765	$ 3,297,748	$ 6,002,513

See accompanying notes to the financial statements.

UNION COUNTY, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the year ended December 31, 2019

	Business-Type Activities		
	Golf Course	Meeks Park	Totals
OPERATING REVENUES			
Charges for sales and services	$ 1,068,429	$ 553,227	$ 1,621,656
Other	1,706	148,810	150,516
Total operating revenues	1,070,135	702,037	1,772,172
OPERATING EXPENSES			
Costs of sales and services	817,200	1,017,071	1,834,271
Personal services	404,511	1,034,971	1,439,482
Depreciation	193,688	283,095	476,783
Total operating expenses	1,415,399	2,335,137	3,750,536
Operating income (loss)	(345,264)	(1,633,100)	(1,978,364)
Non-operating revenues (expenses)			
Gain on sale of capital assets	0	5,000	5,000
Net income (loss) before capital contributions and transfers	(345,264)	(1,628,100)	(1,973,364)
Capital contributions			
Capital contributions	0	64,618	64,618
Net income (loss) before transfers	(345,264)	(1,563,482)	(1,908,746)
Transfers in (out)			
Transfers in	453,534	1,324,155	1,777,689
Change in net position	108,270	(239,327)	(131,057)
Net position, January 1	2,596,495	3,537,075	6,133,570
Net position, December 31	$ 2,704,765	$ 3,297,748	$ 6,002,513

See accompanying notes to the financial statements.

UNION COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended December 31, 2019

	Business-Type Activities		
	Golf Course	Meeks Park	Totals
Cash flows from operating activities:			
Receipts from customers	$ 1,068,429	$ 556,652	$ 1,625,081
Payments to suppliers	(796,212)	(1,021,038)	(1,817,250)
Payments to employees	(401,425)	(1,024,113)	(1,425,538)
Other receipts	1,706	148,810	150,516
Net cash provided (used) by operating activities	(127,502)	(1,339,689)	(1,467,191)
Cash flows from non-capital financing activities:			
Receipts from other funds	401,426	1,437,098	1,838,524
Payments to other funds	(79,517)	0	(79,517)
Net cash provided (used) by non-capital financing activities	321,909	1,437,098	1,759,007
Cash flows from capital and related financing activities:			
Receipts from other funds	52,108	10,427	62,535
Receipts of capital contributions	0	64,618	64,618
Proceeds from sales of capital assets	0	53,387	53,387
Payments for acquisitions of capital assets	(72,790)	(213,399)	(286,189)
Payments of prior year capital-related payables	(38,664)	(14,700)	(53,364)
Principal payments - capital leases	(65,201)	0	(65,201)
Net cash provided (used) by capital and related financing activities	(124,547)	(99,667)	(224,214)
Net increase (decrease) in cash and cash equivalents	69,860	(2,258)	67,602
Cash and cash equivalents, January 1	176,283	224,824	401,107
Cash and cash equivalents, December 31	$ 246,143	$ 222,566	$ 468,709
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	$ (345,264)	$ (1,633,100)	$ (1,978,364)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	193,688	283,095	476,783
(Increase) decrease in accounts receivable	0	3,425	3,425
(Increase) decrease in inventories	11,087	972	12,059
Increase (decrease) in accounts payable	8,170	(3,129)	5,041
Increase (decrease) in accrued salaries and payroll liabilities	(2,777)	1,408	(1,369)
Increase (decrease) in accrued expenses	1,731	(1,810)	(79)
Increase (decrease) in compensated absences	5,863	9,450	15,313
Total adjustments	217,762	293,411	511,173
Net cash provided (used) by operating activities	$ (127,502)	$ (1,339,689)	$ (1,467,191)

UNION COUNTY, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
December 31, 2019

	Agency Funds
ASSETS	
Cash and cash equivalents	$ 825,103
Taxes receivable, net	1,581,255
Total assets	$ 2,406,358
LIABILITIES	
Due to others	$ 825,103
Uncollected taxes	1,581,255
Total liabilities	$ 2,406,358

UNION COUNTY, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
December 31, 2019

	Development Authority of Union County	Union County Health Department	Totals
ASSETS			
Current assets			
Cash and cash equivalents	$ 507,032	$ 815,931	$ 1,322,963
Accounts receivable (net)	858	54,775	55,633
Intergovernmental receivables	0	3,574	3,574
Total current assets	507,890	874,280	1,382,170
Noncurrent assets			
Land held for resale	1,635,919	0	1,635,919
Depreciable capital assets (net)	192,946	0	192,946
Total noncurrent assets	1,828,865	0	1,828,865
Total assets	2,336,755	874,280	3,211,035
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources - pension	0	127,188	127,188
Deferred outflows of resources - OPEB	0	75,343	75,343
Total deferred outflows of resources	0	202,531	202,531
LIABILITIES			
Current liabilities			
Accounts payable	0	5,196	5,196
Accrued salaries and payroll liabilities	8,320	0	8,320
Compensated absences	0	36,500	36,500
Total current liabilities	8,320	41,696	50,016
Noncurrent liabilities			
Compensated absences	0	10,333	10,333
Proportionate share of net pension liability	0	521,320	521,320
Proportionate share of net OPEB liability	0	255,023	255,023
Total noncurrent liabilities	0	786,676	786,676
Total liabilities	8,320	828,372	836,692
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - pension	0	20,965	20,965
Deferred inflows of resources - OPEB	0	165,575	165,575
Total deferred inflows of resources	0	186,540	186,540
NET POSITION			
Investment in capital assets	192,946	0	192,946
Unrestricted	2,135,489	61,899	2,197,388
Total net position	$ 2,328,435	$ 61,899	$ 2,390,334

See accompanying notes to the financial statements.

UNION COUNTY, GEORGIA
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the year ended December 31, 2019

	Development Authority of Union County	Union County Health Department	Totals
Expenses			
Health and Welfare	$ 0	$ 803,067	$ 803,067
Housing and Development	192,078	0	192,078
Total expenses	192,078	803,067	995,145
Program revenues			
Charges for services	20,000	493,251	513,251
Operating grants and contributions	2,500	419,073	421,573
Total program revenues	22,500	912,324	934,824
Net (expense) revenue	(169,578)	109,257	(60,321)
General revenues			
Interest	1,023	0	1,023
Payments from Union County	170,000	117,512	287,512
Total general revenues	171,023	117,512	288,535
Change in net position	1,445	226,769	228,214
Net position - beginning	2,326,990	(164,870)	2,162,120
Net position - ending	$ 2,328,435	$ 61,899	$ 2,390,334

See accompanying notes to the financial statements.

1. Description of Government Unit

Union County operates under a commissioner-manager form of government under which a Commissioner is elected to serve the legislative body for the County. The Commissioner is elected at large. The County provides the following services: public safety, judicial, public works, health and welfare, culture and recreation, housing and development, and general administrative services.

2. Summary of Significant Accounting Policies

A. Description of 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 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.

B. Reporting Entity

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of Union County (the primary government) and material component units. The component units discussed below are included in the County's reporting entity because of the significance of its operational and financial relationship with the County.

In conformity with generally accepted accounting principles, as set forth in Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, as amended by Statement No. 61, the financial statements of component units have been included either as blended or discretely presented component units.

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

Blended Component Units – Blended component units, although legally separate entities, are, in substance, part of the Government's operations.

The Urban Redevelopment Agency of Union County – The Authority was organized solely for the purpose of acquiring debt and financing the construction of a multi-purpose building location for use by the County, is governed by a three member board appointed by the Union County Commissioner. The assets and debt of the Urban Redevelopment Agency are reported as part of the County's assets and debt, and all activity is reported in a County debt service fund. The Agency had no activity for the current year. Separate financial statements are not prepared for the Urban Redevelopment Agency. Separate financial statements are not issued.

Discretely Presented Component Units – Discretely presented component units are reported in a separate column in the combined financial statements to emphasize it is legally separate from the government.

The Union County Health Department – The Health Department is governed by a seven member board including the Commissioner and three members appointed by the Commissioner. The County has the authority to modify and approve the Health Department's budget and the ability to approve environmental health service fees. The Health Department has a June 30th year-end and is presented as a governmental type component unit. The Health Department's financial statements can be obtained by writing to the Union County Health Department, 67 Chase Drive, Blairsville, GA 30512.

The Development Authority of Union County – The Authority is governed by a five member board appointed by the Commissioner. The Authority is responsible for promoting economic development within Union County. The Development Authority provides a financial benefit to the County. The Authority is reported as a governmental type component unit. Separate financial statements for the Development Authority are not prepared.

2. Summary of Significant Accounting Policies (continued)

C. 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, while business-type activities incorporate data from the government'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 government has two discretely presented component units. While they are not considered to be major component units, they are nevertheless aggregated and shown in a separate column in the government-wide financial statements.

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

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government'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.

The County reports the following major governmental funds:

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

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

Special Purpose Local Option Sales Tax IV (SPLOST IV) Capital Projects Fund – This fund is used to account for the revenues and expenditures relating to the County's 2015 1% Special Purpose Local Option Sales Tax issues.

The County reports the following major proprietary funds:

Golf Course Enterprise Fund – This fund is used to account for the activities of the Butternut Creek Golf Course.

Meeks Park Enterprise Fund – This fund is used to account for the activities of the County recreation department and community center.

Additionally, the County reports the following fund types:

Governmental Fund Types

Special Revenue Funds - This fund type is used to account for specific revenues that are legally or donor restricted or committed to expenditure for particular purposes.

Debt Service Funds - This fund type is used to account for the accumulation of resources and payment of general government long-term debt principal and interest from governmental resources.

Capital Projects Funds - This fund type is used to account for financial resources to be used for the acquisition or construction of specifically planned projects (other than those financed by proprietary funds).

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

Fiduciary Fund Types

Agency Funds - Agency Funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that are held by the County as an agent to be expended in accordance with the conditions of its agency capacity.

During the course of operations the government 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. 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 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. Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. 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.

E. 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 transactions or events for recognition in the financial statements.

2. Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting, continued

The government-wide 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 as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital 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 government.

2. Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting, continued

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

F. Revenues and Expenditures/Expenses

Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Solid Waste, Industrial Building, and Development Authority Enterprise Funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal services 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 non-operating revenues and expenses.

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

2. Summary of Significant Accounting Policies (continued)

G. Budgetary Information

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

1. Prior to September, County management submits to the County Commissioner a proposed operating budget for each department for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments, giving notice thereof at least seven days in advance by publication in the official organ of the County.
3. The budget is then adopted by the Commissioner at a public meeting.
4. Budget amounts can be transferred between line items within any department; however, any revisions of the budget must be amended by formal action of the Commissioner in a regular meeting.
5. Budget amounts are adopted on a basis consistent with generally accepted accounting principles (GAAP). Annual budgets are adopted for the General Fund, the special revenue funds, capital projects funds, and debt service funds.
6. Formal budgetary integration is employed as a measurement control device during the year for the General Fund, special revenue funds, capital project funds, and debt service funds. All appropriations lapse at year end.

Budget amounts are as originally adopted, or as amended by the Commissioner. The supplementary budgetary appropriations made are reflected in the final budget amounts.

2. Summary of Significant Accounting Policies (continued)

H. Cash and Investments

Cash and equivalents, as reported in the statement of cash flows, includes amounts in demand deposits, amounts with fiscal agents, and investments with an original maturity at three months or less. Investments are reported at fair value with accrued interest shown under a separate caption on the balance sheet. Reinvested interest on certain debt service and capital projects investments is included in the investment accounts.

I. Intergovernmental Receivables

Receivables from state, federal, and local governments are recorded as revenue for the period of the allocation or as earned based on expenditures made for which reimbursement is due.

J. Inventories

The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased. Inventories of the proprietary funds are valued at cost, which approximates market, using the first-in, first-out method.

K. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the current year are recorded as prepaid items. The costs of governmental fund-type prepaid items are recorded as expenditures when consumed rather than when purchased.

2. Summary of Significant Accounting Policies (continued)

L. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, not including infrastructure are defined by the County as assets with an initial, individual cost of $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value. The County has elected to capitalize all general infrastructure assets regardless of the acquisition date and has used the estimated historical cost to value these assets.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at acquisition value. The County has elected to capitalize all general infrastructure assets regardless of acquisition date and has used estimated historical cost to value these assets.

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

Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets ranging as follows:

	Useful Life in Years
Land	N/A
Land Improvements	7-20
Buildings and Improvements	15-50
Infrastructure	7-50
Machinery and Equipment	3-20
Vehicles	2-15
Furniture and Fixtures	5-7

The costs of normal maintenance and repairs that do not add value or materiality extend the life of the asset are charged to operations as incurred. Costs of major additions and improvements are capitalized.

2. Summary of Significant Accounting Policies (continued)

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has two types of items that qualify for reporting in this category. The governmental funds balance sheet and government wide statement of net position report deferred inflow of resources for property taxes levied for the subsequent year as the amount represents resources associated with an imposed non-exchange revenue transaction reported as a receivable before the period for which the property taxes were levied. These revenues will be recognized as an inflow of resources in the period for which they were levied. Additionally, the governmental funds report unavailable revenues from property taxes and other revenues as these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

N. Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for non-vesting accumulated rights to receive sick pay benefits since the County does not have a policy to pay any amounts when employees separate from service with the County. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

2. Summary of Significant Accounting Policies (continued)

O. Net Position Flow Assumption

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.

P. Fund Balance Flow Assumption

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.

Q. Restricted Assets and Restricted Net Position

Restricted assets represent certain resources restricted by funding source or required to be set aside for the repayment of debt. They are maintained in a separate bank account and their use is limited.

Restricted net position is equal to the excess of the restricted assets funded from operations over the liabilities to be paid with restricted assets which are due in one year or less. Restricted assets exclude bond proceeds for calculation of restricted net position.

2. Summary of Significant Accounting Policies (continued)

R. Fund Balances – Governmental Funds

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

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

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

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. All amounts reported as nonspendable at year end by the County are nonspendable in form. The County has not reported any amounts that are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Commissioner, the County's highest level of decision making authority, which include the language "committed for the purpose of". Commitments may be modified or rescinded only through adoption of a subsequent resolution, which shall refer to the original resolution by its number.

Assigned – includes amounts that are intended to be used by the County for a specific purpose, but do not meet the definition of restricted or committed fund balance. Intent can only be expressed by the Commissioner or their designee. Assigned Fund Balance differs from Committed Fund Balance in that assignments do not require a resolution.

2. Summary of Significant Accounting Policies (continued)

R. Fund Balances – Governmental Funds, continued

Unassigned – includes amounts that do not fall into one of the above four categories. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. In addition, any remaining deficits in the County's governmental funds which remain after all other fund balances have been exhausted are classified as unassigned.

For the purposes of fund balance classification, the County considers restricted amounts spent first when an expenditure is incurred for which both restricted and unrestricted fund balance is available. Furthermore, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance can be used, then committed amounts are spent first, followed by assigned amounts, and then unassigned amounts.

S. Net Position

Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the County has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

2. Summary of Significant Accounting Policies (continued)

T. 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. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. The face amount of debt issued is reported as any other financing source. Premiums received on debt issuances are reported as other financial sources while discounts on debt issuances are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

U. Capital Contributions

Federal, state and local government assistance in the form of grants that are permanent in nature and restricted for the construction or acquisition of specific property and equipment is recorded as an asset and as non-operating revenue.

V. Management 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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures/expenses during the period. Actual results could differ from those estimates.

3. Deposit and Investment Risk

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the County's deposits may not be returned. The County has no formal policy, but follows the State of Georgia requirement that all deposits be federally insured or fully collateralized.

Interest Rate Risk

The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

State of Georgia law limits investments to include certificates of deposit, prime bankers' acceptances, repurchase agreements, direct and agency obligations of the United States, obligations of any corporation of the United States government, obligations of the State of Georgia or other states, obligations of other political subdivisions of the State of Georgia, and pooled investment programs of the State of Georgia. The County has no investment policy that would further limit its investment choices.

The County participates in the State of Georgia Local Government Investment Pool (Georgia Fund 1). Assets in this pool are invested in the Georgia Fund 1, created by OCGA 36-83-8, which is a stable net asset investment pool that follows Standard and Poor's criteria for AAAf rated money market funds. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company.

The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on $1.00 per share. Georgia Fund 1 is managed by the Georgia Office of the State Treasurer. The investment policies of Georgia Fund 1 are established by the Georgia State Depository Board.

3. Deposit and Investment Risk (continued)

The Georgia Fund 1 is rated AAAf by Standard & Poor's. The weighted average maturity at the end of the current year was 39 days. As of the end of the current year, the County's balance in Georgia Fund 1 was $6,294,044.

Concentration of Credit Risk

The County has no formal policy on the amount the County may invest in any one issuer.

Foreign Currency Risk

The County has no investments denominated in a foreign currency.

Discretely Presented Component Unit – Development Authority

Interest rate risk

The Development Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk

As of the end of the current year, all of the Development Authority's deposits and investments were collateralized with the depository financial institution.

Discretely Presented Component Unit – Health Department

Interest rate risk

The Health Department does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Custodial Credit Risk

As of the end of the current year, all of the Health Department's deposits and investments were collateralized with the depository financial institution.

4. Accounts Receivable

Net accounts receivable as of the end of the current year consist of the following:

Primary Government:		
Major Funds		
General Fund		$ 432,129
Enterprise Funds		
Meeks Park		9,562
Nonmajor Funds		
Special Revenue Funds		
Law Library	$ 545	
Emergency 911	41,663	
Local Victims Assistance	1,276	43,484
Total primary government		$ 485,175
Component Units:		
Development Authority of Union County		$ 858
Union County Health Department		54,775
Total component units		$ 55,633

5. Intergovernmental Receivables

Intergovernmental receivables as of the end of the current year consist of the following:

Primary Government:		
Major Funds		
General Fund		$ 28,441
Nonmajor Funds		
Special Revenue Funds		
Drug Abuse	$ 177,950	
Multiple Grant	19,701	197,651
Total primary government		$ 226,092
Component Units:		
Union County Health Department		$ 3,574

6. Property Taxes

Property taxes for the 2019 digest were levied on August 22, 2019 and billed on September 11, 2019, with property values assessed as of January 1, 2019. Bills are payable on or before December 20, 2019, after which the applicable property is subject to lien and penalties and interest as assessed. Property taxes levied during 2019 are for fiscal year 2020. Amounts recorded as a receivable and amounts collected as of December 31, 2019 related to these taxes are recorded as deferred inflows of resources in both the fund and government-wide financial statements.

7. Interfund Receivables and Payables

A summary of interfund receivables and payables as of the end of the current year is as follows:

Receivable Fund	Payable Fund	Amount
General	Golf Course	$ 358,352
	Nonmajor Governmental	47,071
Golf Course	Meeks Park	57,313
Meeks Park	General	2,616
Nonmajor Governmental	General	36,000
		$ 501,352

The balances reported as Due to/Due from resulted from the time lag between the dates that transactions are recorded in the accounting system and payments between the funds are made. The $358,352 is reported in the General Fund as an advance to other fund and as an advance from other fund in the Golf Course Fund; this balance is not expected to be repaid within one year. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

8. Interfund Transfers

A summary of interfund transfers for the current year is as follows:

Transfer Out Fund	Transfer In Fund	Amount
General	SPLOST IV	$ 274
	Golf Course	401,426
	Meeks Park	1,313,728
	Nonmajor Governmental	172,126
SPLOST IV	Golf Course	52,108
	Meeks Park	10,427
	Nonmajor Governmental	1,464,000
Nonmajor Governmental	General Fund	72,616
		$ 3,486,705

Interfund transfers are used to 1) move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them, 2) use unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations, and 3) move capital assets between governmental activities and business-type activities.

Transfers are eliminated in the government-wide financial statements if the interfund transfer is within the governmental fund group or business-type fund group.

9. Capital Assets

Capital asset activity for the governmental activities for the current year is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Nondepreciable assets				
Land	$ 5,318,980	$ 182,596	$ (2,832)	$ 5,498,744
Construction in progress	957,655	2,940,214	(354,436)	3,543,433
Total nondepreciable assets	6,276,635	3,122,810	(357,268)	9,042,177
Depreciable assets				
Buildings and improvements	32,387,121	137,092	(12,400)	32,511,813
Infrastructure	21,343,811	266,238	0	21,610,049
Machinery and equipment	5,589,516	124,919	(1,355,938)	4,358,497
Vehicles	6,828,585	602,253	(1,522,824)	5,908,014
Equipment	132,433	0	(13,884)	118,549
Total depreciable assets	66,281,466	1,130,502	(2,905,046)	64,506,922
Less accumulated depreciation				
Buildings and improvements	(9,363,778)	(814,589)	6,417	(10,171,950)
Infrastructure	(15,002,882)	(517,102)	0	(15,519,984)
Machinery and equipment	(4,500,478)	(209,726)	1,351,593	(3,358,611)
Vehicles	(4,722,794)	(617,707)	1,278,606	(4,061,895)
Equipment	(117,938)	(6,427)	12,796	(111,569)
Total accumulated depreciation	(33,707,870)	(2,165,551)	2,649,412	(33,224,009)
Total depreciable assets, net	32,573,596	(1,035,049)	(255,634)	31,282,913
Governmental activities capital assets, net	$ 38,850,231	$ 2,087,761	$ (612,902)	$ 40,325,090

Decreases in construction in progress for the governmental activities consist of projects placed in service in the amount of $354,436.

9. Capital Assets (continued)

Capital asset activity for the business-type activities for the current year is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Nondepreciable assets				
Land	$ 2,447,010	$ 0	$ (11,513)	$ 2,435,497
Construction in progress	24,386	0	(24,386)	0
Total nondepreciable assets	2,471,396	0	(35,899)	2,435,497
Depreciable assets				
Land improvements	1,058,072	70,701	0	1,128,773
Buildings and improvements	3,201,715	36,957	0	3,238,672
Machinery and equipment	2,386,245	158,694	0	2,544,939
Vehicles	119,506	19,837	(18,487)	120,856
Total depreciable assets	6,765,538	286,189	(18,487)	7,033,240
Less accumulated depreciation				
Land improvements	(353,186)	(47,808)	0	(400,994)
Buildings and improvements	(1,509,509)	(143,604)	0	(1,653,113)
Machinery and equipment	(1,101,699)	(275,903)	0	(1,377,602)
Vehicles	(84,572)	(9,468)	5,999	(88,041)
Total accumulated depreciation	(3,048,966)	(476,783)	5,999	(3,519,750)
Total depreciable assets, net	3,716,572	(190,594)	(12,488)	3,513,490
Business-type activities capital assets, net	$ 6,187,968	$ (190,594)	$ (48,387)	$ 5,948,987

Decreases in construction in progress for the business-type activities consist of projects abandoned in the amount of $24,386.

9. Capital Assets (continued)

Capital asset activity for the discretely presented component units for the respective year ends was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Development Authority of Union County				
Depreciable assets				
Buildings	$ 200,000	$ 0	$ 0	$ 200,000
Machinery and equipment	4,221	0	0	4,221
Total depreciable assets	204,221	0	0	204,221
Less accumulated depreciation				
Buildings	(1,926)	(5,128)	0	(7,054)
Machinery and equipment	(4,221)	0	0	(4,221)
Total accumulated depreciation	(6,147)	(5,128)	0	(11,275)
Development Authority of Union County capital assets, net	$ 198,074	$ (5,128)	$ 0	$ 192,946
Union County Health Department				
Depreciable assets				
Equipment	$ 11,819	$ 0	$ 0	$ 11,819
Less accumulated depreciation				
Equipment	(11,819)	0	0	(11,819)
Union County Health Department capital assets, net	$ 0	$ 0	$ 0	$ 0

9. Capital Assets (continued)

Depreciation expense was charged to functions/programs as follows:

Primary Government		
Governmental activities		
General Government	$	574,156
Judicial		35,618
Public Safety		635,179
Public Works		780,086
Health and Welfare		60,669
Culture and Recreation		67,804
Housing and Development		12,039
Total depreciation expense for governmental activities	$	2,165,551
Business-type activities		
Golf Course	$	193,688
Meeks Park		283,095
Total depreciation expense for business-type activities	$	476,783
Component units		
Development Authority of Union County	$	5,128

10. Capital Lease Agreements

The County has entered into agreements for the lease of certain equipment. The terms of the agreements meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, which defines a capital lease generally as one which transfers benefits and risk of ownership to the lessee. The balances of these leases as of the end of the current year are $311,380 and $41,492 for governmental and business-type activities, respectively.

As of the end of the current year, the County had $351,161 of construction in progress financed under the capital leases in the governmental activities and $349,055 of equipment, with associated accumulated depreciation of $244,339, financed under the capital leases in the business-type activities. Depreciation expense on the leased assets for the current year totaled $69,811 in the business-type activities.

The following is a schedule of the future minimum lease payments together with the present value of the net minimum lease payments as of the end of the current year:

Year Ending December 31,	Governmental Activities	Business-type Activities
2020	$ 79,125	$ 41,492
2021	79,125	0
2022	79,125	0
2023	79,125	0
2024	29,053	0
	345,553	41,492
Less amounts representing interest	(34,173)	0
Present value of minimum lease payments	$ 311,380	$ 41,492

11. Operating Lease Agreements

Governmental Activities

The County leases copy machines and several pieces of judicial and public safety equipment under non-cancelable operating leases. Costs for such leases for governmental activities totaled $31,453 for the current year. The future minimum lease payments for these governmental activities leases are as follows:

Year Ending December 31,		
2020	$	31,453
2021		18,642
2022		10,295
2023		5,177
2024		1,132
Totals	$	66,699

Development Authority of Union County Component Unit

The Development Authority of Union County has one vehicle under a non-cancelable operating lease. Costs for the lease totaled $6,156 for the current year. The future minimum lease payments for the lease are as follows:

Year Ending December 31,		
2020	$	1,026

12. Long-Term Debt

Governmental Activities

Bonds from Direct Placements

During 2015, the County issued $8,185,000 Series 2015 general obligation bond. The 2015 bond was issued for the purpose of providing funds to finance the costs of various SPLOST IV projects. It bears interest at a rate of 1.69% and is payable on June 1 and December 1 of each year. The 2015 bond matures on June 1, 2021. The bond is secured first by SPLOST IV sales tax receipts and second by the general funds of the County, including ad valorem taxes that may be levied, without limitation as to rate or amount, upon all taxable property within the County subject to taxation for general obligation bond purposes. The County's debt service requirements to maturity on bonds from direct placements are as follows:

Year Ending December 31,	Principal	Interest	Total
2020	$ 1,400,000	$ 35,997	$ 1,435,997
2021	1,430,000	12,084	1,442,084
Totals	$ 2,830,000	$ 48,081	$ 2,878,081

Notes from Direct Borrowings

In 2013, the County entered into an agreement with a financial institution to finance the purchase of a rescue fire truck for one of the County's volunteer fire departments. The note is secured by the rescue fire truck. Upon an event of default, all outstanding principal and accrued interest may be declared immediately due and payable. As of the end of the current year, the note has a balance of $23,180. The note bears interest at a rate of 2.76%. The County's debt service requirements to maturity on notes from direct borrowings are as follows:

Year Ending December 31,	Principal	Interest	Total
2020	$ 10,541	$ 527	$ 11,068
2021	10,835	233	11,068
2022	1,804	11	1,815
Totals	$ 23,180	$ 771	$ 23,951

13. Long-Term Liabilities

Changes in Long - Term Liabilities

The following is a summary of changes in long-term liabilities of the County and the component units for the respective year-ends:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
Capital leases payable	$ 0	$ 351,161	$ 39,781	$ 311,380	$ 65,699
Notes from direct borrowings	33,419	0	10,239	23,180	10,541
Bonds from direct placements	4,200,000	0	1,370,000	2,830,000	1,400,000
Compensated absences	130,162	131,530	130,162	131,530	131,530
Total governmental activities	$ 4,363,581	$ 482,691	$ 1,550,182	$ 3,296,090	$ 1,607,770
Business-type activities					
Capital leases payable	$ 106,693	$ 0	$ 65,201	$ 41,492	$ 41,492
Compensated absences	10,566	25,879	10,566	25,879	25,879
Total business-type activities	$ 117,259	$ 25,879	$ 75,767	$ 67,371	$ 67,371
Component Units					
Union County Health Department					
Compensated absences	$ 59,988	$ 36,456	$ 49,611	$ 46,833	$ 36,500

Bond discounts/premiums are amortized over the life of the related debt using the straight-line method. For governmental activities, compensated absences are liquidated by the General Fund. The total interest incurred and charged to expense for the current year was $74,161 for governmental activities.

14. Landfill Post-Closure Care Costs

Effective April 8, 1994, the Union County Landfill was closed and no additional waste has been accepted. According to state and federal laws and regulations, the County must perform certain maintenance and monitoring functions at the site for a minimum of 30 years. As of the end of the current year, the County has 4 years of monitoring remaining. Engineering studies estimate post-closure care costs of approximately $400,565 over the 4-year period. These costs are based on what it would cost to perform all post-closure care in the current year, adjusted annually for inflation. Actual costs may be higher due to changes in inflation, changes in technology, or changes in regulations. Should any problems occur during this post-closure period, the costs and time period required for the maintenance and monitoring functions may substantially increase. For governmental activities, landfill post-closure care costs are liquidated by the General Fund.

15. Net Investment in Capital Assets

The net investment in capital assets reported on the government-wide statement of net position is calculated as follows as of the end of the current year:

	Governmental Activities	Business-Type Activities
Cost of capital assets	$ 73,549,099	$ 9,468,737
Accumulated depreciation	(33,224,009)	(3,519,750)
Book value	40,325,090	5,948,987
Capital-related accounts payable	(251,237)	0
Capital-related retainages payable	(107,336)	0
Capital leases payable	(311,380)	(41,492)
Notes payable	(23,180)	0
Bonds payable	(2,830,000)	0
Net investment in capital assets	$ 36,801,957	$ 5,907,495

16. Retirement Plans

County Plans

The County participates in a deferred compensation plan, administered by GEBCorp, for employees under Internal Revenue Code section 457. The plan allows any full time employees to voluntarily defer receipt of their gross compensation, not to exceed the maximum annual contribution established by the Internal Revenue Service. The County offers to match employee contributions up to 6% of the employee's salary. The County's match is deposited into the 401(a). All amounts of compensation under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are solely the property and rights of the participants in the deferred compensation plan.

Additionally, the County provides a single employer 401(a) defined contribution plan established and administered by the County for all full time employees. As of the end of the current year, there were 138 plan members. Employees are not required to contribute to the Plan. Employees are eligible after six months of employment and are fully vested after three years. Plan provisions and contribution requirements are established and may be amended by resolution of the County Commissioner. Separate financial statements are note issued for the Plan.

For the current year, the County's contributions to the 401(a) Plan were $473,763 and the employees contributed $357,063 to the 457 Plan.

In addition to the plans above, various County employees are covered under the following plans: Georgia Firefighters' Pension Fund, Georgia State Employees' Retirement System (ERS), Magistrates' Retirement Fund of Georgia, Peace Officers' Annuity and Benefit Fund of Georgia, Probate Judges' Retirement Fund of Georgia, Sheriffs' Retirement Fund of Georgia, and Superior Court Clerks' Retirement Fund of Georgia. Further information regarding these plans can be obtained from the plans' annual reports. These plans are immaterial to the financial statements.

16. Retirement Plans (continued)

Union County Health Department Retirement Plan

Eligible employees of the Union County Health Department participate in the Georgia State Employees' Retirement System (ERS), a statewide multiple-employer public employee retirement system. During the fiscal year ended June 30, 2019, the Department contributed $82,754. As of June 30, 2019, the Department reported a liability in the amount of $521,320 for its proportionate share (0.012681%) of the net pension liability. The Department recognized pension expense of $82,754 for the fiscal year ended June 30, 2019. Further information regarding the plan can be obtained from Department's annual audit report by contacting Union County Health Department, 67 Chase Drive, Blairsville, Georgia 30512.

17. Post-Employment Benefits Other Than Pensions

Union County Health Department OPEB Plans

Eligible employees of the Union County Health Department are provided OPEB through the State of Georgia OPEB Fund, a cost-sharing multiple-employer defined benefit post-employment healthcare plan and life insurance through the SEAD-OPEB Fund, a cost-sharing multiple-employer defined benefit post-employment benefit plan. During the fiscal year ended June 30, 2019, the Health Department contributed $65,872. As of June 30, 2019, the Health Department reported a net liability in the amount of $255,023 for its proportionate share (0.011351% for the State of Georgia OPEB Fund and 0.015471% for the SEAD-OPEB Fund) of the net OPEB liability. The Health Department recognized OPEB expense of $65,872 for the fiscal year ended June 30, 2019. Further information regarding the plans can be obtained from Department's annual audit report by contacting Union County Health Department, 67 Chase Drive, Blairsville, Georgia 30512.

18. Hotel/Motel Lodging Tax

The County has levied a 5% lodging tax in accordance with OCGA 48-13-51. A summary of the transactions for the current year follows:

Lodging Tax Receipts	$315,333	
Disbursements for trade and tourism	$233,345	74% of tax receipts

19. Joint Ventures

Under Georgia law, the County, in conjunction with other cities and counties in the northeast Georgia area, is a member of the Georgia Mountains Regional Commission (GMRC) and is required to pay annual dues thereto. During the current year, the County paid $24,860 in such dues. Membership in the RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official in each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. A copy of the GMRC financial statements can be obtained from GMRC, 1310 West Ridge Road, Gainesville, Georgia 30501.

The County participates with Lumpkin and Towns Counties in the North Georgia Waste Management Authority. The Authority studied solid waste disposal issues, developed a plan to recycle waste paper and has leased those facilities to private entities. Union County has an ongoing financial interest and obligation for funding debt service requirements. The participating counties are annually assessed varying amounts to cover the Authority's inability to service its debt. During the current year, the County made no payments to the Authority. As of the end of the current year, the Authority does not have any debt outstanding. A copy of the Authority's financial statements can be obtained from North Georgia Waste Management Authority, 170 Scoggins Drive, Demorest, Georgia 30535.

20. Risk Management

The County is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; natural disasters; injuries to employees; and losses resulting from providing accident and health benefits to employees and their dependents.

Medical Self-Insurance

The County provides health coverage for its employees under a plan of partial self-insurance. Under this plan, the County covers claim settlements and judgments out of its General Fund resources. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

The County purchases commercial insurance for claims in excess of coverage provided by the County. During the current year, excess coverage was obtained for any individual claim in excess of $30,000. The County pays most of the coverage for eligible employees and their dependents. Employee contributions are used to pay claims and expenses of the plan incurred during the year. The claims liability is reported in other current liabilities.

The following describes the activity for the past three years:

Fiscal Year	Beginning of Year Claims Liability	Current Year Claims and Changes In Estimates	Claims Paid	End of Year Claims Liability
2019	$ 537,486	$ 2,442,465	$ 2,427,227	$ 552,724
2018	383,215	2,564,773	2,410,502	537,486
2017	377,391	2,374,847	2,369,023	383,215

20. Risk Management (continued)

General Liability and Workers' Compensation

The County participates in the Georgia Interlocal Risk Management Agency Fund and the Association of County Commissioners of Georgia Group Self-Insurance Workers Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

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

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

The County also carries insurance for all other risks of loss, including general liability and errors and omission coverage through a private insurance company. Settled claims have not exceeded insurance coverage in any of the past three years. There have been no significant reductions of insurance coverage from coverage in the prior year.

21. Commitments and Contingencies

Commitments

As of the end of the current year, contractual commitments on uncompleted contracts totaled $2,381,082.

Contingencies

Union County participates in a number of revenue sharing grants. Expenditures financed by revenue sharing grants are subject to a compliance audit by the grantor or its representative. If expenditures are disallowed due to noncompliance with program regulations, the County may be required to reimburse the grantor government. The County believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual funds or the overall financial position of the County.

The County is involved in several pending lawsuits. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the County.

22. Deficit Equity Balances

As of the end of the current year, the SPLOST V Capital Projects Fund has a deficit fund balance of $33,390. This is due to the payment of services in anticipation of future SPLOST revenues. The County plans to liquidate this deficit fund balance through future revenue recognition.

23. New Accounting Pronouncements

The County implemented GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements.* The requirements of this statement are effective for periods beginning after June 15, 2018.

24. Subsequent Events

Management has evaluated subsequent events through June 24, 2020, the date the financial statements were available to be issued.

In January 2020, the World Health Organization has declared the outbreak of a novel coronavirus (COVID-19) as a "Public Health Emergency of International Concern," which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The coronavirus outbreak and government responses are creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact of the coronavirus outbreak. Nevertheless, the outbreak presents uncertainty and risk with respect to the County, its performance, and its financial results.

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally or donor restricted or committed to expenditure for particular purposes.

Law Library Fund – This fund is used to account for the revenues and related expenditures of operating the County's Law Library. The revenues collected are from legally restricted fines, as provided by State law.

Seizures Fund – This fund is used to account for funds from seizures, which are restricted by law, to be used for law enforcement activities. Funds may be used for any public safety purpose except salaries of law enforcement personnel, as restricted by State law.

Sheriff Donation Fund – This fund is used to account for contributions received from donors that are restricted for use as specified by the donor.

Emergency 911 Fund – This fund is used to account for the monthly 911 charges to help fund the cost of providing emergency 911 services. Revenues are expended for system operations and capital assets, as restricted by State law.

Local Victims Assistance Fund – This fund is used to account for the 4% fee added to Court fines restricted by State law, for the benefit of victims of crime and their families.

Jail Operations Fund – This fund is used to account for collection for penalty assessments in certain court case. Penalty assessments are restricted for construction, operation, and staffing of County correctional and detention center, as required by State law.

Inmate Welfare Fund – This fund is used to account for monies collected from inmates for purchase of supplies. The profit from these sales is used for the benefit of the general inmate population.

Drug Abuse Fund – This fund is used to account for funds collected from fines and forfeitures to be used to create and maintain a Drug Abuse Fund. Proceeds are restricted by State law for drug abuse treatment and education programs.

Juvenile Court Fund – This fund is used to account for funds from fines and forfeitures to be used for law enforcement activities. The allowable expenditures of these fines are restricted under State law.

Multiple Grant Fund – This fund is used to account for governmental grants received and the related expenditures.

Hotel/Motel Tax Fund – This fund is used to account for monies collected from the 5% lodging tax. Revenues collected are restricted by State law for the promotion of tourism.

NONMAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUNDS

Debt service funds are used to account for the accumulation of resources and payment of general government long-term debt principal and interest from governmental resources.

SPLOST Debt Service Fund – This fund is used to account for the debt service expenditures of the County's various projects funded through sales tax proceeds.

CAPITAL PROJECTS FUNDS

Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of specifically planned projects (other than those financed by proprietary funds).

Special Purpose Local Option Sales Tax III Fund – This fund is used to account for the expenditures of the 2009 SPLOST.

Special Purpose Local Option Sales Tax V Fund – This fund is used to account for the expenditures of the 2021 SPLOST.

Capital Projects Fund – This fund is used to account for the resources accumulated and used for the acquisition and construction of major capital projects.

COMBINING STATEMENTS

Nonmajor Governmental Funds

UNION COUNTY, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2019

	Special Revenue						
	Law Library	Seizures	Sheriff Donation	Emergency 911	Local Victims Assistance	Jail Operations	Inmate Welfare
ASSETS							
Cash and cash equivalents	$ 60,312	$ 22,182	$ 7,703	$ 6,656	$ 21,957	$ 372,913	$ 13,643
Restricted cash and cash equivalents	0	0	0	0	0	0	0
Receivables							
Accounts	545	0	0	41,663	1,276	0	0
Intergovernmental	0	0	0	0	0	0	0
Taxes	0	0	0	0	0	0	0
Due from other funds	0	0	0	0	0	0	0
Prepaid items	0	0	0	5,850	0	0	0
Total assets	$ 60,857	$ 22,182	$ 7,703	$ 54,169	$ 23,233	$ 372,913	$ 13,643
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	$ 0	$ 0	$ 0	$ 10,013	$ 0	$ 0	$ 0
Accrued salaries	0	0	0	3,946	0	0	0
Due to other funds	0	0	0	0	0	0	0
Total liabilities	0	0	0	13,959	0	0	0
Fund balances							
Nonspendable:							
Prepaid items	0	0	0	5,850	0	0	0
Restricted for:							
Law library operations	60,857	0	0	0	0	0	0
Judicial activities	0	0	0	0	23,233	0	0
Public safety activities	0	22,182	7,703	0	0	372,913	13,643
Debt service	0	0	0	0	0	0	0
Assigned for:							
Emergency 911 system operations	0	0	0	34,360	0	0	0
Tourism	0	0	0	0	0	0	0
Capital outlay	0	0	0	0	0	0	0
Unassigned	0	0	0	0	0	0	0
Total fund balances	60,857	22,182	7,703	40,210	23,233	372,913	13,643
Total liabilities and fund balances	$ 60,857	$ 22,182	$ 7,703	$ 54,169	$ 23,233	$ 372,913	$ 13,643

Special Revenue				Debt Service	Capital Projects			
Drug Abuse	Juvenile Court	Mulitple Grant	Hotel/ Motel Tax	SPLOST Debt Service	SPLOST III	SPLOST V	Capital Projects	Total Nonmajor Governmental Funds
$ 798,127	$ 17,154	$ 0	$ 151,335	$ 0	$ 0	$ 0	$ 454,776	$ 1,926,758
0	0	0	0	938,777	0	0	0	938,777
0	0	0	0	0	0	0	0	43,484
177,950	0	19,701	0	0	0	0	0	197,651
0	0	0	50,290	0	0	0	0	50,290
36,000	0	0	0	0	0	0	0	36,000
0	0	0	0	0	0	0	0	5,850
$ 1,012,077	$ 17,154	$ 19,701	$ 201,625	$ 938,777	$ 0	$ 0	$ 454,776	$ 3,198,810
$ 102,919	$ 0	$ 1,020	$ 32,656	$ 0	$ 0	$ 0	$ 0	$ 146,608
0	0	0	0	0	0	0	0	3,946
0	0	13,681	0	0	0	33,390	0	47,071
102,919	0	14,701	32,656	0	0	33,390	0	197,625
0	0	0	0	0	0	0	0	5,850
0	0	0	0	0	0	0	0	60,857
909,158	17,154	0	0	0	0	0	0	949,545
0	0	5,000	0	0	0	0	0	421,441
0	0	0	0	938,777	0	0	0	938,777
0	0	0	0	0	0	0	0	34,360
0	0	0	168,969	0	0	0	0	168,969
0	0	0	0	0	0	0	454,776	454,776
0	0	0	0	0	0	(33,390)	0	(33,390)
909,158	17,154	5,000	168,969	938,777	0	(33,390)	454,776	3,001,185
$ 1,012,077	$ 17,154	$ 19,701	$ 201,625	$ 938,777	$ 0	$ 0	$ 454,776	$ 3,198,810

UNION COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the year ended December 31, 2019

	Special Revenue						
	Law Library	Seizures	Sheriff Donation	Emergency 911	Local Victims Assistance	Jail Operations	Inmate Welfare
REVENUES							
Taxes	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Fines, fees and forfeitures	9,180	37,393	0	0	14,569	20,104	0
Charges for services	0	0	0	481,723	0	0	24,527
Intergovernmental	0	0	0	0	0	0	0
Interest	125	0	0	0	0	180	0
Contributions	0	0	6,711	0	0	0	0
Total revenues	9,305	37,393	6,711	481,723	14,569	20,284	24,527
EXPENDITURES							
Current							
Judicial	9,198	0	0	0	13,617	0	0
Public Safety	0	64,211	7,269	646,684	0	0	18,144
Housing and Development	0	0	0	0	0	0	0
Debt service	0	0	0	0	0	0	0
Capital outlay	0	0	0	0	0	0	0
Total expenditures	9,198	64,211	7,269	646,684	13,617	0	18,144
Excess (deficiency) of revenues over (under) expenditures	107	(26,818)	(558)	(164,961)	952	20,284	6,383
Other financing sources (uses)							
Transfers in	0	0	0	136,126	0	0	0
Transfers out	0	0	0	0	0	0	0
Sale of capital assets	0	35,718	0	0	0	0	0
Total other financing sources (uses)	0	35,718	0	136,126	0	0	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	107	8,900	(558)	(28,835)	952	20,284	6,383
Fund balances, January 1	60,750	13,282	8,261	69,045	22,281	352,629	7,260
Fund balances, December 31	$ 60,857	$ 22,182	$ 7,703	$ 40,210	$ 23,233	$ 372,913	$ 13,643

Special Revenue				Debt Service	Capital Projects			
Drug Abuse	Juvenile Court	Multiple Grant	Hotel/ Motel Tax	SPLOST Debt Service	SPLOST III	SPLOST V	Capital Projects	Total Nonmajor Governmental Funds
$ 0	$ 0	$ 0	$ 315,333	$ 0	$ 0	$ 0	$ 0	$ 315,333
30,685	900	0	0	0	0	0	0	112,831
116,022	0	0	0	0	0	0	0	622,272
1,012,300	0	107,873	0	0	0	0	0	1,120,173
81	9	0	0	1,685	0	0	227	2,307
0	0	5,000	0	0	0	0	0	11,711
1,159,088	909	112,873	315,333	1,685	0	0	227	2,184,627
1,176,227	0	0	0	0	0	0	0	1,199,042
44	0	40,257	0	0	0	0	0	776,609
0	0	0	233,345	0	0	0	0	233,345
0	0	0	0	1,429,434	0	0	0	1,429,434
0	0	0	0	0	47,138	33,390	0	80,528
1,176,271	0	40,257	233,345	1,429,434	47,138	33,390	0	3,718,958
(17,183)	909	72,616	81,988	(1,427,749)	(47,138)	(33,390)	227	(1,534,331)
36,000	0	0	0	1,464,000	0	0	0	1,636,126
0	0	(72,616)	0	0	0	0	0	(72,616)
0	0	0	0	0	0	0	0	35,718
36,000	0	(72,616)	0	1,464,000	0	0	0	1,599,228
18,817	909	0	81,988	36,251	(47,138)	(33,390)	227	64,897
890,341	16,245	5,000	86,981	902,526	47,138	0	454,549	2,936,288
$ 909,158	$ 17,154	$ 5,000	$ 168,969	$ 938,777	$ 0	$ (33,390)	$ 454,776	$ 3,001,185

UNION COUNTY, GEORGIA
LAW LIBRARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2019

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 13,500	$ 9,180	$ (4,320)
Interest	55	125	70
Total revenues	13,555	9,305	(4,250)
EXPENDITURES			
Current			
Judicial			
Contract services	4,000	3,247	753
Materials and supplies	9,555	5,951	3,604
Total expenditures	13,555	9,198	4,357
Excess (deficiency) of revenues over (under) expenditures	0	107	107
Fund balance, January 1	0	60,750	60,750
Fund balance, December 31	$ 0	$ 60,857	$ 60,857

UNION COUNTY, GEORGIA
SEIZURES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2019

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 29,950	$ 37,393	$ 7,443
Interest	50	0	(50)
Total revenues	30,000	37,393	7,393
EXPENDITURES			
Current			
Public Safety			
Contract services	100	96	4
Materials and supplies	22,600	22,556	44
Capital outlay	40,000	39,518	482
Payments to others	2,300	2,041	259
Total expenditures	65,000	64,211	789
Excess (deficiency) of revenues over (under) expenditures	(35,000)	(26,818)	8,182
Other financing sources (uses)			
Sale of capital assets	35,000	35,718	718
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	8,900	8,900
Fund balance, January 1	0	13,282	13,282
Fund balance, December 31	$ 0	$ 22,182	$ 22,182

UNION COUNTY, GEORGIA
SHERIFF DONATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2019

	Final Budget	Actual	Variance
REVENUES			
Contributions	$ 8,000	$ 6,711	$ (1,289)
Total revenues	8,000	6,711	(1,289)
EXPENDITURES			
Current			
Public Safety			
Materials and supplies	8,000	7,269	731
Total expenditures	8,000	7,269	731
Excess (deficiency) of revenues over (under) expenditures	0	(558)	(558)
Fund balance, January 1	0	8,261	8,261
Fund balance, December 31	$ 0	$ 7,703	$ 7,703

UNION COUNTY, GEORGIA
EMERGENCY 911 SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2019

	Final Budget	Actual	Variance
REVENUES			
Charges for services	$ 430,100	$ 481,723	$ 51,623
Total revenues	430,100	481,723	51,623
EXPENDITURES			
Current			
Public Safety			
Personal services	484,200	495,593	(11,393)
Contract services	149,800	135,458	14,342
Materials and supplies	13,000	15,633	(2,633)
Total expenditures	647,000	646,684	316
Excess (deficiency) of revenues over (under) expenditures	(216,900)	(164,961)	51,939
Other financing sources (uses)			
Transfers in (out)			
General Fund	216,900	136,126	(80,774)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(28,835)	(28,835)
Fund balance, January 1	0	69,045	69,045
Fund balance, December 31	$ 0	$ 40,210	$ 40,210

UNION COUNTY, GEORGIA
LOCAL VICTIMS ASSISTANCE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2019

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 23,800	$ 14,569	$ (9,231)
Total revenues	23,800	14,569	(9,231)
EXPENDITURES			
Current			
Judicial			
Payments to others	23,800	13,617	10,183
Total expenditures	23,800	13,617	10,183
Excess (deficiency) of revenues over (under) expenditures	0	952	952
Fund balance, January 1	0	22,281	22,281
Fund balance, December 31	$ 0	$ 23,233	$ 23,233

UNION COUNTY, GEORGIA
JAIL OPERATIONS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2019

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 22,800	$ 20,104	$ (2,696)
Interest	150	180	30
Total revenues	22,950	20,284	(2,666)
EXPENDITURES			
Total expenditures	22,950	0	22,950
Excess (deficiency) of revenues over (under) expenditures	0	20,284	20,284
Fund balance, January 1	0	352,629	352,629
Fund balance, December 31	$ 0	$ 372,913	$ 372,913

UNION COUNTY, GEORGIA
INMATE WELFARE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2019

	Final Budget	Actual	Variance
REVENUES			
Charges for services	$ 19,000	$ 24,527	$ 5,527
Total revenues	19,000	24,527	5,527
EXPENDITURES			
Current			
Public Safety			
Materials and supplies	19,000	18,144	856
Total expenditures	19,000	18,144	856
Excess (deficiency) of revenues over (under) expenditures	0	6,383	6,383
Fund balance, January 1	0	7,260	7,260
Fund balance, December 31	$ 0	$ 13,643	$ 13,643

UNION COUNTY, GEORGIA
DRUG ABUSE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2019

	Final Budget	Actual	Variance
REVENUES			
Fines, fees and forfeitures	$ 43,000	$ 30,685	$ (12,315)
Charges for services	0	116,022	116,022
Intergovernmental	1,097,900	1,012,300	(85,600)
Interest	100	81	(19)
Total revenues	1,141,000	1,159,088	18,088
EXPENDITURES			
Current			
Judicial			
Contract services	1,133,900	1,135,196	(1,296)
Materials and supplies	0	19,535	(19,535)
Payments to others	43,000	21,496	21,504
Public Safety			
Materials and supplies	100	44	56
Total expenditures	1,177,000	1,176,271	729
Excess (deficiency) of revenues over (under) expenditures	(36,000)	(17,183)	18,817
Other financing sources (uses)			
Transfers in (out)			
General Fund	36,000	36,000	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	18,817	18,817
Fund balance, January 1	0	890,341	890,341
Fund balance, December 31	$ 0	$ 909,158	$ 909,158

UNION COUNTY, GEORGIA
JUVENILE COURT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2019

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 395	$ 900	$ 505
Interest	5	9	4
Total revenues	400	909	509
EXPENDITURES			
Total expenditures	400	0	400
Excess (deficiency) of revenues over (under) expenditures	0	909	909
Fund balance, January 1	0	16,245	16,245
Fund balance, December 31	$ 0	$ 17,154	$ 17,154

UNION COUNTY, GEORGIA
MULTIPLE GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2019

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	$ 70,000	$ 107,873	$ 37,873
Contributions	0	5,000	5,000
Total revenues	70,000	112,873	42,873
EXPENDITURES			
Current			
Public Safety			
Contract services	20,000	22,442	(2,442)
Materials and supplies	50,000	17,815	32,185
Total expenditures	70,000	40,257	29,743
Excess (deficiency) of revenues over (under) expenditures	0	72,616	72,616
Other financing sources (uses)			
Transfers in (out)			
General Fund	0	(72,616)	(72,616)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources	0	0	0
Fund balance, January 1	0	5,000	5,000
Fund balance, December 31	$ 0	$ 5,000	$ 5,000

UNION COUNTY, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2019

	Final Budget	Actual	Variance
REVENUES			
Hotel/motel taxes	$ 234,000	$ 315,333	$ 81,333
Total revenues	234,000	315,333	81,333
EXPENDITURES			
Current			
Housing and Development			
Payments to others	234,000	233,345	655
Total expenditures	234,000	233,345	655
Excess (deficiency) of revenues over (under) expenditures	0	81,988	81,988
Fund balance, January 1	0	86,981	86,981
Fund balance, December 31	$ 0	$ 168,969	$ 168,969

UNION COUNTY, GEORGIA
SPLOST DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2019

	Final Budget	Actual	Variance
REVENUE			
Interest	$ 150	$ 1,685	$ 1,535
Total revenues	150	1,685	1,535
EXPENDITURES			
Debt Service			
Principal	1,344,100	1,370,000	(25,900)
Interest	120,050	59,434	60,616
Total expenditures	1,464,150	1,429,434	34,716
Excess (deficiency) of revenues over (under) expenditures	(1,464,000)	(1,427,749)	36,251
Other financing sources (uses)			
Transfers in (out)			
SPLOST III Fund	1,464,000	1,464,000	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	36,251	36,251
Fund balance, January 1	0	902,526	902,526
Fund balance, December 31	$ 0	$ 938,777	$ 938,777

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AGENCY FUNDS

These funds are used to account for assets held by the County as an agent to be expended in accordance with the conditions of its agency capacity.

Tax Commissioner - This fund accounts for assets and related liabilities for the collection of taxes and tag and title fees.

Sheriff - This fund accounts for deposits held for incarcerated inmates.

Clerk of Courts, Probate Court, and Magistrate Court - These funds account for assets and related liabilities for the collection of court related fees.

UNION COUNTY, GEORGIA
AGENCY FUNDS
COMBINING BALANCE SHEET
December 31, 2019

	Tax Commissioner	Sheriff
ASSETS		
Cash and cash equivalents	$ 383,452	$ 18,257
Taxes receivable, net	1,581,255	0
Total assets	$ 1,964,707	$ 18,257
LIABILITIES		
Due to others	$ 383,452	$ 18,257
Uncollected taxes	1,581,255	0
Total liabilities	$ 1,964,707	$ 18,257

Clerk of Courts	Probate Court	Magistrate Court	Totals
$ 404,749	$ 14,035	$ 4,610	$ 825,103
0	0	0	1,581,255
$ 404,749	$ 14,035	$ 4,610	$ 2,406,358
$ 404,749	$ 14,035	$ 4,610	$ 825,103
0	0	0	1,581,255
$ 404,749	$ 14,035	$ 4,610	$ 2,406,358

UNION COUNTY, GEORGIA
AGENCY FUNDS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the year ended December 31, 2019

	Balance January 1	Additions	Deletions	Balance December 31
TAX COMMISSIONER				
ASSETS				
Cash and cash equivalents	$ 386,388	$ 29,420,593	$ 29,423,529	$ 383,452
Taxes receivable, net	1,738,415	14,731,911	14,889,071	1,581,255
Total	$ 2,124,803	$ 44,152,504	$ 44,312,600	$ 1,964,707
LIABILITIES				
Due to others	$ 386,388	$ 29,420,593	$ 29,423,529	$ 383,452
Uncollected taxes	1,738,415	14,731,911	14,889,071	1,581,255
Total	$ 2,124,803	$ 44,152,504	$ 44,312,600	$ 1,964,707
SHERIFF				
ASSETS				
Cash and cash equivalents	$ 25,816	$ 147,849	$ 155,408	$ 18,257
LIABILITIES				
Due to others	$ 25,816	$ 147,849	$ 155,408	$ 18,257
CLERK OF COURTS				
ASSETS				
Cash and cash equivalents	$ 349,732	$ 2,410,521	$ 2,355,504	$ 404,749
LIABILITIES				
Due to others	$ 349,732	$ 2,410,521	$ 2,355,504	$ 404,749
PROBATE COURT				
ASSETS				
Cash and cash equivalents	$ 14,248	$ 295,918	$ 296,131	$ 14,035
LIABILITIES				
Due to others	$ 14,248	$ 295,918	$ 296,131	$ 14,035
MAGISTRATE COURT				
ASSETS				
Cash and cash equivalents	$ 4,013	$ 133,819	$ 133,222	$ 4,610
LIABILITIES				
Due to others	$ 4,013	$ 133,819	$ 133,222	$ 4,610
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash and cash equivalents	$ 780,197	$ 32,408,700	$ 32,363,794	$ 825,103
Taxes receivable, net	1,738,415	14,731,911	14,889,071	1,581,255
Total	$ 2,518,612	$ 47,140,611	$ 47,252,865	$ 2,406,358
LIABILITIES				
Due to others	$ 780,197	$ 32,408,700	$ 32,363,794	$ 825,103
Uncollected taxes	1,738,415	14,731,911	14,889,071	1,581,255
Total	$ 2,518,612	$ 47,140,611	$ 47,252,865	$ 2,406,358

OTHER REPORTING SECTION

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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*

Honorable Commissioner
Union County, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, 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 Union County, Georgia, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise Union County, Georgia's basic financial statements and have issued our report thereon dated June 24, 2020. Our report includes a reference to other auditors who audited the financial statements of the Union County Health Department, as described in our report on Union County, Georgia's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that were reported on separately by those auditors.

Internal Control over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described below, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiency to be a material weakness:

2019-001

Condition: The County lacks sufficient controls and procedures regarding year-end close to ensure timely and accurate financial reporting. This included material adjustments during the audit process.

Criteria: Internal controls should be in place to ensure the County can perform timely and accurate year-end close procedures for the County to be able to produce its annual financial statements timely.

Cause: Various posting and classification errors led to account balances not agreeing to subsidiary ledgers.

2019-001, continued

Effect: Failure to properly design and implement internal controls over year-end close procedures may lead to financial statements that are materially misstated and lead to delays in financial reporting.

Recommendation: We recommend that the County's Finance Department continue to implement and/or strengthen internal controls over the year-end closeout procedures. We also recommend management reconcile account balances monthly to the subsidiary ledgers to ensure proper and timely recording.

Management Response: Management concurs with this finding. Management will ensure that proper internal controls over the year-end close procedures are designed and implemented. Also, the Finance Department will ensure that account balances are reconciled monthly to the subsidiary ledgers. This action was taken immediately upon receipt of the comment from our auditors.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies to be significant deficiencies:

2019-002

Condition: County personnel may require additional training in the application of generally accepted accounting principles and the preparation of financial statements. Currently, the County relies on the external auditors for technical assistance in applying generally accepted accounting principles and the preparation of the financial statements. This is common for governments of similar size and structure to Union County. Under current auditing standards, providing technical assistance does not impair the independence of the external auditor. However, changes to auditing standards by standards setting boards could state that providing technical assistance would impair the independence of the external auditor. This does not indicate that the Finance Department is not trained to perform the daily accounting functions, but that the County has elected as a cost benefit to outsource this expertise to their auditors.

Criteria: Effective internal control requires that the County accept responsibility and understanding of the audited financial report.

Cause: County personnel do not have the necessary training in the application of generally accepted accounting principles and the preparation of financial statements.

Effect: Failure to understand the financial statements may lead to material misstatements.

Recommendation: County personnel should continue to receive training in the identification and application of generally accepted accounting principles and the preparation of the County's financial statements.

Management Response: Management concurs with this finding. The County has determined that the cost of training County personnel to prepare the financial statements is prohibitive. The governing body and management have determined that personnel should receive training to the extent that is economically feasible and to continue to rely on the technical assistance of the external auditor or other qualified professional when necessary. This action was taken immediately upon receipt of the comment from our auditors.

2019-003

Condition: While performing audit procedures on building permits and alcohol licenses, we noted instances where deposits were not made timely. We noted 6 of 59 (10%) receipts tested were held for more than seven days before depositing.

2019-003, continued

Criteria: Proper internal controls require that cash receipts be deposited and transactions recorded in a timely manner.

Cause: Staff is not depositing receipts at least once per week.

Effect: Failure to deposit cash receipts in a timely manner exposes the County to a greater risk of loss due to fraud.

Recommendation: At a minimum, deposits should be made weekly.

Management Response: Management concurs with this finding. Management has advised the department head to implement the recommendation and to ensure that deposits are made timely. This action was taken immediately upon receipt of the comment from our auditors.

2019-004

Condition: While performing audit procedures at the Clerk of Court, we were unable to sight approval for 3 of 20 (15%) voided transactions selected for testing.

Criteria: Proper internal controls require that all voided transactions are properly approved.

Cause: Management is not approving voided transactions in a timely manner.

Effect: Failure to maintain proper supporting documentation with evidence of approval for voided transactions subjects the assets of the County to greater risk of misappropriation.

Recommendation: Supporting documentation with evidence of approval should be retained at the Court's office.

Management Response: Management has provided a copy of this finding to the appropriate Elected Official and they concur with this finding. This action was taken immediately upon receipt of the comment from our auditors.

2019-005

Condition: While performing audit procedures at the Clerk of Court, we noted instances where deposits were not made timely. We noted 5 of 39 (13%) receipts tested were held for more than seven days before depositing.

Criteria: Proper internal controls require that cash receipts be deposited and transactions recorded in a timely manner.

Cause: Staff is not depositing receipts at least once per week.

Effect: Failure to deposit cash receipts in a timely manner exposes the County to a greater risk of loss due to fraud.

Recommendation: At a minimum, deposits should be made weekly.

Management Response: Management has provided a copy of this finding to the appropriate Elected Official and they concur with this finding. This action was taken immediately upon receipt of the comment from our auditors.

Compliance and Other Matters

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

Union County, Georgia's Responses to Findings

Union County, Georgia's responses to the findings identified in our audit are described previously. Union County, Georgia's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Union County, Georgia'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
June 24, 2020

STATE REPORTING SECTION

This section contains additional reports required by the State of Georgia.

UNION COUNTY, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the year ended December 31, 2019

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
2009 SPLOST III					
Administration Costs	$ 630,000	$ 500,000	$ 391,194	$ 0	$ 391,194
Roads & Bridges	11,760,000	5,587,341	6,633,404	47,138	6,680,542
Jail Renovation & Expansion	1,960,000	87,490	63,504	0	63,504
Administrative Annex Renovations	490,000	500,000	23,796	0	23,796
Park & Recreation Facilities	5,047,000	4,296,789	4,884,844	0	4,884,844
Library Renovation, Expansion & Books	882,000	937,479	937,479	0	937,479
Public Safety Facilities, Vehicles & Equipment	2,009,000	2,509,759	2,579,571	0	2,579,571
Solid Waste Transfer Station	833,000	287,101	80,844	0	80,844
Farmers Market Facilities	784,000	1,199,860	1,193,461	0	1,193,461
Civic Center Renovation & Expansion	245,000	250,000	249,858	0	249,858
Multi-use Building for Economic Development, Community Center & Golf Course Shop	3,430,000	2,000,000	1,422,465	0	1,422,465
Historic Facilities Renovations	1,323,000	529,091	480,455	0	480,455
Animal Control Facilities	147,000	150,000	148,785	0	148,785
City of Blairsville Facilities	1,960,000	1,286,438	1,313,608	0	1,313,608
Total	$ 31,500,000	$ 20,121,348	$ 20,403,268	$ 47,138	$ 20,450,406

UNION COUNTY, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the year ended December 31, 2019

Project	Estimated Cost * Original	Estimated Cost * Current	Expenditures Prior Years	Expenditures Current Year	Expenditures Total
2015 SPLOST IV					
Acquisition of Union County Community Center	$ 5,500,000	$ 5,500,000	$ 5,554,106	$ 23,011	$ 5,577,117
Administrative Facilities Upgrades, Improvements, Equipment & Vehicles	1,000,000	1,000,000	775,509	390,588	1,166,097
Library Upgrades, Improvements, & Equipment	100,000	100,000	62,696	16,260	78,956
Public Safety Facilities, Vehicles & Equipment	1,000,000	1,000,000	1,786,495	245,972	2,032,467
Roads, Streets & Bridges	6,000,000	6,000,000	4,242,460	410,529	4,652,989
Parks and Recreation Upgrades, Improvements, Equipment & Vehicles	3,400,000	3,400,000	1,765,230	2,162,471	3,927,701
Solid Waste Upgrades, Improvements & Equipment	200,000	200,000	124,387	13,896	138,283
Economic Development Facilities & Land Acquisition	300,000	300,000	27,435	114	27,549
City of Blairsville	1,500,000	1,500,000	1,187,511	379,642	1,567,153
Total	$ 19,000,000	$ 19,000,000	$ 15,525,829	$ 3,642,483	$ 19,168,312

Transfers to SPLOST Debt Service Fund for sinking fund requirements	1,464,000
Interest expenditures in the SPLOST Debt Service Fund	(59,404)
Roads, Streets & Bridges expenditures financed by intergovernmental revenues	1,617,225
Roads, Streets & Bridges expenditures financed by transfers from other funds	274
Public Safety Facilities, Vehicles & Equipment expenditures financed by sale of capital assets	73,000
Public Safety Facilities, Vehicles & Equipment expenditures financed by issuance of capital leases	351,161
Total SPLOST IV Fund Expenditures and Transfers Out	$ 7,088,739

UNION COUNTY, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the year ended December 31, 2019

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
2021 SPLOST V					
Administrative Facilities Upgrades, Improvements, Equipment & Vehicles	$ 3,630,000	$ 3,630,000	$ 0	$ 0	$ 0
Library Upgrades, Improvements, & Equipment	130,000	130,000	0	0	0
Public Safety Facilities, Vehicles & Equipment	5,000,000	5,000,000	0	0	0
Roads, Streets & Bridges	7,000,000	7,000,000	0	0	0
Parks and Recreation Upgrades, Improvements, Equipment & Vehicles	5,000,000	5,000,000	0	33,390	33,390
Solid Waste Upgrades, Improvements & Equipment	200,000	200,000	0	0	0
Economic Development Facilities & Land Acquisition	1,000,000	1,000,000	0	0	0
City of Blairsville	2,040,000	2,040,000	0	0	0
Total	$ 24,000,000	$ 24,000,000	$ 0	$ 33,390	$ 33,390

* Estimated cost represents the portion of these projects to be financed with Special Purpose Local Option Sales Tax. Actual costs that are in excess of these amounts have been financed through alternative funds.