UNION COUNTY, GEORGIA

Annual Financial Report

For the year ended December 31, 2020

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UNION COUNTY, GEORGIA
ANNUAL FINANCIAL REPORT
For the year ended December 31, 2020

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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, 2020, 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 29.5% of the assets, 7.6% of the net position, and 82.5% of the revenues of the aggregate discretely presented component units for the year ended December 31, 2020. 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 from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Union County, Georgia, as of December 31, 2020, and the respective changes in the financial position and, where applicable, cash flows thereof, and the budgetary comparison of the General Fund for the year then ended in accordance 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and the schedule of projects financed with special purpose local option sales tax, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied 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, the schedule of projects financed with special purpose local option sales tax, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the 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 May 28, 2021, on our consideration of Union County, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Union County, Georgia's internal control over financial reporting and compliance.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
May 28, 2021

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

Fax 706-439-6004 unioncounty@uniongov.com Phone 706-439-6000

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, 2020. 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 and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at December 31, 2020 by $57,418,192 (*net position*). Of this amount, $4,318,031 is reported as unrestricted net position. This is an increase of $1,400,707 from the previous year for unrestricted. Total net position increased by $5,505,303 from the previous year.

- As of December 31, 2020, Union County's governmental funds reported combined ending fund balances of $9,927,396. Approximately 38% of this total amount, or $3,810,871, is reported as unassigned and available for spending at the County's discretion. Approximately 24%, or $2,352,172, 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 43.

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 67. 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 sixteen 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 67-68 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 pages 27-28.

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 31-66 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 2020 and 2019

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets:						
Current	$ 20,974,596	$ 18,599,201	$ 182,610	$ 164,106	$ 21,157,206	$ 18,763,307
Noncurrent	43,284,553	40,325,090	6,266,258	5,948,987	49,550,811	46,274,077
Total assets	64,259,149	58,924,291	6,448,868	6,113,093	70,708,017	65,037,384
Liabilities:						
Current	3,428,256	3,183,551	99,373	110,580	3,527,629	3,294,131
Noncurrent	530,670	2,057,454	0	0	530,670	2,057,454
Total liabilities	3,958,926	5,241,005	99,373	110,580	4,058,299	5,351,585
Deferred inflows of resources	9,231,526	7,772,910	0	0	9,231,526	7,772,910
Net position:						
Net investment in capital assets	41,377,247	36,801,957	6,266,258	5,907,495	47,643,505	42,709,452
Restricted	5,456,656	6,286,113	0	0	5,456,656	6,286,113
Unrestricted	4,234,794	2,822,306	83,237	95,018	4,318,031	2,917,324
Total net position	$ 51,068,697	$ 45,910,376	$ 6,349,495	$ 6,002,513	$ 57,418,192	$ 51,912,889

Net position may serve over time as a useful indicator of a government's financial position. Assets and deferred outflows of resources for Union County exceeded liabilities and deferred inflows of resources by $57,418,192 at the close of 2020. Approximately 83% 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 82% at December 31, 2019. 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 10% 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 7%.

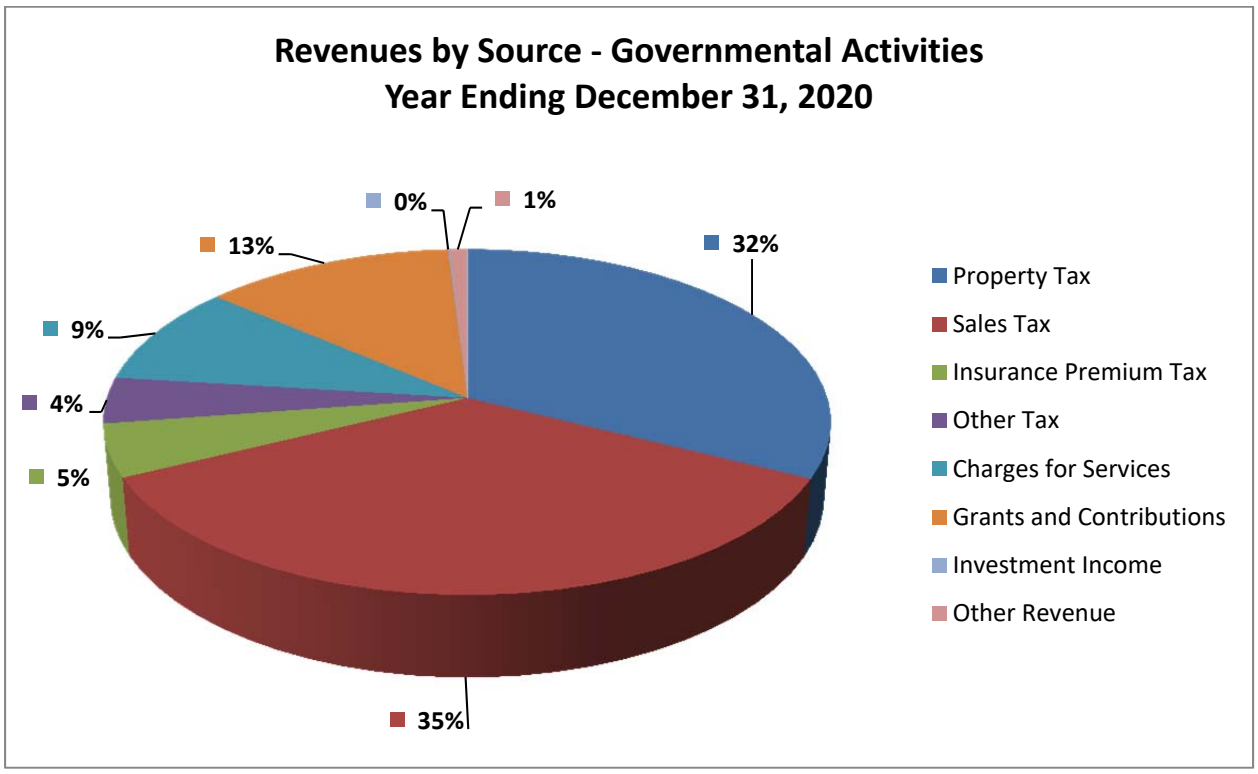
The following condensed financial information was derived from the government-wide Statement of Activities and reflects how Union County's net position changed during the year.

Union County
Changes in Net Position
Fiscal Years 2020 and 2019

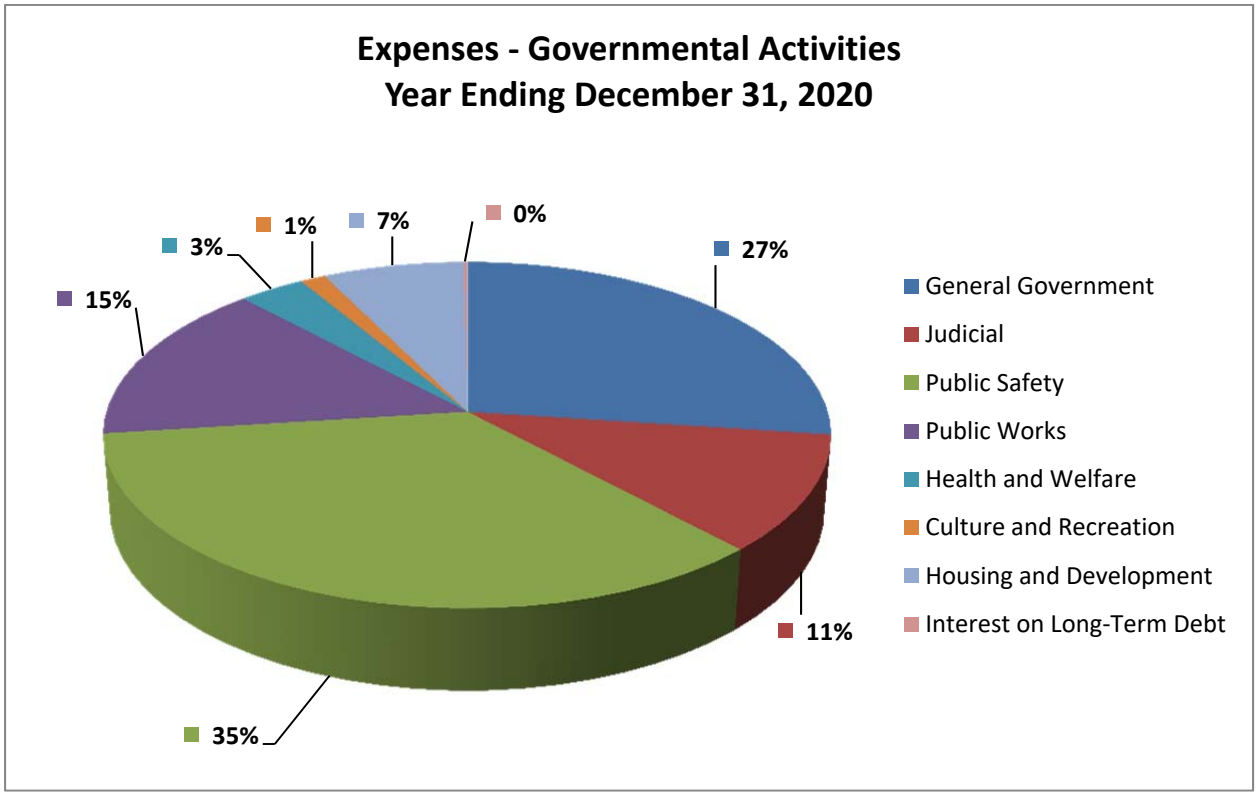
	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues:						
Charges for services	$ 2,878,365	$ 2,748,514	$ 1,267,254	$ 1,621,656	$ 4,145,619	$ 4,370,170
Operating grants and contributions	2,856,229	1,223,406	0	0	2,856,229	1,223,406
Capital grants and contributions	1,079,362	1,011,576	0	64,618	1,079,362	1,076,194
General revenues:						
Property tax	9,997,083	9,378,966	0	0	9,997,083	9,378,966
Sales tax	10,905,511	8,816,596	0	0	10,905,511	8,816,596
Insurance premium tax	1,519,963	1,430,821	0	0	1,519,963	1,430,821
Other taxes	1,328,939	954,137	0	0	1,328,939	954,137
Interest & investment earnings	26,742	92,392	0	0	26,742	92,392
Other revenue	277,608	645,211	116,616	155,516	394,224	800,727
Total revenues	30,869,802	26,301,619	1,383,870	1,841,790	32,253,672	28,143,409
Expenses						
General Government	6,248,168	5,734,864	0	0	6,248,168	5,734,864
Judicial	2,523,151	2,654,418	0	0	2,523,151	2,654,418
Public Safety	8,057,054	7,711,169	0	0	8,057,054	7,711,169
Public Works	3,468,495	4,036,121	0	0	3,468,495	4,036,121
Health and Welfare	771,361	743,743	0	0	771,361	743,743
Culture and Recreation	294,155	393,433	0	0	294,155	393,433
Housing and Development	1,645,367	1,427,825	0	0	1,645,367	1,427,825
Interest on long-term debt	45,999	74,161	0	0	45,999	74,161
Golf Course	0	0	1,621,491	1,415,399	1,621,491	1,415,399
Meeks Park	0	0	2,073,128	2,335,137	2,073,128	2,335,137
Total expenses	23,053,750	22,775,734	3,694,619	3,750,536	26,748,369	26,526,270
Increase (decrease) in net position before transfers	7,816,052	3,525,885	(2,310,749)	(1,908,746)	5,505,303	1,617,139
Transfers	(2,657,731)	(1,777,689)	2,657,731	1,777,689	0	0
Increase (decrease) in net position	5,158,321	1,748,196	346,982	(131,057)	5,505,303	1,617,139
Net position - beginning (original)	45,910,376	44,162,180	6,002,513	6,133,570	51,912,889	50,295,750
Net position - ending	$ 51,068,697	$ 45,910,376	$ 6,349,495	$ 6,002,513	$ 57,418,192	$ 51,912,889

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. Before contributions of capital assets from governmental activities of $606,321 and transfers in of $2,051,410, the decrease in net position was $2,310,749. Total change in net position was an increase of $346,982, or 6%.

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 $9,927,396. Of this amount, $3,810,871 (38%) 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 $4,324,324. Unassigned fund balance represents approximately 90% 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 22% of total General Fund expenditures, while total fund balance represents approximately 25% of that same amount. The County ended the year realizing an increase in the overall fund balance in the General Fund by $2,099,911, or approximately 94%. The County increased unassigned fund balance in the General Fund by $2,090,112, or 116%. This increase was caused predominantly by increased revenues. Taxes and intergovernmental revenues increased substantially.

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 $465,904 and expenditures and other financing uses in total increased $465,904 from original to final budgets. The County experienced a significant increase in revenues from the prior fiscal year. The County experienced an increase in expenditures from the prior fiscal year. The County ended the fiscal year with an increase in 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 $ 2,447,796
- Meeks Park $ 3,901,699

The Golf Course Fund had a decrease in net position of $256,969. Prior to transfers from other funds, the change in net position was a decrease of $649,671. The Meeks Park Fund had an increase in net position $603,951. Prior to contributions of capital assets from the governmental activities and transfers from other funds, the change in net position was a decrease of $1,661,078.

Capital Assets and Debt Administration

Capital Assets. Union County has invested $49,550,811 in capital assets (net of accumulated depreciation) compared to $46,274,077 in the previous year. This represents an increase of 7.1%. Approximately 87% 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 2020 and 2019

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Land	$ 6,247,105	$ 5,498,744	$ 2,562,675	$ 2,435,497	$ 8,809,780	$ 7,934,241
Construction in progress	1,001,218	3,543,433	0	0	1,001,218	3,543,433
Land improvements	0	0	1,461,401	1,128,773	1,461,401	1,128,773
Buildings and improvements	37,131,399	32,511,813	3,621,172	3,238,672	40,752,571	35,750,485
Machinery and equipment	5,695,958	4,477,046	2,062,021	2,544,939	7,757,979	7,021,985
Vehicles	6,251,911	5,908,014	102,856	120,856	6,354,767	6,028,870
Infrastructure	21,799,153	21,610,049	0	0	21,799,153	21,610,049
Total	78,126,744	73,549,099	9,810,125	9,468,737	87,936,869	83,017,836
Accumulated depreciation	(34,842,191)	(33,224,009)	(3,543,867)	(3,519,750)	(38,386,058)	(36,743,759)
Net Capital Assets	$ 43,284,553	$ 40,325,090	$ 6,266,258	$ 5,948,987	$ 49,550,811	$ 46,274,077

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 51-54 of this report.

Debt/Capital Leases. On December 31, 2020, Union County had a total debt balance outstanding for governmental activities in the amount of $1,688,320, as compared to $3,164,560 the previous year. Union County's outstanding debt for governmental activities has decreased by $1,476,240 due to regular scheduled payments. On December 31, 2020, Union County had a total debt balance outstanding for business-type activities in the amount of $0, as compared to $41,492 the previous year. Union County's outstanding debt for business-type activities has decreased by $41,492 due to regular scheduled payments.

Additional information on the County's long-term debt can be found in Notes 12 and 13 on pages 57-58 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 the COVID-19 pandemic and 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 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 2021 and 2022. 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 low, 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 SPLOST IV and the upcoming SPLOST V

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, 2020

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash and cash equivalents	$ 17,129,046	$ 513,672	$ 17,642,718	$ 1,443,478
Restricted cash and cash equivalents	967,377	0	967,377	0
Accounts receivable (net)	51,522	473	51,995	112,845
Intergovernmental receivables	270,664	0	270,664	0
Taxes receivable (net)	2,127,704	0	2,127,704	0
Prepaid items	55,501	0	55,501	0
Inventories	14,430	26,817	41,247	0
Internal balances	358,352	(358,352)	0	0
Total current assets	20,974,596	182,610	21,157,206	1,556,323
Noncurrent assets				
Land held for resale	0	0	0	1,631,211
Capital assets				
Non-depreciable	7,248,323	2,562,675	9,810,998	0
Depreciable (net)	36,036,230	3,703,583	39,739,813	188,245
Total noncurrent assets	43,284,553	6,266,258	49,550,811	1,819,456
Total assets	64,259,149	6,448,868	70,708,017	3,375,779
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources - pension	0	0	0	85,025
Deferred outflows of resources - OPEB	0	0	0	64,630
Total deferred outflows of resources	0	0	0	149,655
LIABILITIES				
Current liabilities				
Accounts payable	659,755	41,952	701,707	6,053
Retainages payable	189,302	0	189,302	0
Accrued interest payable	2,014	0	2,014	0
Accrued salaries and payroll liabilities	269,649	16,535	286,184	5,336
Accrued expenses	0	11,725	11,725	0
Compensated absences	155,647	29,161	184,808	28,700
Capital leases payable	68,884	0	68,884	0
Notes payable	10,835	0	10,835	0
Bonds payable	1,430,000	0	1,430,000	0
Landfill post-closure care costs	24,248	0	24,248	0
Other current liabilities	617,922	0	617,922	0
Total current liabilities	3,428,256	99,373	3,527,629	40,089
Noncurrent liabilities				
Compensated absences	0	0	0	32,292
Proportionate share of net pension liability	0	0	0	527,990
Proportionate share of net OPEB liability	0	0	0	122,035
Capital leases payable	176,797	0	176,797	0
Notes payable	1,804	0	1,804	0
Landfilll post-closure care costs	352,069	0	352,069	0
Total noncurrent liabilities	530,670	0	530,670	682,317
Total liabilities	3,958,926	99,373	4,058,299	722,406

See accompanying notes to the financial statements.

Exhibit A-1, continued

UNION COUNTY, GEORGIA
STATEMENT OF NET POSITION
December 31, 2020

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - pension	$ 0	$ 0	$ 0	$ 16,435
Deferred inflows of resources - OPEB	0	0	0	216,093
Property taxes levied for subsequent year	9,231,526	0	9,231,526	0
Total deferred inflows of resources	9,231,526	0	9,231,526	232,528
NET POSITION				
Net investment in capital assets	41,377,247	6,266,258	47,643,505	188,245
Restricted for:				
Law library operations	61,136	0	61,136	0
Judicial activities	931,353	0	931,353	0
Public safety activities	453,689	0	453,689	0
LMIG projects	690,929	0	690,929	0
Capital outlay	2,352,172	0	2,352,172	0
Debt service	967,377	0	967,377	0
Unrestricted	4,234,794	83,237	4,318,031	2,382,255
Total net position	$ 51,068,697	$ 6,349,495	$ 57,418,192	$ 2,570,500

UNION COUNTY, GEORGIA
STATEMENT OF ACTIVITIES
For the year ended December 31, 2020

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	$ 6,248,169	$ 440,757	$ 300,624	$ 307,194	$ (5,199,594)
Judicial	2,523,151	97,030	1,046,439	0	(1,379,682)
Public Safety	8,057,054	1,862,381	1,351,869	11,067	(4,831,737)
Public Works	3,468,495	468,081	82,474	761,101	(2,156,839)
Health and Welfare	771,361	10,116	0	0	(761,245)
Culture and Recreation	294,155	0	0	0	(294,155)
Housing and Development	1,645,367	0	74,823	0	(1,570,544)
Interest on long-term debt	45,999	0	0	0	(45,999)
Total governmental activities	23,053,751	2,878,365	2,856,229	1,079,362	(16,239,795)
Business-type activities					
Golf Course	1,621,491	964,002	0	0	(657,489)
Meeks Park	2,073,128	303,252	0	0	(1,769,876)
Total business-type activities	3,694,619	1,267,254	0	0	(2,427,365)
Total primary government	26,748,370	4,145,619	2,856,229	1,079,362	(18,667,160)
Component Units					
Union County Health Department					
Health and Welfare	958,519	522,000	452,491	0	15,972
Development Authority of Union County					
Housing and Development	185,075	35,229	0	0	(149,846)
Total component units	1,143,594	557,229	452,491	0	(133,874)

	Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units
Change in net position				
Net (expense) revenue	$ (16,239,795)	$ (2,427,365)	$ (18,667,160)	$ (133,874)
General revenues				
Taxes				
Property	9,997,083	0	9,997,083	0
Sales	10,905,511	0	10,905,511	0
Insurance premium	1,519,963	0	1,519,963	0
Other	1,328,939	0	1,328,939	0
Interest and investment earnings	26,742	0	26,742	912
Payments from Union County	0	0	0	287,512
Gain on sale of land held for resale	0	0	0	25,616
Gain on sale of capital assets	184,809	7,055	191,864	0
Other	92,800	109,561	202,361	0
Transfers	(2,657,731)	2,657,731	0	0
Total general revenues and transfers	21,398,116	2,774,347	24,172,463	314,040
Change in net position	5,158,321	346,982	5,505,303	180,166
Net position - beginning	45,910,376	6,002,513	51,912,889	2,390,334
Net position - ending	$ 51,068,697	$ 6,349,495	$ 57,418,192	$ 2,570,500

See accompanying notes to the financial statements.

UNION COUNTY, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2020

	General	SPLOST IV	Nonmajor Governmental Funds	Totals
ASSETS				
Cash and cash equivalents	$ 12,736,187	$ 2,783,506	$ 1,609,353	$ 17,129,046
Restricted cash and cash equivalents	0	0	967,377	967,377
Receivables (net)				
Accounts	6,094	0	45,428	51,522
Intergovernmental	72,732	0	197,932	270,664
Taxes	1,518,366	523,048	86,290	2,127,704
Due from other funds	122,719	0	36,000	158,719
Prepaid items	55,501	0	0	55,501
Inventories	14,430	0	0	14,430
Advances to other funds	358,352	0	0	358,352
Total assets	$ 14,884,381	$ 3,306,554	$ 2,942,380	$ 21,133,315
LIABILITIES				
Accounts payable	$ 332,225	$ 74,151	$ 253,379	$ 659,755
Retainages payable	0	189,302	0	189,302
Accrued salaries and payroll liabilities	263,338	0	6,311	269,649
Due to other funds	36,000	0	122,719	158,719
Other liabilities	617,922	0	0	617,922
Total liabilities	1,249,485	263,453	382,409	1,895,347
DEFERRED INFLOWS OF RESOURCES				
Property taxes levied for subsequent year	9,231,526	0	0	9,231,526
Unavailable revenue - property taxes	79,046	0	0	79,046
Total deferred inflows of resources	9,310,572	0	0	9,310,572
FUND BALANCES				
Nonspendable:				
Prepaid items	55,501	0	0	55,501
Inventories	14,430	0	0	14,430
Advances to other funds	358,352	0	0	358,352
Restricted for:				
Law library operations	0	0	61,136	61,136
Judicial activities	0	0	931,353	931,353
Public safety activities	0	0	453,689	453,689
LMIG projects	0	690,929	0	690,929
Capital outlay	0	2,352,172	0	2,352,172
Debt service	0	0	967,377	967,377
Assigned for:				
Emergency 911 system operations	0	0	4,428	4,428
Tourism	0	0	227,158	227,158
Unassigned	3,896,041	0	(85,170)	3,810,871
Total fund balances	4,324,324	3,043,101	2,559,971	9,927,396
Total liabilities, deferred inflows of resouces, and fund balances	$ 14,884,381	$ 3,306,554	$ 2,942,380	$ 21,133,315

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, 2020

Total fund balance - total governmental funds		$ 9,927,396
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		43,284,553
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		79,046
Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These are:		
Accrued interest payable	$ (2,014)	
Compensated absences	(155,647)	
Capital leases payable	(245,681)	
Notes payable	(12,639)	
Bonds payable	(1,430,000)	
Landfill post-closure care costs	(376,317)	(2,222,298)
Net position of governmental activities		$ 51,068,697

UNION COUNTY, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended December 31, 2020

	General	SPLOST IV	Nonmajor Governmental Funds	Totals
REVENUES				
Taxes	$ 17,298,641	$ 6,060,801	$ 459,854	$ 23,819,296
Licenses and permits	438,309	0	0	438,309
Fines, fees and forfeitures	669,330	0	139,252	808,582
Charges for services	537,036	0	630,379	1,167,415
Intergovernmental	1,910,397	690,929	1,127,741	3,729,067
Interest	26,209	14,544	1,160	41,913
Contributions	389,092	55,000	3,873	447,965
Other	83,241	9,559	0	92,800
Total revenues	21,352,255	6,830,833	2,362,259	30,545,347
EXPENDITURES				
Current				
General Government	6,344,481	0	0	6,344,481
Judicial	1,287,000	0	1,216,848	2,503,848
Public Safety	6,881,131	0	820,168	7,701,299
Public Works	1,126,479	0	0	1,126,479
Health and Welfare	693,608	0	0	693,608
Culture and Recreation	298,452	0	59,687	358,139
Housing and Development	799,243	0	401,665	1,200,908
Capital outlay	0	6,617,867	51,780	6,669,647
Debt service	10,885	79,125	1,436,027	1,526,037
Intergovernmental	0	465,624	0	465,624
Total expenditures	17,441,279	7,162,616	3,986,175	28,590,070
Excess (deficiency) of revenues over (under) expenditures	3,910,976	(331,783)	(1,623,916)	1,955,277
Other financing sources (uses)				
Transfers in	12,601	556,831	1,575,540	2,144,972
Transfers out	(2,166,954)	(1,561,890)	(467,538)	(4,196,382)
Sale of capital assets	343,288	464,450	74,700	882,438
Total other financing sources (uses)	(1,811,065)	(540,609)	1,182,702	(1,168,972)
Net change in fund balances	2,099,911	(872,392)	(441,214)	786,305
Fund balances, January 1	2,224,413	3,915,493	3,001,185	9,141,091
Fund balances, December 31	$ 4,324,324	$ 3,043,101	$ 2,559,971	$ 9,927,396

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, 2020

Net change in fund balances - total governmental funds			$ 786,305
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	$ 6,258,404		
Depreciation	(1,994,991)		4,263,413
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	$ (1,074,438)		
Related accumulated depreciation	376,809		(697,629)
Distributions of capital assets decrease net position in the statement of activities, but do not appear in the governmerntal funds because they do not require the use of current financial resources.			
Cost of assets distributed to business-type activities	$ (606,321)		
Related accumulated depreciation	0		(606,321)
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 principal payments	$ 1,476,240		
Net change in interest payable	3,986		1,480,226
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.			(67,804)
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	$ (24,117)		
Landfill post-closure care costs	24,248		131
Change in net position of governmental activities			$ 5,158,321

UNION COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the year ended December 31, 2020

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 14,818,375	$ 15,284,279	$ 17,298,641	$ 2,014,362
Licenses and permits	367,500	367,500	438,309	70,809
Fines, fees and forfeitures	410,000	410,000	669,330	259,330
Charges for services	447,100	447,100	537,036	89,936
Intergovernmental	625,673	625,673	1,910,397	1,284,724
Interest	82,000	82,000	26,209	(55,791)
Contibutions	41,000	41,000	389,092	348,092
Other	210,500	210,500	83,241	(127,259)
Total revenues	17,002,148	17,468,052	21,352,255	3,884,203
EXPENDITURES				
Current				
General Government				
Executive	431,693	463,000	462,779	221
Elections	179,440	297,000	296,282	718
General administration	985,335	1,811,000	1,810,043	957
Financial administration	206,504	206,504	186,000	20,504
Tax commissioner	359,615	370,000	369,604	396
Tax assessor	373,114	399,000	398,724	276
Risk management	2,685,000	2,517,000	2,516,076	924
General government buildings	304,640	305,000	304,973	27
Judicial				
Judicial administration	4,700	4,700	3,241	1,459
Superior court	99,000	99,000	51,735	47,265
Drug court	24,900	24,900	8,910	15,990
Clerk of superior court	296,340	300,000	299,991	9
District attorney	157,650	162,000	161,062	938
Magistrate court	215,463	216,000	215,639	361
Probate court	265,376	265,376	255,285	10,091
Juvenile court	200,500	200,500	132,284	68,216
Grand jury	1,200	1,200	0	1,200
Public defender	105,000	113,000	112,470	530
Community service	48,536	48,536	46,383	2,153
Public Safety				
Sheriff	3,605,857	3,369,000	3,368,654	346
Jail operations	1,779,107	1,845,000	1,844,081	919
School resource officer	7,000	7,000	3,707	3,293
Fire and emergency management	1,151,400	1,384,000	1,383,296	704
Fire stations and buildings	93,100	93,100	91,884	1,216
Coroner	31,151	35,000	34,488	512
Animal control	163,828	163,828	155,021	8,807
Public Works				
Highways and streets	1,252,550	861,000	860,128	872
Solid waste	44,220	44,220	40,500	3,720
Public education	15,000	15,000	12,746	2,254
Maintenance and shop	199,576	214,000	213,105	895

UNION COUNTY, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the year ended December 31, 2020

	Budget			Variance with
	Original	Final	Actual	Final Budget
EXPENDITURES (continued)				
Current				
Health and Welfare				
Public health administration	$ 299,686	$ 299,686	$ 289,481	$ 10,205
Health department	2,100	2,100	285	1,815
Ambulance contract	310,000	162,000	161,821	179
Intergovernmental welfare	20,000	20,000	14,531	5,469
Senior citizens	173,724	173,724	77,814	95,910
Community center	62,462	62,462	58,495	3,967
Transportation services	139,137	139,137	91,181	47,956
Culture and Recreation				
Participant recreation	34,100	39,000	38,280	720
Library admission	260,800	260,800	260,172	628
Housing and Development				
Conservation	51,900	51,900	37,707	14,193
Agricultural	34,292	34,292	33,037	1,255
Building inspection	287,065	334,000	333,643	357
Planning and zoning	178,428	178,428	168,003	10,425
Economic development	225,000	227,000	226,853	147
Debt service				
Principal	0	11,000	10,652	348
Interest	0	1,000	233	767
Total expenditures	17,365,489	17,831,393	17,441,279	390,114
Excess (deficiency) of revenues over expenditures	(363,341)	(363,341)	3,910,976	4,274,317
Other financing sources (uses)				
Transfers in	2,000,500	2,000,500	12,601	(1,987,899)
Transfers out	(2,047,159)	(2,047,159)	(2,166,954)	(119,795)
Contingency	(50,000)	(50,000)	0	50,000
Sale of capital assets	460,000	460,000	343,288	(116,712)
Total other financing sources (uses)	363,341	363,341	(1,811,065)	(2,174,406)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	2,099,911	2,099,911
Fund balance, January 1	0	0	2,224,413	2,224,413
Fund balance, December 31	$ 0	$ 0	$ 4,324,324	$ 4,324,324

See accompanying notes to the financial statements.

UNION COUNTY, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2020

	Business-Type Activities		
	Golf Course	Meeks Park	Totals
ASSETS			
Current assets			
Cash and cash equivalents	$ 195,392	$ 318,280	$ 513,672
Accounts receivable (net)	0	473	473
Inventories	25,435	1,382	26,817
Total current assets	220,827	320,135	540,962
Noncurrent assets			
Capital assets			
Non-depreciable	1,817,523	745,152	2,562,675
Depreciable (net)	821,906	2,881,677	3,703,583
Total noncurrent assets	2,639,429	3,626,829	6,266,258
Total assets	2,860,256	3,946,964	6,807,220
LIABILITIES			
Current liabilities			
Accounts payable	33,581	8,371	41,952
Accrued expenses	3,550	8,175	11,725
Accrued salaries and payroll liabilities	5,177	11,358	16,535
Compensated absences	11,800	17,361	29,161
Total current liabilities	54,108	45,265	99,373
Noncurrent liabilities			
Advances from other funds	358,352	0	358,352
Total liabilities	412,460	45,265	457,725
NET POSITION			
Investment in capital assets	2,639,429	3,626,829	6,266,258
Unrestricted	(191,633)	274,870	83,237
Total net position	$ 2,447,796	$ 3,901,699	$ 6,349,495

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, 2020

	Business-Type Activities		
	Golf Course	Meeks Park	Totals
OPERATING REVENUES			
Charges for sales and services	$ 964,002	$ 303,252	$ 1,267,254
Other	7,818	101,743	109,561
Total operating revenues	971,820	404,995	1,376,815
OPERATING EXPENSES			
Costs of sales and services	851,215	750,626	1,601,841
Personal services	458,017	1,039,560	1,497,577
Depreciation	278,208	282,942	561,150
Total operating expenses	1,587,440	2,073,128	3,660,568
Operating income (loss)	(615,620)	(1,668,133)	(2,283,753)
Non-operating revenues (expenses)			
Gain (loss) on sale of capital assets	(34,051)	7,055	(26,996)
Net income (loss) before capital contributions and transfers	(649,671)	(1,661,078)	(2,310,749)
Capital contributions			
Contributions of capital assets from governmental activities	0	606,321	606,321
Net income (loss) before transfers	(649,671)	(1,054,757)	(1,704,428)
Transfers in (out)			
Transfers in	392,702	1,658,708	2,051,410
Change in net position	(256,969)	603,951	346,982
Net position, January 1	2,704,765	3,297,748	6,002,513
Net position, December 31	$ 2,447,796	$ 3,901,699	$ 6,349,495

See accompanying notes to the financial statements.

UNION COUNTY, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended December 31, 2020

	Business-Type Activities		
	Golf Course	Meeks Park	Totals
Cash flows from operating activities:			
Receipts from customers	$ 964,002	$ 312,341	$ 1,276,343
Payments to suppliers	(817,592)	(749,924)	(1,567,516)
Payments to employees	(453,446)	(1,033,417)	(1,486,863)
Other receipts	7,818	101,743	109,561
Net cash provided (used) by operating activities	(299,218)	(1,369,257)	(1,668,475)
Cash flows from non-capital financing activities:			
Receipts from other funds	450,015	1,563,434	2,013,449
Payments to other funds	0	(57,313)	(57,313)
Net cash provided (used) by non-capital financing activities	450,015	1,506,121	1,956,136
Cash flows from capital and related financing activities:			
Receipts from other funds	0	97,890	97,890
Proceeds from sales of capital assets	0	29,000	29,000
Payments for acquisitions of capital assets	(160,056)	(168,040)	(328,096)
Principal payments - capital leases	(41,492)	0	(41,492)
Net cash provided (used) by capital and related financing activities	(201,548)	(41,150)	(242,698)
Net increase (decrease) in cash and cash equivalents	(50,751)	95,714	44,963
Cash and cash equivalents, January 1	246,143	222,566	468,709
Cash and cash equivalents, December 31	$ 195,392	$ 318,280	$ 513,672
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	$ (615,620)	$ (1,668,133)	$ (2,283,753)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	278,208	282,942	561,150
(Increase) decrease in accounts receivable	0	9,089	9,089
(Increase) decrease in inventories	13,022	1,732	14,754
Increase (decrease) in accounts payable	21,601	152	21,753
Increase (decrease) in accrued salaries and payroll liabilities	2,573	4,859	7,432
Increase (decrease) in accrued expenses	(1,000)	(1,182)	(2,182)
Increase (decrease) in compensated absences	1,998	1,284	3,282
Total adjustments	316,402	298,876	615,278
Net cash provided (used) by operating activities	$ (299,218)	$ (1,369,257)	$ (1,668,475)

Noncash investing, capital, and financing activities:

Contributions of capital assets from governmental activities totaled $606,321, with related accumulated depreciation of $0.

UNION COUNTY, GEORGIA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
December 31, 2020

	Custodial Funds
ASSETS	
Cash and cash equivalents	$ 2,892,485
Taxes receivable, net	1,703,966
Total assets	4,596,451
LIABILITIES	
Due to others	2,388,987
NET POSITION	
Restricted for individuals, organizations, and other governments	$ 2,207,464

UNION COUNTY, GEORGIA
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the year ended December 31, 2020

	Custodial Funds
ADDITIONS	
Taxes collected for other agencies	$ 20,063,213
Court fees collected for other agencies	1,417,391
Court individual cases	3,251,297
Sheriff inmate account deposits	157,997
Total additions	24,889,898
DEDUCTIONS	
Taxes distributed to other agencies	20,063,213
Court fees distributed to other agencies	1,417,391
Payments to others	1,370,778
Payments from inmates to others	154,350
Total deductions	23,005,732
Change in net position	1,884,166
Net position - beginning (original)	0
Prior period adjustments	323,298
Net position - beginning (restated)	323,298
Net position - ending	$ 2,207,464

UNION COUNTY, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
December 31, 2020

	Development Authority of Union County	Union County Health Department	Totals
ASSETS			
Current assets			
Cash and cash equivalents	$ 560,997	$ 882,481	$ 1,443,478
Accounts receivable (net)	0	112,845	112,845
Total current assets	560,997	995,326	1,556,323
Noncurrent assets			
Land held for resale	1,631,211	0	1,631,211
Depreciable capital assets (net)	188,245	0	188,245
Total noncurrent assets	1,819,456	0	1,819,456
Total assets	2,380,453	995,326	3,375,779
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources - pension	0	85,025	85,025
Deferred outflows of resources - OPEB	0	64,630	64,630
Total deferred outflows of resources	0	149,655	149,655
LIABILITIES			
Current liabilities			
Accounts payable	0	6,053	6,053
Accrued salaries and payroll liabilities	5,336	0	5,336
Compensated absences	0	28,700	28,700
Total current liabilities	5,336	34,753	40,089
Noncurrent liabilities			
Compensated absences	0	32,292	32,292
Proportionate share of net pension liability	0	527,990	527,990
Proportionate share of net OPEB liability	0	122,035	122,035
Total noncurrent liabilities	0	682,317	682,317
Total liabilities	5,336	717,070	722,406
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - pension	0	16,435	16,435
Deferred inflows of resources - OPEB	0	216,093	216,093
Total deferred inflows of resources	0	232,528	232,528
NET POSITION			
Investment in capital assets	188,245	0	188,245
Unrestricted	2,186,872	195,383	2,382,255
Total net position	$ 2,375,117	$ 195,383	$ 2,570,500

See accompanying notes to the financial statements.

UNION COUNTY, GEORGIA
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
For the year ended December 31, 2020

	Development Authority of Union County	Union County Health Department	Totals
Expenses			
Health and Welfare	$ 0	$ 958,519	$ 958,519
Housing and Development	185,075	0	185,075
Total expenses	185,075	958,519	1,143,594
Program revenues			
Charges for services	35,229	522,000	557,229
Operating grants and contributions	0	452,491	452,491
Total program revenues	35,229	974,491	1,009,720
Net (expense) revenue	(149,846)	15,972	(133,874)
General revenues			
Interest	912	0	912
Payments from Union County	170,000	117,512	287,512
Gain on sale of land held for resale	25,616	0	25,616
Total general revenues	196,528	117,512	314,040
Change in net position	46,682	133,484	180,166
Net position - beginning	2,328,435	61,899	2,390,334
Net position - ending	$ 2,375,117	$ 195,383	$ 2,570,500

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 non-fiduciary 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

Custodial Funds - Custodial Funds are fiduciary in nature and are accounted for using the accrual basis of accounting. These funds are used to account for assets that are held for others.

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 54 days. As of the end of the current year, the County's balance in Georgia Fund 1 was $7,101,395.

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		$ 6,094
Enterprise Funds		
Meeks Park		473
Nonmajor Funds		
Special Revenue Funds		
Law Library	$ 544	
Emergency 911	43,048	
Local Victims Assistance	1,836	45,428
Total primary government		$ 51,995
Component Units:		
Union County Health Department		$ 112,845

5. Intergovernmental Receivables

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

Primary Government:		
Major Funds		
General Fund		$ 72,732
Nonmajor Funds		
Special Revenue Funds		
Drug Abuse	$ 175,943	
Multiple Grant	21,989	197,932
Total primary government		$ 270,664

6. Property Taxes

Property taxes for the 2020 digest were levied on August 27, 2020 and billed on September 10, 2020, with property values assessed as of January 1, 2020. Bills are payable on or before December 20, 2020, after which the applicable property is subject to lien and penalties and interest as assessed. Property taxes levied during 2020 are for fiscal year 2021. Amounts recorded as a receivable and amounts collected as of December 31, 2020 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	122,719
Nonmajor Governmental	General	36,000
		$ 517,071

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	$ 101,894
	Golf Course	392,702
	Meeks Park	1,560,818
	Nonmajor Governmental	111,540
SPLOST IV	Meeks Park	97,890
	Nonmajor Governmental	1,464,000
Nonmajor Governmental	General Fund	12,601
	SPLOST IV	454,937
		4,196,382
Transfers of capital assets		
Governmental activities	Meeks Park	606,321
		$ 4,802,703

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	$ 5,498,744	$ 748,361	$ 0	$ 6,247,105
Construction in progress	3,543,433	564,919	(3,107,134)	1,001,218
Total nondepreciable assets	9,042,177	1,313,280	(3,107,134)	7,248,323
Depreciable assets				
Buildings and improvements	32,511,813	4,619,586	0	37,131,399
Infrastructure	21,610,049	189,104	0	21,799,153
Machinery and equipment	4,358,497	1,218,912	0	5,577,409
Vehicles	5,908,014	1,418,335	(1,074,438)	6,251,911
Equipment	118,549	0	0	118,549
Total depreciable assets	64,506,922	7,445,937	(1,074,438)	70,878,421
Less accumulated depreciation				
Buildings and improvements	(10,171,950)	(821,406)	0	(10,993,356)
Infrastructure	(15,519,984)	(471,226)	0	(15,991,210)
Machinery and equipment	(3,358,611)	(182,929)	0	(3,541,540)
Vehicles	(4,061,895)	(513,653)	376,809	(4,198,739)
Equipment	(111,569)	(5,777)	0	(117,346)
Total accumulated depreciation	(33,224,009)	(1,994,991)	376,809	(34,842,191)
Total depreciable assets, net	31,282,913	5,450,946	(697,629)	36,036,230
Governmental activities capital assets, net	$ 40,325,090	$ 6,764,226	$ (3,804,763)	$ 43,284,553

Decreases in construction in progress for the governmental activities consist of projects placed in service in the amount of $2,500,813 and projects transferred to the business-type activities in the amount of $606,321.

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	$ 2,435,497	$ 127,178	$ 0	$ 2,562,675
Construction in progress	0	606,321	(606,321)	0
Total nondepreciable assets	2,435,497	733,499	(606,321)	2,562,675
Depreciable assets				
Land improvements	1,128,773	332,628	0	1,461,401
Buildings and improvements	3,238,672	382,500	0	3,621,172
Machinery and equipment	2,544,939	60,761	(543,679)	2,062,021
Vehicles	120,856	31,350	(49,350)	102,856
Total depreciable assets	7,033,240	807,239	(593,029)	7,247,450
Less accumulated depreciation				
Land improvements	(400,994)	(50,954)	0	(451,948)
Buildings and improvements	(1,653,113)	(142,668)	0	(1,795,781)
Machinery and equipment	(1,377,602)	(358,060)	509,628	(1,226,034)
Vehicles	(88,041)	(9,468)	27,405	(70,104)
Total accumulated depreciation	(3,519,750)	(561,150)	537,033	(3,543,867)
Total depreciable assets, net	3,513,490	246,089	(55,996)	3,703,583
Business-type activities capital assets, net	$ 5,948,987	$ 979,588	$ (662,317)	$ 6,266,258

Increases in construction in progress for the business-type activities consist of projects transferred from the governmental activities in the amount of $606,321. Decreases in construction in progress for the business-type activities consist of projects placed in service in the amount of $606,321.

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	(7,054)	(4,701)	0	(11,755)
Machinery and equipment	(4,221)	0	0	(4,221)
Total accumulated depreciation	(11,275)	(4,701)	0	(15,976)
Development Authority of Union County capital assets, net	$ 192,946	$ (4,701)	$ 0	$ 188,245
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	$	577,734
Judicial		34,845
Public Safety		608,970
Public Works		627,634
Health and Welfare		60,669
Culture and Recreation		72,987
Housing and Development		12,152
Total depreciation expense for governmental activities	$	1,994,991
Business-type activities		
Golf Course	$	278,208
Meeks Park		282,942
Total depreciation expense for business-type activities	$	561,150
Component units		
Development Authority of Union County	$	4,701

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 $245,681 for governmental activities.

As of the end of the current year, the County had $351,161 of machinery and equipment financed under the capital leases in the governmental activities. Depreciation expense on the leased assets for the current year totaled $0 in the governmental 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
2021	$ 79,125
2022	79,125
2023	79,125
2024	29,053
	266,428
Less amounts representing interest	(20,747)
Present value of minimum lease payments	$ 245,681

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 totaled $31,453 for the current year.

11. Operating Lease Agreements (continued)

Governmental Activities, continued

The future minimum lease payments are as follows:

Year Ending December 31,		
2021	$	18,642
2022		10,295
2023		5,177
2024		1,132
Totals	$	35,246

Business-type Activities

The County leases golf equipment under non-cancelable operating leases. Costs for such leases totaled $74,409 for the current year. The future minimum lease payments are as follows:

Year Ending December 31,		
2021	$	99,212
2022		99,212
2023		99,212
2024		24,802
Totals	$	322,438

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 are as follows:

Year Ending December 31,		
2021	$	6,156
2022		6,156
2023		1,026
Totals	$	13,338

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
2021	$ 1,430,000	$ 12,084	$ 1,442,084

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 $12,639. 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
2021	$ 10,835	$ 233	$ 11,068
2022	1,804	11	1,815
Totals	$ 12,639	$ 244	$ 12,883

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	$ 311,380	$ 0	$ 65,699	$ 245,681	$ 68,884
Notes from direct borrowings	23,180	0	10,541	12,639	10,835
Bonds from direct placements	2,830,000	0	1,400,000	1,430,000	1,430,000
Landfill post-closure care costs	400,565	0	24,248	376,317	24,248
Compensated absences	131,530	155,647	131,530	155,647	155,647
Total governmental activities	$ 3,696,655	$ 155,647	$ 1,632,018	$ 2,220,284	$ 1,689,614
Business-type activities					
Capital leases payable	$ 41,492	$ 0	$ 41,492	$ 0	$ 0
Compensated absences	25,879	29,161	25,879	29,161	29,161
Total business-type activities	$ 67,371	$ 29,161	$ 67,371	$ 29,161	$ 29,161
Component Units					
Union County Health Department					
Compensated absences	$ 46,833	$ 42,783	$ 28,624	$ 60,992	$ 28,700

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 $45,999 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 3 years of monitoring remaining. Engineering studies estimate post-closure care costs of approximately $376,317 over the 3-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	$ 78,126,744	$ 9,810,125
Accumulated depreciation	(34,842,191)	(3,543,867)
Book value	43,284,553	6,266,258
Capital-related accounts payable	(29,684)	0
Capital-related retainages payable	(189,302)	0
Capital leases payable	(245,681)	0
Notes payable	(12,639)	0
Bonds payable	(1,430,000)	0
Net investment in capital assets	$ 41,377,247	$ 6,266,258

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 $467,283 and the employees contributed $367,018 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, 2020, the Department contributed $54,050. As of June 30, 2020, the Department reported a liability in the amount of $527,990 for its proportionate share (0.012795%) of the net pension liability. The Department recognized pension expense of $130,389 for the fiscal year ended June 30, 2020. 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, 2020, the Health Department contributed $19,255. As of June 30, 2020, the Health Department reported a net liability in the amount of $122,035 for its proportionate share (0.012320% for the State of Georgia OPEB Fund and 0.010926% for the SEAD-OPEB Fund) of the net OPEB liability. The Health Department recognized OPEB expense of ($52,502) for the fiscal year ended June 30, 2020. 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	$459,854	
Disbursements for trade and tourism	$401,665	87% 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 $25,426 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
2020	$ 552,724	$ 2,212,335	$ 2,147,137	$ 617,922
2019	537,486	2,442,465	2,427,227	552,724
2018	383,215	2,564,773	2,410,502	537,486

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.

20. Risk Management (continued)

In January 2020, the World Health Organization 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.

21. Commitments and Contingencies

Commitments

As of the end of the current year, contractual commitments on uncompleted contracts totaled $1,494,588.

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 $85,170. 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. 84, *Fiduciary Activities,* effective for the County's current year. The requirements of this statement are effective for periods beginning after December 15, 2019.

24. Changes in Beginning Balances

Fiduciary Funds

Custodial Funds

Prior period adjustments have been made to adjust beginning net position in the Sheriff, Clerk of Courts, and Probate Court Custodial Funds. These adjustments were required due to the implementation of GASB Statement No. 84, *Fiduciary Activities*, and increased beginning net position in the Sheriff Custodial Fund by $18,257, increased beginning net position in the Clerk of Courts Custodial Fund by $293,481, and increased beginning net position in the Probate Court Custodial Fund by $11,560.

The net effect of these adjustments increased beginning net position of the Custodial Funds by $323,298.

25. Subsequent Events

Management has evaluated subsequent events through May 28, 2021, the date the financial statements were available to be issued.

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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 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, 2020

	Special Revenue											Debt Service	Capital Projects		
	Law Library	Seizures	Sheriff Donation	Emergency 911	Local Victims Assistance	Jail Operations	Inmate Welfare	Drug Abuse	Juvenile Court	Mulitple Grant	Hotel/ Motel Tax	SPLOST Debt Service	SPLOST V	Capital Projects	Total Nonmajor Governmental Funds
ASSETS															
Cash and cash equivalents	$ 60,592	$ 46,044	$ 3,494	$ 0	$ 23,387	$ 399,431	$ 4,720	$ 789,370	$ 17,113	$ 0	$ 265,202	$ 0	$ 0	$ 0	$ 1,609,353
Restricted cash and cash equivalents	0	0	0	0	0	0	0	0	0	0	0	967,377	0	0	967,377
Receivables															
Accounts	544	0	0	43,048	1,836	0	0	0	0	0	0	0	0	0	45,428
Intergovernmental	0	0	0	0	0	0	0	175,943	0	21,989	0	0	0	0	197,932
Taxes	0	0	0	0	0	0	0	0	0	0	86,290	0	0	0	86,290
Due from other funds	0	0	0	0	0	0	0	36,000	0	0	0	0	0	0	36,000
Total assets	$ 61,136	$ 46,044	$ 3,494	$ 43,048	$ 25,223	$ 399,431	$ 4,720	$ 1,001,313	$ 17,113	$ 21,989	$ 351,492	$ 967,377	$ 0	$ 0	$ 2,942,380
LIABILITIES AND FUND BALANCES															
Liabilities															
Accounts payable	$ 0	$ 0	$ 0	$ 16,749	$ 1,358	$ 0	$ 0	$ 110,938	$ 0	$ 0	$ 124,334	$ 0	$ 0	$ 0	$ 253,379
Accrued salaries	0	0	0	6,311	0	0	0	0	0	0	0	0	0	0	6,311
Due to other funds	0	0	0	15,560	0	0	0	0	0	21,989	0	0	85,170	0	122,719
Total liabilities	0	0	0	38,620	1,358	0	0	110,938	0	21,989	124,334	0	85,170	0	382,409
Fund balances															
Restricted for:															
Law library operations	61,136	0	0	0	0	0	0	0	0	0	0	0	0	0	61,136
Judicial activities	0	0	0	0	23,865	0	0	890,375	17,113	0	0	0	0	0	931,353
Public safety activities	0	46,044	3,494	0	0	399,431	4,720	0	0	0	0	0	0	0	453,689
Debt service	0	0	0	0	0	0	0	0	0	0	0	967,377	0	0	967,377
Assigned for:															
Emergency 911 system operations	0	0	0	4,428	0	0	0	0	0	0	0	0	0	0	4,428
Tourism	0	0	0	0	0	0	0	0	0	0	227,158	0	0	0	227,158
Unassigned	0	0	0	0	0	0	0	0	0	0	0	0	(85,170)	0	(85,170)
Total fund balances	61,136	46,044	3,494	4,428	23,865	399,431	4,720	890,375	17,113	0	227,158	967,377	(85,170)	0	2,559,971
Total liabilities and fund balances	$ 61,136	$ 46,044	$ 3,494	$ 43,048	$ 25,223	$ 399,431	$ 4,720	$ 1,001,313	$ 17,113	$ 21,989	$ 351,492	$ 967,377	$ 0	$ 0	$ 2,942,380

UNION COUNTY, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the year ended December 31, 2020

	Special Revenue											Debt Service	Capital Projects		
	Law Library	Seizures	Sheriff Donation	Emergency 911	Local Victims Assistance	Jail Operations	Inmate Welfare	Drug Abuse	Juvenile Court	Multiple Grant	Hotel/ Motel Tax	SPLOST Debt Service	SPLOST V	Capital Projects	Total Nonmajor Governmental Funds
REVENUES															
Taxes	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 459,854	$ 0	$ 0	$ 0	$ 459,854
Fines, fees and forfeitures	18,938	56,073	0	0	17,717	26,386	0	20,138	0	0	0	0	0	0	139,252
Charges for services	0	0	0	521,258	0	0	13,599	95,522	0	0	0	0	0	0	630,379
Intergovernmental	0	0	0	0	0	0	0	1,046,440	0	81,301	0	0	0	0	1,127,741
Interest	104	0	0	0	0	192	0	67	9	0	0	627	0	161	1,160
Contributions	0	0	1,373	0	0	0	0	0	0	2,500	0	0	0	0	3,873
Total revenues	19,042	56,073	1,373	521,258	17,717	26,578	13,599	1,162,167	9	83,801	459,854	627	0	161	2,362,259
EXPENDITURES															
Current															
Judicial	18,763	0	0	0	17,085	0	0	1,180,950	50	0	0	0	0	0	1,216,848
Public Safety	0	61,411	5,582	668,580	0	60	68,022	0	0	16,513	0	0	0	0	820,168
Culture and Recreation	0	0	0	0	0	0	0	0	0	59,687	0	0	0	0	59,687
Housing and Development	0	0	0	0	0	0	0	0	0	0	401,665	0	0	0	401,665
Capital outlay	0	0	0	0	0	0	0	0	0	0	0	0	51,780	0	51,780
Debt service	0	0	0	0	0	0	0	0	0	0	0	1,436,027	0	0	1,436,027
Total expenditures	18,763	61,411	5,582	668,580	17,085	60	68,022	1,180,950	50	76,200	401,665	1,436,027	51,780	0	3,986,175
Excess (deficiency) of revenues over (under) expenditures	279	(5,338)	(4,209)	(147,322)	632	26,518	(54,423)	(18,783)	(41)	7,601	58,189	(1,435,400)	(51,780)	161	(1,623,916)
Other financing sources (uses)															
Transfers in	0	0	0	111,540	0	0	0	0	0	0	0	1,464,000	0	0	1,575,540
Transfers out	0	0	0	0	0	0	0	0	0	(12,601)	0	0	0	(454,937)	(467,538)
Sale of capital assets	0	29,200	0	0	0	0	45,500	0	0	0	0	0	0	0	74,700
Total other financing sources (uses)	0	29,200	0	111,540	0	0	45,500	0	0	(12,601)	0	1,464,000	0	(454,937)	1,182,702
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	279	23,862	(4,209)	(35,782)	632	26,518	(8,923)	(18,783)	(41)	(5,000)	58,189	28,600	(51,780)	(454,776)	(441,214)
Fund balances, January 1	60,857	22,182	7,703	40,210	23,233	372,913	13,643	909,158	17,154	5,000	168,969	938,777	(33,390)	454,776	3,001,185
Fund balances, December 31	$ 61,136	$ 46,044	$ 3,494	$ 4,428	$ 23,865	$ 399,431	$ 4,720	$ 890,375	$ 17,113	$ 0	$ 227,158	$ 967,377	$ (85,170)	$ 0	$ 2,559,971

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, 2020

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 18,900	$ 18,938	$ 38
Interest	100	104	4
Total revenues	19,000	19,042	42
EXPENDITURES			
Current			
Judicial			
Materials and supplies	19,000	18,763	237
Total expenditures	19,000	18,763	237
Excess (deficiency) of revenues over (under) expenditures	0	279	279
Fund balance, January 1	0	60,857	60,857
Fund balance, December 31	$ 0	$ 61,136	$ 61,136

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, 2020

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 59,000	$ 56,073	$ (2,927)
Interest	50	0	(50)
Total revenues	59,050	56,073	(2,977)
EXPENDITURES			
Current			
Public Safety			
Contract services	50	88	(38)
Materials and supplies	12,100	3,682	8,418
Capital outlay	50,000	54,300	(4,300)
Payments to others	16,900	3,341	13,559
Total expenditures	79,050	61,411	17,639
Excess (deficiency) of revenues over (under) expenditures	(20,000)	(5,338)	14,662
Other financing sources (uses)			
Sale of capital assets	20,000	29,200	9,200
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	23,862	23,862
Fund balance, January 1	0	22,182	22,182
Fund balance, December 31	$ 0	$ 46,044	$ 46,044

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, 2020

	Final Budget	Actual	Variance
REVENUES			
Contributions	$ 7,000	$ 1,373	$ (5,627)
Total revenues	7,000	1,373	(5,627)
EXPENDITURES			
Current			
Public Safety			
Materials and supplies	7,000	5,582	1,418
Total expenditures	7,000	5,582	1,418
Excess (deficiency) of revenues over (under) expenditures	0	(4,209)	(4,209)
Fund balance, January 1	0	7,703	7,703
Fund balance, December 31	$ 0	$ 3,494	$ 3,494

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, 2020

	Final Budget	Actual	Variance
REVENUES			
Charges for services	$ 410,000	$ 521,258	$ 111,258
Total revenues	410,000	521,258	111,258
EXPENDITURES			
Current			
Public Safety			
Personal services	543,644	545,558	(1,914)
Contract services	128,350	97,592	30,758
Materials and supplies	12,500	25,430	(12,930)
Total expenditures	684,494	668,580	15,914
Excess (deficiency) of revenues over (under) expenditures	(274,494)	(147,322)	127,172
Other financing sources (uses)			
Transfers in (out)			
General Fund	274,494	111,540	(162,954)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(35,782)	(35,782)
Fund balance, January 1	0	40,210	40,210
Fund balance, December 31	$ 0	$ 4,428	$ 4,428

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, 2020

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 20,800	$ 17,717	$ (3,083)
Total revenues	20,800	17,717	(3,083)
EXPENDITURES			
Current			
Judicial			
Payments to others	20,800	17,085	3,715
Total expenditures	20,800	17,085	3,715
Excess (deficiency) of revenues over (under) expenditures	0	632	632
Fund balance, January 1	0	23,233	23,233
Fund balance, December 31	$ 0	$ 23,865	$ 23,865

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, 2020

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 20,800	$ 26,386	$ 5,586
Interest	200	192	(8)
Total revenues	21,000	26,578	5,578
EXPENDITURES			
Current			
Public Safety			
Materials and supplies	21,000	60	20,940
Total expenditures	21,000	60	20,940
Excess (deficiency) of revenues over (under) expenditures	0	26,518	26,518
Fund balance, January 1	0	372,913	372,913
Fund balance, December 31	$ 0	$ 399,431	$ 399,431

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, 2020

	Final Budget	Actual	Variance
REVENUES			
Charges for services	$ 13,000	$ 13,599	$ 599
Total revenues	13,000	13,599	599
EXPENDITURES			
Current			
Public Safety			
Materials and supplies	69,000	68,022	978
Total expenditures	69,000	68,022	978
Excess (deficiency) of revenues over (under) expenditures	(56,000)	(54,423)	1,577
Other financing sources (uses)			
Sale of capital assets	56,000	45,500	(10,500)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(8,923)	(8,923)
Fund balance, January 1	0	13,643	13,643
Fund balance, December 31	$ 0	$ 4,720	$ 4,720

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, 2020

	Final Budget	Actual	Variance
REVENUES			
Fines, fees and forfeitures	$ 23,000	$ 20,138	$ (2,862)
Charges for services	95,000	95,522	522
Intergovernmental	1,062,900	1,046,440	(16,460)
Interest	100	67	(33)
Total revenues	1,181,000	1,162,167	(18,833)
EXPENDITURES			
Current			
Judicial			
Contract services	1,158,000	1,163,427	(5,427)
Payments to others	23,000	17,523	5,477
Total expenditures	1,181,000	1,180,950	50
Excess (deficiency) of revenues over (under) expenditures	0	(18,783)	(18,783)
Fund balance, January 1	0	909,158	909,158
Fund balance, December 31	$ 0	$ 890,375	$ 890,375

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, 2020

	Final Budget	Actual	Variance
REVENUES			
Fines and forfeitures	$ 495	$ 0	$ (495)
Interest	5	9	4
Total revenues	500	9	(491)
EXPENDITURES			
Current			
Judicial			
Contract services	0	50	(50)
Materials and supplies	500	0	500
Total expenditures	500	50	450
Excess (deficiency) of revenues over (under) expenditures	0	(41)	(41)
Fund balance, January 1	0	17,154	17,154
Fund balance, December 31	$ 0	$ 17,113	$ 17,113

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, 2020

	Final Budget	Actual	Variance
REVENUES			
Intergovernmental	$ 72,000	$ 81,301	$ 9,301
Contributions	5,000	2,500	(2,500)
Total revenues	77,000	83,801	6,801
EXPENDITURES			
Current			
Public Safety			
Materials and supplies	17,000	16,513	487
Culture and Recreation			
Capital outlay	60,000	59,687	313
Total expenditures	77,000	76,200	800
Excess (deficiency) of revenues over (under) expenditures	0	7,601	7,601
Other financing sources (uses)			
Transfers in (out)			
General Fund	0	(12,601)	(12,601)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources	0	(5,000)	(5,000)
Fund balance, January 1	0	5,000	5,000
Fund balance, December 31	$ 0	$ 0	$ 0

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, 2020

	Final Budget	Actual	Variance
REVENUES			
Hotel/motel taxes	$ 402,000	$ 459,854	$ 57,854
Total revenues	402,000	459,854	57,854
EXPENDITURES			
Current			
Housing and Development			
Payments to others	402,000	401,665	335
Total expenditures	402,000	401,665	335
Excess (deficiency) of revenues over (under) expenditures	0	58,189	58,189
Fund balance, January 1	0	168,969	168,969
Fund balance, December 31	$ 0	$ 227,158	$ 227,158

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, 2020

	Final Budget	Actual	Variance
REVENUE			
Interest	$ 1,530	$ 627	$ (903)
Total revenues	1,530	627	(903)
EXPENDITURES			
Debt Service			
Principal	1,380,000	1,400,000	(20,000)
Interest	85,530	36,027	49,503
Total expenditures	1,465,530	1,436,027	29,503
Excess (deficiency) of revenues over (under) expenditures	(1,464,000)	(1,435,400)	28,600
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	28,600	28,600
Fund balance, January 1	0	938,777	938,777
Fund balance, December 31	$ 0	$ 967,377	$ 967,377

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CUSTODIAL 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 fiduciary capacity.

Tax Commissioner - This fund accounts 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 the collection of court related fees.

UNION COUNTY, GEORGIA
CUSTODIAL FUNDS
STATEMENT OF FIDUCIARY NET POSITION
December 31, 2020

	Tax Commissioner	Sheriff	Clerk of Courts	Probate Court	Magistrate Court	Total Custodial Funds
ASSETS						
Cash and cash equivalents	$ 388,851	$ 21,904	$ 2,412,809	$ 65,538	$ 3,383	$ 2,892,485
Taxes receivable, net	1,703,966	0	0	0	0	1,703,966
Total assets	2,092,817	21,904	2,412,809	65,538	3,383	4,596,451
LIABILITIES						
Due to others	2,092,817	0	283,134	9,653	3,383	2,388,987
NET POSITION						
Restricted for individuals, organizations, and other governments	$ 0	$ 21,904	$ 2,129,675	$ 55,885	$ 0	$ 2,207,464

UNION COUNTY, GEORGIA
CUSTODIAL FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the year ended December 31, 2020

	Tax Commissioner	Sheriff	Clerk of Courts	Probate Court	Magistrate Court	Total Custodial Funds
ADDITIONS						
Taxes collected for other agencies	$ 20,063,213	$ 0	$ 0	$ 0	$ 0	$ 20,063,213
Court fees collected for other agencies	0	0	964,368	400,525	52,498	1,417,391
Court individual cases	0	0	3,051,831	199,466	0	3,251,297
Sheriff inmate account deposits	0	157,997	0	0	0	157,997
Total additions	20,063,213	157,997	4,016,199	599,991	52,498	24,889,898
DEDUCTIONS						
Taxes distributed to other agencies	20,063,213	0	0	0	0	20,063,213
Court fees distributed to other agencies	0	0	964,368	400,525	52,498	1,417,391
Payments to others	0	0	1,215,637	155,141	0	1,370,778
Payments from inmates to others	0	154,350	0	0	0	154,350
Total deductions	20,063,213	154,350	2,180,005	555,666	52,498	23,005,732
Change in net position	0	3,647	1,836,194	44,325	0	1,884,166
Net position, January 1 (original)	0	0	0	0	0	0
Prior period adjustments	0	18,257	293,481	11,560	0	323,298
Net position, January 1 (restated)	0	18,257	293,481	11,560	0	323,298
Net position, December 31	$ 0	$ 21,904	$ 2,129,675	$ 55,885	$ 0	$ 2,207,464

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SINGLE AUDIT SECTION

This section contains reports required by the Uniform Guidance and grantor agencies.

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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, 2020, 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 May 28, 2021. 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 deficiency described in the accompanying schedule of findings and questioned costs as item 2020-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2020-002 to 2020-008 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Union County, Georgia's financial statements are free of 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 in the accompanying schedule of findings and questioned costs. 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

This report is intended 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 over compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Union County, Georgia's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
May 28, 2021

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

Honorable Commissioner
Union County, Georgia

Report on Compliance for Each Major Federal Program

We have audited Union County, Georgia's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Union County, Georgia's major federal programs for the year ended December 31, 2020. Union County, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Union County, Georgia complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Report on Internal Control over Compliance

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

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

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

Purpose of this Report

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

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
May 28, 2021

UNION COUNTY, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended December 31, 2020

Federal Grant/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Number	Expenditures
Department of Agriculture			
Passed through the Georgia Forestry Commission:			
Cooperative Forestry Assistance	10.664	2019	$ 5,000
Forest Service Schools and Roads Cluster:			
Passed through the Georgia Office of State Treasurer:			
Schools and Roads - Grants to States	10.665	FY19	72,313
Soil and Water Conservation	10.902	N/A	12,922
Total Department of Agriculture			90,235
Department of the Interior			
Payments in Lieu of Taxes	15.226	N/A	198,166
Department of Transportation			
Passed through the Georgia Department of Transportation:			
Formula Grants for Rural Areas and Tribal Transit Program	20.509	T006391	20,749
COVID-19 Formula Grants for Rural Areas and Tribal Transit Program	20.509	T006391	61,725
Total Department of Transportation			82,474
Department of the Treasury			
Passed through the Georgia Department of Community Affairs:			
COVID-19 Coronavirus Relief Fund	21.019	10234-CRF	1,249,435
Election Assistance Commission			
Passed through the Georgia Secretary of State:			
2018 HAVA Election Security Grants	90.404	138722	11,283
Department of Health and Human Services			
Passed through the Criminal Justice Coordinating Council:			
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	E19-8-005	31,307
		E20-8-005	4,395
Total Department of Health and Human Services			35,702
Department of Homeland Security			
Passed through the Georgia Emergency Management Agency:			
Emergency Management Performance Grants	97.042	OEM20	13,033
Total Federal Awards			$ 1,680,328

See accompanying notes to the schedule of expenditures of federal awards and the schedule of findings and questioned costs.

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Union County, Georgia, under programs for the federal government for the fiscal year ended December 31, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because this schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. De Minimis Indirect Cost Rate

Union County, Georgia has elected not to use the 10-percent *de minimis* indirect cost rate allowed under the Uniform Guidance.

4. Payments to Subrecipients

For the current year, Union County, Georgia did not pass federal funds through to subrecipients.

1. Summary of the Auditor's Results

A. Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	Yes
Significant deficiencies identified not considered material weaknesses?	Yes
Noncompliance material to financial statements noted?	None reported

B. Federal Awards

Internal control over major programs:	
Material weaknesses identified?	None reported
Significant deficiencies identified not considered material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	None reported
Identification of major programs:	
21.019 COVID-19 Coronavirus Relief Fund	
Dollar threshold used to distinguish Between Type A and Type B programs:	$750,000
Auditee qualified as low-risk auditee?	No

2. Financial Statement Findings and Responses

A. Current Year Audit Findings

2020-001

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.

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.

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

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.

2020-002

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.

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

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

2. Financial Statement Findings and Responses (continued)

A. Current Year Audit Findings (continued)

2020-002, continued

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.

2020-003

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.

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.

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

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.

2020-004

Condition: While performing audit procedures at the Magistrate Court, we noted instances where deposits were not made timely. We noted 7 of 40 (18%) 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.

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

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

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

2. Financial Statement Findings and Responses (continued)

A. Current Year Audit Findings (continued)

2020-004, continued

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.

2020-005

Condition: While performing audit procedures at the Golf Course, we noted instances where deposits were not made timely. We noted 6 of 40 (15%) 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.

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

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

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

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

2020-006

Condition: While performing audit procedures at the Golf Course, we noted a lack of controls over the cash disbursement process. We noted seven checks written with cash as the payee and an employee bonus paid through accounts payable. The employee receiving the bonus also requested and approved the check.

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

Effect: Failure to properly design and implement internal controls over the cash disbursement process exposes the County to a greater risk of loss due to fraud.

Cause: Checks were written with cash as the payee and an employee bonus was paid through accounts payable.

Recommendation: Checks should not be written with cash as the payee. Payroll transactions for employees should not be processed through accounts payable. All checks should have a vendor as the payee.

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

2. Financial Statement Findings and Responses (continued)

B. Prior Year Audit Findings Follow-Ups

None reported

3. Federal Award Findings and Questioned Costs

The audit of our basic financial statements and schedule of expenditures of federal awards disclosed no audit findings or questioned costs which are required to be reported under Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

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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, 2020

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	$ 5,588,523	$ 5,577,117	$ 11,406	$ 5,588,523
Administrative Facilities Upgrades, Improvements, Equipment & Vehicles	1,000,000	1,536,792	1,166,097	370,695	1,536,792
Library Upgrades, Improvements, & Equipment	100,000	100,000	78,956	9,730	88,686
Public Safety Facilities, Vehicles & Equipment	1,000,000	2,736,383	2,032,467	703,916	2,736,383
Roads, Streets & Bridges	6,000,000	6,650,843	4,652,989	1,997,854	6,650,843
Parks and Recreation Upgrades, Improvements, Equipment & Vehicles	3,400,000	6,447,770	3,927,701	2,520,069	6,447,770
Solid Waste Upgrades, Improvements & Equipment	200,000	200,000	138,283	283	138,566
Economic Development Facilities & Land Acquisition	300,000	300,000	27,549	131,086	158,635
City of Blairsville	1,500,000	2,032,777	1,567,153	465,624	2,032,777
Total	$ 19,000,000	$ 25,593,088	$ 19,168,312	$ 6,210,663	$ 25,378,975
Transfers to SPLOST Debt Service Fund for sinking fund requirements				1,464,000	
Interest expenditures in the SPLOST Debt Service Fund				(35,997)	
Expenditures financed by other revenues and transfers from other funds:					
Administrative Facilities Upgrades, Improvements, Equipment & Vehicles				8,659	
Roads, Streets & Bridges				55,000	
Public Safety Facilities, Vehicles & Equipment				516,344	
Parks and Recreation Upgrades, Improvements, Equipment & Vehicles				505,837	
Total SPLOST IV Fund Expenditures and Transfers Out				$ 8,724,506	

UNION COUNTY, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the year ended December 31, 2020

Project	Estimated Cost * Original	Estimated Cost * Current	Expenditures Prior Years	Expenditures Current Year	Expenditures 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	33,390	51,780	85,170
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	$ 33,390	$ 51,780	$ 85,170

* 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.

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